



Lancaster University
MANAGEMENT SCHOOL

Lancaster University Management School
Working Paper
2005/006

**Modernisation and the joining-up of local government
services in the UK: Boundaries, knowledge & technology**

Brian Bloomfield and Niall Hayes

The Department of Organisation, Work and Technology
Lancaster University Management School
Lancaster LA1 4YX
UK

© Brian Bloomfield and Niall Hayes
All rights reserved. Short sections of text, not to exceed
two paragraphs, may be quoted without explicit permission,
provided that full acknowledgement is given.

The LUMS Working Papers series can be accessed at <http://www.lums.lancs.ac.uk/publications/>
LUMS home page: <http://www.lums.lancs.ac.uk/>

Modernisation and the *Joining-Up* of Local Government Services in the UK: Boundaries, Knowledge & Technology

Brian P. Bloomfield & Niall Hayes

Centre for the Study of Technology & Organisation
Department of Organisation, Work & Technology
Lancaster University Management School
Lancaster LA1 4YX, UK

brian.bloomfield@lancaster.ac.uk

n.hayes@lancaster.ac.uk

Paper presented at the Workshop on *Information, Knowledge and Management: Re-assessing the role of ICTs in public and private organizations*, Superior School of Public Administration, Bologna, 3-5 March 2004.

Introduction

Following its election in 1997 the New Labour government ushered in a programme of avowedly radical change for the public sector. In a word, *modernisation* became the order of the day both in the provision (production) and experience (consumption) of public services.¹ Having modernised itself, the Labour Party sought to reshape the ways in which public services are thought about, planned, and delivered.² For instance, a move toward *joined-up* electronic government (e-government) – with an emphasis on the electronic delivery of services - was set out in a plethora of policy documents affecting both central and local government alike (e.g.OeE, 2000);³ while in the health service *The NHS Plan* (Secretary of State for Health, 2000) set out a blueprint for the future in which significant investment in resources were to be matched by far reaching institutional changes in how services were delivered. Ambitious targets for the realisation of e-government have been broadcast with 2005 set as the date by which 100% of government services ought to be online. While the provision of websites providing citizen-focussed information might appear fairly mundane the more radical aspects of e-government – and in particular the touchstone of *joining up* services - present a significant challenge to local councils, with skill shortages and financial constraints among some of the barriers, not to mention initiative fatigue due to the unremitting plethora of new programmes and edicts streaming from central government (Cowell & Martin, 2003).

Modernisation is not a state as such, rather it is perhaps more usefully considered as a process. It is a teleological endeavour, a move out of one extant state toward a future when government and public services will be modernised but for which only an outline can be sketched. New technology is patently a definitive component of the delivery of electronically mediated government services (e-services) and is also accorded a central role in the modernisation of the NHS. In each domain there is to be a focus around the individual citizen/patient with services built around them, a drive

¹ As Fairclough (2000: 19) notes, most often with New Labour modernisation is deployed in relation to specific domains such as health, the welfare state or schools, but sometimes is used as a term alone – modernisation as such.

² Though this is not to suggest that New Labour started from scratch. Indeed, various moves toward e-government had been discernible within the political landscape for some time.

³ OeE – Office of the e-Envoy which is part of the Cabinet Office.

for the efficient use of resources, and various mechanisms of performance monitoring (e.g. league tables for local government and hospital trusts) which depend on significant efforts in information gathering.⁴ Instead of a maze of inaccessible institutions and services, for advocates of e-government the hope is that technology will bring transparency and accessibility (e.g. Cabinet Office, 1999b; 2000; Silcock, 2001). In short, the emplacement of new technology can be seen as a condition of the administrative, managerial, organisational and cultural changes that are to be conducted in the name of modernisation. Nevertheless, electronic mediation in the context of public services is associated with a host of risks and opportunities that need careful consideration and scrutiny (e.g. National Audit Office, 2002).

The discourse on modernisation carries with it a strong (moral) sense of purpose. As Harrison (2002: 466) contends, it is “a convenient term which both implies and justifies progress: after all, who would wish our public services to be ancient?” Moreover, if the technological means for effecting the transition to a modernised condition are already at hand then there is a strong imperative to deploy them (Bauman, 1991). Discursively, the construction of a better future for public services is achieved in part by an undermining of the past.⁵ For example, the White Paper on *Modernising Government* (Cabinet Office, 1999) explicitly counterpoises ICT-enabled joined-up service delivery (within and between the departments of state and local government) to conventional (and by implication outdated) modes of organisation centred on systems and structures, units, tasks or titles. And elsewhere, while the founding principles of the NHS are reaffirmed the ways in which it has been organised over the past 60 years are not: “For the Government the ideal of the NHS, the way it is funded, remains good today... [however] ... the NHS is a 1940s system operating in a twenty first century world” (Secretary of State, 2000: 15). In other words, the shortcomings of the NHS are located in an outmoded, outdated system and

⁴ Regarding the modernisation of local government, the government introduced a ‘citizen first’ ethos and developed four guiding principles of e-government: building services around citizens’ choices, making government and its services more accessible, social inclusion, and using information better (OeE, 2000).

⁵ For an analysis of the role of narrative within the modernisation project of a local authority see: Llewellyn (2001); and for a discussion of narratives in the context of technology and e-commerce see: Knights et al (2002).

so new investment is predicated on modernisation, a move out of the past and into the future.

Modernisation – old wine in new bottles?

New Labour did not create modernisation ab initio: rather, it took up already existing government interest in new information and communications technologies (ICTs), developed under the auspices of the previous administration, but added a strong emphasis on e-business and e-commerce (Bellamy, 2002; Cabinet Office, 2000: 5). Moreover, local government had a chequered history of reforms stretching back decades (Cole & Fenwick, 2003; Cowell & Martin, 2003). Thus departmentalism – the protection of local (often professional) boundaries and interests⁶ vis-à-vis the corporate agenda or the interests of the public – had previously been the object of a number of reforms aimed at its amelioration if not eradication. With the arrival of e-government departmentalism became associated with the notion of ‘information silos’ or “silo culture” (Cole & Fenwick, 2003: 260), places where information was inert - thereby creating inefficiency and contributing to the lack of a citizen focus in public services. Joining up would necessitate changes in structures and ways of working and ICTs would be a crucial enabling instrument in bringing them about.

There is much more to modernisation than ICTs however. For example, the regime of compulsive competitive tendering imposed on local council services gave way to the policy of *best value*; initiatives on new executive structures, community governance, and new arrangements for accountability and transparency were also introduced (Cole & Fenwick, 2003; Gane, 2002; Pratchett., 2002). There was also a new (for the Labour Party at least) emphasis on a mixed (public and private) economy of service provision backed up by the ideas associated with the so-called *Third Way* – offered as an innovative path through the Scylla and Charybdis of British political life: that is between the hitherto unmovable ideological categories of left and right, public and private.

⁶ Concern about this ethos is also expressed about Whitehall – e.g. in a 2000 report by the Performance and Innovation Unit.

Ironically, far from furthering the move toward joined up government these various developments were not necessarily seen as a coherent set of activities by local authorities and various tensions and contradictions soon became evident in the modernisation endeavour. For example, Cowell and Martin (2003) point to some of the various antithetical dimensions of modernisation: strategic versus operational, horizontal versus vertical, and intra- versus inter-organisational. Not surprisingly then, preliminary surveys within and between councils concerning perceptions of modernisation indicate some diversity of interpretation: for example, from being seen as issue led to something centred on channels of communication; from the provision of seamless services to a set of specific objectives (Cowell & Martin, 2003: 171). From the perspective of Science and Technology Studies (STS) such a divergence in interpretation – interpretative flexibility (Bijker, 1992) - would be expected. Ideas and innovations tend not to diffuse but rather become *translated* as they pass from hand to hand, agency to agency, and become enacted and put into place.

It is evident that the emergence of New Labour and its modernising agenda present a complex array of issues that cut across a number of disciplines - attracting the attention of political theorists, sociologists, political geographers, researchers in public administration and in management, and others. For example, organization theorists have addressed some of the features and implications of modernisation in relation to extant models of markets, hierarchy and bureaucracy (e.g. Grimshaw, Vincent & Willmott, 2002), or theories of the labour process and the professions (e.g. Flynn, 2002; Harrison, 2002). In a sense the discourse on modernisation presents a challenge to organisation theory insofar as it both promotes and presumes the efficacy of a novel form of organisational design that cuts across many of the well known tensions and dualisms that tend to shape so much of the thinking and debate in the area (e.g. bureaucracy versus flattened hierarchy; public versus private *etc.*). In particular it resonates with the more general theme promoting networked, electronically mediated or virtual organisational forms at the expense of the (seemingly outmoded) bureaucratic form of organisation (see: Bloomfield & Vurdubakis, 1999; Hedberg *et al*, 1994; du Gay, 2000; Knights *et al* 2002; Reed & Hughes, 1992; Woolgar, 2002). But against this we might contend that within novel forms of organisation and new patterns of working one finds well known and (still) significant features of organisational life – in particular organisational politics, power,

professional boundaries and knowledge etc. (*e.g.* Bloomfield et al, 1997; Hayes & Walsham, 2001; Introna, 2001). Thus we might argue that within the novel resides the familiar, *discontinuity* goes hand-in-hand with *continuity*.

This paper takes the gestation of New Labour and the modernisation agenda as given and explores its *translation* within local government. In particular we take as our substantive focus the technologically mediated processes of knowledge production that attend some of the specific changes and initiatives associated with modernisation and we consider the influence of private sector organizations in the articulation of the requisite business knowledge/techniques (specifically process re-engineering and customer relationship management) in both envisioning and efforts to realize the e-government agenda. Pertinent issues here include the renegotiation of inter-professional, inter-departmental, and inter-organisational boundaries; problems of ownership in multi-agency networked environments; adaptation, resistance, and ‘workarounds’ that tend to characterise all innovations, whether organisational or technological, and so on

The rest of the paper is divided into four sections and a conclusion. In the next section we focus on the relationship between public and private, between the knowledge, skills and financial deficits of local government vis-à-vis modernisation and the attractions of the private sector in meeting them. This paves the way, in the following two sections, for a consideration of transformational change in relation to business process re-engineering and customer relationship management which provide the means of turning the vision of modernisation into detailed organisational redesigns. The fourth section then provides a further discussion of the issues raised.

The Role of the Private Sector

“With the help of the big IT vendors, governments are realising that by applying the same principles and technologies that are fuelling the e-business revolution, they can achieve a similar transformation. The result: the emergence of e-Government.” (Silcock, 2001: 88)

The pursuit of individual modernisation projects, and their translation *in situ*, involves the complex mobilisation of many heterogeneous actors and materials. In particular these projects draw upon the expertise of commercial organisations such as

consultants and IT providers, with the private sector seen to offer the sort of preferred business knowledge/know-how, drive and innovation that are (allegedly) markedly lacking in the public sector. Indeed a survey by the Audit Commission (2002: 16) - *Councils and e-Government - Research so far* - highlighted how 40% of chief executives and e-champions indicated that the diversity of e-government meant that they did not have sufficient competence to undertake such initiatives without private sector involvement. The specific areas of weakness in skills included, ICT (30%), change management (20%) and business process re-engineering (17%).⁷ While a study by Cornford et al (2003) found that 84% of council officers who responded to their survey felt they lacked the required depth of skills in change management/process re-engineering. A consequence of these deficits in know-how in the areas of ICT, change management and BPR, has been that private sector organisations have come to contribute to the determination of the specifications and delivery of individual modernising projects. Councils' deployment of private (consulting) expertise is far from new but in the past such engagements have typically been rather smaller in scope when compared to the ambitions of modernisation. In fact in some cases the divide between the public sector and private sector has started to become blurred. For example, in some localities public and private sector organisations jointly own and manage what have traditionally been public sector activities. Most notable in this regard has been the establishment of the joint venture between Liverpool City Council and British Telecom (BT) launched in 2001. Only 19.9% of Liverpool Direct Ltd (name of the joint venture) is owned by the City Council, with the remaining 80.1% being owned by BT (4P's Public Private Partnership Programme, 2001a). BT's business plan is that their investment will be recouped and profit gained as costs are reduced in providing services in Liverpool. In essence, the further these costs are reduced, the greater the revenue BT might generate. Further to the accrual of profits to BT, it is also intended that the cost savings result in a reduction in council tax bills for Liverpool citizens. It is reported that this has indeed been the case in the first two years, with council tax bills reduced by 3% (BT Global Services, 2003b).

⁷ Based on a survey conducted by MORI on behalf of the Audit Commission. This was derived from 179 council officers when asked what they consider to be the significant barriers to e-government in their authority (excluding financial barriers).

The opportunity to address the skills gap in Liverpool City Council was amongst the main advantages cited for BT's involvement in the council's modernising project. More specifically, BT was reported to have been chosen to partner Liverpool City Council due to its expertise in terms of technological services such as call centre management, e-business, procurement, intra- and extranet facilities, as well as emerging technological developments such as broadband, digital TV, and smart cards; not to mention the provision of "change management and reengineering expertise" that were also seen as crucial to BT's selection (BT Global Services, 2003b; 4P's Public Private Partnership Programme, 2001a). But in addition to expertise in technology, re-engineering and other management approaches that it could tap into, the council's eagerness to engage in such a joint venture also reflected the high level of investment that BT would make in transforming service provision in Liverpool. BT invested some £30m in the city over the first two years, with a further £30m to be invested over the remaining 9 years of the contract (BT Global Services, 2003a). Such private investments in the local government sphere are unprecedented in the UK context.

In 2001 Middlesbrough Council entered into a similar Public Private Partnership with Hyder Business Services for a ten year period. Hyder Business Services invested £25 million to establish a contact centre, and a number of one-stop shops. As with Liverpool, this required the re-engineering of the back office in areas such as property management, energy management, human resources, finance, procurement, and marketing (Middlesbrough, 2000). As with Liverpool and BT, Middlesbrough claim that as well as the significant investment Hyder provide, their expertise in "the ICT infrastructure and business process re-engineering of major services" were also attractive (Middlesbrough, 2002). A similar formulae and rationale is evident in Hyder's partnership with Lincolnshire County Council (4P's Public Private Partnership Programme, 2001b).

In addition to, and as a consequence of, the blurring of boundaries with regard to ownership, the delineation in terms of those staff actually providing the public sector services is similarly hazy. Workers in Liverpool Direct, for instance, are seconded

from both the City Council and BT and work alongside each other.⁸ In 2002, 750 people were seconded to Liverpool Direct from both BT and the Council, resulting in private sector and public sector staff working side by side in delivering local authority services. Consequently, it is not clear whether the person answering the phone and dealing with requests works for the local authority or for a private sector company.

Though it is not clear what the exact number of public/private joint ventures and partnerships is, reports indicate that several local authorities have explored such joint ventures but have withdrawn prior to the signing of contracts with a private sector organisation (Rogers, 2001a; Communicate, 2002). For example in 2001 Kent County Council pulled out of a prospective partnership with Hyder Business Services after ten months of negotiation, preferring instead to devise, manage and finance their modernising project themselves (Rogers, 2001a). Among their concerns was that Hyder planned to locate the citizen contact centre in South Wales (Gould, 2001). They have subsequently introduced their own contact centre, and contracted out the provision of an integrated e-business suite to a private sector organisation (Communicate, 2002). Similarly, Newcastle City Council also withdrew from a proposed joint venture, deciding instead to undertake the project themselves with occasional external consulting support as and when required. Though it is not clear why they withdrew, staff in Newcastle went on strike due to the proposed transfer of staff to their private sector partner (Rogers, 2001b).

The service provision role of local authorities themselves is changing to mirror many of the entrepreneurial activities of their commercial partners and outsourcers, and as such this further extends the process of identity change that is becoming manifest in (at least some areas) of local government. For example, several local authorities are trying to market their expertise and services to other local councils. Thus Liverpool City Council plan to sell on their expertise in the form of call centre services (selling seats) and to market their intellectual capital in the form of consulting services. It has established a company called NewCo (funded by BT), which is described in *Kablenet.com* (29th July 2002) as being “the first in the UK to use a council’s expertise and technology to offer consultancy, products and services to other councils

⁸ The former council staff retain the same pay and conditions as before.

and private companies.” Liverpool City Council set the precedent when it ran a help line for Sheffield citizens to call if they had any questions about the pilot of electronic voting there in the local elections in May 2002. They plan to offer other local authorities the possibility for NewCo to run some of their council services for them through the Liverpool contact centre. In relation to consulting services, they intend to offer the experience and expertise gained from developing and running Liverpool Direct to both public and private sector organisations. Apparently Liverpool residents will benefit from this enterprise due to the expected revenue generated and the (estimated) creation of hundreds of jobs. Another example is that of Salford City Council, which is now providing consulting services in the form of selling on its proprietary Business Process Re-engineering (BPR) methodology and toolkit to other public sector agencies (Salford, 2004). BPR in fact has become a pervasive feature of the mechanics of local government modernisation, as we shall elaborate next.

Process Re-engineering

Technological change and organisational change are indissolubly linked, each circumscribes the other in the onward march of modernisation. Accordingly, the vision of new ways of operating government and delivering public services in the quest for modernisation calls not only for the deployment of ICTs but also new techniques and methodologies through which the steps along the way to organisational transformation can be planned. The transformation projects of e-government modernisation can be seen to involve knowledge both as the object and the subject of activity: as object, existing organisational practices in the public sector are studied, typically, as we have argued, by private sector consultants, so they may acquire, distil, standardize, and codify what is deemed essential for the delivery of efficient citizen-centred services; as the subject insofar as these endeavours are operationalised through the proprietary business methodologies and techniques of business change, including process re-engineering and modelling. Thus the work of (re-)modelling, the (re-)inscribing of organisation practice (whether on paper or within some computer modelling package) comes prior to efforts to make situated practice conform to it. In short, the vision of modernisation requires the (re-)organisation of the ways of looking at the existing service provision on the part of

those within local government who are charged with bringing it about (Bloomfield & Vurdubakis, 1997).

This new way of seeing the organisation and how it must be transformed is where business process re-engineering in particular is seen to play a significant role. Bellamy (2002), for example, comments that business process re-engineering had an important influence on the development of e-government thinking during the 1990s. During that period BPR proved a justifiably controversial topic, in industry and academia if perhaps not in government. Bellamy and Taylor (1998) refer to some of the familiar themes in the critical literature on BPR – for example regarding the technicist orientation, the desire to erase organisational politics, and the hierarchical assumptions regarding the capacity to drive the approach through.⁹ It is interesting then that what came to be widely regarded as yet another management fad (not only among critical management researchers but sections of business too) nonetheless took on the mantle of an almost mundane practice in business planning. While management consultants changed their shop windows to advertise skills in network organisations, downsizing, e-commerce, knowledge management, and customer and relationship management (CRM) etc., the spotlight shifted away from BPR but some of the ideas behind it remained. Leaving aside the questionable assumptions and the excesses of the managerial and technicist rhetoric, BPR's transition to business design tool is all the more remarkable given the sparsity of evidence that it ever worked as such, achieved lasting success or, for that matter, was ever carried out according to the recipes of its leading prophets.

Despite this questionable pedigree even a casual perusal of documents pertaining to e-government and the work facing local councils such as Liverpool or Salford is proof that BPR has come to play a powerful role in strategies and plans for achieving e-government (e.g. Cabinet Office, 2000; National Audit Office, 2002). More specifically, the transition from the old bureaucratic structures and departmentalised provision of services to the citizen centred design is the object of a modelling exercise in which old ways of doing things yield to a new configuration of business processes

⁹ See the special issue on BPR, *New Technology, Work & Employment*, Vol. 10(2), 1995.

which are expected to be citizen focussed, as well as 'leaner' and more efficient.¹⁰ From a national level, the Audit Commission (2001: 16) highlights four types of change: ranging from operational gains (minor change), incremental change, and evolutionary learning through to step-change (transformation). The Commission state that "Incremental change is not sufficient to meet public and political expectations" and instead argue that a step-change is required when there is a need for much better performance in an environment of continuing uncertainty (2001: 16). Indeed, BPR, the methodology closely associated with transformation, is central to the Audit Commission framework. Further to this, the government published a consultation paper (ODPM, 2003) that highlights what authorities should consider when developing their own local e-government projects. This framework stipulates the key criteria on which local authorities are required to report on annually when documenting their progress and plans for the future. As is highlighted in Figure (1), the consultation paper lists business process re-engineering, along with leadership, change management and project management, as being the key components of organisational development. The document warns that it is important to recognise that "Preparing the organisation for fundamental change, re-engineering core business processes, creating integrated databases and the capacity to manage information corporately, are all just as important in implementing the higher profile web sites, contact centres and one-stop shops." (ODPM, 2003: 21). In other words, the highly visible features of modernisation (manifest in the form of new communication channels and interfaces between local government and citizens) rely for their success on the less visible and more mundane practices of putting e-government into place. As such BPR is a required feature of all local authority returns to central government that report on their progress toward modernisation.

The predominance of business process re-engineering reflects the increasing influence of the private sector within government thinking – e.g. through public-private partnerships, secondments, consultancy services *etc.* BPR led transformation is also influenced greatly by the targets governments are setting local authorities. For example, though the government has made money available to assist those local

¹⁰ For instance, the National Audit Office (2002: 3) reports that: "Private sector experience suggest that it is not unrealistic to expect efficiency savings of up to 10 per cent in an organisation's total running

authorities undertaking e-government initiatives, they require the majority of the investment to come from within the local authority; through partnering with other public sector organisations; or through investment arising from public-private partnerships. Further, a consultation paper (ODPM, 2003: 57) highlights how central government requires that mainstream service budgets pay “at least in part” for the developments in electronic government. The opportunities for cost savings and future reinvestment are seen as being “delivered by streamlining and automating core business processes, by reducing the repeated processing of the same data, and by delivering more targeted, faster and more accurate service outcomes.” It would appear that this is unlikely to change significantly after 2005 which is the government set the target for all English local authorities to provide 100% of their services through electronic delivery channels (ODPM, 2003).

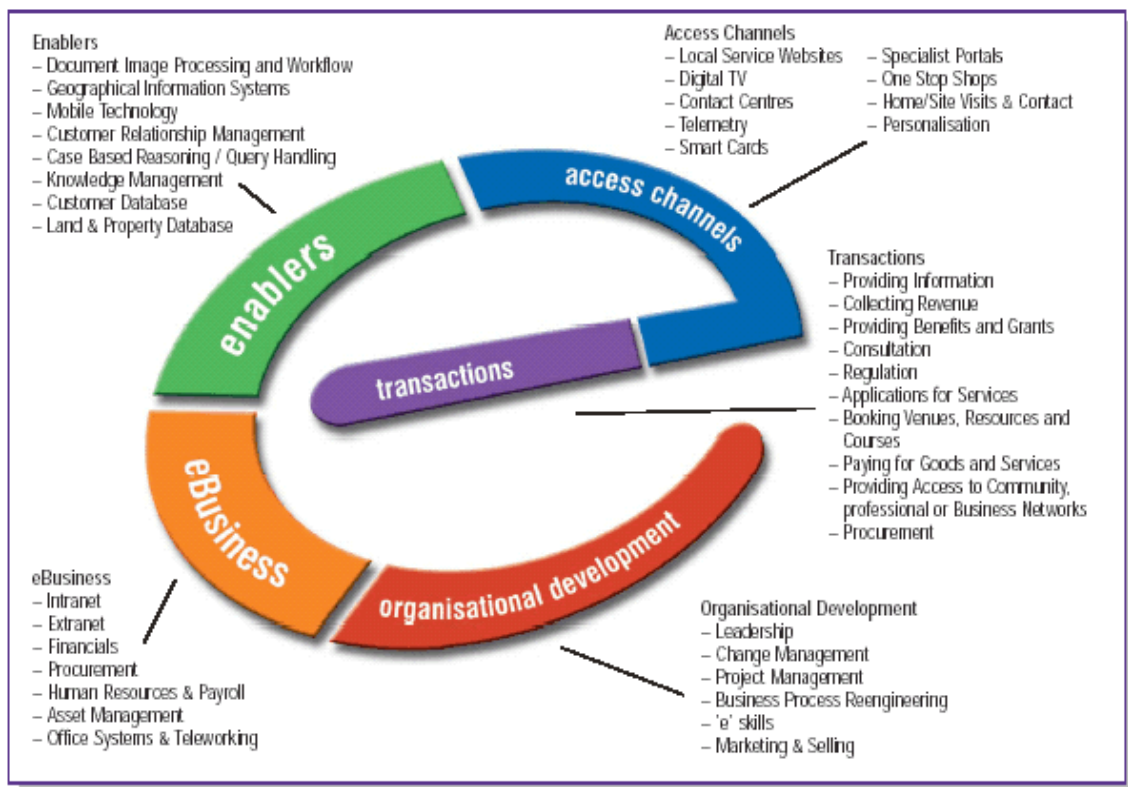


Figure (1) Local e-organisation (ODPM, 2003: 21)

costs from converting to IT applications and from the associated re-engineering of existing methods of working.”

Thus aside from the guidance issued by central government and other national bodies such as the Audit Commission, there are a number of reasons for the centrality of BPR in specific modernisation projects. Indeed, Cornford *et al* (2003) found that “virtually all authorities now stress that e-government also requires a re-configuration or ‘re-engineering’ of business processes (the flow of tasks required to provide services to citizens and businesses or to support democratic participation).” They highlight how process improvements are the focus of most e-government initiatives, as they are seen to assist in tasks being undertaken more rapidly; undertaken at lower costs; or improve the quality of output by reducing mistakes and errors recurring (Cornford *et al*, 2003).¹¹ Further, they also claim that BPR not only allows for radical change, but that it is also customer-centric - which of course is one of the central tenets of modernisation. It sets out to analyse, record and critique current practices, starting at the end (the citizen) and working backwards to the transactions that are required.

In 2001, the government awarded pathfinder status to over 100 local authorities in 25 project areas; including pathfinders in the areas of digital television, the internet and smart cards; and BPR (Local Government Online, 2003). Most of these areas are encapsulated in figure (1). Salford City Council was awarded pathfinder status in BPR. This required them to not only to facilitate other local authorities’ change programmes, but also to develop specific business process re-engineering tool-kits (Salford, 2002a). The latter included checklists for what should be included in a BPR exercise, as well as credit scoring charts for prioritising candidate services for re-engineering. Table (1) highlights some of Salford’s criteria for assessing what it terms the priority of candidate services for re-engineering and e-enablement:

- Services which represent high preference by the public
- Services which are predominantly customer facing (information giving, receiving and problem resolution)
- Services which are capable of clear definition, have potential for ‘routinisation’ without significant dependence on back office function
- Services which would deliver significant cost reductions or increase income

¹¹ See also: Painter *et al* (2003).

- Services that are capable of relating with similar services from other business areas

Table (1) Criteria for Assessing Priority of Candidate Services for Re-Engineering and E-Enablement (Salford, 2002b)

In Salford itself the council identified what were termed to be 1174 transactions that required e-enabling (tasks automated or supported through ICT) and has prioritised a programme of work that will take it through to the end of December 2005. This is centred on nine customer focussed activities such as collecting revenue, providing benefits, regulation, and procurement *etc.* (Salford, 2002b). Liverpool also went through a considerable re-engineering exercise, but instead of undertaking the BPR analysis itself, relied on BT consultants and their proprietary re-engineering methodology to identify the processes to be re-engineered and automated. As with Salford, they identified and challenged all the business processes across the council in order to decide what should be re-engineered (Liverpool IEG, 2002).

Citizens First: the Role of CRM

The focus on the individual citizen necessitates fundamental change to long-established functional and professional boundaries. For instance, efforts to *join-up* local government services through technology cut across departmental and professional boundaries, such as health, housing and social services: the so-called ‘information silos’. The customer-centric model of change seeks to free up information from the silos, and in so doing eradicate the resulting inefficiencies. Thus, the re-engineering of the back-office through process modelling and standardization appeals simultaneously to the modernisation programme’s call for efficiency savings and the joining up of the dysfunctional silos.

As highlighted in Figure (1), a range of technologies are suggested to be appropriate for e-government projects. From a review of a range of established initiatives it is evident that in addition to the Internet the other main application used in modernising projects are customer and relationship management systems (CRM). CRM initiatives typically consist of a contact centre that “brings together diverse local authority services and delivers them from a single point providing one-stop service to the

customer” (Salford, 2002c). Further, in principle they provide the possibility to integrate data across all the entire different local authority departments. As the pathfinder report from Salford (2002c: 3) states, “CRM enables better reporting, tracking and accountability across an organisation. It enables the organisation to be more responsive to customer enquiries by providing: Instant, up-to-date information on the progress of a given service request or query.” It is noteworthy that official guidance on the implementation of a call/contact centre – an important linchpin of a CRM system - directly connects their effectiveness to business re-engineering.

“For new Call Centres to be effective requires process and cultural change. The how, where and when of the conduct of business needs more flexible approaches than current processes and structures provide. As part of the introduction of any Call Centre it is crucial that there is a clear business case for change that supports and enables organisational and cultural re-engineering.” Central Information Technology Unit (2000: 3)

It is evident then that CRM and BPR are inextricably linked. In fact, as with BPR, though customer (or citizen as some local authorities and vendors prefer) relationship management seems to be on the decline in the private sector, sales in CRM systems have risen in the public sector following the announcement of the 2005 e-government deadlines (ComputerWire, 2003).

One aim of most ambitious CRM projects is for many of the re-engineered processes to allow for the reorganisation, routinisation and automation of tasks that have been undertaken within and between the traditional departmental silos. Salford’s (2002c) local government pathfinder report suggests that with local authorities organised in silos, “contact with the customer is handled “vertically”, in other words there is little, if any, communication between different departments for a given customer, nor is there the capability to understand how one customer uses services across the whole council.” To overcome this sort of departmentalised and patently non-joined-up model, Kingston-upon-Hull set up the *Hull Connect* contact centre specifically designed in order to straddle six different service departments. The operation is run as an outsourced service by Kingston Communications (Salford, 2002c: 12). The project involved the re-engineering of processes between the different departments, allowing for the CRM application to automate some of the processes. Salford themselves instigated, ran and financed their own CRM project in-house. They first sought to

integrate four local authority departments through an integrated data store (Devin, 2004). This integration was achieved through their BPR programme, and was central to the development of their one-stop shops and contact centre (Local Government Pathfinder, 2002).

In Liverpool, the CRM project was said to provide the impetus for much of the re-engineering and resulted in the restructuring of the transactions across the different departments (Public Private Partnership Programme, 2001a: 22). The aim of the project was to reduce the transaction costs by replacing all the differing applications, servers and databases across the authority, and also reduce the number of business processes. For example, the Liverpool 2002/3 Implementing Electronic Government Statement (IEG) claimed that the introduction of its CRM application will “replace the 230 applications, 500 databases and 132 IT servers in a bid to streamline the current 1320 business processes, and dramatically reduce transaction costs by up to 40%.” (Liverpool IEG, 2002)

Liverpool implemented an off-the-shelf version of Oracle’s software. Rather than modifying the CRM module, they elected instead to modify the business processes: “back end processes, will be reengineered to ‘fit’ with the CRM module.” (4P’s Public Private Partnership Programme, 2001a: 22). David McElhinney (Executive Director of Liverpool City Council) claimed this automatically enabled the adoption of “best practice for all our applications across the council” (Oracle, 2002). It is also claimed that the backlog of queries waiting to be answered has been reduced from 40000 to 11000. Although implementing the standard application may have assisted Liverpool in installing it quickly and, as McElhinney explains, “without the cost of employing consultants to modify each new upgrade before we can use it” (Oracle, 2002), a potential problem in this approach is that the business processes and resulting ways of working reflect the assumptions and constraints built into the existing software rather than the local authority’s requirements.¹²

¹² Liverpool integrated Oracle’s CRM module with an intranet-based Human Resource and Payroll application. As with the CRM application, the introduction of the HR module required considerable re-engineering, based on the assumptions embodied in the module, to provide what a BT publication describes as “an integrated e-enabled process” (BT Global Services, 2003b). They have re-engineered HR and payroll into three teams, reducing the number of staff from 206 to 115 (Liverpool IEG, 2002).

Re-engineering the business processes and the establishment of its CRM-facilitated contact centre (and one stop shop) is attributed as assisting Liverpool City Council in hitting government targets for measures such as the time taken to record a citizens' change of address, through to whether 75% of repeat or renewal claims are being processed on time. Liverpool plans to continue to re-engineer its services so as to be able to expand the call centre to 500 seats from 225, and expand the number of services integrated into the contact centre by March 2004.¹³

Discussion

The role of the private sector in local government modernisation, together with the specific techniques of BPR and CRM and the technologies that go with them, raise a number of issues that will now be explored further. Two aspects of modernisation in particular will be considered – namely, the potential irreversibility of the changing relationship between public and private; and the role of boundaries and professional knowledge.

Many modernising projects, especially in local government, are built around the notion of long-term (10-15 year) *partnerships* between the public and private sector. Indeed, few of the projects will be completed for many years. Earlier attempts to modernise public services focused on outsourcing models such as contracting out which (at least in principle) could be reversed and the activities brought firmly back under council control. In contrast, with recent modernising projects the renegotiation and blurring of the boundaries between public private agencies would seem effectively irreversible - legally, materially and organisationally. Thus we might say that modernisation implies more than a shake-up or transformation of existing practices for it implies a renegotiation of the very terms *public* and *private* and the putative boundary between them.

It would be a mistake to convey the impression that modernisation automatically sweeps aside boundaries that stand in its wake. Indeed we have given examples of

¹³ As indicated earlier, Liverpool Direct intend to generate additional revenue by selling on the template it developed while re-engineering Liverpool to “deliver e-business solutions to other public sector bodies and private companies” (Oracle, 2002).

councils that decided to eschew private sector involvement and go their own way. Something that is crucial to public-private ventures concerns the differing and sometimes competing objectives both within and between public and private sector organisations. For example, for local government stakeholders key principles include the provision of better services to citizens, satisfying the local electorate, gaining investment and funding for a new technological infrastructure, the incorporation of private sector change methodologies and techniques, and not inconsequentially, meeting the mandates of central government. For the commercial partners, the priorities are concerned with ensuring that they gain a substantial return on their investment in technology and consulting, as well as the risks that they undertake. The struggle to resolve conflicting objectives runs through the negotiations between the public and private sector agencies and their constituents and thereby leaves its mark both on the technology that is deployed and the *project* of modernisation as it is translated in each context.

Turning now to the boundaries between departments or professions, one obvious point here stems from some of the constraints on the transformative rhetoric around which modernisation revolves. For example, the customer-centric approach, and the consequent efforts to dismantle government silos (both central and local), have been noted by Cornford *et al* (2003: 16) to lead to significant problems. From their studies of several local authorities they found that the problems of breaking down traditional boundaries and “barriers between different departments or ‘silos’ or between customer facing and back office staff within a local authority, and barriers between local authorities and their partners, needed to be addressed in order to enable the smooth flow of work across the organisation and its partners”. Further they also found significant problems in securing staff involvement and “dealing with professional demarcations and identities.” Of course such resistance to organisational change might well be regarded as self-interested parochialism on the part of the professions involved, rooted in the very divisions that modernisation aims to overcome. However, adopting a different stance here, we would argue that it is important not to throw the proverbial baby out with the bath water. Presumably no-one would argue against the idea of services designed around the needs of end users – the citizenry – but we ought not to overlook the possibility that the radical zeal of BPR and CRM might have a down side, not just in terms of the government staff involved, including those who

might lose their jobs, but in terms of the citizen, those in whose name these initiatives are publicly authorised. In particular, it hardly needs spelling out that CRM does not put the customer/citizen first *per se* – whether in the private sector or in local e-government services. Rather, it serves to constitute the customer/citizen in a particular way; as a user already configured for the (now technologically e-mediated) services on offer. Moreover, if business process design, working backwards from CRM, is meant to serve the citizen how can it also meet the objective of reducing costs (cutting council taxes and repaying private sector investment). Reducing headcount might save money in certain areas but might it not also lower service quality elsewhere? Responsiveness to citizens' inquiries is not just a matter of call pick-up time (the throughput rate of the contact centre) but is, more substantively, a matter of how well, how knowledgeably, and how accurately their inquiries are dealt with. In fact process modelling and standardized work designs present problems in the world of the private sector too. For example, Hughes *et al*'s study of process redesign in the financial services industry offers insights into the tension between, on the one hand, standardized work practices and the scripting of employee-customer contacts, and on the other hand the fact that these always have to be enacted and made sense of in specific local contexts, within situated practice (Hughes, Rouncefield & Tolmie, 2002).

One implication of this eradication of the long established demarcation between local government professions is that it neglects to appreciate how expertise and know-how is inseparable from the practices undertaken by professional groups (Brown & Duguid, 2000). Consequently, we would argue that the erosion/renegotiation of professional boundaries during this citizen centred reorganisations may result in 'trapped information'. By this we mean that, though citizen records might well be made to flow across the (reordered or reconfigured) organisation, the contextual (tacit or encultured) knowledge and expertise pertaining to that information cannot and remains confined within the areas of professional specialism (through their body of explicit knowledge, protocols and shared practices). For example, though customer service centre operatives have access to the details of a particular citizen, what they cannot make sense of is the logic and the rationale behind why a decision had been made, or why a particular course of action had been instigated. Put another way, the enactment of the processes and scripts by those without the necessary tacit knowledge

is likely to be deficient in comparison to that of those whose knowledge is more securely founded in established practice. Insight into such potential lacunae requires an understanding of the assumptions and presumptions that come with what Schultze and Boland (2000) term “thinking inside a territory”. Without being encultured within a specific boundary, which requires the participation in the practices of that profession, people are likely to have only “broad, undifferentiated outlines... in their mind, rather than a set of refined distinctions” (Polanyi, 1962:101).¹⁴ In this regard, the lack of understanding of the complexities of knowledge and its role in practice and the enactment of processes in situated reality may prove to be a key challenge to local government modernising projects. This is likely to be especially so where the planned re-engineering of local government services proceeds across more and more intersecting services and their associate boundaries and domains of professional practice.

Finally, we should note that the renegotiation and/or erosion of boundaries between the differing professions may not have had such an all encompassing or accepting response in practice. For example, to what extent are boundaries actually being broken down between the differing professions, or is the citizen-centric rationale merely a veneer that hides a more fundamental resentment and discontent within and between the different professional groups? As already mentioned, Cornford *et al* (2003) indicate that their empirical research has discovered problems breaking down the boundaries between the professions, and specifically in “dealing with professional demarcations and identities.” As such, this may suggest that the professions are seeking to protect or recreate their own identities, their professional demarcations, symbolically as a consequence of the homogeneity the citizen-centric re-engineering seeks to impose on them (Cohen, 1985).¹⁵

¹⁴ This was illustrated in Schultze & Boland’s (2000) study of systems designers when they noted that “rather than needing each other’s documentation stored on a common database, the system designers needed to understand the logic that other designers used in practice, such as the rationale behind the combination of specific software, hardware and service plans.”

¹⁵ Indeed, Cohen (1985: 44) encapsulates the possibility of this form of symbolic response, by noting that, “as the structural bases of the boundary become blurred, so the symbolic bases are strengthened through ‘flourishes and decorations’, ‘aesthetic frills’ and so forth.”

Conclusion

The private sector offers the prospect of different knowledge as well as financial and technical resources on a scale that would otherwise seem foreclosed to many local authorities. But private sector involvement in local government modernisation comes at a price – for all the organisations concerned. Specifically, there is the growing inseparability of the public and private partners in certain areas such that it would be extremely difficult to dismantle the growing networks of knowledge, technology and financial resources, not to mention the often blurred public-private boundaries amongst the management and staff in local authorities, that have been realised. We have also focussed on the deployment and pervasiveness of private sector business methodologies for change. The encroachment of disputed private sector recipes for change is perhaps more fundamental – not only because it is a key feature of the transformations that are underway but also because they are so deeply rooted in the re-ordered work practices, assumptions and protocols of public sector staff.

Additionally, the paper has highlighted the importance of boundaries within local authorities. Counter to official rhetoric which tends to portray boundaries as a problem, a barrier in the path of modernisation, we have suggested that the dismantling of the silos may have certain negative consequences for both citizens and public sector staff alike. Although citizens may secure a more direct interface with council staff, these staff are not necessarily members of specific professional domains, and thus being ‘generalists’ may not provide them with the depth of insight and understanding that a member of the relevant professional domain(s) might do. It is vital to recognise the role that boundaries play in developing and sustaining expertise within particular professions. Finally, we suggest that detailed ethnographic studies are called for that seek to understand the re-negotiation of the boundary between public and private sector organisations and also consider the consequences of process re-design. Important lessons could be learnt through gaining an in-depth empirical understanding of how professional knowledge is managed as ICTs are employed to mediate the interaction between the public and those responsible for delivering services to them.

Acknowledgement

We would like to acknowledge the financial support of BT Local Government which has sponsored research on modernisation in the *Centre for the Study of Technology & Organisation*.

References

- Bauman, Z. (1991) *Modernity and Ambivalence* (Cambridge: Polity Press).
- Bellamy, C. (2002) 'From Automation to Knowledge Management: Modernizing British Government with ICTs', *International Review of Administrative Sciences*, Vol. 68, 213-230.
- Bellamy, C. & Taylor, J. A. (1998) *Governing in the Information Age* (Buckingham: Open University Press).
- Bijker, W. (1992) 'The Social Construction of Fluorescent Lighting, Or How an Artifact Was Invented in Its Diffusion Stage', in W. Bijker & J. Law (eds.) *Shaping Technology/Building Society* (Cambridge, Mass.: MIT Press), 75-102.
- Bloomfield, B. P. & Vurdubakis, T. 'Visions of Organization and Organizations of Vision: the Representational Practices of Information Systems Development', *Accounting, Organisations & Society*, Vol. 22(7), 1997, 639-668.
- Bloomfield, B. P.; Coombs, R.; Knights, D. & Littler, D. (eds) (1997) *Information Technology and Organizations: Strategies, Networks and Integration* (Oxford: Oxford University Press).
- Brown, J.S. & Duguid, P. (2000) *The Social Life of Information* (Boston, MA: Harvard Business School Press)
- BT Global Services (2003a) *Liverpool City Direct Ltd*, available at: http://www.btglobalservices.com/en/casestudy/liverpool_direct.html
- BT Global Services (2003) *Liverpool's award-winning approach to change and technology delivers top quartile performance*, available at: <http://www.downloads.bt.com/crm/liverpool.pdf>
- Cabinet Office (1999a) *Modernising Government White Paper*, available at: <http://www.cabinet-office.gov.uk/moderngov/whtpaper/>
- Cabinet Office (1999b) *Service Action Teams – summary of action plan*, available at: <http://www.servicefirst.gov.uk/1999/joinedup/summary.htm>
- Central Information Technology Unit (2000) *Call Centre Guidelines*, available at: <http://www.iagchampions.gov.uk/guidelines/callcentres/callcentres.html>
- Cohen, A. (1985). *The Symbolic Construction of Community*. London: Tavistock Publications.
- Cole, M. & Fenwick, J. (2003) 'UK Local Government: The Impact of Modernization on Departmentalism', *International Review of Administrative Sciences*, Vol. 69, 279-270.
- Communicate (2002) Telenor wins Kent County Council contract, *Communicate*, Nov, available at: http://www.findarticles.com/cf_dls/m0BKU/2002_Nov/95793687/p1/article.jhtml
- ComputerWire (2003) Market Dynamics: Public Sector CRM Trends Survey, *ComputerWire*, 28 Nov, available at: <http://www.computerwire.com/market.watch/CD9C5FFCAEDED08480256DF60051D5CE>
- Cornford, J, Wessels, B, Richardson, R., Gillespie, A, McLoughlin, I, Kohannejad, J, Belt, V and Martin, M (2003), *Local -eGovernment: Process Evaluation of the Implementation of Electronic Local Government in England*, London, ODPM, November, available at: <http://www.local.odpm.gov.uk/research/egovsumm.pdf>

- Cowell, R. & Martin, S. (2003) 'The Joy of Joining Up: Modes of Integrating the Local Government Modernisation Agenda', *Environment and Planning C: Government and Policy*, Vol. 21, 159-179.
- Department of Health (2000) *The NHS Plan*.
- Devin, A. (2004) CRM Hot Topic: Analysis of CRM National Project role & goals, *Public Technology.net*. 12/02/2004, available at:
<http://www.publictechnology.net/modules.php?op=modload&name=News&file=article&sid=595>
- Du Gay, P. (2000) *In Praise of Bureaucracy* (London: Sage).
- Fairclough, N. (2000) *New Labour, New Language?* (London: Routledge).
- Flynn, R. (2002) 'Clinical Governance and Governmentality', *Health, Risk and Society*, Vol. 4(2), 155-174.
- Gane, C. (2002) 'Britain's '5 percent' Local Government Revolution: The Faltering Impact of New Labour's Modernization Agenda', *International Review of Administrative Sciences*, Vol. 68(3), 405-417.
- Gould, M. (2001) Unions worried over e-targets, 10/07/01, *The Guardian Newspaper*, available at:
<http://society.guardian.co.uk/internet/story/0,8150,523686,00.html>
- Grimshaw, D., Vincent, S. and Willmott, H. (2002) 'Going Privately: Partnership and Outsourcing in UK Public Services', *Public Administration*, Vol. 80(3): 475-502
- Harrison, S. (2002) 'New Labour, Modernisation and the Medical Labour Process', *Journal of Social Policy*, Vol. 31(3), 465-485.
- Hayes, N. and Walsham, G. (2001) 'Participation in groupware-mediated communities of practice: a socio-political analysis of knowledge working', *Information and Organization*, Vol. 11(4), 263 -288.
- Hedberg, B.; Dahlgren, G.; Hansson, J.; and Olve, N-G. (1994) *Virtual Organizations and Beyond* (Chichester: John Wiley).
- Hughes, J. A.; Rouncefield, M.; & Tolmie, P. (2002) 'The Day-to-Day Work of Standardization: A Sceptical Note on the Reliance on IT in a Retail Bank', in S. Woolgar (ed.) *Virtual Society?* (Oxford: Oxford University Press), 247-263.
- Introna, L.D. (2001) 'Cooperation, Coordination and Interpretation in Virtual Environments: Some thoughts on working-together', *International Journal of Cognition Technology and Work*, Vol. 3(2), 101-110.
- KableNet (2002) *Call Liverpool for Contact*, 29.07/02, available at:
<http://www.excelsior.pwcglobal.com/knowledge/article.asp?artID=1187>
- Knights, D.; Noble, F.; Vurdubakis, T.; & Willmott, H. (2001) 'Chasing shadows: control, virtuality and the production of trust', *Organization Studies*, Vol. 22(2), 311-336.
- Knights, D.; Noble, F.; Vurdubakis, T.; & Willmott, H. (2002) 'Allegories of Creative Destruction: Technology and Organization in Narratives of the e-Economy', in S. Woolgar (ed.) *Virtual Society?: Technology, Cyberbole, Reality* (Oxford: Oxford University Press), 99-114.
- Liverpool City Council IEG (2002) *Liverpool Implementing Electronic Government Statement 2002-2003*, available at: http://www.liverpool.gov.uk/pdfs/IEG_statement_2.pdf
- Llewellyn, N. (2001) 'The Role of Storytelling and Narrative in a Modernisation Initiative', *Local Government Studies*, Vol. 27(4), 35-58.

- Local Government Pathfinder, (2002). *A guide to implementing CRM in Local Government*, 10/6/02, available at: www.lgolpathfinder.gov.uk/en/images/CRM%20Guide%20Executive%20Summary_304.pdf
- Local Government Online (2003), *Pathfinders*, available at: <http://www.lgolpathfinder.gov.uk/17/11/00>, available at:
- Implementing E-Government in Middlesbrough: 2002 Statement*, available at: [http://www.middlesbrough.gov.uk/it/webdevt/MBCCOUN.NSF/0/905457eb3eb4981b80256d70050f820/\\$FILE/IEG2%20final%20version.doc](http://www.middlesbrough.gov.uk/it/webdevt/MBCCOUN.NSF/0/905457eb3eb4981b80256d70050f820/$FILE/IEG2%20final%20version.doc)
- National Audit Office (2002) *Better public services through e-government*.
- ODPM (2002) Liverpool Direct Ltd – Strategic partnering Task Force; available at: http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_605700.pdf
- ODPM (2003) e-gov@local: towards a national strategy for local e-government: consultation; available at: http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/pdf/odpm_locgov_pdf_605129.pdf
- OeE (2000) e-Government: A strategic framework for public services in the information age (Cabinet Office, London), available at www.iagchampions.gov.uk/Strategy.htm
- Oracle Corporation (2002) *Liverpool City Council Expects a 40% Reduction in Transaction Processing Costs with Oracle CRM*, 5/17/02. available at: <http://www.oracle.com/customers/11i/liverpool.html>
- Painter, C.; Isaac-Henry, K.; & McAnulla, S. (2003) 'Local Government Modernisation and Changing Organisational Structures', mimeo, available at: <http://www.lss.uce.ac.uk/sites/Research%20pages/Paper%207.pdf>
- Performance and Innovation Unit (2000) 'Wiring It Up' (Cabinet Office), available at: www.number10.gov.uk/files/pdf/coiwire.pdf
- Pratchett, L. (2002) 'Local Government: From Modernisation to Consolidation', *Parliamentary Affairs*, Vol. 55, 331-346.
- 4P's Public Private Partnerships Programme (2001a) *Liverpool City Council and BT Joint Venture - embracing the electronic age*, available at: <http://www.4ps.co.uk/publications/Liverpool%20City%20Council%20and%20BT%20Joint%20Venture%20Case%20Study.pdf>
- 4P's Public Private Partnerships Programme (2001b) *Lincolnshire County Council: The Alternative Service Delivery Project*, available at: <http://www.4ps.co.uk/publications/Lincolnshire%20County%20Council%20Case%20Study.pdf>
- Reed, M. & Hughes, M. (eds) (1992) *Rethinking Organization: New Directions in Organization Theory and Analysis* (London: Sage).
- Rogers, J. (2001a) Experts warn of PPP hazards.(public/private partnerships), *Computer Weekly*, Oct 11, available at: http://www.findarticles.com/cf_dls/m0COW/2001_Oct_11/79409109/p1/article.jhtml
- Rogers, J. (2001b) Newcastle IT workers plan a 'general strike', *Computer Weekly*, 13 September, available at: http://www.findarticles.com/cf_dls/m0BKU/2002_Nov/95793687/p1/article.jhtml
- Salford City Council (2002a) *Project Initiation Document: Salford e-Government Programme 2002-5*, available at: www.salford.gov.uk/ieg2-full-statement.doc

- Salford City Council (2002b) *Appendices : Salford e -Government Programme 2002-5*, available at:
<http://www.salford.gov.uk/ieg2appendices.doc>.
- Salford City Council (2002c) *Local Government Pathfinder*, available at:
http://www.lgolpathfinder.gov.uk/en/images/CRM%20Guide%20Executive%20Summary_304.pdf.
- Salford City Council (2004) *Salford Pathfinder Products*, available at:
<http://www.salford.gov.uk/council/corporate/e-government/pathfinder.htm>
- Schultz, U., and R.J. Boland Jr. (2000) Knowledge management technology and the reproduction of knowledge work practices. *Journal of Strategic Information Systems*. Vol. 9, 193-212.
- Secretary of State for Health (2000) *The NHS Plan* Cm 4818-I (London: HMSO).
- Silcock, R. (2001) 'What is e-Government?', *Parliamentary Affairs*, Vol. 54, 88-101.
- Van der Heijden, K.; Burt, G.; Cairns, G. & Wright, G. (2001) 'Using internally generated futures for integrating e-government into an overall vision for local government', *European Conference on e-Government*, Trinity College Dublin, 27-28 September.
- Woolgar, S. (2002) 'Five Rules of Virtuality', in *Virtual Society?: Technology, Cyberbole, Reality* (Oxford: Oxford University Press), 1-22.