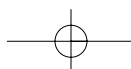
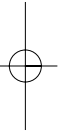
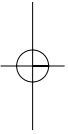
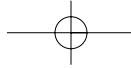


Best Value In Scottish Local Authorities – As Simple As ABC?

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**Abstract**

The concept of Best Value is at the root of the reforms currently taking place in local government in the UK and was introduced by the Labour government after the May 1997 general election. The policy was introduced to England and Wales by the department of the Environment, Transport and the Regions (DETR) and into Scotland by the Scottish Office. Each legislative area introduced the policy in a slightly different fashion. In Scotland, the policy was introduced to all 32 unitary authorities (across all departments) and had a very tight timetable. The aim of the policy was to replace CCT in local government with a more balanced approach that considered both the cost of service delivery and quality issues in evaluating performance. In addition to the 4 C's (competition, challenge, consultation and comparison) suggested by the DETR in England and Wales, Scottish guidelines suggest key principles of accountability, transparency, continuous improvement and ownership. From the beginning there has been a significant differentiation between Scotland and the rest of the UK in the methods used to implement the policy which the creation of the Scottish Parliament has done little to diminish.

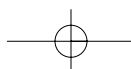
Best Value is both a resource allocation technique and a performance measurement framework. It involves long term rolling programmes of fundamental performance review, and accountability through local performance plans and local and national performance indicators. The requirement for meaningful performance measurement under Best Value has led local authorities in Scotland to embrace activity based costing (ABC). The Best Value Task Force clearly recommended that a system of activity based costing was an essential tool for sound financial management and continuous improvement. It was considered that the introduction of ABC into a local authority and the consequential change in management philosophy and culture would greatly enhance the 4C's evaluation process. Again, this view is markedly different from the rest of the UK.

Activity based costing is a technique, which attempts to uncover the causes of cost, and tries to absorb overheads appropriately using cost pools and cost drivers. In this way it differs from established methods, which absorb departmental overheads using traditional bases such as direct labour hours. Activity based budgeting and activity based management can be linked to an activity based costing system. However activity based costing is not without its critics. Using information drawn from local authorities, this article examines the relevance of activity based costing within the context of the Best Value framework and investigates the process of introducing this technique in Scottish local authorities. A combination of questionnaires and elite interviews are used to obtain the empirical data.

The paper carries out an evaluation and draws some tentative conclusions in a number of areas. Issues reviewed are: the organisational and managerial difficulties experienced by councils in the introduction of ABC; interaction with service departments; and the potential need for IT enhancements. Some of the desired advantages are improved quality of financial information making costing data more transparent and relevant to users.

Introduction

Best value was introduced to Scottish local government in July 1997, just after the Labour Party won the 1997 General election. From the early stages, Activity Based Costing (ABC) was embraced in Scotland as the preferred Best Value costing system by a Task Force comprising representatives of Cosla (the local authority association), the CIPFA Directors of Finance Section, Audit Scotland and the Scottish Executive (Scottish Office 1998). This is in marked contrast with the position in England and Wales where no such definitive endorsement exists.



This article will, firstly, review and evaluate the theoretical underpinning of ABC. Next, it will examine the policy of Best Value and its implementation, particularly in Scotland. It will seek to gauge the extent to which ABC has been implemented by Scottish local authorities as part of their Best Value strategy. The extent to which the evaluation by academic commentators of ABC implementation in the private sector is substantiated within the public sector context will be explored before conclusions are drawn.

Activity Based Costing (ABC)

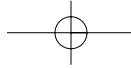
When accounting for overheads using traditional methods, support costs are first of all gathered into responsibility centres and assigned to operating departments. Secondly costs are apportioned to individual products or services using direct labour hours or machine hours. Cooper and Kaplan (1988) argue that the apportionment of overheads to products using volume based apportionment bases such as direct labour hours or machine hours results in distortions of product costs. Thus low-volume products are under costed and high-volume products are over-costed. This leads through time to a concentration on low-volume products wrongly categorised as profitable. This increases overheads further, distorting cost information and decision making even more.

ABC aims to produce more accurate production costs by attempting to look at what actually causes costs to happen. Cooper and Kaplan (1988) argue that a division dealing with a small number of high-volume customers makes very different demands on activities like accounts receivable than does a division with many low-volume customers.

“ABC acknowledges that products or services do not directly use up resources; they use up activities,” Cooper (1990a). Actions must be aggregated into activities (Cooper, 1990b). The costs of activities which are not related directly to volume are traced using cost drivers representing the demand for the activity. Cost driver selection should be influenced by costs of measurement, correlation between cost drivers and activity consumption, and potential behavioural effects. The greater the number of actions aggregated into an activity, the less able is a cost driver to accurately trace the consumption of resources. Multiple cost drivers may be required to trace costs accurately (Cooper, 1990a). Overheads which are unit-related can be traced using volume-related cost drivers. The next decision is the level of aggregation at which to report the resources an activity consumes. It is also necessary to identify activity centres (which affects controllability) and selection of first stage cost drivers (tracing activities into cost pools). If required, second stage cost drivers can be selected. Choice of cost drivers at each stage will affect the level of distortion in the costing system. The number of cost drivers required depends on the desired accuracy of product costs and on the complexity of the product mix (Cooper, 1990b).

Cooper (1990b) says that the objective that the designers of an ABC system should set for themselves is to provide the most benefit possible at the lowest possible cost and he further contends that there is no guarantee that the additional measurement costs required by an ABC system will be justified by the benefits, while claiming that developments in information technology have reduced measurement costs. He also argues that a costing system should be changed when the net present value of the benefits of improved product costs exceeds the net present value of redesigning a new system.

Innes and Mitchell (1990) claim ABC has relevance to the service sector as service provision often requires the incurrence of indirect costs which may not be volume related. Rotch (1990) says the conditions that make manufacturing enterprises suitable for ABC also apply to service industries.



Criticisms of ABC as a technique

Piper and Walley (1990) question ABC's underlying assumption that activity causes cost. They argue that decisions cause cost, and a contribution approach is more relevant for decision making purposes. Cooper (1990c) counters that their incremental approach is short term and too simplistic. Piper and Walley (1991) say that the only deficiency of absorption costing with which ABC deals is the choice of absorption base. Innes and Mitchell (1990) point out that ABC information is historic and internally oriented and therefore lacks direct relevance for future strategic decisions.

A survey by Innes and Mitchell (1995) found that, at a practical level, opinions have differed on ABC in the UK's largest companies. Rutherford (2000) claims that only one-third of companies considering the use of ABC in 1994 had actually adopted the system by 2000, and that by 2000, a third of those adopting the technique earlier had actually abandoned it. He also warns of the danger of costly investment in new accounting systems leading to uncritical reliance on the numbers emerging from them

Innes and Mitchell (1990) say that for a cost driver to be usable the associated cost must be caused by an activity measurable in quantitative terms and which in turn can be related through this measure to production output. They argue that it is doubtful that an ABC system can completely avoid the problem of cost commonality. Cooper and Kaplan (1988) accept that costs cannot be traced with total accuracy but claim it is better to be "Basically correct" with ABC than to be "Precisely wrong" using outdated allocation techniques.

Implementation of ABC

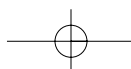
This section will examine the literature relating to empirical studies of ABC in the private sector. Common threads will be identified from the conclusions of various commentators and compared in a later section to evidence obtained in local authorities.

Malmi (1997) discusses an organisation which used ABC to generate information on product profitability. ABC having mostly confirmed what management suspected (using information from informal sources), no strategic change was implemented. Malmi contends that lack of action based on ABC information is not a definition of ABC failure - in this case uncertainty was reduced. Malmi (1997) says that the case study suggests managers at different levels, "Basically conceive success and failure with respect to their own aspirations." Thus conceptions will vary.

Shields (1995) carried out a survey of ABC users in an attempt to measure ABC success. Like Malmi above, Shields finds ABC success difficult to define arguing that it could mean the non-rejection by management of an ABC system; it could mean ABC implementation; use of ABC information by non-accountants; or gaining competitive advantage and providing additional profits. Furthermore, discussions with ABC experts showed that most could not put a financial measure on ABC benefit or loss. Shields allowed respondents to use their own definition of success. This limitation of the survey is acknowledged by Shields.

Shields found highly significant correlations between ABC success and behavioural and organisational variables including top management support; sufficiency of internal resources; link to competitive strategy; link to quality initiatives; non-accounting ownership; training; clarity of objectives and linkage to performance evaluation and compensation.

Interestingly, technical variables were not significantly correlated with ABC success. Furthermore only behavioural and organisational variables were found to be significantly correlated with receiving a financial benefit from ABC. Shields says the introduction of ABC in many organisations has



focussed on the architectural and software design of ABC, with insufficient attention being given to behavioural and organisational factors involved. Similarly Roberts and Silvester (1996) found that while ABC faced potential technical difficulties, it is the failure of the organisation to act on the information that ABC provides that is cited as the primary issue.

Top management support

Returning to Shields (1995), Shields argues that top management support for ABC is vital because they can focus resources on initiatives deemed worthwhile, and also provide the political help required to overcome resistance to change. Similarly Roberts and Silvester (1996) believe that the support of “a senior operational manager” is essential to lend legitimacy among employees to an ABC project, while Thorne and Gurd (1995) claim that a clear commitment from top management is essential. This is consistent with empirical evidence gathered by Innes and Mitchell (1995) and Innes, Mitchell and Sinclair (2000). Malmi (1997) cites an example of an ABC project which was not maintained because the senior management sponsor of the ABC project left the organisation, and because senior management, due to other urgencies, only spent a limited amount of time on the project. Local (middle) management were comfortable with the informal estimates and did not regard the new system as valuable for day-to-day management.

Resources

Shields (1995) maintains that sufficient internal resources are seen as important in order that employees do not feel pressurised to do more without adequate support. Argyris and Kaplan (1994) argue that an ABC project needs not just a sponsor, but also a project target – “The person or group whose behaviour and actions are expected to change”. The target should not be in the finance organisation, since the finance group is not empowered to make decisions on processes, products and customers, and can at best only advocate action.

ABC and competitive strategy

Shields (1995) argues that there should be a link between ABC and competitive strategy, performance evaluation and compensation, to motivate employees to use ABC information to improve their organisation’s competitive position. Roberts and Silvester (1996) found that where managers received incentive payments based on traditional cost accounting information, there was less incentive to use ABC information. Roberts and Silvester (1996) found timing to be vital, the most success being found when ABC information was on line for use in pricing and in decisions about product lines or product design.

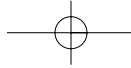
Continuous improvement

Thorne and Gurd (1995) allude to a situation where employees were reluctant to talk about non-value-added activities with high level interviewers. They suggest that implementations are more likely to succeed in more open organisations. (Involvement of the shop floor in the interview process leads to information about how to eliminate non value added activities). It is argued that performance measures should be used to help managers pursue continual improvement.

Roberts and Silvester (1996) stress the importance of an ongoing process-oriented improvement programme for successful ABC implementation. Also Shields (1995), found a link to quality initiatives to be a significant factor in ABC success.

Resistance to change

Roberts and Silvester (1996) blame structural barriers to change for ABC failure, claiming a further barrier to change may be ABC information flagging up the necessity to make decisions which may affect the security of the decision maker. Argyris and Kaplan (1994) claim extensive research has shown that managers facing embarrassment and threat from new information will engage in defensive routines to deny the legitimacy of the analysis. Roberts and Silvester (1996) claim that if



ABC did not improve profits, this was not a technical failure of ABC as barriers both inside and outside a company could frustrate and prevent effective managerial action.

Malmi (1997) mentions resistance towards integrating the ABC system with the existing internal accounting system, because it was felt that at the unit level additional costs would be incurred while benefits from the new system would be reaped elsewhere in the organisation. Malmi also argues that if a change in the accounting system changes the distribution of power in an organisation, it will be resisted. Also the new accounting system may not be in tune with the prevailing culture within the organisation (in the case in point, a strong engineering culture).

Thorne and Gurd found employees to be more responsive to the cost management aspects of ABC in times of expansion than decline, and found that it was vital that employees did not feel threatened by the cost management aspect. They suggest it may be possible to demonstrate to employees that a cost management programme is essential to the survival of the business – and of their jobs. While in one company ABC was viewed in this way, in another employees felt threatened. Thorne and Gurd found that a cost management focus generates enthusiasm among managers but not necessarily among employees. Shields (1995) sees training as important for employees to understand and feel comfortable with ABC, and to foster non-accounting ownership.

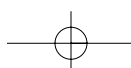
Best Value and ABC

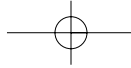
'Best Value' is central to the UK government's current reforms to local government. Under Best Value (DETR, 1999) local authorities in England and Wales are obliged to 'Challenge' whether a service is being provided in the most appropriate way, and indeed whether it ought to be provided at all. Authorities must also 'Compare' themselves with other service providers, and 'Compete' – i.e. display competitiveness. (Unlike Best Value's predecessor, competitive tendering is no longer compulsory). This process is to be carried out in 'Consultation' with community stakeholders. Authorities must carry out a fundamental performance review which is a rolling programme covering all services within a five year period. An annual local performance plan is produced which enables comparison with other local authorities.

The introduction of Best Value in Scotland was significantly different from England and Wales (Sheffield and Bowerman, 1999). The policy was introduced to all 32 local authorities across all services at the same time and with a lead in time of only three months between the announcement of the policy and the submission of strategic plans. The submission and approval of plans was a condition of continuing to enjoy the Compulsory Competitive Tendering (CCT) moratorium. As was the achievement of satisfactory progress in the delivery of Best Value implementation.

In Scotland the equivalent to a performance plan is annual Public Performance Reports. A Public Performance Report is intended to demonstrate current levels of performance, comparisons, targets for improvements, and performance against previous improvement targets.

Scottish local authorities are exploring Activity Based Costing (ABC) (Scottish Office, 1998). ABC is viewed by the CIPFA Directors of Finance Best Value Working Group (CIPFA, 1999) as "an integral part of a service review process as required under the developing best value regime." The argument is that ABC will help to define the cost of activities under review. It is claimed that ABC assists in achieving Best Value through "Improved information for sound financial management, benchmarking and continuous improvement." ABC is the basis of Activity Based Management which uses ABC generated data for planning, controlling and decision making (CIPFA, 1999). It is pointed out (CIPFA, 1999) that activity based approaches will "Require support from the top," not just to overcome resistance but also to convince the managers and staff of the benefits of ABC.





Furthermore the involvement and co-operation of non-finance managers and staff is seen as “Of vital importance,” and training for operational staff is considered important for staff reassurance purposes.

Some earlier commentators have questioned the “grafting on” of private sector management accounting practices onto the public sector. Problems may arise due to lack of understanding of how the business works (Otley, 1999). Lapsley (2000) questions the amelioration which flows from these innovations and their success in general.

Research Objectives

This article will examine the degree of implementation of ABC by Scottish local authorities as part of their Best Value implementation strategy. In the light of some serious criticisms and perceived limitations of ABC and the critique of its usefulness in the private sector, the article will consider the problems, difficulties and barriers encountered by local authorities in the implementation process and identify any similarities or differences which arose. As well as augmenting the empirical evidence available on ABC implementation, the article will provide innovative data both within public sector and Scottish contexts. It will also consider the impact of the compulsory nature and formal endorsement of ABC in Scottish local government and examine the extent to which ABC contributes to success in Best value implementation.

Research Methodology

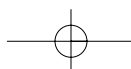
Initial data from all 32 local authorities was examined and evaluated. Following on from this, in-depth, semi structured interviews were carried out in six Scottish local authorities. The sample was chosen to reflect size, available resources, sparsity and political composition of the council. It comprises one authority from each of the six Audit Scotland family groups, in an attempt to obtain geographical, environmental and resource spread. No regard was paid to whether or not the authority has implemented ABC. Each interview lasted between 40 minutes and two hours. For all interviews, local authorities were asked to identify the contact responsible for, or most knowledgeable about, its Best Value finance strategy. All interviewees held senior or middle management positions and were either Director of Finance or Best Value Officer. The aim of the interviews was to gain an insight into the degree of implementation of ABC within the authority and either motivation for implementation or reasons for non implementation. The research was complimented by a subjective analysis of the Best Value submissions of each authority interviewed and the Audit Scotland review of these submissions. These provided documented evidence of corporate strategy and detailed operational plans as well as useful insights into organisational culture.

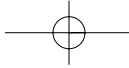
ABC in Scottish local authorities

The position regarding implementation of ABC in Scottish local authorities at the end of financial year 2000/2001 was gathered by a survey of all 32 authorities and the results (based on a 91% survey return) can be summarised as follows:

Not tested ABC and no plans to do so	62%
Tested in one service	14%
Tested in more than one service	21%
Being implemented corporately	3%
Total	100%

In order to examine the experience of ABC in greater depth and to evaluate the extent of progress and nature of ABC implementation, interviews were conducted with the Directors of Finance/ Best





Value Officer in 6 Scottish local authorities, selected according to the criteria set out in the Research Methodology. The six authorities chosen can be summarised as follows:

CHARACTERISTICS	AUTHORITY
Rural council - very highly dispersed	A
Rural council - highly dispersed	B
Mixed council - mainly rural	C
Mixed council - mainly urban	D
Urban council - slightly dispersed	E
Urban council - city, not dispersed	F

The main issues arising in each interview are summarised below.

Authority A

This authority is considering piloting ABC but the subject is still under review. Systems can hardly cope with the level of financial information at the moment and ABC would exacerbate the problem. Existing ICT systems would need to be upgraded to introduce ABC in Finance Department, let alone authority wide. The present systems have difficulty in providing the level of information required for internal benchmarking and delays and missed deadlines are relatively frequent.

Authority B

The authority carried out an ABC pilot study on a front line service, using external consultants. The project provided for the first time detailed costs of a range of customer enquiries and different applications. It also focused attention on the cost of quality (getting it right first time) and the cost of value added (activities which add value to customers or the business as opposed to those which support the business or add no value). The project was useful in developing a greater understanding of how the business worked. One of the great benefits of the pilot was the knowledge and skills transfer between the consultants and the project team and the training provided on the specialist software, purchased from the consultants. The costing information produced allowed internal benchmarking to take place across a wide range of activities in terms of products, processes and staff groups. It will also allow the authority to participate in external process benchmarking. Overall, the pilot is seen as a success and further ABC projects would be actively considered. ABC is considered to be a useful tool for the completion of Best Value service reviews and the authority has recently trained some staff in the use of the software. It is envisaged that another pilot is a distinct possibility in the near future.

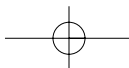
Authority C

The authority has not implemented ABC and has no plans to do so in the immediate future. The main reasons for non implementation were:

- Initiative overload - the authority was heavily involved in its Best Value submission and a bid for a PFI project for the replacement/rehabilitation of its primary and secondary schools;
- Doubts regarding resource availability;
- Questions about the relevance and benefits of implementation.

Authority D

This local authority carried out a survey of all its user departments and found a substantial preference for ABC over the existing system of Service Level Agreements as a means of allocating the costs of corporate and central services. In the light of this survey result a pilot was commissioned in 1999 to investigate the allocation of the finance department costs to the user



departments This pilot has just been recently completed by in-house staff. The recommended use of ABC is considered to provide greater clarity of charges and a more transparent link between charges and service provided by the finance department. It also allows the authority to fully comply with the requirements of the Best Value Accounting Code of Practice, and, in particular, to provide more frequent allocations of central administration costs to user departments. The authority is reviewing the possibility of rolling out the finance department ABC system to all central administration departments and is considering an appropriate pilot to test the feasibility of the implementation of ABC for front line services.

Authority E

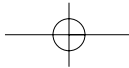
This authority has completed a number of successful ABC projects. The first was a pilot project based on Council Tax collection. Consultants were recruited for the pilot and part of their brief was skills transfer of the methodology and training of staff on the use of the specialist software. This software was leased from the consultants for the duration of the pilot and only purchased on its successful completion. All subsequent projects have been council-wide and carried out by in-house project teams. Projects so far have been Accounting and Budgeting activities across the whole council and Payroll and Insurance Claims Handling, both also on a council-wide basis. The implementation of ABC in these areas has produced a number of significant benefits. The total value of non value adding activities (NVA) can be accurately determined and efforts can be focused on reducing NVA activities and "getting it right first time". Also, the costs of business development activities were identified as being fairly low and decisions could be taken to redirect more resources to these key policy areas. Costs of strategically significant activities can be accurately identified and resources directed to ensure that they are adequately supported. For example, the costs of producing the annual report have been reduced by a series of efficiency measures and more resources devoted to the more strategically important budgeting process. Fairly high levels of internal and external failure costs were identified (11%). Improved procedures and processes are being developed to reduce these activities and free up resources to divert into value adding activity. Better quality data is now available for budgeting and external benchmarking activities as well as Best Value service reviews. The authority is positive about the ABC experience and open to extending its implementation. Obviously discernable throughout the interview process was the support for ABC by senior management and the enthusiasm and commitment of the Best Value Officer.

Authority F

This was one of the early sites for a pilot in the Revenues Division of the Finance Department. The pilot was seen as a success and provided a critical evaluation of operational practices and procedures. Non value adding activities were identified and a subsequent redistribution of resources to maximise value adding was carried out. Some difficulties were experienced in the collection of computer generated cost drivers and a significant proportion of staff resources was tied up in the exercise. The authority has not developed any further pilots or council wide applications, but would intend to do so in the future. The recent departure of the highly committed Best Value Officer has caused a considerable loss in momentum.

Sample augmentation

It was noticed that only 33% of the local authorities interviewed had not carried out any form of ABC implementation, which was at variance with the all Scotland position. To rectify this imbalance, internet/telephone interviews were carried out with four local authorities who had not implemented ABC to any degree. The revised interview sample then contains 60% non-implementation and 40% implementation. This mirrors almost exactly the all Scotland position, and produced the following sample:



	Scotland	Research Sample	Sample as % of total
Authorities	32	10	31.25
Budget (£000)	6,200,000	2,300,000	37.09
Population	5,136,000	1,820,000	35.44
Land area (hectares)	7,900,000	1,187,000	15.02

Results

The results of the interviews can be summarised as follows, with the number of respondents mentioning each point indicated

Where ABC was being used, it was being used for a wide variety of reasons.

As an aid to the preparation of Best Value Service Reviews	4
To highlight potential improvements in service quality	4
To underpin charging policies and/or budgeting	2
To inform strategic service planning and delivery	1

Some of the perceived benefits included:

Better quality cost and management information	5
Highlight gaps in procedures	5
Identify and quantify non value adding activities	3
More robust and defensible performance information	2
Assist in internal benchmarking	2

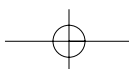
A number of problems and limitations were also raised:

Poor understanding and recognition of increased workload involved	6
Inadequate staff consultation	5
Lack of change management	4
Cost of software and ICT support	2

Conclusions

As in the private sector, opinions of ABC have differed and ABC success is difficult to define. However, our public sector research has highlighted a number of similarities and confirmed some of the key findings of commentators who have looked at ABC implementation in the private sector. Top management support and enthusiastic key players are essential (Authority E). In one authority ABC lost impetus partly because a key supporter of the project left the organisation (Authority F), which is consistent with the findings of Malmi (1997) Lack of top management support in conjunction with barriers to change are the main reasons for ABC not being adopted or implemented to any significant degree in many of the authorities we surveyed. Also, in a number of the authorities interviewed it was apparent that ABC did not fit in with the organisational culture. Most of the non implementation authorities tended to be small and rural or those with conservative organisational and management cultures.

Authorities A, C and F exhibited the problem of insufficient internal resources highlighted by Shields (1995). Shields (1995) also found a link between ABC success and quality initiatives and competitive strategy. Findings in authorities B and E are consistent with this. Apart from difficulties with cost drivers in Authority F, findings showed ABC success or failure to be related to behavioural



variables rather than technical variables which is consistent with the findings of Shields (1995). The importance of training stressed by Shields (1995) is highlighted by findings from Authority B. A focus on value added activities (Authorities B, E and F) is consistent with Thorne and Gurd (1995).

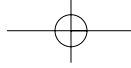
The strong support of central government, the local authority association, the professional accountancy body and the Auditor General for Scotland does not seem to have had any significant impact, as the implementation rate of 38% is not markedly different from the findings of Rutherford (2000) and similar attrition rates are apparent.

Although caution must be exercised in drawing excessively substantive conclusions from a 31% sample of a small population (32 local authorities), the results of our research are in general consistent with the main findings of those academic commentators who have evaluated the implementation of ABC in the private sector. There does not appear to be any marked difference between the private and public sectors in take up rates of implementation, difficulties encountered, factors which facilitate successful implementation and barriers/resistance to implementation. Our research also tends to validate the caution urged by Lapsley (2000) and Otley (1999) with regard to attempts to graft on private sector management innovations to the public sector.

Given the fairly low take up rate and the sporadic nature of the implementation of ABC, it seems that the required use of ABC as the appropriate costing system in Scottish local government has had a very marginal impact on the delivery of Best Value. More significantly, there is little correlation between those authorities that have implemented ABC and Best Value "good performance" as judged by Audit Scotland. Of the ten local authorities who received significantly widespread 80%+ ratings in the 2000/2001 Performance Management and Planning audit, only three have implemented ABC.

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