Improving performance, accountability and transparency of public services: lessons from the UK Implementation Unit

Simon Case & Kathy Hall
ICGFM Winter Training Conference
Washington D.C., 1-3 December 2014
1) Context: UK government and public services

2) UK performance framework: evolution from 1997 – 2014

3) Driving delivery: the Prime Minster’s Delivery Unit and Implementation Unit
Context: structure of UK government

Prime Minister & the Cabinet

“Centre” of government: No.10, Cabinet Office, HM Treasury

Central government:
- 24 Ministerial Departments e.g. Defence, Health
- 22 Non-Ministerial Departments e.g. Charity Commission
- 300+ Executive Agencies & other non-departmental public bodies

Parliament

Local government

Other local services e.g. hospitals

Other service deliverers e.g. private sector, charities

UK public
Implementation Unit's role and remit:

- Mandate to monitor, track and implement policy priorities of the Prime Minister and Deputy Prime Minister
  - Maximising implementation of top government priorities
  - Tracking progress on business plan commitments and planning future framework
  - ‘Whack-a-mole’: rapid response to issues and incidents which occur before, during and after implementation
  - Celebrating implementation successes

- How do we do this?
  - Provide timely, accurate assessment of PM / DPM’s priorities
  - Conduct ‘deep dive’ reviews and gather frontline intelligence
  - Develop greater implementation capability across government
  - Ensure internal and public accountability

“Centre” of government: No.10, Cabinet Office, HM Treasury
Which UK government department do you think spends most money?

- Welfare
- Education
- Defence
- Health
Context: UK central government spending

- DWP £171.7bn
- DH £113.8bn
- DfE £56.4bn
- DfT £12.9bn
- DfID £10.8bn
- HO £12.6bn
- FCO £2.1bn
- CO £0.5bn
- Defra £2.3bn
- DECC £3.9bn
- DCMS £5.8bn
- HMT £0.2bn
- MoJ £7.6bn
- BIS £25.5bn
- MoD £37.4bn

HM Government
Context: UK challenges

- Political
- Devolution
- Choice
- Spending context
- Technology
- Transparency
Context: UK challenges

Many of these challenges are not unique to the UK. Which do you recognise as the biggest challenge for your own government in designing systems for financial and performance management?
1) Context: UK government and public services

2) UK performance framework: evolution from 1997 – 2014

3) Driving delivery: the Prime Minster’s Delivery Unit and Implementation Unit
Introduction of Public Service Agreements

**Comprehensive Spending Review**
- 3 year spending envelope
- 3 year department budgets
- Value for money savings
- Policy review & reforms

**Year 1**        **Year 2**            **Year 3**

1998 1999 2000 2001 2002 2003

**Public Service Agreements**
- Announced alongside Spending Review
- Set out priority objectives to be delivered
- Numerical targets attached in most cases
- ‘Agreement’ in exchange for spending allocation

**Departmental resource allocation**

- No mechanistic link between performance and resource allocation in Spending Review

**Performance management framework**
Public Service Agreements evolved over time

- **Spending Review 1998**: 600 targets
- **Spending Review 2000**: 160 targets
- **Spending Review 2002**: 130 targets
- **Spending Review 2004**: 110 targets
- **Spending Review 2007**: 30 x-govt outcomes plus Dept’l Strategic Objectives

- Increasingly outcome focused and cross-government
- No of measures and targets reduced: greater prioritisation
- More embedded as a performance framework for government
Public Service Agreements and local service delivery

- **Departmental Strategic Objectives**
  - 30 X-govt PSAs
  - National Indicator Set
  - 198 indicators
  - Local Areas select priorities
  - Negotiate targets with govt

- **Local Area Agreement**
  - Local Authority is lead body
  - Progress published and assessed by Inspectorate
  - Other local services (e.g., NHS, police) sign up to achieve Local Area Agreements

- Depts translate PSAs & DSOs into performance frameworks for local services e.g., NHS, policy
2010: new government, new approach

“Tight”

- Tightly manage public finances; and efficiency – departmental spending cuts; Efficiency & Reform Group.
- Departmental controls: on communications, consultants, recruitment. Shared services e.g. digital
- Improve governance and core delivery: Non-Executive Directors; Major Projects Authority
- Agree & monitor actions to reform public services to be more devolved, democratically accountable: and diverse: departmental business plans

versus

“Loose”

- Abolished performance architecture and regional govt structures: PSAs, PMDU, National Indicators, Local Area Agreements, government offices, RDAs
- Increased democratic accountability of services e.g. Police & Crime Commissioners
- More open policy making e.g. crowd sourcing, use of technology
- Huge focus on data transparency to enable choice for service users; and increase public accountability
Performance framework reduced and reformed

- Increasingly outcome focused and cross-government
- No of measures and targets reduced: greater prioritisation
- More embedded as a performance framework for government

600 targets

160 targets

130 targets

110 targets

30 x-govt outcomes plus DSOs

Spending Review 1998

Spending Review 2000

Spending Review 2002

Spending Review 2004

Spending Review 2007

Spending Review 2010

Dept’l Business Plans

Business Plans refreshed

- Action focused
- Departmentally based
From Coalition Agreement to Business Plan actions

The Coalition: our programme for government

- Programme for Government (PfG), May 2010 (399 commitments)
- Mid Term Review (MTR), Jan 2013 (211 commitments)

Departmental Business Plans:
- Priorities for the Parliament, with named officials responsible for delivery;
- Key policy and implementation actions, including specific, dated actions;
- Input and Impact Indicators, measuring cost and outcomes.

<table>
<thead>
<tr>
<th>Title</th>
<th>Start date achieved</th>
<th>End date achieved</th>
<th>Status</th>
<th>Notes</th>
</tr>
</thead>
</table>
Transparent reporting of progress

- Progress reported transparently:
  - Can be tracked online at No.10 website
  - Departments must explain delays

- Good progress being made. Out of **1200+** actions:
  - 47% completed
  - 45% in progress
  - 4% delayed
  - 4% not scheduled to start
We will guarantee that health spending increase in real terms in each year of the Parliament.

We will invest an additional £920 million in UK science research infrastructure.

We will provide start-up loans and business mentors to unemployed people wishing to set up their own businesses.

We will develop local Work Clubs – places where unemployed people can gather to exchange skills, make contacts and provide mutual support.

We will reduce time-wasting bureaucracy that hampers police operations.

We will promote the electrification of the car fleet.

We will introduce a new bowel screening programme to reduce incidence of, and mortality from, bowel cancer, saving 3,000 lives a year.

A rare exception:
Advantages and disadvantages of both systems

<table>
<thead>
<tr>
<th>Business Plans</th>
<th>Public Service Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Link success to defined policy outputs</td>
<td>✓ Focused on outcomes and outputs</td>
</tr>
<tr>
<td>✓ Give more detail on actual departmental activity</td>
<td>✓ Cross-government priorities</td>
</tr>
<tr>
<td>✓ Provide clear lines of accountability</td>
<td>✓ Linked to local level delivery</td>
</tr>
<tr>
<td>✓ Transparently reported</td>
<td>✓ Provided systematic &amp; consistent structure</td>
</tr>
<tr>
<td>✓ Simple, with less bureaucracy</td>
<td>✓ Made civil servants and ministers feel more directly accountable for delivery</td>
</tr>
</tbody>
</table>

✗ Outcome indicators not linked to outputs, not always aligned to dept. objectives
✗ Do not cover the breadth or depth of departmental activities
✗ Not integral to departments internal planning/performance management
✗ Do not provide a means for tracking financial data to policy performance

✗ Outcome measures were too high level and dissipated
✗ Outcome focus provided less scope to interrogate activity and resource allocation
✗ Accountabilities sometimes unclear
✗ Criticised for generating bureaucracy, stifling innovation & potential for gaming
Conclusion: Finding the right balance

Ideal performance framework finds the right balance

- Reducing spending and increasing efficiency
- Outwards accountability through transparency
- Challenge and scrutiny
- Flexible to emerging problems
- Comprehensive across government
- Departmental/Agency based
- Improving public services and outcomes
- Top down accountability
- Support and capability building
- Consistent over time
- Focused on clear priorities
- Cross-government
Conclusion: Finding the right balance

- Reducing spending and increasing efficiency
- Improving public services and outcomes
- Outwards accountability through transparency
- Top down accountability
- Challenge and scrutiny
- Support and capability building
- Flexible to emerging problems
- Consistent over time
- Comprehensive across government
- Focused on clear priorities
- Departmental/Agency based
- Cross-government

Which do you think are the top priorities?
Agenda

1) Context: UK government and public services

2) UK performance framework: evolution from 1997 – 2014

3) Driving delivery: the Prime Minster’s Delivery Unit and Implementation Unit
Performance framework alone not enough to secure delivery

Central government:
24 Ministerial Departments e.g. Defence, Health
22 Non-Ministerial Departments e.g. Charity Commission
300+ Executive Agencies & other non-departmental public bodies

"Centre" of government:
No.10, Cabinet Office, HM Treasury

Prime Minister & the Cabinet

Parliament

Local government

Other local services e.g. hospitals

Other service deliverers e.g. private sector, charities

UK public
Prime Minister’s Delivery Unit (PMDU) created in 2001

**PMDU set up:**
- Small (-50) unit at heart of govt
- Focused on driving progress on up to 10 priority PSAs
- Health, Education, Crime, Rail
- PM appointed head: Michael Barber

**PMDU moved to Cabinet Office:**
- Still small and linked to PSAs
- But focus broadened; merged with Capability Reviews
- Civil service head of unit

**PMDU moved to Treasury:**
- Still small and linked to PSAs
- Civil service Head of Unit
- Focused across all PSAs and performance fmk policy
- Support for National Economic Council

- **Spending Review 1998**
  - 600 targets

- **Spending Review 2000**
  - 160 targets

- **Spending Review 2002**
  - 130 targets

- **Spending Review 2004**
  - 110 targets

- **Spending Review 2007**
  - 30 x-govt outcomes
PMDU: roles and responsibilities

To help government deliver improved, more efficient and effective services for citizens

We will achieve this mission by providing challenge and support to the work of departments in five main areas over the course of the spending period:

Planning for delivery:
- Help produce trajectories and baselines for PSA indicators
- Provide support and challenge on delivery planning
- Helped produce Delivery Agreements for CSR07 PSAs

Monitoring, evaluating and reporting on delivery:
- Report directly to Prime Minister and Chancellor on progress against delivery of PSAs and other priorities
- Provide departments with feedback on likelihood of delivery
- Report to Cabinet Committees on progress

Overcoming obstacles to delivery:
- Use problem-solving tools to help departments overcome specific challenges when delivery is off track

Building Capability:
- Use tools and techniques jointly with departments
- Conduct training for wider civil service
- Support networks in sharing best practice

Developing the performance framework:
- Learn lessons on what works and doesn’t work with Public Service Agreements
- Make recommendations to adapt for the future
Implementation Unit created in 2012

PMDU moved to Treasury:
- Still small and linked to PSAs
- Civil service Head of Unit
- Focused across all PSAs and performance framework policy
- Support for National Economic Council

Implementation Unit set up:
- Based in Cabinet Office
- More narrow role but across wider range of (not fixed) priorities
- Monitor business plan actions
- Coalition wide: report to PM & DPM
- Support for Cabinet and sub-committees

Spending Review 2007
- 30 x-govt outcomes

Spending Review 2010
- 1200 reform actions

Spending Round 2013
- Actions refreshed

To translate political will into real world impact

Maximising delivery of government 's top implementation priorities
Tracking progress on all business plan commitments
Troubleshooting emerging implementation issues
Celebrating implementation successes
### Asking the simple questions

#### Financial Freedoms
- Bonuses
- Pay rises

#### Reputational Freedoms
- Appraisal
- Praise
- Awards

#### Organisational Freedoms
- Payment by results
- Completion payments
- Name/shame
- League tables
- Reduced monitoring

#### Effective Delivery

**What** are you trying to deliver?

**By when** are you trying to deliver it?

**Who** do you need to deliver it?

**How** are you going to deliver it?

**Where** will you deliver it?

**Why** would they deliver it?

---

**Open Public Services White Paper**
- Choice
- Decentralisation
- Diversity of provision
- Fair access
- Accountability

---

**HM Government**
Six What Works centres established

Health, education, crime, early intervention, economic growth and ageing

Funded by government and non-government sources

What Works centres summarise and share evidence on what works (and what doesn’t) in each thematic area.

Evidence summaries easy to access and understand for local practitioners

“The What Works Network will bring a real step-change to our evidence generating capabilities, and will further ensure government takes decisions at the Spending Round and future events on the basis of high quality research aimed at delivering the best possible outcomes for the public”

Danny Alexander, Chief Secretary to the Treasury

www.gov.uk.uk/what works
Despite all our efforts, performance challenges remain

<table>
<thead>
<tr>
<th>Set strategic aims</th>
<th>Translate to policy</th>
<th>Plan policy implementation</th>
<th>Rollout policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy formed (and targets adopted) without considering implementation sufficiently</td>
<td>Lack of general implementation skills and experience</td>
<td>Not enough focus on key ministerial priorities / too many priorities</td>
<td>Too little effective consultation with external experts</td>
</tr>
<tr>
<td>Not enough high-quality proactive proposals for what departments can do</td>
<td>Not enough focus on 'customer journey'</td>
<td>Too little effective consultation with external experts</td>
<td>Patchy outcome data collection</td>
</tr>
<tr>
<td>Lack of commercial &amp; IT capabilities (e.g. supplier terms / contract design)</td>
<td>Insufficient setting of meaningful and measurable outcome goals</td>
<td>Lack of meaningful business case analysis</td>
<td>No high-quality evaluation of policy rollout</td>
</tr>
<tr>
<td>Not enough fieldwork – policy and implementation still designed in Whitehall</td>
<td>Lack of effective incentives or accountability</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

HM Government
Despite all our efforts, performance challenges remain.

Which of these do you recognise?

Which do you think is most important to address?

- Policy formed (and targets adopted) without considering implementation sufficiently
- Not enough focus on key ministerial priorities / too many priorities
- Not enough high-quality proactive proposals for what departments can do
- Too little effective consultation with external experts
- Lack of commercial & IT capabilities (e.g. supplier terms / contract design)
- Not enough fieldwork – policy and implementation still designed in Whitehall
- Lack of meaningful business case analysis
- Insufficient setting of meaningful and measurable outcome goals
- Lack of effective incentives or accountability
- No high-quality evaluation of policy rollout
- Lack of general implementation skills and experience
- Lack of effective incentives or accountability
- Insufficient setting of meaningful and measurable outcome goals
- No high-quality evaluation of policy rollout
Any questions?