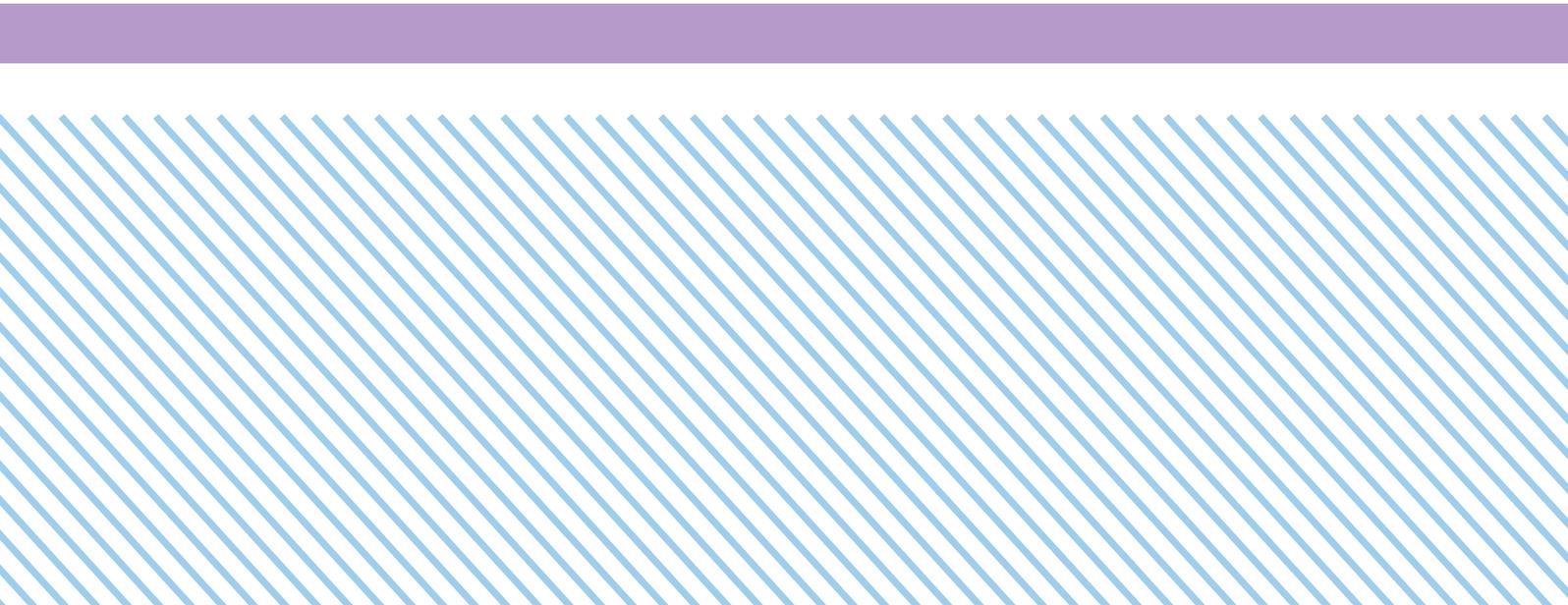


# **PUTTING THE FRONTLINE FIRST:**

**smarter government**





# **PUTTING THE FRONTLINE FIRST: smarter government**

**Presented to Parliament  
by the Chief Secretary to the Treasury  
by Command of Her Majesty**

**December 2009**

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Much of the work outlined in this document applies across the UK, in those policy areas where government responsibilities extend across England, Northern Ireland, Scotland and Wales.

However, many other aspects of policy highlighted in the document, including frontline services such as delivery of healthcare and education, and local government, are devolved, in differing settlements, to the administrations in Northern Ireland, Scotland and Wales. It is the benefit of devolution that the Devolved Administrations can tailor their policies and thus deliver public services to meet the specific needs of their citizens.

The Government and the Devolved Administrations will continue to work closely together to build a more prosperous, stronger, fairer UK, while recognising their particular and varying responsibilities.

Equality is a fundamental principle of fair and effective government. The actions and policies set out in *Putting the frontline first* will be consistent with the requirements of current and future public sector equality duties.

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# FOREWORD BY THE PRIME MINISTER



We live in an age of expanding opportunity in which rapid technological advances are transforming the world at a speed and scale not witnessed since the industrial revolution.

This allows us to give citizens what they now demand: public services responsive to their needs and driven by them. At the same time it provides us with the means to deliver public services in a way that maintains their quality but brings down their cost. This will be essential to help meet our commitment to halve the public deficit within four years.

In meeting this inescapable fiscal challenge we must ensure that we do not damage the public services on which so many depend. These services embody our deepest values of fairness and responsibility. They are the proud expression of the collective endeavour of the British people over many generations to secure for each other the foundations of a fair and decent society. These ideals are now expressed in the desire for a bigger say and more accountability in the decisions that affect daily lives, and for truly excellent services that are universal to all but personal to each. Just as importantly, as we move from recession to recovery, the British people more than ever insist that state spending is underscored by the same principle of value for money by which they manage their own finances.

This plan for reforming government sets out how we will meet these new challenges by strengthening the role of citizens and civic society; recasting the relationships between the centre and the frontline and between the citizen and the State; and streamlining government. I believe that a strong and flourishing civic society goes hand-in-hand with an active and effective government. When we work together, our communities are stronger.

This plan is the culmination of work carried out across the public sector over the past year – learning from the insights of professionals on the frontline, who know what is needed to improve standards even further. And we are grateful for the vision and advice we have received from industry leaders and distinguished public sector thinkers:

- **Sir Tim Berners-Lee** and **Professor Nigel Shadbolt** on radically opening up publicly held data to promote transparency
- **Martha Lane Fox** on accelerating the move to digitalised public services
- **Sir Michael Bichard** on letting local areas set priorities and guide resources
- **Martin Read** on improving the back office functions of government to the very highest standard
- **Martin Jay** on securing better procurement deals through better collaboration across the public sector

- **Gerry Grimstone** on managing public sector assets more effectively
- **Lord Carter** on taking a more strategic approach to government location

The proposals for smarter, more efficient government that we are setting out in this plan will release in excess of £12 billion a year over and above the £26.5 billion a year of savings which government departments have already made since 2004 through the Gershon review and the further £35 billion a year to which we are already committed by 2011. They include £3 billion of new efficiency savings identified since Budget 2009 – of which over £1.3 billion will come from streamlining central government. So *Putting the frontline first* also shows how, by making the necessary savings and taking tough choices on spending priorities, we can both protect frontline services and help meet our commitment to halve the public deficit within four years.

Our plans include:

- Streamlining the Senior Civil Service to save £100 million a year and putting in place radical reforms to senior pay across the wider public sector
- Merging or abolishing arm's-length bodies; integrating back office functions; and selling off government assets
- Investing £30 million over three years to get a further one million people online; and increasing the number of services available via the internet, including some benefits claims
- Rolling out nationally Tell Us Once, so citizens need only notify government once for any birth or death

- Radically opening up data and public information, releasing thousands of public data sets – including Ordnance Survey mapping data, real-time railway timetables, data underpinning NHS choices, and more detailed departmental spending data – and making them free for re-use
- Harnessing the power of comparative data to improve standards, publishing public services performance data online by 2011, starting in 2010 with more detailed data on crime patterns, costs of hospital procedures and parts of the National Pupil Database
- Reviewing anti-fraud work across government to ensure that data analysis techniques become embedded in standard processes
- Reducing red tape on frontline services and improving flexibility, for example by reducing the number of ring-fenced budgets
- Giving people guarantees over the standard of core public services and at the same time encouraging greater personal responsibility.

But restructuring government must be based on our enduring beliefs in equality of opportunity and a fairer society, in which government gives people the tools to shape their own lives and protection from those forces they cannot handle alone.

Over the last year, active government has shielded people from the worst effects of the global financial crisis; and over the last decade it has helped deliver landmark social and economic reforms.

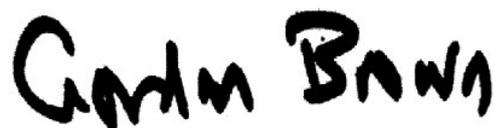
But the time has come to change the way government delivers. Historic underinvestment has been corrected and once-ambitious goals are increasingly seen as the norm thanks to a rigorous regime of targets and central direction. It is precisely because of the success of this approach that we can now embark on a radical dispersal of power, where people will have enforceable guarantees over the services they receive, and frontline staff will have greater freedom over the services they give.

This diffusion of power is the next stage of public service reform. We will embrace new technology to better inform the public; give citizens new rights to information; create a new dialogue between people and public service professionals; and reduce bureaucratic burdens. Public services will improve as they become more personal and more cost-effective, and at the same time they will strengthen democratic deliberation and control in local communities.

Neighbourhood policing teams will respond to local priorities set in beat meetings rather than national targets; Heads will have more powers and teachers liberated to focus on their pupils; and nurses and doctors will be freed to respond to the needs of individual patients.

This redirection of power from Whitehall to citizens and public servants allows for a leaner central government. So we will merge back office functions; relocate staff and reduce Civil Service overhead costs; and sell off or mutualise assets that the Government does not need to own.

Government must change for the new era – and change for good. This is the starting point for this plan. Today, people don't want a government that tells them what to do, but nor do they want one that leaves them isolated. They recognise that when government has too much power they are rendered powerless, but that when government has too little power they are left helpless. Having demonstrated the value of government action, our task now is to develop government to work in partnership with individuals and communities to deliver the services people want in the way they want them, and to preserve them in the face of all the challenges this new era presents.

A handwritten signature in black ink that reads "Gordon Brown". The signature is written in a bold, cursive style with thick strokes.

Gordon Brown  
Prime Minister

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# PUTTING THE FRONTLINE FIRST: ACTION PLAN

This plan delivers better public services for lower cost. It outlines how the Government will improve public service outcomes while achieving the fiscal consolidation that is vital to helping the economy grow. The plan has three central actions: to drive up standards by strengthening the role of citizens and civic society; to free up public services by recasting the relationship between the centre and the frontline; and to streamline the centre of government, saving money through sharper delivery.

## ACTION 1: STRENGTHEN THE ROLE OF CITIZENS AND CIVIC SOCIETY

### Key actions

- **Giving people guarantees to high-quality public services** that are at the centre of their lives, such as a right to be treated in hospital within 18 weeks, or one-to-one tuition for pupils falling behind national standards in English and maths at primary schools with clear rights of redress where these guarantees are not met.
- **Accelerate the move to digitalised public services** that are personalised, flexible, cost-efficient and save people time. 'Tell Us Once' will be rolled out nationally in 2010, so citizens need only notify government once for any birth or death. During 2010, we will set out, service by service, how transactions with government will move online as rapidly as possible, starting with student loans, child benefit and Jobseeker's Allowance. And we will invest £30 million with UK Online to support the development of the National Plan for Digital Participation to get more than one million people online in the next three years.
- **Radically open up data and public information** to promote transparent and effective government and social innovation. We will release over a thousand public datasets – including Ordnance Survey mapping data, data underpinning NHS Choices and the Public Weather Service, real-time railway timetables, and more detailed departmental spending data – and make them free for reuse.
- **Encourage greater personal responsibility** and control over services through new use of technology and service interaction. Text message alerts will become more common for patients and parents, and public services will proactively identify those at risk of ill health, crime or pupil absence so they can intervene early and effectively. We will set up a taskforce to reduce fraud in the public sector.
- **Build a stronger civic society** and give communities more say in shaping public services. We will map civic health in every community through a new Civil Health Index, transfer more public assets to the third sector, and develop new ways of providing capital to civic society organisations – such as through a new social investment wholesale bank and piloting Social Impact Bonds.

Giving people the tools they need to help shape services and to hold government to account strengthens civic life. Technology has a key role to play in building this new relationship – both in opening two-way channels of communication between citizens and professionals and in providing increased transparency on the effectiveness of government.

To achieve this, the Government will lock in standards with new entitlements to services. It will increase transparency by publishing unprecedented amounts of information and data about the institutions, expenditure and people that serve the public. It will take a more ambitious approach to the digital delivery of public services, ensuring that they are more flexible and personalised. And it will systematically strengthen the way in which civic society can shape and partner the delivery of publicly funded services.

## ACTION 2: RECAST THE RELATIONSHIP BETWEEN THE CENTRE AND THE FRONTLINE

### Key actions

- **Let local areas set priorities and guide resources** by streamlining the **national performance framework**. This will include reducing the number of national indicators for local areas by April 2010, and making further reductions from 2011.
- We will reduce the number of revenue streams to local government. By Budget 2010, we will set out specific proposals to reduce the level of ring-fencing<sup>1</sup> for local authorities and publish guidance on aligning and pooling local-level budgets to frontline services. We will align the timing and coordination of grant payments from departments to local authorities for 20011/12.
- We will support local authorities that wish to use their trading powers to create further commercial opportunities, set out guidance on effective use of joint ventures by local authorities and their partners in February 2010 and consider single area-based capital funding by Budget 2010.
- **Reduce centrally imposed burdens on the frontline** from reporting, inspection and assessment. We will coordinate timings of all assessments, inspections and reporting arrangements by 2010/11 where they focus on similar outcomes, and consider a new cross government data gateway. We will also review the work and number of inspectorates, reporting at Budget 2010, and ask Total Place pilots to quantify total burdens across local agencies and priorities for streamlining burdens.
- **Harness the power of comparative data** to improve performance. We will publish public services performance data online by 2011, starting with more detailed data on crime patterns and costs of hospital procedures, as well as parts of the National Pupil Database in 2010. We will use these data to drive better value – reserving top inspectorate marks for those public services that deliver good value for money, introducing NHS tariffs based on best practice in 2010, and benchmarking the whole of the prison and probation system by 2011.

Sustained investment and guarantees to core public services have created a new relationship between central government and the frontline – empowering both to focus on what they do best, and in so doing deliver better value for money. In the next steps of reform, decisions on how services will meet citizens' expectations will increasingly be a matter for local areas to decide, and for frontline services to be free to respond to.

To achieve this, the Government will step back from the day-to-day management of public

services by building on work such as the Total Place pilots.<sup>2</sup> This will enable local professionals to collaborate more easily and to devise innovative ways to serve their customers. The Government will continue to reduce the burden of excessive and overlapping performance indicators, data demands and inspection requirements on local services. But the Government will also ensure that standards and value for money remain top of the agenda through the increased availability of comparative performance data, and information about the cost of services.

## ACTION 3: STREAMLINE CENTRAL GOVERNMENT FOR SHARPER DELIVERY

### Key actions

- **Equip the Civil Service to meet future challenges**, by reshaping the organisation of the Senior Civil Service, reducing its annual cost by £100 million within three years, and put in place radical reforms to senior pay across the wider public sector.
- **Rationalise and reform arm's-length bodies (ALBs)**. We will merge or abolish over 120 ALBs and publish stronger governance proposals in the New Year on ALBs, as well as the results of a review by Budget 2010. This will deliver at least £500 million in savings.
- **Improve back office and procurement processes to the standard of the best**, to deliver the £9 billion of savings identified in the Operational Efficiency Programme. We are publishing, alongside this document, data on every department's back office performance with a new set of comparators. We will look to expand the most successful shared services centres, exploring the best governance and ownership structures for every department. And we will release further resources for frontline services by reducing spend on consultancy by 50%.
- **Manage assets more effectively**. We are publishing now a portfolio of assets to discuss ownership options with the private sector, including full or partial sale or mutualisation. We will consider new ownership structures that release value from the government estate by creating one or more public property companies. And by March 2010, Ian Smith will advise the Government on the scope for further relocations out of expensive parts of the South East and London.

As citizens and communities are empowered and burdens are reduced on the frontline, central government can sharpen its focus on its core role – setting policy priorities, guaranteeing national standards, and building up capacity within public services. The centre of government must be no bigger than it has to be. Through a sharper focus it can both release value and transfer power to the citizen and frontline services.

To achieve this, the Government will continue its reforms to streamline the Civil Service and rationalise all back office functions. It will cut costs at the centre, bringing every part of Whitehall up to the standards of the best, and reduce the number of non-departmental ALBs. It will review where the Civil Service is located and take a more radical approach to selling state assets that are no longer needed, including exploring different models of ownership.

## THE CASE FOR SMARTER GOVERNMENT

### Britain faces significant challenges over the next decade

We live in turbulent times – the old world is in flux, buffeted by the shocks of the past two years, and from longer-term forces of change.

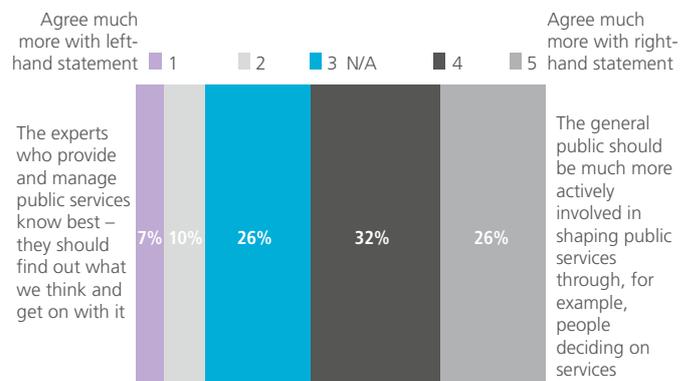
Globalisation has brought us huge opportunities and growth. But it has also unleashed instability. Last year, funding problems in US housing markets developed into a global crisis in a matter of months. Recession has affected most developed economies,<sup>3</sup> including the UK, placing increased pressures on citizens, communities, businesses and the public finances.

As we look forward, the role of government is to equip Britain to seize the opportunities of renewed growth and prosperity: investing in the skills and talents of the British people; supporting enterprise; and backing research and development in the key industries and services of the future. The global economy is set to double in size and, with the right action, Britain stands poised to benefit enormously from that growth.

At the same time, social change is opening up new opportunities and risks. We are an ageing society, facing unprecedented pressures on family life as more and more of us live longer. Government must anticipate these changes and respond to the new social risks families face, such as rising care needs for their children and older relatives.

Demands for accountability and transparency are increasing. There is an unprecedented level of information for citizens about the institutions that serve the public good which can be used to improve government. Citizens are more affluent, educated and self-confident,<sup>4</sup> and increasingly expect better public services, stronger accountability of government and greater transparency in the public sector.

### Citizens' expectations of more interactive public services<sup>5</sup>



Source: Ipsos MORI

At the same time, new technologies are transforming the world we live in. The proportion of people using the internet increased from 10% to 65% over the past decade.<sup>6</sup> We network and communicate with each other in new ways,<sup>7</sup> and there is more choice over work and leisure – and more interactive services – than ever before. These new technologies are changing people's daily lives, opening up opportunities for individuals to shape the services they receive and demand – whether using commercial services such as Tripadvisor to plan travel or public sector services like NHS Choices to keep themselves healthy.

## The last 18 months have shown the vital role government can play

These new times – bringing new possibilities and daunting challenges – make government more, not less, important. People want government to be there for them, to help them succeed and make the very best of life and the new opportunities the world offers. They do not want a government that leaves them to face these challenges alone.

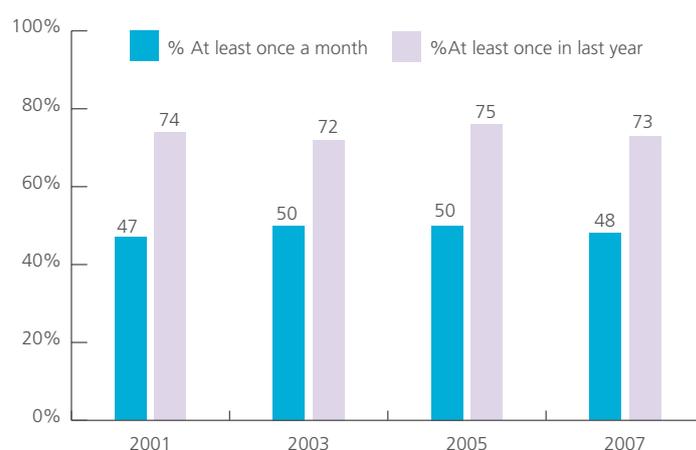
Over the past 18 months, Government action has led the fight-back against the global downturn, preventing recession from turning into a 1930s-style depression and reducing the impact on our businesses and families. A decisive response averted the threat of a catastrophic meltdown in the financial sector, and put the banking system on a stable footing. Action to maintain spending and investment through the fiscal stimulus and through providing real help now to people and businesses has worked: repossessions are running at half the rate of the early 1990s and unemployment is much lower than economic forecasters predicted.

The Government has played a vital role in response to other global challenges. For example, the recent outbreak of swine flu needed a rapid, national response coordinated from the centre to ensure that high-quality information was easily and rapidly accessible to individuals and families. By combining services effectively, and rapidly rolling out a new national helpline, the outbreak was managed successfully and a potential crisis averted.

## It will always be necessary to extend opportunity

Public services are fundamental to the creation of a fair society with equal life chances and rising levels of social mobility. Reflecting the work of leading academics such as Amartya Sen,<sup>8</sup> public services play a key role in ensuring that people are able to seize opportunities and act upon them. For example, countries with strong investment in early years provision rank highly on measures of educational excellence and equity, laying firm foundations for future growth.<sup>9</sup>

### Percentage of UK citizens participating in formal or informal voluntary activities<sup>10</sup>



Source: CLG Citizenship Survey

The past two decades also show that a partnership between government, citizens and civic society is essential for the renewal of our communities and to enhance the stock of social capital. Government does not provide all the answers, but neither does it crowd out social initiative.<sup>11</sup> The UK has a wealth of vibrant communities and half of us volunteer regularly. Government's role is to nurture and unlock even more civic potential. So alongside reforms to

improve public services, the Government has also worked to strengthen the social bonds of civic activity. Through more imaginative ways of supporting neighbourhood institutions – for example, transferring ownership of properties to the communities in which they are based – centres of local services will increasingly become the hubs of community life.

### **We need smarter – not smaller – government**

Government remains vital to helping British families get on and succeed in life. But as the world has changed, government must also remake itself to support people as they face new challenges. Standing still risks jeopardising the improvements we have made to public services.

Public and private sector organisations are already changing rapidly. UK companies have been nimble in using technology and adapting to the recession with a net increase of 50,000 new businesses in 2008 alone. To go further across the public sector, we need to make this agility the norm, not the exception. We must also draw on the best lessons from innovative public sectors from around the world, such as *recovery.gov* in the US,<sup>12</sup> which makes public more detail on government spending, or the ‘One Stop Shops’ in Canada<sup>13</sup> and Australia,<sup>14</sup> which provide a single point of contact for the majority of public-facing services.

The question is not whether government itself is too big or too small, but whether it delivers for people and communities with rising aspirations and expectations. Government can achieve this through meeting the following principles:

- **Open, accountable public services:** by using new technologies and opening up the data government holds on itself, we can transform the accountability of government and public services. Ultimately, a more informed citizen is a more empowered citizen – able to use this information to shape the services that are delivered on their behalf. Greater openness and debate will also enhance democratic debate and strengthen the legitimacy of public decision making.
- **Devolved decision making:** government must reshape itself to build a new relationship between citizens and the state. This means change in the way public services are delivered, in the way we hold public servants to account, and in the way civic society acts together with government. Wherever possible, decisions should be made as close to the citizen as possible and services should be free to respond to local needs.
- **Renewed focus on value for money:** more than ever as Britain emerges from recession, people do not want resources spent on their behalf by government to be treated any differently from the way they manage their own finances. They understand that just spending more money doesn’t necessarily solve problems and expect the utmost value for money in every penny of public expenditure – as businesses had to trim back to meet new global economic realities, so too will the public sector.

Taken collectively, these principles demand a step-change in how government is run for the turbulent times ahead – **delivering better public services for lower cost.**

## Putting the frontline first builds on reforms over the last decade

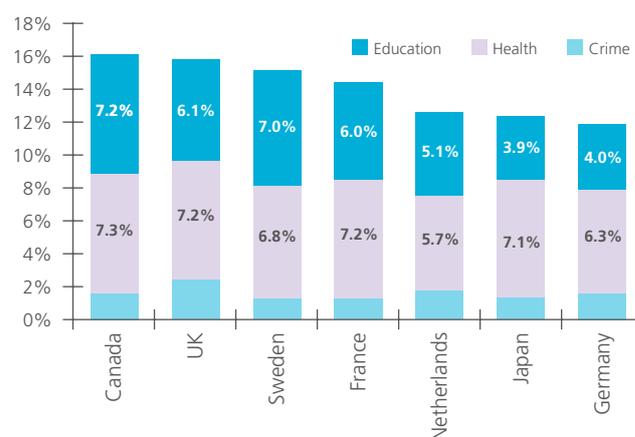
The Government's record of public investment is strong and has met average OECD levels over the past decade.<sup>15</sup> Education spending has increased by 60% over the past 10 years while investment in the police has risen by 50%. There are over 180,000 more police officers, teachers, doctors and nurses. This has resulted in sustained public service improvement: crime is down by a third; exam results are now 50% better for 16 year olds; and the average time it takes to get into a hospital for treatment is only 4.5 weeks. Ten years ago Britain spent 5% of GDP on public health services. Today that figure is 7%,<sup>16</sup> with health outcomes transformed.

Our approach to public service reform has evolved over the last decade as standards have risen and capacity increased: with a different emphasis over time being placed on strong national targets and intervention, to greater contestability and choice, the use of cross-cutting Public Service Agreements and now, most recently, citizen-held guarantees.

And over this last decade we have created a strong and vibrant set of public service institutions – from new Academies and Trust schools, to Children's Centres, neighbourhood policing teams and foundation hospitals – that simply didn't exist previously and are now at the heart of our communities the length and breadth of the country.

Now through new ideas like Total Place we have the opportunity to weave local services together into a seamless web of support, so that childcare, children's health, adult learning, schools and after-work care are provided in a joined-up way. At the same time we have reformed government over the past decade to become more strategic, coordinating a diverse range of providers. Often the right supplier of a service is a social enterprise, a private sector provider, a public sector organisation with the autonomy and freedom to innovate or, increasingly, communities and individuals themselves.

### Expenditure across core public service functions as a proportion of GDP<sup>17</sup>



Source: 2006/2007 OECD data (OECD 2009)

As the gains from past reforms are locked in, we must advance to the next stage of reform. This will not feature the large increases in investment of the past, as we have now put right the legacy of underinvestment and have achieved international averages for spending on core services. Rather, reform must accelerate through making full use of the new strengths we now have: more empowered citizens, the knowledge and commitment of our public servants, especially those at the frontline, and our vibrant

communities. It will require a premium on transparency, innovation and flexibility, and hence a reduction in target-driven command and control. These are the themes introduced in *Excellence and fairness*, *Power in People's Hands* and *Building Britain's Future* and they must now be embedded through smarter government.

### Smarter government releases efficiencies for the frontline

Done correctly, better public services can go hand-in-hand with more efficient delivery. For example, as part of a broader impetus on back office and efficiency savings in the recent Policing White Paper, *Protecting the public: supporting the police to succeed*, the Home Office has estimated that using data to more accurately deploy police officers where they are needed the most will release £70 million of savings on police overtime.

The measures in *Putting the frontline first* will release over £3 billion of new efficiency savings per year, in addition to outlining how we will achieve £9 billion of OEP efficiency savings. This will enable continuous investment in public services even as public spending growth slows. Improvements in value for money will come from across the public sector: reduced costs of delivery through services that are increasingly provided online; empowered local public services that collaborate and innovate to find more efficient methods of delivery; and streamlined central government that is no bigger than it has to be.

### Efficiencies in *Putting the frontline first*: examples of savings

- **Empowering citizens** by increasing use of online service delivery and by also reducing face to face contact will result in over £600 million new savings. We will also accelerate digital inclusion further and secure the national roll out of Tell Us Once for births and deaths.
- **Freeing-up the frontline** to reduce the costs of delivering local services, for example reviewing inspectorates to save at least £100 million
- **Streamlining central government** will deliver through Senior Civil Service redesign, saving £100 million, improving sickness absence, saving £40 million, and streamlining Arm's Length Bodies, saving £500 million. We will also cut consultancy spend by 50% and marketing and communications spend by 25% saving £650 million.

## Achieving smarter government

To illustrate how *Putting the frontline first* will happen, this publication lists concrete reform direction for the next few years and also specific actions that start moving in the right direction over the next six months. It sets out three central actions:

- **Action 1** – Strengthen the role of citizens and civic society
- **Action 2** – Recast the relationship between the centre and the frontline
- **Action 3** – Streamline central government for sharper delivery

And the delivery mechanisms to make it happen are set out in the **forward plan** at the end of this publication.

# ACTION 1: STRENGTHEN THE ROLE OF CITIZENS AND CIVIC SOCIETY

Smarter government means giving people the tools they need to help shape services and to hold government to account.

Technology has a key role to play in building this new relationship – both in opening two-way channels of communication between citizens and professionals and in providing increased transparency on the effectiveness of government. As citizens shape public services, government will help them to play a more active part in managing their own needs, serving their own communities and strengthening civic society.

The Government will strengthen the role of citizens and civic society in five ways:

1. **Giving people guarantees to high quality public services** that are at the centre of their lives, driving up standards
2. **Accelerating the move to digitalised public services**, enabling transactions that are online, personalised, flexible, and time-and cost-efficient
3. **Radically opening up data** and public information to promote transparent and effective government
4. **Encouraging greater personal responsibility** through technology and interactive services so that more people take an active role in improving their own life chances
5. **Building a stronger civic society** by working collaboratively with communities to improve and deliver public services.

These actions build on recent reforms set out in *Excellence and fairness: Achieving world class public services*, *Working Together: Learning from the World's Best Public Services* and *Building Britain's Future*. These publications introduced, for the first time, the Government's pledge to increase choice and control in public services through stronger entitlements and better information about services. The Government is equally committed to increasing the capacity of civic society; for example, since 2006 over 900,000 volunteer places have been provided for young people to help support their local communities.<sup>1</sup>

Government can go further. Guarantees will be extended to cover core expectations of public services, locking in universally excellent standards across health, education and policing. Digitalising public services needs to keep pace with consumer demand, and public data need to be more readily accessible in order to transform government's openness and accountability. Communities can be helped to achieve their full civic potential through creative new social enterprises. Getting this right unlocks significant social and economic value for citizens, communities, businesses and government. For example:

- In Sweden, healthcare entitlements halved the number of local councils not meeting the standard for access to care within three months.<sup>2</sup>

- Accelerating the move to digitalised public services and reducing the gap on digital inclusion could generate £400 million of savings over three years,<sup>3</sup> to be invested in the frontline.
- Opening up public data and information paves the way for innovations like the *Times Educational Supplement* (TES) shared lesson planner forum, which saves time and resources, potentially releasing up to £1 billion of teaching time by 2011.<sup>4</sup>
- By increasing levels of self-care and patient-focused approaches in health, the NHS could save more than £6.9 billion a year (£20.7 billion by 2014).<sup>5</sup>
- Equipping civic society to contribute more can generate huge benefits to the economy. Formal volunteering contributes an estimated £22.7 billion to the economy each year.<sup>6</sup>

The first priority in strengthening the role of citizens and civic society is setting out a clear base from which everything else builds. By guaranteeing minimum standards for public services, citizens and professionals can then work to secure ever more personalised delivery.

### 1.1. Giving people guarantees to high-quality public services

*Building Britain's Future* set out how the transformation of public service standards will be locked in and advanced through a series of national, enforceable guarantees. This will ensure that everyone, not just a few, have stronger guarantees to core services and minimum standards. Through entitlements, people:

- **Gain better awareness of what they can expect**, which drives take-up and engagement
- **Have a quicker, simpler redress** process to accelerate feedback and improvement

- **Have a more secure base** for personalised services and shared responsibility.

Entitlements are being implemented across policing and justice, health and social care and education, backed by strong, simple redress mechanisms to remedy problems quickly. The Policing Pledge, for example, gives people the right to hold the police to account at monthly beat meetings; the right to expect minimum response times; and a guarantee of their neighbourhood police spending at least 80% of their time visibly working on behalf of the public in their neighbourhood. Entitlements are also ensuring prosecution decisions are informed by local people's views and are setting in place core quality standards which represent the prosecutor's commitment to the public.<sup>7</sup>

To drive service improvement and genuinely empower people, entitlements need to be backed up with strong, simple redress mechanisms which quickly remedy problems. Where a service is provided to an individual and there could be a number of providers, such as in healthcare, an effective redress mechanism is to offer users alternative provision and support people accessing this.<sup>8</sup> Where a service is provided to a whole community and there is not a range of providers, such as in policing, people should be able to directly trigger action to improve the service. This could be through intervention from an inspectorate, local or central government, or a penalty to the service.

To take this further, a range of guarantees and rights to redress for health, social care, education and policing are now being implemented.

## Commitments: driving up standards by empowering citizens with guarantees to high-quality public services

**In health**, we are introducing new guarantees in the NHS<sup>9</sup> Constitution, including an **entitlement to be treated within 18 weeks and seen in two weeks for urgent referrals for cancer**, or for the NHS to offer the option of going private. This means that patients will be clear about the level of service they have the right to expect and will be able to access alternative provision if standards fall short. We will also introduce an **entitlement to a health check every five years for 40–74 year olds**, starting in April 2012.

These complement the commitments we set out in *Building Britain's Future* for the further transformation of maternity services to ensure they are better able to offer personalised support throughout pregnancy – offering greater control and choice for all women.

And in the coming months we will also bring forward proposals to extend the choices which patients have to receive their care at home, in comfort and with the support of their family, and in a way which suits them and their personal circumstances. We will publish our detailed plans for a National Care Service in early 2010, which will include proposals for new entitlements and rights for social care.

**In education**, new guarantees for pupils and parents were first set out in the Schools White Paper in June, which we will underpin through legislation in the Children, Schools and Families Bill. Core guarantees include:

- **One-to-one tuition for the children who are falling behind<sup>10</sup>** in reading, writing and maths by the age of seven and who are unlikely to catch up by the time they leave primary school; and one-to-one or small group tuition for any pupil who does not master the basics and reach expected national standards in English or maths by the time they leave primary school.
- **A personal tutor for every secondary school pupil** who will be the named point of contact between the parent and the school.
- **A school leavers' entitlement** – the September Guarantee – giving all 16 and 17 year olds the guarantee of a suitable place in education or training.

Where parents and pupils do not receive these new guarantees, parents will be able to seek redress through the Local Government Ombudsman.

We are also legislating so that local authorities will be required to survey all parents of Year 6 children in their area and assess their satisfaction with the range and quality of secondary schools. Where there are high levels of dissatisfaction, local authorities will be required to respond with plans for improvement, potentially including expansion of good schools or, depending on the availability of capital, the establishment of entirely new schools.

**In policing and justice** we have set out plans in the Policing White Paper to strengthen accountability and redress if entitlements are not met. From March 2010, Police Report Cards will be available online, giving the public a clear view of the quality of policing in their area – including, for the first time, access to information below force level on a quarterly basis. We are also introducing the right to public meetings with senior police officers to address concerns about performance or other issues. And for repeat victims of crime – including antisocial behaviour – we will be consulting on free access to legal support to pursue an injunction from the courts if the police and other agencies fail to act in a reasonable timeframe.

## 1.2. Accelerating the move to digitalised public services

In addition to entitlements, improving public services requires government to accelerate its use of technology to ensure that services are tailored for individual and business needs. Digital delivery offers us the opportunity to build better public services. The UK is well positioned in the digital revolution: we are already ranked third in the OECD for sophistication and availability of online services,<sup>11</sup> and in *Digital Britain* we set out a clear ambition to build on the UK's position as one of the world's leading digital knowledge economies. *Putting the frontline first* goes a step further in its ambition and urgency for digitalising public services.

Digitalising public services enables them to be delivered in ways that are more convenient for citizens and businesses, saving time in busy lives and ensuring more cost-effective delivery. Evidence from 19 local authorities indicates that the average cost saving to government of an online transaction is between £3.30 (compared to telephone) and £12 (compared to post).<sup>12</sup> In turn, switching transactions to online channels frees up staff to provide personal support and advice where it is most needed. For example, since the Online Benefit Adviser Service was launched in April 2008 it has saved an estimated 690,000 calls to the Department for Work and Pensions (DWP).<sup>13</sup>

Examples from around the world demonstrate what more can be done. In Norway a citizen can notify a service of change of address, view

pension details and register with a doctor in one transaction. In Estonia a company can be set up over the internet in only 15 minutes.<sup>14</sup> In New York the '311' service joins up 900 different public services through a single contact phone number.<sup>15</sup> In the UK, police are using handheld devices, allowing them to record information immediately rather than returning to the station to fill out forms, which is expected to save at least 30 minutes for each officer. And the recent handling of the swine flu pandemic and the 'Tell Us Once' pilot has shown what is possible when joining up services:

### Case study: the swine flu pandemic and 'Tell Us Once' pilots

The response to this year's swine flu pandemic illustrated how the three digital services – Directgov, NHS Choices and Business Link – can work together to deliver an effective, integrated and excellent service. NHS Choices, Directgov and the new Pandemic Flu Service worked in partnership to meet the demand of over 10 million visits for information on swine flu in July 2009 alone. This contributed to a reduced number of avoidable NHS contacts – typically costing £18 for each GP consultation and £79 for each accident and emergency attendance.

The 'Tell Us Once' pilots have also successfully joined up a range of services to allow citizens to inform government of a birth or death once, rather than many times. A birth or death can impact on any of 24 different benefits or services delivered by 433 local bodies and central government departments. This initiative has proved hugely popular with citizens, with 99% user satisfaction ratings, and has led to estimated potential benefits of over £260 million over 10 years if rolled out nationally.

Savings achieved through digital services can be increased further by bringing online those that are currently digitally excluded. According to a PricewaterhouseCoopers study, if all digitally excluded adults could make just one digital contact with public services a month, instead of using an alternative channel, an estimated £900 million per year could be saved.<sup>16</sup>

In taking this agenda forward, the Government will deliver on three principles:

- **Shared data will not undermine the protection of individuals' personal data.** It is a fundamental duty of government to provide security for citizens, and that security has to extend to the online environment. Information assurance and identity security are and will be at the heart of any thriving digital economy.<sup>17</sup>
- **Digital services will be universally accessible,** by providing targeted help to people who face barriers to online access. *Digital Britain* has set a commitment to universal access to basic broadband speed by 2012, with the majority of the country connected to higher-speed broadband by 2017. It also announced a national plan for digital participation to address further barriers that face the 10.2 million people who do not yet benefit from online capabilities. This recognises that digital inclusion covers a breadth of issues including accessibility, skills, affordability and social and cultural barriers. Martha Lane Fox was appointed as Champion for Digital Inclusion in June 2009 with a remit to be the conscience of government on behalf of those citizens who are disadvantaged due to digital exclusion, and she will play a central part in developing the actions in the national plan. Moving public services to digital channels is dependent upon both ensuring secure access and tackling digital exclusion.
- **Service users will be directly involved in the design of online services** in order to ensure that they are usable and meet their needs. A key factor in the success of online services like the Driver and Vehicle Licensing Agency's car tax and HM Revenue & Customs' tax return is that they are simpler and easier to use than other channels.

### Case study: the Home Access Programme<sup>18</sup>

The Home Access Programme is being rolled out nationally from the end of 2009, and will benefit over 270,000 households by March 2011. The programme will provide eligible low-income families with grant funding to purchase a computer and an internet package designed to support learning. Initially it will target learners in Years 3 to 9 inclusive, and skills support will also be available to parents through myguide and UK online centres. Recent evidence suggests that home access to technology can lead to an improvement of two grades in GCSE subjects; that households can save hundreds of pounds each year; and that people with digital skills are likely to be more confident in seeking jobs.

*Putting the frontline first* will therefore extend and accelerate our plans for supporting many more citizens to gain access to online services. The actions we will take to achieve this include:

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## **Actions: accelerating the move to digital services**

**We will invest £30 million with UK Online** to support the development of the National Plan for Digital Participation to get more than one million people online in the next three years.

**We will roll out the groundbreaking 'Tell Us Once' service for births and deaths nationally**, together with local government, in 2010. We will work with local government partners to pilot 'Tell Us Once' for people's change of address in selected areas for 2011. If these pilots are successful we will then aim to roll the programme out nationally.

**We will accelerate plans to drive more rapid transition to online and personalised services.** Departmental channel strategies will set out service by service how transactions with government will move online as rapidly as possible, with a view to targeting near 100% by 2014. They will need to address extending online access to the digitally excluded population and funding considerations.

**The strategies will inform a Digital Britain Roadmap, which will be produced by the end of 2010.**

This will focus on transition plans for key services such as student loans, Jobseeker's Allowance and Child Tax Credits to be online, and by Budget 2010 we will have set a timetable for an online Child Benefit service. Users of these services – families with young children, young adults and unemployed people – will be a priority for targeting the digital inclusion work, to ensure that they are able to access services online as the services are made available.

**We will make it easier for public services to join up**, by establishing a set of common protocols and reviewing the legal framework that governs the way in which public services exchange information. We will also join up and transform Directgov, NHS Choices and Business Link so that they provide a platform for departments to design and deliver personalised digital services. Directgov will champion citizens' perspectives to help departments to design and deliver excellent digital services.

**We will collect all VAT returns and employer tax returns exclusively online by 2011 and we will streamline engagement with the tax system through use of diverse communications channels. We will encourage local authorities to increase to at least 80% the proportion of applications for school places being made online by 2011/12.**

### **1.3. Radically opening up data and promoting transparency**

Entitlements guarantee access to and quality of services, and digital technology enables more services to be joined up and online. It is equally vital to use new technology to harness people's appetite and ability to drive up service standards. In the past, much public service improvement was driven by the force of government targets set by central government. In the future, much more of the pressure for improvement can come from the local level.

Ultimately, a more informed citizen is a more empowered citizen. In a modern democracy citizens rightly expect government to show where money has been spent and what the results have been.<sup>19</sup> With the interactive capabilities of the web, government can offer citizens and communities the chance to pass comment on services in real time. The website [www.lovelewisham.org](http://www.lovelewisham.org) encourages residents to report graffiti and fly-tipping for quick removal, and since its launch there has been an 8% decrease in graffiti and 30% reduction in complaints.<sup>20</sup> The new online crime maps which went live in October 2009 mean that for the

first time everyone in the country can search by postcode for facts about crime in their area and what is being done by the police and courts to deal with it.<sup>21</sup>

Across the UK both informal and professional groups use the internet to share information and drive change. Teachers, for example, share lesson plans through the TES Connect resource to save time and to learn from others.<sup>22</sup> Most recently, volunteers have updated base maps on the Open Street Map website to show where roads and bridges have been blocked by flooding or damage.<sup>23</sup> Many local councils offer communities the opportunity to propose projects that offenders work on as part of Community Payback and to choose how assets seized from criminals are spent. Building on crime mapping, the Home Office is piloting ways to allow people to use police data on late-night incidents to help them choose the safest routes home – and to post travel tips for others.

#### **Case study: TES Connect<sup>24</sup>**

TES Connect contains an online resources exchange for teachers to share lesson plans, and is the largest online professional network in the UK, with 870,000 registered users. The resources part of the site receives 850,000 visits per month with 2,000,000 teaching resources being downloaded by the teaching community monthly. 97% of teachers believe that TES resources are effective or very effective in delivering their lessons. The TES estimates that the site is reducing duplicated work at a rate that will result in up to £1 billion of teaching time going back into the classroom by 2010/11 – equivalent to adding 30,000 full-time teachers.

Data can also be used in innovative ways that bring economic benefits to citizens and businesses by releasing untapped enterprise and entrepreneurship. Sir Tim Berners-Lee and Professor Nigel Shadbolt predict a significant increase in economic growth if more publicly held data are released for reuse.<sup>25</sup> A study by the University of Cambridge found that the growth to the UK economy from freely releasing just a subset of the public sector data that are currently sold could be £160 million in the first year alone.<sup>26</sup> And from a Cabinet Office pilot which involved better access to government data, developers were able to create new tools to better inform the public:

- Within a day of bike accident data being published online, it had been added to maps to help cyclists to make decisions about routes they take.
- After NHS dental surgery data went live, an iPhone application was created to show people the nearest surgery to any current location.

Public services are run and assessed on objective, non-personal 'public data' that are generated in the course of service delivery. The taxpayer has already paid for its collection, but does not always have the right to access it. Enabling access on the terms of our public data principles (see box) will create opportunities for third parties to develop innovations using free government data.

### **Commitments: government's public data principles<sup>27</sup>**

'Public data' are 'government-held non-personal data that are collected or generated in the course of public service delivery'.

Our public data principles state that:

- Public data will be published in reusable, machine-readable form
- Public data will be available and easy to find through a single easy to use online access point ([www.data.gov.uk](http://www.data.gov.uk))
- Public data will be published using open standards and following the recommendations of the World Wide Web Consortium
- Any 'raw' dataset will be represented in linked data form
- More public data will be released under an open licence which enables free reuse, including commercial reuse
- Data underlying the Government's own websites will be published in reusable form for others to use
- Personal, classified, commercially sensitive and third-party data will continue to be protected.

To enable this innovation, government must unlock much more data. These data have to be usable: the *Power of Information Taskforce Report*<sup>28</sup> concluded that even where government data are currently available it can be hard to find, published in non-reusable formats or subject to licences which prevent access and reuse.

Within these guiding principles we will take the following actions to open up data and promote transparency:

### **Actions: opening up data and promoting transparency**

**We will release valuable public datasets and make them free for reuse. This will include:**

- Releasing health data such as the **NHS Choices** data
- Consulting on making **Ordnance Survey** mapping and postcode datasets available for free reuse from April 2010
- Increasing **access to and reuse of public transport data**<sup>29</sup> including the National Public Transport Access Node database, with information available to the development community by April 2010, providing live incident warnings and traffic camera images to GoogleMaps™ and increasing the number of GPS-enabled buses to cover 80% of journeys by 2015

- **Opening Met Office Public Weather Service data to include: releasing significant underlying data for weather forecasts for free download and reuse by April 2010, and working to further expand the release of weather data, while recognising all public safety considerations; releasing a free iPhone application to access weather data by April 2010; releasing a widget that enables other websites to deploy Met Office supplied weather information by April 2010; and making available more information on Met Office scientists, their work and scientific papers, free of charge**
- Publishing, by spring 2010, details of how the fiscal stimulus announced in the *Pre-Budget Report 2008* has been spent, disaggregated to local level
- Launching a public consultation early in 2010 to seek views on how we could publish further **financial data** so that it is user-friendly and accessible, with a view to putting a live system in place by summer 2010
- Integrating **ONS data** with [www.data.gov.uk](http://www.data.gov.uk) from January 2010.

**We will make government data accessible through a single access point at [www.data.gov.uk](http://www.data.gov.uk), which will go live from January 2010 with over 1,100 central government datasets free for reuse, ranging from lists of schools to traffic volumes on the trunk road network.**

**We will encourage local government to release local public data and make it free for reuse, and establish an open-platform local data exchange. Professor Nigel Shadbolt will lead a local public data panel to ensure that data are linked effectively across local authorities, the Local Government Association, government departments and agencies.**

**We will create new ways for the citizen to interact with public services and public policy. By December 2010 we will extend user comment capabilities on NHS Choices to cover all health services, and we will publish key consultations online via the Directgov consultation index, with tools for interactive dialogue, enabling citizens to comment on draft legislative bills.**

**We will make a number of important technical improvements to public data: we will aim for the majority of government-published information to be reusable, linked data by June 2011; and we will establish a common licence to reuse data which is interoperable with the internationally recognised Creative Commons model.**

#### **1.4. Encouraging greater personal responsibility**

Opening up information is an important step to empowering citizens to drive improvements in public services. However, it is the actions people take on this information that will improve life outcomes for themselves, their families and communities. Learning from the latest advances in behavioural economics, government can help people to help themselves, for example by using people's knowledge of what works for them to manage a chronic health condition, or by supporting them to get involved with their children's education or by providing them with information on lifestyle choices.<sup>30</sup> Small changes in behaviour can have a valuable impact on the quality of life of individuals, families and communities, as well as leading to valuable savings in public expenditure.

Digital technology is a vital tool in helping people to take greater personal responsibility, which is why tackling issues associated with digital inclusion is so important. Research<sup>31</sup> shows that unemployed people who gain access to the internet can increase their chances of getting employment, with an estimated lifetime financial benefit of over £12,000. Therefore if just 3.5% of those who are digitally excluded found a job by getting online it would deliver a net economic benefit of £560 million.

### Case study: helping patients to remember their outpatient appointments<sup>32</sup>

The Royal Cornwall Hospitals NHS Trust sends appointment reminders by text message. These have resulted in 10% of patients who were reminded ringing up to cancel or reschedule. The prevention of just 20 missed appointments could cover the costs of setting up the system: in total, missed appointments cost the NHS around £600 million each year.

Positive changes in behaviour are even more likely when information and support is tailored to individual circumstances. Approaches such as predictive risk modelling can help to identify the different groups in society that will most benefit from targeted support. One area that is already seeing the benefits of predictive risk models is healthcare, where it is used to prioritise early warning signs for chronic conditions such as diabetes.<sup>33</sup> These models help primary care trusts to manage hospital resources by identifying patients who are at greatest risk of admission. Another area where analytics are being developed is in tackling benefit fraud. Through, for example, data matching with other parts of government and the private sector, DWP has successfully reduced benefit fraud by half since 2000/01.<sup>34</sup>

Greater use of risk-based tools and techniques could ensure tax compliance and debt collection resource is used most effectively.

To encourage personal responsibility, government needs to clearly articulate the responsibilities of both public services and service users. For example, the Home Office has announced the piloting of Neighbourhood Agreements which will give the public in a local area much more of a say about how issues where they live can best be tackled, and lead to allocations of resources that better reflect community priorities. The NHS Constitution, sets out clearly that service users have a number of responsibilities, including to treat NHS staff and other patients with respect and to keep appointments or cancel within a reasonable time.<sup>35</sup> Looking ahead, the active contribution citizens can make will increasingly be articulated through personalised agreements between individual service users and the professionals or service providers they interact with.

The actions that the Government will take to support citizens in taking control and responsibility include:

## **Actions: encouraging greater personal responsibility**

**We will make use of all new forms of communication wherever possible, using mobile and online applications – including social networking sites – where efficiencies for both users and providers can be gained. This includes encouraging the wider use of text messaging for GP appointments and other health and public service areas. Plans will be set out in departmental channel strategies by March 2010.**

**We will support primary care trusts in the use of predictive risk models in healthcare, in order to identify those individuals most at risk and build on the successful lessons from applications already in use.**

**We will identify which other public services could benefit from predictive risk modelling across each department, by Budget 2010.**

**We will set up a taskforce to investigate what more can be done to reduce fraud, using the best techniques from the private sector. This will report by Budget 2010.**

**We will enhance our overall approach to behaviour change, with the Cabinet Office and the Institute for Government publishing a report in January 2010 examining how best to apply these theories to the most important policy challenges.**

## **1.5. Building a stronger civic society**

More empowered citizens taking greater personal responsibility helps create stronger and more vibrant civic society. Together government and civic society can be partners in helping change public services and holding those services to account.

This means a bigger role for groups of residents, parents and patients, and third sector providers in shaping services in their local communities. And it demands concerted government effort to transform ways of supporting third sector and civic society's work with the public sector – encouraging still more to volunteer, unlocking new assets for community use and opening up new sources of investment capital.

### **Case study: Community Assets Programme**

The Community Assets Programme aims to empower communities by encouraging the transfer of underused local authority assets to local organisations. It will enable the refurbishment of 37 underused local authority assets which will subsequently be transferred to third sector ownership, investing up to £30 million. The first Community Assets-funded building opened in September 2009, in Birtley, Chester-le-Street, converting the old library into a new centre for community use.

There are already impressive examples of civic involvement. There are over a million Foundation Trust members<sup>36</sup> and more than a quarter of a million people serve as school governors. Many of the most important recent new services – from Sure Start children's centres to hospices – have come from a partnership between public

and third sectors. Other successful services – such as mental health support and parenting support – often sit within a dense network of informal peer support groups,<sup>37</sup> volunteers and third sector partners. This ensures closer ties and regular feedback between those who provide services and those who use them.

### Case study: Social Impact Bonds

Historically, charitable trusts and foundations have sought to prevent acute social problems in the UK, using grant funding to improve social outcomes. But without reliable large-scale funding, trusts and foundations can only be effective on a relatively small scale. Social Impact Bonds attract non-government investment into their activities, with returns generated from a proportion of the related reduction in government spending on acute services. Social Impact Bonds have the potential to unlock an unprecedented flow of social finance. By focusing reward on outcomes, organisations are incentivised to develop innovative interventions to tackle social problems. They will enable foundations, social sector organisations and government to work together in new partnerships to define social problems and transform the way many social outcomes are achieved.

In particular, there are three ways in which local public services can become stronger by working together with local communities and the local third sector:

- First, by involving those who use services in their design and delivery. Websites such as [fixmystreet.org](http://fixmystreet.org) and the NHS Choices website are receiving feedback on local services in volumes never experienced before. Web 2.0 takes this a stage further by offering communities the chance to pass real time comment.

- Second, public servants can mobilise people to help each other. Millions of dedicated citizens share their valuable skills through peer support and volunteering. They can act as sources of advice to others in similar positions, for example through the Expert Patient Programme.<sup>38</sup>
- Third, civic society can help deliver public services itself. Investment in local social enterprise has grown significantly over the last 10 years, and there are now 62,000 social enterprises in the UK.<sup>39</sup>

### Case study: tackling antisocial behaviour as a community<sup>40</sup>

In Redruth in Cornwall, community leaders brought residents' groups together to work with the police to tackle antisocial behaviour. One significant success has been Operation Goodnight. Parents were asked to keep their teenage children at home in the evening – a 'voluntary curfew' – and multi-agency patrols including the police, council and voluntary bodies walked the streets. The scheme led to a 60% reduction in crime while antisocial behaviour was down by 67%, year on year.

To broaden participation in and strengthen the role of civic society, the Government will take the following actions:

## **Actions: building a stronger civic society**

**We will work with stakeholders to produce a regularly updated Civic Health Index** from early 2010, to enable citizens and leaders to assess how well civic society is faring and how it can be enabled to thrive.

**We will pilot Social Impact Bonds as a new way of funding the third sector to provide services.** The Department for Communities and Local Government (CLG) is actively developing a pilot to use Social Impact Bonds to draw in new investment into third sector service provision. This has the potential to radically change how government funds the third sector, by rewarding social investors for work which reduces future social costs.

**We will finalise the model for a Social Investment Wholesale Bank,** providing capital to organisations delivering social impact and ensuring the long-term sustainability of social enterprises. The process of engaging with potential providers of the Bank will commence by Budget 2010. We plan to provide the necessary launch investment for the Bank from the Dormant Accounts Scheme, subject to resources, as well as funding for youth facilities to ensure that in every community there are places to go for young people, and funding for financial

capability. We will also strengthen our support for community asset transfer and ownership by promoting wider use of community shares from early 2010 and reviewing scope to relax existing clawback conditions on publicly funded community assets.

**We will develop criteria on social assets** by Budget 2010, to determine whether alternative delivery structures such as cooperatives or third sector entities would offer the greatest value for public assets. This will include looking at how civic organisations could be given new rights to access unused spaces.

**We will financially support innovative programmes to bring services together with civic society.** This includes the Young Foundation pilot programme to bring entrepreneurs into primary care trusts to stimulate innovation and strengthen relationships between the local community and frontline public service professionals. This also includes supporting the 'Innovation Exchange' in the next financial year to bring together third sector organisations with the most innovative ideas on tackling social problems with local public service commissioners and investors. Also, building on recent Young Foundation<sup>41</sup> work on civic society, we will explore further options to strengthen interaction between neighbourhood services and citizens.

## SUMMARY OF CHAPTER

The actions set out in this chapter will strengthen the role of citizens and civic society, and in so doing enable better public services for a reduced cost. They support the three key principles of smarter government:

- **Open, accountable public services** – through releasing most public data and providing new digital channels for citizens to engage with government. All government data will be made accessible through data.gov.uk in the future.
- **Devolved decision making**, guaranteeing minimum standards through entitlements and giving citizens and communities a stronger voice in determining the services they receive. For example, we will extend user comment capabilities on NHS Choices from hospitals to all health services.
- **Renewed focus on value for money** by making best use of digital channels and ensuring that public services target what citizens need, not what government thinks is best. For example, rolling out 'Tell Us Once' nationally will create benefits of up to £260 million over 10 years.

To realise these improvements, frontline organisations must be empowered to make changes based on local contexts. In the next chapter we set out how smarter government will create the space for the frontline to achieve this aim by simplifying performance management and easing the burdens of inflexible financial frameworks.

## ACTION 2: RECAST THE RELATIONSHIP BETWEEN THE CENTRE AND THE FRONTLINE

Strong national entitlements, performance management and regulation from the centre help guarantee excellent public services for citizens and communities. However, if local public services are too focused on meeting national objectives they may fail to fully respond to local challenges and need. Setting out high standards for all services at a national level, but not prescribing the means to achieve them, means government can take a ‘Total Place’ approach to public services. This frees up the frontline to determine what works best for their local areas and communities, and to respond to the user-driven direction outlined in the previous chapter. Local flexibility to innovate helps government to deliver better quality public services, more efficiently.

The Government will recast the relationship between the centre and the frontline in three ways:

1. **Letting local areas have more control over setting priorities and guiding resources** by simplifying performance management from the centre and increasing local flexibility over the use of resources
2. **Reducing burdens on the frontline**, whether from reporting, inspection or assessment, with a focus on removing those burdens of least benefit to local people
3. **Harnessing the power of comparative data** so that it is available to citizens and frontline professionals, and is at the centre of local scrutiny and simplified performance management systems.

These priorities continue the reforms set out in *Building Britain’s Future*, and accelerate the move from a system based primarily on targets and central direction to one of local control over local services – but in an overall framework where core standards and key entitlements are protected at a national level. Much progress has been made already. In 2002 there were an estimated 1,200 indicators for local councils. These were prioritised to 188 in the National Indicator Set. And since 2008, Local Area Agreements have allowed local councils to choose, in negotiation with central government, up to 35 indicators which best reflect their local priority outcomes. Similarly, in 2004 the police had numerous targets whereas they now have just one.

But there is still room to improve. Around a quarter of public spending is controlled at local level; the rest is directed from the centre.<sup>1</sup> Although the Government has reduced many administrative burdens over the past five years, unnecessary assessment requirements can still prevent frontline services from operating as efficiently as possible. And while the Government publishes more data on frontline performance than ever before – such as the NHS tariff and school league tables – more can be done to make this accessible and meaningful to citizens and professionals alike.

- A pilot study in Birmingham found that for every £1 public services spent on children’s early years intervention, they would save £4 further down the line in the costs of antisocial behaviour and severe health problems. It also found that each £1 spent on drug treatment could realise over £9 of savings in the criminal justice system.
- Leicester and Leicestershire have identified that public bodies in the city and county process over 3,000 performance datasets, reports or evaluations each year, at an estimated cost of over £3.5 million.
- Making the unit costs of NHS care explicit will help to deliver over £750 million in efficiency savings through the inbuilt efficiency requirement in the NHS tariff.
- Reducing duplication and inefficiency between different tiers of local government will support savings and improve service quality – the nine unitary councils created in April 2009 are on course to deliver over £150 million of efficiency savings in 2010.
- Total Place will report alongside Budget 2010, setting out ambitious savings to be delivered across locally delivered public services, based on evidence from the pilots.

The first step in freeing up the frontline to innovate and collaborate is to let local areas set more of their own priorities and guide more how resources are spent. This will enable savings through more efficient allocation of public money – better targeted to have a bigger impact.

### 2.1. Letting local areas set priorities and guide resources

The Total Place initiative was launched in *Budget 2009* to take a ‘whole area’ approach to delivering public services in a geographical location. Total Place looks at how to deliver

better services at less cost, through effective collaboration between local organisations and leadership. This goes in hand with the Government’s aim to strengthen local democracy, with strong local leadership being held to account by local people, and builds on the Government’s commitment to extend local powers of scrutiny.

#### Case study: Total Place pilots

Thirteen pilots across each region in England are helping to demonstrate how providers that work together can improve efficiency and put the needs of users at the heart of the way services are designed. Each pilot has picked at least one particular theme to explore in more detail – such as early years, ageing and crime. Examples of early findings include:

- Durham has found that £185 million was invested in housing in 2007/08, spread across 13 significant funding streams and a number of smaller scale streams.
- Kent Partners has estimated that the public sector asset base in the county is valued at more than £4 billion, and is working together on a single asset management strategy to generate further efficiencies from this base.

The Total Place pilots will provide powerful evidence of how to unlock value within an area, for example by reducing duplication and overlaps, and by focusing services more squarely on the needs of users. The Government will be ready to respond to these findings at two levels: first, by letting local areas set priorities, and further streamlining the national-local performance framework; second, by enabling local areas to guide the use of resources.

## Let local areas set priorities

Targets have been successful in tackling systemic underperformance in services – for example, in moving to today’s health service in which over 95% of patients wait no more than 18 weeks. Performance management systems are now able to adapt to meet new demands as public services move towards greater partnership between citizens and professionals and towards greater local accountability. They can become more joined up and less prescriptive.

### Case study: freeing up the frontline through new powers for professionals

In policing, the QUEST programme has helped the police service deliver lasting improvements in public outcomes and performance by allowing officers and staff to work out how they can use their time and that of their colleagues to have the biggest impact. For example, West Yorkshire Police reduced crime resolution time in Killingbeck from 47 days to only three days.

In health, the Productive Ward: *Releasing time to care*<sup>™</sup> programme helps ward teams to redesign and streamline the way they work. It helps achieve significant and sustainable improvements in the extra time that they give to patients. For example, the Royal Liverpool and Broadgreen University Hospitals NHS Trust increased direct patient-care time from 27% to 40% for sisters, and from 25% to 45% for staff nurses.<sup>2</sup>

In education, the Government has supported Teach First, an independent charity, placing excellent teachers into challenged secondary schools for a two-year period. Almost two thirds of those teachers either stay teaching or continue to stay involved with the Teach First mission – for example, through pupil mentoring.<sup>3</sup>

The Government has made progress in reducing targets where they are no longer needed – for example, cutting the number of national indicators for local authorities from 1,200 in 2006 to 188 now, and streamlining national performance frameworks from 600 objectives in 1998 to just 30 outcome-based Public Service Agreements<sup>4</sup> today. These 30 outcomes articulate the core, cross-cutting priorities of the Government.

In the future, services will need to collaborate better in order to achieve wider outcomes such as reducing teenage pregnancy or bringing down obesity levels. But performance management indicators are often designed with an individual service in mind rather than focusing on these wider outcomes – and local authorities have identified this as a key barrier to greater collaborative working at a local level.

To further simplify performance management from the centre, the Government will take the following actions:

## Actions: letting local areas set priorities

We will streamline the Government's national performance framework. At the next Spending Review we will significantly reduce the number of high-level priorities we set out at a national level. Over time, as we roll out the system of entitlements and guarantees, we will be able to reduce the number of national indicators for local authorities. As an initial step, by April 2010 we will remove a number of indicators that are no longer relevant or needed. And as the new personal entitlements and guarantees become embedded, we will look to reduce the number of national indicators more substantially from 2011, following a review and appropriate consultation.

We will align the different sector-specific performance management frameworks across key local agencies – the NHS, police, schools and local government – thereby increasing the focus on indicators relating to joint outcomes. We will set out in Budget 2010 the key areas where frameworks for specific frontline sectors can be further aligned.

## Enable local areas to guide the use of resources

Centrally defined financial frameworks will always be necessary to underpin strong national accountability for public spending and to set the overall strategic direction for public services. However, unnecessarily rigid frameworks can limit frontline organisations' ability to combine resources effectively to meet local priorities and needs. As a result, they cannot always make the spending decisions that matter to their local population. Some of the barriers include:

- **Overuse of ring-fenced budgets**, which can inhibit strategic local spending decisions. While ring-fencing is often important to drive consistent implementation of national priorities, out of 52 specific revenue grants to local authorities totalling £76.3 billion, 36 are currently ring-fenced, to the value of £39.5 billion.
- **Multiple national funding streams**, which can get in the way of cross-sector working. For example, there are 102 different local authority revenue funding streams, including 49 in education and children's services, 11 in adult social care and six in policing.
- **Disincentives to align budgets** across local organisations because of the complexity of operating pooled budgets and lack of clarity about roles and responsibilities. This means, for example, that only 3.4% of health and social care funding was formally pooled in 2008.
- **Disincentives to invest in interventions where the benefits may accrue to a much wider set of organisations** than those making the spending decision and where benefits are only realised in the longer term. For example, spending on health prevention may reap benefits in the long term for employment agencies and the police.

### Case study: Wraparound Milwaukee

Through pooling one budget across several different government agencies, Wraparound Milwaukee acts as a single system of care for children with serious emotional disturbance. The programme offers each child a lead professional, who works closely with the family to help them choose the right package for them from among 70 different support services. The programme has drastically reduced daily residential treatment usage and has halved the cost per child in residential treatment.<sup>5</sup>

The Government has already taken steps to grant local authorities greater financial freedoms and flexibilities. Reduced ring-fencing and streamlined performance management have already freed up councils, alongside new tools to secure investment and support economic growth, such as the Community Infrastructure Levy and Business Rate Supplements. To go further in increasing local flexibility in the use of resources, the Government will undertake the following actions:

### Actions: letting local areas guide resources

We will increase local flexibility over resource use with a package of measures from 2010, which build on the findings of the Total Place pilots. These measures are likely to:

- **See more devolution of resources to local authorities and local delivery organisations:** both devolving more centrally held funding, as well as de-ring-fencing funding which has already been devolved, where this is possible without impacting on the delivery of national priorities or limiting wider flexibility. By Budget 2010 we will set out specific proposals to reduce the level of ring-fencing for local authorities
- **Reduce the number of different funding streams across the board so that services are not funded from a large number of small central pots.** By Budget 2010, we will set out plans to bring together the most fragmented funding streams, including the numerous different funding streams for housing and simplifying the area-based grant for local authorities. We will also set out plans by Budget 2010 to synchronise grant payments from departments to local authorities for the financial year 2011/12, to make it easier for local authorities to manage their spending more strategically

- **Consider single area-based capital funding – Total Capital – for a set of local public services with recommendations by Budget 2010.** This could increase the efficiency of capital investments and public sector assets in a place or city region, in part by encouraging more co-location of services and shared procurement of common infrastructure.

**We will look for further opportunities to encourage local authorities to benefit from joint ventures and use their trading powers to create further commercial opportunities.**

**We will continue to enable better use of resources by promoting the appropriate use of pooled budgets. We will:**

- **Develop a small number of focused pilots** to devolve pooled budgets to frontline service leaders, working with Local Strategic Partnerships and Children’s Trusts. These pilots will be up and running by the end of 2010 and, if successful, rolled out nationwide
- **Publish guidance on effective pooling and aligning** of budgets at a local level by Budget 2010 to incentivise and support local partner organisations to do this more often and more effectively – building on existing successful models of multi-agency working, such as Family Intervention Projects which are being expanded to reach 50,000 problem families and have been proved to cut crime and antisocial behaviour
- **Consider options relating to stronger local scrutiny** of spending on public services and publish specific proposals in early 2010

## 2.2. Reducing the burdens on the frontline

Letting local areas set priorities and guide resources does not remove central government’s responsibility to ensure standards in public services. Reporting, inspection and assessment are powerful tools to guarantee quality. But if not carefully designed these requirements can also reduce the freedom of local organisations to make decisions about the public services they deliver and can incur significant costs:

- The Total Place research across Leicestershire has identified that, collectively, public sector bodies in the city and county may be required to respond to 83 inspections during the year, with an associated staff cost of over £3 million annually.
- In 2008, 3,327 statutory instruments were introduced, a 44% increase on the 2,279 introduced in 1987.<sup>6</sup>

Currently, the costs of dealing with requests rest largely with the frontline services which supply the information and not with the government departments which make the requests. PricewaterhouseCoopers estimated that, in 2006, the average cost of upward reporting on councils was £1.8 million per authority per year.<sup>7</sup>

Reducing centrally imposed reporting, inspection and assessment burdens and maximising opportunities for coordinated data collection would decrease these costs. Central government has already started this work by reducing data requests made on the frontline by over 30% across nine key departments since 2007,<sup>8</sup> and through Comprehensive Area Assessments is ensuring that burdens on the frontline are reduced further. The actions we will take to ease the burdens on the frontline include:

## Actions: reducing burdens on the frontline

**We will reduce the total number of burdens on local areas, as well as the cost of compliance with existing burdens. We will:**

- **Coordinate timings**, where appropriate, of all assessments, inspections and reporting arrangements across central government and ALBs by 2010/11 where they are focused on similar outcomes
- **Develop options to coordinate and rationalise burdens on the frontline** through better coordination across Whitehall. Potential options include a new cross-government data gateway for requests from central government to the frontline; or a shared web portal bringing together all regulations and guidance for local areas in one place, allowing frontline professionals, businesses and the public to highlight burdens that can be reduced. We will report on firm options by Budget 2010
- **Review the work and number of inspectorates** across the public sector with firm proposals by Budget 2010. This will include the abolition of Her Majesty's Inspectorate of Court Administration. As part of this work we will look for opportunities to give the best-performing organisations greater freedom from central control, for example to local probation areas that meet tough performance criteria
- **Explore sharing costs of collecting data more equally** and identify how we can move to a fairer system for the suppliers of that information.

**We will significantly reduce the cost of burdens** by ensuring that reporting, inspection and assessment frameworks only include what is really needed to guarantee accountability, access and quality. We will:

- **Ask the Total Place pilot sites to use their forthcoming local reports in February 2010 to record the total burdens** across local agencies involved in their particular pilot topic, and to highlight their priorities for streamlining these burdens
- **Undertake work in each government department to identify the biggest obstacles to effectiveness** imposed by departments and arm's-length bodies (ALBs) on the frontline. This will build on existing programmes such as the Department for Children, Schools and Families' (DCSF) review of obstacles to delivery
- **Draw these two pieces of work together to inform the Government's response to the Total Place reports** on key reporting, inspection and assessment burdens where the cost outweighs the benefit, or where there is significant overlap between frameworks. We will remove as many identified burdens as possible in time for the 2011/12 financial year.

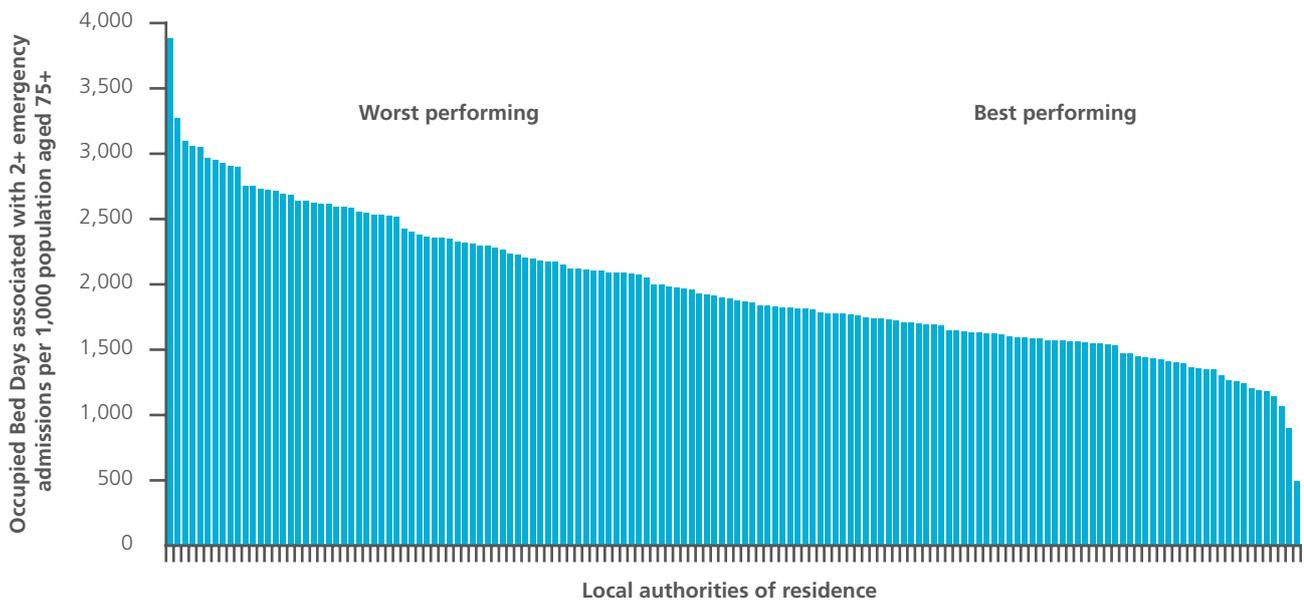
### 2.3. Harnessing the power of comparative data

The policies set out above will improve the balance of control between central and local bodies. Government still needs to play an important role in intervening swiftly to tackle poor performance, and to drive up quality across the board. To enable this, the Government will underpin streamlined performance measures with more widely available data on frontline organisations. These data will drive professionally led improvement at a local level by exposing

variations in quality and cost across the public sector. It will also inform interventions from central government, so that the best-performing organisations have more freedom from central control.

These variations exist across the public sector – for example, in policing overtime ranges from 3.4% to over 7% as a proportion of the pay bill across different forces. In social care there was a seven-fold difference in 2006/07 in the number of bed days for repeat emergency admissions for older people in England.

Bed days associated with repeat emergency admissions for older people in England 2006/07, by local authority of residence



Source: Analysis by Richard Hamblin, Healthcare Commission, 2008

In order to be most meaningful, performance data need to be compared to a benchmark or standard. For example, the NHS tariff is underpinned by a benchmarking system that has highlighted significant variations in cost across secondary care providers, and has driven down unit costs. The inbuilt efficiency requirement in the NHS tariff will save around £750 million this financial year.

Comparative performance data are also effective in driving up quality. A survey of international education in 2006 found that public reporting of school performance in external tests is associated with higher achievement – even after the demographic and socio-economic background of students and schools was accounted for.<sup>9</sup> In local government, the Audit Commission has found that greater benchmarking among councils has been a key driver in increasing the number of councils judged as ‘excellent’.<sup>10</sup>

### Case study: measuring unit costs in the NHS

NHS reference costs measure annually the unit costs of NHS treatment and show roughly a **two-fold variation in hospital trust-level unit costs on a like-for-like basis**. Looking in more detail:

- There are 28,000 major hip procedures in the NHS per year, with significant variation between the upper quartile cost (of £6,211) and the lower quartile cost (of £4,892).
- The number of patients with a length of stay of 0–2 days as a proportion of total emergency admissions varies between 40% and over 60%.<sup>11</sup>
- High-intensity users account for less than 10% of total hospital costs for some primary care trusts compared with nearly 25% for others.<sup>12</sup>

There are two key principles for developing better comparative performance data across the frontline. We should:

1. **Actively publish comparative data, including on costs and value for money**, to compare performance across different services and allow citizens and frontline professionals to play a role in driving improvement
2. **Use comparative data to drive performance** – whether through more sophisticated performance management or regulatory frameworks or, where appropriate, payment mechanisms and stronger local scrutiny mechanisms.

### Actively publishing comparative performance data

Comparative performance data can help drive up value for money when it takes into account the cost of achieving an outcome. Greater transparency of comparative data can also drive safety and quality across public services, and increase the accountability of public services for the standards and results they achieve; for example, in the systematic publication of a wide range of clinical data in the NHS. Comparative performance information published for citizens includes NHS Choices, which provides information to help patients in their choice of hospital or GP, and the Audit Commission’s ‘One Place’ website which is a single repository for independent information on local public service data. For the frontline it includes the Schools Financial Benchmarking website, which allows schools to compare their expenditure with that of similar peers. The actions we will take to publish higher quality comparative performance data include:

## Actions: actively publishing comparative data

We will make it easier to compare performance across frontline services, by publishing data on public service performance, citizen outcomes and value for money in achieving those outcomes. We will publish this data in reusable form on [www.data.gov.uk](http://www.data.gov.uk) by 2011. Specifically this means that:

- In **local government** we will work with the sector to develop comparable measures of value for money across a range of local government services. We will consult on these from spring 2010 and publish them in 2011.
- In the **health sector**, we will publish hospital-trust-level reference costs for specific treatment categories (or healthcare resource groups) online in early 2010.
- In **education**, we will publish as much data as possible from the National Pupil Database and other sources that is relevant and compatible with preserving individual anonymity from April 2010 onwards.
- In the **criminal justice system**, we will benchmark offender management in prisons and probation during 2010, and benchmark the whole of the prison and probation system, by the end of 2011.

- For **police force performance**, we will publish quarterly 12-month moving average crime data at police authority level, by 2010. This will inform the new Police Report Card being developed by Her Majesty's Inspectorate of Constabulary, and will allow comparisons across forces and basic command units or their local equivalent. By Budget 2010 the report cards will also incorporate value for money data which will enable comparison of forces' costs and productivity.

## Using comparative data to drive performance

Pressure from citizens and professionals is a catalyst for change. Government must ensure that all appropriate incentives are in place to underpin this process. It can do so by making benchmarked information a more central factor in performance management and payment, building on existing models such as the NHS tariff. Making comparative performance data available, especially with a benchmark or standard, can also strengthen local democratic scrutiny – such as with the new School Report Cards.

### Case study: School Report Cards

School performance needs to be reported in a way which is easily understood by school governors, parents and the public. The new School Report Cards will provide a single, prioritised set of outcomes against which schools will be judged by all parts of the system. Performance measured by School Report Cards is likely to include:

**Attainment:** the academic outcomes achieved by pupils

**Pupil progress:** the progress that pupils make during their time at school

**Wider outcomes:** pupils' health, safety, enjoyment, opportunity and ability to make a positive contribution, and prospects of future economic wellbeing

**Fairness:** recognising school's efforts to raise the achievement of disadvantaged or vulnerable pupils

**Satisfaction:** with current 'user' views which are of interest to prospective parents and pupils.

The actions we will take to use comparative data to drive performance include:

### Actions: using comparative data to drive performance

- **We will introduce best practice tariffs in the NHS by 2010/11 to address unexplained variation in quality.** We will also extend tariff principles into new settings, by introducing new currencies for mental health by 2010/11 and for community health services shortly afterwards.
- **We will introduce a presumption that, starting from 2011, public sector inspectorates begin to reserve top performance ratings for those service organisations that have performed well against value for money considerations.**
- **We have asked the Audit Commission to develop proposals for assessing the use of resources across a whole area by Budget 2010, for inclusion in Comprehensive Area Assessments.** This will assess how well local authorities and other frontline organisations are collectively managing their resources to deliver value for money for local communities.
- **We will enable the best performers to mentor the poorest.** We will work with local government to roll out a peer challenge process across all local authorities from spring 2010, building on work already under way in London. We have asked the NHS Institute for Innovation and Improvement, and the National Policing Improvement Agency to facilitate professionally led mentoring schemes.
- **We will examine where else benchmarking data are appropriate and can underpin performance management frameworks.**

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## SUMMARY OF CHAPTER

The actions set out in this chapter will free up frontline services to innovate and collaborate, which will lead to improved public services that are delivered more efficiently and effectively. These actions support the three key principles of smarter government:

- **Open, accountable public services**, by bringing a modernised frontline closer to the communities they serve, with flexibility to decide what works best. For example, by opening up parts of the National Pupil Database in 2010
- **Devolved decision making**, setting standards where they most matter and freeing up burdens elsewhere. For example, we will reduce the number of national indicators for local authorities
- **Renewed focus on value for money** by empowering citizens and professionals to compare services, and demand the utmost efficiency in public spending. For example, the new Police Report Cards will allow citizens to compare the cost of police forces across the country.

In the next chapter we will set out how the centre of government can enable this new relationship – supporting where it can add value, and not intervening where it does not. By focusing more intensively on improving its core performance, the centre can improve its support to frontline organisations and release value for local public services.

# ACTION 3: STREAMLINE CENTRAL GOVERNMENT FOR SHARPER DELIVERY

Central government has a clear task. It must provide leadership on the big challenges – ranging from reducing child poverty to supporting economic recovery – and help public services deliver day-to-day excellence. This means setting policy priorities, guaranteeing national entitlements and building up capacity for the frontline. The previous chapters set out how public services will become more transparent, user-driven and locally accountable. The challenge for central government is to support this response by becoming even more agile and effective. Smarter government can meet this challenge by streamlining the centre, sharpening its focus on excellence and freeing up efficiencies for the frontline.

Government will sharpen its centre in four ways:

1. **Equipping the Civil Service<sup>1</sup> to meet future challenges** by reshaping structures, strengthening performance management and putting innovation at the heart of government
2. **Rationalising and reforming arm's-length bodies** (ALBs) to create a simpler, cheaper delivery structure, and improve the services ALBs are responsible for delivering
3. **Improving back office processes to the standard of the best** to ensure that back office operations and procurement processes are as efficient as possible
4. **Managing assets more effectively**, to release value from public sector assets and state-owned property with a more strategic approach to office location.

These actions build on the substantial reforms taken to modernise central government over the past five years. They continue the work of departmental Capability Reviews launched in 2005 to help central government identify its collective strengths and weaknesses. They also deliver recommendations of the Operational Efficiency Programme (OEP),<sup>2</sup> published alongside *Budget 2009*, which has set the agenda for improving back office, procurement, property and asset-management practices.

The goal is for our central government to be recognised as one of the best public administrations in the world. Currently, the UK ranks highly in relation to international peers but there is always scope to learn from the successful experience of others. Streamlining the centre of government will lead to a clearer focus on delivery, value for money and unlocking the capacity of public services. For example:

- Consolidating the Senior Civil Service over the next three years should enhance performance and release savings of £100 million per year.
- Reforming ALBs will simplify the delivery landscape and save at least £500 million.
- Delivering the recommendations in the OEP will deliver savings worth £9 billion a year by 2013/14.<sup>3</sup>

- More efficient management of the government estate will help the development of regional hubs, and deliver savings by capturing lower property costs outside London.
- Smarter management of the state-owned asset portfolio will generate receipts worth £16 billion.<sup>4</sup>

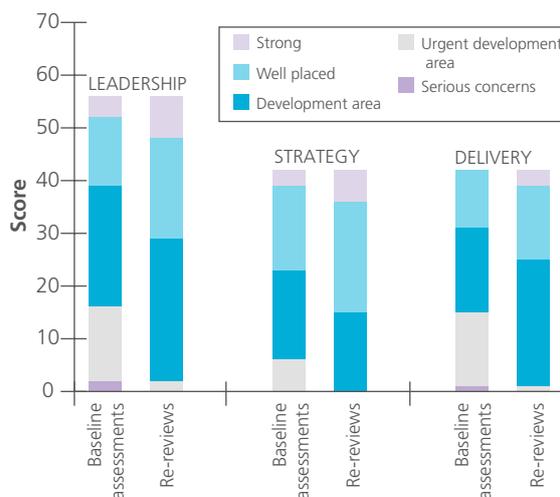
Government is a relationship between citizens, communities, front line professionals and a supporting centre. Smarter government strengthens the role of citizens and communities to shape the services they receive, as well as the ability of frontline professionals to respond to local demands. The first step towards making the centre sharper and more strategic is to focus on the third element of this triangle – the Civil Service – and to ensure it is fully able to respond to new times.

### 3.1. Creating a sharper, more innovative government

In recent years the Civil Service has made substantial improvements in benchmarking departmental capability, professionalising skills and transforming customer experience. It has become more diverse and action-focused. In February 2009, the National Audit Office published its assessment of the Capability Review programme, finding that the Civil Service had made capability improvement a core feature of board agendas across Whitehall.<sup>5</sup>

The Capability Reviews have assessed departments against a common framework spanning leadership, strategy and delivery capability, and then re-assessed them after two years. These reviews demonstrate significant advances in the Civil Service:

### Departmental Capability Review scores<sup>6</sup>



Source: Cabinet Office Capability Review Team

Although the Civil Service is starting from a strong base, the Capability Reviews also make clear there is more to do to keep pace with the changing environment. This requires three key improvements: reshaping the Civil Service; introducing new approaches to performance management and benchmarking; and increasing skills and innovation at the heart of government.

### Reshaping the Civil Service

There are 490,000 Civil Servants, the majority of whom work in operational delivery such as at Jobcentre Plus (80,000 people), HM Revenue & Customs (89,000 people) and HM Prison Service (50,000 people). Only 5% of full-time permanent Civil Servants work in policy delivery roles and over 60% earn less than £25,000 per year.

In recent years, the Civil Service has significantly strengthened its leadership development programme, and seen improved leadership ratings in subsequent Capability Reviews. It is important that these leaders operate in the right structures, in which unnecessary bureaucracy and management tiers are removed.

While the size of the Civil Service has fallen over the last few decades, the relative size of the Senior Civil Service has increased. There are now 4,300 Senior Civil Servants compared with 3,100 in the mid 1990s, costing some £500 million per year.<sup>7</sup> To secure the best from the Civil Service leadership we should ensure that there are no overlapping levels of responsibility or narrow management chains. In other sectors this approach has led to significant savings in management numbers, and increased staff satisfaction and engagement.

The actions we will take to reshape the Civil Service include:

### **Actions: reshaping the Civil Service**

**We will modernise Civil Service structures to reduce unnecessary bureaucracy and management layers, increase staff empowerment and reduce the cost of the Senior Civil Service, saving £100 million annually within three years. This review of organisational design, supported by the Cabinet Office, will build on the Capability Review reforms and draw on the insights of current and next generation Civil Service leaders who will be responsible for successfully delivering these reforms.**

**We will then apply a similar organisational design reform to middle management (grade 6/7) level to ensure consistent modernisation across the Civil Service. To improve productivity and encourage delivery of significant savings in the Civil Service, we will allow managers new flexibilities in order to achieve them.**

**We will also put in place radical reforms to senior pay across the public sector, including tougher scrutiny for senior appointments, and comprehensive transparency and accountability arrangements. In addition, the Prime Minister is writing to Bill Cockburn as chair of the Senior Salaries Pay Review Body to commission a review of senior pay looking across the whole of the public sector, reporting to the Government in time for Budget 2010.**

## **Strengthening performance management and benchmarking**

Alongside work to reshape and up-skill the Civil Service there is room to use domestic and international comparisons to help benchmark our own achievements, learn from the experience of others and share knowledge and best practice. A number of organisations already provide detailed comparative data. These include the OECD,<sup>8</sup> the World Bank<sup>9</sup> and the Bertelsmann Foundation.<sup>10</sup> Each can shed light on the UK's relative strengths and where its challenges remain.

The departmental Capability Reviews demonstrate that the Civil Service could be more consistent in the way that it manages performance of its people. One such area where there is more to be done is the management of sickness absence – for example, learning from improvements at the DWP which reduced the average number of working days lost by 1.8 days over an 18-month period, saving around £13 million in the process.<sup>11</sup>

The actions we will take to improve performance management and benchmarking include:

## **Actions: strengthening performance management and benchmarking**

**We will improve transparency of Civil Service performance by publishing departmental performance scorecards in the next round of annual reports in spring 2010. These will set out departments' progress across a range of key performance indicators, including progress on service delivery, efficiency, cost and corporate priorities.**

**We will deliver a package of performance management improvements across the Civil Service. This means we will:**

- **Set out Permanent Secretary remuneration, performance-related pay and pay awards in all forthcoming annual reports, alongside new performance scorecards, with processes that ensure the two are clearly linked**
- **Ensure value for money objectives are reflected in the objectives and appraisals of all Civil Servants responsible for the management and delivery of programmes**
- **Improve sickness absence management, including a commitment to match the best performance in comparable private sector companies**

- **Outline a greater role for non-executive directors** in performance management processes within departments, by Budget 2010. The Cabinet Office will coordinate an approach to ensure that these processes identify poor performance, and will establish fair and fast procedures to deal with it.

**We will enable the UK to be one of the top performing administrations in the world by 2012. By Budget 2010, we will benchmark the Civil Service against the best administrations in areas where we have most to learn from other countries. To do this, we will:**

- **Work with the OECD and other international partners, and with EU and Commonwealth countries with comparable systems of government, to benchmark the performance of individual departments and ministries**
- **Arrange an international conference on smarter government during 2010 to share public service expertise from country to country, and to work towards the creation of a virtual centre for excellence on value for money delivery in the OECD.**

### **Putting innovation at the heart of central government**

In order to meet future challenges, government needs to encourage and unlock innovation: signalling that it is important, supporting it to develop, and showcasing the very best innovations from across the public sector. Doing so enables public servants both at the centre and at the frontline to develop and deliver new ideas and ways of working. In the future all departments will be assessed on their capability to innovate to improve delivery, as part of broader changes that focus on the link between capability, results and outcomes, through the new Capability Reviews.

It is also essential that there are strong incentives for individuals to develop and share their ideas. In May 2009 the Government launched the Innovators Council to bring together the most creative individuals working in the public sector, placing the people directly involved with service delivery – frontline staff and business managers – with policy makers from central and local government.<sup>12</sup> The Council will launch a series of prototypes, piloting innovative approaches to complex policy problems by February 2010. In addition the Civil Service has created 'Civil Service Live' which showcases the best of the Civil Service and provides an opportunity to learn from partners in the private, public and third sectors.<sup>13</sup>

### Case study: innovation in the Civil Service

This year's Innovation Award was won by a team comprised of staff from the DWP's Change Programme and the Jobcentre Plus Benefit Delivery Centre in Wrexham. They developed a new process that helped customers who were often experiencing interruptions in benefits payments when changing address or adjusting their preferred payment method. The solution was rolled out nationally, resulting in a reduction of processing time from a week to one day, and saving around £23 million.

It is clear that every day, public sector workers in central government, as well as in schools, hospitals, job centres and other public offices, have powerful ideas for improving the way services are delivered. Over the past few years both the Civil Service and frontline have done much to improve their professionalism. For example, every major central department now has a qualified finance director, the Government Economic Service has tripled since 1995<sup>14</sup> and the number of statisticians has doubled since 2000.<sup>15</sup> But organisations can always become better. Identifying the skills needed for future challenges, addressing any gaps through training and ensuring that strong evaluation mechanisms identify the best innovations will be key in strengthening future capability.

To release this innovation government will:

### Actions: putting innovation at the heart of government

**We will drive innovation across government, with the Department for Business, Innovation and Skills rolling out a package of support to all departments before Budget 2010. This package will include adapting a tool from the NHS National Innovation Centre to provide a cross-government showcase of the best innovations and a number of practical interventions such as innovation capability building exercises to support departments in tackling key challenges.**

**We will commission the National School of Government to develop a new corporate learning programme which will form part of a new approach to Civil Service skills and training which we will publish by Budget 2010. Alongside this work we will also review the value for money of Civil Service training by the National School of Government and other providers.**

**We will launch a Social Venture Capital Fund to support third party organisations to generate innovative new ideas for using government data to create useful tools for the public.**

### 3.2. Rationalising and reforming arm's-length bodies

In addition to improving the very centre of government, there is scope to reform the collection of delivery agencies and executive bodies commonly referred to as arm's-length bodies or ALBs. These bodies undertake important functions across the full range of government activities – ranging from funding arts to helping people back into work – and drive performance and results by focusing on delivery. If well designed, ALBs can bring value for money, independence (vital for bodies such as the Information Commissioner's Office) and technical expertise. Since their creation, there have been good examples of the effectiveness of this approach, including:

- **The National Offender Management Service**, which has successfully managed an increased prisoner population and delivered significant improvements in performance and value for money
- **Jobcentre Plus**, which has sustained high public and employee satisfaction ratings and improved the time taken to process claims to Jobseeker's Allowance while managing substantially higher workloads
- **The UK Border Agency**, set up in 2008, which brought together work carried out by the Border and Immigration Agency, customs detection work at the border from HM Revenue & Customs (HMRC) and UK Visa Services from the Foreign and Commonwealth Office.

The number of ALBs has declined in recent years and many departments actively review them to ensure they remain relevant to the business need. For example, the Department of Health conducted a review in 2004 which reduced the

number of ALBs from 38 to 21, and the Ministry of Defence has reduced the number of their trading funds and executive agencies from 29 to 10 over the past six years.

#### Arm's-length bodies: facts and figures

There are currently around 750 ALBs sponsored by the UK Government.<sup>16</sup> They have different legal classifications, depending on their organisational form. However, the majority can often more adequately be described according to their function. Using this categorisation, the Government's ALBs include the following:

- 43 grant-giving organisations which essentially channel funding to frontline organisations or individuals. Examples include the Higher Education Funding Council and the regional development agencies
- 145 service delivery bodies including Jobcentre Plus and the National Offender Management Service
- 54 regulators, for example Ofsted and the Pensions Regulator
- 438 advisory bodies which provide expert advice across a range of topics, for example the Low Pay Commission
- 35 tribunals, which provide an appeal system against administrative acts or decisions. Examples include the Pensions Ombudsman and the Police Arbitration Tribunal

Funding by the UK Government is approximately £80 billion per year.

ALBs employ over 300,000 people, with the largest (by staff numbers) being Jobcentre Plus (around 80,000) and HM Prison Service (50,000).

ALBs fulfil a valuable purpose, and in most cases their arm's-length relationship with government strengthens their ability to deliver services that are highly effective and impartial, and represent good value for money. Nevertheless it is right for the Government to consider whether some bodies could be reformed to achieve improvements in service delivery and greater value for money through rationalisation. The actions we will take to achieve these include:

### **Actions: rationalising and reforming arm's-length bodies**

**We will, as a first step, rationalise the ALB landscape, reducing the overall number of bodies by over 120, through:**

- **Reducing the number of bodies that perform advisory or related functions by 25%**, subject to the necessary legislation and consultation. This will include:
  - abolishing 16 regional advisory committees relating to agricultural workers in England and the 15 regional committees in England that appoint each of them
  - consulting on rationalising the 101 Advisory Committees on Justice of the Peace to 49
  - reducing the number of Court Boards from 23 to 19 in line with new organisational boundaries
  - reducing the number of separate publicly funded bodies in the skills sector by 30 over the next three years
  - merging the Sentencing Guidelines Council and Sentencing Advisory Panel into a single Sentencing Council, in line with the Coroners and Justice Act 2009

- **Reducing the number of bodies whose primary function is service delivery**, merging four existing military museums into the new National Museum of the Royal Navy
- **Reducing the number of regulators**, merging the Postgraduate Medical Education and Training Board with the General Medical Council and abolishing HM Inspectorate of Courts Administration.

**We will publish proposals in early 2010 to provide a much stricter governance framework for ALBs and their sponsor departments.** This will identify opportunities to save at least £500 million by reducing duplication between organisations and streamlining the ALB landscape where appropriate. In addition this framework will:

- **Establish a more rigorous process for setting up ALBs**, for example by requiring any minister proposing a new body to publish a full assessment of why the body is needed and set out why an ALB is the most effective delivery mechanism
- **Introduce sunset clauses**, requiring all new bodies to have a check-by date, when they will be subject to a fundamental review that explores whether the organisation is still needed in its current form
- **Ensure greater transparency and scrutiny of ALBs**, for example by ensuring they publish more data on their performance and value for money

**We will extend the Capability Review approach to key ALBs to ensure that we can systematically assess their capability to meet future delivery challenges.**

**We will ensure that the roles and responsibilities of regional tiers of government are transparent and ensure that they make best use of their position with national and local partners.**

### 3.3. Improving back office processes to the standard of the best

The previous two sections set out how *Putting the frontline first* will streamline central government bodies. Another important way to unlock value is to improve the processes of central government – in particular, back office support and procurement decisions. As the Operational Efficiency Programme<sup>17</sup> identified in *Budget 2009*, greater value for money can be achieved by fuller collaboration across the public sector to share back office operations and negotiate better procurement deals.

#### Commitments: the Operational Efficiency Programme

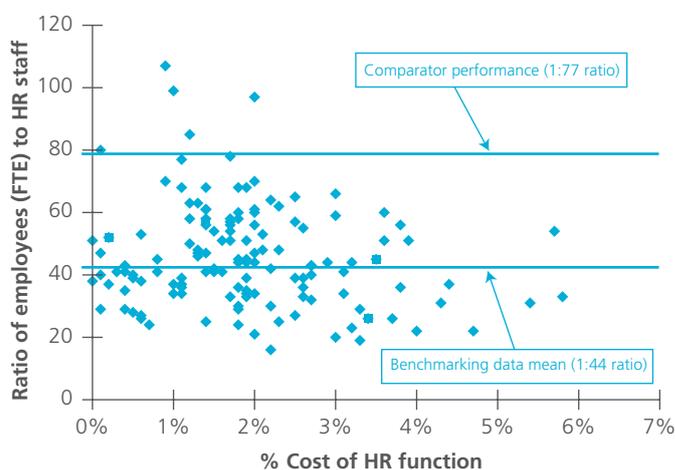
Led by five external advisers, the Operational Efficiency Programme identified scope to save an additional £9 billion on top of current value for money targets. These savings will be achieved in five cross-cutting areas, each led by an external adviser:

- Back office operations and IT, led by Martin Read, former CEO of Logica
- Collaborative Procurement, led by Martin Jay, Chairman of Invensys
- Assets, led by Gerry Grimstone, Chairman of Standard Life
- Property, led by Lord Carter
- Local Incentives and Empowerment, led by Sir Michael Bichard, Director of the Institute for Government.

#### Back office operations

The public sector spends about £18 billion a year on back office operations – including HR, finance and estates management – all of which are important enablers of high-quality frontline services. There are, however, significant variations in the amount of money that different organisations spend on similar tasks, and considerable savings could be achieved simply by moving everyone up to the standard of the best.

#### HR-to-staff ratio and cost of HR across 141 government organisations<sup>18</sup>



Source: 2009 OEP Benchmarking Returns, HM Treasury

The private sector has often been ahead of the public sector on driving down back office costs. Shared service centres, now the norm in the private sector, are one example of how higher-quality support can often be provided at lower cost. The current public sector structure, with most departments, agencies and non-departmental public bodies running their own back office functions, inflates costs unnecessarily. For back office support to be provided at the lowest possible cost, collaboration should be the norm, either between public sector bodies or with the private sector. As a result, actions to achieve the back office savings identified by the OEP include:

## **Actions: improving back office operations**

**We are publishing back office cost benchmarking data** for all central government departments and most agencies and non-departmental public bodies with more than 250 staff. These data clearly set out departments' performance on a range of back office benchmarks. All departments have set out plans to improve which are published alongside this document.

**We will publish wider public sector benchmarking data** from Budget 2010 showing the cost of HR, finance and other back office functions. Also by Budget 2010 we will require back office consolidation plans from all ALBs to set out plans to reduce back office costs and strengthen the drive towards shared services.

**We have agreed stretching new comparators** informed by private sector median performance to support improvement in public sector back offices. These include improving the ratio of HR staff to non-HR staff to 1:77, reducing the cost of finance functions to 1% of organisational spend and reducing occupancy to 10 square metres per full-time member of staff.

**We will release further resources for frontline services**, by reducing spend on consultancy by 50% and spend on marketing and communications by 25% saving £650 million. We will also reduce spend on IT projects by making greater use of existing systems rather than creating new ones.

**We will look to expand the most successful shared services centres** with a view to potentially creating the first public-sector shared-service company. A specialist company of this kind could then offer services across the public sector, providing a platform for public organisations to transform their back offices more easily to reach private-sector benchmarking levels.

**We will also merge international back office operations** to ensure that all overseas staff are supported by a single shared platform that delivers value for money to all departments overseas.

## Collaborative procurement

The public sector spends £220 billion a year on goods and services. The best-performing organisations already secure substantial savings by collaborating in managing suppliers, pooling their buying power and developing a more strategic approach to the market to get a better deal. However, such practice is not yet universal across the public sector and more can be done to facilitate increased collaboration.

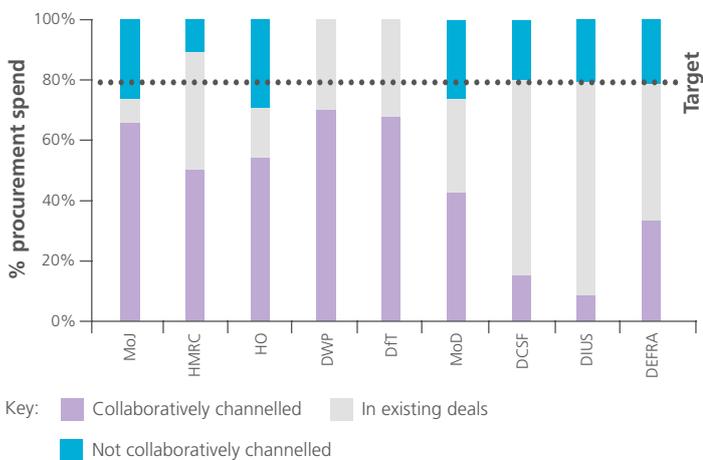
There were good reasons for decentralising procurement from the unwieldy purchasing bodies of the 1970s and 80s, and if a local body can get a better deal for very specific needs they should do so. But no public sector body should pay more than it needs to for water, energy, travel or any other standard commodity. There is room to improve in this regard.

In *Budget 2009*, the OEP identified scope for central government and the wider public sector to deliver £3.7 billion of savings by ensuring that 80% and 50% respectively of available procurement spend is channelled through collaborative strategies. In addition to delivering savings, smarter procurement can also support broader objectives such as the Government's growth agenda, environmental targets,<sup>20</sup> and its goal to increase energy efficiency across the public sector. The actions needed to achieve these goals include:

### Case study: energy procurement

Efficiency savings of £139 million were achieved in 2008/09 through a cross-government programme of best practice on energy procurement led by the Ministry of Defence. This included combining volumes to reduce supplier costs and implementing best practice risk management strategies for the purchase of energy to reduce the wholesale cost. Over 90% of central government energy is now being bought through contracts that represent best practice.

### Central government performance on collaborative procurement<sup>19</sup>



Data sources: OGC

## Actions: improving collaborative procurement

We are publishing procurement data for the biggest spending departments, showing the level of compliance with approved collaborative deals. By Budget 2010, we will publish data showing the uptake of approved collaborative deals in the wider public sector, and we will publish updated data for the use of approved collaborative deals in central government.

We will use technology to improve procurement and lower costs by:

- Publishing plans for the use of e-auctions by the end of 2010, building on the work of the Office of Government Commerce (OGC). E-auctions can result in savings of up to 30% in some categories of spend<sup>21</sup>
- Establishing a new single online portal,<sup>22</sup> which will house all government contracts worth more than £20,000 and go live in 2010/11. This will be free for businesses through the Business Link website

We will strengthen procurement capability, by building on the OGC's work and publishing a second wave of procurement Capability Reviews.

We will also ensure that each department has a Director responsible for service delivery, accountable for making the improvements in contract development and management outlined in the Julius Report.<sup>23</sup>

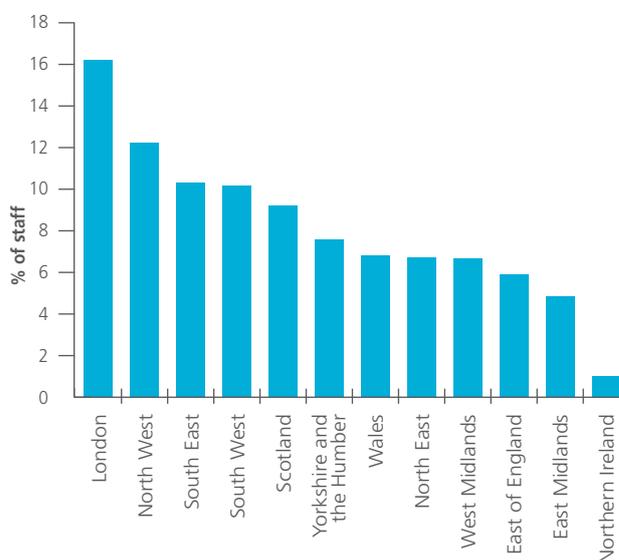
## 3.4. Managing assets more effectively

This chapter has shown how government can unlock considerable efficiencies through managing its people and processes better. There is also significant social and economic value in smarter management of government's assets – better utilising the assets government does need and commercialising those it does not. This applies to both location and working practices, as well as to ownership of the wider asset portfolio.

### Location and working practices

The Government has made real progress over the past five years in developing a more strategic approach to office location. The Lyons Review of 2004 successfully relocated more than 20,000 Civil Servants outside of London and the South East, and *Budget 2009* increased this target by a further 4,000 posts to 24,000.<sup>24</sup> There are opportunities to secure further efficiencies through reviewing the location and working practices of the remaining 132,000 London and South East based civil servants and around 90,000 public servants in ALBs.

### Location of the Civil Service by region<sup>25</sup>



Source: HM Treasury 2008

A smarter centre of government needs to be more strategic about the management of its property portfolio, through being more rigorous about what is retained in London and make fuller use of regional clusters, co-locating functions and remote and hot-desk working. The OEP property strand recommended disposing of £20 billion of property over 10 years, reducing running costs by £5 billion a year after 10 years. This more strategic approach will be based on three principles:

- Managing property assets more strategically, including where appropriate co-locating departments and merging back offices in locations outside the South East
- Retaining functions in Whitehall only where they require ministerial support or personal interaction
- Harnessing modern working practices including making more use of remote- and hot-desking and reducing property use.

Applying these principles will place public servants closer to many of the communities they serve, release capital efficiencies and increase value for money through a more strategic approach to location and working practices. Actions to achieve this include:

## **Actions: managing the public sector estate and working practices more effectively**

**We will explore different management and ownership options for the public sector estate, including the feasibility of creating one or more property companies that could own and manage portfolios of public sector properties, for example grouped by geographical location, asset class or department. The development of new public property and service companies will broaden the range of asset types that the Government plans to assess, which in due course is expected to provide opportunities for value realisation and for private sector participation.**

**Ian Smith will lead a review on the scope for further Civil Service relocations, analysing the service delivery and value for money arguments for moving further posts, to report by Budget 2010. The review will set out what specific efficiencies this might bring and outline how at least 10% of all Civil Service posts currently based in London and the South East can be relocated in the medium term.**

**We will also require ALBs, including regulators, to demonstrate they are located in the most efficient and effective part of the country.**

**We will also develop regional strategies for the government estate, building on the successful pilot in the West Midlands.**

## Asset ownership

Government must focus on the services that it can best provide and that provide the maximum value for citizens. This requires it to be more selective about the activities it carries out, more professional in the way it manages and achieves value from its assets, and more imaginative in considering alternative delivery models for some public services. Managing the large public sector assets portfolio effectively means unlocking capital efficiency where possible, and ensuring that the right ownership structures exist to improve service delivery.

There are four broad models for the delivery of public services: directly by the State; through cooperatives or other mutually owned vehicles; through 'in-trust' entities; or through a public or private sector business. Each model is likely to be appropriate for a different range of public activities. There are, for example, activities that must remain delivered by the State because they involve the exercise of regulatory or statutory functions. But there are others where different delivery mechanisms can achieve better outcomes and greater efficiency. The Government therefore intends to put in place a new framework of sequential tests to support decisions on which delivery route is appropriate for any given activity. A summary of this framework is set out in the OEP asset portfolio.

In *Budget 2009* the OEP identified scope for government to realise up to £16 billion<sup>26</sup> of proceeds from state-owned assets. Actions to achieve this goal and release more social and economic value through better management of the state-owned asset portfolio include:

### **Actions: managing asset ownership more effectively**

**We are publishing an OEP asset portfolio alongside today's report. This portfolio sets out those state-owned assets which government might seek to commercialise over the medium term. The OEP asset portfolio includes a new framework to govern which government activities should be managed as a business and which should be sold. For those activities which are best managed as businesses in the public sector, we will separate the ownership role from the customer and policy role, with a presumption that they should be incorporated.**

**We will publish initial conclusions on which government activities should be managed as businesses, by Budget 2010, using the framework described above. We will also report on progress on the commercialisation of assets that are included in the OEP asset portfolio.**

## SUMMARY OF CHAPTER

The actions set out in this chapter will help streamline central government, so as to improve strategic focus and release value for the frontline. They support the three key principles of smarter government:

- **Open, accountable public services** through greater public scrutiny of the performance of the centre and more transparent working practices. For example, we are publishing the OEP benchmarking document with performance data for all departments and large ALBs
- **Devolved decision making**, through the centre focusing only on what it does best. For example, creating a shared

service company to provide better value back office support, freeing up organisations to focus on frontline services

- **Renewed focus on value for money** by serving the country as cost efficiently as possible. For example, we will reduce the cost of the Senior Civil Service by £100 million – one step of our drive to create a sharper, leaner centre.

The actions in this chapter continue reforms of the past years. The forward plan at the end of this publication sets out how the Government, with the support of citizens and professionals, will deliver smarter government by Budget 2010 and over the longer term.

# FORWARD PLAN

| By Budget 2010  |   |        |
|---|---|--------|
| Plan  | Action  | Detail |
| <b>Strengthen the role of citizens and civic society</b>            | - Implement plans to strengthen accountability and responsive redress in policing, health and social care and education   | 1.1    |
|   | - Start rolling out Tell Us Once for births and deaths nationally<br>- Establish common protocols for public services to exchange information   | 1.2    |
|   | - Consult on and release valuable public sector datasets - including mapping and postcode, Public Weather Service, detailed government expenditure, various transport and health datasets<br>- Enable a single point of access for government held data through data.gov.uk<br>- Launch a public consultation index through Directgov   | 1.3    |
|   | - Outline how we will use new communications channels to achieve greater personal responsibility<br>- Identify which public services would benefit from predictive risk modelling<br>- Work with the Institute for Government to develop government's approach to behaviour change<br>- Set up a taskforce to investigate fraud in the public sector  | 1.4    |
|   | - Produce an annual civic health index<br>- Explore new ways to finance the third sector through Social Impact Bonds and a Social Investment Wholesale Bank   | 1.5    |
| <b>Recast the relationship between the centre and the frontline</b> | - Reduce the number of national indicators for local areas<br>- Set out the key areas where sector-specific performance management frameworks can be aligned<br>- Set out proposals to reduce the level of ring-fencing for local authorities and publish plans to bring together the most fragmented funding streams<br>- Set out recommendations on single area based capital funding<br>- Publish guidance on effective pooling and aligning of budgets at the local level   | 2.1    |
|   | - Develop options for joining up across Whitehall for coordinating and rationalising frontline burdens<br>- Review the work and number of inspectorates across the public sector<br>- Ask Total Place pilots to report on overall burden faced by all agencies in their pilots  | 2.2    |
|   | - Incorporate value for money data within Police Report Cards and use them to compare performance<br>- Publish reference costs for specific treatment categories or healthcare resource groups<br>- Publish data from the National Pupil Database while preserving individual anonymity<br>- Work with local government to roll out peer challenge processes across all local authorities<br>- Ask the NHS Institute for Innovation and Improvement, and National Policing Improvement Agency, to facilitate professionally led mentoring schemes | 2.3    |

| By Budget 2010  |  |        |
|---|--|--------|
| Plan  | Action   | Detail |
| <b>Streamline central government for sharper delivery</b> | <ul style="list-style-type: none"> <li>- Conduct an organisational review of the Senior Civil Service</li> <li>- Outline a greater role for non-executive directors in performance management processes</li> <li>- Benchmark Civil Service against other countries</li> <li>- Arrange an international conference to share best practice on smarter government</li> <li>- Roll out a package to help support innovation across all departments</li> <li>- Develop a new corporate learning approach covering Civil Service skills and training programmes</li> </ul> | 3.1    |
|   | <ul style="list-style-type: none"> <li>- Reconfigure or merge over 120 ALBs</li> <li>- Review all ALBs to identify scope for reforming and potentially streamlining</li> <li>- Announce a new framework to manage future growth of ALBs</li> </ul>   | 3.2    |
|   | <ul style="list-style-type: none"> <li>- Publish further back office performance data for departments, ALBs and the wider public sector</li> </ul>   | 3.3    |
|   | <ul style="list-style-type: none"> <li>- Publish new framework setting out which assets should be managed as businesses</li> <li>- Report on progress towards commercialising assets set out in new OEP asset prospectus</li> <li>- Ian Smith to lead review on scope for further civil service posts to be relocated out of London and the South East</li> </ul>  | 3.4    |
| Longer term   |  |        |
| Plan  | Action   | Detail |
| <b>Strengthen the role of citizens and civic society</b>  | <ul style="list-style-type: none"> <li>- During 2010: Set out service-by-service how transactional services will move online, and publish these in channel strategies</li> <li>- By 2011: Move VAT and employer tax returns fully online</li> <li>- By 2011: Transform Directgov, NHS Choices and Business Link as jointly managed content</li> </ul>  | 1.2    |
|   | <ul style="list-style-type: none"> <li>- During 2010: Set up a data panel chaired by Professor Shadbolt, and an open platform for local data exchange</li> <li>- During 2010: Extend user comment capabilities on NHS Choices from hospitals to all health services</li> <li>- During 2010: Ensure public consultations have online tools for interactive dialogue</li> <li>- During 2010: Ensure the majority of government-held data published in reusable form</li> </ul>   | 1.3    |
|   | <ul style="list-style-type: none"> <li>- During 2010: Support primary care trusts in the use of predictive risk modelling</li> </ul>   | 1.4    |
|   | <ul style="list-style-type: none"> <li>- During 2010: Develop a pilot to use Social Impact Bonds to support work that reduces future social costs</li> <li>- By 2011: Strengthen the community asset transfer programme</li> <li>- By 2011: Fund the Young Foundation's pilot programme 'Social Enterprise in Residence'</li> <li>- By 2011: Fund further development of the Innovation Exchange</li> </ul>  | 1.5    |

| Longer term   |   |        |
|---|---|--------|
| Plan  | Action  | Detail |
| <b>Recast the relationship between the centre and the frontline</b> | <ul style="list-style-type: none"> <li>- By 2011: Reduce high level priorities that government sets at a national level</li> <li>- For the longer term: Look for further opportunities to encourage local authorities to benefit from joint ventures and use their trading fund powers to create commercial opportunities</li> <li>- During 2010: Set up pilots for frontline professionals to hold pooled budgets</li> </ul>   | 2.1    |
|   | <ul style="list-style-type: none"> <li>- During 2010: Identify the obstacles to effectiveness that departments and ALBs impose on the frontline</li> <li>- By 2011: Respond to the Total Place reports by removing as many burdens as possible</li> <li>- By 2011: Coordinate timing of assessments, inspections and reporting across government</li> <li>- For the longer term: Explore sharing costs of data collection more equally</li> </ul>   | 2.2    |
|   | <ul style="list-style-type: none"> <li>- During 2010: Benchmark offender management in prisons and probation services, and benchmark the whole prison system by 2011</li> <li>- During 2010: Publish quarterly 12-month moving average crime data at police authority level</li> <li>- During 2010: Introduce best practice tariffs in the NHS and extend tariff principles to other health areas</li> <li>- By 2011: Publish comparable measures of value for money for local government</li> <li>- By 2011: Publish all comparative data on <a href="http://www.data.gov.uk">www.data.gov.uk</a> and ensure that it is sufficiently consistent to enable cost comparisons to be made across services</li> <li>- For the longer term: Beginning 2011, introduce presumption that public sector inspectorates reserve top performance ratings for those service organisations which perform well against value for money</li> </ul> | 2.3    |
| <b>Streamline central government for sharper delivery</b>           | <ul style="list-style-type: none"> <li>- During 2010: Publish departmental scorecards in annual reports</li> <li>- During 2010: Launch a Social Venture Capital Fund</li> <li>- By 2011: Publish remuneration data for Permanent Secretaries</li> <li>- By 2011: Ensure that any Civil Servant responsible for a programme has a value for money objective</li> <li>- By 2011: Improve sickness management to meet comparable standards in the private sector</li> <li>- For the longer term: Apply organisational design reforms to middle management tiers in the Civil Service</li> </ul>  | 3.1    |
|   | <ul style="list-style-type: none"> <li>- During 2010: Publish plans for the use of e-auctions</li> <li>- By 2011: Go live with a single online portal to house all government contracts worth over £20,000</li> <li>- For the longer term: Publish the second wave of procurement capability reports</li> <li>- For the longer term: Look to expand the most successful shared services centres, potentially creating the first public sector shared services company</li> <li>- For the longer term: Ensure all overseas staff are supported by shared services provided through a single platform</li> <li>- For the longer term: Reduce consultancy spend by 50%, and communication and marketing spend by 25%</li> </ul>  | 3.3    |
|   | <ul style="list-style-type: none"> <li>- During 2010: Review ownership and governance options for the central government estate</li> </ul>  | 3.4    |

# NOTES

## Action plan

1. England only
2. England only
3. *Global Economic Prospects*, World Bank, 2009
4. *Realising Britain's Potential: Future Strategic Challenges for Britain*, Cabinet Office Strategy Unit, 2008
5. Courtesy of Ipsos MORI, 2008. Base: 2,019 British adults 15+, self-completion and online
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9. *Realising Britain's Potential: Future Strategic Challenges for Britain*, Cabinet Office Strategy Unit, 2008
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12. [Recovery.gov](http://Recovery.gov) is the US government's official website providing easy access to data related to Recovery Act spending and allows for the reporting of potential fraud, waste and abuse
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## Action 1: Strengthen the role of citizens and civic society

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3. *Service Transformation: A better service for citizens and businesses, a better deal for the taxpayer*, Sir David Varney, 2006. For further discussion on cost savings from digital inclusion see *The Economic Case for Digital Inclusion*, PWC, 2009
4. *Education Productivity*, TSL Education Ltd, 2009
5. *The Human Factor*, Harris M and Bunt L, NESTA, 2009
6. *The UK Civil Society Almanac*, NCVO, 2009
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10. England only
11. *Government at a Glance*, OECD, 2009
12. *Customer Contact Profiling*, McNish J, Aston Campbell Associates
13. One million unique users, 69% of whom reported that they no longer needed to make a call to DWP as a result
14. International examples provided by the FCO
15. [www.ci.nyc.ny.us/apps/311](http://www.ci.nyc.ny.us/apps/311)
16. *The Economic Case for Digital Inclusion*, PWC, 2009

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18. Evidence from a Home Access Pilot led by DCSF
19. The US Government is doing this via [www.recovery.gov](http://www.recovery.gov)
20. *Better Information, Better Decisions, Better Services*, Audit Commission, 2009
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32. [www.rcht.nhs.uk/RoyalCornwallHospitalsTrust/News/NewsArticles/Textmessaging servicelaunches.aspx](http://www.rcht.nhs.uk/RoyalCornwallHospitalsTrust/News/NewsArticles/Textmessaging servicelaunches.aspx); and <http://news.bbc.co.uk/1/hi/england/cornwall/7856194.stm>
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35. [www.nhs.uk/choiceinthenhs/rightsandpledges/nhsconstitution](http://www.nhs.uk/choiceinthenhs/rightsandpledges/nhsconstitution)
36. This is an 11% growth from April 2008: [www.monitor-nhsft.gov.uk](http://www.monitor-nhsft.gov.uk)
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## Action 2: Recast the relationship between the centre and the frontline

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2. [www.institute.nhs.uk/quality\\_and\\_value/productivity\\_series/productive\\_ward.html](http://www.institute.nhs.uk/quality_and_value/productivity_series/productive_ward.html)
3. [www.teachfirst.org.uk/what\\_is\\_teachfirst/our\\_programme](http://www.teachfirst.org.uk/what_is_teachfirst/our_programme)
4. Since their introduction in the 1998 Comprehensive Spending Review, Public Service Agreements (PSAs) have played a vital role in galvanising public service delivery and driving major improvements in outcomes. PSAs set out the key priority outcomes the Government wants to achieve in the next spending period
5. *Power in People's Hands: Learning from the World's Best Public Services*, Cabinet Office/HM Treasury, 2009
6. *Delivering More for Less: Maximising value in the public sector*, Local Government Association, 2009
7. *Mapping the Local Government Performance Reporting Landscape*, Department for Communities and Local Government, 2006
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### Action 3: Streamline the centre of government for smarter delivery

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5. *Assessment of Capability Review Programme*, National Audit Office, February 2009 ([www.nao.org.uk/publications/0809/capability\\_review\\_programme.aspx](http://www.nao.org.uk/publications/0809/capability_review_programme.aspx))
6. Capability Review Team, Cabinet Office
7. Senior Civil Service Database, Cabinet Office
8. The OECD Government at Glance publication provides indicators on over 30 elements underlying government performance ([www.oecd.org/document/t/12/0,3343,en\\_2649\\_33735\\_37688524\\_1\\_1\\_1\\_1,0](http://www.oecd.org/document/t/12/0,3343,en_2649_33735_37688524_1_1_1_1,0).html)
9. The UK ranks in the top seven per cent in the world and performs better than the OECD average in the World Bank's government effectiveness indicator. The UK's position in the table has improved since 1996, but there is scope for further improvement ([info.worldbank.org/governance/wgi/index.asp](http://info.worldbank.org/governance/wgi/index.asp))
10. The Bertelsmann Sustainable Governance Index (SGI) judges the government's capacity for reform mainly by its executive capacity and the level of public participation in its processes ([www.bertelsmann-stiftung.de/cps/rde/xchg/bst\\_engl/hs.xsl/prj\\_52957.htm](http://www.bertelsmann-stiftung.de/cps/rde/xchg/bst_engl/hs.xsl/prj_52957.htm))
11. Department for Work and Pensions HR data
12. Further detail available at [www.hmg.gov.uk/innovation.aspx](http://www.hmg.gov.uk/innovation.aspx)
13. Further detail available at [network.civilservicelive.com/pg/groups/250146/civil-service-live/](http://network.civilservicelive.com/pg/groups/250146/civil-service-live/)
14. Source: Government Economic Services Team, HM Treasury
15. Source: Statisticians in Government Team, HM Treasury
16. Total number of arm's length bodies, including executive agencies, non-ministerial departments and relevant bodies outside standard Cabinet Office classification, excluding Independent Monitoring Boards. Source: Cabinet Office
17. *The Operational Efficiency Programme*, HM Treasury, May 2009
18. Analysis of 2009 OEP benchmarking returns, HM Treasury
19. Source: OGC
20. The Government is committed to reducing greenhouse gas emissions by 34% by 2020 compared to 1990 levels, and to further tighten these targets as part of a successful global deal on climate change
21. The mean saving achieved to date through Government IT e-auctions. Source: OGC
22. As recommended by Anne Glover CBE in *Accelerating the SME economic engine: through transparent, simple and strategic procurement*, HM Treasury, November 2008
23. *Independent Review into Public Service Industries*, Julius D, July 2008 ([www.berr.gov.uk/files/file46965.pdf](http://www.berr.gov.uk/files/file46965.pdf))
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