# BETTER POLICY DELIVERY AND DESIGN:

# A DISCUSSION PAPER
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**BETTER POLICY DELIVERY AND DESIGN**

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**SUMMARY**

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**SUMMARY**

This paper has been prepared as background material for a PIU seminar on 23 January 2001. Its objective is to encourage more rigorous thinking about delivery issues within Government and to focus attention on what can be done, particularly at the centre, to help those on the frontline to achieve better results.

The paper draws on a series of brief case studies examining recent experiences of policy delivery (included as Annex 1). These cover:

- The Literacy Hour
- Youth Justice Reforms
- Breast Cancer Screening
- Child Support Agency
- New Deal for Young People
- Streetworks

These have been chosen to cover a spectrum from highly directive, top-down policies, to ones involving significantly greater discretion.

The paper sets these case studies within the context of changing approaches to delivery and performance management. It shows that effective delivery in practice depends on many things:

- how well policy has been designed
- the motivations and skills of hundreds of thousands of front-line staff
- the ethos or culture of those involved in implementation
- complex technologies
- having the right rewards and penalties
- securing real commitment from those involved

Success depends on getting all of these right. Failure in one area can undermine the whole process. The elements of delivery are therefore better understood as multiplicative rather than additive.

Some of the most high profile delivery failures share common features: poor management of IT; lack of 'reality checks'; unrealistic timescales; poor communication and HR strategies. Successful delivery also involves common features including: a clear, and widely shared, vision; policies that draw on experience of what works; strong support and training for those responsible for implementation; clear lines of accountability (a fuller list is included as Annex 6).

Past experience shows that delivery is rarely a one-off task.  It is best understood not as a linear process – leading from policy ideas through implementation to change on the ground – but rather as a more circular process involving continuous learning, adaptation and improvement, with policy changing in response to implementation as well as vice versa.

The paper concludes with a series of general and more specific proposals for achieving a more delivery-focused approach in central government.

## BETTER POLICY DELIVERY AND DESIGN

1.  All governments are judged by how well they deliver results – whether they leave children better educated, trains more punctual, the population healthier.  The capacity to deliver is part of the implicit contract between the state and its citizens.

2.  Many policies are successfully implemented. But too often policies that appear impressive on paper have been poorly implemented.  There are good reasons for believing that in the recent past delivery and implementation have been given insufficient attention or status.

**The traditional model of delivery**

3.  Delivery by central government has traditionally been understood as a relatively simple process:

- Politicians identify a priority and the broad outlines of a solution (eg in the form of a manifesto commitment)
- Policy-makers in Whitehall design a policy to put this into effect, assembling the right collection of tools: legislation, funding, incentives, new institutions and directives
- The job of implementation is then handed over to a different group of staff, an agency or local government
- … the goal is (hopefully) achieved

4.  The implication of this model is that implementation and delivery are more likely to succeed if there is:

- a tight process with few intermediaries
- simple lines of accountability
- clear prescription to minimise the scope for fudge
- tough penalties and rewards on each link in the chain to perform their task

5.  If these conditions are in place, with the right people in the right jobs, and adequate funding, success should be assured.

**Delivery in the real world**

6.  As we shall see in some fields, and at some times, this model works. But in important respects it doesn't accurately describe the real world that governments operate in, and its application often leads to failure and frustration.  Why is this?

7. First, because **delivery involves at least three closely related, but different, elements:**

> - *Implementation* of policy – for example the introduction of a cancer screening service or a literacy programme
>
> - Achievement of *targets* – for example an objective for waiting lists or exam results
>
> - Achievement of better *outcomes* – for example lower mortality or better employability

8. In many cases these three reinforce each other, as successive stages in a single process. But sometimes they can be in tension. Effective implementation of a flawed policy can worsen outcomes (for example the initial introduction of the National Curriculum), as can too great an emphasis on the wrong targets (for example some of the early policing performance indicators). Too many new policies and initiatives can wreck delivery by diverting management time – carrying out instructions gets in the way of better outcomes. Successful delivery therefore depends critically on a rounded understanding of the links between implementation, targets and outcomes (and, as examples as diverse as incomes policies and the ban on beef on the bone confirm, in a democracy technically successful delivery is unlikely to prove sustainable if it does not win public support).

9. Second, because **central government has only limited control over many of the people and institutions responsible for delivery.** Even in executive agencies – such as the Prisons Service or Benefits Agency - which are directly accountable to central government, professional groups and staff organisations can play a critical role in helping or hindering delivery. The NHS is in some respects a vertically integrated organisation, but in other respects power is widely distributed to health authorities, professionals, nurses and others. In many key areas of policy, governments wanting to improve results for the citizen depend critically on the behaviour of third parties - local authorities, police, judiciary, voluntary sector or private contractors – which may not respond in straightforward ways to legislative commands or financial incentives.

10. Third, because **few policies are implemented fully formed**. The traditional model assumes that policy-makers have complete knowledge about what will work. The ideal of policy fully informed by an evidence-base is rarely attainable; most research gives pointers rather than definitive answers, and in the real world it is not easy to predict how institutions and people will respond. As a result in practice ideas are tested either in pilots – with no guarantee that the results can be applied nationally – or prototypes and pathfinders where policies have to be rapidly adapted in the light of early experience. The more quickly policies are adapted in the light of experience, drawing lessons from the frontline, the more chance they have of succeeding.

11. Fourth, because the traditional model is at odds with the lessons learned in many parallel fields (such as the military or business), namely that achieving results often depends on what are sometimes called **'loose-tight' frameworks**: a combination of clear objectives and freedom for those with local knowledge to adapt to circumstances: very different to the model of 'delivering' a centrally defined solution.

12. Fifth, because **successful delivery depends on systems**: how institutions; funding; regulation; human resources and motivation; and, increasingly, technologies and IT systems, develop and combine together, rather than in a linear mechanism. Unless account is taken of each of these elements in the policy design phase, there is a high risk of delivery problems.

13. Sixth, because many of the top priorities of modern governments (particularly in crime, education, health, the environment and welfare) depend on **changing behaviour and cultures** as well as improving services: for example changing motivations to learn; attitudes to health and diet; attitudes to welfare and work. The models of mass consumer delivery drawn from the private sector that were very influential in the 1980s and 1990s have only limited relevance in these cases.

14. Seventh, because of **interdependencies between policies.** Single policies, however well implemented, are unlikely to have much effect on the biggest challenges to government – such as improving competitiveness or tackling social exclusion. Instead it is the combination of policies that is likely to be decisive.

**Changing views of delivery**

15. Concern about delivery is not new. It has dominated successive waves of thinking about policy making over the 40 years, each of which has arisen

as a response to perceived failures of delivery. These can be described schematically as follows (a full list appears as Annex 2):

- **1940s-70s**: concern about the inefficiency, inequity and variability of private companies (eg in energy), and charities (eg in health) leads to a big expansion of the public sector; delivery is achieved through nationally integrated services, corporations, professions and plans, leaving a substantial amount of autonomy for professionals (eg teachers or planners).

- **1980s**: loss of confidence in the capacity of government to deliver, and the priority given to cutting public spending, leads to the replacement of the state by private companies, and encouragement of more competitive markets; empowerment of consumers and competition is seen as the key to successful services; cash limits provide sharper incentives for public agencies; independent regulators are introduced to sharpen performance and accountability.

- **1990s**: Concern about the limited scope for full privatisation in key sectors leads to the introduction of quasi-markets within government; a strong emphasis on incentives; a stronger customer focus, including 'one-stop shops'; charters to embody consumer rights; separation of policy and implementation through Next Steps executive agencies to ensure more business-like delivery; the growth of performance indicators; PFI to bring in new capital and expertise; and market testing across the public sector.

- **2000s**: A stronger political commitment to outcomes in education, health, crime and employment leads to the advent of PSAs - fewer targets but focused on outcomes; joined-up government to tackle the holistic nature of delivery; recognition of problems in the agency/policy split (now under review); application of the principle of intervening in inverse proportion to success; creation of on-line services (NHS Direct, UfI, NGfL etc.) in parallel with traditional services.

**Delivery as a problem of 'principals' and 'agents'**

16. The central issue through each of these periods has been how to ensure that thousands of organisations, and millions of individuals, carry out the priorities set by central government.

17. Contemporary understanding of this issue has been profoundly shaped by the idea – articulated most clearly by 'public choice' theorists in the 1960s and 1970s – that there is an inherent conflict of interest between the 'principal', central government, which wishes to achieve the maximum outputs at minimum cost, and the 'agents', the agencies, professionals and others, who have different goals and cultures and who will tend to protect their own interests and maximise their funding.

18. Policy-makers are still working through the implications of this analysis which has already encouraged improvements in public services through much more precise measurement of performance (to enable the principal to judge the agent); purchaser-provider splits; the successful application of executive agency model in many fields; the growing use of quasi-markets etc.

19. However, some of its limits have also become apparent. In some of the earlier – and cruder – responses to this analysis it was assumed that the centre could improve delivery by awarding more resources (including performance related pay) to the good performers and less to the poor performers. However, this can easily lead to dysfunctional results: in practice where service areas are high priorities it is not possible (or just) to penalise them financially; driving through policies with an implicit assumption that the main players are the problem, rather than part of the solution, is usually a recipe for failure; and personal rewards systems that appear to be capricious (because of the impact of external factors on targets) can demotivate rather than motivate.

**The current framework for delivery and performance management**

20. As a result of these lessons a more sophisticated approach to performance management is taking shape.

21. At its core is a system for measuring and managing performance which now includes:

- PSAs and SDAs (and the array of agency targets) setting clear expectations for performance which can be cascaded down to front-line staff, and providing clearer signals about relative priorities.

- a machinery for monitoring implementation – including PSX, Prime Ministerial stocktakes – to enable quick adjustment of priorities, resources and targets

- regular spending and policy reviews – to enable medium term adjustments to strategies and targets

- a clutch of parallel moves around cross-cutting issues, the use of knowledge, the involvement of outsiders and practitioners

- greater investment in evaluation to analyse policy successes and failures

**Improving performance management**

22. Success in the future will depend on how well this new system beds down and develops.

23. For the reasons set out above **the most important contribution to better performance is better policy** – policy which is informed by a full understanding of the practicalities of delivery, rigorously assessed for its realism, designed with a capacity for continuous improvement, and understood by everyone with a role to play in putting it into practice.

24. If this can be achieved, the critical issue in relation to performance management systems is whether the principal – in this case central government – can make valid judgements about what is happening to performance: why it is succeeding or failing, and what needs to be done to improve it.

25. One prerequisite for this is **better targets**, which are realistic and meaningful and really do reflect the desired policy outcomes; which are stretching but achievable; and which can be cascaded down to the front line.

26. Another prerequisite is **effective measurement of performance** in as close to real time as possible, and in as widely accessible a form as possible. Despite the progress achieved by the Audit Commission and others, accurate measurement remains underdeveloped in many fields, and there is great potential for designing systems that more automatically generate comprehensible performance information for decision-makers and users.

27. The key caveat is that there is always a risk of diverting scarce resources, time and experience away from direct delivery and into inspection and measurement. The UK already arguably has a higher ratio of measurers

and inspectors of performance to those engaged in direct delivery than any other country in the western world. There is no strong comparative evidence that this gives the UK an edge in terms of performance.

28. But the most important prerequisite from the perspective of the centre is **a capacity to analyse why a target is not being met**. In principle, there are many very different reasons why a target may be missed. These include (Annex 3 gives a fuller typology):

- Poor central management
- Poor local management causing wide variations in performance
- Poor policy design
- Poor design of the target in the first place
- An unexpected change in the external environment
- Public opposition
- Inadequate funding
- Inadequate incentives or penalties for delivery
- Inadequate HR or IT strategies to support the policy
- Lack of buy-in to the vision by the main players
- Overambitious timescales
- Overload
- Political imperatives overriding reality checks

29. Making judgements of this kind depends on high calibre, experienced capacity at the centre, with a strong sense of 'on the ground reality', preferably achieved through frontline career experience, secondments etc.; access to multiple sources of information and assessment (including user feedback, feedback from inspectorates, task forces etc.); as well as the use of external consultancy.

30. Depending on how failure to meet a target is assessed, the next step is to **determine an appropriate response**. The available responses would include (a fuller list is included as Annex 4):

- rethinking the policy
- redefining the target
- changing top management and leaders (including ministers and permanent secretaries)
- changing local management (from district managers to head teachers)
- investing more in delivery capacity
- increasing funding (or changing it in some other way)
- reshaping HR or IT strategies (including rethinking PPPs)
- reshaping ownership and/or control

31. Much of this may appear obvious. But rigorous assessment of the options for improving performance is rare, and there are substantial cultural, political and institutional barriers standing in the way.

**How much to control from the centre**

32. An effective performance management regime also needs to strike the right balance between **centralisation and decentralisation**. It is a conventional wisdom that the most effective organisations manage through objectives, not through detailed prescription. Whitehall departments are often criticised for excessively detailed guidance or instructions, insufficiently informed by real life realities. Central control is too often used as a default option, particularly in response to crises.

33. There is no simple answer to the question of what should be centralised, and what should be devolved.

34. So long as central government remains the primary source of funding for services, and so long as national politicians remain accountable for results, it is inevitable that the centre will retain overall responsibility for outcomes, and will legitimately want to set targets. Moreover with greater transparency of local performance information, the public is likely to want more rather than less harmonisation of performance standards and outcomes achieved. The potential for e-delivery of services also brings into play substantial economies of scale and scope.

35. However, the fact that central government is accountable for results does not imply that it should specify *how* results are to be achieved. Too much central specification will tend to lead to demotivation, a failure to tailor services to local needs, and excess red tape.

36. There are some cases where such prescription is justified: where there is clear evidence that one procedure works best – as in the case of the Literacy Hour, or the recommendations of NICE based on medical trials – then it may be legitimate to prescribe in detail whilst still offering the right balance of support. In other cases however, where there isn't a sufficient knowledge base, central prescription will tend to lead to worse, rather than better results.

**What do we know about what works: lessons from the case studies**

37. Given how much experience there is of delivering policy, it is surprising how little systematic knowledge there is about what works (although the literature has no shortage of applicable models, some of which are described in Annex 5). One reason is that more ideologically driven

governments were not eager to rigorously assess delivery lessons. Another is that governments have only relatively recently invested substantial resources in evaluation, and even when there are serious evaluations the range of factors that can impact on results makes it hard to draw definitive conclusions. The result is that our current knowledge base is piecemeal, although work is underway to address these gaps.

38. For the purposes of this paper, six case studies have been assembled to illustrate the varied experience of delivery in practice. These, together with other examples, provide valuable lessons in understanding what works and what doesn't in certain circumstances and why. A greater knowledge base – both from the UK and from other countries that have subjected policies to rigorous scrutiny and evaluation - will enable us to draw out more general conclusions in future.

39. This section attempts to summarise the key lessons from these case studies (see Annex 1 for a summary of each case study).

### *Top-down works…but only under limited conditions*

40. In the classic top-down models successful delivery depends on a single organisation in charge with clear authority; clear objectives; good communication within and between organisations; no time pressures; a strong knowledge base about what works.

41. These conditions rarely exist in practice. But some policies have come close.

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**The Literacy Hour** has been a classic example of successful command and control policy implementation. There was clear evidence on how to deliver improvements in reading ability. Government implemented a highly prescriptive model, pushed the policy through despite initial opposition, invested high level political support and resources, and in time achieved widespread support from key stakeholders. This made it possible to compensate for the difficulties involved in achieving cooperation between several different tiers of government – including schools and LEAs. Two crucial elements of success have been identified: firstly, the alignment of policy components against specified high profile goals and secondly, on-going professional development of high quality at every level. The programme is on track to meet its target by 2002.

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42. Incremental improvements to existing programmes can also follow this model: the **extension of breast cancer screening** is a good example. The target is clear; the product uniform across the country, and a command and control structure has been put in place operating through a single line of authority.

43. In both of these cases there was strong research evidence to back up the case for change. The establishment of institutions like NICE and the evidence based research centres in education supported by DfEE should allow more evidence based prescription in the future.

44. A more complex example of top-down, prescriptive success was **the sale of council houses** to occupiers, since this had to be implemented by local authorities, many of which were actively hostile to the policy. The 'right-to-buy' succeeded because the outcome was easily specified and non-implementers could be easily identified; because central government was willing to invest substantial political and financial capital in achieving results; and because tenants had a strong incentive to support change. But the lower quality of remaining stock was an unintended consequence.

45. Less successful examples of central prescription include: the first **national curriculum** (which involved very high costs in subsequently making it workable) and the introduction of the **Community Charge/Poll Tax**. In each case there was little formal knowledge base to draw on, or a reluctance to draw on available research, as well as failure to buy in key stakeholders.

*Bottom Up…*

46. At the other end of the spectrum are policies that are genuinely bottom up. The best examples of genuinely bottom-up implementation are the regeneration initiatives – the **SRB** and more recently **the New Deal for Communities** – which have involved local communities intensively in the design of policy. The SRB has been extensively evaluated, with broadly positive conclusions (though it is inherently more difficult to evaluate and compare programmes in which both the means and ends have been locally determined).

*Top-Down…with discretion*

47. There are a number of examples where top-down implementation has balanced central prescription with some local discretion. **The New Deal for Young People** combined a tightly specified central design with some

room for flexibility at local level, particularly for units of delivery led by the private sector.

48. The policy drew on a good deal of research evidence from Scandinavia, Australia and north America, although none of it had the robustness of the evidence on the literacy hour (and much of the research evidence confirmed that *how* policies are implemented is as important as their formal design).

49. The implementation challenge of the New Deal was to strike the right balance between discretion and prescription, given wide variations between different labour markets, the types of clients involved and the mix of problems they faced. Some of the districts operating with most discretion (including some private sector led districts, and more recently the Employment Zones) have achieved the best performance. Others used discretion poorly and were amongst the worst performing areas. The obvious solution, as in schools, is to give steadily increasing autonomy to managers who have proven their capacity to perform.

50. The other good example of a half way house is the **Youth Justice Reform strategy** which involved some central prescription (and a high profile national target of halving the time taken to process young offenders) but also depended critically on the establishment of local partnerships and Youth Offender Teams to take responsibility for shaping delivery to local circumstances, with the buy-in of local authority chief executives as key goal.

51. More generally the whole experience of **Executive Agencies** can be understood as an attempt to achieve a better balance between central policy-setting and effective, and more flexible, delivery. As a broad generalisation, those agencies that are responsible for clearly defined, and relatively uncontroversial, arms length tasks have tended to be most successful. In some cases the logical next step has been privatisation or full contracting out of the task. Those operating in areas where policy and its implementation are more inextricably entwined (such as the Benefits Agency or the Prisons Service) have run into more problems.

*Compacts and contracts…*

52. There are many tools available for balancing central specification and local discretion in order to achieve effective delivery. Sweden has a long history of devolving power within the context of national frameworks, and has been a pioneer of achieving clear focus on outcomes. The Netherlands and France have both used contracts of various kinds to

commit national and local agencies to shared sets of targets towards which each contributes.

53. The use of contestability can have the same effects; central specification of targets, and key policy elements, combines with scope for new competitors to enter the market and demonstrate that they can deliver better than existing public sector providers. The policy on failing schools; failing LEAs; and the use of the private sector in the New Deal and ONE – are examples of the use of competitive challenge as a spur to performance. In practice, contestability only works if there is both sufficient private sector capacity and accurate performance information. In other countries some of the same effects are achieved through having more open quasi-markets for public services: for example in Denmark or the Netherlands the scope for newcomers to establish schools eligible for public funding acts as a spur on the public sector system.

### *Learning from failure…*

54. There are many examples of delivery failures, and it is invidious to pick on one. We have chosen the **Child Support Agency** because it brings out some additional key lessons. The CSA set out to replace the court-based system for the assessment and collection of child maintenance. The policy itself commanded broad support but its introduction and first year of operation were dogged by a series of failures.

55. There are many reasons why it failed but three stand out:

- Lack of attention to the logistics of implementation. As in many other examples there was not a sufficient 'reality check' during the policy design process. People with proven experience of delivery did not have sufficient clout, or were not taken sufficiently seriously by ministers. The time taken to set up a new agency and procedures was severely underestimated.

- Lack of attention to IT. The task of developing new systems was underestimated. There was too little time for proper testing and poor contracting - a common feature of delivery failures in recent years.

- Lack of attention to the psychology and behaviour of those affected – in this case the absence of incentives for lone parents to cooperate. This has been a consistent failure in many policy programmes and reflects in part the lack of human/behavioural specialists among policy-makers who often use theoretical rather than evidence-based models of how people will behave.

56. The case of the CSA shows the importance of ensuring that there are sufficient time and resources when new organisations are being established; the need to involve implementers early in the policy process; the need to identify risks and set up appropriate contingency plans; the importance of testing key aspects of the policy.

**General conclusions**

57. Several **general conclusions follow from this analysis.**

- Where there is a strong knowledge base, and broad consensus, a high degree of central specification can work, so long as it focuses on a few key priorities.

- Where there is less knowledge about what works, management by objectives is more likely to succeed.

- In all fields there will be benefits from involving practitioners in policy-making, and ensuring that their informal knowledge is used early in the policy process.

- Policy-makers should be economical with goals: one or two primary ones for any initiative. The temptation to multiply objectives should be resisted.

- Policy-makers should be economical with initiatives: monitor the regulatory/policy burden on those involved in delivery; and close down old initiatives alongside the introduction of new ones. The public relations pressure to have new initiatives needs to be constantly weighed against the damage it can do to delivery.

- Every new initiative needs a built-in capacity to learn from monitoring and evaluation. This may involve horizontal networks to allow sharing of best practice; 'lessons learned' units in departments to quickly identify emerging solutions and issues; rapid feedback to policy-makers. Unexpected results should not always be seen as a problem – they can be one of the best sources of innovation.

- The centre needs quick and accurate information about performance and the capacity to make rounded judgements about good or bad performance, and about the appropriate responses.

- In the past IT problems have repeatedly undermined delivery. With the advent of the e-envoy, and the Office of Government Commerce, these issues should be better managed in the future. A similar reappraisal of how HR issues are managed may now be overdue.

- Task forces – which involve practitioners and stakeholders – may play as valuable role in overseeing delivery as they have in policy development, providing a useful alternative source of ideas, information and feedback.

**Specific options**

58. Additionally, there are a number of **specific options to consider** arising out of the previous discussion:

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- The development of a more systematic, and transparent, way of analysing successes and failures. This could be done through the PSX framework. The **checklist of questions** – Annex 6 – could provide a basis for this.

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- The development of measures to ensure more attention to delivery earlier in the policy-making process. One option would be to develop a **challenge function** in the centre of government through the creation of a 'Challenge Team', largely made up of people with proven experience of delivery, to test and probe departmental plans and report to the Prime Minister on deliverability and potential risks. At present the main challenge functions focus either on money inputs, or are retrospective audit. A more formal challenge team, focusing on a relatively small number of major initiatives, might encourage departments to raise their game without undermining departments' ownership of the policy.

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- As a subset of the above, steps could be taken to improve the management of HR issues which threaten to be one of the most important barriers to effective delivery in the next few years. One option would be to appoint a **People Adviser** to advise on human resources aspects of new initiatives across the public sector. A high profile adviser with a proven track record in the field could combine a challenge function and a coaching role. It would be crucial that such a role extended beyond the Civil Service to cover all the other parts of the public, private and voluntary sectors which have a role to play in delivery.

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- There may also need to be a stronger coaching and **support structure** to offer help and advice on implementation and delivery, timescales and new policy tools. This might take the form of a core of expertise at the centre with the capacity to draw on a network of more specialist skills outside government if required, building on the work of the CMPS. Some individual programmes have built up networks of this kind, as well as encouraging more communication and sharing of best practice between delivery units.

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- Consideration could be given to developing the PSA framework to build-in a more formal mechanism for **quality assurance** on implementation issues. This would be another way to achieve some of the objectives of the challenge team. In effect the centre would regularly quality assure the mechanisms within departments to ensure successful delivery of objectives.

- There is also a good case for improving the **knowledge pool** by collecting evidence on implementation and delivery, and making it available publicly as a key output of spending reviews. 'Lessons learned' exercises carried out after major implementations, and made available throughout government, would ensure that mistakes were less likely to be repeated (the US army provides a useful model of how this can be done).

- **Web-based tools for linking policy and delivery.** An important message of many of the case studies is the need for better communication between all levels of the system - those involved in policy, development and implementation - and the need for better links between potential implementers and policy makers. This could be an area in which technology has an important role to play.

   Within business new softwares are being developed which make it possible for a far wider range of participants to take part in policy development projects and change processes. These change tools use the web to link together the many players likely to involved in a change process: top managers, a core project team, other interested bodies, practitioners and stakeholder organisations, all with different levels of access defined through passwords.

   The models under development, all of which are web-enabled, potentially allow the whole delivery community to participate in the whole process from policy design through implementation to review and improvement, including: discussion groups with practitioners to review emerging policy ideas; provision of advice to managers when they hit problems, including vignettes setting out parallel experiences and how they were dealt with; transparent performance data; discussion groups for implementers to share practice.

   Perhaps their most important value is to allow all of those involved in delivering change to develop a shared diagnosis of the problem, a common vision of the solutions and a common language for describing what needs to be done. Development of applications of this kind of tool in central government should be a priority.

**Annex 1: Case study summaries**

1. **The Literacy Hour – "Top down"**

2. **Youth Justice Reforms – "Halfway house"**

3. **Breast Cancer Screening – "Top down - extending existing policy"**

4. **Child Support Agency – "New policy - new organisation"**

5. **New Deal for Young People – "Central design – local delivery"**

6. **Streetworks – "Legislative frameworks – moving targets"**

**THE LITERACY HOUR: TOP DOWN**

The 'literacy hour' was introduced in primary schools in September 1998 as part of the National Literacy Strategy. The Literacy hour has four elements:

- whole class working on a shared text;
- whole class word or sentence level work;
- guided reading and writing in small groups or individually;
- a plenary session to reinforce what has been learnt.

The target is that by 2002, 80% of all 11-year olds will achieve level 4 (the expected standard for their age). Achievement in 1996 was 57%.

1. A literacy taskforce, chaired by Professor Michael Barber with headteachers, school governors, OFSTED representatives and academics, began to develop strategy prior to election. The taskforce looked at best practice in the UK and abroad, comparative evidence on standards and economic performance in other countries and the existing pilots being conducted in 20 LEAs.

*The strategy was carefully planned before implementation, although once implementation began it was done with urgency.*

*Pilots were underway which informed development of the national strategy.*

2. The taskforce reported in February 1997 and set out the fundamental elements of the strategy.

3. National strategy published in summer 1997. This included a national target set by DfEE and a delivery plan. Detailed delivery plan communicated intention to set policy in place by September 1998, set out support available and what needed to be done.

*DfEE set clear target and Secretary of State added personal commitment to it.*

*The national target was set by DfEE to be "challenging but realistic". Based on latest available results in 1996.*

*Timetable clear plus knowledge that resources would be available. High quality support materials and training succeeded in getting early buy-in from education sector.*

4. Period from summer 1997- September 1998 to put infrastructure in place and get teachers trained. Two key elements:

   (i)  300 'literacy consultants' to deliver training. 50% funded by DfEE/50% by LEA. The teaching framework and accompanying training materials were drawn up by DfEE in consultation with partners and practitioners. It set out detailed teaching objectives for each term of primary school teaching. LEAs ran 1-day training conferences for head/lead teachers/governors prior to in-school training programme for every primary school teacher.

*Training delivered early and timely.*

*DfEE prepared 'prescriptive' teaching material, potentially controversial but widely accepted because of its high quality.*

*'External' factors/context helped: new Government, teachers welcomed guidance, willingness to try changes, primary school teachers probably more receptive to prescriptive methods.*

*The fact that teachers felt part of a national strategy also had positive impact on willingness to accept changes.*

   (ii)  A reporting structure comprising National Director and 20 regional directors employed by DfEE. The RDs are responsible for delivery through the training consultants. The National Director reports to DfEE.

5. OFSTED remain responsible for inspection of school standards and teaching within schools. This encompasses teaching through the Literacy Hour programme. They are also conducting a specific evaluation of the literacy strategy and providing regular feedback, which has led to refinements of the strategy.

*The role of OFSTED completes the three key elements of: target setting, inspection and support (resources and training).*

6. The Literacy Hour was rolled out in September 1998. Pupils then starting year 3 will be the cohort required to reach the national target set for 2002. Those pupils in higher years who will not benefit for the full duration of the strategy have received additional literacy teaching.

7.  The annual national results and OFSTED's evaluation reports show that the Literacy Hour is raising standards, and that the Government is on track to achieve its 2002 target.  The biggest impact so far has been on standards of reading, and more is now being done to close the gap between reading and writing.

Source: material from DfEE

# REFORM OF THE YOUTH JUSTICE SYSTEM: HALFWAY HOUSE

The youth justice system comprises the work of the police, courts, Crown Prosecution Service, youth offending teams (formed by police, social services, education, health and probation authorities) local authority secure units, secure training centres and young offenders institutions run by the prison service in dealing with young offenders aged 10-17. The system covers the work of those agencies in preventing offending by children and young people and in particular in dealing with young offenders from the time he or she is apprehended to the time he or she is discharged from the system. In 1996 an Audit Commission value for money report described a system in which these services worked to different targets and none took responsibility for what happened to the young person. The reform was based on the single aim of preventing offending by young people. This is to be achieved through six objectives which are to :
- reduce delay in administering justice;
- confront young offenders with the consequences of their offending;
- helping young offenders to tackle problems associated with their offending;
- punishment proportionate to the seriousness and frequency of offending;
- reparation by young offenders for victims; and
- reinforcing parental responsibility.

1. In June 1997 the Home Secretary established a Taskforce on Youth Justice to advise on reform of the youth justice system. The members included people from the services dealing with young offenders including police officers, a headmaster, a lay magistrate, a stipendiary magistrate, magistrates' clerk, a director of social services and a Chief Probation Officer as well as people working for victim support, business, the Home Office and the Lord Chancellor's Department. The interim reports produced in August and October 1997 informed the youth justice reforms set out in the White Paper "No More Excuses" and the associated Crime and Disorder Bill.

*The Taskforce's views helped build a consensus of those connected with youth justice services and consultation (not formal) succeeded in achieving early buy-in and commitment to change.*

2. Crime and Disorder Act passed in July 1998 introduced a statutory aim for the youth justice system – to prevent offending by children and young people. It provided for a Youth Justice Board to provide national leadership, to identify and promote good practice and provide advice to the Home Secretary. Local services were required to form multi-agency youth offending teams and to produce youth justice plans setting our how youth justice services were to be provided in their area. Chief Executives of local authorities with education and social services responsibilities were made responsible for ensuring there was a youth offending team for their area. The courts were given new powers to

make Parenting Orders, reparation orders and a new Detention and Training Order was introduced to be served half in secure facilities and half in the community.

3.  The Taskforce drafted guidance on how to establish a youth offending team (YOT). Successive drafts were shared with larger groups of consultees and it developed to take account of the concerns raised by services that would have to implement it.

*10 pilots were established and the results of pilots used to inform full-scale implementation a year later – letting other areas learn from the experience of the pilots.*

4.  The Youth Justice Board was set up in October 1998.  It is required to monitor the operation of the youth justice system and the provision of youth justice services, to identify and promote good practice and to advise the Home Secretary how to achieve the aim of preventing offending by children and young people.  The Board has powers to make grants and to commission secure accommodation for children and young people sentenced and remanded by the courts.  The Home Secretary appointed members to the Board following Nolan procedures.  The range of members is similar to that of the Task Force (three members including the Chair also served on the Task Force providing continuity).

5.  The Board has recruited staff from probation, police, social services, youth offending teams and the private sector as well as the civil service. It has adopted a consultative style of work with regular rounds of regional conferences with people working with young offenders.  Local services provide positive feedback on the consultations.

*An inter-disciplinary body with representatives from all the main services concerned with youth offending.*

6.  Local authorities were required to prepare local Youth Justice plans in consultation with related services in their area and to submit these to the YJB in December 1999.  The guidance on preparing the youth justice plans was informed by seminars with YOT managers and designed to be useful to them.  A common range of data was included so the Board could collate them and provide comparative data back to local areas.

*Youth Justice Plans prepared locally – with guidance.*

7.  The new Youth Offending Teams were put in place during 1999 and were in place in all parts of England and Wales by April 2000 when the statutory duty to have such teams took effect.  They in turn established

new programmes to challenge offending behaviour, new bail supervision schemes and formed links with mainstream education and health services.

### *Timed/planned implementation.*

8. The Youth Justice Board have helped to fund 440 different local programmes including e.g.Youth Inclusion, Parenting, Reparation, Mentoring, Offending Behaviour, Education and Training, Alcohol and Drugs.

### *Resourcing issues addressed and funded*

Source: material from the Youth Justice Board

# THE NHS BREAST SCREENING PROGRAMME: TOP DOWN – EXTENDING EXISTING POLICY

> The NHS Breast Screening Programme currently invites women aged 50 to 64 for breast screening by mammography at a three yearly interval. Government funded research has shown that extending routine invitations to women aged 65 to 70 is feasible and cost-effective. The intention to extend the programme was announced in the NHS Plan in July 2000 and the NHS Cancer Plan in September 2000. Women aged over 70 will be entitled to screening every three years on request, as are women aged 65 and over now.

1. The programme has a high political, media and public profile. For example, Age Concern have lobbied for extending routine invitations to women up to 70, and have already begun lobbying to extend routine invitations to women over 70. A large number of women and their families are affected by the breast screening programme (1.2 million women are screened per annum).

2. Three pilot studies, launched by the previous government, were undertaken in between 1997 and 2000 to assess the feasibility and cost-effectiveness of extending routine invitations for screening to women aged 65 to 69. The pilots were run by an advisory group (DH cancer team plus R&D team to evaluate pilots) and the National Coordinating Team of the NHS Cancer Screening Programmes.

3. In May/June 2000, the results of the pilots were reported to the advisory committee on breast cancer screening – a NDPB comprising medical experts and specialists, and the National Screening Committee – the secretariat of which is provided by the NHS Executive. Both these bodies endorsed the results of the pilots and the recommendation that extension of screening should go ahead. However, they expressed concern about workforce problems.

***The policy was based on evidence from pilots which was endorsed by the profession. Combination of evidence-based and early buy-in from key stakeholders.***

4. The NHS Plan trailed the new policy on extension which was announced in the NHS Cancer Plan. The target is to extend routine invitations for screening to women aged 65 to 70 by 2004. This will extend the number of women receiving breast cancer screening by 400,000 to 1.6 million. New screening techniques and a replacement IT system are also part of the programme.

*The targets and timetable were clearly specified in a published document, including an indication of funding for the programme which is included in the funding for cancer in the NHS Plan.*

*The Cancer Plan also made clear the need to manage an expansion of key screening staff and it set out how this would be done.*

5.  The breast screening workforce is already under pressure due to screening more women than ever before.  In addition, key screening staff – radiologists and radiographers – are in short supply.  Expanding the programme will mean a 40% increase in the workload.  This has been identified as the biggest threat to the failure to implement the extension programmed.  Consequently, new skill mix arrangements, including a new grade of assistant practitioner, are being piloted from October 2000 at four development sites.  National occupational standards are being developed to support  the education and training required to deliver this.  The pilots are due to be evaluated in September 2001.

*There has been resistance from the professional bodies (Royal College of Radiographers and Radiologists) to the potential dilution of their profession by the proposed 4-tier grades.  Involving them in discussions at an early stage and in the pilots has helped overcome initial concerns.*

6.  The extension will be phased in over 4 years with a 10% increase met in year 1 (2001), 40% in year 2 and 50% increase in year 3.

*A managed and timely roll-out.*

7.  The extension to breast cancer screening is part of a high profile drive for improvement throughout the NHS.

*As such it has benefited from being championed and supported as a supercharged priority, guaranteeing its profile and funding.*

*A management structure exists for the project which is part of a much bigger picture – 10 taskforces to implement the NHS Plan, of which one is for cancer.*

*Project management techniques are being applied across all major project areas, including the cancer projects, to support implementation.*

8.  The breast cancer screening extension requires co-ordination from the centre to the existing 87 breast screening units.  This is done through the

National co-ordinator of NHS Cancer Screening Programmes and Regional screening Leads.

9. Each region will be required to assess their breast screening units and develop a detailed local plan and target date for completion. Ongoing monitoring of implementation will take place through the office of the National Co-ordinator.

Source: material from Department of Health

## THE CHILD SUPPORT AGENCY: NEW POLICY – NEW ORGANISATION

> The Child Support Act in 1991 was designed to ensure that parents could not renege on their moral responsibilities to their children. It replaced a system for the assessment and collection of child maintenance, primarily determined in the courts, that had failed with a more effective alternative. Legislation was also intended to achieve benefit savings for the taxpayer and to assist caring parents to leave the benefit system sooner. The Agency was set up in 1993 but months after its launch it became clear that it would not achieve its objectives. A review of operational procedures was undertaken and a plan put in place to get the organisation back on track. This summary covers the first 12-months.

1. A DSS interdepartmental group was set up in February 1990. The resulting White paper "Children Come First", was published in October of the same year. It stated that the new CSA would "produce consistent and reasonable results so that people in similar financial circumstances will pay similar amounts of maintenance, and so people know in advance what their maintenance obligations are going to be". It was intended to be an improvement on the existing court system. At the centre of the proposals was a new formula for determining the maintenance bill.

*From the outset there was strong backing and involvement from No.10 which provided the impetus for rapid policy formulation and delivery.*

2. There were two "customer groups": the parent with care (PWC) and the absent parent (AP). The "customers" would pay a flat rate fee to the agency for the assessment and recovery of the money.

3. The financial rationale for the policy rested on the assumption that by increasing the amount and regularity of maintenance paid by the AP to the PWC, the taxpayers share of the maintenance bill would be reduced and it would be easier for the caring parent to achieve greater independence through working and leaving the benefit system.

*Assessment of taxpayer savings became a key target and driver for operation in the first year as well as pressure for an early start date. Conflict was to arise between the objective of achieving savings and "putting children first".*

4. The project team was put together in November 1990 to take forward the delivery programme. The two key target dates at this point were the application of the new formula by April 1992 and the CSA to go live in April 1993.

*This timetable demanded a rapid set-up of the Agency and proved, with hindsight, to have been too tight for a 'new business' starting from scratch. The size of the task was underestimated.*

5. The White Paper received few amendments and there was generally widespread, and sustained support for the objective of ensuring proper financial support for children. The Bill received royal assent in February 1991 and preparations were underway for the design of the new IT systems.

*The short timetable had knock-on impacts for testing IT. Pilot testing had to be dropped. In addition the development of new IT systems, which provided critical support, proved problematic and ultimately affected the capability of the management information system.*

*Underdevelopment of IT also meant that application of the new formula was put back a year; it was first introduced when the Agency went live. It became necessary to work on all aspects of the project at the same time and before all aspects of policy development had been completed.*

6. Staff were recruited and trained in the Autumn of 1991. The Agency began with just over 3000 staff which rose to 5000 during the first year.

*Once up and running, it became clear that staff found it difficult to deal with more complicated cases. Experience at management level was also limited.*

7. The Child Support Unit – the shadow agency was set up in January 1992 and the CEO, Ros Hepplewhite was appointed. At the same time a management team was put in place. The Agency went 'live' in April 1993. It was reported that the CSA were targeting potentially high yielding cases as an operational priority in order to meet financial targets for taxpayer savings.

8. In June 1993, it was clear that published targets would not be reached. The target figure for the number of PWC making eligible applications and having maintenance assessed was 60%, the reality was 32%. The target for benefit savings was £530 million, in reality savings were £418 million.

*The targets were too ambitious and flawed – they were the wrong drivers for the Agency's business.*

*The costings were highly dependent on a large number of critical assumptions.*

9. Operational difficulties arose concerning incorrect assessments. The formula was under attack from producing inconsistent and unreasonable results, in many cases a result of the inadequacy of the information to which it was being applied.

*The formula was "wrapped up in algebraic mystery", too complex to understand, interpret and communicate.*

*One of the most contentious elements was in overturning past settlements of property or capital prior to the Act.*

*Fundamentally, there was no incentive for APs to cooperate.*

10. A review of operational policy and procedures was undertaken in Autumn 1993 resulting in an action plan. This achieved some short-term improvement but at the expense of a further backlog in difficult cases.

*The press coverage, together with effective campaign pressure, were instrumental in achieving an overhaul of the operation of the CSA.*

Sources: material from DSS
House of Commons Social Security Committee Report,
*The Operation of the Child Support Act,* October 1994

# THE NEW DEAL FOR YOUNG PEOPLE : CENTRAL DESIGN – LOCAL DELIVERY

> The New Deal for Young People (NDYP) is a key element in the New Deal Initiative and part of the wider Welfare to Work strategy. NDYP was introduced in 12 Pathfinder areas from January 1998 and became a national programme three months later. It is aimed at people aged 18-24 who have been claiming unemployment benefit continuously for six months. Participation is mandatory. Early entry is possible for some groups. The Employment Service has lead responsibility for delivering NDYP working in partnership with others: TECs, Local Enterprise Companies, local authorities, voluntary sector organisations and private companies. The delivery of NDYP through local Units of Delivery was designed to allow local knowledge of the labour market to inform delivery and meet more closely local needs.

1. Some key parts of the thinking on New Deal had occurred prior to the 1997 election and appeared as a commitment in the manifesto – to help move 250,000 long-term unemployed young people aged 18-24 from welfare into work. The model was devised centrally and was deliberately prescriptive involving a gateway period of 4 months maximum and four programme options and defined stages to give local flexibility.

*A rigid and centrally-planned model contributed to simpler and more effective delivery. It also helped to drive implementation across a relatively short timescale. The model has been subsequently adapted to different local conditions.*

*The strength of the economy and the New Deal's success resulted in a mismatch between the remaining client group and provision – employment increased and many people moved rapidly from the New Deal into work and the remaining unemployed had more entrenched problems.*

*Resources were not a problem as funding was met from the proceeds of the 'windfall' levy.*

2. The pathfinders were very quickly up and running in 12 areas in January 1998 and the programme was rolled out nationally 3 months later.

*Running pathfinders concurrently with national roll-out worked well and lessons learnt in early implementation were fed into the national programme.*

3. The Employment Service delivers the programme in 144 local delivery units according to one of four broad partnership models for delivery including forms of private sector lead in 10 areas.

*There has been variability in local performance. Notably under the Joint Venture Partnerships partners were not always sufficiently robust in managing contract delivery. The Employment Service has subsequently taken the lead in order to drive up performance.*

*Some local Employment Service managers found their role confusing in both contracting and having strategic partnerships with the same partners.*

4. Strategic Partnership Groups (SPGs) were set up for each Unit of Delivery. These were intended to have an advisory and monitoring role to reflect the varied labour market contexts and client profile of each area. Membership included core organisation such as TECs, career services LAs, employers etc.

*In practice the role of SPGs has become more limited as the New Deal has matured. The membership of SPGs often overlapped with other local initiatives resulting in the Employment Service forming different relationships with key local players.*

*At a local level other initiatives/policies can complicate and distort funding i.e. the Single Regeneration Budget and the European Social Fund.*

5. The Gateway, a crucial element in helping people quickly into work and supporting the proposed four work-experience and learning options, provides a period of up to four months of personalised help.

*Delays have been experienced in moving out of the Gateway. The 1999 Budget announced further resources to look at ways of intensifying the Gateway process.*

6. The New Deal Personal Adviser was both novel and key to making the delivery 'client-centred'. But this was a new role for front-line staff and required training. Initially it was unclear as to how staff would adapt to a new role in which they had more autonomy. The evidence now is that advisers have adjusted well to, and welcomed, more autonomy.

*The new role of personal adviser had to be defined carefully especially the nature of the change in the role of front-line staff and their associated new skills. Employment Service staff morale was given a boost by their*

*new role.  Vocational qualifications for all New Deal Personal Advisers were introduced.*

*Good personal advisers were poached – with training in new skills they were able to progress elsewhere on higher salaries.  The Employment Service is addressing this by developing internal progression ranges for Advisers including securing level 4 NVQs.*

7. The New Deal Task Force provided a valuable source of real world feedback on the programme. It included employers, local government, voluntary sector and experts; carried out its own studies; and linked into local 'employer coalitions'.  This enabled it to provide a valuable support and challenge function.

Sources: material from the Employment Service and DfEE.
John Philpott, *After the windfall: the New Deal at work,* Journal of the Institute of Economic Affairs, Vol 19, no.3 September 1999

# STREET WORKS: LEGISLATIVE FRAMEWORKS - MOVING TARGETS

The New Roads and Street Works Act 1991 was designed to minimise disruption caused by utilities digging up roads.  There were powers in the Act for Highway Authorities to charge utilities for overstaying a reasonable period for their works. These are only now being activated.  Although some aspects of the Act were successful, the unforeseen consequences of privatisation of utilities and the enormous rise in cable-laying in the mid-1990s led to pressure for firmer action.  'Overstay charging' will be introduced from April 2001 and an amendment in the report stage of the Transport Bill in the Lords opens the way for full 'lane charging' in future.

1. A committee in the mid-1980s drew up the provisions of what would become the New Roads and Street Works Act 1991.  It was designed to address the disruption to traffic and pedestrians, primarily by utility companies, when installing and repairing pipes and cables.  It came into effect in 1993.  It contained a new duty on highway authorities to co-ordinate works, backed by new requirements for the utilities to give advance notice and a duty to co-operate with the highway authorities and each other. Both duties are on a best endeavours basis.

2. The emphasis was on co-ordination and co-operation, not financial disincentives.  However, the Act did contain a provision to introduce financial penalties for some utilities street works.  This allowed charging for works that occupy the road for longer than an agreed period.

***The legislation dealt with the problems that were perceived at the time, in a way that appeared sensible at the time.   Overall it improved on the situation under the previous legislation and all parties were keen to make it work.***

***The charging provision was not activated***.

3. The charging provision was not activated partly because it was expected to be ineffective.  The original Bill had contained a full 'lane charging' provision which had been watered down.  The charge would be reckoned for overstaying a "reasonable" period.  This was not only difficult to define and subject to challenge but the notification system itself was imprecise – utilities give a minimum period of notice before starting works without having to specify a fixed start time.

4. In the early 1990s, there was little pressure to close the loopholes on the notification and timing problem and so implement a system of charging.  Effort was concentrated on bedding down the new regime. Added to this,

the information system was weak – there was patchy data on which to assess the impact.

5. However, two unforeseen factors increased the difficulties of operating within the original framework:
    - efficiency drives and the greater competitive environment following privatisation of utilities meant that cooperation, which had previously existed, was reduced. The utilities were less willing to compromise when the Highway Authority (with limited powers) suggested rescheduling work because of the impact on costs and the bottom line
    - the enormous rise in cable companies (particularly once they could use telephone cables for TV and more recently because of the growth in internet and e-commerce) massively increased the disruption caused by street works  They automatically obtain statutory rights to dig up roads once they have a cable license.

***None of the main parties had an incentive to cooperate.***

6. The main lobby group – RAC, supported by the Evening Standard – plus growing public protests led to a sponsored private members bill in the Lords.

***The problems caused by streetworks are highly visible and affect a large proportion of the population.***

***Legitimate public concerns  were recognised and action taken to consult on options***

7. The Transport White Paper "A New Deal for Transport – Better for Everyone" stated that consultation would take place on "options for an incentive system, with penalties, to minimise disruption to all road users, and to encourage improved co-ordination of street works."  The subsequent consultation document included the full lane-rental option as well as the option of activating the overstaying regime.

***The concern for Government as a whole is in balancing the costs of disruption to traffic and pedestrians against the competitive pressures, and benefits to consumers, in the fast moving communications sector. There are also cross-government actions to resolve e.g. DTI is responsible for handing out licences for cable services.***

8. The Transport Bill proceeded through parliament in Spring 2000 on the basis of enacting the overstay provisions in the 1991 Act.  However, following pressure during Committee stage in the Lords, the Government

introduced an amendment at the report stage that would give powers on full lane-rental, to be used if the overcharging provisions proved to be ineffective.  (the "reserve" is in the policy not the powers)

*With perfect foresight, the 1991 Act might have constructed a different framework – possibly licences for utilities and other companies? – or at least the infrastructure (system and information management) to enable full lane-rental to be implemented.*

9.  Charging for 'overstaying' will begin in April 2001.  Highway Authorities will need to upgrade computer systems to manage the new regime.  The regulations set out rates for different types of road but these can be waived or reduced by Highway Authorities.  There will be local discretion to implement.

*A potentially profound change – eroding the utilities' right of free access to their apparatus – has been introduced 10 years after the power was originally made available.  This was done as an amendment to the Transport Bill with little consultation nor reference to a Committee of inquiry, a White Paper etc.  Its implementation is directly related to support from the centre.*

Sources: material from DETR
        Consultation Document *Reducing Disruption from Utilities' Street Works*, DETR October 1999

## Annex 2: The delivery toolkit

Governments have at their disposal a very extensive toolkit for delivering policy objectives. These include:

- **Legislation** continues to be used by Governments both as the main instrument of implementation itself (eg. establishing bodies, defining obligations) and as a means of controlling delivery and implementation (e.g. early 1980s measures to get a tighter grip on LAs).

- **Funding**, either direct, arms length, through grants, loans, equity stakes, guarantees – either channelled vertically through structures or offered as incentives, for bidding, or direct to front-line staff (such as headteachers).

- **Structural change** – eg new ownership (nationalisation or privatisation), engineering of new institutional structures.

- **Market-type mechanisms,** including 'internal' or quasi-markets to ensure better allocation of resources, and, in theory, better results. The NHS and BBC both pioneered these approaches, though subsequently both abandoned their internal markets.

- Offering **greater consumer choice** – and the threat of exit - as a lever on delivery agencies (for example in higher education).

- **Compulsory competitive tendering** to ensure competition between organisations that provide public goods and services (example at local government level) and  **market testing** to ensure cost-effective delivery and better quality.

- **Individual/independent units for service delivery** where a line is drawn between the executive function of service provision and policy eg Next Steps Agencies launched in 1988, operating at arms length from government departments.

- **Devolved management.** The Education Reform Act in 1988 gave headteachers and school governing bodies responsibility for the administration of school budgets and power to seek grant-maintained status.  In 1990 the NHS and Community Care Act promoted the development of 'self-managed' units within health districts.

- **Contracts/framework agreements** to support delivery agreements between different parts of Government and between purchasers (central Governement or LAs) and private or voluntary sector providers, containing targets.

- **Performance-related pay** for chief executives of agencies, managers and other staff.

- Bringing in new skills through the **PPPs** and the **Private Finance Initiative (PFI) to** deliver services (eg defence training projects) or build, maintain and/or operate institutions such as hospitals and prisons.

- **Local partnerships** (sometimes including national agencies) working together on local delivery (New Deal, EAZs etc.).

- **Management by targets.** The introduction of a range of performance indicators and more recently of **PSAs** in 1998 which more formally link delivery targets and service commitments to resource allocation.

- **E.gov solutions** as a means of improving performance, sometimes establishing parallel structures to traditional ones (NHS Direct, Learningandworkbank, UfI, National Grid for Learning).

## Annex 3: What can go wrong: a typology of policy failure

The following is a typology of what can cause targets to be missed:

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*Management*

- **Poor top management** who fail to take the actions necessary to achieve targets

- **Poor or variable management,** often because of the lack of effective performance management systems either within integrated organisations or across dispersed sectors

- **Non-delivery of IT -** lead-times for IT development can be easily underestimated. The systems are complex and often have to be developed from scratch. The downside from insufficient development time and testing can be significant e.g. Passport Office, CSA.

- **Contract failure** through poor specification and management of contracts demands specialist skills; getting it wrong can result in non-implementation e.g. the benefit payments card.

- **No management information** because of lack of systems to report on progress, provide 'early warning' signals and no feedback of information into the implementation process. Without these, delivery can stray off-course.

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*Resources*

- A **lack of resources** through poor budgeting, failure to negotiate adequate funding. Poor understanding of what resources are required to deliver.

- A **lack of staff** either in number or with the required skills to fulfil new tasks. This can arise from poor workforce planning/forecasting, failure to appreciate new level of skills needed or inadequate training.

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*Planning*

- The **capacity for change is finite**. Too many initiatives overload the system, both in managing and in front-line services. Without an oversight of the total demands on a system, or across systems, there is a risk of overload.

- **Unrealistic/over ambitious timescales** for implementation. Pressures for systems to be up and running can mean short-cuts with adverse consequences further down the line.

- **Legislative timetable** leaves inadequate time to enact legislation or results in delays.

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*Targets/Performance*

- The **wrong delivery targets** which distort delivery, divert organisations from their original objectives e.g. CSA original tax-savings target.

- Problems of **variable performance which are not explained by management capacities.** There are a number of possible causes including socio-economic factors in the client group, local conditions (eg in remote rural areas). There are many examples e.g. schools and New Deal. Published performance data often hides critical explanatory factors.

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*Lack of incentives*

Non-implementation can result if the **incentive structure is lacking** or wrongly designed. This can arise between clients and the service e.g. absent parents and the CSA, and utilities and streetworks or between the centre and local delivery e.g. planning.

*Policy Design*

- The **wrong policy solution** may have been selected for a number of reasons ranging from inadequate policy appraisal, failure to establish cause and effect.

- Part of the wrong policy solution can be related to the evidence base either **a lack of sufficient evidence** or **incorrect judgements** about the existing evidence. BSE is a good example where there appeared to be no systematic review of the evidence.

- **A strong political drive** which pushes implementation before detailed appraisal of the options takes place.

- Implementation fails because the **wrong tools** have been selected.

- For major changes, **risks are underestimated,** leaving no proper contingency mechanism.

- An **unexpected change in the external environment** occurs which cannot be accommodated in the policy design.

*Failure to sell*

- Failure to get sufficient **buy-in** from key stakeholders and customers

- **Public opposition** which is not tackled by selling the policy effectively.

## Annex 4: Responses to failure

The following is a typology of responses to the identification of failures.

- Self improvement within the organisation which aims to rectify problems and thereby prevent the need for direct, external intervention.

- Change/renegotiate targets and performance measures.

- Rethink the policy.

- Changing top management and leaders (including ministers and permanent secretaries)

- Changing local management (from district managers to head teachers)

- Change service provider

- Invest more in delivery capacity

- Offer help and advice to improve service delivery

- Increasing funding (or changing it in some other way)

- Reshaping HR or IT strategies (including rethinking PPPs)

- Reshaping ownership and/or control

- ….ultimately abandon the policy

## Annex 5: The academic study of policy implementation and change

There is an extensive academic literature on policy implementation. The ESRC are currently funding a seminar series on 'Public Policy Implementation' which is renewing academic interest in this area and providing a forum for discussing theoretical frameworks in the context of more recent policy developments.

This annex provides a short synthesis of the main developments in thinking across three related areas:

- top-down/bottom-up implementation debate
- new public management
- management of change

### Top-Down, Bottom-Up Implementation Debate[1]

Until the 1970s policy analysis tended to be preoccupied with the rationality and openness of decision-making in solving public policy problems. But it became apparent in the 1970s that many policies and programmes had under-performed. Subsequently analysts directed their attention to what had gone wrong and why.

Initial work was concerned with defining a rational set of sequences involved in successful implementation, the so-called *'top-down'* models. Starting from a policy decision by government these models focus on the attainment of objectives through clearly defined goals. The structure is hierarchical with a chain of command to assemble and control resources and a system that can communicate effectively and control individuals and organisations in a series of tasks. Analysts began to set up models of 'perfect implementation' to help identify the preconditions of achieving completely effective implementation of public policies. This 'ideal' was not supposed to exist in practice but could be a tool for thinking more systematically about the reasons for implementation failures. The following is from Gunn[2]:

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[1] Much of the material in this annex is taken from W.Parsons *Public Policy: an introduction to the theory and practice of policy analysis*, 1995. Other sources are cited where relevant.

[2] L.A.Gunn, *Why is Implementation so Difficult?*, Management Services in Government, 1978

- external circumstances outside the control of the implementing agency do not impose constraints;
- adequate time and sufficient resources are made available to the programme;
- at each stage, the required resources are available;
- the policy is based on a valid theory of cause and effect;
- the relationship between cause and effect is direct and there are few, if any, intervening links;
- there is a single implementing agency which need not depend on other agencies for success (if other agencies are involved, the dependency relationships should be minimal);
- complete understanding of, and agreement upon, the objectives to be achieved;
- it is possible to specify, in complete detail and perfect sequence, the tasks to be performed and by whom;
- perfect communication and co-ordination of the various elements or agencies involved;
- those in authority can demand and obtain perfect obedience.

It is easy to see how these conditions are unlikely to hold in the real world, and in some cases are even undesirable. Critics argued that these models ignored the complex interactions between different players, organisations, those 'at street level', all of whom can undermine central aims. This spawned the development of '*bottom-up*' models which take as a starting point the network of local 'actors' involved in service delivery at local level, and emphasises *their* goals, strategies, activities and contacts in shaping policy at higher levels.

Bottom-up models lay great stress on the fact that 'street-level' implementers have discretion in how they apply policy. Professionals have a key role in ensuring the performance of a policy e.g. teachers, doctors, social workers etc. This implies that the policy process may be skewed by implementation dominated by professionals and may result in outcomes which are quite different to those intended or desired by policy makers.

This high margin of discretion is not necessarily exclusive to a bottom-up model of implementation: those on the front-line of policy delivery have varying degrees of discretion on how they implement the rules. Others claimed that street-level 'activity' did not invalidate top-down approaches but necessitated additional strategies in order to affect the preferences and behaviour of the 'street-level bureaucrats'. These included the implementation process being legally structured to enhance compliance by implementers and target groups, skilled and committed implementers and support from politicians and interest groups[3].

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[3] P.A. Sabatier *Top-Down and Bottom-Up Approaches to Implementation Research: A Critical Analysis and Suggested Synthesis*, Journal of Public Policy, 1986

There have been many attempts to synthesise the top-down and bottom-up approaches largely focussing on human interactions, the nature of these interactions and models of bargaining and conflict resolution. Sabatier[4] proposes an 'advocacy coalition framework for change' in which elements of the top-down/bottom-up approaches are combined. It recognises the policy subsystem – public and private organisations and actors – and external events that generate constraints on both the subsystem and available resources. The subsystem draws on the bottom-up approach with conflicting strategies mediated by 'policy brokers'. It also incorporates a feedback loop that recognises the accumulation of knowledge that feeds into the revision of policy objectives. However, this model is more descriptive than prescriptive.

More prescriptive models have tended to follow a managerialist 'how to' approach covering project management, or corporate management approaches developed in the private sector. Corporate management has been an influential approach in the 'new public-sector management' (see next section). These have given a high priority to ensuring that the organisation's structure, culture and style are geared to the attainment of a mission. Monitoring an action plan provides the 'feedback' in this model.

It is debatable whether any synthesis will be meaningful in the real world. O'Toole concludes "the top-down/bottom-up debates are ended, superceded by a general recognition of the strengths of each."[5] The current debate tends to recognise the need to construct implementation models in different ways to reflect the diversity and variety of contexts – in summary, different approaches have comparative advantages in different contexts.


**New Public Management/Reinvention**

*New Public Management (NPM)*, like 'reinvention' and 'entrepreneurial government' is one of a number of terms used to describe the shifts which have been taking place in the Anglo-American world in the past 20 years. Against a back-drop of financial constraints, new market and managerial approaches appeared to offer a radical alternative to the hierarchical framework of the implementation studies of the 1970s. The result has been major changes in the management and delivery of public services.

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[4] ibid

[5] L.J. Jr. O'Toole, *Research on Policy Implementation: Assessment and Prospects,* Journal of Public Administration Research and Theory, 2000.

The characteristics of the reformed public sector organisations under the NPM are typically specified as[6]:

- being close to customers;
- being performance driven (targets, standards) not rule bound;
- displaying a commitment to continuous quality improvement;
- being structured in a 'lean' and 'flat' way – highly decentralised, with street-level staff who are 'empowered' to be flexible and innovate;
- practising tight cost control, with the help of modern, commercial style accounting systems;
- using performance-related systems for recruiting, posting, promoting and paying staff.

If the above represents the characteristics of *individual organisations* within a reformed 'public sector', then 'reinvented' *governments* will also display a distinctive approach to their role. According to Pollitt, they will:

- 'steer not row', i.e. become more concerned with strategy and less with carrying-out;
- act in anticipatory ways – for a host of public problems prevention is better than cure;
- seek to use market mechanisms wherever possible, either in the form of quasi-markets to introduce competition between public providers, or by contracting out or privatisation;
- seek inter-organisational partnerships, both within the public sector (joined-up government) and with the private and voluntary sectors.

However, Pollitt also notes the scarcity of empirical testing of the NPM approach.

The *Reinventing Government* literature from the States has been influential in changing public management and the delivery of government services. It puts the case for exploiting the information – rich possibilities of the 1990s, entrepreneurial spirit, greater decentralisation and more responsive forms of public organisations. The key principles are:

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[6] C.Pollitt, *Is the Emperor in his Underwear: An analysis of the impacts of public management reform,* Public Management, 2000.

- governments should steer more than they row;
- policy-making should be about empowering communities, not simply delivering services;
- encourage competition;
- public organisations should be driven by missions rather than rules;
- funding should be focussed on outcomes rather than inputs;
- the needs of the customer should be the priority;
- public organisations should concentrate on earning, not just spending;
- invest in prevention, rather than cures;
- authority should be decentralised;
- solve problems by levering the market place, rather than simply creating public programmes.

The National Performance Review (NPR) in the States, launched by President Clinton in early 1993, is a major reform initiative heavily influenced by the reinvention movement. It set out guiding principles for changing government agencies: puts customers first, empower employees, cut red tape and cut back to basics. It takes a mixed approach to achieving the changes encompassing the conventional approaches – largely top-down – with the bottom-up approach through the 'reinvention laboratories'.[7] These reinvention laboratories, are intended to encourage mangers to try new and innovative ways of delivering service in places where "we can fully delegate authority and responsibility, replace regulations with incentives and measure our success by customer satisfaction."

The results are well-documented[8] including the use of a 'top-down' model to change the Internal Revenue Service and a 'bottom-up' approach to changes in the Veterans Benefits Administration.

**The Management of Change[9]**

The managing change literature has a long history, emerging at the beginning of this century and rapidly expanding after the war. Much of it is from the private sector but highly relevant to effecting change in public organisations.

Early systems theorists used biological metaphors to suggest that change occurs to social systems (e.g. the health service) responding to demands made from external organisations (e.g. the government) or from within subsystems (e.g. patients groups etc.). This self-adjusting response to changes is analogous to the way in which the human body adjusts to both

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[7] 'Learning Labs' in the UK are currently being piloted in six local service areas.
[8] P.W.Ingraham, *Transforming Government*, 1998
[9] This section draws on a number of sources including P.Davis, *Introducing Change,* in M.Dawes et al *Evidence-Based Practice*, 1999.

internal and external forces in ways that make the maintenance of human life viable. Systems analysis tends to be deductive and 'top down' in that it starts with a conceptual model or hypothesis and tests it against the real world.

An alternative conceptual approach to social change, the social interactionist approach, recognises that it is individuals and groups of individuals that react to change rather than systems. This approach gives more attention to the ideas, beliefs, values and prejudices that individuals bring to their actions. The approach tends to be inductive or 'bottom up' in that it starts with the actions and interactions of individuals and works towards a model of change.

Within the field of organisational development a number of factors have been identified for successful organisational changes[10]:

- widespread belief in the need for change;
- clear, sustained leadership, including support from top executives;
- broad participation in diagnosing problems and planning the change;
- flexible, incremental implementation, involving experimentation, feedback, adaptation and building on prior success to institutional change.

Evidence specifically from the fields of health-care and educational settings suggests a need for:

- an environment that is genuinely collaborative, cooperative, democratic, non-hierarchic and involves all stakeholder groups;
- effective leadership;
- adequate time and technical support to participate in shared decision-making;
- sufficient local resources.

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[10] H.C. Rainey, *Understanding and Managing Public Organisations*, 1997

## Annex 6: Questions to ask any of any major delivery project

- **The vision**: is it clear; is there wide understanding and buy-in

- **The task**: is it clearly defined

- **The knowledge base**: do we know what works in practice

- **Viability**: are practitioners sufficiently involved in the policy design process; are there sufficient reality checks

- **Accountability**: is it clear who is in charge and responsible at each level

- **Performance**: are there clear measures of performance, transparent to all involved

- **Flexibility**: do managers have sufficient freedom to operate

- **Support**: are those responsible for delivery being provided with adequate support and training

- **IT**: have IT issues been adequately addressed, taking into account the key lessons learnt about public sector IT

- **Learning**: are systems in place to ensure rapid learning about what is and isn't working

- **Money**: are resources adequate, or adequately redirected from existing priorities

- **Alignment of interests**: what steps have been taken to align the key players, professions, institutions, frontline staff

- **Timescales and capacity**: is the system overloaded? Has there been an adequate assessment of its capacity to deliver?

- Are there on the ground **reality checks** during implementation? How is this being organised?

- **Joined-up Government**: has sufficient account been taken of policies in other departments which might have an impact, or vice versa?

**<u>Annex 7: Selected references</u>**

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