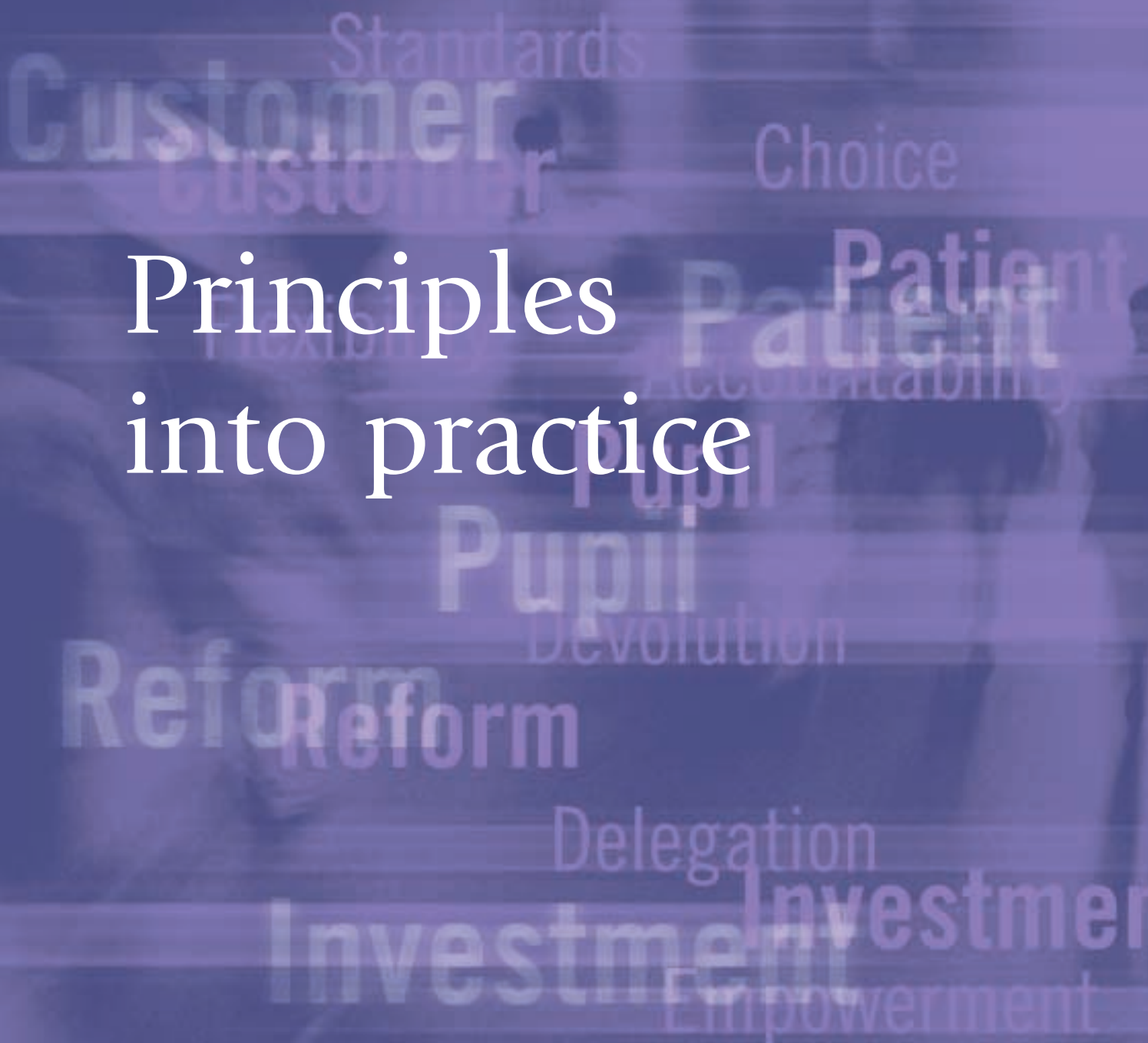


Reforming our public services



The Prime Minister's
OFFICE OF PUBLIC
SERVICES REFORM

Principles
into practice



Reforming our public services



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The Office of Public Services Reform was established in summer 2001 to advise the Prime Minister and work with Government Departments on how reform of public services, including the Civil Service and local government, can be achieved. Working closely with 10 Downing Street, the rest of the Cabinet Office, Treasury, and other Government Departments, the Office of Public Services Reform aims to improve current structures, systems, incentives and skills to deliver better, more customer-focused public services.



Foreword by the Prime Minister

Modernising our public services is crucial to everything the Government wants to achieve for the country.

Strong and high quality public services are essential if we are to achieve our central aim of spreading prosperity and opportunity.

I know, too, that these improvements will only be brought about through the efforts of skilled, dedicated and highly motivated public servants.

This requires a genuine partnership between Government and people in the front line like yourselves. It needs us to play our part by providing an overall vision of where we must go and backing that with a real commitment to deliver that vision.

But it also needs us to listen and learn from your experience, to give you the recognition, resources and support needed to bring about the changes we all want to see, and to work together to see how these changes can best be achieved.

This pamphlet is part of that process. It sets out our ambitions for our public services and also the principles which underpin our modernisation programme; principles which we have developed from experience of what works. Put into practice they are already making a difference in the best of our public services across the country.

I realise, as you do, how huge a task we face in transforming our public services. If it was easy, it would have been achieved long ago.

What I believe is different, and why I believe we are already beginning to see real progress, is that there is now a Government ready to put in the investment and the effort over the long term.

Investment, of course, is vital. Our public services have suffered from chronic under-funding over decades. Putting that right could only be achieved through a stable economy. Building this strong economic platform was the real achievement of our first term in Government and is why our public services are now seeing record and sustained investment.

So a strong economy is an essential foundation for repairing and renewing our public services. But what is also essential is a Government which believes in the importance of public service, in its values and in its dedicated staff, and is committed to working with them.

Above all, perhaps, it needs tenacity from all of us. A commitment to continue on that long journey of reform – a journey which will inevitably include setbacks and controversies – determined to see it through, to create services that unleash the potential of those who use them.

A genuine partnership between the Government and people in the front line.

The goal is public services that give everyone, not just a few, real opportunity and security. The means are set out in the Plans we have published. This pamphlet sets out the overall long-term strategy for all our public services, underpinned by a coherent set of four principles developed from our, and your, experience of what works.

National standards mean working with hospitals, schools, police forces and local government to agree tough targets, and to see performance independently monitored so people can see how their local services compare.

Devolution means Whitehall is serious about letting go and giving successful front-line professionals the freedom to deliver these standards. I know it has not always felt like this. I hope we are learning from experience but I want to hear from you on where we can do it better.

Flexibility means removing artificial bureaucratic barriers which prevent staff improving local services. Again, I want to hear from you what else we can do to allow you and your staff to do your job better.

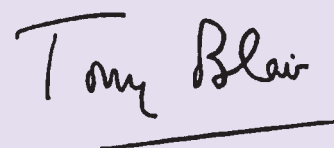
Choice acknowledges that consumers of public services should increasingly be given the kind of options that they take for granted in other walks of life.

I believe that in each public service, we can point to progress where the money is going in, where the reforms have taken root, where these four principles are being applied.

But I know we have a lot more to do. Without your support, your advice and your leadership we won't be able to achieve it.

We are all involved in delivering better public services. My colleagues and I can – and will – play our full part but, in the end, you are the people who will deliver.

But I am convinced that these principles, record investment, your skills and our shared commitment will help deliver the high quality services that the British people rightly expect. We must not let them down.



Tony Blair

one



Laying the foundations for reform

The Government's priority in 1997 was to build a strong and stable economy. This was the essential platform for achieving the wider goals of prosperity and social justice for all and for delivering high quality, properly funded public services. Without a successful economy, Government cannot deliver the sustained investment that public services need.

This is only the beginning of the journey to improve public services.

For decades, they have suffered from stop-go investment due to the economic cycles of boom and bust and also, at times, from Governments' decisions to invest at unsustainable levels in their early years followed, inevitably, by dramatic cut-backs.

Neither the country nor the public services could afford either mistake to be made this time. Keeping to tough spending limits in the first years of the Government helped reduce debt and interest payments. Bank of England independence helped deliver low interest rates and inflation.

There was also the need for a fundamental rethink of the welfare state. Its architect, Beveridge, had envisaged a welfare system which was strong on both rights and responsibilities. He wanted to provide a safety net for those who needed it and help to those out of work to regain employment. However, these priorities became distorted as the welfare system developed, leading to a draining culture of welfare dependency.

This has been tackled. Ensuring that those who need help get it, but those who can work get the help and support to enable

them to do so, is now the cornerstone of the Government's approach to welfare and employment policy. Support for those who cannot work such as pensioners and the severely disabled has been increased. Personalised support and advice – for example through the New Deal – is helping people who can work back to work. Government policies such as the minimum wage and the Working Families Tax Credit have helped make work pay.

The 1998 and 2000 spending reviews provided sustained real increases in funding, particularly for health and education, to support the efforts of public servants. A major school and hospital building programme (supported by both government and private investment) is under way. There are now more teachers in maintained schools in England than at any time in 15 years.² There are 31,500 more nurses and midwives and 9,600 more doctors than in 1997.

There has been solid progress, too, on improving public services. Thanks to the hard work of teachers and pupils and the introduction of the literacy and numeracy

Gross capital investment 2000/01 to 2006/07 (£ billion)¹

2000/01 outturn	2001/02 projection	2002/03 projection	2003/04 projection	2004/05 projection	2005/06 projection	2006/07 projection
23.5	29.8	33	37	39	41	43

¹ HM Treasury pre-budget report 2001 (Annex B).

² As of January 2001 there were 410,000 full time equivalent regular teachers in the maintained sector in England, more than at any time since 1984.



strategies, there have been significant improvements in results in primary schools.³ Infant classes of over 30 pupils have been all but eliminated.⁴ NHS Direct and walk-in centres were introduced, to respond to the needs of patients. And the performance of four out of five local authority services improved.⁵

Alongside these investment programmes the Government set specific targets for achieving service improvements, and began to give customers better information so that they could judge the effectiveness of reform. School performance tables were expanded and rankings for hospitals and councils established to enable people to gauge how their local services are performing. OFSTED's role in education was expanded, as was that of the Audit Commission in local government to promote the discipline of Best Value. A new Commission for Health Improvement was established for the NHS.

The Government also devolved power from Westminster to Scotland, Wales and Northern Ireland, enabling locally-elected representatives to adopt approaches to public services reflecting their own national priorities and concerns. And a programme of Civil Service reform was launched to promote more openness for talent and diversity, a better deal for staff and stronger leadership.

Yet this is only the beginning of the journey to improve public services. So the Government has put in place long-term plans to turn round the transport system and the NHS, alongside new legislation to reform education, the criminal justice system and health. Delivering the improvements the country wants to see is now the task of all of us.

³ The percentage of pupils at English schools achieving level 4 or above in English at key stage 2 rose from 63 per cent to 75 per cent between 1997 and 2001, and from 62 per cent to 71 per cent in Mathematics over the same period.

⁴ 0.5 per cent of 5–7 year olds now in classes of 31 or more, in contrast with 29 per cent in January 1998.

⁵ The Best Value performance indicators for 2000/01 show an increase in performance for 80 per cent of a basket of indicators across local government.



Putting the customer first

The Government has embarked on the most ambitious programme of public service investment and reform since the 1940s.

Public spending on health is rising faster here than in any major country in Europe. Schools, colleges and universities are enjoying the largest sustained period of investment in education for a generation. By 2004, public spending on education will be a third more in real terms than in 1997.



**Spending on education and health
£ billion (real terms)⁶**

	1996/97	2001/02	2002/03
Education	34.8	42.3	44.6
Health	39.2	50.3	53.8

In addition, over this year and the next two, policing will get a real-terms cash boost of 12 per cent. The Government has published a strategic transport plan, with public and private funding totalling £180 billion over the next ten years to increase rail use, cut tube journey times, and reduce congestion with better, safer roads.

But for investment to deliver the improvements wanted, public services will have to be rebuilt round the needs of their customers. This is often a new and radical requirement. Many of our public services were established in the years just after the Second World War. Victory had required strong centralised institutions, and not surprisingly it was through centralised state direction that the immediate post-war Government chose to win the peace. This developed a strong sense of the value of public services in building a fair and prosperous society. The structures created in the 1940s may now require change, but the values of equity and opportunity for all will be sustained.

The challenges and demands on today's public services are very different from those post-war years. The rationing culture which

survived after the war, in treating everyone the same, often overlooked individuals' different needs and aspirations. Rising living standards, a more diverse society and a steadily stronger consumer culture have increased the demand for good quality schools, hospitals and other public services, and at the same time brought expectations of greater choice, responsiveness, accessibility and flexibility.

Public services need to respond to these changes, as those who work in them are the first to recognise. They have to be refocused round the needs of the patients, the pupils, the passengers and the general public rather than the problems of those who provide the services. Joining up public services is key, reshaping them across traditional departmental boundaries, and targeting the delivery of the outcomes that citizens seek. Public services have to make the best possible use of new technologies such as the Internet, and to adopt the streamlined structures, flexible skills and sophisticated management systems found in the best of both the public and private sectors.

Public sector organisations have to respond to the desire of communities to have a greater say in the design and delivery of their local services. Citizens want to be sure that public services respond to their needs when they fall ill, when their children start at school, when they are burgled, or when they must make essential journeys. They want to know how the performance of their

⁶ 1996/97 outturn; 2001/02 provisional outturn; 2002/03 spending plans (base year 1999/00) – source HM Treasury.

Public services have to be refocused round the needs of the patients, the pupils, the passengers.

Customer focus into practice

Many public services are beginning to find new ways of addressing customers' needs and aspirations in ways which can be more convenient and accessible for them.

Alongside programmes to recruit additional nurses and modernise hospitals, NHS Direct has been established as a nationwide 24-hour nurse-led advice and health information service, providing confidential information by telephone and on the Internet. It currently handles about 7 million calls a year. In a recent survey 98 per cent were satisfied with the service given. In addition, NHS Direct Online has an interactive enquiry service, enabling people to access first-class health information and advice at the push of a button. It provides access to a health encyclopaedia of over 400 topics, and customers can make requests for information and receive a personal response.

Local councils have also pursued this approach – introducing a wide variety of call centres, one stop shops and websites, giving their customers access to services when it is convenient for them, rather than only during traditional working hours. Other public services are building on these successes too. It is now possible to check progress of passport applications online; and by 2005 we aim to develop an online criminal justice case-tracking system so that people can follow progress on their case.

local services compares with those elsewhere – the exam results of schools, the performance of hospitals, the clear-up rate of local police forces.

But they need more than good information, clear targets or sustained investment, though all remain crucial. Customers want accessibility and reliability. Where

appropriate, they also want a reasonable choice. They want to be treated with respect. They want flexibility so that they can work a normal day or access services more conveniently. Rightly, they will not tolerate failure or endure chronic under-performance.

These reasonable expectations nevertheless present huge challenges to the way in which public services are traditionally delivered. If customers are to benefit from consistently high standards of service, flexibility and choice, it means fundamental changes in the ways in which public services work, and changed roles for Ministers, councillors and civil servants.

There is an important debate to be had about how to reconcile the organisational need for services to be more devolved and flexibly delivered, against the importance of political accountability. Devolving or even delegating power to a more local level may seem sensible, but is not easy in circumstances where individual Ministers have been held responsible for very detailed matters of service delivery. At the same time, public services cannot simply be made accountable to their customers when their democratic accountability is to Parliament, or to the local town hall.

Yet giving front-line workers greater responsibility to shape responsive local services is essential to securing high standards for all. At a national level, the Government needs to develop policy with a better understanding of how it will



impact 'on the ground'. This is the first step towards moving from policy development into action programmes which deliver the outcomes that matter to the public.

And to achieve customer-focused public services, four principles are paramount:

- It is the Government's job to set national **standards** that really matter to the public, within a framework of clear **accountability**, designed to ensure that citizens have the right to high quality services wherever they live.
- These standards can only be delivered effectively by **devolution and delegation** to the front line, giving local leaders responsibility and accountability for delivery, and the opportunity to design and develop services around the needs of local people.
- More **flexibility** is required for public service organisations and their staff to achieve the diversity of service provision needed to respond to the wide range of customer aspirations. This means challenging restrictive practices and reducing red tape; greater and more flexible **incentives** and rewards for good performance; strong leadership and management; and high quality training and development.

- Public services need to offer **expanding choice** for the customer. Giving people a choice about the service they can have and who provides it helps ensure that services are designed around their customers. An element of contestability between alternative suppliers can also drive up standards and empower customers locked into a poor service from their traditional supplier.

These four principles underpin the entire programme of reform.



Standards and accountability

The starting point must be that the public has a right to good quality education, to healthcare, to law and order, to local authority services, to income support, and that it is the duty of Government to secure these rights on their behalf. Sometimes these are entitlements for all – to school education, or healthcare. Alternatively they are rights for people in particular circumstances, such as tenants of social housing, people in elderly residential care, or the unemployed. Again there are rights to a fair trial or some other due process. With these rights, of course, go responsibilities – to ensure children attend school or to pay tax to fund public services.

Wherever they live, citizens should be able to rely on good quality public services. They have a right to expect proper standards of reliability, choice, information, courtesy and accessibility, to know whether these standards are being achieved and to identify who is responsible if they are not.



This was not the case in far too many services in 1997. It was therefore important to establish a system which could assure taxpayers – and government – that increased public investment was delivering tangible improvements. The Spending Reviews and the Public Service Agreements that were introduced reflected a much needed culture change in focusing government on results. The first priority in education was to drive up standards of literacy and numeracy in primary schools. National strategies were developed for use across the whole country. The Government also set challenging improvement targets for each school. As a result, primary results are now the best they have ever been.

The Government is now building upon the foundations laid in the last term. In the coming spending review, there will be more of a focus on standards based on evidence

of customer satisfaction – delivering through a system of clear accountability the improvements that make the most difference to customers' actual experience of their services.

Performance targets have an important role to play in measuring how far these standards are being met. School and NHS trust performance tables, local authority and police performance indicators, all offer the public the chance to see how well their local school, hospital, council or police force compares with others in the country. Professional inspectorates are also key, providing independent evidence of performance across public services, which is why the Government established the Commission for Health Improvement, and expanded the roles of OFSTED and the Audit Commission.

What matters most to the public is not the national data, but their own experience of how well their local services are performing. NHS patients want to know how long they will have to wait for operations, not just major surgery but also pain-relieving hip replacements and cataract operations. Parents want to know that their children will have the opportunity to fulfil their potential. Passengers want basic assurance about how long their train journey will last.

Standards into practice

There were no national standards of treatment of coronary heart disease (CHD) in 1997 even though it is the biggest cause of premature death in the UK. There are huge variations in how CHD affects groups in the population. Men of working age in the lowest social class are more than 50 per cent more likely to die of the disease than men in the overall population. There are also variations in treatment and services across the country. To tackle these problems, the Government published the National Service Framework for CHD in March 2000. It ensures national standards in prevention, treatment and care. Heart operations are now up by around a quarter and the use of cholesterol-lowering drugs is up by over a third.

Wherever they live, citizens should be able to rely on good quality public services.

Standards into practice

The National Service Framework for CHD has been followed up with similar frameworks for tackling cancer, providing services for the elderly, and delivering mental health services. The Commission for Health Improvement is inspecting hospitals and health services across the country to ensure that services are being provided in line with these frameworks.

A national strategy to assist secondary schools in driving up standards of achievement for 11–14 year olds is being rolled out. Challenging targets have also been set to increase higher education student numbers, and the newly-established Adult Learning Inspectorate is helping raise standards of teaching and learning.

A new Police Standards Unit has been established, to measure performance, enable clear and fair comparisons to be made and, in partnership with Her Majesty's Inspectorate of Constabulary, help every police force aspire to the standards of the best.

The Local Government White Paper sets out how the Best Value framework is being streamlined and strengthened, to enable councils to use it as an opportunity for radical challenge, and to engage citizens and staff in improving services.

The Strategic Rail Authority is putting stronger incentives into place in the new franchises for train operators, placing a clear focus on the effective delivery of national standards of reliability and punctuality.

In some cases the application of minimum standards can help tackle variations in performance, where these are unjustified, rather than simply a reflection of differences in local priorities. The work of the Social Exclusion Unit, for example, demonstrated that public services in the most disadvantaged neighbourhoods were performing below the national average. As a result, in the neighbourhood renewal strategy, standards of service for these communities have been set through 'floor targets'. Different agencies then come together to seek to narrow the employment gap with better off areas, set minimum educational standards, reduce domestic burglary, improve health practices, or reduce pollution. For higher standards to be achieved in these areas, different approaches and targeted effort will be required to meet differing sets of challenges.

Since every person has individual requirements, their rights will not be met simply by providing a 'one size fits all' service. The public expects diversity of provision as well as national standards. Government too wants such standards, but not at the expense of innovation and excellence. So these goals must be complementary, and support each other in practice.



For example, in secondary schools, the Government seeks high standards of achievement as measured by tests for 14 and 16 year olds, backed up by specific improvement targets. Different schools can reach these standards in different ways. This is the driving force behind both the Education Bill and the Green Paper on education reform for 14–19 year olds. In secondary education, excellence and diversity go hand in hand – every school benefits from a strong individual ethos. Under the specialist schools programme, schools have the opportunity to build centres of excellence in key curriculum areas such as languages, the arts, technology and science.

Furthermore, there is a huge opportunity to harness new technologies to raise standards in public services in ways which are tailored much more closely to their customers' individual requirements. That is why the target of 2005 for all government services to public and businesses being available electronically in a customer-focused, joined-up way is so important. A national infrastructure is being developed that allows flexibility in the way services are delivered at the local level. UK online and the Government Gateway are first steps towards providing a single route in to government services which is secure, efficient and customised to individual interests.



Devolution and delegation

High standards are best delivered close to the customer, within a clear national framework of accountability. People value having their problem dealt with properly first time rather than being told to return after checks have been made 'up the line'. The extras that matter to satisfied customers are those that cannot easily be imposed through national guidance, but can be provided by motivated front-line staff. Innovation and efficiency are much more likely to be achieved where people are given the incentive to do so at the local level, which is why the Government is strongly committed to the principle of devolving and delegating responsibility and resources.

Furthermore, it is easier to modernise working practices, to join up local services and to strengthen the customer focus where front-line staff and managers have got the authority to experiment and to take on the risks that go with such innovation.



Devolution and delegation into practice

Local Primary Care Trusts – bringing together GPs, nurses and other clinicians – will be directly responsible for 75 per cent of NHS funds from 2004. They will therefore be able to respond to local conditions and concerns in delivering healthcare.

Devolution and delegation⁷ represent a fundamental reform for many public services and, though popular at first sight, often attracts controversy. For example, there were initial concerns over increased local management of schools. Yet in the last four years, the proportion of the schools' budget over which heads make decisions has grown to 87 per cent, and is set to average 90 per cent next year. Most headteachers and governors have welcomed this devolution and made excellent use of it to improve services for pupils in the way best suited to their particular circumstances.

Learning from the success of devolution to date, in the context of well-defined accountability, the Government is determined to devolve and delegate further. Schools will have the chance to develop their own specialism and ethos; local government will be released from unnecessary restrictions and controls; and in the police service, Basic Command Units should have the freedoms they need wherever possible to meet the demands of the public on the ground.

The argument is sometimes advanced that national standards and devolution are incompatible, since the one represents centralised controls, whereas the other should mean freedom from such accountability. However, demanding standards and devolution need to go together. The best way in which a national standard can be met is by recognising local and often individual differences, and giving service providers the flexibility to shape services around the needs and aspirations of customers and communities. Equally, taxpayers fund public services, and have the right to expect that they will be provided fairly to customers wherever they live, so national standards are essential.

Reaching national literacy standards in a school where most pupils speak English as a second language will require different local approaches from those most effective in schools where most children have spoken English as their first language. Both schools must be expected to reach the national standards, but they will do so by different routes. In fact the sure way to achieve national standards is to do so through teaching and support that takes account of their particular pupils.

⁷ Devolution is defined as the handing over of power from central government to a constituent part (e.g. to local government); delegation means entrusting another with the authority to act as agent.

The Government is strongly committed to the principle of devolving and delegating responsibility and resources.

Equally, the national standards of treatment for coronary heart disease can only be met if there is proper recognition of the different nature and incidence of the disease depending on ethnic background and social class. So the national framework, to be successful, depends upon front-line staff using their judgement case by case to tackle the disease.

Better services should get more freedom and flexibility – earned autonomy for

schools, hospitals, local government and other public services. Failing services should be given the incentives to improve, and receive intervention in proportion to the risk of damaging under-performance.

Devolution is also about maximising the accessibility of government. The new technologies driven by the Internet revolution can make government more immediate and more personal for citizens. And they can provide the tools to cut through administrative complexity and limited access to information, making public services more efficient, more responsive, more satisfying places to work.

Devolution is not an easy goal. Nor is it risk-free. Yet it is an essential part of the reform of public services – and a vital element of the Government's approach.

Devolution and delegation into practice

The principle of intervention in inverse proportion to success has enabled help to be targeted on those who need it most while giving those doing well the freedom to keep improving. OFSTED'S latest report shows that targeted intervention works, with almost 200 schools successfully removed from special measures during the year. The new Education Bill now proposes a 'power to innovate' for successful schools, alongside more flexibility over the curriculum, pay and conditions, and external inspections.

Our best NHS hospitals have asked the Government to explore new models of service delivery which would let them remain within the health service but enable them to be run more independently than now. The idea of 'Foundation Hospitals' (and Primary Care Trusts) is that they could offer more freedom from top down management, with greater control to those who use them. This could open up options for greater community accountability, including the possibility of specialist patient organisations having a more direct role in the management of services.

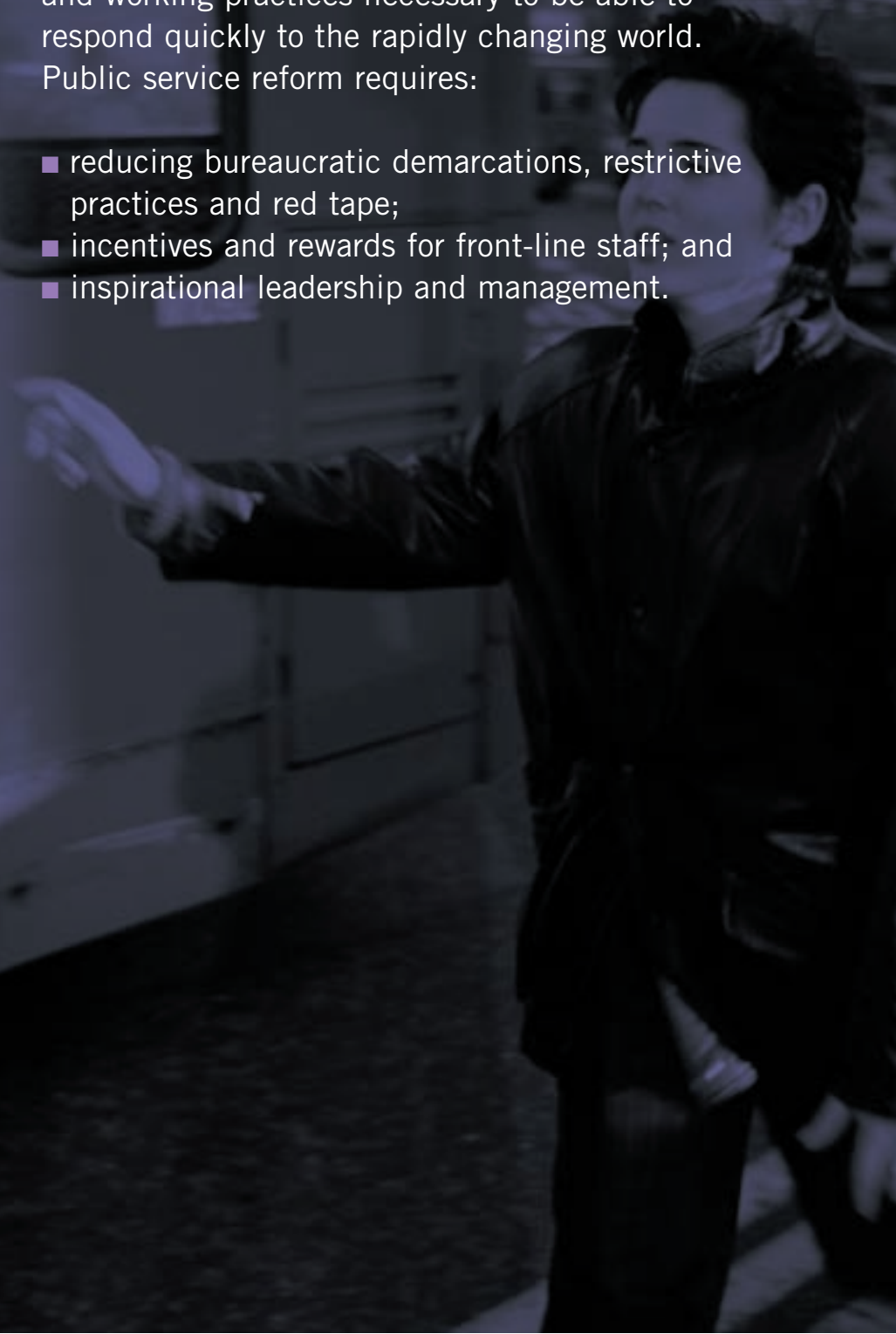
The Local Government White Paper proposes that high-performing councils should be given a wide range of freedoms and flexibilities, including the right to trade and raise new forms of income.



Flexibility and incentives

Successful public services have flexible employment and working practices necessary to be able to respond quickly to the rapidly changing world. Public service reform requires:

- reducing bureaucratic demarcations, restrictive practices and red tape;
- incentives and rewards for front-line staff; and
- inspirational leadership and management.





Reducing demarcations, restrictive practices and red tape

There is a need to break down the rigidity of structures which can sap the enthusiasm of even the most committed. Where new support systems can help people to do their jobs better, they must be introduced. More effort is needed to cut back further on red tape, which steals valuable time from doctors, nurses, teachers, the police and other public servants. Managers need the flexibility to change local terms and conditions so that they are best able to customise services. More than anything else,

innovation needs to be promoted, encouraging staff to find new ways of responding to customer demands.

Governments have too often been ready to introduce new regulations, without removing old, redundant ones. Clearly, regulation has an important role in protecting the public, preventing fraud or ensuring minimum standards. But a key part of devolving power and responsibility will be the removal of needless bureaucratic rules. And if local managers are to be freer to innovate, they need that freedom of movement which excess regulation can prevent.

Flexibility into practice

Classroom assistants allow teachers to concentrate on education in the classroom. Bursars help heads concentrate on leading their schools. Their introduction enables schools and their pupils to get the best out of staff, allowing a greater focus on teaching and lesson preparation. There are excellent models in existence including staff teaching a four-day week, with the fifth day for preparation and development. In the NHS, new contracts are being negotiated for all staff that will allow more flexible working and job redesign.

Patrol officers can spend over 40 per cent of their shift in the police station, often performing tasks that do not need to be carried out by a police officer – up to seven hours a week can be spent on paperwork.⁸ The Police Reform Bill will provide powers to make best use of civilian staff working in police stations and custody suites, enabling them to process prisoners and carry out other time-consuming tasks, freeing up patrol officers to spend more time on the beat catching offenders and deterring crime.

At the same time, public services work best when they work together. Most of the Government's key objectives – ranging from cutting crime to helping people back to work – depend on co-operation between many different services. That is why the Government has joined up different services to help them achieve better results: like Sure Start, which provides integrated care and education for children under five, and Connexions, which is co-ordinating advice and guidance for teenagers.

⁸ A study by PA Consulting (*Diary of a Police Officer*, published November 2001) showed that 43 per cent of a constable's time on shift was spent in their police station – and of this 41 per cent was spent on paperwork.



Reducing red tape into practice

The Cabinet Office's Regulatory Impact Unit has worked with Departments to help reduce red tape for the police, schools and GPs. As of January 2002, they estimate⁹ that:

- 156,000 hours of police officer time are now being saved per year;
- 2,740,000 hours of primary school headteachers' time is now being saved per year; and
- 540,000 GP appointments are now being saved per year, plus 146,000 hours of GP time.

The Government has recently published its *Regulatory Reform Action Plan*, listing 250 actions which Departments have pledged to take to remove regulatory burdens and red tape.

There is a great opportunity to harness new technologies to improve the services offered to people. People can be given ways into government which make sense to them, rather than reflecting organisational structures. The UK online portal has made a start by presenting information in life events (from 'having a baby' through to 'death and bereavement'), but e-government has greater potential still, as a catalyst for delivering customer-focused government.

Information and communications technology has an important role to play in support of effective training and development. It can facilitate distance learning, as can be seen from the success of the National College of School Leadership's initiative to enable headteachers to discuss leadership issues with each other on an entirely confidential basis – already being used by 10,000 heads and other school leaders. It can ensure that staff are better informed and can communicate more quickly beyond traditional lines of demarcation. New technologies will widen the choice of subjects available to pupils, and can enable teachers to strengthen their lessons, as well as offer subjects not otherwise available in remote schools. IT has the potential to transform delivery and change dramatically working relationships and the quality of service available.

Incentives and rewards for front-line staff

The public generally respects front-line staff: doctors and teachers were the most trusted of 16 professions in a MORI survey last year, scoring over 85 per cent. In many ways, they symbolise a spirit of community. Many do their jobs because of the satisfaction and pride that comes from seeing a youngster overcoming the odds or a patient recovering from a difficult operation.

⁹ RIU Public Sector Team *Making a Difference: progress report 1999–2001* (published January 2002).

Staff must be recognised for the contribution they make to the delivery of good public services, and have success rewarded fairly.

Staff must be recognised for the contribution they make to the delivery of good public services, and have success rewarded fairly. And where front-line staff take on more responsibility for high quality service delivery, it is only right that their pay and conditions should reflect this fact. Equally, where performance is not good enough, appropriate changes must be made.

Moving towards more flexible systems of pay and working will not be unopposed. Yet the argument can be won. For existing public service staff to support change, their interests need to be safeguarded when services undergo reorganisation, or require them to perform new roles or acquire new skill sets. Forward-looking trade unions know that the future is about partnership, and are leading the way in a number of projects.

There is another important reason for change. Across our public services, there is a

need to attract and keep more good staff, be they teachers, doctors, nurses, police officers, carers, cleaners, nursery workers. This is not only a matter of training enough people; it is also about encouraging them to choose the public services over alternatives. And part of what makes people feel valued at work is the sense that they are being treated fairly – rewarded for their individual contribution and performance.

Inspirational leadership and management

Public services reform requires support for and development of excellent leaders capable of tackling poor management and inspiring ambitious performance. The Government needs to invest in high quality training and development to help fulfil the potential of all public servants, and in particular current and future leaders and managers.

Flexibility into practice

Performance related pay has helped raise pay for nearly half of all our teachers by 25 per cent since 1998.

Pay for newly-qualified nurses is up by a third, and performance related pay is being piloted in the NHS too: one hospital plans to give all its employees a £600 bonus if their targets are met.

And the Government is exploring new ways of rewarding those police shouldering the most difficult and demanding tasks.



Leadership into practice

The new National College of School Leadership is helping train new headteachers and update the skills of heads, deputies and middle managers through both online and residential programmes. New leadership colleges are being developed for further and for higher education, with the first new training courses for the further education sector to be delivered in 2003.

The Government has invested over £100 million in an NHS Modernisation agency, which has already trained 30,000 staff in leadership positions throughout the health service. An NHS University is now being established with the aim, for instance, of ensuring that half of all nurses can prescribe medicine by 2004.

The training provided at Bramshill and other police training colleges will from April 2002 be supplemented by the High Potential Development scheme, an individually tailored career development programme for all ranks from Constable to Chief Inspector. The scheme will develop those officers demonstrating high potential through the ranks of Sergeant, Inspector and Chief Inspector, ultimately preparing them as strong contenders for the rank of Superintendent.

Local government has redirected and expanded its capacity building through the Improvement and Development Agency, sponsored by Government under the aegis of the Local Government Association. The Local Government White Paper recognises the need for further investment, and proposes a 'graduate management programme' for local authorities.

The Strategic Rail Authority's Strategic Plan proposes the establishment of a National Rail Academy to ensure there are the necessary professional staff as the Government invests more in the railways.

Training for the Civil Service is becoming increasingly focused on delivery, with the Centre for Management and Policy Studies (which includes the former Civil Service College) working with other units at the centre of government to refocus its portfolio, and there are now opportunities for future leaders across all public services to train together through the Public Service Leaders Scheme.



Expanding choice

In designing services around their customers, it is important to be clear about their requirements. In some cases all customers want pretty much the same service – their bin to be emptied regularly, their street to be swept clear of litter, their train to run on time. In others, they increasingly want to be able to choose the service which best fits their requirements. They might want to choose the GP surgery which is most convenient for them to get to quickly from home, or alternatively is near their place of work. They might want to be able to choose the hospital with the shortest waiting times or the most experienced specialists. They might want to choose one particular type of school or curriculum over another.



Choice into practice

Diversity in education is being delivered through a major expansion of specialist schools as well as through the improvement of standards in all schools. By September, there will be more than 1,000 specialist schools compared with fewer than 200 in 1997, focusing variously on technology, languages, arts, sport, science, engineering, business and enterprise, and mathematics and computing.

From July, all patients who have been waiting more than six months for heart surgery will be offered the choice of treatment elsewhere. Each surgical centre and its cardiac network will have a Patient Care Advisor to advise patients on the options open to them. This is part of a wider plan to improve patient choice. By 2005, the target is for all patients to be able to book a hospital appointment through their GP.

Light rail systems are improving transport choice across the country. They are already operating successfully in Tyne and Wear, Manchester, Birmingham, Sheffield, Croydon and London Docklands. New schemes are being built or planned for Nottingham, Leeds and South Hampshire. Choice will also be improved by the M6 Toll Road, giving motorists the option of paying for a high standard alternative route to the congested M6.

Some people make these choices at present by paying for private health and education. It is the Government's task to ensure that everyone can make appropriate choices, regardless of income. This means that customers need better quality information on their public services and, in particular, how these services match up against the standards that matter most to them. Where standards are not being met, customers should be able to seek effective redress. And where customers have different

requirements, there should be more diversity of service provision, with customers involved in the design so that the services are as responsive as possible.

Putting a service online often gives people a choice about how they want to receive a service, and encourages providers to make the new approach attractive. That in turn means that services pay much closer attention to thinking about their customers as people with individual needs and aspirations. It also means thinking about novel ways of doing business in different circumstances: often what people find hard to get from public services is straightforward information about how their own case is progressing and what the next step is; making that information available online not only makes the service more accessible, it also allows staff to focus on getting things done.

Alternative providers can also help drive up performance across the service as a whole, even where the individual citizen does not gain a wider choice as a result. Widening the market to create more suppliers of public services (contestability) can improve the quality of management and value for money. In the private sector as much as half of all productivity gains come from new entrants to the market, as opposed to incremental improvements from existing companies. The Prison Service shows how this can be applied to the public sector too – a relatively small number of privately run prisons have helped to drive up standards in the rest of the system.

Where customers have different requirements, there should be more diversity of service provision.

It will often be possible to turn around poor service provision with more intensive intervention from within the public sector itself. The Education Bill invites successful schools to help turn round failing ones, as well as making it easier for them to expand. Similarly, the Local Government White Paper sets out how high performing local councils will be able to trade more widely, allowing them to provide good quality services in neighbouring authorities, and creating greater scope for expanding capacity to tackle failure. In other cases a provider from the voluntary or private sectors will be the way forward. It is important to find the right solution for each case. The Government adopted this approach when tackling failing local education authorities in the last term. In some cases, the whole or a large part of a failing authority's education service was outsourced. Elsewhere, the necessary action was able to be taken more effectively from within the authority itself, often with support from others in the public sector.

This aspect of the reform programme has attracted controversy, yet it builds on a steady increase over many years in the involvement of both the voluntary and private sectors in the delivery of public services. For example, in 1999/2000 central and local government provided total funding to the voluntary sector alone of almost £5 billion. Furthermore, the Government's huge investment programme can best be achieved by taking advantage of all opportunities for developing additional capacity, and where the voluntary and

private sectors can provide this, their contribution should be welcomed. There is now an acceptance of the benefits of partnerships, reflected in the extensive network of effective working relationships between public, voluntary and private sectors. Where it can be shown to work, there is every reason to enlist the support of all sections of the community and sectors of the economy.

In other European countries, such as France and the Netherlands, not for profit social enterprises play a greater role in providing a range of health services, for example. Proposals have been put forward for the creation of new Public Interest Companies, which would be able to provide public services in a way which reinvests all surpluses in the service. The Government is considering such ideas.

A further reason for developing a range of service provision is that, in the right circumstances, public private partnerships increase investment, with the private sector investment additional to that provided by the public sector (rather than instead of it as before).

Public private partnerships (PPPs) are innovative schemes to increase investment and deliver swifter improvements in our public services. They boost investment in schools, hospitals and transport links by £4 billion a year (in comparison with a gross capital budget of £29.8 billion projected for 2001/02).



It is important to understand that public private partnerships (and Private Finance Initiative (PFI) schemes) are different from privatisation. With PPPs/PFIs, most assets either remain with or revert to the public sector, which continues to play a key role in setting priorities and standards. Privatisation, on the other hand, means that public assets and services are simply sold in the marketplace, and there is therefore a very limited residual role for the public sector in prioritising or influencing service delivery.

Nobody argues that the private sector offers a panacea to transform our public services. There are indeed significant ways in which

the private sector can learn from the public sector, not least the ethos of trust that has been developed between many teachers and parents or between doctors, nurses and patients, as well as the importance of treating staff fairly. In particular, where the private sector is used it should not be at the expense of proper working conditions for the staff, which is precisely why the Government has taken a series of measures to give employees better protection.

What matters is what works: that the public can choose the services they need, that they provide good value for money, and that they deliver higher standards.



Bringing it all together

Customer-focused public service reform must be based on these four principles, but for these to work effectively there must be a tight relationship between them. Standards and accountability are important, but they must be accompanied by the greater trust that comes from devolution, the greater rewards that come from more flexibility and the greater choice that the customer wants.

National standards only become relevant when they are experienced in an accessible and responsive manner in the community. Similarly, because different people have different needs, devolved responsibility can help ensure that improved standards are delivered in a way which reflects the expectations of diverse groups of people.



Governments can no longer claim to know everything and assume that something designed in London will fit the expectations of everyone in the nation. The devolved administrations in Scotland, Wales and Northern Ireland are able to take their own approaches to public service reform. Similarly, devolution and delegation to local providers can help tailor services to meet local needs. More decisions need to be taken by people who understand the regional and local impact of policies.

But just as such a tailored approach is essential to national standards, the reverse is also true. Devolved delivery can only operate with national standards and accountability. In the modern world informed citizens expect fairness and the right to a basic standard of service wherever they live or whatever their background. They also expect services to work effectively together rather than relying on the customer to join them up. One example of this is the new Jobcentre Plus service. Agencies need to work together in understanding how health, education and crime issues interact in particular areas. Local Strategic Partnerships have been established to take this agenda forward.

The responsibility associated with devolution means it can best be achieved with staff better rewarded for good performance, with the incentive to show initiative and take risk. Good customer service cannot be compromised by labour market rigidities, restrictive practices or role demarcations. For services to be responsive,

public service staff must be rewarded for their responsibility and contribution, if they are to be accountable for standards. As is recognised both through performance related pay in schools and the plans for police reform, those who are at the front line deserve to have that responsibility rewarded.

That in turn can mean changes in working patterns. Opening hours or working patterns may need to become more flexible. Staff may need to be better trained so that they can relate better to customers.

Sometimes, where there is neither the capacity nor the capability to meet national standards, they will only be delivered by involving alternative providers. Not doing so leaves customers deprived of their right to a proper service. Equally, enabling people to exercise choice can give them greater control, but with the security that comes from assured national standards.

To conclude: good government, locally and nationally, cannot accept failure or consistent under-performance in its public services. With the four principles of reform and increased investment, and a partnership approach based on a shared ethos of service, the public sector can be transformed in the years ahead. The public deserves nothing less.

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