



ANNEX B

**CABINET
OFFICE**



**HER MAJESTY'S
TREASURY**

WIRING IT UP

**A PROGRESS REPORT TO THE
PRIME MINISTER**



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1. Introduction

The Performance and Innovation Unit published in January 2000 a report called *Wiring It Up* setting out the Government's policy for dealing with cross-cutting issues and how it would remove barriers to joining-up across Whitehall.

The Prime Minister noted in his foreword to *Wiring It Up* that:

"Many of the biggest challenges facing Government do not fit easily into traditional Whitehall structures. Tackling drug addiction, modernising the criminal justice system, encouraging sustainable development, or turning around run-down areas all require a wide range of departments and agencies to work together. And we need better co-ordination and more teamwork right across Government if, for example, we are to meet the skills and educational challenges of the new century or achieve our aim of eliminating child poverty within twenty years."

Commenting on the report, he wrote:

"The report sets out a comprehensive package of measures to improve and modernise the way we handle cross-cutting issues. It looks at the role of leadership; improving the way policy is formulated and implemented; the need for new skills; budgetary arrangements, and the role of external audit and scrutiny. In particular it highlights the importance of putting in place the right structure of accountability and incentives for cross-cutting working."

Conclusion 41 to *Wiring It Up* said that "The Chief Secretary to HM Treasury and the Minister for the Cabinet Office should submit a joint report to the Prime Minister on progress with the implementation of the proposals in this report by early 2001".

In fulfilment of that conclusion, this document reports progress in putting the right frameworks in place to drive forward joined-up working. The Overview and Executive Summary pulls together the main messages from each section of this report. The body of the report comments in detail on progress made against each of the 42 conclusions in *Wiring It Up*. The original report's deadline for implementation is included just below the text of each conclusion.

Developments since the 2001 General Election

In line with the timing suggested in *Wiring it Up*, this report covers progress up to the spring of 2001. Since then, following the General Election the Prime Minister has made a number of major changes to the machinery of government. These include organisational changes designed to strengthen the capacity of Number 10 and the Cabinet Office to support him and his Cabinet colleagues in delivering the Government's policy priorities. The changes show how the Government is taking forward its commitment to better and more coherent policy-making and delivery and to tackling cross-cutting issues.

[The Deputy Prime Minister](#)

[The Minister of State Barbara Roche](#)

[The Parliamentary Secretary Christopher Leslie](#)

[The Rt Hon Lord Macdonald of Tradeston CBE](#)

[The Secretary of the Cabinet and Head of the Home Civil Service, Sir Richard Wilson](#)

Three new units have been established to strengthen the Government's ability to deliver change in public services:

[The Prime Minister's Delivery Unit](#)

[The Office of Public Services Reform](#)

[The Forward Strategy Unit](#)

Changes in Ministerial portfolios and the structure of departments provide closer co-ordination for the Government's priorities. Changes include, for example:

[Department for the Environment, Food and Rural Affairs](#)

[The new Department for Transport, Local Government and the Regions](#)

[The Department of Trade and Industry](#)

[The Home Office](#)

[The new Department for Work and Pensions](#)

For ease of reference, a list explaining abbreviations used in this report is included as an annex.

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2. Overview and executive summary

2.1 *Wiring It Up* noted that although Whitehall structures had their advantages, they could also inhibit effective cross-departmental working, from a number of ways:

- Policy makers taking too narrow a view of the issues.
- Weak or perverse incentives for cross-cutting working.
- A lack of capacity for cross-cutting working.
- Failure by the centre to promote the benefits of effective cross-cutting working.

2.2 Whilst recognising that a cross-cutting approach would not be appropriate in all circumstances, the report cited the Social Exclusion Unit, Sure Start and Health Action Zones among other innovations as encouraging examples of a new cross-cutting approach to policy-making. *Wiring It Up* set out 42 detailed conclusions designed to put in place a decision-making framework to help civil servants and Ministers to identify:

- When a cross-cutting approach could be worthwhile; and
- The right kind of cross-cutting intervention.

2.3 Most conclusions in *Wiring It Up* required action from central departments (the Cabinet Office and HM Treasury). That action has been taken, or is now well in hand.

2.4 Examples contained within this report – like the National Strategy for Neighbourhood Renewal Action Plan – show that the Government has built profitably on this approach. One of the key changes has been the adoption of cross-departmental policy reviews, fifteen of which were undertaken as part of the 2000 Spending Review focusing on key issues to citizens such as crime reduction and intervention in deprived areas and rural and countryside issues. These have led to joint performance targets for departments and Ministers and are changing the way civil servants work to deliver joined-up services on the ground, set out in Chapter 25 of the [PSA White Paper](#).

2.5 The system of Public Service Agreements – an approach which is now being piloted for local government – has helped to sharpen the focus and built joining up into the business planning process. HM Treasury and Cabinet Office work together well through the PSX (the Ministerial Public Spending Committee) process to monitor departmental performance against PSA targets.

2.6 However, joining up is a challenge, not least because it requires a massive culture change in a five-million-strong public sector. There is undeniably further to go to deliver truly joined up government but we have come a long way.

2.7 The challenge now, as with the wider drive to modernise government, is to maintain the momentum behind the change and ensure joined up working becomes second nature to civil servants and others across the public sector.

2.8 The following paragraphs set out examples of action taken against each of the main conclusion headings in the PIU report.

2.9 *Wiring It Up* proposed: “Stronger leadership from Ministers and senior civil servants to create a culture which values cross-cutting policies and services, with systems of rewards and recognition that reinforce desired outcomes.”

- Fifteen cross-departmental policy reviews were undertaken as part of the 2000 Spending Review focusing on issues of particular importance to citizens, such as crime reduction and intervention in deprived areas and rural and countryside matters. These have led to joint performance targets for departments and Ministers and are changing the way civil servants work to deliver joined-up services on the ground, set out in Chapter 25 of the [PSA White Paper](#);
- Senior civil servants are to be allocated cross-cutting objectives and rewarded for achievement under a radical new performance management system for the Senior Civil Service effective from April 2001 with the first pay awards under the system to be made in April 2002.
- The Cabinet Office’s Centre for Management and Policy Studies (CMPS) has put in place a number of new training programmes to develop leadership for cross-cutting working, especially improving communication and using modern technology.

2.10 *Wiring It Up* proposed: “Improving policy formulation and implementation to take better account of cross-cutting problems and issues, by giving more emphasis to the interests and views of those outside central Government who use and deliver services.”

- The 15 cross-departmental reviews drew in frontline service providers and outside experts. They performed a central role in developing the proposals set out in SR 2000.
- The Government’s Code of Practice on Written Consultation came into effect on 1 January 2001. In particular, the Code states that “Responses should be carefully and open-mindedly analysed and the results made widely available, with an account of the views expressed, and the reasons for decisions finally taken”.
- CMPS are developing comprehensive guidance on the involvement of outside experts in the policy-making process and are providing training on working with experts.

- On 28 March 2001 HM Treasury launched *Improving Performance Information*, the Government's performance information strategy. It presents a number of initiatives designed to improve the quality of performance information in the public sector. The first initiative is a common framework of general principles of good performance information systems, published jointly by HM Treasury, Cabinet Office, Office of National Statistics, National Audit Office, and the Audit Commission.
- The new Working Age Agency, announced by the Prime Minister in March 2000, will bring further coherence to services to the public. The Department for Education and Employment, the Department of Social Security, the Employment Service and the Benefits Agency are working together to ensure that the Working Age Agency systems are co-ordinated across the job finding and benefit delivery systems and services.
- The Regional Co-ordination Unit in the Department of the Environment, Transport and the Regions (DETR) is developing co-ordination arrangements for area-based initiatives and ensuring Government Offices are fully involved in the policy-making process and are joining-up in the regions.
- Local strategic partnerships are bringing together local communities in an effective and efficient manner to provide innovative, joined-up solutions for local people.

2.11 *Wiring It Up* proposed Government action to: “Equip civil servants with the skills and capacity needed to address cross-cutting problems and issues.”

- A new performance appraisal process for the Senior Civil Service (SCS) includes revised core competencies to highlight the importance of working with others. Senior civil servants will be expected to demonstrate (among other behaviours) that they identify opportunities to improve delivery through partnership, work with partners to achieve the best practical outcomes and build productive relationships with people across and outside their organisation.
- New targets have been put in place to increase mobility within and outside the civil service. Interchange activity has increased by 11% since 1998/99.
- The new Public Sector Leaders Scheme aims to develop public sector managers to become future leaders with a better understanding of the connections across Government.
- Corporate training programmes by CMPS emphasise the skills needed for cross-cutting working.

2.12 *Wiring It Up* proposed Government action to: “Use budgets flexibly to promote cross-cutting working, including using more cross-cutting budgets.”

- The Spending Review 2000 introduced the Criminal Justice System Reserve of £525 million over three years and created cross-cutting budgeting mechanisms for handling conflict prevention and for nuclear safety in the former Soviet Union.
- The Policy Innovation Fund of £50 million per year for three years has been set up to be a collective resource to help support innovative cross-cutting initiatives that require funding between Spending Reviews.
- The Accounting Officer Memorandum was updated in April 2000 to permit more than one Accounting Officer to be held accountable for the implementation of a joined-up service.
- HM Treasury launched an Evidence-Based Policy Fund in June 2000 in compliance with one of the conclusions of the Adding It Up PIU report. It is a seed corn fund designed to help expand the evidence base for policy by funding research that would not normally fall into departmental research programmes, mainly because of its cross-cutting nature.

2.13 *Wiring It Up* recommended: “Using audit and external scrutiny to reinforce cross-cutting working and encourage sensible risk-taking.”

- The Government has undertaken, wherever possible, to give early notice to Select Committees of cross-cutting issues and has accepted in principle that Ministers may well be asked to give evidence to a Committee other than that shadowing their department.
- The Cabinet Office’s Centre for Policy and Management Studies hosted a risk management seminar on 20 March 2001 chaired by the chairman of the Public Accounts Committee, with input from the Cabinet Office Permanent Secretary and the Comptroller and Auditor General.
- The PAC (Public Accounts Committee) hearing on 24 January 2001 focused on the Cabinet Office’s agenda in improving risk management and the Committee’s questioning was supportive of the concept. The Government will be interested to see what recommendations the PAC makes.
- The Government is co-operating usefully with the National Audit Office (NAO) on studies on *Identifying value for money and risk management within the policy-making process*, *Looking at joined-up service delivery*, and *Measuring the Performance of Government Departments*.
- In February 2000, the Government launched a new consumer focus initiative aimed at delivering services which are more responsive to users

and ensuring consumer views are built into the planning process of each service delivery department and agency.

2.14 *Wiring It Up* proposed: “Using the centre (No. 10, Cabinet Office and HM Treasury) to lead the drive to more effective cross-cutting approaches.”

- As a key part of the Spending Review 2000, the Cross-Cutting Issues Group, chaired by HM Treasury and involving No 10, Cabinet Office, departments and the Local Government Agency, established the framework for the 15 cross-departmental reviews to look systematically at issues that cut across departmental boundaries.
- The PIU Steering Board continues to consider proposals from inside and outside Government for project work on strategic, cross-cutting issues.
- The Cabinet Office Modernising Government Secretariat and CMPS continue to promote actively joined-up services, and to celebrate success. Cabinet Office Ministers have been engaged in a programme of visits to see for themselves some of the examples of modernising in action – in particular front-line services which have benefited from a joined-up approach cutting across traditional boundaries.
- A new Ministerial group on E-delivery of services monitors progress.
- Central departments published in January 2001 a *Guide to the Role of the Centre*.
- The Public Sector Benchmarking Service (PSBS) is a new service being developed as a partnership between Her Majesty’s Customs & Excise and the Cabinet Office and was formally launched by the Paymaster General in February 2001. One of the key aims of the PSBS is to promote organisational learning across the public sector by increasing the availability of benchmarking information and sharing good practices.

3. Report of Progress

3.1 This section gives an account of progress against each of the 42 recommendations made in *Wiring It Up*. The report is divided into the six sections identified in *Wiring It Up* and within each section there is a contents list of conclusions with page numbers for the text that follows.

Section	Page
1) Stronger leadership from Ministers and senior civil servants.	11
2) Improved policy formulation and implementation.	18
3) Equipping civil servants with the necessary skills and capacity.	30
4) Using budgets flexibly.	40
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6) Using the centre (No10, Cabinet Office and HM Treasury) to lead the drive to more effective cross-cutting approaches.	54

PART I: Leadership for cross-cutting policies and services

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Conclusion 1: The responsibility of Ministers and senior civil servants for delivering cross-cutting objectives should be made clear in their terms of appointment and reflected in any assessment of their performance.

By when: with immediate effect

3.1.1 The Public Service Agreements (PSAs) (<http://www.hm-treasury.gov.uk/sr2000/psa/index.html>) provide the framework for Ministerial and departmental responsibilities, including those that cut across individual portfolios. The table below gives examples of responsibilities allocated within the five cross-cutting PSAs. So, in the case of the PSA for the Criminal Justice System, the Public Spending Committee (PSX) looks to the Home Secretary, the Lord Chancellor and the Attorney General to account jointly for delivery against their commitments.

3.1.2 In addition, targets flowing from the 15 cross-cutting reviews in the Spending Review 2000 which drew on the input of people outside the Departments are incorporated into departmental PSAs (see [PSA White Paper](#)).

3.1.3 Cross-cutting responsibilities are covered in the contract of each new Permanent Secretary on appointment. Permanent Secretaries' personal objectives, against which the Remuneration Committee make their recommendations on performance pay each year, include cross-cutting objectives.

3.1.4 Accounting Officer (AO) appointments too cover cross-cutting responsibilities. Departments are encouraged to produce Memoranda of Understanding which set out responsibilities for cross-cutting initiatives which are agreed by the relevant AOs.

3.1.5 Where delivery of a cross-cutting outcome is a key Public Service Agreement objective or a business objective for any individual member of the Senior Civil Service, the new system will mean that performance against it will be directly assessed, and delivery rewarded.

Five Cross-Cutting Public Service Agreements & Responsibilities

Sure Start	<ul style="list-style-type: none"> • Minister of State for Public health. • Chair of Sure Start Steering group. • Secretary of State for Education & Employment.
Welfare to Work	<ul style="list-style-type: none"> • DfEE, HMT and DSS. • Target 1: Chancellor of Exchequer, Secretary of State for Social Security and Secretary of State for Education and Employment. • Target 2: Chancellor of Exchequer, and Secretary of State for Education and Employment. • Targets 3 & 4: Secretary of State for Social Security and Secretary of State for Education and Employment.
The Criminal Justice System	<ul style="list-style-type: none"> • The Home Secretary, Lord Chancellor and the Attorney General are jointly responsible for the commitments related to the overall CJS set out in this PSA.
Action Against Illegal Drugs	<ul style="list-style-type: none"> • Target 1: Home Secretary, supported by Secretary of State for Health and Secretary of State for Education and Employment. • Target 2: Home Secretary. • Target 3: Secretary of State for Health. • Target 4: Paymaster General, supported by Home Secretary.
Local Government	<ul style="list-style-type: none"> • Delivered by local authorities and local partners. • The first 14 Local Public Service Agreements have been signed. Local Government Minister, Hilary Armstrong, the Chief Secretary to HM Treasury and the Chief Executive of the Local Government Association Brian Briscoe took part in the ceremonies. The 14 councils are Birmingham, Blackburn with Darwen, Cambridgeshire, Derbyshire, Kent, Lewisham, Middlesbrough, Norfolk, Richmond Upon Thames, Sheffield, Stockton-on-Tees, Sunderland, Tameside and Warwickshire.

Conclusion 2: When assessing leaders' performance, more weight should be given to their track record in delivering cross-cutting objectives.

By when: from spring 2000

3.2.1 As noted in response to conclusion 1, cross-cutting responsibilities are covered in the contracts of all new Permanent Secretaries, against which their performance is measured. Cabinet Office Civil Service Corporate Management Group (CSCMG) are preparing advice on how these elements can be featured in the new performance management and pay arrangements from 2001.

Conclusion 3: An element of the reward package for leaders should be developed to underpin Conclusion 2.

By when: April 2002 (as part of wider civil service reforms)

3.3.1 A radical new Senior Civil Service (SCS) performance management system is to be introduced as part of the Civil Service Reform programme. The proposals were the subject of consultation with SCS members, ending on 9 March 2001. The new system is effective from April 2001 with the first pay awards under the system to be made in April 2002.

3.3.2 As mentioned in paragraph 3.1.5 in relation to conclusion 1, where delivery of a cross-cutting outcome is a key Public Service Agreement objective or business objective for any individual member of the SCS, the new system will mean that performance against it will be directly assessed, and delivery rewarded.

Conclusion 4: Alongside other criteria, promotion to senior civil service posts (and progression through the SCS) should depend increasingly (and ultimately entirely) on the demonstration of a range of different experiences within and outside government along with an understanding of, and the skills to manage, cross-cutting and implementation issues.

By when: October 2000 (as part of wider civil service reforms)

3.4.1 One of the key aims of the Civil Service Reform programme is to ensure that civil servants gain a greater breadth of experience and outlook and in particular, that those going into senior posts have experience of service

delivery and other working cultures. Cabinet Office (Civil Service Corporate Management Group) has undertaken a programme of succession planning meetings with departments to discuss progress on this commitment and how they are underpinning it with support and development programmes. It is already an implicit assumption in many departments.

3.4.2 Project management and other implementation skills are being stressed in the 'skills and knowledge' section of the performance appraisal process.

3.4.3 The text in relation to conclusion 18, paragraph 3.18.1-4 has further information on interchange and mobility.

3.4.4 The Cabinet Office, Centre for Management and Policy Studies (CMPS), has introduced a new corporate induction programme for people joining the Senior Civil Service. The programme emphasises amongst other things, the importance of partnership skills. In addition, CMPS is discussing with departments a "route map" for Senior Civil Service development, which will highlight the importance of learning about cross-cutting and implementation issues throughout a Senior Civil Service career.

Conclusion 5: The development of leadership qualities as part of the Civil Service Reform programme should take explicit account of the importance of leaders' performance in identifying the need for and driving forward cross-cutting action. This should be reflected in leadership models and training programmes.

By when: June 2000

3.5.1 The Cabinet Office, Centre for Management and Policy Studies has established a strong programme to support Ministers and senior civil servants in their leadership role:

- Two induction programmes have been run to address issues of working with departments and across government.
- Eight seminars have been held jointly with civil servants and experts from outside government to focus on improving the policy process through cross-cutting working.
- In addition thirteen seminars and discussion forums have been held specifically for Ministers.
- A one-day event has been run for Ministers and officials engaged in taking Bills through Parliament.

3.5.2 Increased emphasis has been given to leadership in the corporate training provided by the Centre for Management and Policy Studies for senior

civil servants, and new programmes have been added to tackle new leadership issues, including strategic leadership in relation to e-government.

3.5.3 The CMPS is developing its understanding of the leadership qualities needed in the Civil Service. The first stage project report in March 2000 identified a range of leadership attributes for the Civil Service. A tendering exercise was underway in March 2001 for stage two of the project which will aim to develop a tool for assessing leadership attributes in individuals, addressing the issue of whether the attributes are specific to the Civil Service or more widely applicable across sectors.

3.5.4 The CMPS aims to run a pilot analysis (in spring 2001) with SCS participants, designed to develop its tools for assessing leadership potential. This work will eventually feed into selection and development processes.

Conclusion 6: To drive forward change, selected Ministers should be given responsibility for cross-cutting policies and programmes outside their core departmental remit and should report six monthly to the Prime Minister through the appropriate Cabinet Committee. They should be supported in their cross-cutting role by high quality teams involving outside experts.

By when: from April 2000 (as part of year 2000 Spending Review)

3.6.1 The report against conclusion 1 (paragraph 3.1.1 and table), refers to Ministerial responsibilities within the five cross-cutting Public Service Agreements (PSAs) published following the Spending Review 2000. Many of the groups conducting the cross-cutting reviews which led to these PSAs included frontline service providers and outside experts. Departmental PSAs also included targets from other cross-cutting reviews.

Targets emerging from Other Cross-Cutting reviews

3.6.2 The targets from other cross-cutting reviews are set out in Chapter 25 of the [PSA White Paper](#).

Conclusion 7: As part of the Cabinet Office/CMPS programme of joint training for Ministers and civil servants there should be a particular focus on the way in which Ministers' views on the importance of cross-cutting policies are communicated to departments, and how modern communication techniques can improve that process. This could be informed by research commissioned by, for example, the CMPS.

By when: First element in place. Further modules by April 2000

3.7.1 This Cabinet Office programme is in place: the CMPS series of joint policy seminars, involving Ministers and civil servants, is in full swing, typically with an event every month. These events have focused particularly on cross-cutting policy areas, often taking as a case study a policy for which responsibility is shared between departments. There has been a particular, and explicit, focus on communication in relation to such policies. The conclusions of each seminar have been widely disseminated. A CMPS Fellow is engaged on a project looking at how policy is communicated.

3.7.2 Evaluation results from the seminars show that they have been received very positively, and that participants have found them useful. Wide attendance by departments at these seminars, and continuing attendance by Ministers, is creating an environment in which dialogue between Ministers and civil servants is much improved.

PART 2: Improving cross-cutting policy-making and implementation

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Conclusion 8: Departments should work with the Cabinet Office and others to develop joint mechanisms, especially at regional and local level, to improve consultation and feedback on cross-cutting issues, including different ways to reach and involve stakeholders in the development of policies and the delivery of services; better ways of communicating decisions; and using such feedback to create virtuous circles of continuous improvement. 19

Conclusion 9: Unless there are special reasons for not doing so in a particular case, departments should routinely publish details of the consultation process which has been followed in developing new policies, i.e. who was consulted, at what point in the process and what they said. 24

Conclusion 10: More outside experts should be involved in the policy-making process, perhaps as part of high level teams to support cross-cutting Ministers. 25

Conclusion 11: The CMPS should provide training for civil servants on how best to use outside experts, and advice for outside experts on how best to work with the Government machine. 27

Conclusion 12: The CMPS should take the lead in developing and disseminating guidance on the different ways in which outside experts can be brought most effectively into the policy development process (see conclusions 8 and 9). 27

Conclusion 13: The Cabinet Office and No.10, in consultation with Ministers and departments as necessary, should explore how to increase the effectiveness of Cabinet Committees as fora for addressing cross-cutting issues. 28

Conclusion 14: An early task for the Cross-cutting Issues Group should be to establish the machinery to develop a Government performance information strategy, bringing together all existing and future work on the design, usability and accessibility of performance measures and targets. 28

Conclusion 8: Departments should work with the Cabinet Office and others to develop joint mechanisms, especially at regional and local level, to improve consultation and feedback on cross-cutting issues, including different ways to reach and involve stakeholders in the development of policies and the delivery of services; better ways of communicating decisions; and using such feedback to create virtuous circles of continuous improvement.

By when: Ongoing

Regional Co-ordination Unit

3.8.1 The report, *Reaching Out: The Role of Central Government at Regional and Local Level*, published by the Performance and Innovation Unit in February 2000, recommended a number of changes to improve the handling of cross-cutting issues at regional level. A key outcome was the establishment within the Department of the Environment, Transport and the Regions (DETR) of the Regional Co-ordination Unit (RCU). The Unit reports on a day to day basis to Lord Falconer, Minister of State in the Cabinet Office. It published an action plan in October 2000 and progress is being made against its four key themes:

(i) Better co-ordination of Area-Based Initiatives (ABIs)

3.8.2 The RCU published new guidance on the development of ABIs in November 2000. It has established a network of Government Office (GO) contacts and agreed service standards to ensure that departments are given a quick response on their Area-Based Initiative (ABI) proposals. The RCU has set up an advisory panel of experts from central and local government, and the community and voluntary sectors to provide an additional body of expertise to support the RCU in co-ordinating ABIs. So far (March 2001), the Unit has looked at over 80 initiatives, many of which are part of national programmes.

3.8.3 This has helped develop an understanding of the range of local activity and expertise on the delivery of initiatives. In many cases, the RCU has been able to advise departments on key policy issues such as targeting, evaluation and the use of partnerships. Other RCU activity includes an ABI forum for Whitehall practitioners to discuss best practice and an interactive ABI website showing which ABIs are running in which local authority areas.

(ii) Joining up in the regions (the aim is to ensure that GOs represent a broader range of departments whose policies and programmes have a local/regional impact).

3.8.4 MAFF have agreed to create a new strategic presence at senior level in each GO, and transfer to the GOs certain functions currently carried out by the Ministry's existing regional structures. The Department of Culture, Media

and Sport (DCMS) have agreed to integrate their existing staff in the GOs more fully into GO management and financial structures. The Home Office has agreed that Crime Reduction Directors and their teams be integrated fully into the GO management and financial structures by April 2002. DETR have agreed to the creation within GOs of two new functions, dealing respectively with neighbourhood renewal and local government. The Department of Education and Employment (DfEE) has agreed to use the GOs to co-ordinate regional support for the new Connexions Service (more information is available from the DfEE website at <http://www.connexions.gov.uk/>). The GOs are also involved with the Sure Start (<http://www.surestart.gov.uk/>) and Children's Fund (<http://www.dfee.gov.uk/childrensfund/>) initiatives.

(iii) GO involvement in policy-making

3.8.5 This has been boosted by setting up the RCU at the heart of Whitehall, by GOs' involvement in the new ABI arrangements, and by GOs' discussion with departments of national initiatives requiring regional support. The RCU/GOs have made a significant input to the National Strategy for Neighbourhood Renewal and LSP guidance. Each GO will be establishing a Neighbourhood Renewal Team. These teams will be expected to play a major role in overseeing the local implementation of the National Strategy for Neighbourhood Renewal.

(iv) Making RCU the operational centre for the GO network

3.8.6 The RCU is putting in place a new corporate planning system for the GOs which will reflect the cross-cutting nature of GO activity. New funding arrangements will enable GOs to deploy their resources more flexibly to reflect departmental priorities. A major programme to improve GOs' use of ICT to help meet the needs of clients and the requirements of e-government has been agreed.

Local Public Service Agreements

3.8.7 As part of SR2000, the Government gave local authorities the opportunity to enter into local PSAs, developed in close partnership with the Local Government Association.

3.8.8 The Government has signed agreements with 14 local authorities (see the table following 3.1.5 on page 12), with agreements with the other 6 participants in the pilot scheme expected shortly. These set out individually tailored performance targets – reflecting a mix of national and local priorities - with an easing of red tape and financial incentives, designed to help councils deliver measurable improvements in services. They receive up to £1m in advance for work to help them meet their targets and, if successful, they will receive a special cash boost

Local Strategic Partnerships

3.8.9 A further DETR response to this conclusion and to *Reaching Out*, and a result of the Social Exclusion Unit's (SEU) work on neighbourhood renewal, is

its co-ordination of government guidance on Local Strategic Partnerships (LSPs) (<http://www.cabinet-office.gov.uk/seu/2001/Action%20Plan/05.htm>). The concept of LSPs came from Policy Action Team 17 (see pages 34 – 36 for more details on Policy Action Teams), which found that:

- The lack of joining up services at a local level had been one of the key reasons for lack of progress in tackling neighbourhood deprivation; and that,
- While the trend for greater partnership work had been an attempt to improve this, too much time tied up in multiple small scale partnerships, unconnected by an overarching local strategy, had sometimes been part of the problem.

3.8.10 Alongside this, the cross-cutting Government Intervention into Deprived Areas review, which reported in July 2000, made clear that service providers across the country should be encouraged to establish LSPs.

3.8.11 The idea behind LSPs is a simple one - that the public, private, community and voluntary sectors should work together in a single and equal partnership to:

- Set priorities and align services;
- Bring together those who deliver or commission different services with those for whom the services are provided;
- Ensure that other local partnerships know how they fit into the wider picture and allow partners to move to simpler structures where it makes sense to do so. For example, the Lord Chancellor's Department has amended *Guidance and Information for Community Legal Service Partnerships* to clarify the links between LSPs and Community Legal Service (CLS) Partnerships and how representatives of the CLS Partnerships will sit on the LSP.

3.8.12 The 88 most deprived local authority districts will receive resources from the new Neighbourhood Renewal Fund (£900M over the next three years) to kick-start this partnership work. All of these areas will be expected to have a LSP in place by April 2002. This is a condition of their second year funding. GOs will play a critical oversight role in ensuring that LSPs are inclusive and effective partnerships, as well as to provide practical day-to-day advice and will concentrate their efforts initially to those emerging in the most deprived areas.

3.8.13 LSPs have a role beyond neighbourhood renewal. All local authorities, working closely with other partners, have to prepare community strategies and the Government recommends that an LSP be established as a means to do this.

Cabinet Office

3.8.14 The Government's Code of Practice on Written Consultation, developed by the Cabinet Office Modernising Public Services Group came into effect on 1 January 2001. The Code applies to all public national written consultations and urges the merging of consultations within or across departments wherever reasonably possible. It requires consultation co-ordinators, who are to be appointed in each department or agency that consults, to see (among other things) that joining up happens; and it announced the central register of forthcoming consultations, now available on UK online (<http://www.ukonline.gov.uk/online/citizenspace/default.asp?url=consultation/consult.asp>), further opening the way to joining up between different parts of government.

3.8.15 The Code also picks up the need to develop different ways to reach and involve stakeholders about the development of policy and the delivery of services.

3.8.16 The Government is currently considering further work on better and more innovative means of consultation, as proposed in Sixth Report of the Public Administration Select Committee on that subject (<http://www.publications.parliament.uk/pa/cm200001/cmselect/cmpublicadm/373/37302.htm>). The Cabinet Office web-based best practice forum offers an opportunity to share best practice on this at <http://www.cabinet-office.gov.uk/servicefirst/index/guidhome.htm>.

3.8.17 The Code is about consultation by central government at the "national" level. It specifically disappplies itself from local and regional consultations; but suggests (in paragraph 8 of its General Principles section) that parts of it may be relevant to them.

3.8.18 In relation to "better ways of communicating decisions", the Code, in its criterion 6, lays emphasis on the need for publication of responses. It requires departments to make the results of consultations widely available together with reasons for decisions reached. These are to be published on the department's website; and responses will be centrally listed on the register of (current) consultations, which was launched with the Code.

The Centre for Management and Policy Studies (CMPS)

3.8.19 The Policy Studies Directorate (PSD) in CMPS is looking at the experience of establishing Cross-Cutting units within central government. It is gathering and analysing information collected from a number of Cross-Cutting units (including the Women's Unit, UK Anti-Drugs Co-ordination Unit, the Connexions Unit and the Children and Young People's Unit) with which to inform the establishment of the Neighbourhood Renewal Unit. CMPS will also be producing practical learning points on Cross-Cutting working for policy makers within those Cross-Cutting units that took part in the study (spring 2001) and disseminating these lessons to policy-makers more generally (summer 2001).

National Statistics

3.8.20 The National Statistics initiative was launched in June 2000, promising to bring greater coherence to the planning of statistical activity across government, in a way that reflected the needs of users of those statistics.

3.8.21 A series of cross-cutting meetings followed the establishment of cross-departmental statistical theme groups. In early March 2001, the first ever, high level, forward-looking work programme for National Statistics was published (<http://www.statistics.gov.uk/NSWorkProgramme/default.asp>) which outlined major new statistical developments planned for the following three years. It was structured around twelve 'theme' chapters, each representing area in of common interest to users of official statistics (the economy, labour market, etc.), rather than classifying those statistical developments by the departments involved in delivering them, which had happened previously.

3.8.22 Additionally, and in another first for official statistics, draft chapters were put onto the National Statistics website for consultation prior to being finalised, to ensure that the proposals would meet the needs of users. The work programme, and details of how the public can register for future consultations, can be found on the National Statistics website at www.statistics.gov.uk.

The Criminal Justice System

3.8.23 Responsibility for the Criminal Justice System (CJS) is shared by three ministers: the Home Secretary, the Lord Chancellor, and the Attorney General. In the 1998 Comprehensive Spending Review (CSR) the Government undertook the first ever review of the performance and management of the CJS as a whole. As a result, the three Ministers are now committed to the joint delivery of common aims, objectives and targets for the system as a whole which are set out in the CJS three year Strategic Plan (1999-2002) and related annual business plans.

3.8.24 The SR2000 cross-departmental review concluded that further measures were required to boost the CJS departments' contribution to reducing crime, delivering justice and securing public confidence in the system. For the first time, the CJS departments looked at the resource needs for the system as a whole, and the interconnections between the three programmes, to establish where funds could best be allocated.

3.8.25 The overall management of the system is now overseen by a Ministerial Group comprising the Home Secretary, Lord Chancellor, the Attorney General and the Chief Secretary to HM Treasury. Below that, the Strategic Planning Group (SPG) for the CJS includes senior officials from the Home Office, Lord Chancellor's Department, the Attorney General's Office, Cabinet Office and HM Treasury. They are supported by the CJS Joint Planning Unit, which is made up of officials across the CJS departments and services to consider better planning mechanisms across the CJS.

3.8.26 The Joint Planning Unit was examining in spring 2001 ways of more effective local and national delivery, for example strengthening the SPG to become a strategic planning board including a representative from the Association of Chief Police Officers, and considering incentives for driving up performance at the local level.

Working Age Agency

3.8.27 DfEE, DSS, the Employment Service and the Benefits Agency are working together to set up the new Working Age Agency in 2001/2, to deliver the Government's welfare reforms. The agency will combine the Employment Service with the working age services of the Benefits Agency, having a clear focus on work for those who can, whilst providing benefit support to those who need it. It will also provide joined up services and make innovative use of technology to ensure a customer focused approach. This builds on the success of the ONE pilots, launched in June 1999, which offer a single point of face-to-face contact for those seeking work and in need of benefit.

Conclusion 9: Unless there are special reasons for not doing so in a particular case, departments should routinely publish details of the consultation process which has been followed in developing new policies, i.e. who was consulted, at what point in the process and what they said.

By when: Ongoing

3.9.1 Criterion 6 of the Government's Code of Practice on Written Consultation (see paragraph 3.8.14) states that "Responses (to consultations) should be carefully and open-mindedly analysed, and the results made widely available, with an account of the views expressed, and reasons for decisions finally taken." This should include details of how the consultation was carried out.

3.9.2 To support the new Code, a central register of consultations and the beginnings of a web site on best practice in consultation matters have been established on UK Online (both can be accessed via www.consultation.gov.uk).

3.9.3 The Cabinet Office's Modernising Public Services Group will be issuing guidance to departments on monitoring and reporting against the Code of Practice on Written Consultation. The group is also putting together a network of consultation co-ordinators, and providing training in more effective consultation.

Conclusion 10: More outside experts should be involved in the policy-making process, perhaps as part of high level teams to support cross-cutting Ministers

By when: April 2000 (as part of year 2000 Spending Review)

3.10.1 Cross-departmental groups were set up for each of the 15 cross-cutting reviews for SR2000, many including frontline service providers and outside experts. For example:

- The Secretary of State for Health established a series of modernisation action teams, involving experts from across the NHS and other stakeholders, which led to the National Plan for reform and modernisation of the NHS.
- The cross-departmental review of crime reduction considered the scope for reducing crime by more effective local action and by using social, environmental and other programmes outside the CJS to tackle factors associated with the onset or continuance of offending. The review was led by a Steering Group with members drawn from the police, local government and academia as well as from Whitehall departments. The Group considered papers submitted by those departments and visited schools, estates, clinics, crime prevention projects and the police.

3.10.2 Since SR2000, further examples include:

- The Home Office – with HM Treasury involvement – has continued this approach, inviting experts on to a National Experience Corps panel; and has set up a Criminal Research Institute at York University.
- A HM Treasury led group, involving 12 other departments, the NHS, and a number of agencies and research establishments has carried on work to maximise the use of government-funded research.
- The strategy for learning disability involved consultation with a service users' group; six working groups involving people with learning disabilities, local authorities, the NHS, carers and the voluntary sector; seven workshops across the country attended by 1000 people including some with learning disabilities; and contributions submitted through a web site.

3.10.3 The Cabinet Office Centre for Management and Policy Studies (CMPS) has recently surveyed all government departments to capture information on innovation in the policy-making process. This has provided over one hundred examples of ways of developing policies that are creative, pioneering and professional. The CMPS is currently analysing the material generated and will be producing (summer 2001) a guide to innovation in policy-making in government for everyone involved in it, as a way to share the results. The

guide will highlight examples of involving outside experts in the policy-making process.

3.10.4 In conjunction with the Economic and Social Research Council (ESRC) Future Governance Programme, the CMPS will be hosting a series of high-level seminars designed to share knowledge on the policy-making process between civil servants and the academic community. The series begins in April 2001, and draws heavily on the input of academic expertise in the policy-making process, with particular emphasis on lessons from international comparisons.

3.10.5 In the Cabinet Office itself, the Performance and Innovation Unit (PIU) recruits teams, on loan or secondment, from both the public and private sectors, to carry out its projects. At any one time, roughly half the staff in the Unit are on secondment from outside the Civil Service. The non-Civil Service members of the Unit come from private industry, management consulting, academia, think tanks, local government and NGOs. This gives the Civil Servants in the Unit opportunities to learn new ways of working which they can take back to their departments at the end of their secondment to the Unit.

3.10.6 Similarly, the Social Exclusion Unit draws its membership from both inside and outside the Civil Service and draws on external expertise in other ways, for example through long- and short-term secondments into and out of the Unit. In addition, the Unit contracts with a number of external advisers and holds regular seminars with key stakeholders working the social exclusion field which inform its thinking.

3.10.7 Some departments have developed an 'off-line' approach to policy-making, drawing on a wide range of experience.

3.10.8 For example, the Home Office ran an external campaign to recruit members of its recently formed Strategic Policy Team. As a result half the team comes from outside the Civil Service bringing with them skills and experience from the private sector, academia, local government, and the voluntary sector. The Strategic Policy Team aims to work beyond traditional boundaries. For example, in their project 'Criminal Justice: the Way Ahead' the team organised an experts' seminar to test ideas with practitioners and academics, and ran a brainstorming session with IT experts from the private sector. CMPS are evaluating the effectiveness of the "offline" approach taken in this project.

3.10.9 DfEE's Policy Innovation Division is made up of internal and external people working on cross-cutting issues. Key external appointments lead areas such as Sure Start and the Children and Young People's unit.

3.10.10 Across Whitehall there are many secondees working in government departments under interchange arrangements. For example, DETR currently has some 90 secondees drawn from a wide range of public, voluntary and private sector organisations, ranging in grade from Executive Officer to the Senior Civil Service. These secondees are working on the full range of DETR policies and provide a valuable source of external expertise and insight.

3.10.11 The Lord Chancellor's Department (LCD) has held two seminars to bring together representatives of government departments and many leading interest groups to discuss the rights of defendants. A member of *Justice*, a legal interest group, is on the LCD's working group.

Conclusion 11: The CMPS should provide training for civil servants on how best to use outside experts, and advice for outside experts on how best to work with the Government machine.

By when: Programme in place by September 2000

3.11.1 A range of seminars and corporate programmes run by the Cabinet Office's Centre for Management and Policy Studies (CMPS) brings civil servants together with outside experts, and facilitates dialogue about effective ways of joint working. For example, there has been a focus on the use of project managers (whether brought in from outside the Civil Service or developed internally) to support major projects, especially in the IT field. CMPS has introduced new programmes for people joining the Civil Service at a senior level with outside experience, to help maximise their contribution from the outset.

3.11.2 CMPS is discussing with the Office of Government Commerce (OGC) and Office of the e-Envoy the training implications for government of their agendas. The Civil Service College directorate of CMPS also runs a range of courses on networking and partnership, including introductions to collaborative working, working with multi-skilled teams, and an introductory course for social science researchers.

Conclusion 12: The CMPS should take the lead in developing and disseminating guidance on the different ways in which outside experts can be brought most effectively into the policy development process (see conclusions 8 and 9).

By when: Circulate guidance by May 2000

3.12.1 The response to this conclusion is being taken forward as part of CMPS's on-going activity in identifying and promoting best practice in policy-making.

3.12.2 A number of activities are in progress or planned.

- i) CMPS are analysing examples of good policy-making practice gathered from departments (see paragraph 3.10.3).

- ii) CMPS has conducted a study of the 'Policy Action Team' approach to policy development for the Social Exclusion Unit (SEU) The response to conclusion 20 (see paragraphs 3.20.3 – 12 on pages 34-36) gives details about the study. The findings have contributed to the development of subsequent SEU work and have also provided valuable lessons on how experts, in the widest sense of the word, can effectively be involved in policy development.
- iii) CMPS commissioned from the external consultancy group, Office of Public Management (jointly with MPS) a study of the effectiveness of different mechanisms for spreading best practice. The report was completed in 2000 and is published at <http://www.servicefirst.gov.uk/2000/guidance/bpresearch.htm>
- iv) Chris Exeter, a CMPS Fellow, is conducting a study on communicating best practice. His work will inform the establishment of an electronic repository of best practice on policy-making (summer 2001).
- v) Barry Sutcliffe, another CMPS Fellow is studying 'Communicating Policy'.

3.12.3 Other CMPS work is relevant to the broader task of identifying the best ways to establish, encourage and promote best practice.

Conclusion 13: The Cabinet Office and No.10, in consultation with Ministers and departments as necessary, should explore how to increase the effectiveness of Cabinet Committees as fora for addressing cross-cutting issues.

By When: Early 2000

3.13.1 The Cabinet Office Economic and Domestic Secretariat has work in hand to follow-up this conclusion and will report to Ministers.

Conclusion 14: An early task for the Cross-cutting Issues Group should be to establish the machinery to develop a Government performance information strategy, bringing together all existing and future work on the design, usability and accessibility of performance measures and targets.

By when: New/adapted machinery in place by April 2000

3.14.1 In response to this conclusion a Performance Information Strategy Group was formed in the spring of 2000 with the task of preparing an overarching Performance Information Strategy.

3.14.2 The Group – led by HM Treasury - included representatives from the Cabinet Office, the Local Government Association, the Office for National Statistics (ONS), the Audit Commission, the National Audit Office (NAO) and other departments.

3.14.3 Two documents were launched on 28 March 2001:

- (a) *Improving Performance Information*, the Government's performance information strategy. It presents a number of initiatives designed to improve the quality of performance information in the public sector.
- (b) *Choosing the Right Fabric: a framework for Performance Information*. The framework is one of the strategy's products. It pulls together guidance on developing performance measures and measurement systems and is jointly signed by HM Treasury, the Cabinet Office, the NAO, the ONS and the Audit Commission. A shortened version is also available as a checklist for managers.

3.14.4 At the launch, the Treasury invited comments on the strategy, aiming to allow it to evolve to meet different needs.

3.14.5 The papers are likely to be of value to anyone involved in performance measurement at a strategic level in the public sector.

PART 3: Skills for cross-cutting policies and services

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measures (management, communications, development).

Conclusion 22: There should be significant financial rewards available to teams or individuals who crack complex cross-cutting problems. These could be in the form of non-consolidated bonuses and should be clearly identified to ensure re-enforcement of messages. They should be fully integrated into the wider performance appraisal system. 38

Conclusion 23: Corporate training and development provided by CMPS should disseminate cross-cutting messages and emphasise the skills required for collaborative working in management and other courses. CMPS should also develop specific new programmes on partnership working focused on senior and middle management levels. Departments and agencies should revise their training and development activities accordingly to ensure a broad base of skills and awareness. 39

Conclusion 15: In order to promote cross-cutting leadership and a more corporate approach in the Civil Service, the Civil Service Management Board should consider putting in hand work to introduce 'common citizenship' for the SASC group. The position for non-SASC members of the top 600 should be reviewed in three years' time in the light of experience gained from the SASC group.

By when: spring 2000 (as part of wider civil service reforms)

3.15.1 The Senior Appointments Selection Committee (SASC) and the Civil Service Management Board have endorsed an approach based on dual citizenship. Cabinet Office will work with departments on developing practical processes for securing a more corporate approach and more brokered moves between departments.

Conclusion 16: Entry to the Senior Civil Service should reflect the desirability of having experience across government and focus on those competencies that are critical to cross-cutting work.

By when: April 2001 (as part of wider civil service reforms)

3.16.1 The progress report on conclusion 4 describes action in response to this conclusion also – see paragraphs 3.4.1 – 4 on pages 13 and 14.

Conclusion 17: Revisions to the core competencies for the SCS should highlight the importance of cross-cutting working and the skills needed for this: leadership; policy vision; strategic management; project management; exploiting IT; managing change and managing stakeholders.

By when: April 2001 (as part of wider civil service reforms)

3.17.1 This conclusion encapsulates a key element of the Civil Service Reform programme. A new Senior Civil Service (SCS) competency framework has been developed through interviews and consultation with Permanent Secretaries, Personnel Directors, members of the SCS, focus groups, HR practitioners and through benchmark comparisons with other organisations in the UK private and public sectors and overseas.

3.17.2 The framework has been piloted with several departments. It is based on 6 key elements:

- i. giving purpose and direction
- ii. making a personal impact
- iii. thinking strategically
- iv. getting the best from people
- v. learning and improving
- vi. focusing on delivery

3.17.3 For each of these, effective and ineffective behaviours have been identified. For example, senior civil servants will be expected to demonstrate that they identify opportunities to improve delivery through partnership, work with partners to achieve the best practical outcomes and build productive relationships with people across and outside their organisation.

3.17.4 Widespread consultation involving around 900 people has revealed a very favourable reaction to the proposed framework, particularly the emphasis on delivery of results, and suggests that it is genuinely helpful in practical use.

3.17.5 The Civil Service Management Board endorsed the final framework in November 2000. This final version was included for information as part of the consultation package for SCS members (see paragraphs 3.3.1-2, on page 13) with the SCS competencies being fully integrated into the proposed new SCS pay and performance management arrangements which are being developed in parallel.

Conclusion 18: There should be new targets (at all levels) for mobility within and interchange outside the Civil Service. These should be supported by developing measures to show such experience is valued (e.g. active management of moves; keeping in touch arrangements; acceptance of performance assessments undertaken by host employers etc.) and arrangements for de-briefing returners and sharing lessons learnt within the parent organisation.

By when: spring 2000 (as part of wider civil service reforms)

3.18.1 Sir Richard Wilson's Report on Civil Service Reform (December 1999) raised the targets for the percentage of senior civil servants to have experience outside the Civil Service from 50% to 65% by 2005. This has an accompanying target that by 2005, 75% of all SCS staff will have had experience outside their parent department. As at 1 April 2000, 48% of all SCS staff had experience outside their parent department; and 33% had experience outside the Civil Service.

3.18.2 Progress on interchange and mobility is monitored through the annual statistical returns which departments make each April. The returns for

1999/2000 show an 11% increase in interchange activity over 1998/99. Looking longer-term, interchange activity has increased by 28% over the last three years, since 1996/97.

3.18.3 The Cabinet Office has visited 26 departments in the twelve months to March 2001 to discuss their interchange and mobility plans, their statistics, and their targets, and the support they offer staff in gaining wider experience. It is currently in discussion with departments about practical arrangements for managing moves.

3.18.4 A Mobility Brokerage Unit has been established in Cabinet Office. The Unit launched a Civil Service vacancies site to improve mobility between departments (www.cabinet-office.gsi.gov.uk/civilservice/jobs) in June 2000. There have been over 8,000 visitors since the launch of the website and it has advertised 1,400 jobs from 132 different departments and agencies.

Conclusion 19: There should be an expectation that development programmes for all high potential staff will provide the opportunity for significant experience of: frontline delivery; another department or the wider public/voluntary sector; partnership working; the EU; work in the regions; or the private sector. This expectation should be set out in relevant recruitment and career development literature.

By when: December 2000

3.19.1 The Cabinet Office launched the Public Service Leaders Scheme on 22 March 2001. The scheme aims to develop public sector managers to become future leaders who have a better understanding of the connections across the public sector to support joined-up working. It involves the NHS, local government, and police, as well as departments, agencies and NDPBs. The scheme will include network events, action learning sets, and interchange placements. When the scheme reaches capacity in 2003 it will have 225 participants at any one time, of whom 100 will be civil servants.

3.19.2 The pilot stage of the programme was launched in November 2000 and the first 46 participants are currently engaged in designing the final programme.

3.19.3 Additionally, the current review of the Fast Stream Development Programme is actively considering how best to build in the gaining of wider experience into the development programme.

3.19.4 The responses to conclusions 4 and 18 are also relevant – see pages 13 – 14 and 32 – 33, above.

Conclusion 20: Working with the CMPS, departments should explore methods of exposing Civil Servants to different ideas and ways of working by involving a wide range of stakeholders in policy development. This could include increased use of mixed teams of Ministers and officials from different departments and agencies as well as academics and those responsible for service delivery.

By when: CMPS discussion paper by March 2000

3.20.1 The cross-cutting reviews in SR2000 involved a wide range of stakeholders – see the response to conclusion 10, pages 24 - 26.

3.20.2 The Cabinet Office, Centre for Management and Policy Studies (CMPS) is looking at 'off-line' policy development to consider how this innovative way of policy development works. Lessons from the study will be fed back to the policy makers involved and the wider learning points for policy makers across government will be disseminated in summer 2001.

Policy Action Teams (PATs) as an example of inclusive policy-making

3.20.3 When the Prime Minister set up the Social Exclusion Unit (SEU) in 1997 one of the issues he asked it to report on was: "how to develop integrated and sustainable approaches to the problems of the worst housing estates, including crime, drugs, unemployment, community breakdown and bad schools etc".

3.20.4 In response, the SEU published a report in September 1998 that set out the need for a National Strategy for Neighbourhood Renewal – to be an agreed response, across government and beyond, to the problems of deprived areas. The goals for the Strategy would be:

- To bridge the gap between the most deprived neighbourhoods and the rest of England; and
- In all the worst neighbourhoods, to achieve lower long-term worklessness; less crime; better health; and better educational qualifications.

3.20.5 The report proposed that one of the building blocks of the National Strategy should be 18 cross-cutting Policy Action Teams (PATs)¹, set up to take forward an intensive programme of policy development.

¹ The 18 PATs were : PAT 1: Jobs; PAT 2: Skills; PAT 3: Business; PAT 4: Neighbourhood Management; PAT 5: Housing Management; PAT 6: Neighbourhood Wardens; PAT 7: Unpopular Housing; PAT 8: Anti-Social Behaviour; PAT 9: Community Self-Help; PAT 10: Arts and Sport; PAT 11: Schools Plus; PAT 12: Young People; PAT 13: Shops; PAT 14: Financial Services; PAT 15: Information Technology; PAT 16: Learning Lessons; PAT 17: Joining it up Locally; PAT 18: Better Information

About the PATs

3.20.6 The PAT process was a new approach to Government policy-making, bringing together officials from government departments with people who live and work in deprived neighbourhoods.

3.20.7 The PATs:

- Established small working teams each chaired by a senior civil servant and with members drawn from relevant policy divisions in government departments, Government Offices and government agencies, local authorities and from outside government altogether. Each Team also had an SEU link person and the lead department provided a supporting secretariat;
- Adopted an open approach, consulting widely, particularly with people who live in poor neighbourhoods and drawing on lessons from good practice;
- Gave specific consideration to race and ethnic minority issues relevant to their topic;
- Considered how to maximise the contribution of communities themselves and what capacity building is needed to promote that; and
- Produced clear recommendations for follow-up work.

3.20.8 The whole process was co-ordinated by the SEU. Each PAT had a Champion Minister in the lead department for that PAT.

3.20.9 Overall, the PATs involved more than 500 people – around 300 Civil Servants from 10 Whitehall departments and more than 200 outside experts with experience of living and working in deprived areas. This latter group included those from business, faith, and black and minority ethnic communities, tenants and residents of some of the deprived areas, as well as academics and representatives from local government and the Local Government Association. In addition, contributions were welcomed from individuals and groups not represented on the PATs who felt they had experience, good practice models and other advice which could help a particular PAT. This overall approach helped to ensure that the recommendations made the PATs were outward-focused and reality-tested.

3.20.10 Collectively the PATs made 569 recommendations that were presented to the Government to consider in developing the National Strategy for Neighbourhood Renewal. Eighty six per cent (492) of these recommendations have been accepted, with a further 12 per cent (68) partially accepted or under consideration.

3.20.11 The Policy Action Team Audit, published in January 2001, <http://www.cabinet-office.gov.uk/seu/2001/PATaudit/default.htm> sets out the progress made on implementing each recommendation, which department is

responsible for implementing them, to what timescale and how much will be spent doing so. Many of the recommendations were reflected in the 'Key Ideas' in the National Strategy framework that was published for consultation in April 2000, and have since fed into the final National Strategy Action Plan 'A New Commitment to Neighbourhood Renewal' which was launched by the Prime Minister in January this year. (<http://www.cabinet-office.gov.uk/seu/2001/Action%20Plan/default.htm>)

3.20.12 The Government is keen to share what it has learned from the PAT process. The PAT approach has been evaluated as a vehicle for inclusive policy-making by the Centre for Management and Policy Studies in the Cabinet Office. A report will be published by summer 2001.

The Community Legal Service

3.20.13 Another example of inclusive policy-making is the approach taken by LCD in its development of the Community Legal Service (CLS). LCD recognised that to achieve its aims it would have to seek actively the participation and ideas of a wide range of stakeholders including the voluntary sector, the private sector, local government, other government departments, and an executive NDPB, the Legal Aid Board (now the Legal Services Commission).

3.20.14 At the heart of the idea of the CLS is the concept of local networks of legal services supported by local CLS Partnerships, who work to ensure services are based on meeting local legal needs and priorities. This concept was developed by six pioneer local authority areas. The Pioneers did not work to a blueprint. Instead, they were local authorities who were prepared to identify and test out how the partnerships should work best, together with the Legal Aid Board and local voluntary sector and private sector partners, and so had a major influence on policy.

3.20.15 The CLS was launched in April 2000. By March 2001 there were 170 CLS Partnerships covering 80% of the population of England and Wales. This success can partly be explained by the partnership framework being seen to be developed by those who would have to make them work.

3.20.16 A system of quality standards underpinning the development of the CLS was also produced. This was called the Quality Mark. In order to develop this system, LCD established a Quality Task Force (QTF), which was made up of representatives from all the major advice sector umbrella bodies, the Legal Aid Board, the legal profession, consumer groups, local government, the National Lottery Charities Board, and other government departments. The QTF helped to identify the guiding principles upon which the detailed criteria of the Quality Mark ought to be based. The detailed policy work was then taken forward by a smaller working group, led by the Legal Aid Board, and included representatives from the voluntary sector, legal profession and LCD.

3.20.17 The development of the CLS was overseen by a steering group consisting of senior officials from LCD and members and senior staff of the

Legal Aid Board. The steering group reflected the shared responsibility for the introduction of the CLS in April 2000.

3.20.18 The responses to conclusions 8 (page 18), 10 (page 24) and 12 (page 26) are also relevant.

Conclusion 21: Performance appraisal systems for individuals at all levels should better reflect contributions to corporate or team goals by incorporating a balanced scorecard approach i.e. appropriate weighting (depending on the task) between e.g. personal performance measures; team or corporate measures; and people measures (management, communications, development).

By when: First element in place; fuller programme by April 2000

3.21.1 The new Senior Civil Service (SCS) performance management system, effective from April 2001, provides for assessment of individual performance against:

- Key business objectives
- Growth in competence against the new SCS competence framework
- Demonstration of skills and knowledge.

3.21.2 Together these provide the framework within which personal, team, and people management issues will be covered.

3.21.3 The Cabinet Office is also helping every central government organisation to complete performance management systems reviews for staff below the SCS by April 2002.

3.21.4 The text in relation to conclusions 3 (page 13) & 17 (page 31) provide further information.

Conclusion 22: There should be significant financial rewards available to teams or individuals who crack complex cross-cutting problems. These could be in the form of non-consolidated bonuses and should be clearly identified to ensure re-enforcement of messages. They should be fully integrated into the wider performance appraisal system.

By when: spring 2001

3.22.1 Under the Civil Service Reform programme, as part of the new Senior Civil Service (SCS) pay and performance management system, significant non-consolidated bonuses will be available for the best performers, and lower

bonuses will be available for other performers. Individuals who crack particularly complex problems will be eligible for exceptional bonuses.

3.22.2 Below the SCS, departments and agencies are reviewing their pay and performance management systems over the next two years, against similar principles.

3.22.3 HM Customs and Excise is currently piloting proposals to incentivise and reward performance through a team-based bonus system. This is in response to proposals in *Incentives for Change*, a report by John Makinson². Rewards for performance will reflect the achievement of more stretching incentive targets, with access available to a share of productivity gains for staff in organisations that exceed their targets.

Conclusion 23: Corporate training and development provided by CMPS should disseminate cross-cutting messages and emphasise the skills required for collaborative working in management and other courses. CMPS should also develop specific new programmes on partnership working focused on senior and middle management levels. Departments and agencies should revise their training and development activities accordingly to ensure a broad base of skills and awareness.

By when: October 2000 for new partnership programmes

3.23.1 A wide range of seminars, programmes and courses run by the Cabinet Office Centre for Management and Policy Studies (CMPS) disseminate cross-cutting messages and emphasise the skills required for collaborative working. In particular, the activities referred to in the responses on conclusions 7 (page 16) and 11 (page 26) are targeted directly at this area, with a focus particularly on senior and middle management levels. A new public sector interchange programme for members of the SCS will be introduced in 2001.

3.23.2 Jointly with the Local Government Association and the NHS Executive, the CMPS has developed a new public sector interchange programme for senior people in all parts of the public sector, which is focused specifically on the skills needed for partnership working. The first run of this programme is planned for the autumn of 2001.

² *Incentives for Change* (published: 31-Jan-00)

John Makinson, Group Finance Director of the media company Pearson PLC, led a team examining performance incentives for the 150,000 front-line staff who work in the Benefits Agency, HM Customs & Excise, the Employment Service and the Inland Revenue. It proposed that team bonuses should be paid to reward and encourage achievement of PSA objectives and that if targets are exceeded, the Government should use part of the savings from productivity improvement to fund bonuses. Although the specific proposals in Mr Makinson's report are tailored to those four agencies, the basic principles are potentially capable of much wider application. The report also contains a wealth of comparative data on how performance is rewarded and incentivised across both the public and private sectors.

PART 4: Flexible funding for cross-cutting policies

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<u>Conclusion 24</u> : A cross-cutting budget should be created as a collective resource to help support cross-cutting initiatives that require funding between Spending Reviews.	41
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Conclusion 24: A cross-cutting budget should be created as a collective resource to help support cross-cutting initiatives that require funding between Spending Reviews.

By when April 2000 (as part of year 2000 Spending Review)

3.24.1 The Policy Innovation Fund of £50m per year for three years was devised in Spending Review 2000 and responds to this conclusion. Details can be found in chapter 22.4 of the Spending Review White Paper (available at <http://www.hm-treasury.gov.uk/sr2000/report/chap22.html>).

3.24.2 The Invest to Save Budget (ISB) (<http://www.hm-treasury.gov.uk/isb/>), which is jointly run by HM Treasury and the Cabinet Office, also encourages public sector bodies to work more closely together and identify projects which would not otherwise go ahead. By providing more assistance towards the cost of innovative projects, which may need upfront funding not otherwise available, the ISB seeks to realise the gains which they can offer in terms of efficiency savings and/or benefits to the public.

Conclusion 25: More cross-portfolio budgets should be considered for high priority issues.

By when: Ongoing

3.25.1 SR 2000 established the following:

- A radical new strategy for tackling the problems of deprived areas, underpinned by new targets to close the gap between the most deprived areas and the rest of the country; and a **Neighbourhood Renewal Fund** worth £800 million over three years to ensure that these targets are delivered on the ground;
- A major expansion of the **Sure Start** programme – doubling the number of programmes from 250 to at least 500 by 2004, to reach one third of all poor children under four years old;
- A **Children’s Fund** to tackle child poverty, worth £450 million over three years, with a strong emphasis on voluntary sector delivery, along with an integrated delivery strategy for the new Connexions service, to ensure that young people at risk make the transition safely and successfully from childhood to adulthood;

- An **Employment Opportunities Fund**, worth £875 million in 2001-02 and increasing to £1.4 billion by 2003-04, to enhance the New Deal and extend the ONE service, helping people to move from welfare to work;
- New investment in local **Crime and Disorder Partnerships**; with a new, better integrated strategy to reduce delays and inefficiencies across the CJS;
- A **National Treatment Agency** for drug abusers, underpinned by a pooled treatment budget;
- A strategy to bring about a step change in **volunteering**, with involvement of the new Experience Corps in pilots for Care Direct, a new gateway to care and support for older people;
- New **PSA Contracts** with individual Local Authorities, supported by a new Performance Fund, to create stronger partnership between local and central government and to underpin the drive to improve performance;
- A £1 billion **Science Research Investment Fund** over 2002-03 and 2003-04 to tackle the backlog of investment in university research capital, in partnership with the Wellcome Trust;
- New cross-departmental budgets for **conflict prevention** and **nuclear safety**, underpinned by joint working arrangements, to ensure that the UK meets its international obligations in an efficient and effective way.

3.25.2 SR 2000 also introduced the Criminal Justice System Reserve of £525 million over three years. Allocation from the Reserve requires the agreement of all CJS Ministers (Home Secretary, Lord Chancellor and the Attorney General) and funding is required to be linked to the achievement of the CJS aims and objectives and involvement of two or more of the CJS departments, agencies or services.

3.25.3 As noted, there were 15 cross-cutting reviews in Spending Review 2000. Ministers will take a collective decision on the number and coverage of reviews to be included in the next Spending Review. Cross-cutting budgeting methods will be considered as part of these reviews.

3.25.4 HM Treasury launched an Evidence-Based Policy Fund in June 2000 in compliance with one of the conclusions of the Adding It Up PIU report. It is a seed corn fund designed to help expand the evidence base for policy by funding research that would not normally fall into departmental research programmes, mainly because of its cross-cutting nature (<http://www.hm-treasury.gov.uk/addingitup>).

Conclusion 26: HM Treasury should be pro-active in encouraging departments to develop cross-cutting budgetary approaches and reflect this in arrangements made for sharing experience between its spending teams.

By when: Ongoing

3.26.1 HM Treasury was central to the process of cross-departmental reviews in SR2000, and the arrangements for cross-cutting budgetary approaches that arose from them.

Conclusion 27: Lines of responsibility need to be clearly defined but, where there is cross-cutting working, there is no reason why more than one Accounting Officer should not be held accountable for the implementation of a joined up service.

By when: Advice to be issued by early 2000

3.27.1 The Accounting Officer Memorandum was updated in April 2000. Two paragraphs were added (paragraphs 10 and 11) taking on board the two recommendations. Principal Finance Officers and the NAO were consulted and were content with the proposed amendment. A circular letter to Accounting Officers (AOs) (DAO(GEN)5/00) was circulated on 5 May 2000

3.27.2 How AOs might be jointly accountable for joined up services is being taken forward on a case by case basis. The expectation is that joint responsibilities will be set out in the memoranda of understanding between the relevant AOs.

3.27.3 The response to conclusion 34 (page 50) is also relevant.

PART 5: Audit and external scrutiny for cross-cutting policies and services

Page

Conclusion 28: The Government should:

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- Signal the willingness of central government departments to provide oral and written evidence to Parliamentary Committees on cross-cutting issues regardless of the terms of reference or ambit of the Committee;
- Make available to Select Committees in both Houses, at an early stage in the policy process, information about the factual and analytical basis of cross-cutting policies, including joint appraisals;
- Wherever possible, give Parliament early notice of cross-cutting issues which are being investigated; and
- Be ready to agree to the appointment of more ad hoc, cross-cutting Select Committees in both Houses of Parliament.

Conclusion 29: The Government should welcome initiatives by Parliament to:

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- Increase further the extent to which it addresses issues across departmental boundaries in the PAC and Select Committees by taking more hearings on cross-cutting policies and programmes; taking more evidence jointly from responsible Ministers and/or Accounting Officers; and, where necessary, creating cross-cutting committees.
- Establish cross-cutting committees in the House of Lords; and
- Consider more joint committees of both Houses on key cross-cutting issues.

Conclusion 30: The Government should consider with Parliament the case for powers in specific areas to streamline cross-cutting working, e.g. harmonising the various investigative powers relating to benefit fraud.

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Conclusion 31: The Chief Secretary to HM Treasury should seek an opportunity to discuss the issues raised in this report with the Chairman of the PAC.

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Conclusion 32: The Government should welcome, and departments respond positively to, the NAO's development of initiatives aimed at encouraging effective cross-cutting working. These initiatives include:

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- Carrying out exemplar studies of cross-cutting policies, including joint studies with the Audit Commission;
- Examining Whitehall's evaluation of cross-cutting policies, and
- Identifying best practice in risk management, providing a

benchmark for assessing departments' systems for tackling risk and suggesting ways of fostering a risk management culture.

Conclusion 33: The important and helpful messages from the Public Audit Forum contained in the Modernising Government White Paper and 'The Implications for Audit of the Modernising Government Agenda' need to be communicated effectively both within the different audit agencies and within Government. 50

Conclusion 34: HM Treasury should strengthen the Accounting Officer memorandum to give each accounting officer clear responsibility for taking account of costs and benefits falling beyond departmental boundaries. 51

Conclusion 35: It will be important to draw out and promulgate any general lessons about how external review can help to re-enforce incentives for effective cross-cutting working. 52

Conclusion 36: Building on the People's Panel, mechanisms should be developed to enable scrutiny of cross-cutting policies and programmes to take greater account of the views of service users and deliverers. As part of this, the joint inspection forum set up to support the "best value" initiative should be encouraged to feed views back into the Spending Reviews. 52

Conclusion 28: The Government should:

- **Signal the willingness of central Government departments to provide oral and written evidence to Parliamentary Committees on cross-cutting issues regardless of the terms of reference or ambit of the Committee;**
- **Make available to Select Committees in both Houses, at an early stage in the policy process, information about the factual and analytical basis of cross-cutting policies, including joint appraisals;**
- **Wherever possible, give Parliament early notice of cross-cutting issues which are being investigated; and**
- **Be ready to agree to the appointment of more ad hoc, cross-cutting Select Committees in both Houses of Parliament.**

By when: Ongoing

3.28.1 The Liaison Committee Report: “Shifting the Balance: Select Committees and the Executive” referred explicitly to these recommendations. The Government response to that report (CM 4737) undertook to implement them. (In practice, HM Treasury officials, and even Ministers, frequently appear before select committees other than the Treasury Committee). The text of the response was as follows:

“The Government will, wherever possible, implement the proposals of the PIU report identified by the Committee by giving early notice of Cross-Cutting issues and by accepting the principle that Ministers may well be asked to give evidence to other Committees than that shadowing their department. However, the Government reserve the position of HM Treasury in this, since it could be called by all Committees, and the resource implications could be considerable.

The Government trust that if it is able to provide early notification of Cross-Cutting issues, the Liaison Committee itself will be able to identify the need for any ad hoc committee and make a case for it to the Government. The Government would have to retain the right to choose whether put such proposals before the House, but the presumption would be that reasonable requests would be granted, and repeated refusals would lead to political controversy.”

3.28.2 An example of this is action by the Department of the Environment, Transport and the Regions (DETR) to give evidence to Parliamentary Committees on cross-cutting issues even where the subject matter may not seem to be obviously connected. In January 2001 DETR submitted a detailed memorandum to the House of Commons Health Committee Inquiry into public health. This memorandum was submitted at DETR’s own initiative, to demonstrate the many direct and indirect ways it contributes to public health,

and to draw out why public health connects to DETR's sustainable development and quality of life aims.

Conclusion 29: The Government should welcome initiatives by Parliament to:

- **Increase further the extent to which it addresses issues across departmental boundaries in the PAC and Select Committees by taking more hearings on cross-cutting policies and programmes; taking more evidence jointly from responsible Ministers and/or Accounting Officers; and, where necessary, creating cross-cutting committees.**
- **Establish cross-cutting committees in the House of Lords; and**
- **Consider more joint committees of both Houses on key cross-cutting issues.**

By when: Ongoing

3.29.1 These are matters for Parliament, rather than the Government. However, the Government has undertaken to bring forward changes to House of Commons Standing Orders to make it easier for Committees to work together. Those Standing Order changes may also ease joint working between Lords and Commons Committees: this may limit the need for formal joint committees.

3.29.2 There are expected to be Joint Committees on Human Rights and on Parliamentary Aspects of Reform of the House of Lords; no others are currently contemplated.

3.29.3 Ministers from the Home Office, Lord Chancellor's Department and Crown Prosecution Service appeared together before the PAC in relation to the NAO report *Criminal Justice Working Together* (http://www.nao.gov.uk/publications/nao_reports/index.htm).

3.29.4 The Liaison Committee of the House of Lords has responsibility for making proposals about which Committees should be appointed by that House. The Liaison committee has recommended that there should be a Constitutional Committee and an Economic Committee.

Conclusion 30: The Government should consider with Parliament the case for powers in specific areas to streamline cross-cutting working, e.g. harmonising the various investigative powers relating to benefit fraud.

By when: As part of review of legislation

Performance and Innovation Unit (PIU) Report

3.30.1 The Performance and Innovation Unit is examining how to abolish or modify unnecessary barriers to the sharing of information for law enforcement, crime reduction and other purposes in the public interest, while safeguarding the legitimate interests of the individual in preserving privacy.

Investigative powers relating to benefit fraud

3.30.2 The investigative powers relating to benefit fraud were harmonised, consolidated and improved by the Child Support, Pensions and Social Security Act 2000.

3.30.3 The Office for National Statistics plays a full part in interdepartmental work to combat fraud. Following the Grabiner Review on the informal economy (<http://www.hm-treasury.gov.uk/docs/2000/grabiner.html>), by the end of 2002 ONS will be providing more specific information to other government departments that will improve their ability to detect the fraudulent use of birth certificates.

Electronic Communications Act 2000

3.30.4 The law's requirements for writing, signatures and allied activities based on the use of written documents such as witnessing, posting, delivering (estimated at 40,000 requirements in the UK by the Society for Computers and Law) are a potential barrier to e-commerce and e-government. The Electronic Communications Act 2000 (<http://www.uk-legislation.hmsso.gov.uk/acts/acts2000/20000007.htm>) contains in section 8 a power for Ministers to remove such barriers by an order amending legislation, to facilitate electronic communication or data storage. There are similar powers for Inland Revenue and Customs and Excise in the Finance Act 1999. This power has enormous potential to promote the use of electronic communication in many areas, enabling things to be done quicker, better, and more efficiently and cheaply.

Conclusion 31: The Chief Secretary to HM Treasury should seek an opportunity to discuss the issues raised in this report with the Chairman of the PAC.

By when: By early 2000

3.31.1 The Chief Secretary spoke to the PAC Chairman on 28 March 2000 about the issues in the PIU Study on Wiring it Up. The Chairman noted that the PAC had commended good examples of risk taking in the past. He also said that the NAO appreciated the importance of cross-cutting work and had prepared reports on examples.

3.31.2 NAO is continuing to address cross-cutting issues, for example on the whole of the criminal justice system (*Criminal Justice: Working Together* HC 29, Parliamentary Session 1999-00 11/11/99) and planning to address client groups, like the elderly, thematically.

3.31.3 HM Treasury has been working closely with the Cabinet Office and the National Audit Office on the Performance Information Strategy (see conclusion 14). There were also close working relations between HM Treasury and NAO on the NAO report "Measuring the Performance of Government Departments", (HC 301 2000-2001; 22 March 2001) which looked, among other issues, at cross-cutting Public Service Agreements.

Conclusion 32: The Government should welcome, and departments respond positively to, the NAO's development of initiatives aimed at encouraging effective cross-cutting working. These initiatives include:

- **Carrying out exemplar studies of cross-cutting policies, including joint studies with the Audit Commission;**
- **Examining Whitehall's evaluation of cross-cutting policies³, and**
- **Identifying best practice in risk management, providing a benchmark for assessing departments' systems for tackling risk and suggesting ways of fostering a risk management culture.**

By when: Ongoing

3.32.1 The National Audit Office has produced a number of reports supporting the Modernising Government programme:

- **Modernising Procurement** - for the Office of Government Commerce

³ This proposed study from the NAO did not, in fact, take place.

The Government views this report as a valuable contribution to the procurement agenda.

- **Government on The Web** - for the Cabinet Office (e-envoy team)

The Government has accepted the recommendations in this report.

- **Supporting innovation** – Risk Management in Government Departments – for the Cabinet Office.
- **Measuring the Performance of Government Departments.**

These are available from the NAO website

http://www.nao.gov.uk/publications/nao_reports/index.htm

3.32.2 The PAC (Public Accounts Committee) hearing on 24 January 2001 focused on the Cabinet Office's agenda in improving risk management and questioning was supportive of the concept. The Centre for Management and Policy Studies hosted a risk management seminar on 20 March 2001 chaired by the Chairman of the PAC, with input from the Cabinet Office Permanent Secretary, Mavis McDonald and the Comptroller and Auditor-General.

3.32.3 The Government will be interested to see what recommendations the PAC makes.

3.32.4 The Government is aware of and co-operating fully with NAO on the following current studies:

- Looking at joined up service delivery
- Identifying value for money and risk management within the policy-making process
- Carrying out a study on Regulatory Impact Assessment

Conclusion 33: The important and helpful messages from the Public Audit Forum contained in the Modernising Government White Paper and 'The Implications for Audit of the Modernising Government Agenda' need to be communicated effectively both within the different audit agencies and within government.

By when: Ongoing

3.33.1 An article on *The Implications for Audit of the Modernising the Government Agenda* was featured in the autumn 1999 issue of Auditorium, which was circulated to internal auditors throughout Government. A progress report on the commitments in the Public Audit Forum paper was circulated on

28 June 2000 to all government departments and 30 of the larger executive agencies.

3.33.2 Lord Sharman's report *Holding to Account* published on 28 February 2001 (http://www.hm-treasury.gov.uk/docs/2001/sharman_1302.html) makes recommendations about audit and accountability in central Government. Lord Sharman's recommendations support the examination of themes across central Government by the PAC, press for further continued improvement in risk management arrangements and recognise that key success factors for partnership working appear to include the existence of clear responsibilities, the clarity of aims and objectives, and the existence of ring-fenced resources.

3.33.3 The report notes that joined up working examination can be more complex for auditors and suggests that departments and PAC may need to be more flexible in dealing with such reports. The Government will be responding to Lord Sharman's report in due course.

3.33.4 The Comptroller and Auditor General made a statement internally to the National Audit Office (NAO) which was communicated to clients via NAO client directors, identifying how the NAO should address the Modernising Government Agenda. In summary, the C & AG's message was that a greater emphasis should be put on NAO reports being positive and helpful and including best practice examples to aid other bodies. This new approach is observable in some NAO reports produced in 1999, 2000, and 2001.

Conclusion 34: HM Treasury should strengthen the Accounting Officer memorandum to give each accounting officer clear responsibility for taking account of costs and benefits falling beyond departmental boundaries.

By when: Ongoing

3.34.1 The Accounting Officer Memorandum was updated in April 2000. Two paragraphs were added (paragraphs 10 and 11) taking on board the two recommendations. Principal Finance Officers and the NAO were consulted and were content with the proposed amendment. A DAO letter (DAO(GEN)5/00) was circulated on 5 May 2000.

3.34.2 HM Treasury intends to review the AO Memorandum again in the summer of 2001, taking account of experiences arising from joint working initiatives, the full introduction of Resource Accounting and Budgeting and the Government's response to Lord Sharman's report.

3.34.3 See also the text to conclusion 27 (page 42).

Conclusion 35: It will be important to draw out and promulgate any general lessons about how external review can help to re-enforce incentives for effective cross-cutting working.

By when: Lessons learned paper by April 2000

3.35.1 Quinquennial reviews of individual agencies can aid cross-cutting working by, for example, reviewing together the performance of agencies, with related functions such as the Patent Office, Insolvency Service and Companies House. The Cabinet Office and other departments involved in reviews have been promoting joined-up working. For example, Ordnance Survey has been encouraged to increase its private partnerships to exploit its digital assets.

3.35.2 DETR has welcomed the NAO's growing role in examining how government policy is made. The department is co-operating fully with an NAO examination of the development of the second National Air Quality Strategy. This study is addressing whether DETR ensured that it marshalled all the relevant evidence to assess the health and other effects of poor air quality; assessed the potential solutions for improving air quality; and ensured that the Strategy was set up for effective implementation. DETR is also assisting the NAO with its separate wider study of the process of policy formulation in central government.

Conclusion 36: Building on the People's Panel, mechanisms should be developed to enable scrutiny of cross-cutting policies and programmes to take greater account of the views of service users and deliverers. As part of this, the joint inspection forum set up to support the "best value" initiative should be encouraged to feed views back into the Spending Reviews.

By when: Ongoing

Consumer Focus

3.36.1 In February 2000 the Government launched a new consumer focus initiative for central government public services, aimed at delivering services which are more responsive to users, and ensuring consumer views are built into the planning process of each service delivery department and agency. A "Consumer Champion" was designated at senior board level in departments and agencies to take responsibility for design and implementation of the programme. The Government also undertook to measure centrally satisfaction with and expectations of key public services using People's Panel. Results were published in September 2000 (<http://www.cabinet-office.gov.uk/servicefirst/index/pphome.htm>). The People's Panel is now

being evaluated; the conclusions will be taken into account in future developments in the field.

3.36.2 Much of the work on the consumer focus is reflected in the targets and objectives for individual departments and agencies published in Service Delivery Agreements in the 2000 Spending Review.

3.36.3 The Cabinet Office's Better Government for Older People programme, which concluded in January 2001, was based on researching and taking account of views of the client group. It involved piloting in 28 locations around the country better services for older people, and better ways of involving older people in service provision decisions.

3.36.4 The Cabinet Office will produce a Consumer Focus report in autumn 2001, highlighting how the best departments and agencies have become more consumer focused and have improved the quality and responsiveness of services; but also setting out what more needs to be done to ensure minimum standards of improvement all round, especially making the most of information technology.

Best Value

3.36.5 The inspectorates which form the joint inspection forum manage budgets individually and therefore make an individual input into the Spending Review process. The inspectorates are feeding in to the development of the new Local Government Public Service Agreements (see paragraphs 3.8.7 – 8, page 19).

PART 6: Getting the role of the centre right

Page

Conclusion 37: The PIU Steering Board should take the lead in commissioning work to identify future cross-cutting priorities between Spending Reviews and recommending the right part of Government to take them forward. This will be a substantial task requiring, among other things, consultation with departments and those delivering and consuming services. The PIU Steering Board may well want to co-opt others to support it in this work and to set up sub-groups of practitioners and specialists. It should be supported by a joint secretariat of the Cabinet Office and HM Treasury. 55

Conclusion 38: The Cross-Cutting Issues Group, chaired by HM Treasury, should consider and monitor proposals for cross-cutting work in the year 2000 and subsequent Spending Reviews, and co-ordinate the introduction of additional cross-cutting PSAs. 56

Conclusion 39: PSAs should reflect the Government's key cross-cutting priorities and identify the contribution each department can make to achieving them. Departmental PSAs should be more explicit in identifying areas where collaboration and input from other departments is required. 56

Conclusion 40: The Modernising Government Project Board in the Cabinet Office should take the lead in monitoring the implementation of the proposals in this Report and in investigating the effectiveness of the delivery of cross-cutting initiatives on the ground. 57

Conclusion 41: The Chief Secretary to HM Treasury and the Minister for the Cabinet Office should submit a joint report to the Prime Minister on progress with the implementation of the proposals in this report, by early 2001. 58

Conclusion 42: The central departments should prepare and circulate a short guide setting out the roles of the different players at the centre, how they work together and how they relate to departments. 59

Conclusion 37: The PIU Steering Board should take the lead in commissioning work to identify future cross-cutting priorities between Spending Reviews and recommending the right part of government to take them forward. This will be a substantial task requiring, among other things, consultation with departments and those delivering and consuming services. The PIU Steering Board may well want to co-opt others to support it in this work and to set up sub-groups of practitioners and specialists. It should be supported by a joint secretariat of the Cabinet Office and HM Treasury.

By when: Ongoing

3.37.1 In the run up to the last spending review there was close collaboration between No10, HM Treasury, the Cabinet Office, departments and the Local Government Association to identify key cross-cutting issues. Twelve issues were chosen on which inter-departmental teams worked during the spending review period, leading to a number of new cross-cutting budgets and targets. Departments were consulted on the selection of reviews and contributed ideas which led to the final list of fifteen. A similar collaborative process is envisaged in advance of future spending reviews.

3.37.2 The Performance and Innovation Unit (PIU) Steering Board regularly considers proposals from inside and outside Government for project work on strategic, cross-cutting issues. The PIU undertakes initial scoping work on a number of these topics, generally involving discussion with departments, those delivering and consuming services and external experts. In the light of this scoping work and the views of Ministers, the PIU Steering Board and others, the Prime Minister makes decisions on the projects to be undertaken by the PIU. This process can also lead to decisions that work on some cross-cutting issues should be undertaken by other parts of government.

3.37.3 CMPS and the CORE Economics Team in HM Treasury have been engaged in gathering information from Departments as to the areas where evidence on the effectiveness of policy could be improved by adopting a cross-cutting approach. The main aim is to provide an agreed selection of themes to be financed by the Evidence-Based Policy Fund, that the CORE Economic team in HM Treasury manages.

Conclusion 38: The Cross-Cutting Issues Group, chaired by HM Treasury, should consider and monitor proposals for cross-cutting work in the year 2000 and subsequent Spending Reviews, and co-ordinate the introduction of additional cross-cutting PSAs

By when: Ongoing

3.38.1 The Cross-Cutting Issues Group, chaired by HM Treasury and involving No 10, Cabinet Office, departments and the Local Government Association, played a central role in drawing up recommendations for cross-cutting reviews in SR 2000, and how they would be conducted and to what timescale.

Conclusion 39: PSAs should reflect the Government's key cross-cutting priorities and identify the contribution each department can make to achieving them. Departmental PSAs should be more explicit in identifying areas where collaboration and input from other departments is required.

By when: Year 2000 and subsequent Spending Reviews

3.39.1 The Public Service Agreements published in September 2000 (<http://www.hm-treasury.gov.uk/sr2000/>) and the Service Delivery Agreement published in November 2000 (<http://www.hm-treasury.gov.uk/sr2000/sda/index.html>) fulfil the criteria set out in the conclusion.

3.39.2 Responsibility for 30 of the 160 Public Service Agreement targets set in SR2000 is shared between more than one department. These targets are supplemented in the Service Delivery Agreements which specify the input needed from all relevant agents in delivering high level commitments. There were also five cross-cutting PSAs in SR2000 (see response to conclusion 1, pages 11 and 12, for more details).

3.39.3 HM Treasury is agreeing with departments a programme to secure that evidence supports both individual and joint PSA objectives, stressing the need to clarify the contribution of each department to the attainment of the goal.

Conclusion 40: The Modernising Government Project Board in the Cabinet Office should take the lead in monitoring the implementation of the proposals in this Report and in investigating the effectiveness of the delivery of cross-cutting initiatives on the ground.

By when: Ongoing

3.40.1 The Cabinet Office Modernising Government Secretariat has taken the lead in preparing this report on progress against the conclusions set out in *Wiring It Up*. It will be consulting the Centre for Management and Policy Studies (CMPS) and departments on approaches to evaluating the implementation of Modernising Government.

Regional Co-ordination Unit's role in Area-based Initiatives

3.40.2 As noted in response to conclusion 8 on page 18, the Regional Co-ordination Unit (RCU) has set up an advisory panel of experts from central and local government, and the community and voluntary sectors to provide an additional body of expertise to support it in co-ordinating Area-based Initiatives (ABIs). The Unit has looked at over 80 initiatives and developed an understanding of the range of local activity and expertise on the delivery of initiatives. In many cases, the RCU has been able to advise departments on key policy issues such as targeting, evaluation and the use of partnerships. Other RCU activity includes an ABI Forum for Whitehall practitioners to discuss best practice; and an interactive ABI website.

Invest to Save Budget

3.40.3 The effectiveness of the Invest to Save Budget (ISB - run jointly by HM Treasury and the Cabinet Office, see paragraph 3.24.2 on page 40, (<http://www.hm-treasury.gov.uk/isb/>) was reviewed by independent economic consultants to see what effect the investments had on creating innovative services.

3.40.4 They concluded that:

- Services which would not otherwise have been provided had been delivered as a result of ISB funding; and
- Partnership working (cutting across existing departmental and sectoral boundaries) was a reality in many projects.

3.40.5 The Cabinet Office and HM Treasury will be monitoring closely the lessons to be drawn from the experiences of the projects funded in Rounds One and Two and, in particular, the extent to which pilot projects can be rolled out more widely.

Best Practice

3.40.6 The Cabinet Office has established a best practice website (<http://www.servicefirst.gov.uk/index/guidhome.htm>) which gives information and examples of best practice relating to service delivery. Included on this site is a section on Beacon schemes, which are initiatives to identify the best performing services in the public sector so that others can learn from their experience. The site also features a report on “The Effectiveness of Different Mechanisms for Spreading Best Practice” - a research project report commissioned from the external consultancy group, Office for Public Management.

The Public Sector Benchmarking Service

3.40.7 The Public Sector Benchmarking Service (PSBS) is a new service being developed as a partnership between Her Majesty's Customs & Excise and the Cabinet Office and was formally launched by the Paymaster General in February 2001.

3.40.8 The PSBS receives advice from a project board representing central government departments.

3.40.9 The Service supports the commitment in the Modernising Government White Paper to benchmark service delivery and policy functions.

3.40.10 One of the key aims of the PSBS is to promote organisational learning across the public sector by increasing the availability of benchmarking information and sharing good practices. Through its helpdesk and website (www.benchmarking.gov.uk) the PSBS is already recognised as a centre of excellence for benchmarking and focal point for the transfer of knowledge and good practices between central government, local government, the NHS and service providers at home and abroad.

Conclusion 41: The Chief Secretary to HM Treasury and the Minister for the Cabinet Office should submit a joint report to the Prime Minister on progress with the implementation of the proposals in this report, by early 2001.

By when: Early 2001

3.41.1 This report is made in response to this conclusion.

Conclusion 42: The central departments should prepare and circulate a short guide setting out the roles of the different players at the centre, how they work together and how they relate to departments.

By when: Early 2000

3.42.1 The Guide was published in January 2001 and is on the Cabinet Office website (<http://www.cabinet-office.gov.uk/roleofcentre/>).

3.42.2 The Home Office, the Lord Chancellor's Department and the Crown Prosecution Service have worked together to produce a "Guide to the Criminal Justice System in England and Wales". This document is published on the Home Office website at <http://www.homeoffice.gov.uk/rds/cjspub1.html>.

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4. Annex: list of abbreviations

ABIs	Area-based Initiatives
AO	Accounting Officer
C&E	Her Majesty's Customs and Excise
CJS	Criminal Justice System
CLS	Community Legal Service
CMPS	Centre for Management and Policy studies
CO	Cabinet Office
CORE	Central Operational Research and Economics Team at HM Treasury
CSCMG	Civil Service Corporate Management Group
DAO	Dear Accounting Officer
DCMS	Department for Culture, Media and Sport
DETR	Department of the Environment, Transport and the Regions
DfEE	Department for Education and Employment
DfID	Department for International Development
DOH	Department of Health
DSS	Department of Social Security
DTI	Department of Trade and Industry
ESRC	Economic and Social Research Council
FCO	Foreign and Commonwealth Office
GCSE	General Certificate of Secondary Education
GO	Government Office
HMT	Her Majesty's Treasury
ICT	Information and Communications Technology
IR	Inland Revenue
ISB	Invest to Save Budget
LCD	Lord Chancellor's Department
LEA	Local Education Authority
LSP	Local Strategic Partnership
MAFF	Ministry of Agriculture, Fisheries and Food
MOD	Ministry of Defence
MPS	Modernising Public Services
NAO	National Audit Office
NDPB	Non Departmental Public Body
NGOs	Non-Governmental Organisations
NHS	National Health Service
OGC	Office of Government Commerce
PAC	Public Accounts Committee
PATs	Policy Action Teams
PIU	Performance and Innovation Unit
PSA	Public Service Agreement
PSBS	Public Sector Benchmarking Service
PSD	Policy Studies Directorate
PSX	The Ministerial Public Spending Committee
QTF	Quality Task Force
RCU	Regional Co-ordination Unit
SASC	Senior Appointments Selection Committee
SCS	Senior Civil Service
SEU	Social Exclusion Unit

SPG Strategic Planning Group
SR 2000 The 2000 Spending Review
TOA HM Treasury Officer of Accounts

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