

<b>Institution: University of Bath</b>
<b>Unit of Assessment: 19: Business and Management Studies</b>
<b>Title of case study: Designing Effective Service Recovery Interventions</b>
<p><b>1. Summary of the impact</b></p> <p>Research conducted at the University of Bath has helped in the design and implementation of effective service recovery interventions, leading to improvements in the delivery of public services. The research has addressed an on-going question for changes to service delivery: what can be done by central government when it determines that local government performance is unacceptable? The findings of a detailed empirical study of English and Welsh central government interventions led to a typology of intervention options designed to guide actions based on the type of problem and the improvement capability available. Recommendations from the research have led to improvements in the effectiveness of Welsh Government interventions when local government service delivery is (or is at risk of) failing. The research has established a set of pragmatic operating principles for all Welsh Government interventions with corresponding benefits for policy makers, practitioners, communities and citizens.</p>
<p><b>2. Underpinning research</b></p> <p>The research was conducted by members of the Information, Decisions and Operations (IDO) group at the University of Bath. The IDO team was led by Professor Mike Lewis (at Bath since 2004) and included Dr Nigel Caldwell (Research Officer, then Research Fellow 1998 – 2012); Dr Wendy Philips (Research Officer, then Research Fellow 2001 – 2009); Dr Niall Piercy (Lecturer, then Senior Lecturer 2004 – 2012); and Dr Jens Roerich (Lecturer, since 2011). Three interlinked and diverse research themes were significant in shaping this impact case:</p> <ol style="list-style-type: none"> <li>(1) Research on how organizations in networks respond to failure. Findings from an extended study of safety ‘recalls’ provided a backdrop for the initial framing of the intervention problem (reference 1). This study looked specifically at how automotive firms have to make judgments regarding the severity of failure, liaise with regulators, determine blame, and coordinate all action through their independent dealer networks.</li> <li>(2) Research that examined how public and private sector organizations responded to disruptive change/ innovation in their external networks (reference 2). This study explored the constraints and enablers of the process of innovation within the context of UK health care supply networks. A multi-level analytical framework was developed that directly influenced the conceptualisation of the relationship between central and local government.</li> <li>(3) Research that sought the most effective governance mix for coordinating complex supply relationships. This research advocated a longitudinal perspective on governance based on engaging with the before, during and after conditions associated with intervention; as well as acknowledging that the mix of effective inter-organizational governance is likely to vary over project lifecycles (reference 3). This research, which grew out of the EPSRC Knowledge and Through-Life Information Management Grand Challenge (2006-2009), highlighted how formal and informal mechanisms come together to deliver complex outcomes that satisfy multiple stakeholders.</li> </ol> <p>The insights generated from the above themes were applied and further developed in a research project funded by the Welsh Government that sought to improve the effectiveness of central government interventions when local government service delivery was (or was at risk of) failing. The impetus for the research arose from recognition that the Welsh Government’s intervention and support arrangements to date had been ad-hoc and that insufficient attention had been paid to lessons learned. With a view to making significant changes in the operating principles that guide both policy and practice, Bath researchers studied the context, starting points, key processes and eventual outcomes of a series of support/ intervention arrangements coordinated by the Welsh Government. Several high-profile English interventions were also studied as part of the work. The</p>

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three researchers (Lewis, Piercy and Phillips) carried out the primary data collection work. They codified and analysed the support and intervention experiences of seven Welsh local authorities. 75 interviews were conducted with 63 people between October 2006 and March 2007. A formal report was produced and made available via the Welsh Government website (source 1) both analysing the primary data and providing pragmatic recommendations for future practice.

The research report for the Welsh Government made a number of general recommendations that were subsequently embedded in specific policy documents relating to support and intervention (see section 4 – Details of the Impact). Key amongst these recommendations was a challenge to the conventional policy wisdom that there was a 'ladder of intervention' (the assumption that intervention/ support should start as a 'light touch' and become increasingly direct or 'serious'). The research disputed this perspective by concluding that in some circumstances it can be better to start with 'serious' options and in other circumstances (e.g. where an already heavily depleted Social Services department faces the risk of losing even more of its key staff) 'light touch' options may be more appropriate despite the seriousness of the issue. The research highlighted the potential of a number of improvement techniques (reference 5) and gave rise to the development of a typology of intervention options (reference 4) contingent on both the type of problem (e.g. corporate or service-specific) and the improvement capability available (locally, regionally or nationally). For example, in those circumstances where there was both poor service performance and a lack of local improvement capability, it was concluded that the Welsh Government should consider a top-down framework to guide improvement action - an intervention mode designated as "Director". The research made a series of recommendations for coordinating a range of different intervention modes – Director, Curator, Facilitator and Trainer.

**3. References to the research**

1. Bates, H., Holweg, M., Lewis, M. and Oliver, N. (2007) Motor Vehicle Recalls: Trends, Patterns and Emerging Issues, *Omega*, 32/2: 201-220. DOI: 10.1016/j.omega.2005.05.006
2. Phillips, W., Johnsen, T.E., Caldwell, N. and Lewis, M. (2006) Investigating Innovation in Complex Healthcare Supply Networks: An Initial Conceptual Framework. *Health Services Management Research*, 19/3: 1-11. DOI: 10.1258/095148406777888099
3. Zheng, J., Roehrich, J. and Lewis, M. (2008) The dynamics of contractual and relational governance: Evidence from long-term public-private procurement arrangements, *Journal of Purchasing and Supply Management*, 14/1: 43-54. DOI: 10.1016/j.pursup.2008.01.004
4. Lewis, M, Piercy, N., Phillips, W. and Palmer, J. (2013) Towards a model of the intervention process. *Policy & Politics*, online/ in press. DOI: 10.1332/030557312X655927
5. Piercy, N., Phillips, W. and Lewis, M. (2012). Change management in the public sector: The use of cross-functional teams. *Production Planning and Control*, 24, 10-11 DOI: 10.1080/09537287.2012.666913.

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Professor Michael Lewis (PI), 'Codifying local government support and intervention'. Research conducted for the National Assembly for Wales (Cynulliad Cenedlaethol Cymru). 166/2006, £75,000.

**4. Details of the impact**

This research has challenged conventional policy wisdom on service recovery interventions and has subsequently informed public services improvement. The research has had wide reach within the context of national and local government in Wales: on Welsh Government policy; on stakeholders in all subsequent interventions (councillors, officers, managers and staff); and correspondingly on the communities and citizens who benefit from (often dramatically) improved service performance. The research is significant because it has helped to inform changes in the Welsh Government's policy and practice on service recovery interventions (sources 1, 2 and 3). The Welsh Government has officially acknowledged the benefits of the University of Bath research (source 4). The details of these benefits are as follows:

The conclusions in the research report directly influenced those Ministers and officials tasked with drafting a framework for the Welsh Government, the Welsh Local Government Association, the Wales Audit Office, Care and Social Services Inspectorate Wales and the Education Inspectorate regarding local government support 'to secure improvement in the delivery of services for the benefit of the community and citizens'. The impact of the Bath research is evident from: (1) the text of the framework for improvement (paragraphs 6-8, p.2) that provides explicit definitions of support and intervention, after the research had stressed the need for greater terminological clarity ('currently our use of language in this area is confusing and problematic' – source 2, p.59) and (2) the elements in the framework for improvement that came directly from the Bath research conclusions. Examples of these include:

- The Bath research concluded that there should be no assumption of a ladder of intervention: the most serious concerns may require the lightest regulatory touch. Correspondingly, the Welsh Government's policy statement (source 2, p.59) details that 'there is no real evidence to support the idea of a ladder of support and intervention, i.e. that more serious problems merit deeper and longer lasting intervention'. Similarly, principle 2 of the revised intervention policy framework (source 3, p.3 paragraphs 16-18) concludes that there should be 'no automatic ladder/ratchet of Intervention'.
- The Bath research concluded that all modes of support and intervention would benefit from the greater clarity offered by a quasi-contract with questions of when and how to exit these arrangements integral to all planning. Correspondingly, the Welsh Government's policy statement (source 2, p.59) details that 'the duration of the intervention should be as short as possible – with a clear strategy for exit'. Similarly, principle 4 of the revised intervention policy framework (source 3, p.5 paragraphs 29-31) proposes that support and/or intervention should be structured into programmes of activity and be established with clear start and exit mechanisms.
- The Bath research concluded that increased transparency of all-party feedback would increase the legitimacy of any intervention and would help to formalize subsequent lessons learned. Correspondingly, principle 5 of the revised intervention policy framework (source 3, p.6 paragraphs 32-24) states, 'a formal case review and evaluation should be undertaken by an external party at the end of each intervention'.

The work was well received by key policy stakeholders (source 4) who praised both the rigour and practical relevance the team brought to sensitive interactions. For example: 'The Bath Research as the Minister has come to call it ... has had a profound effect on the way we think about support and intervention' and 'this has been a really excellent experience and has strengthened my feeling that real time research and policy making can go hand in hand' (Director of Local Government Research Unit, source 4).

Following the influence of the Bath research on Welsh Government policy, subsequent central-local government interventions show evidence of changed practice in line with the research findings. For example, in August 2009, the Minister for Social Justice and Local Government used his powers to order an intervention with the Isle of Anglesey County Council. This followed an independent evaluation of council performance by the Wales Audit Office (WAO), in line with the Bath research recommendation that a robust and transparent comprehensive performance evaluation would increase the legitimacy of any intervention. The WAO had judged Anglesey's corporate performance to be very poor ('weak', 'corrosive', 'wasteful') and concluded that there was no meaningful local improvement capability ('poorly placed ... to secure continuous improvement'); a set of circumstances that the Bath research categorized as requiring a *direct* intervention. The Minister established an independent Isle of Anglesey Recovery Board to oversee the implementations of the recommendations in the WAO Report. Similarly, in line with the recommendation to formalize lessons learned, all subsequent interventions have been subject to formal evaluation by third parties. For example, BMG research commissioned by the Welsh Government to evaluate the Denbighshire Education Intervention makes explicit reference to these findings from the Bath research in their report (source 5, p.42). The University of Bath has also been commissioned to evaluate interventions (December 2009 and March 2011) in Swansea Children's Social Services (source 6) in line with these recommendations.

Finally, Welsh Government experience and policy regarding interventions, directly informed by the Bath research findings, continue to shape and influence broader policy debates regarding performance assessment and intervention in a number of UK wide policy discussions (source 7).

#### **5. Sources to corroborate the impact**

1. 'Codifying local government support and intervention', Final Report of Research conducted for the Welsh Assembly Government (Llywodraeth Cynulliad Cymru).  
(<http://new.wales.gov.uk/topics/localgovernment/publications/supportandinterventioninlg/?lang=en>)
2. A Shared Responsibility - Local Government's contribution to improving people's lives - A Policy Statement from the Welsh Assembly Government:  
(<http://new.wales.gov.uk/topics/localgovernment/publications/sharedresponsibility/?lang=en>)
3. Draft Protocol On The Provision Of Local Government Support, The Undertaking Of Intervention And The Exercise Of Powers Of Direction Under The Local Government Act 1999.
4. Director of Local Government Research Unit, the official letter of thanks from the Welsh Assembly Government.
5. Evaluation of the Effectiveness of the Denbighshire Independent Education Recovery Board, final Report, BMG Research Social Services division, Welsh Assembly Government, 2010
6. The Swansea Children's Services Intervention Board: strengths, challenges and lessons for the future, Evaluation Study for the Welsh Government, University of Bath Research Report for the Welsh Government, June-July 2011.
7. Presentations by the Director of Local Government Research for the Welsh government at ESRC and the Forum of Federations funded Roundtable events on 'Changing Approaches to Performance Assessment' held at Cardiff Business School (29.1.2013) and Local government house, London (27.6.2013) (<https://knowledgehub.local.gov.uk>).