

British Council
New Developments in Public Service Delivery
1-5 December 2003

Spirit of Conference

Between 1-5 December 2003, delegations from five continents heard presentations from key figures in the provision of public services in the UK and beyond. Representatives from central and local government described the benefits and inevitable tensions in reforming UK public services and civil administration, from policy-level disputes, to practical implementation issues and cultural barriers to change. Overseas delegates also presented on reform and, in open and fruitful discussion, all shared their experiences of best and worst practice as well as the structural, emotional and historical issues affecting the delivery of public services in their particular countries and regions.

General

I. Reform in the UK – Scope and Method

1. The Central Government Agenda

Increasingly, Western governments are challenged to reform public services because of increased standards of living and technology, higher public expectations, greater consumer choice, ever more diverse needs and preferences, and increased risks of litigation. The present Government's solution is to adopt a regulatory model: setting firm national targets for service delivery, whilst devolving responsibility for delivery to local level. The key benefits of this model are that it focuses on outcomes – the real concern of any service user – whilst giving providers the flexibility to create new ways of meeting the objectives. To this end, the Government has reformed its own structures: all departments must now present plans to the Treasury every three years detailing precisely what they aim to spend and the outcomes they wish to achieve. Money is then allocated on a ring-fenced basis to achieve precisely these service improvements. Recent years have also seen an increasing role for 'agencies': single-service, dedicated bodies that are allocated money to pursue/manage specific objectives/activities.

2. History of Reform

The 1980s and 1990s saw a barrage of new approaches to public management in the United Kingdom – efficient resource management, leaner business processes, separate policy and delivery functions, strong performance measures and internal markets. The consensus is that these reforms

delivered significant benefits, such as identifying and addressing wasteful spending, but discouraged collaboration, which is vital in improving efficiency and spreading good practice. The present Government has encouraged greater coordination by focusing on cross-cutting issues affecting the public services, such as unemployment, community safety and social exclusion, and then facilitating joined-up service delivery to tackle them. This joined-up approach emphasises: local community empowerment; competition; mission-driven mindsets; the funding of outcomes not inputs; customer focus; prevention rather than cure; decentralisation; and using the market to help improve services. The major challenges for Government in building capacity are joining up inspection activities, management training, recruiting and retaining staff, and public confidence.

3. Key issues the Reforms have needed to address

The process of reform in the United Kingdom has led to the consideration of a number of issues that are integral to the success of the Reform arrangements. These issues include:

- The development of performance measurement;

A key feature of recent reforms has been the setting of targets for public service bodies to meet and the measurement of what has been achieved against those targets. These targets for organisations have increasingly been cascaded down to the level of individual performance contracts initially at the senior management level and subsequently in many organisations down to the individual staff member. The establishment of the 'performance culture' has been difficult and mistakes have been made. Some performance targets have had perverse effects and have had to be revised, there have been too many performance targets for some organisations and another mistake has been to revise the targets too frequently. So the process of performance target setting has gradually been refined and any proposals to introduce a performance culture should recognise that there has to be an inevitable element of experimentation. What is more setting performance targets is a complex and highly technical activity. It requires sophisticated arrangements to be developed affecting the nature of the targets themselves, the collection of the information about performance as well as judgements about the system of penalties and rewards that should accompany failure and success, coupled with a policy flexibility which allows for the modification of the system as lessons emerge. Together these different factors make the introduction of performance measurement expensive and require expert management. Performance measurement increases the risk of corruption and therefore independent assessment arrangements are needed. Unless properly introduced and managed, performance measurement can also have damaging effects upon the delivery of public services.

- Treating public service recipients as customers:

The traditional approach to the delivery of public services has been to rely on the judgement of the service provider to decide what service should be delivered, to what standard and where. This was the basic approach in the United Kingdom until the reform process was established. This approach has now largely been abandoned and the emphasis has changed to embrace the private sector approach of 'the customer comes first'. The consequences of this change have been that far greater attention has been paid to the interests of the service recipient as a customer, that bureaucratic arrangements have been reformed to suit the interests of the customer, that customers have an increasing role in governance arrangements and in policy formulation and that generally changes have been made to meet the customer requirements. The balance of interest has therefore shifted in service delivery from the service deliverer to the service recipient.

- Professionalism of public sector management:

Although the public services in the United Kingdom have traditionally been staffed with well educated and expert officials, the greater emphasis has been upon policy development. This has now changed and increasingly the public services want to employ high quality managers. Given the performance culture that has developed quality management is needed to deliver public services against the performance standards that are set. This carries a number of consequences. First, the public service has to be competitively paid compared with the private sector. Secondly career structures have to allow for high quality managers to rise to the top leadership positions which in the past have almost inevitably gone to those skilled in policy making. Thirdly, training has changed to encourage the development of management skills.

- Financial management:

To maximise the efficient and effective use of resources and to manage public services to match both financial and performance targets an increasingly sophisticated financial management expertise has become required. To control expenditure against a budget is no longer enough. Elaborate financial information systems are required which allow the financial manager to advise on the use of assets, cash flow and the costs of alternative courses of action. Financial management can drive transformation and improved performance. An example of how to improve financial management has been the publication of a 'Good Practice Model of Financial Management' (CIPFA 2004). This is a practical tool for public service managers to help them to understand how their organisation manages money, to identify important areas for improvement and to chart progress over time. The model identifies three styles of financial management: enabling transformation, supporting performance and securing stewardship. Each style applies in four dimensions of activity: leadership, people, processes and stakeholders. By the use of this tool, managers can identify the emergence of organisational trends, they can also look in great detail at the performance of particular parts of their organisation, or even individual managers within the organisation and they can make comparisons with comparable other organisations.

- Audit and inspection:

Complementing the reforms that have occurred in the arrangements for the delivery of the public services in the United Kingdom has been a growth in audit and inspection. Particular examples include the development of inspection arrangements in education to assess the performance of individual schools, in police to assess the performance of individual police forces and in local government to assess the performance of individual local authorities. The conventional financial audits of both central and local government organisations have been developed to include performance audits (complementing performance management) and with local government the audit process now encompasses inspection which examines the performance of the local authority as a whole and is in addition to the inspection arrangements for individual services. The organisation responsible for this is the Audit Commission. The Audit Commission is an independent public body charged with auditing local government and health services in the UK. It must ensure accounts are regular, resources are used effectively in performance management and the requisite performance information exists. It also ensures that best value performance plans are in place, that all financial transactions are legal, systems of internal financial control exist and are adhered to and that there are requisite standards of financial control, with structures to prevent and detect fraud and corruption. The Audit Commission's detailed inspectorial approach contributes to organisational effectiveness by uncovering and publicising structural/systems problems in the public services.

- Protecting the interests of the public service customer:

The emphasis upon the interests of the public service customer has led to the development of mechanisms to protect those interests. These are known as ‘ombudsmen’. A particular example is that of the Local Government Ombudsman. The Local Government Ombudsman is an independent public body set up to resolve complaints of maladministration causing injustice, and to disseminate good practice. ‘Maladministration’ includes cases of: unfair treatment, delay, systematic/procedural flaws, lack of information/consultation, simple error, inadequate complaints handling, and flawed decision-making processes. Where injustice has occurred, such as a person suffering financial loss or emotional distress, the Ombudsman recommends a course of action. Although the Ombudsman has no authority to enforce compliance, it is a well-respected body with full powers to publicise individual cases. Normally, organisations are shamed into accepting its recommendations, which range from financial compensation to simply apologies. The lessons for service providers are that users appreciate local services that are easily accessible, seen to be fair, with simple processes, swift responses, ‘open’ service, and that focus on the individual.

II. Key Lessons

- Building capacity and developing better services rely on strong civil society.
- Successful reform requires political stability, visionary, consistent leadership and a willingness to prioritise. [*Delegates agreed that Tunisia was a very good example of this.*]
- The type of reforms likely to succeed may depend on historical context. Britain has a legacy of professionalism in the public and civil services, enabling a less prescriptive approach. However, decentralisation could be a damaging phenomenon in countries where staff have less management expertise, for example.
- Improvements require integrated policies with strong performance and service-level standards, especially where they involve private and public finance. Moreover, although private finance can be an additional source of funding, it drains public resources if it competes with publicly-funded provision.
- Capacity building requires changing attitudes as well as developing new knowledge/expertise.
- Politicians must take active steps to improve the image of public services. Citizens must not rely on politicians for reform, but rather put focused pressure where they most desire change.
- Identifying champions in the public sector is a very efficient way to galvanise support for change and to develop networks of collaboration to create and disseminate best practice.
- Many countries face recruitment and corruption problems in public services. Thus, successful reform requires paying public servants a living wage.
- It is useful to make a distinction between leaders and managers in attracting and recruiting the right people to carry out successful reform.
- All models of funding public services have advantages and disadvantages, but whatever method is preferred, it must encourage discipline over costs.

Health Reform

I. UK Context

1. Accountability and Performance Management

UK health policy is determined centrally; the Department of Health sets rigorous targets for service providers. However, all public money for delivering services is devolved to a network of local Primary Care Trusts, which commission all healthcare services in their area. Regional Strategic Health Authorities are charged with developing a strategic vision for each region, monitoring performance and holding National Health Service (NHS) organisations to account, and with building capacity to continue to deliver and develop in the future. There are also several regulators tasked with inspecting the service providers. Key features of the NHS Plan include greater community involvement in managing healthcare, a user focus and an incentive arrangement which would allow high performing hospitals more operational and financial freedoms. This incentive arrangement is called 'Foundation Trust' status. In addition, pay and conditions for staff have been rationalised down to just two basic forms of contract – clinical versus non-clinical – whilst investment in IT has led to greater speed and flexibility in service provision. Key challenges going forward include the problem of conflicting targets, the stress of managing change, and professional attitudes that change very slowly. Organisations must pay staff a competitive wage if they are to provide quality services, but personal financial reward systems do not seem to motivate staff because the vast majority work in the NHS for emotional/intellectual reasons.

2. Managing Change

The NHS is a public service and subject to close political oversight. The service is managed by the National Health Service Executive and there is a strong political relationship between the Government and the NHS Chief Executive, which makes for swift implementation of new policies, but a potential lack of due diligence to ensure that all ideas are fully tested before implementation. In reforming the NHS, policymakers have faced three central challenges: encouraging communities to engage with institutions and their own health; creating the right environment to recruit and retain enterprising people; and finding the right incentives to promote personal and corporate accountability. Individual health providers (hospital and primary care trusts) face a range of challenges too: balancing local needs versus national priorities; contracting-out services within extremely clear service-level targets and monitoring arrangements; winning 'hearts and minds' of public and staff; and finding methods of attracting clinical staff into senior management roles. Challenges existing for UK healthcare include: responding to the needs of an ageing population; creating an environment in which health managers are still willing to take risks to improve the quality and efficiency of the service and yet remain fully accountable; financing the increasingly costly medical advances and tackling the dwindling levels of nurses and doctors.

3. Governance

By statute, health providers in the United Kingdom are organised as 'trusts'. NHS trust boards require a non-executive chair, appointed by an Appointments Commission, as well as a chief executive and directors for finance, medical services, and nursing and midwifery. Under Foundation arrangements, there is a board of governors comprising at least 50% patients/carers as

well as a management board. The non-executive chair would chair both. For the first time, this arrangement formally places users' concerns on a par with financial concerns in making decisions for the trust. The Government want all hospitals to be in a position to apply for Foundation status by 2008.

II. Other Issues Discussed

1. Poaching Staff

Although UK representatives acknowledged that poaching trained staff from other countries had happened in the past, they assured delegates the NHS now only employs overseas staff from countries with which they have agreements.

2. Overseas Visitors

Delegates were told the NHS provides free care at point of need even for overseas visitors. Even though treating non-UK residents represents the greatest proportion of un-recovered costs in the NHS, patients are not turned away if they need medical attention.

III. Lessons Delegates Wish to Implement

- Healthcare is provided to anyone free at point of need.
- Limited resources can be made to go a long way with a strong framework of competent managers. Moreover, good managers need not be clinical professionals, as long as they are the right people for the job.
- National targets for standards coupled with local responsibility for implementation offers flexibility to innovate and improve.
- Treating patients as customers.
- Professional attitude amongst staff.
- The 'Foundation Trust' concept and involving the local community in managing services.
- Supportive attitude to staff development.
- Balancing cost-effectiveness against a genuine drive for quality.
- Public/private partnerships only proceed under strict service-level agreements and firm penalties for non-compliance.
- Taking care of the physical environment of the hospital relieves staff and patient stress.

Education Reform

I. UK Context

1. Accountability and Inspection Regime

Central Government defines school curricula; standards of achievement for 7, 11, 14 and 16 year olds; provides 80% of funding; and, increasingly, sets a policy framework for education, especially teachers' pay and conditions. Individual schools have a high level of autonomy, being responsible for their budget and for setting very performance-focused targets. Headteachers are extremely powerful and the local people represented on schools' governing bodies have important legal responsibilities for how the school operates. The Office for Standards in Education (Ofsted), an independent inspectorate, inspects schools every 6 years, although more frequently if they found to be particularly weak, and all reports are published. Intensive support is provided for weak schools. Those working in education face intense public scrutiny, high workloads and levels of bureaucracy, and increasing Government pressure to achieve world-class standards. Attainment has risen since the introduction of national performance targets, but the measures used can hide significant problems. For example, the reasonably high average results fail to capture the huge disparity between the best and worst in UK schools. Even though UK schools are now seeing faster improvements at the lower end of the socio-economic scale, these disadvantaged schools are not serving all pupils equally well; the lower end tend to be left behind.

2. Background to Change

It has taken Britain 100 years to build the capacity necessary to provide universal secondary education. Universal education to age 11 was introduced by the 1900s. The leaving age was raised to 14 in 1921 and then to 16 under the 1944 Education Act. Research in the 1960s led to less rote learning and more activity-based learning in primary schools (age 4-11), but teaching remains 'from-the-front' for most subjects in secondary schools. There had been a dual system, by which pupils were selected at age 11 to go into academic-oriented versus vocational-oriented schools, but by the 1970s, comprehensive schools serving all abilities became the norm. National examinations at age 16 and 18 effectively set the school curriculum even before the national curriculum was introduced in 1988. Setting by ability is now normal in most secondary schools. Concerns over performance increased in momentum in the 1980s owing to research comparing UK pupils unfavourably with other countries for literacy and numeracy skills. The 1988 Education Reform Act introduced public examination results, frequent inspection, local financial management (which gave schools more power over their own budgets and financial resources) and open enrolment. However, it also introduced an internal market, which acted to discourage collaboration. The new Labour Government that came to power in 1997, introduced a centralised quality framework which abolished the internal market and tightened central control of education, but offered certain schools greater autonomy. Publicising results has driven up standards, but it has also created 'sink' schools, a problem compounded by open enrolment, which means parents are allowed to apply to any school they choose. National tests/examinations have been useful for Government in illuminating serious problem areas, and local financial management has been well received.

3. Performance Management and Managing Change

Schools set targets for individual teachers each year, which are then reviewed against the results published in September. Teachers also have performance interviews with their line managers and senior teachers can sit in on their classes whenever they choose. Key to keeping staff motivated in an atmosphere of close scrutiny is fostering a supportive environment in which they feel discussing a problem is not an admission of failure. Nevertheless, schools and teachers do not want to be in a constant process of change. Thus, school management teams look at new Government policies and figure out pragmatically which structures/activities can remain the same and which must be changed. Moreover, schools are increasingly collaborating with one another to relieve pressure on teachers and to create a more flexible curriculum for pupils.

4. Governance and Specialist Schools

The board of governors comprises parents (elected by other parents), teacher representatives, Local Education Authority (LEA), i.e. larger local authorities with education powers, representatives and other expert governors, such as financial managers. The headteacher is also a governor at most schools, but he/she can decide not to be. The LEA's school development advisor supports the schools in the LEA area and discusses targets with schools annually. The LEA also provides extremely good advice and support in other areas, such as dealing with Ofsted. If a school wishes to become a specialist school, it must raise £50,000 from local industry, decide what it wants to specialise in and then formulate detailed plans for how this will benefit their pupils and the local community. If they are successful, the Department for Education and Skills (DfES) matches what they have raised in the first year and supplies the full figure for the next two. However, the money is ring-fenced for activities relating to the specialism.

II. Other Issues Discussed

1. Automatic Promotion

In the United Kingdom there is automatic transfer of pupils to the next school level up as the pupil's grow older. Some delegates felt that keeping pupils back promotes competitiveness, a key driver of academic success. In contrast, UK representatives argued that holding individuals back not only shames them, but is also empirically detrimental; the drop-out rate is higher under such systems.

2. Local Financial Management

Local financial management gave schools the money to pay for staff. Thus, schools can decide class sizes, teacher/support-staff ratios and so forth. Initially, most people were sceptical of giving schools this level of autonomy, but the profession have proven that they manage schools incredibly well; the benefits of tailoring of education to local needs more than make up for any loss in economies of scale.

3. Central Government Allocation Philosophy

Central Government allocates money to local authorities on a complex formula, which is always contentious: there is always suspicion that governments allocate greater funds to their heartlands of support. In broad terms, New Labour allocate more money to those in greater poverty, where Conservatives felt it is fairer to allocate every child an equal amount of money.

4. Pressures on Recruitment

Current demographic projections suggest educators need to recruit 30% of all UK graduates to maintain the teaching force, but the profession attracts nowhere near this many candidates. The fact that UK teachers are paid on a national scale means it is difficult to recruit them in inner-cities, where the cost of living is higher. In contrast, in Kazakhstan town councils run schools and decide how much money to spend and on what. This works well in big cities, but it is difficult to recruit teachers in rural areas because there is less money to pay their salaries.

5. Vocational Education

Ghanaian delegates said they had tried to include more vocational education in their curricula because students were leaving school without the qualifications they needed to find work in Ghana. UK representatives acknowledged that building capacity in the UK has taken a very long time and it is extremely expensive, and the expense can only be afforded because the UK has a developed economy. They cautioned against copying any educational system that does not produce the right skills for the national context. However, they also said countries should equip young people with the skills the economy will need in 20 years time, rather than simply focusing on the current situation.

6. Maintaining Momentum of Change

UK representatives identified several methods of maintaining the momentum of improvement: do not try to do everything at once; create a strong middle-management structure; make sure targets do not conflict; and focus on staff morale.

7. Private Schools in the UK

UK private schools are inspected, but not as frequently as public schools, and they do not have to teach the national curriculum. As a result, they vary from extremely good to absolutely appalling. The UK Government response to the snobbery associated with sending children to a private school has been to drive up the quality of public schools rather than supporting parental choice through giving them vouchers having a monetary value (or similar schemes) to enable parents to meet the cost of private education..

8. Different Styles of Educational Autonomy

A Lebanese delegate contrasted autonomy in UK schools with the situation in Lebanon: pupils applying for university must reach a certain level in standardised tests, but schools are free to decide how best to prepare pupils for this. Another example is Indonesian schools, which are governed by independent committees with responsibility for the curriculum, but not for teachers' salaries.

9. Private versus Public Education

Several delegations described the difficulty of raising standards in public schools when there is a very strong system of private schools. In Lebanon, where education provision is 70% private, the key difficulty is creating an environment in which public schools have the confidence to compete with private schools. A delegate from Bahrain said that private education is preferable in his country because private schools teach English, a key advantage in a competitive world. However, delegates from Ghana pointed out comparisons are difficult if your country has no legacy of national standards or the publication of results.

III. Lessons Delegates wish to Implement

- Partnering with other schools to diversify learning opportunities and relieve pressure on teachers, class sizes etc.
- Clear performance management systems, with effective monitoring/measurement systems
- Considering pupils and parents to be customers.
- Setting firm national performance priorities, but devolving responsibility for implementation to the local level. Financial responsibility gives greater flexibility whilst community ownership helps generate support and partnership opportunities.
- No corporal/physical punishment.
- Focusing on staff motivation through developing self-confidence and providing a supportive environment.
- Professional attitude of staff.
- Introducing a greater range of activities in the school environment, especially bringing in more vocational training alongside academic education. The concept of specialist schools is also fruitful.
- Students from countries participating in the seminar should have greater opportunities to study in the UK.
- A board of governors with wide representation.
- Students still succeed in less pressured environments.
- Open and effective channels of communication between policymakers and frontline staff.
- Introducing children to IT at an early age.

Police Reform

I. UK Context

1. Accountability

Accountability for the police service in the UK is devolved. There are 43 police forces. Accountabilities within the 43 UK police forces are arranged so that: Chief Constables for each region are responsible for the control and direction of that force; the Police Authority is responsible for the provision of an effective and efficient police force in an area; and the Home Secretary is responsible for the national policing Plan and performance assessment. Thus, Chief Police Officers are completely independent of Government. Nevertheless, all Chief Constables face a set of competing priorities, such as national objectives versus local needs, and addressing criminality versus reassuring the public. The British police service is basically an unarmed service and its overriding objective is community cooperation and every effort is made to achieve that particularly by treating citizens as ‘customers’.

2. Performance Management

The Force is now inspected by the Audit Commission, Her Majesty’s Inspectorate of Constabularies (HMIC), the Police Standards Unit (PSU) and the Police Performance Delivery Team. The HMIC and PSU have statutory authority to intervene if necessary. The Government has increased scrutiny of the police force because of the high level of public expenditure it represents – £9.6 billion – and because of the upcoming Treasury Spending Review 2004. It is difficult to establish policing ‘outputs’ so the Government has developed the Policing Performance Assessment Framework (PPAF) to formalise outcomes and measure performance. PPAF consists of four goals that police activity contributes to – reducing crime, investigating crime, promoting public safety and providing assistance – and both local and national targets must be set for these. These goals themselves contribute to two wider objectives – a citizen focus and organisational capacity – for which targets are also set. Targets for achieving these high-level objectives are translated by Chief Police Officers into objectives for Basic Command Units (BCUs, such as local police stations). BCUs should then influence manning and deployment to ensure they achieve these objectives. The building blocks of any effective performance management methodology must take into account the aspirations of police officers and the public, using a coherent and integrated set of performance measures and targets that officers feel they own and are strictly accountable for. It must include rigorous performance review and be constantly reinforced through everyday activities.

3. Recruiting and Training

No particular level of education is required for entry, but those without degrees have to undertake basic numeracy and literacy tests. All recruits must undergo a physical examination, a fitness assessment, interviews with civilians and members of the police force, and an observational test based on a film they watch. 15% of those starting the course tend to drop out completely, whilst 10% take up the facility for starting the course again at a later date. All new officers start at the rank of constable and must complete two years service on the streets. The initial course for recruits lasts 18 weeks and they leave college as fully-fledged officers. They then complete ten weeks of

on-the-job training and then come back for further training for four days a month for the next 76 weeks. Thus, two years after commencing training, they are entitled to be promoted or to specialise. The initial course consists of 50% book learning, 30% skills training and 30% physical education, with a special attention paid to defensive skills.

4. Motivating Staff and Managing Change

Clear-up rates, public expectations, legal changes and changes in cultural norms are all important drivers of change in the force. Five times a year the Chief Commissioner attends open forums to which all members of the force are invited and takes questions on any of their concerns. This is a very effective management tool for communicating change and vision. The police force focuses on role rather than rank and there is a well-respected career structure in specialising in one of many different areas; some constables are now world-renowned experts in their fields.

5. Corruption

Several delegates complained either that their own national police were corrupt or that the public perceived them to be. UK representatives acknowledged that corruption exists in all organisations, but felt it was not a widespread problem in the UK police. They attributed this both to the competitive salary officers are paid and the strong legacy in the UK of separating administrative from political functions of Government. Moreover, the Metropolitan Police (and other police forces) have special units dealing with disciplinary proceedings and corruption as well as a surveillance unit for officers.

II. Lessons Delegates wish to Implement

- Setting firm national performance priorities, but devolving authority for implementation to the local level.
- Policing without firearms.
- Instilling professionalism and commitment in staff.
- Clear performance management systems, with effective monitoring/measurement systems
- Considering citizens to be customers.
- Short-term intensive training, with an emphasis on practical skills, followed by long-term on-the-job training.
- Achieving public confidence that police officers are friendly, helpful individuals.
- Focusing on role rather than rank.
- Thorough training is more important than academic education in achieving an effective, efficient police force.

Appendices

General

Public Sector Policy Making: Strategies and Challenges

Dr Wendy Thompson

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I. Context

Increasingly, Western governments are challenged to reform public services because of increased standards of living and technology, higher public expectations, greater consumer choice, ever more diverse needs and preferences, and increased risks of litigation. Even though the UK's public services are the most efficient in Europe, it is increasingly difficult to balance state income against costs. The Government's vision is to increase investment in public services, but also reform them radically. Private provision is considered unacceptable so the modern challenge is providing swift universal services that are competitive on cost and quality and meet a diverse range of individual requirements.

II. Office for Public Service Reform

After the 2001 Election, the Prime Minister set up the Office for Public Service Reform (OPSR) to: encourage support for reform; review the effectiveness of the agencies responsible for delivering it; develop change and customer-focus programmes across central and local government; review inspection and regulation; and improve programme management. OPSR also supports a new Cabinet Secretary in his responsibility for public/civil service reform. By providing the Prime Minister with accurate information and innovative ideas, the OPSR and other bodies facilitate greater influence over the reform agenda.

III. Principles of Investment

The Government's Spending Review of 2002 committed £125 billion for 2003-06, an increase of 5.25% after inflation. Each Spending Review requires Government departments to submit detailed, budgeted plans to the Treasury. This new investment focuses on the Government's priority areas of reform: health, education, criminal justice and transport. Given recognised inequality in accessibility, performance and quality of services in these areas, the basic idea is to design services around the needs of users by devolving responsibility for delivery to front-line providers, offering room for greater innovation, flexibility and choice, all within a framework of national standards/accountability.

IV. Devolution and Accountability

1. Central Government – Targets, Frameworks and the Focus on Outcomes

In setting frameworks and targets and monitoring them to drive up national standards, Central Government is focusing on outcomes. Examples include: setting targets for educational attainment at all levels, and then publishing performance against these targets; the NHS national service frameworks for key areas of clinical concern; targets for important areas of user dissatisfaction; and the publication of 'star ratings' for hospitals. Targets have also been set for the police and the criminal justice system, and there is a new duty for local government to deliver 'best value', creating shared local/national priorities to better align activities on the ground with the national agenda. During each Spending Review, Public Service Agreements assign specific targets to Government departments, which are cascaded through the provision infrastructure, and monitored through assessment. Most services are independently audited and inspected, and these reports are published.

2. Decentralisation – Meeting Targets through Greater Flexibility

The Government believes higher standards can only be achieved by allowing providers greater flexibility to innovate and offer users greater choice. Thus, responsibility is being devolved with a focus on better reward management to align individual/institutional incentives, excellent training and dismantling traditional professional culture/practices that obstruct change. Users should see choice increasing as capacity grows.

V. Reform in Practice

- Schools responsible for their own finances and educational achievement. Individual schools can employ staff and develop specialisms, for example. Successful schools enjoy greater freedoms.
- 75% of NHS funding is now devolved to 300 local Primary Care Trusts (PCTs) responsible for commissioning local services. Other reforms include removing traditional professional demarcations for greater staffing flexibility and a more diverse range of delivery bodies, including hospitals, walk-in centres and telephone services.
- Regional Government: Regional Development Agencies (RDAs) are given flexible funding to develop economic growth areas in the regions; elected regional assemblies are possible if desired; local councils' have a new power to promote well-being in their area, which allows greater flexibility over spending, with financial freedom over rates and capital borrowing, but brings greater public scrutiny; and central restrictions and inspection are removed from the best councils, whilst poorer councils receive direct support and close monitoring.
- Across the public services, it has been crucial to bring employees with reform, but this has been difficult because there is no tradition in the public services of the type of leadership inspires emotional support. Nevertheless, all Departments are much more focused on employee relations now and have agreed 'workforce strategies' that identify what they need to change and how.

VI. Central Government Reform

1. Performance Management

On the principle that taxation is justified if it attains sufficient value-for-money, the Government undertook an initial comprehensive spending review after their first election. The result of this and subsequent three-yearly spending reviews is public-service agreements between the departments and the Treasury that set specific targets for the forthcoming three years and allocate ring-fenced funds to them. Single-service organisations are then set up dedicated to delivering on a specific target for a specific set of individuals in a particular way. Money is no longer given to 'schools' or 'councils', in which case it may disappear, but to a body specially dedicated to achieving the target, and performance is published. Such focused organisations mean work is not diffused by other priorities and targets are actually achieved. Departments now make quarterly progress reports to the Prime Minister and there is evidence that Ministers feel personally accountable for meeting their targets. However, public criticism of this command-and-control approach has led recently to a greater focus on bottom-up approaches.

2. New Structures and Methodologies

Government is now more 'joined-up' in its approach to tackling specific issues. Some Departments have also been redefined to better capture those activities that naturally relate to one another. There is a stronger focus on e-Government at central and local level, and in frontline provision. Moreover, the public want to see Government responding to their concerns more swiftly. Direct-intervention initiatives have included tackling the outbreak of foot-and-mouth disease as well as intergovernmental street crime initiatives. Even though direct intervention can resolve particular problems, it can also distort local priorities, pervert incentives and have unintended consequences. It is not a systematic or sustainable way of governing and delivering services.

3. A Modern Civil Service

External recruitment, new performance incentives, commercial procurement and programme-management skills have been necessary so that the UK civil service can support practical reforms, including new building programmes for hospitals and schools and developing complex IT systems. Incentives for senior civil servants now include performance-related pay, with competency-based assessments placing stronger emphasis on delivery/management skills rather than cerebral/intellectual drafting skills. However, research on incentives suggests pay is less important than conditions.

VII. Balance of Power in Central Government

The UK's cabinet-style Government means ministers take collective responsibility; the Prime minister has no formal authority, only influence in that he appoints ministers. This Prime Minister set up various bodies around the Cabinet Office, the only office under his direct control, so he could exert greater influence. The Strategy Unit looks at the big strategic issues in the long-term and develops new approaches to them. The OPSR looks at particular issues of current concern and develops practical solutions. The Delivery Unit provides detailed analysis on frontline services. These bodies are the only parts of Government that can see the full picture across departments. Many of those working in them are hired on a project basis, allowing the Prime Minister to collect key experts around him to deal with particular issues, and then move onto the next subject swiftly.

After identifying areas of reform, the Prime Minister can offer money to departments with string-attached; it can only be used to achieve 'x' target for instance.

VIII. The Role of Agencies

57% of public money is now spent by 130 Government agencies. These exist by statute, are accountable to parliament for the money they spend, subject to parliamentary scrutiny, and have boards of dedicated, specialist managers. Examples include the Benefits Agency, the Prison Service and the Environment Agency. These dedicated bodies deliver effectively, but they are less obviously accountable than ministers. Another criticism is that they draw expertise out of the departments and into silos. Thus, this Government has made agency chief executives members of Government department boards, drawing them closer on a strategic level, but allowing them to run their agencies separately. The UK has a very flexible legislative framework such that, for example, ministers do not have to sign all individual actions; they concentrate on big policy objectives whilst the delivery organisations focus on particular goals. Moreover, agencies can be drawn back under departmental control at any time, and the overarching structures within which they work, such as the NHS, are still within the remit of Secretaries of State.

IX. Public Accountability

The UK media scrutinises Government activity very closely. This Government has focused on communication, trying to convey honesty and openness through consulting widely on policy initiatives and introducing new measures, such as the Prime Minister's press conference, which is held once a month and at which the press can ask any unscripted questions they wish. Nevertheless, public trust in politicians is never high.

Improving Organisational Effectiveness: A Model for Financial Management in the Public Service

Sue Beauchamp

Director of Finance and Information Services, Royal Borough of Kensington and Chelsea

I. Good Financial Management Improves Organisational Effectiveness

Effective financial management of any organisation must be perceived as one strand within an integrated core set of activities, also including leadership and performance management. As such, although accountancy functions are key aspects of financial management, it also improves value for money, supports good decision-making, helps manage organisational risk, helps measure and reward success and enables change. Good financial management practice requires that financial management is devolved to all managers so that financial considerations are present in the bloodstream of an organisation. Moreover, financial management can be a tool for practical improvement as long as it exists within a strong framework of self, peer and external assessment.

II. The Model

1. Management Styles and Dimensions of Management Activity - The Matrix

Different styles of financial management can be broadly placed in three categories: enabling transformation, supporting performance and securing stewardship. Each style applies in four broad dimensions of activity: leadership, people, processes and stakeholders. These observations enabled analysts to develop a matrix, with the three styles of management at the top and the four dimensions down the side.

2. Key Questions for Managers

Each box of the matrix contains a set of questions for managers to ask themselves to see if they are effective in each aspect of financial management. For example, when looking at their processes and thinking about whether they are able to secure stewardship of them, the manager is confronted with the question: does budget monitoring and forecasting ensure there are 'no surprises'? Alternatively, when looking at their people and thinking about whether the structures and management in place support performance, a manager will be confronted with this question: do managers know when and how to access financial advice?

III. In Practice

The web-based matrix enables self, peer and external assessment. Initial implementation is likely to focus on self-assessment, where the manager scores themselves 0-4 against the set of questions in each box of the matrix. In scoring, they think about whether the appropriate policies and practices are in place, whether they have they been deployed effectively and what the impact has been on behaviour and results. Although this is self-assessment, there is an audit trail of why managers gave themselves particular scores. These scores then generate a profile of financial management in the organisation, which can be looked at strategically or delved into for more fine-grained analysis. This profile can be compared with where leaders wish the organisation to be, identifying strengths and areas for improvement. It helps in developing an action plan for change and provides a basis on which to track progress over time. The model is currently being road-tested in several public organisations and will be launched next year. In the future, developers aim to create a database of scores that can be used in benchmarking your organisation.

Developments in Public Sector Management in the UK

Professor Steve Martin

Cardiff University

I. Centre for Local and Regional Government Research

The Centre for Local and Regional Government Research comprises 18 core staff, with £4 million research funding. It is charged with: developing approaches to the modernisation and improvement

of public services; evaluating the 'local government modernisation agenda'; evaluating the best value regime, intervention and recovery support; disseminating good practice; and looking at the role of local politicians in improvement.

II. Challenges for Governments

Current challenges for governments in designing modern public services include: rising public expectations coupled with a reluctance or inability to pay; declining public confidence; service silos versus cross-cutting issues; rapid economic, social and technological change; and commercial globalisation leading to a 'hollowing out' of the state – arguably, companies have a greater impact on people's general well-being than governments.

III. Three Policy Eras

UK public services have seen three policy eras. Between 1945-79, the 'welfare state' represented a state-centric approach to provision, with large levels of investment and training of many new professionals. Between 1979-97, the 'neo-liberal' approach represented a market-focused system, introducing management practices, private-sector input in some areas and internal competition. This approach led to a fragmentation of services and a big divide between commissioning bodies and service-providers; there was little focus on users. Post-1997, the 'Third Way' approach has tried to introduce citizen-focused provision, focusing less on how a service is provided than what the users' experience of it is.

IV. Performance and Strategic Management – Key Reforms

1. 1980s

Key performance and strategic management initiatives were introduced to the UK public services in the 1980s. These included compulsory competitive tendering (CCT), which was introduced in 1980 and means that public sector organisations are required by law to see if there are private sector organisations delivering the same service cheaper than current public-sector provision. From 1982 onwards, public utilities in the UK were privatised. The introduction of the Financial Management Initiative in 1983 devolved budgetary responsibility, brought in performance indicators/targets and more accurate accounting, and meant all units of Government had to devise strategy and business plans. The 'next steps' executive agencies set up in 1988 represent the movement of a large part of the civil service out of the direct remit of ministers; three quarters of the civil service now work in agencies rather than departments. These agencies have operational freedom within agreed performance targets and corporate plans, and they aim to deliver services direct to the public. The 80s also saw the introduction of the best value regime as well as greater externalisation and contracting out to private sector firms. Internal markets were introduced to the NHS in 1988.

2. 1990s

The Citizens' Charter, introduced in 1991, specified levels of service consumers can expect and methods of redress if necessary. It demanded public services achieve value for money and gave consumers choice over providers as a way to spur improvement in quality. Market testing in executive agencies was also introduced in 1991. CCT was introduced for professional services in local government in 1992, Audit Commission Performance Indicators in local government in 1993,

and the Open Government initiative in 1994. The parliamentary Nolan Committee published its report *Standards in Public Life* in 1995, laying the groundwork for various legislation forcing public servants to register any interests they have that could impinge on their professional behaviour.

3. Reforms under New Labour

Since coming to power, New Labour have undertaken a massive programme of constitutional reform, including reforming the House of Lords, implementing regional development agencies for each region, and devolving certain powers to elected regional assemblies in selected areas. The Treasury now carries out Comprehensive Spending Reviews with the Government departments at regular intervals during which the departments agree service agreements/targets, with increased investment dependent on progress and linked to Government policy priorities. The Government has also set targets for e-government, increased external inspection and freedom of information, and introduced comprehensive performance assessments for local government. They have focused on capacity building, procurement and partnerships to achieve improvement, as well as introducing the concept of 'beacon' services, highlighting excellent examples of good practice that are then given even greater freedom to develop.

V. Evaluating the Reforms

The consensus is that these new ideas of public management – efficient resource management, leaner business processes, separate policy and delivery functions, split client and contractor roles and strong performance measures – delivered significant benefits, such as identifying and addressing wasteful spending, with more to contribute in the future. However, the structure is not well-suited to motivating staff or to new developments in IT as well as addressing other general problems in public service delivery, such as staff safety. The key challenge is that these reforms fail to encourage organisations to work together.

VI. Reinventing Government

"My vision is of a government that focuses on the outcomes it wants to achieve, devolves responsibility to achieve those outcomes and then intervenes in inverse proportion to success."
[Tony Blair, 1998.]

The Government has tried to encourage greater coordination by focusing on cross-cutting issues affecting the public services, such as unemployment, community safety and social exclusion, and then facilitating joined-up service delivery in tackling them. In developing a more entrepreneurial approach to delivering services, the Government have emphasised: empowering communities rather than simply delivering services; competition; mission-driven rather than goal-driven mindsets; funding outcomes not inputs; a focus on the customer; less bureaucracy; earning rather than simply spending; prevention rather than cure; decentralisation; and using the market rather than creating public programmes. Public service managers should conceive themselves as delivering well-being influenced in several key ways: by strong mentors, monitoring and inspection, markets, and the drive for improvement since this means they will be under less scrutiny. This regime has seen a remarkable rise in inspection driven by a desire for continuous improvement and the importance of identifying risks early so problems can be resolved.

VII. Going Forward – Some Lessons

The new approach has forced public services to focus on improvement, enhancing self-awareness, unlocking long-standing problems and ensuring services are increasingly outward looking. However, a strong regulatory framework has disadvantages, such as: the costs may outweigh the improvements in performance; it is possible to comply with the framework without actually improving performance; national standardisation fails to account for local contexts; and public servants are increasingly averse to taking risks. Moreover, the publicised performance environment may damage both staff morale and public perceptions of services, and it is a big challenge for the various inspectorates to coordinate activities so that organisations are not under constant inspection. Going forward, the major challenges for Government in building capacity are joining up inspection activities, management training, recruiting and retaining staff, and public confidence.

Functions of the Audit Commission

Sir Andrew Foster

Retired Controller of Audit, Audit Commission

I. Structure and Responsibilities

The UK Audit Commission is a body independent of Government set up to audit the public services. The body being audited pays the costs of the Audit Commission so Central Government do not have financial levers to affect audit outcomes. The Audit Commission has four core values: independence, taking a user perspective, collecting and maintaining a high-quality evidence base, and being a catalyst for improvement. Public money is different from private money so the principles of the Audit Commission are: the independent appointment of auditors, mandatory value for money, and public interest reporting. Audit Commission auditors have several core functions, including: giving audit opinions, ensuring accounts comply with statutory requirements and proper practices are observed in compiling them, publishing reports in the public interest, applying for declarations of illegality where behaviour/accounts are improper, and undertaking judicial reviews.

II. Audit Objectives

Under the Code of Audit Practice, the Audit Commission looks at several key issues when undertaking an audit. It must ensure accounts are regular, resources are used effectively in performance management, the requisite performance information exists and that best value performance plans are in place. It must also ensure that all financial transactions are legal, systems of internal financial control exist and are adhered to and that there are requisite standards of financial control, with structures to prevent and detect fraud and corruption. The level of fraud the Audit Commission detects continues to rise, but it is likely that this is due to increasing scrutiny rather than increasing fraud.

III. Fraud and Corruption – The Value of Independence

A key example of Audit Commission practice was the uncovering of corruption at Westminster Council. Several years ago, senior management at the Council engaged in evicting families from run-down housing in the area, redecorating the accommodation and then selling it to more prosperous individuals. The idea was that prosperous people would be more likely to vote for the party controlling the council. Moreover, the Leader of the Council, who was deeply involved in these activities, was extremely good friends with the then Prime Minister. The Audit Commission uncovered this activity, highlighting the key parties involved and the details/scope of the corruption. Although the legal system is still in the process of recovering the funds, the important point is that it is owing to Audit Commission independence that the corruption was investigated fully and publicised. Nevertheless, fraud is not primarily an audit issue; organisations ought to construct management mechanisms that discourage fraud.

IV. Organisational Effectiveness

The Audit Commission's detailed approach contributes to organisational effectiveness by uncovering structural/systems problems in the public services and publicising them. For example, auditing police-service processes led to greater efficiency, with fewer officers and systems involved in processing reported crimes. Moreover, audits of healthcare services regularly reveal poor performance against targets, but the detailed analysis gives managers their starting point in solving the problems and publicising the analysis drives political pressure for change.

V. Conclusions

Effective management requires clear strategic direction and high-quality leadership with the courage to focus on a limited number of core priorities. Organisations must be externally scrutinised and then internally monitor performance based on the lessons from the analysis. Auditing can be a driver of positive change, but all organisations must pay attention to staff motivation.

Protecting the Consumer, Taxpayer and Stakeholders

Tony Redmond

**Chairman and Chief Executive of the Commission for Local Administration (England),
Local Government Ombudsman**

I. Dispute Resolution in the UK

1. The Regulatory Environment

UK public services exist in an environment of audit and inspection, adjudication, the courts, tribunals (appeals mechanisms for individuals) as well as other mechanisms. Mediation is also a very important and growing method of alternative conflict resolution. In this context, the Local

Government Ombudsman is appointed by the Queen, so is seen to be an independent appointment even though the Prime Minister makes a recommendation. Nevertheless, the experience is of no Government interference. The Ombudsman receives money from Central Government for which he is accountable to parliament, and although the job is not on a term contract, the Ombudsman can be dismissed for serious malpractice.

2. Alternative Dispute Resolution – The Concept

Effective alternatives to the courts in resolving disputes require that advice is free and that the body is independent, with proper authority and decision-making powers. It should focus on the end user, be responsive and easily accessible, with a facility to bring the parties involved together. In this respect, the non-threatening environment provided during mediation makes it a good alternative to Ombudsman activities.

II. UK Ombudsman

1. Organisation

The Commission for Local Administration comprises three local Government Ombudsmen – for Local Government, for Health and for Industry – located in three offices, with 210 staff and a budget of £11 million. The role of the Local Government Ombudsman is to resolve complaints of maladministration causing injustice and to disseminate good practice; all lessons learnt during investigations should be made available to the public and highlighted for other local councils.

2. Maladministration

The original Act specifying the role and function of the Ombudsman failed to specify what constitutes ‘maladministration’. Since then, case law has introduced some ideas, but, ultimately, the Ombudsman decides what is unreasonable, thinking in general about issues including: unfair treatment, delay, systematic/procedural flaws, lack of information/consultation, simple error, inadequate complaints handling, and decision-making processes are flawed in that a body has not followed its own constitutional arrangements.

3. Case Examples

- Have seen a massive increase in cases around school admissions. Normally, these represent disappointed parents rather than maladministration, but a good example of bad practice was where a church school – which has some freedom over selection criteria – failed to select a certain pupil because the school’s church minister had not seen the pupil attending his church very frequently.
- Cases of ‘neighbour nuisance’ are good examples of how difficult it can be to get firm evidence to back-up complaints. Local councils tend to dismiss such complaints as ‘part of life’, but it is crucial to investigate them because they have serious consequences on people’s lives.
- Cases involving local taxation arise where an individual feels the council has assessed their house wrongly – the value of which is large factor in the amount you pay – or where poor procedures at the council have led to sending out the wrong paying requests.

- Other important areas of cases include: planning, homelessness, income support and other state benefits, care of the elderly, treatment of pupils with special needs, car parking and housing repairs.

4. Remediating Injustice

Cases of injustice occur when users/employees experience financial loss or damage, lost opportunities, time and trouble pursuing complaints, distress and outrage, or where services have simply not been provided – one autistic child had to be kept away from school for 15 months because the school claimed they could not provide appropriate support. Cases are usually resolved within two or three weeks, but can take a year if it is very difficult to get hold of the necessary information. In cases of injustice, there are no fixed penalties; the Ombudsman recommends a course of action. Although the Ombudsman has no statutory powers to enforce recommendations, the 99.8% of organisations accept them, partly to avoid being ‘named and shamed’. Options for remedies include providing or restoring the service for the complainant, deciding appropriate financial compensation, or recommending the organisation apologise. 20% of cases simply want an apology so it can be incredibly frustrating that organisations are advised by lawyers that apologising may constitute an admission of guilt.

III. The Mediation option

An increasing number of cases received by the Ombudsman could be better solved through mediation. The range of mediation services continues to expand in the UK because of some clear advantages over more formal routes of conflict resolution: provides a non-threatening environment, mediators can gain the confidence of both parties, and the remedy will be agreed mutually. Furthermore, mediation is an extremely good way of identifying the root causes of disputes, a major problem for the Ombudsman because, very often, complainants have reasons for making complaints other than those they make explicit.

IV. What Consumers Want

1. Vision and Challenges

Users appreciate local services if they are easily accessible, their processes are simple, responses are swift, service is ‘open’, they are seen to be fair and where they focus on the individual. However, the Ombudsman is still working hard in addressing problems such as complex systems in local service provision, lack of empathy with complainants, bureaucracy, failure to explain decisions and general issues around diversity and providing individualised services.

2. Consumers’ Public Values

‘Consumers’ have some core values they expect to see in the provision of public services. They must understand what is available, that it is high quality and that it meets a range of diverse needs. They do not want to wait and they want services to achieve value for money. They wish to be treated with courtesy and fairness in a spirit of clear communication and little bureaucracy. They want advice, guidance and support when they need it, and they want all public servants to be genuinely accountable, admitting mistakes rather than hiding from liability.

V. Lessons for Local Services

1. Key Issues for Consumers

- Expectations unfulfilled.
- Variation in standards.
- Not understanding how the service works.
- Response times.
- Bureaucracy.
- Diversity: services must be focused on particular, diverse requirements, rather than general services.
- Consumers are increasingly demanding and litigious.
- Consumers do not trust the decision-makers (not so much a problem with frontline staff).
- Consumers do not believe they influence provision.

2. Improving Service to the End User

Organisations must learn from their mistakes and communicate better, respond effectively to complaints, and examples of good practice must be disseminated. Services must reach all communities and be clear about the extent, nature and effect of community participation. Providers must be realistic in their claims about volume, incidence, cost and standards of service, and they must empower frontline staff. Strategic plans for improvement are no use unless the principles behind them filter through to every part of the organisation. Frontline staff must be genuinely empowered to deliver the organisation's values. When organisations truly believe frontline staff are competent, these staff are more confident and can really engage with the community.

Key Themes Arising in Discussion

I. The Good Practice Model

Historically, financial management systems were designed to track what has happened to money that has already been spent. The good practice model allows managers to identify strands of financial-management effectiveness in driving performance and transformation. Particularly when budgets are very tight, organisations make better decisions if they understand how they are managing money now rather than simply accounting for money they have already spent. Moreover, financial management must enter the bloodstream of general management. Although

the model has yet to incorporate issues from outside the UK, it could be adapted to suit other contexts.

II. Addressing Financial Mismanagement

There are several methods of challenging wasteful spending. The model enables performance approaches, which are about analysing trends amongst your various managers. However, there are also control processes like auditing, cultural approaches, such as challenging bad decisions, and organisational approaches, such as developing strong self-monitoring procedures. Moreover, anyone in the UK, whether internal or external to a public organisation, can go to the external auditor and allege financial mismanagement, and the auditor must then investigate.

III. International Standards for Performance/Financial Management

The IMF and World Bank are pursuing a plan by which countries must develop medium-term budget plans, including performance management procedures. The presentations have shown that although this, in theory, is relatively straightforward, effective performance management requires: collecting the right data, which can be difficult to identify; making a realistic cost/benefit analysis for each initiative undertaken; and then cascading the decisions right down throughout the organisation, which means all sorts of other structures must be in place, such as training, effective leadership and strong middle management. IT systems are also very important in ensuring managers have the right information when they need it.

Health Reform

New Strategies in the Delivery of Health Services

John de Braux

Chief Executive, Bedfordshire and Hertfordshire Strategic Health Authority

I. Current Structure of Provision

Published a couple of years ago, *Shifting the Balance of Power* advocated involving frontline staff in commissioning to respond to local people's needs. All public money is now devolved: 75% of NHS money goes to PCTs, which include General Practitioners (GPs), dentists, optometrists etc; the other 25% is used for training and research. PCTs are responsible for commissioning services from NHS trusts. Between the Government and PCTs are the Strategic Health Authorities (SHAs), which receive a small amount of funding to develop a strategic vision for each region. They also monitor performance and hold NHS organisations to account through many targets, and aim to build NHS capacity to continue to deliver and develop in the future. Thus, in the UK, health policy is determined centrally, with SHAs meeting Government once a month to report progress, and frontline organisations are responsible for delivery, reducing the distance between Government and delivering bodies.

II. Developing the Current Model – A Brief History

The NHS started out 55 years ago as a nationalised monolith and remained so until 1990. Margaret Thatcher thought competition would drive efficiency and, thus, created an internal market. However, market forces could not operate effectively because the market was managed; no-one was allowed to go broke. The Labour Party shifted to a regulatory model, where Government sets targets and provides funding, with independent regulators monitoring targets and use of funds. Of the many regulators, crucial examples are: the Commission for Healthcare Audit and Inspection, which inspects trusts every three-four years, and carries out investigations and public surveys; the Commission for Patients and Public Involvement, promotes individual responsibility for health; professional councils that regulate the professions and protect patients; and the National Care Standards Commission that regulates all non-clinical services. Moreover, increasingly, competition is creeping back into the regulatory model as extra autonomy is on offer for good performance.

III. New Strategies

1. Increased Investment – the NHS Plan

The NHS Plan represented the first time since the creation of the NHS that a UK Government had halted the decline in the proportion of gross domestic product (GDP) spent on a public service. On top of new money in 2003-04, £19 billion extra per year by 2005 will be injected. The Plan

represents greater patient power through education, shorter waiting times, better facilities, more doctors and nurses, focused priorities and very tough standards. Moreover, the traditional idea had been that it did not pay to be efficient because deficits were replaced whilst credits were removed. In contrast, the market model, the concept of 'earned autonomy', has now realigned management expectations with greater efficiency. Initial benefits came in far greater numbers of new staff. There was poaching initially, but overseas staff are now employed from countries with which the UK has agreements.

2. Introducing Choice

The document *Fair to All – Personal to You* had several important implications for patient choice. First, it emphasised that citizens have duties as well as rights in respect of healthcare. It also created a right for any citizen to receive NHS-funded treatment anywhere they choose if they had waited for longer than six months for their local NHS provider to provide it. Such a guarantee only works if NHS providers charge the same for the same services so there is a current process of aligning all structures of calculating charges across the NHS.

3. Local Flexibility or Two-Tier Provision? – Foundation Hospitals

Foundation hospitals represent public involvement at the frontline through local ownership. Controlled by a board of local stakeholders, they can opt out of government control, are regulated independently, can borrow on capital markets and set their own terms and conditions for staff. The legislation is contentious because such autonomy and extra funding might take resources away from other hospitals.

4. Human Resources

NHS HR policy has been rationalised, with: better working conditions; new contracts for consultant medical staff that increase the commitment they make to the NHS versus private care; new contracts for GP practices rather than individual GPs, with money allocated for how much practices contribute to the health of the local population; and a single new contract for all other staff.

5. Information Technology

There has been enormous investment in IT to ensure all systems talk to each other, fundamentally changing how the NHS works and improving efficiency. Smaller delivery organisations can now discuss appropriate treatments with centres of excellence, for example.

IV. Targets and Performance Management

1. Organisations

Performance targets have led to huge improvements in healthcare delivery. However, sacrosanct priorities have unintended consequences. One target was to process 90% of patients presenting at accident and emergency rooms (A&E) in four hours. To achieve the target, staff were admitting patients into the hospital rather than taking a little longer treating them and then sending them home. Thus, people must always look carefully at the implications of targets.

2. Personal Reward

Targets are directly related to the amount of money NHS organisations receives, but not to personal reward. Personal financial reward systems have never worked in UK public services. It is not politically acceptable to pay public servants enough to make a difference anyway, but also those attracted to working in public service do so for intellectual/emotional reasons above all else. However, the UK does not have a very severe pay gap between public and private sectors. The UK has learned that good services require good people. Thus, for such a system to work, public servants must be paid a competitive salary, and any further disparity with the private sector can be balanced against better conditions in the public sector, such as greater job security etc.

V. Key Implementation Challenges

- Huge reforms take huge amounts of time and effort, which is especially stressful in a culture of ever-increasing scrutiny.
- In the UK, the issue is not quality of delivery but philosophy of delivery. The extremely strong legacy of professions in the UK means the workforce is extremely well trained, but looks after its own. Thus, managers' major challenge is overcoming cultural/attitudinal barriers to reform.

Change Management in the UK – Questions and Challenges

Robert Sloane

Chief Executive, East Sussex Hospitals NHS Trust

I. The Core Relationship – The NHS and the Department of Health

For the first time, the current NHS Chief Executive is also Permanent Secretary to the Department of Health (DoH). The Department of Health develops policy initiatives, but there is no statutory management line from DoH to the NHS. Thus, although the NHS is publicly owned, it is not a Government body. To implement Government initiatives the Health Secretary speaks personally with the NHS Chief Executive. The NHS senior management team comprises the Chief Executive, other directors, SHA Chief Executives and the national 'Tsars' (people appointed to drive particular healthcare initiatives). The pragmatic nature of the Government/NHS relationship makes for swift implementation of new policies, but may lead to a lack of due diligence.

II. Incentives for Change – Some Key Questions

1. Community Engagement

Prior to the NHS, local communities influenced local healthcare provision. The NHS has achieved much, but in being organised by professions for professions, it has disenfranchised communities, providing no incentives for individuals to take responsibility for their own health and welfare.

How can policymakers encourage local people to engage with institutions and with their own health?

2. Leadership

The UK public services operate on seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership. Although each is crucial, the most important is leadership because everybody is a leader; performance is everyone's business. Thus, the key question is how we create the right environment to recruit, retain and support the right people for enterprise and innovation to flourish?

3. Change and Improvement

In the original public-funded monopolistic NHS, working life was comfortable; personal responsibility was diffuse and no-one knew who was in charge. In 1984, a system of individual accountability and general management was introduced. In any system of public service, issues of accountability are major themes. What incentives promote personal and corporate accountability?

III. Creating a Platform for Change

1. A Bedrock of Accountability

Creating a platform of individual and corporate accountability was necessary to create a form of internal market in 1991, a system splitting funders from providers. However, the market model has proved financially inefficient; US healthcare is twice as expensive as UK healthcare. It is also too expensive socially. However, the system had three beneficial outcomes: reminded monopoly provider that they have customers; challenged the power of 'professions' – a dramatic culture change; and enabled Government to discuss costs seriously, previously considered unreasonable when the goal was care. In 1997, the new Government removed the divisive internal market, whilst making Government departments work more closely and devolving greater responsibility to frontline staff. Devolution would not have been possible without a legacy of general management and personal accountability. Thus, the lesson from the UK is that the regulatory model bridges the private/public divide, but it is in transition and will never be perfect. The key challenge is sustaining change whilst maintaining a reasonable balance between policy-makers' versus local people's concerns.

2. Contracting – Advantages and Disadvantages

For a number of years, UK public services have contracted out certain roles. The problem with contracting out aspects of public service is that you lose the expertise in the core organisation, which means you are held to ransom. Moreover, contracts must be managed as carefully as managing the in-house service. Contracting works only if you set extremely clear service-level targets and then monitor/manage performance and impose penalties. Contracting does not solve problems; it transfers them. You must solve problems first.

3. Medical Managers versus Professional Managers

To the detriment of the NHS, professional clinicians rarely become hospital managers. Although there is a very strong management-training programme for NHS managers, certain expertise is lost,

particularly in respect of cultural issues, when the NHS fails to recruit from the professions themselves.

4. Important Drivers of Success

Successful change only occurs when everyone believes it is necessary; even the public naturally resist change. Thus, people must culturally prepare the ground for change; winning hearts and minds can be very difficult. Furthermore, people must be given time to implement changes properly, and all targets must be accompanied with appropriate resources.

IV. Key Challenges Going Forward

1. Improving Public Health

The last 10-15 years have seen fundamental cultural change in the NHS, shifting from a rigid structure of all-powerful institutions and professions towards a socially-oriented model. The important step for the UK is engaging with the community to improve general health, keeping individuals outside the hospital system for longer. The UK is currently building the key support systems and implementing the core structure of: patient care, primary care, community care, secondary care and tertiary care.

2. Taking Risks to Improve

Taking risks is possible within the correct policy context; firm standards determined centrally and implementation decisions devolved to frontline professionals. However, the key question is whether national standards help or hinder. Could local organisations set their own standards?

3. Staff Shortages

Among many factors contributing to staff shortages, a key issue is doctors' training regime. Junior doctors used to work far too many hours – 96-hour shifts – but EU law means they can only work a 48-hour week. We need to replace these hours so junior doctors must be replaced with either more junior doctors, or different sorts of clinicians like prescribing nurses etc. The key issues for nurse shortages are the falling birth rate, an increasing elderly population and the dwindling attractiveness of the profession in a world where there are far greater opportunities for women. We need to pay nurses more, but the real recruitment challenge is designing attractive working conditions.

Site Visit Feedback

I. The Visit

Delegates visited the Luton & Dunstable NHS Trust hospital, where they toured several key functions such as the A&E department, the Acute Assessment Unit, Pediatrics, Oncology and the St

Mary's Wing, a recent PFI initiative. Senior frontline staff in each department explained the structure of services. Delegates also heard Brigid Stacey, Director of Nursing and Midwifery, and Project Director for the Implementation of Foundation Trust Status, describe the governance and performance management regime at the hospital. Brigid Stacey also described foundation trusts and the conditions for the recent PFI.

II. Current Governance Arrangements

The hospital serves a community of 53,000 inpatients and day cases, 200,000 outpatients and 75,000 A&E admissions each year. It has 562 beds, 2,500 staff and an annual budget of £107 million. The Board comprises a non-executive chair and five other non-executive directors, which ensure open, honest management that meets the needs of the local community. There are five statutory posts on the Board: the non-executive chair and then the chief executive, and executive directors for finance, medical services and nursing and midwifery. The chair is appointed by the independent Appointments Commission, which ensures posts are open, fair and reflect local diversity. The chair and the chief executive of the local SHA are responsible for appointing the trust chief executive. The medical and nursing directors must be clinical professionals by law. Luton and Dunstable Trust also has directors for HR and operations. The executive directors are supported by the clinical directors, who are clinical professionals. Although it is very useful for clinicians to be involved in managing hospitals, it is more important that you get the right person for the job, whatever their background.

III. Achieving Foundation Status

Foundation Trusts will be established in law as 'independent public benefit organisations'. This ensures the commission arrangements they make with the local PCT are legally binding, giving them greater consistency in service levels. The statute also confers on hospitals independent governance arrangements and inspections by an independent regulator, no longer the SHA. Hospitals applying for Foundation status must have been awarded three stars in recent inspections, and if they are lose a star, Foundation status will be removed. The Government wishes all NHS trusts to be in a position to apply by 2008; it is a policy for the many, not the few. Foundation Trusts meet all the same standards as any other NHS organisations, but they receive money directly so their own priorities trump the priorities of their local PCT.

IV. Governance of Foundation Trusts

Brigid Stacey argued that the real benefit of Foundation status is that it places the users' concerns on the same level as financial concerns. 50% or more of the board of governors of a Foundation Trust must comprise patients and carers, who are elected amongst that constituency. The other 50% comprises staff representatives and others, such as from the local PCT, local universities and so forth. The precise membership is decided between trust management and patients. The Chair of the Trust then chairs both the board of governors and the management board, which must include at least two non-executives. The governors appoint the non-executives, including the chair, and the non-executives appoint the executive directors.

V. Performance Management

The Trust is currently undertaking a project called 'Changing the Way We Work', which was initially implemented with a lifespan aligned to implementing the NHS Plan, but it is likely to

become an ongoing management method because it is so successful. However, all NHS staff are beginning to feed back to Government that they are overburdened with targets, especially since some financial targets are in tension with performance targets. The procedure for tackling poorly-performing staff is threefold; an informal chat, then a meeting with their line manager at which a plan for improvement is agreed, and then formal HR proceedings commence.

VI. Private Finance

A private firm gave money to build the new ward. In this PFI, the Trust Director for Operations manages day-to-day operations, but the Financial Director has joint responsibility. The private firm runs the 'hard facilities' and the hospital runs the healthcare facilities. Thus, daily repairs are managed by a sub-contractor hired by the investor that built the ward, but this has no practical impact on any member of staff. The PFI contract has a very detailed service specification, along with extremely strong penalties for failure to comply.

Key Themes in Feedback and Discussion

I. Employing Overseas Staff

The UK's cross-border agreements have centred on nurses. Some countries have deliberately trained surplus nurses and it has been seen as mutually beneficial for the UK to recruit them for either two or four years to relieve pressure. Non-recruitment agreements with some countries also exist.

II. Provision for Overseas Visitors

Overseas visitors are treated at point of need if they are seriously ill. Their expenses are covered if their country has an agreement with the UK, such as EU nationals. If not, they are asked to pay once in recovery. Patients are never thrown out on the street, but the NHS might not fully complete their treatment. 90% of NHS unrecoverable costs represent treatment of foreign nationals.

III. Delegates' Impressions

1. Key Challenges for UK Healthcare

- Recruitment and retention – staff are placed under too much pressure.
- Customer satisfaction, particularly with respect to waiting times.
- Bidding for Foundation Trust status in the context of many other pressures.
- Providing services that meet diverse needs.
- Translating trust-level targets into performance measures for individual staff.

- Focusing on core business – should hospitals retain support staff in-house or outsource them?
- Too many targets, conflicting targets, and targets with unintended consequences.

2. Lessons

- Healthcare provided to anyone free at point of need.
- Limited resources go a long way with a strong framework of competent managers. Moreover, good managers need not be clinical professionals, as long as they are the right people for the job.
- National targets for standards coupled with local responsibility for implementation offers greater flexibility to innovate and improve.
- Treating patients as customers.
- Professional attitude amongst staff.
- The ‘Foundation Trust’ concept and involving the local community in managing services.
- Supportive attitude to staff development.
- Balancing cost-effectiveness against a genuine drive for quality.
- Public/private partnership only under strict service-level agreements and firm penalties for non-compliance.
- Taking care of the physical environment of the hospital relieves staff and patient stress.

Education Reform

Policy Reform

Peter Housden

Director General for Schools, Department for Education and Skills

I. Structure

1. Central and Local Government

Central Government defines school curricula; standards of achievement for 7, 11, 14 and 16 year olds; provides 80% of funding; and, increasingly, sets a policy framework for education, especially teachers' pay and conditions. The 150 local government municipalities are responsible for employing most support staff. In recent years, they have been employing far more teaching support staff (non-qualified teachers) because they are cheaper, offer teachers more classroom time to spend on teaching rather than other problems, and because the age profile of teachers is concentrated around age 50. Local Government determines conditions of service for support staff, sets a local framework for standards, owns most buildings, and connects education policy to a wider local policy agenda (filling skills gaps etc).

2. Schools

Individual schools have a high-level of autonomy. They are responsible for their budget, set very performance-focused targets and headteachers are extremely powerful. Local people represented on schools' governing bodies have important legal responsibilities for how the school operates; they represent the first line of accountability to the local area. Central/local government provides additional funds to help schools improve standards and all schools publish their results. The results 'league tables' are popular with parents, but very contentious for the profession; can success be reduced to a single number?

3. Inspection

Every school is inspected by the Office for Standards in Education (Ofsted), an inspectorate independent from the Department for Education and Skills (DfES), every 6 years, although more frequently if a school is found to be particularly weak, and all reports are published. Intensive support is provided for weak schools. Typically, schools are subjected to eight or nine inspectors for six days, a very intensive period, including detailed feedback to school management team. A key challenge is that there are always new ideas for what ought to be inspected and these extra burdens may mean inspectors lose focus on the core issue, the quality of teaching.

II. Working in UK Education – Some Key Issues

- Intense public scrutiny compounded by changing public expectations of the service.
- Individual teachers and schools overburdened with bureaucracy and workload.
- Local authorities feel squeezed out.
- Quality of education is increasingly important to parents. Ethnic minority parents are leading the way; low expectations are an indigenous problem.
- Central Government is increasingly interested in global comparisons and world-class standards.

III. Performance Management – Achievements and Challenges

Only a tiny minority of municipalities achieved 75% of pupils attaining the prescribed educational targets in 1998. Now only a tiny minority have not attained this. English schools are now third in the world league table for literacy of ten year-olds. However, league tables hide problems: the UK has a large number of very poor readers. Children in disadvantaged schools do relatively poorly. A similar picture is true for literacy amongst 15 year-olds. In contrast, in Finland, where literacy is highest, they also have very few poor readers. Furthermore, although the achievement gap between advantaged and disadvantaged areas is very large, there is also great variance in performance between schools with equivalent socio-economic intakes. UK schools are now seeing faster improvements at the lower end of the socio-economic scale, but these disadvantaged schools are not serving all pupils equally well; the lower end are left behind.

Improving the Quality of Primary and Secondary School Education

Jane Wreford

Regional Director, Southern Region, Audit Commission

I. Some Definitions

Primary school is for age 4-10 and secondary school for age 11-16. 17-18 year-olds are still referred to as 'sixth formers'. If schools do not have a sixth-form centre, A-levels and vocational 16+ courses are offered at other sixth-form centres or in tertiary colleges. Pupils with special needs are either given extra teaching support in normal schools, or taught in a national network of 'special schools'.

II. A Brief History of Schooling in England and Wales

1. Primary

By the 1900s, Britain had made universal elementary education to age 11 compulsory. This policy was built on a legacy of a literate middle class as well as charitable and church schools. The curriculum was reading, writing, arithmetic, English history, physical geography and 'nature study'. Attendance was enforced by law. Teachers were trained through a monitorial system and inspected independently. Since 1944, pupils have been normally promoted each year regardless of attainment. Primary schools contain between 50-300 pupils, with one shift, typically 9am-3.30pm. Building on this legacy, the 1960s Plowden reforms against rote learning introduced the 'integrated day', with primary children encouraged to solve problems. Now, children are grouped around tables by ability, work at own pace and class sizes are below 30 for below age eight. In 1999, the literacy and numeracy hours increased the level of whole-class teaching.

2. Secondary

Secondary schooling has been available to those paying throughout the nineteenth century, but also to some non-paying candidates achieving scholarships to independent charitable schools. In 1921 the school leaving age was raised to 14, but only 7.5% of children received secondary 'advanced' education. There were several failed attempts to introduce universal secondary education through the 1920s and 30s, but universal secondary education became compulsory under the 1944 Education Act. The Act engendered two educational streams, with entry decided by the 11-plus examination: modern (vocational) and grammar (academic). Post 1944, the teaching force has been fully qualified and teachers have taught in one school.

The 11-plus exam, designed as socially enabling, came to be seen as divisive. All-ability secondary schools, 'comprehensives', became common, but not universal, in the 1970s. These schools taught between 500-2000 pupils aged 11-16 or 11-18, with one shift, typically 8.30am-3.30pm. There was no national curriculum until 1988, but national secondary examinations at ages 16 and 18 effectively set the curriculum. In the 1960s, the Nuffield approach to science teaching in secondary schools encouraged learning through experimentation. However, in general, teaching remains 'from the front' except in practical subjects. Streaming was common until the 1970s, but now setting by ability is normal in core subjects.

III. Concern about Standards

Concern about school standards began with James Callaghan's Ruskin College speech in 1976, and studies undertaken in the 1980s reinforced Government concern: Prais and Wagner (1983) showed UK pupils performed less well than German pupils in maths; international studies also suggested weaker UK performance compared with similar countries in Europe; the Department of Education document *Better Schools* was published in 1985.

IV. Attempted Solutions

1. Education Reform Act 1988

The Act introduced a national curriculum with regular testing at ages 7, 11 and 14; publication of public examination results; frequent inspection; local financial management, open enrolment and

the possibility to opt-out of Local Education Authority (LEA) control – taking ‘grant-maintained status’. The key development was that the Act introduced the idea of publicising performance and, hence, punishing failure.

2. 1998 Centralised Quality Framework

From 1997, the Labour Government abolished opting out, but kept the rest of the Thatcher reforms. It tightened central control of education, concentrating on primary teaching, with centrally-directed primary teaching initiatives such as the national numeracy and literacy strategies. Infant class sizes were reduced to 30 or less. Performance targets were set for LEAs and schools at ages 11 and 16. Each LEA now has to write an education development plan and send it to Central Government for approval. In rewarding success, the Government allowed the creation of schools with greater autonomy, such as specialist schools, ‘beacon schools’, and city colleges. Although teachers have disapproved of performance standards interfering with their professional expertise, there has been no organised resistance to change.

V. Some Consequences

1. Boys’ and Girls’ Achievement Diverging

Public debate about standards in secondary schools increased during the early 1990s as a result of the publication of exam results. There was concern about divergent results for girls and boys following the introduction of General Certificates of Secondary Education (GCSEs) to replace O-levels. In 1977, there was little difference between boys and girls achieving five O-level passes, but the period between 1987 and 1990 saw rapid decline in boys’ achievement of five GCSE passes to 80% of girls’, where it has remained. Ofsted attribute the decline to the choice of instrument (greater level of coursework) as well as social factors.

2. Secondary Results Now

In comprehensive schools in England, 45% of boys and 55% of girls achieved five or more GCSEs at grades A-C in 2002/03. In independent schools, the proportions were far higher at 79% of boys and 85% of girls. The proportions were highest in selective schools at 97% of boys and 98% of girls. Only 32% of pupils in ‘other maintained schools’ (special schools, hospital schools, and pupil referral units) achieved one or more GCSEs at grade A-G in 2002/03. However, only 36% of these pupils were entered for a GCSE.

3. Evidence from Recent Primary School Initiatives

After the introduction of literacy and numeracy hours in 1999, the number of pupils achieving level 4 or above in the Key Stage 2 reading test rose significantly. However, even though it may be too early to tell, subsequent years show that the initial improvement has levelled off, suggesting that money and effort spent on these initiatives may outweigh their effect.

4. OECD PISA Study

The study samples between 4,000 and 10,000 15-year-old students in each country. The domain includes the 29 member countries amongst others, with the first literacy and numeracy results published in 2002. The UK came seventh in the ranking, the first time it has performed well

compared with the rest of Europe. Previous studies have looked at year groups, rather than age groups, so results have been affected by the fact that, in most countries, children are not automatically promoted each year regardless of attainment. Now that the results focus on attainment by at particular age, it appears that UK children do not perform especially badly in world comparisons after all.

VI. Going Forward

A current major focus is low achievement in some inner-city secondary schools. Initiative to tackle the problem include the London Challenge, 'fresh start schools' and 'city academies'. Such initiatives often include greater collaboration between existing institutions, including activities such as teacher sharing. Also, more recently, the Government has moved towards achieving a balance between direction and support in intervention through partnership working with schools and LEAs. The language used by the DfES includes "informed professionalism" and "intelligent accountability".

VII. Evaluating the Initiatives

1. Publicising Results

Publicising results has focused school management on academic attainment and driven up secondary examination success at 16. However, sink schools have developed, for which recruiting teachers is a major problem. There are also now questions over whether the current curriculum is sufficient or whether it ought to be broader, with more vocational routes. Another issue is whether the recent OECD PISA study shows that the panic over standards was misplaced.

2. Centrally-Driven Quality Criteria

Centrally-driven quality criteria, such as for the literacy and numeracy hours, provided early gains, but these have now levelled off. It may be too early to judge because children who were four in 1999 have still not taken Key Stage 2 tests yet, but such initiatives may have been an overly dramatic response.

3. Rewarding Success

There is still a mixed picture of success in the UK; some schools in inner cities are still failing. New initiatives to improve schools are underway in London, but the basic problem is still open enrolment. Open enrolment means parents have the right to choose which schools to apply to, leading to pockets of excellence, but also pockets of extreme deprivation. Nevertheless, the new language of partnership in central and local government acknowledges that schools cannot do it all on their own.

4. Local Resource Management by Schools

Local resource management means schools employ their own staff as well as managing their own staffing establishment and teaching-resource provision. It has meant schools can no longer blame other institutions for poor performance.

5. National Examinations and Tests

National examinations/tests mean analysts can see what the Government is doing nationally and the Government can then set targets in a focused way and evaluate their success. Moreover, it enables people to address emerging problems locally.

6. Local Support from LEAs

Although schools are accountable for what they spend, the Government's principle of intervention is in inverse proportion to success. Thus, LEA support is available to all schools, but it is not forced on them unless they are failing.

7. What has not Worked?

- Grant maintained status.
- Sink schools a result of open enrolment?
- Too much pressure on teachers.
- Too frequent inspection of schools.
- Too much central prescription.

VIII. Developments with Promising Potential

- Bringing initial teacher training up to date with the latest views on learning theory. A great deal of interesting work on children's cognitive development has yet to be integrated into teacher training.
- Initiatives around motivating pupils by making them are responsible for their performance.
- Individualised education programmes.
- The UK has done ground-breaking research in the area of 'thinking skills' and how to develop them, but this has yet to be integrated into the education system.
- Greater parental involvement.
- Initiatives around preventing exclusion of children, such as extending school hours and designing flexible education programmes.

Site Visit Feedback

I. The Visit

Delegates visited Hemel Hempstead School. Students took them on a tour of the school facilities, particularly the well-stocked science and technology blocks and the impressive facilities for performing arts. They also heard from Sue Gould, Deputy Head Teacher, who described the view from the ground of some important issues in UK education, such as how teachers and pupils are assessed, how schools are governed, and the frontline reaction to Government policy.

II. Performance Management

Targets are set each year in the first term after the summer break and reviewed against the results released in September. Staff (and students) have to achieve a minimum: performance 'as expected' or better. Thus, staff performance is judged in part on student performance, but also on performance management interviews with line managers. No teachers are appointed without senior management watching them teach a lesson first. They are then monitored frequently, both through an informal open-door policy and formal occasions where senior staff sit-in on lessons. Schools are also inspected by Ofsted every six years. It is management policy to encourage teachers to share their difficulties with line managers, and the key to success in this approach is fostering the confidence for critical self-evaluation. Although league tables feature highly in public perceptions of schools, they are a peculiar measure of performance: 'five or more GCSEs at grades A-C' judges a pupil gaining five Cs better than one gaining four As and one D. However, under current proposals, league tables in subsequent years are likely to include more value-added measures, looking at how schools contribute to pupils' performance rather than judging by absolute performance.

III. Change Management

Schools and teachers do not want to be in a constant process of change. Thus, school management teams look at new Government policies and figure out pragmatically which structures/activities can remain the same and which must be changed. Moreover, headteachers meet with LEA representatives and other headteachers very frequently to discuss changes on the horizon as well as current implementation challenges and good practice. This kind of collaboration is extremely effective, and promoted by recent reforms, in contrast with the Thatcherite market-model, which acted as a disincentive. Hemel Hempstead school has formed a partnership with other local schools in order to provide greater flexibility in the curriculum.

IV. 'Specialist School' Status

Schools wishing to receive specialist status must raise £50,000 from local industry and their local community. A school then decides what it wishes to specialise in – Hemel Hempstead School specialises in performing arts – and submits a plan to the DfES explaining what it will do to promote that specialism, not just for the benefit of pupils, but also how it will improve the quality of life for the local community. The DfES then matches the funding already raised by successful

schools and give them another two years' worth of funding – the money is ring-fenced for activities promoting the specialism.

V. Governance

The board of governors comprises parents (elected by other parents), teacher representatives, LEA representatives and other expert governors, such as financial managers. The headteacher is also a governor at most schools, but he/she can decide not to be. Large schools will have committees of governors focusing on particular issues, and then the committee chairs and chair of governors make up a governors' cabinet. The LEA school development advisor comes and discusses targets with schools annually. The LEA also provides extremely good advice on collating the evidence schools must send to Ofsted prior to inspection.

VI. Other Issues

- Security: the school has a community police officer as well as the mobile telephone number for the local constable. The community police officer will come in to talk to students, and support us if we need to speak to the parents.
- Drugs and bad behaviour are problems for young people and all schools have to be vigilant. It is difficult for schools to deal with incidents occurring off school premises, but there are several tiers of punishment for offences occurring in school, ranging from detentions to suspension. It is rare that schools exclude pupils, but if a school feels it must, parents have a right to appeal to the board of governors. Another possibility when schools feel they must remove a pupil is to organise a swap with another school.
- Arranging classes: early years are all taught in form groups with around 30 pupils in each, but when GCSEs commence, all subjects are split into a range of 'sets', or classes that group children by ability. Class sizes tend to be smaller in the classes containing lower ability pupils.
- Schools are not entitled to charge for any activity considered part of the curriculum, but all schools have Parent Teacher Associations, which will often help raise funds to help children from more deprived backgrounds participate in extra-curricular activities.
- School employees are not authorised to administer medicine to pupils unless previously agreed by parents.

Key Themes in Feedback and Discussion

I. Treating Pupils Appropriately – Selection, Punishment and Promotion

Selection at age 11 is widely regarded as too young in the UK and happens in very few areas. Increasing academic success amongst pupils in non-selective schools also suggests the theory is bankrupt. Although most delegates dismissed corporal punishment, one delegate vociferously defended punishing pupils physically, arguing that the practice instils self-discipline and prepares

pupils for later life. Delegates also discussed the practice of automatically promoting pupils into the next year throughout their schooling. This practice is not contentious in the UK because it has a long history and because UK teachers are trained to teach mixed ability classes. However, the practice is relatively rare globally; the recent reintroduction of mixed ability classes has been extremely contentious in Brazil. Some delegates felt that keeping pupils back promotes competitiveness, a key driver of academic success. In contrast, UK representatives argued that although shaming schools is acceptable because they are institutions, shaming individuals by keeping them back is socially unacceptable and empirically detrimental; the drop-out rate is higher under such systems. Moreover, one delegate felt that setting – splitting the best from the worst – was to the detriment of weaker children because it gave no incentive to compete.

II. Funding Universal Education

UK representatives said introducing universal education requires enormous capacity building, reflecting that it has only been possible in the UK by going through several stages over the course of 100 years, gradually increasing the age at which compulsory education stops combined with raising the legal age for work. Universal education raised problems of getting enough teachers and resources. However, they argued that universal education does eventually pay back. Moreover, they noted that although the state is the primary funder of education in the UK, there have been greater elements of local, community and church funding in the past. The trend is now towards greater externalisation with more private finance initiatives involved in delivering education. Schools also continue to contract administrative services from the private sector, although the concern is that smaller schools can afford less help than larger, more successful schools.

III. Devolved Responsibility – Local Financial Management

Local financial management gave schools the money to pay for staff. Governors are responsible for hiring and firing, and although the LEA can veto headteacher appointments, they rarely do. Thus, schools can decide class sizes, the teacher/support-staff ratio and so forth. LEAs have very complex formulas for dividing money between schools, but 80-85% is based on the number of pupils and other factors taken into account include the size of school grounds, facilities etc. Initially, most people were sceptical of giving schools this level of autonomy, but the profession has proven that they manage schools incredibly well; the benefits of tailoring of education to local needs more than make up for any loss in economies of scale. Frameworks are in place to ensure there is no financial mismanagement or misuse of funds, but they are not too onerous and the strong tradition of auditing has prevented major abuses of the system.

IV. Relationship between Central/Local Government Funding

Central Government allocates money to local authorities on a different formula – uses complex regression analysis including many different factors. The method is contentious: there is always suspicion that Governments allocate greater funds to their heartlands of support. In broad terms, New Labour believe it is fair to allocate more money to those in greater poverty, where the Conservative Government believed it was fair to allocate every child an equal amount of money.

V. Recruiting Teachers

Current demographic projections suggest educators need to recruit 30% of all UK graduates to repopulate the teaching force, but the profession attracts nowhere near this many candidates. There

is no formal control over how many teacher-training places universities can offer. The Government has recognised the demographic time bomb, but it is fair to say that the market for teachers and teacher-training goes up and down with the economy; the salary and conditions of service for teachers look more attractive when the economy is performing poorly. The fact that UK teachers are paid on a national scale means it is difficult to recruit them in inner-cities, where the cost of living is higher. There is a strong middle-management structure in schools, which gives teachers incentives to be promoted, but attempts to introduce some kind of performance-related pay for teachers with non-management responsibilities have been widely criticised because it fails to incentivise.

Schools in Kazakhstan are run by town councils that decide how much money to spend and on what. This works well in big cities, but not in rural areas where it is difficult to maintain schools. Although the Government has just decided to support rural education, it is still very difficult to recruit teachers because the salaries are so low.

VI. Building Appropriate Capacity

Ghana has free, compulsory education for all children, but parents below a certain level still find it very difficult to pay for children to travel to school. Moreover, officials in Ghana realised the education system was not working well in that it only taught academic disciplines rather than employable skills. Moreover, those pupils not academically minded were dropping out of school. Thus, the Ghanaian Government changed to a 'junior grade school system' where all children were to acquire basic technical/vocational skills before taking an exam to carry on to further academic education if they wanted. The system has been unsuccessful not because it is a bad idea, but because reform has been driven too fast; the infrastructure is not in place.

UK representatives noted that the UK has faced similar problems in the past, but has built capacity over a much longer timeframe in line with the evolution of skills required for jobs in a developed nation; literacy has been a prerequisite for the vast majority of jobs for a long time. Not only has it taken a long time, it has been incredibly expensive, with public funding currently £3,000 a year for every secondary pupil and £2,000 for every primary pupil. Thus, they cautioned against copying any educational system that does not produce the right skills for the national context. However, no country should handicap pupils; the world is changing so quickly that countries need to equip students with the skills their economy will need in 20 years time, not just what they need now. Currently, there are six 'employability aims' that UK schools are expected to teach, but they are not examined because they are 'soft skills' like interpersonal development. You should focus on what your economy needs. You should be teaching technical skills if that is what you need. UK representatives also acknowledge that many pupils leave school in the UK without appropriate skills. Several approaches to tackling the problem have been tried, such as providing unemployment with strings attached, forcing young adults back into some form of training scheme. These schemes have not been universally successful and there is no easy solution to the problem.

VII. Attaining Targets and Maintaining Momentum

The UK has several strategies for attaining performance targets. The literacy and numeracy hours are good examples, but teachers now also withdraw children from classes to give them intensive help or let them calm down if they have behavioural problems, and then bring them back. UK schools also increasingly have separate places on school sites to which to remove children with behavioural problems. For truancy, the current wisdom is that school administrators contact the parents almost immediately when children fail to attend. Although this level of active management

works, it is demanding and time-consuming. UK representatives noted several important lessons in maintaining the momentum of improvement: do not try to do everything at once; create a strong middle-management structure; make sure targets do not conflict; and focus on staff morale. After the site visit, delegates were struck by the level of communication between Central Government and frontline staff, noting that this must help with implementation. UK representatives added that there is a great deal of sympathy amongst the teaching profession for the direction of recent reform, which has also helped.

VIII. Private Schools

UK private schools are subject to inspection, but not as regularly as public schools inspection, and they do not have to teach the national curriculum. They vary from extremely good, to absolutely appalling, precisely because they are not as well regulated. There is a snobbery associated with sending children to private schools and the UK Government response has been to drive up the quality of public schools rather than supporting parental choice through providing help with school fees.

IX. Faith Schools

The UK distinguishes two classes of faith schools: if they have donated their buildings to the state then they are only distinct from standard comprehensives in that they can place some restrictions on selection; and schools where the church owns the buildings and, formally, employs the teachers. However, the second class of school still conforms to the national curriculum and national standards. Single-faith schools have been contentious in multicultural societies like the UK.

X. Governance

The composition of boards of governors is defined by statute in the UK, with fixed numbers of teachers, parents and LEA representatives as well as the headteacher. This mixture of representatives of the funder, local community, pupils and the staff looks after finance, buildings, teaching appointments, and social/pastoral care within the school. Governors are not paid and training the requisite number is a challenge. Each year, local councils enter into discussions with all their schools and agree targets, which represent improvements on the previous year's performance. The results are then published. UK schools also have a high level of autonomy over curricula because the national framework is fairly flexible; it is the attainment outcomes that are incredibly tight. Autonomy is about how schools achieve fixed outcomes and has led to great variation in quality in schools across England. One delegate contrasted the UK approach with autonomy in Lebanese schools: pupils wishing to reach university must reach a certain level in standardised tests, but schools are free to decide how best to prepare pupils for this. Another delegate said Indonesian schools are governed by independent committees, which do not set teachers' salaries, but have responsibility for the curriculum. The key challenge in Indonesia is improving access to high-quality education in rural areas. Private schools have played a big role in addressing this challenge and in driving standards up generally.

XI. Performance Management in Practice

Effective performance measurement requires enormous infrastructure to ensure the judgements are robust. Another important factor in effective performance method is professional culture: until recently UK teachers were affronted by any criticism of the teaching approach. IT has helped

change the culture: pupils now have identification numbers so their progress can be tracked even if they are moving schools. Thus, it is relatively easy to show if a teacher is making progress, but it does represent an extra administrative burden for teachers. However, there has been a general cultural shift in the UK bring a general expectation throughout public life that anyone paid from the public purse must have their performance measured and managed in some way or other. Although performance management in schools should not be an instrument of repression, but rather an instrument to drive up standards across the board, the practice is not always as happy as the theory. Furthermore, especially weak institutions receive support from LEAs, including teaching resources and facilities and support in developing an improvement action plan with targets and monitoring. Nevertheless, in areas of great deprivation, improving schools can be very difficult and take a very long time.

Several delegations reported problems in achieving high standards in public schools. In Lebanon, education provision is 70% private so this delegation felt its key difficulty was creating an environment in which public schools have greater confidence and compete with private schools. A delegate from Bahrain noted that private education is preferable to most in his country because private schools teach English, a key advantage in a competitive world. However, delegates from Ghana pointed out comparisons are difficult if your country has no legacy of national standards or the publication of results.

XII. Delegates' Impressions

1. Key Challenges for UK Education

- Dealing with difficult students and associated problems, such as violence and drugs. Some delegates were concerned schools could not veto decisions for pupils to come back to the school.
- Motivating staff.
- Identifying appropriate performance measures.
- Constant change; schools may fail to keep up with the pace of reform Government wants to see.
- Accessing money infrastructure improvements, such as repairs and building new facilities.
- Accommodating increasing numbers of students.

2. Lessons

- Partnering with other schools to diversify learning opportunities and relieve pressure on teachers, class sizes etc.
- Clear performance management systems, with effective monitoring/measurement systems
- Considering pupils and parents to be customers.
- Setting firm national performance priorities, but devolving responsibility for implementation to the local level. Financial responsibility gives greater flexibility and community ownership helps generate support and partnership opportunities.

- No corporal/physical punishment.
- Focusing on staff motivation through developing self-confidence and providing a supportive environment.
- Professional attitude of staff.
- Introducing a greater range of activities in the school environment, especially bringing in more vocational training alongside academic education. The concept of specialist schools is also fruitful.
- Useful for students from countries participating in the seminar to have greater opportunities to study in the UK.
- Board of governors with wide representation.
- A less pressured environment in which for students to succeed.
- Open and effective channels of communication between policymakers and frontline staff.
- Introducing children to IT at an early age.

Police Reform

Performance Management – A Policing Perspective

Richard Childs

Recently Retired Chief Constable for Lincolnshire

I. Structure of UK Policing

The UK police service has a tripartite structure: the Home Office (HO), the Association of Police Authorities (ASA) and the Association of Chief Police Officers (ACPO). Accountabilities are arranged thus: Chief Constables for each region are responsible for the control and direction of that force; the Police Authority is responsible for the provision of an effective and efficient police force in an area; and the Home Secretary is responsible for the national policing Plan and performance assessment. Thus, there are 43 police forces across the UK and the Chief Police Officers of each are completely independent of Government, taking absolute responsibility for the activities of the officers they manage. The ‘police family’ in the UK also extends to include police community support officers that are not actual police officers. The number of traditionally ‘police activities’ undertaken by non-police officers is likely to increase with greater regulation of the UK private security industry.

II. The National Policing Plan – Key Priorities

- Providing a citizen-focused service to the public.
- Tackling anti-social behaviour and disorder.
- Continuing to reduce burglary, vehicle crime, robbery and drug-related crime.
- Combating serious and organised crime, both across and within force boundaries.
- Narrowing the justice gap by increasing the number of offences brought to justice.

III. Managing Conflicting Demands

All Chief Constables face a set of competing demands: national objectives versus local needs; addressing criminality versus reassuring the public; speed of response versus the public desire for more foot patrols; maintaining the corporate structure of the force versus giving basic command units (BCUs, such as local police stations) appropriate independence; and five-yearly versus year-on-year performance comparisons.

IV. Why this Level of Scrutiny?

Arguments have been advanced that it is any political party's interest to set open-ended and vague objectives as this leaves them with the greatest margin of interpretation to be able to claim success. Nevertheless, the Government has increased scrutiny of the police force because of the high level of public expenditure it represents – £9.6 billion – and because of the upcoming Treasury Spending Review 2004. Currently, the Government can establish what it buys, the input, but it cannot establish outputs. Thus, the police force has made two public service agreements (PSAs) with the Treasury:

- PSA 1: to reduce crime and fear of crime; improve performance overall, including by reducing the gap between the highest crime CDRP (Crime and Disorder Reduction Partnership) and the best comparable areas; and reduce vehicle crime by 30% (2004), domestic burglary by 35% (2005), robbery by 14% (2005), and maintain these levels.
- PSA 2: to improve the performance of all police forces and significantly reduce the performance gap between the best and the worst performing forces; and significantly increase the proportion of time spent on frontline duties.

V. The Home Office/Police Relationship

Increased scrutiny has meant increased inspection, use of objectives, and diversity and frequency of measurement. The Force is now inspected by the Audit Commission, her majesty's Inspectorate of Constabularies (HMIC), the Police Standards Unit (PSU) and the Police Performance Delivery Team. The Home Office now intervenes where there are significant performance problems. The HMIC and PSU collaborate to monitor the force and then formally engage with it if considered useful. They also have statutory powers to intervene if necessary. Also, the HO contains an enormous and seemingly ever-increasing number units and groups whose activities impact on police force policy.

VI. Performance Management

1. Policing Performance Assessment Framework

The Policing Performance Assessment Framework (PPAF) is the Government's method of formalising outcomes so performance can be measured. It consists of four goals police activity contributes to and for which targets must be set both locally and nationally: reducing crime, investigating crime, promoting public safety and providing assistance. These goals drive at two further important objectives: a citizen focus – an area affected by all other aspects of performance and reflecting satisfaction with service delivery as well as overall trust; and organisational capacity – outcomes affected by the level of resources and how they are deployed.

2. Prioritising Performance Indicators

By definition, not all performance indicators can be priorities. The 2002/03 Policing Plan set 22 new performance indicators, bringing the total to 93. Key issues in prioritising these include the question of weighting: catching a shoplifter versus detecting a murder. Moreover, how can you measure the preventative element of policing, such as approaches to terrorism?

3. PPAF Supports Performance Management By:

- Capturing the breadth of modern policing whilst maintaining a focus on key strategic outcomes.
- Developing a national framework for comparing performance that can allow for local priorities and circumstances.
- Reflecting the reality of modern policing, where success depends not only on effective police activities, but also on the use of effective community partnerships.
- Ensuring the performance comparisons are fair, analytically sound and simple to understand.
- Providing a stable basis for comparison over time whilst retaining a flexibility to adapt to changing priorities.

4. An Interim Methodology

The interim methodology for measuring performance uses a simple quantitative analysis tool for reviewing performance force, BCU and CDRP levels. All the key performance indicators are included in the analysis and performance is monitored frequently. The result is a star-shaped six-axis graph, each axis of which represents one of the PPAF objectives: citizen focus, resource usage, reducing crime, investigating crime, promoting public safety and helping the public. A figure for performance against each objective is derived, then marked on the graph, with a single line drawn connecting each mark on each axis to the next. The resultant shape of the graph can then be compared with other forces. Good overall performance should result in a consistent star shape. However, a key problem in defining success remains. Think of this example: although a greater number of arrests for drug offences might be a good thing, suggesting the police is becoming more effective at detection, fewer arrests may indicate that the police are being more effective in their prevention policies.

5. Cascading Performance Management

High-level objectives are translated by Chief Police Officers into objectives for BCUs. BCUs should then influence manning and deployment to ensure they achieve those objectives. Thus, in theory, personal performance objectives can be derived ultimately from the high-level targets.

6. Building Blocks of an Effective Methodology

The building blocks of an effective methodology must account for the aspirations of police officers and the public. It must use a coherent and integrated set of performance measures and targets over that officers feel they own and are strictly accountable for. It must include rigorous performance review and be constantly reinforced through the everyday activities of the force.

Site Visit Feedback

I. The Visit

Delegates visited the Peel Centre in Hendon, the Metropolitan Police training college. They met Richard Farmery, Head of External Liaison, who gave them a tour of premises, including a mock courtroom in which police officers and barristers train together in dealing with the court environment. He also explained police recruitment procedures, the training programme, issues around motivating officers and managing change, amongst other important aspects of life as a police officer in the UK.

II. Recruitment Procedure

Although there have been problems in the past, the Metropolitan Police try to be a very inclusive employer, taking anyone they believe will make a good officer. The entry salary for new police officers in the Metropolitan Police is £25,000. No particular level of education is required for entry, but those without degrees (60% of the current Metropolitan force) have to undertake basic numeracy and literacy tests. All recruits must undergo a physical examination, a fitness assessment, face interviews by civilians and members of the police force, and undergo a test based on a film they watch. They are invited back if they pass these two days of tests. Of those entering the course, 15% tend to drop out, whilst 10% take up the facility for starting the course again at a later date.

III. Training Programme

On joining the UK service, everyone starts at the rank of constable and must complete two years service on the streets. Although this means everyone in senior management has experience of the frontline job, the service acknowledges it may not spend enough time training senior ranks. The initial course for recruits last 18 weeks; they leave Hendon as fully-fledged officers. They then complete ten weeks of on-the-job training and then come back to Hendon for further training four days a month for the next 76 weeks. Thus, two years after commencing training, they are entitled to be promoted or to specialise. The initial course consists of 50% book learning, 30% skills training and 30% physical education. UK officers do not carry guns partly because they do not want to kill people and partly because firearms can be a hindrance; there is always the fear they will be taken from you. Thus, officers are given extensive training in methods of open-hand combat as well as in the effective use of batons, CS spray and handcuffs. Those officers looking to specialise or desiring promotion come back to Hendon for further training, which is more efficient than providing extra training for all officers. The Metropolitan Police spends a lot of money on training – £40 million next year – including schemes by which officers take external training pertinent to the job.

IV. Role not Rank – Motivating UK Officers

The Metropolitan Police comprises 30,000 serving officers (the next biggest force is Great Manchester Police with 7,000) and 15,000 civil support staff. The majority of officers in the Metropolitan Police are the base rank – 20,000 constables. There are then 5,000 sergeants and the

numbers in more senior ranks dwindle exponentially. Because of this relatively flat hierarchy, there is a well-respected career structure involving specialising in one of many different areas. The approach is to look at role rather than rank, and some constables that specialised many years ago are now world-renowned experts in their fields. There are four basic specialisms – HR, territorial policing, specialist crime/operations, and investigation – but they break down into 50-60 more focused areas of specialism.

V. Change Management

Systems for transmitting change include open email communication between central organisation and all officers. Moreover, five times a year the Chief Commissioner attends open forums to which any member of the service is invited and takes questions on any of their concerns. This is a very effective management tool in communicating change and vision. Moreover, the force aims to instil in all officers that self-discipline is more important than imposed discipline. Thus, the Metropolitan Police believe middle managers have enough authority to cascade change through the organisation effectively.

VI. Key Drivers of Change

- The Metropolitan Police has had an apparently very poor clear-up rate for reported offences at 7-8%. However, this statistic was based upon poorly defined data and when audit procedures were tightened up with the introduction of a new IT system and the rate increased to 20%.
- Although the Metropolitan Police met all Government targets last year high Government and public expectations remain a key driver of change. Public satisfaction surveys play an important role in defining performance objectives.
- UK law is constantly evolving and the service has to keep track of all elements affecting their role.
- There are also social drivers of change, such as changing perceptions of drink driving.
- The police are expected to respond to crime ever more quickly, and technology is a key tool in achieving these goals.

VII. Other Issues

- Since Sir Robert Peel founded the force in 1829 only 620 officers have been killed in the line of duty. Only 220 of those were a result of criminal activity.
- There is a national forensic service serving the whole of the UK, but there are local partnerships for more standard activities such as fingerprint analysis.
- In general, forces recruit on the basis of demand, but the Metropolitan Police are currently in a special phase of increasing the number of officers, driven in part by the older demographic profile of officers.
- The Director of training at Hendon has a number of civilian advisers, and each part of the college has a two-tier review body, including officers from outside the college. Anyone can

suggest new courses, but each must undergo a thorough needs analysis before it will be developed.

- Below the rank of inspector, candidates for promotion are subjected to an academic test, a practical test and an interview. Above the rank of inspector, your commander will judge you against the National Operating Standards both in your current role and in the role you wish to undertake.
- Statistics show that every ten years, 20% of officers will have been injured. Thus, the Metropolitan Police designed a lightweight vest that provides protection against knives as well as a 9mm round fired at point-blank range. It costs £500 and every officer has one. Other instruments of protection include open-hand combat techniques, CS spray, an extendable friction-lock baton and rigid handcuffs.
- London experienced 270 murders last year, of which 200 were domestic.
- The Metropolitan Police have a firearms capability, but these officers are specially trained.
- Officers are subjected to yearly performance development reviews with their line managers. If a performance gap arises, officers are sent for extra training.
- Corrupt officers always exist. However, the Metropolitan police have a large unit dealing with disciplinary proceedings and corruption as well as a surveillance unit for officers. Paying officers a competitive wage avoids some forms of corruption, but corruption can also be ideological: officers break the rules because they believe they should. Nevertheless, police training makes clear that integrity is non-negotiable.

Key Themes in Feedback and Discussion

I. Corruption

Ghanaian delegates noted that the public in Ghana believe their police service is corrupt. UK representatives acknowledged that corruption exists in all organisations, but felt there was no widespread problem in the UK. They attributed this to the fact that officers are paid a competitive salary because there are then few other financial incentives. Moreover, when the UK police force developed in the 1800s there was a strong will to separate administrative functions of Government from political functions, leading to the a strong legacy of professionalism in the UK public services in general.

II. Delegates' Impressions

1. Key Challenges for UK Policing

- Balancing local needs with national targets, especially in the context of high public expectations.

- Measuring performance usefully.
- Recruitment.
- The increasing pressure placed on officers and the public during the War on Terrorism.
- Motivating staff.
- Domestic violence.
- Translating national targets into individual performance targets.
- Gun crime. One delegate felt arming officers is likely to deter criminals.

2. Lessons

- Setting firm national performance priorities, but devolving authority for implementation to the local level.
- Policing without firearms.
- Instilling professionalism and commitment in staff.
- Clear performance management systems, with effective monitoring/measurement systems
- Considering citizens to be customers.
- Short-term intensive training, with an emphasis on practical skills, followed by long-term on-the-job training.
- Achieving public confidence that police officers are friendly, helpful individuals.
- Focusing on role rather than rank.
- Thorough training is more important than academic education in achieving an effective, efficient police force.

Barriers to Reform – Case Studies

I. Health

1. Vietnam

Vietnamese officials have created ‘public service centres’ within state hospitals, in which fees are twice as expensive. Doctors and nurses are increasingly working in these centres, where there are better facilities. Although doctors are well-respected, the salary in the public sector is relatively poor so it is difficult to recruit and retain. It would be useful to encourage private sector involvement in provision, partly for additional funding and partly to give people choice, which should drive up standards.

2. Egypt

The World Bank and International Monetary Fund are major contributors to healthcare provision in Egypt. Central problems include a lack of resources, no national standards and very expensive insurance for staff. Healthcare distribution programmes also tend to be private and quite expensive. The Egyptian delegate felt it would be useful to implement the concept of ‘foundation hospitals’ to better focus public funding for healthcare.

3. Tunisia

Delegates agreed that Tunisia was a success story in reorganising its health system, balancing public and private funding so that it meets all needs effectively, especially in tackling the rural/urban divide. Health care is organised centrally, locally and attached to universities, and the biggest challenge will be maintaining the current standards. Other delegates felt Tunisia’s key success criteria were political stability, strong vision and leadership, and then firm priorities, implementation strategies and determination to follow-through all backed up with appropriate resources.

4. Rumania

The delegate highlighted the current context of services for children with Aids in Rumania. He described the tragic story of 7,000 babies who contracted Aids as a result of hospital staff re-using needles during immunisation programmes between 1987-1989. Many of these children are still alive today, prompting serious concerns about the risks to others as they reach puberty. Using external grant-aid as well as state contributions, non-governmental organisations (NGOs) are running programmes of education and psycho-social counselling for these affected children. Healthcare practice has seen various technical changes in light the earlier mistakes, but the most useful policy shift now would be to increase investment in health education for children and in other public awareness initiatives. Some delegates advocated a moral slant to health education.

II. Education

1. China

China needs to improve both the scope of education provision – away from the big cities and into isolated rural communities, for example – and well as the quality. Current supply is inadequate to demand, whilst there is a great deal of corruption and inefficient use of resources, partly because the distinction between public and private education provision is not absolutely clear. It would be useful for the Government to draw a clear distinction between private/public provision, set up clear audit and assessment procedures and increase public investment in education, possibly raising taxes. Other delegates felt China needed more integrated policies and a better monitoring system. They also commented that the profit motives of private educational organisations could interfere with the quality of service

2. Indonesia

The central problems were quality of education, outdated teaching aids/methods and a high drop-out rate for pupils in secondary schools. The curricula in particular subjects, such as maths, economics and English – necessary for global interaction – no longer give Indonesian students a marketable portfolio of skills. The delegate felt greater responsibility at local level for developing education would be useful, as well as programmes to ensure English, maths and economics teaching are brought up-to-date. Two other features of the Indonesian picture are that external development aid is decreasing and it can be difficult to access particular areas of the country.

III. Policing

1. South Africa

Important problems include a shortage of qualified personnel, no effective system of control, review and monitoring, and a lack of cooperation between the police force and other Government activities. Policymakers are reluctant to take unpopular steps, yet it is vital to spend more money on training. It would also be useful to reduce bureaucracy, focus on crime prevention and improve both cooperation and the procedures for control and monitoring. Delegates' subsequent discussion centred around the training requirements for police forces – light-touch versus authoritarian approaches – and the importance for prevention of examining the reasons behind criminal activity.

2. Ghana

Important problems include inefficient use of funds, corruption and potential lack of objectivity. In overcoming these problems, the Ghanaian police service should receive better training and equipment, and address its bad public image. However, it will be particularly difficult to challenge corruption unless the basic salary improves. Thus, Ghana must build public confidence in the service, ensure greater transparency, introduce stronger anti-corruption measures and sustain training programmes to build knowledge and skills. It would also be useful to identify the unnecessary activities of the police and hand over responsibility for them to civilians.

IV. General

1. Yemen Republic

The main problems facing public service delivery were population growth, poor governance and the increasing drift in expectations and provision between rural and urban populations. Currently, education services are low quality and dysfunctional in that they are incompatible with the needs of the labour market. Civil servants are under-trained, whilst health services suffer from a poor doctor/patient ratio. The key changes in policy that would be useful are: proper enforcement of law, greater probity and accountability, and tackling corruption. Other delegates felt these conditions were similar across developing countries and that tackling issues effectively means making them key Government priorities.

2. Ghana

The main issues facing public service provision are the sharp rise in population, almost quadrupling since Ghana received independence in 1957, unfavourable macroeconomic developments – high inflation, a large budget deficit and low economic growth – unfavourable export trade conditions, as well as social issues like unemployment and increasing poverty. The key difficulties in achieving reform are the unstable political dynamics, funding for reform, and ensuring actual implementation. Another major problem is corruption, representing a serious loss of revenue. The policy changes that would be most helpful are: fiscal reforms that widen the taxation net and shift budgetary allocations to core Government functions; private sector participation in service delivery; and attracting the right staff to work in public services – a major challenge owing to the relatively poor wages on offer. The major lessons were that capacity building takes time and requires making priorities and then focusing resources on them, with good monitoring.

3. Kazakhstan

Kazakhstan is currently restructuring its economy from a soviet to a market model and during this period of transition, the reformers face the problem of fragmented, politically-motivated leadership within civil administration and public services. Some key challenges include the banking system, which requires complete modernisation, and the fact that there is no experience of and a lack of skills with respect to constitutional governance in local government. It would be useful to reorganise Government, so key departments were clustered at national level around areas of overlap. Moreover, the delegate advocated the presence of the current political leadership as long as possible, achieving stability, but also unifying the nation. However, the delegate was unclear over which core activities to prioritise during transition.

4. Slovenia

The main problems facing public service delivery are the transition to democracy and meeting the multifarious requirements for joining the European Union. Important practical challenges in implementing reforms are ensuring public assets are managed in an efficient and transparent way, with competent accountancy regimes and effective audit. It would be useful to enhance the education/training of young people as well as public and civil servants, especially high officials, to improve standards. Slovenia is looking for technical assistance from abroad to help in developing an effective audit regime. Currently, Slovenia's financial objectives are decided by a supervisory board comprising the Minister of Finance and the Governors of the Central Bank.

5. Lebanon

The war in Lebanon led to serious deterioration in the public service and civil administration infrastructure as well as in the skills base of staff. Thus, Lebanon requires both structural change and staff training programmes if it is to build capacity. It would be useful to spur greater decentralisation and develop effective change management strategies. Training is very important, but so is performance management; targets should be identified and staff performance should be assessed.

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