

Transformation

Promoting new thinking in the public sector



Spring 2007: Decision making

The public sector viewpoint

- Suma Chakrabarti talks about making international development decisions
- Getting the most from departmental Boards

Leading-edge thinking

- Participatory budgeting
- Trust and judgement in decision making

Real life

- Competition in the NHS – a catalyst for change
- Managing investments at the Department for Work and Pensions

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Contents

Foreword

Emran Mian introduces this issue's theme of decision making in the public sector.

Getting the most from departmental Boards

Andrew Jackson explores just how Boards can live up to their promise.

Case study: Participatory budgeting

Josh Lerner and Jez Hall explore a radical alternative.

Case study: Competition in the NHS

Ken Anderson looks at how competition can help to modernise the service.

The interview

Suma Chakrabarti talks about making decisions on international development.

Case study: Managing investment in DWP

Robin Vasudeva discusses DWP's decision making model.

1 Trust and judgement in decision making 35

Gillian Stamp explores ways of making decisions with limited information and uncertainty.

4 Challenging the received wisdom: the role of expertise in decision making 40

Jack Stilgoe considers how we rethink expert advice.

10 What's the use? Research evidence and the decision making process 46

Huw Davies asks what counts and what difference evidence makes.

16 How IT changes the nature of decision making 50

Terry Dailey looks at IT techniques to improve decision making.

22 Horizon 52

Reviews and opinion on public sector developments worldwide and web resources for public sector managers.

28 Endpiece: Civil service reform - are we heading for a cure? 58

Christopher Hood and Martin Lodge suggest that wider changes may be necessary.

Emran Mian

Foreword

This issue of *Transformation* concentrates on both the hardware and the software of decision making. The hardware includes decision making structures. These are important for individuals – one of the best pieces of advice that I ever received was to take the closest notebook that I had and move it closer, i.e. to conscientiously utilise the decision making structure that I had created for myself – and they are critical for organisations.

The opening article looks at what is perhaps the most useful, and yet under-used, decision making structure in Whitehall: departmental Boards. Often, even when these Boards meet regularly, they are not used for making key decisions. Through conversations with Board members from across government, Andrew Jackson diagnoses the problems with Boards and suggests some solutions.

The first case study, on participatory budgeting, explores an unusual form of decision making hardware. There is a new and healthy obsession in the public sector with understanding better the needs and desires of citizens. Perhaps the logical outcome of that obsession is to give certain decisions about services to citizens to make for themselves.

In terms of the software of decision making, the issue includes two complementary articles about the role of evidence and the role of experts in decision making. As the authors of both articles argue, neither evidence nor expertise determines decisions. Hence we, as decision makers, need to develop a more dialogical relationship with these elements of software.

As Professor Gillian Stamp points out in her essay on trust and judgement, much of the software for decision making is also within ourselves. And so the question of how we tend ourselves and hone our judgement is probably as critical as anything else.

For this reason, at the heart of this issue, there is a wide-ranging interview with Suma Chakrabarti, Permanent Secretary of the Department for International Development and one of the most striking decision makers in government.

Finally, I want to engage you, our readers, as decision makers in the future of this journal. This is the fifth issue of *Transformation* and so the beginning of our second year. Do we focus on the right issues? Are we useful to you as public sector professionals and managers? We'd like to be, so please give us your views using the questionnaire that you'll find at the end of this issue.



A handwritten signature in black ink, appearing to read 'Emran Mian', written in a cursive style.

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Editor

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Transformation



Cover photograph: Nigel Young/Foster and Partners

Her Majesty's Treasury Redevelopment, London, SW1, 1996-2002

Foster and Partners' refurbishment of this Whitehall landmark has transformed the way that people work. Today's Treasury staff are not confined to their desks - their new environment encourages them to work collaboratively in a modern and welcoming setting. More than 7 miles of internal walls have been removed to open up light airy workspaces and landscaped courtyards. The award-winning solution also sets new environmental standards, while remaining sympathetic to the history of the building.

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Jez Hall works for Lancaster University in the Institute of Entrepreneurship and Enterprise Development, researching and supporting social enterprises. His previous experience was with a community architecture charity in Manchester, assisting community organisations develop new capital projects. Jez has been writing and presenting on participatory budgeting for the PB Unit since 2000, and has also been a non-executive director of a Primary Care Trust.



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Robin Vasudeva is part of the Finance Transformation leadership team within Capgemini. Robin took the role of Investment Management Director within the Department for Work and Pensions, and was accountable for the design and implementation of the organisation and services to improve decision making within the department.



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Ken Anderson was until recently Commercial Director General at the Department of Health (DH). In this role, he was responsible for driving efficiency and smart procurement from the private sector. Ken has over 16 years' experience within healthcare operations in the USA, UK and continental Europe. Ken left DH in January of this year to join UBS Investment Bank as a Managing Director.



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Dr Jack Stilgoe is a senior researcher at Demos, where he works on issues of science, expertise, policy and public engagement. His recent publications include *The Received Wisdom*, with Alan Irwin and Kevin Jones and *The Public Value of Science*, with James Wilsdon and Brian Wynne. Previously, he was a research fellow at UCL's department of Science and Technology Studies.



Andrew Jackson:

Getting the most from departmental Boards

New Board structures have sprung into existence all across Whitehall. Some work well; others are ineffective, with the key decisions being taken elsewhere. Andrew Jackson talks to leading civil servants and non-executive directors to explore just how Boards can live up to their promise.

Departmental Boards sit somewhere uneasily between policy, strategy and delivery. The idea that departmental Boards can mimic the boards of companies just doesn't hold. We need different, or even new, models of governance in Whitehall that will enable Boards to play an effective leadership role for their organisations, and add value that is commensurate to the increasing amounts of time senior people are dedicating to Board work.

Models of governance appear to have been shaped more by personalities, political agendas and history rather than by a clear understanding of what makes a departmental Board effective and 'fit for purpose'.

Recent Capability Reviews have exposed a surprising range of shapes and sizes amongst departmental Boards, as well as many different ways of utilising non-executive directors (NEDs). Models of governance appear to have been shaped more by personalities, political agendas and history rather than by a clear understanding of what makes a departmental Board effective and 'fit for purpose'.

However, there is potential for change. Many Whitehall Boards are on a journey – from models where leadership is transacted bilaterally between Permanent Secretaries and individual Directors-General (DGs) and where the essential lines of power are from DGs to Ministers – to a position of corporate leadership. There are many signs that senior civil servants, especially Permanent Secretaries, are keen to engage in a debate about what constitutes an effective Board. There appears to be a growing frustration

with current arrangements and recognition of the need for a more integrated approach to leadership across the civil service. Moves are afoot to mobilise the different players in Whitehall – Permanent Secretaries, Board teams, NEDs and the next generation of 'high potential' leaders – to share the leadership task in departments and across the service.

Permanent Secretaries, for example, are currently working with the Cabinet Office's Corporate Development Group (CDG) to consider corporate leadership development and the key principles that need to shape the CDG's approach. The CDG is committed to working with the National School of Government to develop a leadership programme for Board members, including NEDs. Through its 'Top 200' group, the unit is also committed to developing guidance for collective and corporate leadership. This is an excellent moment to ask what that guidance should be.





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The historic context

The Treasury's Code of Good Practice grants considerable leeway to departments to make pragmatic decisions about their governance to suit their own responsibilities and circumstances. Ministerial accountability is one of the few absolutes – a departmental Minister is accountable to Parliament for all the policies, decisions and actions of the department. It is equally clear that Permanent Secretaries are personally responsible and accountable to Parliament for the management and organisation of the department.

The legacy of this minimalist approach to governance is that many Boards have evolved in largely unplanned and even idiosyncratic ways. Indeed, a backward glance at Boards reveals that some have travelled remarkably far in a relatively short period of time.

Sir David Normington, Home Office Permanent Secretary, recalls that sometime in the 1980s, “the former Department of Employment used to have a Board but it was more a gathering of barons.” As he explains, “The creation of agencies gave many departments a push towards more corporate leadership. Agencies created their own management Boards. Departments decided they had better respond and have something better than a Thursday meeting of Deputy Secretaries.”

Suma Chakrabarti, Permanent Secretary of the Department for International Development (DfID), had a similar experience: “Before my appointment as Permanent Secretary at the start of 2002, DfID had a very large Board. It didn't really have a very challenging role – directors just acted as tribunes for their areas of

responsibility. At Board meetings, there was time for one intervention from each Board member, so there was no dialogue. I have since re-shaped the Board to be more directive, in deliberate contrast to DfID's culture of long consultations and failure to reach closure on issues.”

The crux of the issue is that different public bodies have different types of accountability and are given varying degrees of management control. Whitehall therefore has no choice but to devise a model that is suitable for its own peculiarities.

Boards have undoubtedly moved forward in their effectiveness and understanding of their role and responsibility. They have also become willing to leverage the expertise of NEDs, especially from the private sector. However, there is still no unified thinking around appropriate governance models and ways of working.

Defining the role of the Board

In making choices about governance models, many Boards have had to first decide what they are not. For example, private sector governance may provide interesting models, but the experience is not easily transferable to the public sector and Whitehall. As Tim Stevenson, formerly at NED at the Department for Education and Skills and a board member at several private companies, puts it, “The Board of a public limited company is entirely

clear about its role. It has a singularity of focus. It is there to increase shareholder value by holding the executive team to account for having and delivering a strategy. It is master of its agenda and the resources required to deliver that agenda. In Whitehall, the Treasury decides how much money a department receives and Ministers decide the department's agenda. The top civil servants seem to sit awkwardly between the two.”

Nor are there parallel governance arrangements elsewhere in the public sector. Barry Quirk, Chief Executive of London Borough of Lewisham, served as an NED at HM Customs and Excise, now the merged HM Revenue and Customs, between 2002 and 2006. “When you join a Whitehall Board,” he recalls, “you discover that your role is fundamentally different from an executive director of a local government Board. In Lewisham, I can hold my Board to account. In Whitehall, we can require people to give an account of what they are doing, but we cannot hold them to account. We must never forget that a departmental Board is essentially an advisory governance Board, but not a Board for which people are legally accountable.”

The Boards of executive agencies feel different too, because of their operational independence. As Ursula Brennan, Chief Executive of the Office for Criminal Justice Reform, and formerly on the Board of ITSA, the IT agency of the old Department for Social Security, explains, “It is so much harder for departmental Boards to feel they really own and run the ‘business’. Agency managers can own the delivery but in a policy-driven department, that can't happen. At its best, the Board felt like a group of people who were working collectively to drive the business forward.”



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Who decides?

Traditionally, decision making in departments has been conducted by Permanent Secretaries/DGs and their Secretaries of State; the Board sits to one side 'tidying up' around those decisions. As one senior NED, points out: "No one can take responsibility – decisions are passed up and up through a department because only the Permanent Secretary can sign off issues."

An NED in another major department agrees. "Our Permanent Secretary had a very close relationship with the Secretary of State, but the Board wasn't clear about its role, where it sat in relation to Ministers, or about the decisions it had to make. My overall observation was that the department and the Board had no real control over its agenda or the resources required to deliver that agenda. The Board never really became a decision making body. Its practice was to take a paper, hear a presentation, have a debate and move on. As a strategy, that carried great risk."

Plainly, this is not a robust or effective way to make decisions. It does not utilise the expertise and experience of NEDs, nor tap into the value of corporate leadership and decision making.

There is, however, evidence to suggest that a number of Boards are moving towards more distributed and corporate forms of leadership. In many cases, this movement

is due to the will and vision of individual Permanent Secretaries. As research by Stanton Marris in 2001 revealed, the pressures and demands on many individual Permanent Secretaries have become acute, not least because the totality of what is required can rarely be achieved by one person. More and more Permanent Secretaries and their Boards now believe that corporate leadership should be at the heart of a successful, modern department.

Sir Michael Bichard, formerly Permanent Secretary of what was the Department for Education and Employment (DfEE) and Rector of the University of Arts (London) articulates the new approach. As he puts it, "Permanent Secretaries on their own have a limited ability to transform a Department. However, it makes a fantastic difference if you can build a team of nine or ten people who have a shared vision and set of values – what you can achieve is almost unlimited."

The creation of the DfEE (which brought together the separate education and employment departments in 1995) was an ideal opportunity to establish a new form of leadership. "I wanted the Board to be highly visible and lead the development of the vision and strategy for the department," explains Sir Michael. Such leadership required the Board members to be open with each other and engage in challenging discussion: "We could have a robust row around an issue, but then the team could move on undamaged and even stronger," he says. Board development was a high priority at the DfEE, with several days a year put aside for development and external facilitation.

An essential part of Board development is helping individual members move towards a corporate view of the department, away from their own specific expertise or management responsibility. David Spencer, Chief Executive of the National School of Government (NSG) and an NED at the former HM Customs and Excise, says that this shift can be difficult for many Boards and takes time to achieve. As he explains, "Customs & Excise made this shift but, at the beginning, we had to make a conscious effort to hold a review at the end of each Board meeting to analyse whether the Board had behaved corporately and strategically."

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Setting the scope

As well as creating a culture of teamwork, individual Boards have to work out for themselves the delicate balance between strategic and operational responsibility, and the implications that this has for effective decision making.

According to NED Barry Quirk, an important change made by Sir David Varney when he took the helm at the merged HMRC was to connect corporate governance with managerial responsibility. He did this by making clear judgements about when, and to what extent, the Board needed to examine



operational issues and when it needed to step back and take a longer-term, more strategic perspective. In his view, HMRC developed an effective, decision making Board because “the Chair constantly linked what the executive committees were doing to the Board. He recognised the need to link the daily rhythm of executive management and action to that of the Board. In doing so, everyone was clear that the effectiveness of the Board was ultimately measured by its contribution to the organisation.”

Departmental Boards are also re-structuring themselves to become more strategic and accountable. DfID, for example, has transformed itself over the last five years. In 2002, the Permanent Secretary, Suma Chakrabarti, reduced the size of the departmental Board to just four executive members and two NEDs – thus radically shifting the balance of power towards NEDs and widening the scope for challenge and debate. “A smaller Board helps foster a sense of cohesion,” he explains. “It also enables more productive dialogue. NEDs can play an important role in providing challenge and fresh thinking. Our NEDs in particular bring different skill sets and have made important contributions to our ongoing organisational improvement agenda.”

Perhaps the most sensitive issue of all is how to engage Ministers in a Board’s journey towards a more distributed, corporate model of leadership.

While Directors-General remained on the Board, 12 directors were cast into a new sub-committee structure. “These directors have been given more operational power,” says Chakrabarti. “The directors work closely with the Directors-General to meet with them regularly as the department’s wider leadership group.” The new leadership groupings enable more distributed leadership and operational accountability.

Looking out, not in

The shift towards a smaller, more accountable Board also increases the scope for NEDs to take a greater role, since the ratio between executive and non-executive directors is growing ever smaller. There is a growing consensus about how NEDs, can help Boards become better at operational and service delivery with a focus on the customer. As Barry Quirk puts it, “My experience on the Board of Customs and Excise/HMRC is that NEDs can help Board executives by challenging, clarifying and simplifying issues.” Tim Stevenson talks of the important ability of NEDs to “ask stupid questions. I developed this skill when I took on the chairing of the Audit Committee for the old DfEE. That experience helped me gain a really practical ‘hands on’ feel for the issues in the business.”

NEDs can also help their Boards to strike the right balance between strategic and operational responsibility. David Spencer describes his role as an NED at Customs & Excise: “Inevitably, because Board meetings were made up of mainly operational heads, the discussions sometimes descended into operational issues. To give credit to the executive team, they were conscious of this

and they asked me and another NED to flag up whenever discussions went in the wrong direction.”

Sir Michael Bichard says the NEDs on the first DfEE Board helped it to look outward: “After the merger it was very important to look forward and not backwards. Our NEDs helped us to avoid becoming introspective or shutting ourselves in a room writing policy and to remember that we should be outward-looking and visible to the department.”

As more and more NEDs work across Whitehall Boards, they will become an increasingly valuable resource that can be leveraged within and between departments. However, to become fully effective, NEDs need well-designed induction programmes to help acclimatise them to Whitehall. The NSG’s induction programme for NEDs helps new appointees to understand how Whitehall works within the wider context of the public sector and, most importantly, the complex nature of public accountability.

David Spencer adds that the Chair of a Board has a vital role in ensuring that NEDs are able to contribute fully: “The Chair can ensure that the NED has proper access to different parts of the department and especially key information – without this, the NED is starved of fuel. I have witnessed a certain wariness in some departments, especially in the early stages of policy development, to give NEDs such access. But a really good Chair will embrace the diversity of opinion and backgrounds at the Board table and leverage it to the advantage of the department.”

Engaging Ministers

Perhaps the most sensitive issue of all is how to engage Ministers in a Board's journey towards a more distributed, corporate model of leadership. As one NED says, the change can generate a degree of tension between Ministers and their Boards: "A big departmental Board needs to have a clear steer on policy direction and themes and engage with Ministers about choices and priorities. But Ministers don't always like to be pressed about priorities. They don't like to be boxed in by their Boards or to have their options closed off."

A big departmental Board needs to have a clear steer on policy direction and themes and engage with Ministers about choices and priorities. But Ministers don't always like to be pressed about priorities.

DfID's approach has been to build trust with Ministers. Suma Chakrabarti says that the reason DfID has benefited from two successive Secretaries of State being willing to give management space to the Board is in part because of the Board's openness. "Ministers have been offered whatever level of engagement they want and this has helped to build trust between Ministers and the Board," he says. "The Board's policy and practice of openness (for example, Board meetings are open to anyone in the department to observe) has also reassured Ministers and encouraged a less hands-on approach."

The DfID Board is also willing to take risks sometimes by giving clear advice to Ministers, for example about resource allocation, and this approach has paid off. "At first under the new Board arrangements," explains Chakrabarti, "the organisation found it quite difficult to think about the possibility that the Board and Ministers might disagree. But, in fact, there is very seldom a real mismatch if communication is good and we do things like pre-Board discussions with Ministers to gain their feedback and 'take the temperature'."

The bottom line

So what's the bottom line? Whitehall Boards do tread a difficult line between policy and management; they do sit in an awkward space between senior officials and Ministers, personalities and politics. There are few well-established practices or models.

But there is increasing space for Boards to play a critical role in the leadership and governance of departments. They should be there to set the strategy and craft agendas which look to the long term. They can join up issues (within and outside the department's boundaries), to ensure that subordinate policies fit the strategy. They can make strategic resource decisions and build the department's capability. Of course, in doing any of this, they need to build strong, trust-based relationships with Ministers. Ministers are ultimately accountable for what a department does, but a strong official Board, supported by effective NEDs, has an important role in guiding Ministers towards strategic choices. Such a Board can ensure the proper prioritisation and resourcing of policies and programmes, and create a department which

is fit to deliver those programmes. This may seem idealistic but we can see the consequences of alternative approaches throughout Whitehall: many departments are struggling with incoherent agendas, unfunded programmes, short-termism and poorly-developed leadership and organisational capabilities.

As the experience of the interviewees in this article reveals, effective Boards cannot be summoned into existence instantly. They require strong commitment from the top to populate Boards with the right mix of skills and experience, to invest in their development and behaviour and to allow them to share genuine corporate leadership. There are practical steps involved: keep Boards small and focused; be explicit about their role and where they add value; give them space to get above the fray; plan their agendas strategically; support them well. But the fundamentals are to do with behaviour and commitment – put those in place and the results will follow.

Case study:

Participatory budgeting: A new tool for democratic decision making

In traditional models of decision making, responsibility for making a decision rests with one person. Josh Lerner and Jez Hall set out a radical and effective alternative.

In November 2006, the city of Newcastle was faced with a tough budget decision. Its response was to find someone else to decide – the residents of the city. Through the Newcastle Partnership's 'Udecide' initiative, the city invited ordinary community members to propose local projects and then directly decide how £25,000 would be spent amongst them. The initiative even inspired a group of young people, the Wikkid Planners, to help develop a parallel process, in which city youth decided how another £25,000 was spent.

Udecide is one of the first British experiments with participatory budgeting, a decision making process through which city residents decide how to allocate part of a budget. There is strong evidence to suggest that participatory budgeting helps people to become more active citizens, increases government transparency and generates more informed and equitable decisions. As the advantages of this process become better

known, might Newcastle's experience become commonplace in local government in the UK?

There is strong evidence to suggest that participatory budgeting helps people to become more active citizens, increases government transparency and generates more informed and equitable decisions.

What is participatory budgeting?

Citizen participation in budgeting is not a new idea. The Brazilian city of Porto Alegre trialled the idea in 1989, gradually developing an annual process in which thousands of city residents decide how to spend part of the municipal budget. In a series of neighbourhood, district and citywide assemblies, citizens identify public

spending priorities and vote on which projects to implement. Each year, over 50,000 people participate, deciding how roughly 20% of the city's budget is spent.

Since its emergence in Porto Alegre, this tool has spread to hundreds of cities in Latin America and elsewhere. It has also been used in schools, universities, housing and community organisations. Although the initiatives differ significantly, they are generally based on a common approach. First, community members identify spending priorities and elect budget delegates to represent their neighbourhoods. With technical assistance from public employees, the delegates transform the community priorities into concrete project proposals. Community members then vote on which projects to fund, and the municipality or institution implements the chosen projects. In short, participatory budgeting involves diagnosis, deliberation, decision making and follow-up.



Increasingly, cities in Europe and other developed countries are experimenting with participatory budgeting, and adapting it to contexts quite different from Brazil. Compared with Latin America, these cities are more affluent, with more developed infrastructure and greater cultural and linguistic diversity. Their local governments often have less legal autonomy and are facing increasing budget shortfalls and constraints. These challenges, however, have inspired new variations of participatory budgeting, including in the UK.

Participatory budgeting in the UK

With the support of Oxfam's UK Poverty Programme, in August 2000 a small charity based in Manchester called Community Pride Initiative (CPI) organised a study visit to Porto Alegre. After learning how the participatory budget works in practice, several of the participants were inspired to form a Participatory Budgeting (PB) Unit in the UK. The PB Unit has directly supported most of the participatory budgeting initiatives that have taken place in the UK.

Until 2003, discussions about participatory budgeting were limited to Manchester and Salford. Despite some early successes, including improved budget consultation materials, a breakthrough to direct citizen control over significant amounts of public money seemed impossible. Local authorities were focusing their energy elsewhere, and the resources of local councils were tightly constrained by budgetary control from Whitehall and performance management frameworks.

Momentum began to gather in 2003 when policy makers in the Neighbourhood

Renewal Unit (then based within the Office of the Deputy Prime Minister) awarded some money to stimulate local participatory budgeting pilot projects. The PB Unit subsequently extended its work beyond Greater Manchester, and benefited from institutional support from a new 'participatory budgeting national reference group'. 2005 and 2006 saw a wave of new initiatives, in Newcastle, Keighley, Sunderland, West Dunbarton in Scotland and Coedpoeth in Wales. Additional programmes are being planned in Salford, Lewisham, Southampton, Manton and Birmingham. Most of these are homegrown variants of participatory budgeting, often based on what might be called participatory grant-making. All are slightly different but share a common theme: participatory decision making at the community level to distribute public funds.

The PB Unit is not the only way that knowledge of PB has come to the UK. In 2004, Bradford Vision, the Local Strategic Partnership (LSP) for Bradford, began to do participatory budgeting through its 'Clean, Green, Safe Neighbourhoods Fund' after being separately inspired by Porto Alegre. That November, over the course of two public assemblies, local residents from 50 community organisations decided how to spend £700,000 from the LSP's environmental strand. Funding was for the most deprived wards of the city.

In Bradford, the format provided for community groups to present their own projects to other groups also hoping for a share of the funding. Participants were asked to score the quality of each 'Clean, Green, Safe' project on a scale of 1 to 10,

based on a set of simple criteria and their own local knowledge and experience. Only those bidding for money could take part in the scoring, and there were clear rules and record-keeping to ensure transparency. The participants mirrored the social profile of Bradford's poorest communities, in terms of gender, ethnic background and age.

One after another, in groups of two or three, local residents took the platform and presented, in three minutes only, the key features of their project. Each group could request a maximum of £10,000, though most asked for less. Their presenters spoke passionately about their dedication to making a difference in their community. For those that had never previously spoken in public, the applause and peer recognition were powerful. One successful bidder, on hearing that her group had received funding, exclaimed, "I could cry, I could really cry. It's been fantastic, I didn't expect to get the support I did, thank you." (An online video of the event can be viewed at: www.bradfordvision.net/video1.php)

The Bradford experience crystallised much of the thinking about participatory budgeting in the UK. Here was tangible evidence in a UK context for the transformative effects of participatory budgeting witnessed in Latin America. Local residents could be trusted to act responsibly, and with concern for more than their own backyard.

The Bradford experience crystallised much of the thinking about participatory budgeting in the UK. Here was tangible evidence in a UK context for the transformative effects of participatory budgeting witnessed in Latin America. Local residents could be trusted to act responsibly, and with concern for more than their own backyard. They could balance competing needs, and make valuable judgements if the right format for exchanging information and decision making existed. No longer relying on paper applications and small awards panels, diverse citizens sharing a common experience of local deprivation entered into new dialogues. Those most affected were making the decisions. Trust had been handed down to communities, even the most deprived and excluded, and those communities had risen to the challenge.

In October 2006, there was another significant breakthrough for participatory budgeting in the UK: it was included in the local government White Paper *Strong and prosperous communities*. The Paper's implementation plan, launched in January 2007, states that the new Department of Communities and Local Government 'will work with local government and community organisations to identify and promote good practice in local charters, neighbourhood planning, citizenship learning and participatory budgeting...'

New roles for citizens and civil servants

Participatory grant making is only one variant of participatory budgeting in the UK. Salford Council is developing a more mainstream pilot, based on its existing devolved budgeting process. Still working at the local level, and in only one district to date, it uses £100,000 of highways money as

its investment pot. Residents, through their community committee, exercise influence over local highways budgets. This programme institutes a new form of partnership between citizens and the highways department, with knowledge flowing between service planners and communities, informing and empowering both camps.

These changes invert traditional hierarchies, which give decision making power only to those with recognised technical knowledge.

Salford's approach illustrates how participatory budgeting can lead citizens and public sector professionals to adopt new roles and responsibilities. These changes invert traditional hierarchies, which give decision making power only to those with recognised technical knowledge. Instead, community members and government employees collaborate on decision making.

For participatory budgeting to be effective, public officials need to provide citizens with detailed and accessible information, to help them better understand budgetary constraints and options. Experts should play an essential role as technical advisors, clarifying the range of possible and appropriate budget projects, and working with residents to design sound projects. They also often serve as facilitators, guiding people through balanced and inclusive discussions that aim to incorporate the views of all participants. This helps citizens develop projects that are better informed and more easily implemented.

Community members, on the other hand, assume the roles of deliberator, policy-maker and decision maker. Before making demands, they are first encouraged to evaluate and prioritise them through deliberation. Participants are then able to design their own policies and projects – not just choose amongst pre-packaged offerings. In the process, they gain trust and mutual respect from professionals. This allows them to direct new expenditure, rather than simply being consulted. These new roles are an invigorating change and a powerful incentive to become engaged.

More transparency, better decisions

Sunderland New Deal for Communities (NDC) also adopted a participatory budgeting model in 2005. The initial intent was to reach beyond the very limited pool of residents who had thus far opted to engage with the NDC programme, and better link into what the local authority was already doing. Learning from Bradford, they ran an experiment using a small grant format that distributed £35,000 (£15,000 from NDC funds and £20,000 of local authority money under the remit of local councillors). Resident interest was higher than before and exceeded expectations, with 55 residents participating, and 20 non-voting observers. In contrast to the panel of six or seven community leaders that would traditionally make decisions, all the participants voted for projects using electronic ballots. Both the NDC board and residents were impressed with the results.

One reason why participatory budgeting works so well is its transparency. The decision making process is open and visible to all. Participants base their budget decisions

on predetermined and publicly disclosed criteria. Public meetings and information sharing also require government and community decision makers to account for their actions. They build greater trust and confidence in spending decisions, and in government itself.

The quality of projects improves when they are based on people's on-the-ground knowledge.

Democracy is time-consuming. Participatory budgeting, however, can make democratic decision making more efficient and effective. It increases budgeting outputs, so that they include not only funds allocated, but also resident education and empowerment, better local intelligence, the development of new community organisations, and the inclusion of marginalised people. Meanwhile, the quality of projects improves when they are based on people's on-the-ground knowledge. When residents directly reveal their preferences, decisions can better reflect local needs. Participatory budgeting has even helped attract new funding. According to the World Bank, it makes cities more financially sound. It has also encouraged partnership working between public agencies and the pooling of public money.

For many people, however, greater transparency and efficiency are mere window-dressing for a more fundamental change: more equitable public spending. One of the original goals of participatory budgeting was the inversion of social priorities – in other words, to redirect resources to those with the greatest needs.

How does this happen? By giving those in need a stronger voice. Public consultations usually draw out more educated and affluent 'professional citizens', but participatory budgeting consistently attracts people with lower incomes, as well as more women and minorities.

Although shifting control over resources can be politically risky, participatory budgeting lets citizens make difficult redistribution decisions themselves. These decisions often have powerful results. After eight years of participatory budgeting in Porto Alegre, the percentage of residents connected to water and sewage services nearly doubled, half of the city's unpaved streets were paved, the number of students in elementary and secondary schools had doubled, the rate of public housing construction increased, and bus services were extended throughout previously neglected neighbourhoods.

Learning democracy by doing it

Since 2004, Bradford LSP has built on its participatory 'Clean, Green, Safe' programme. During 2006 it tried participatory budgeting in the deprived wards in the textile town of Keighley, distributing Neighbourhood Renewal Funds totalling £130,000. This time, both residents and agencies developed projects and presented them on 'decision day', branded in the local press as Keighley's very own 'X factor' (after the popular TV talent show). Hundreds of people flocked to a local Surestart centre to learn about each other's ideas, almost overwhelming the LSP workers.

The energy and buzz of the event was matched only by the seriousness with which people set about agreeing who would get funded. But even those who left disappointed

said that they valued the opportunity to practise their presentations, learn the ingredients of success and network. As one unsuccessful community bidder concluded: "We've mixed all day with other people doing work in this area. I have a series of telephone numbers in my bag and they are all links we will be feeding off in the future, so, even without funding, coming here has been beneficial." He plans to be back next year, a bit wiser.

People who regularly engaged in participatory budgeting for at least a year reported substantial increases in their citizenship knowledge, skills and attitudes.

Similarly, a study in the Argentine city of Rosario found that people who regularly engaged in participatory budgeting for at least a year reported substantial increases in their citizenship knowledge, skills and attitudes. They became more familiar with the needs of different communities, got to know new and different people and became more knowledgeable about politics and government. This new knowledge helped them better understand complex government problems and contribute more constructively to their solutions. They learned political and analytical skills by participating in decision making, new communication and conflict resolution skills by deliberating with other city residents, and leadership and organising skills by planning and carrying out budget meetings.

Perhaps most importantly, many of these residents translated their learning into

new practices and behaviours. They began attending more community meetings, following the news more closely, and formulating and proposing more solutions to community problems. Taken together, this learning suggests that the most important output of participatory budgeting may be better citizens.

A new way of governing?

Participatory grant-making is one innovative approach that has worked well in the UK. But in itself it does not realise the full potential of participatory budgeting as a way to decide significant mainstream budgets. The challenge ahead still lies around those mainstream budgets. Officials know that they should be open to community involvement in decision making, and politicians pay at least lip-service to citizen accountability and scrutiny. But to date they have given citizens little budgetary control at the macro level, for at least three reasons.

First, there is little recognition that an annual cycle of participation, a budget matrix, deliberative public forums and the other innovations of participatory budgeting are tried and proven techniques. Recognition of its value by the World Bank, Un-Habitat program, European Union, UNESCO, DfID and now our own national government through the White Paper has not yet filtered through to public sector professionals in the UK.

A second challenge is the relatively limited knowledge and skills base for participatory budgeting in the UK. As participatory budgeting becomes mainstream, it requires a network of professionals able to design and implement programmes that work. It is

crucial to share best practices and avoid ill thought-out processes that raise expectations but do not deliver.

Thirdly, public bodies in the UK, particularly at the local government level, are famously risk-adverse. Time and again central government attempts to stir up change and bring in more open thinking, often through outsourcing and now by splitting the commissioner/provider function. But the recent focus on external performance monitoring has been increasingly recognised as being too target-driven and too centralised. This has stifled, not encouraged, innovation.

Perhaps this over-centralisation is coming to an end. Whitehall is talking more of 'double devolution' and politicians are searching for new ways to develop active citizens and address democratic deficits, with 'partnership working' as the buzzword. The Audit Commission, Local Government Association, British Urban Regeneration Association, Local Government Information Unit and Urban Forum have all produced supportive briefings or collaborated with the PB Unit. Primary Care Trusts, such as in Southampton, are also starting to consider participatory grant-making.

There is a telling quote from a 15-year-old girl, Wanessa De Silva, engaged in the young persons' participatory budget in the city of Barra Mansa, Brazil: "I started participating in the participatory budget for children and young people as a game. I liked it so much that I plan to play this game my whole life. I will never forget this project." Capturing this sense of energy and fun may be critical if we are to build a truly alive public realm in the future.

Weblinks of further interest:

The Participatory Budgeting Unit

www.participatorybudgeting.org.uk

ParticipatoryBudgeting.org (international forum)

www.participatorybudgeting.org/

International Budget Project

www.internationalbudget.org

Breathing life into democracy; the power of participatory budgeting

PB Unit, 2005.

www.participatorybudgeting.org.uk/Downloads/Breathing%20life%20into%20democracy.pdf

Bringing budgets alive: participatory budgeting in practice

PB Unit, 2005.

www.participatorybudgeting.org.uk/Downloads/Bringing%20budgets%20alive.pdf

72 Frequently Asked Questions about participatory budgeting

Un-Habitat: Global Campaign On Urban Governance, July 2004.

www.staging.unchs.org/campaigns/governance/documents/FAQPPP.pdf

Competition in the NHS – a catalyst for change

The NHS faces fundamental choices as it seeks to improve standards and gain parity with healthcare providers in other developed countries. Ken Anderson, formerly in charge of procurement at the Department of Health, looks at the role that competition can play in modernising the service.

I clearly remember walking in the door on my first day at the Department of Health (DH). I was an American, coming from the private sector, with a background in healthcare management and, most recently, health-focused PFI and PPP projects. Like most people who have bid on government contracts, I had been on the receiving end of bureaucratic demands – and now I was switching sides, acquiring responsibility for running procurement at DH.

One of the pressing problems that I saw straightaway was that the NHS is very slow to take up new procedures and drug therapies compared to its cousins in other countries. For example, the average length of stay for a hip replacement in the NHS is 14 days; the Australian average is four. Less than 20% of day surgery is done in dedicated day stay facilities; the average in other Western countries is 70%.

The problem with these figures is that not only do they contribute significantly to bed shortages, waste money and the time of health professionals, they contribute, unnecessarily, to an increase in the hospital infection rate. They also fly in the face of the trend in healthcare. The days of the generalist facility are gone, or least should be. The concentration of services around large facilities will never allow us to move from being a healthcare system that is focused on cures to one that values and embraces prevention, something that must happen if we are to be able to afford healthcare in the future, and address the needs of our ageing population and the massive increase in long-term health conditions.

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This article looks at some of the reasons why reform and the take-up of the new techniques, working practices and therapies that will bring the NHS into the 21st century have not happened as quickly as is needed – and how competition is beginning to make a difference.

The case for change

The National Health Service (NHS) is the UK's most beloved institution. It helps bring most of us into the world and will most likely be associated with our exit. Because of this, change within or around the 'Service' can be slow and painful. The Labour Party has doubled in four years the proportion of gross national product committed to the delivery of healthcare. From a starting point of 4.8%, it now stands at more than 9%. However, the complexity of the healthcare landscape makes it extremely hard to ascertain the true effect of added funding. There are some visible signs – a large number of new facilities



have appeared around the country; less visible, though no less significant, are the increases in pay for consultants and GPs as well as nurses and ancillary staff. Waiting times have also fallen, albeit they remain extremely high given the level of investment and when compared with other European countries.

At the same time, however, the Government has fallen victim to the myriad of self-interested groups able to drive opinion through the media with anecdotal claims. We see, virtually on a daily basis, wilfully misleading suggestions that, if only the Government would pump in yet more money, we would make the quantum leap to the level of accessibility of services which is found in France and many other developed nations. Nevertheless, the fact that extra investment has not driven improved productivity and has not resulted in dramatic improvements in patient care underlines the fact that most of the money invested in the NHS has failed to reach the patient. This must also call into question the argument that the problems of the NHS can be solved with money alone – what is required is a change in how services are procured.

Most of the money invested in the NHS has failed to reach the patient. What is required is a change in how services are procured.

What is clear to those of us who have spent the last few years in the trenches of healthcare reform is that the time has come for a real change in how healthcare is

delivered. We need a system fit for the 21st century, relevant to the lives of 21st century citizens and capable of meeting the needs of an ageing population with high expectations for longer lives. These expectations are not unjustified. We are undergoing one of the most exciting revolutions in drug development and treatment in history. Our challenge is to create a system capable of delivery. We don't just need new hospitals; we don't just need more doctors, we certainly don't just need more of the same. We need better and safer healthcare delivery. We need flexible services capable of adapting, not large monolithic District General Hospitals to which we are required to go for every problem and which are locked in for 30 year contracts whether or not they are relevant in Year 1 let alone in 2037.

However, the NHS is a political body and one must recognise that all change is subject to political backlash. All MPs, but especially Labour MPs, will remember that, in 2001, Dr Richard Taylor won the Wyre Forest constituency, as an independent, solely on the issue of the closure of the local hospital (he retained his seat in 2005). The problem with this kind of politics is that 'saving a hospital' is not the same thing as delivering the best service for the modern age. It is clinging to the past rather than embracing the future, a future where we introduce new procedures quickly, dispense with old techniques and ensure that the public has access to every new medical development that enhances or saves their lives just as quickly as the Americans, Germans or French. We cannot achieve this simply by keeping Victorian hospitals open. What we need instead is political courage and the will to engage the public about the real needs of modern healthcare.

Perhaps most importantly, we need to get back to the core NHS value of access. Often 'access' is taken to mean that medical treatment should be equally available to rich and poor alike. But there is far more to it than that. If the issues around long-term health conditions are to be addressed, then access requires that we move services that diagnose and, more importantly, inform patients into the community where there will be no disincentive in terms of time or money for obtaining them. The best diabetic care in the country is worthless if a diabetic must sacrifice a day of his or her time, but most importantly wages, in order to get it. Time and again people have demonstrated that, if faced with this dilemma, they won't give up their time and money. This problem of access specifically affects those on low wages who are paid at an hourly rate and who cannot afford, literally, to be away from work for a day. So when we see these demonstrations to defend a local service, what I find truly tragic is that often it is those with most to gain who are being manipulated by well-paid NHS workers and trade unionists into campaigning to block new services that will help them the most. As the ex-Health Secretary John Reid put it, "Rich people have always had a choice".

Early experiences of reform

If you look back over the previous ten years at the change in the way the Government has dealt with the NHS, you will notice that they started by believing the NHS when it said that it would change without any outside influence. Managers and clinicians convinced the then Secretary of State for Health, Frank Dobson, that all they needed was to be left alone. So they were left alone. The modest reforms of the Tory Government

were dismantled. Waiting lists continued to rise. Patient care continued to decline. If that era had endured for much longer, the NHS would have collapsed. The demand for more money was met and it took considerable political courage to raise taxes to finance the NHS. Yet there was little change as a result of the extra money. The key indicators of performance that the Government had committed to were either stationary or headed in the wrong direction.

Some at the Department of Health began to wonder if concentrating on inputs was really the answer. Did the NHS need to specify the colour of a wall, the number of hospital beds or even the number of parking places in a hospital or was it time to look at the outputs that were necessary to provide appropriate health care?

At this point, some at the Department of Health began to wonder if concentrating on inputs was really the answer. Did the NHS need to specify the colour of a wall, the number of hospital beds or even the number of parking places in a hospital or was it time to look at the outputs that were necessary to provide appropriate health care? New policies to create a competitive environment within the NHS began to materialise. Through doing this, we could actually put the user (and funder) of the service in the driving seat. Maybe then, the minority special interests

would start to decline in power. There was a push, at the same time, to free the providers of healthcare as well. This led to the creation of Foundation Trusts and was the most radical reform of the NHS since 1948.

This phase of reform, however, hit a raw nerve with almost, if not all, of the associated interested parties. One part of the package was to inject private sector clinical provision into what had been the almost exclusive domain of the service. The BMA, as well as Unison, the healthcare workers' union, described this change in apocalyptic terms – it was the end of the NHS as we know it, they said.

One aspect of their critique was to challenge the quality of the overseas consultants that the new providers intended to use, with some conveniently forgetting that a significant number of clinicians currently practising in the United Kingdom are from foreign shores and that they have brought immense value to this nation by virtue of their skills. They also claimed that the private sector would not have the patient's best interest in mind, only 'profits'. When we consider that almost all GPs are private sector contractors already, that the majority of NHS consultants also have private practices and that those people with either the right insurance or enough money already buy high quality healthcare outside the NHS, the arguments made against allowing private sector providers into the NHS have a hollow feel about them, to say the least.

The change begins

In 2002, the Department of Health created the Independent Sector Treatment Centre (ISTC) programme. Although the programme was primarily directed at change within the service, one of the by-products was a shift in the way that the incumbent private providers, who had been selling clinical services to the NHS for years in a spot market environment, changed the way they did business with the NHS. For years, the NHS had turned to the private sector towards the end of a fiscal year to help meet government targets. These unplanned procurements would typically include a set of surgical episodes bought from the private provider at rates over and above (sometimes double) typical NHS costs. The price was understandable, given that the private provider had little time to plan for the increase in throughput or any guarantee that they would get the business again.

For years, the NHS had turned to the private sector towards the end of a fiscal year to help meet government targets. These unplanned procurements would typically include a set of surgical episodes bought from the private provider at rates over and above (sometimes double) typical NHS costs.

Prompted by the new initiative, before the first ISTC had even opened its doors, BUPA, one of the largest private health providers in the UK, decided to shed hospitals so it could become a more streamlined and efficient provider. Other companies also stepped into the market. One example was Netcare, which brought highly efficient and high-quality healthcare techniques born in its home country of South Africa where it had learned to do a lot with the little that it was given to treat patients.

The NHS response was typically one of 'not on our patch'. This behaviour was understandable among the acute hospital trusts, given that the policy was tantamount to asking Tesco to help Sainsbury's gain a foothold in their markets. But another aspect of the reforms saw the creation of Primary Care Trusts (PCTs), and the Department of Health's funding mechanism now stood on its head. Funds would now flow through the new PCTs, effectively following the patient. Given this change from provider to purchaser, coupled with a mandate to provide choice for patients, one might be excused for thinking that PCTs would jump at the chance to use the ISTCs as a tool to challenge the incumbents, broaden options and reconfigure services, just as the private sector had done. With few exceptions, this did not happen. Ironically, many areas failed to even consider allowing their patient population to have a choice of a private provider, even though affluent patients in the area already did.

Where providers know that their future relies on the ability to attract patients, not on historic activity levels, the system becomes more patient-focused, more patient-friendly and more concerned with outcomes.

At the same time, the Government issued contracts for a mobile service to reduce the time people had to wait to receive cataract surgery. As a result, today most areas in England don't have waiting times associated with cataract surgery. Some English eye surgeons will tell you that the reduction in the waiting list had nothing to do with the injection of the mobile surgical units. They maintain it was because of the hard work put in by them. One has to ask: if that's the case, why did it take so long for doctors to do this? Isn't it more likely that there was a catalyst? As the Prime Minister said at the 2005 Labour Party conference, "We didn't see a drop in waiting times until we introduced competition. Fact."

Why is it working?

There is a fundamental economic argument which those opposed to reform try to ignore. It is about the power of choice. Choice is both a means and an end. It is an end in the sense that the 'tax-paying patient' ought to have a right to a say in where, when and how he or she is treated. We live in an age where the public have, rightly, grown used to ever-increasing freedom to determine how to live their lives; it is right and proper that they should exercise choice in how they receive their healthcare as well.

But choice is also a 'means'. In purely economic terms choice is a mechanism by which we can drive ongoing improvement in our health delivery system. Where providers know that their future relies on the ability to attract patients, not on historic activity levels, the system becomes more patient-focused, more patient-friendly and more concerned with outcomes.

Anti-reformers insist that poor patients will be left with poor service and that only a few will actually exercise choice. But this misses the central argument – even if only a small percentage of patients exercise choice, the very fact of this causes all providers to raise their game. Those who do not exercise choice still benefit from the existence of choice. Furthermore, choice is a self-improving dynamic that, long-term, should prove far more efficient than command-and-control targets. Patients will be free to 'vote with their feet' and go to whichever provider offers the fastest treatment or the service most relevant to their needs. The patient will be in charge and we must never forget – a system based on choice will never allow us to forget that the NHS exists for patients and not the other way around.

Conclusion

Much ink is spilled about quiet, stress-free organisational change. The problem is that you will never have stress-free or aligned change in the NHS, given its size and the myriad of self-interested parties. This is not IBM, where most people in the company are at least travelling in the same direction. This is the third largest employer on the planet with a vast infrastructure that has been successful at stopping meaningful change for years.

It is a place where consultants, the largest drivers of cost and the key link to efficiency gains, experience a drop in their substantial private patient incomes if they become more efficient in the NHS. To suggest that the NHS will have a quiet bloodless revolution is wrong and ignores the system's complexity and the fact that governments have been seen off with little or no effort for years.

If real change is to occur in the NHS it will require that everyone associated with it - patients, managers, doctors, nurses and politicians - puts aside personal wants, needs and aspirations for the sake of the collective good. Until this happens, change will be slow and hard to produce. Publicly, the NHS debate is highly politically charged, with self-interested groups vying to keep ground. Among patients, it is at a different level. Their only concern is that they are seen in a safe and caring environment. The ability to get on with their lives, be productive members of society and not a burden on other family members, is far more important to them than ideological gamesmanship or the protection and retention of power.

I remember visiting one of the newly opened ISTCs in 2005. As I was leaving a ward, one of the patients, a retired miner, leaned over and said, "I never thought I would be treated in the same hospital as millionaires." I wonder what Nye Bevin would think of that? I wonder what he would say to those who thought that allowing high-quality private sector providers into the NHS is a bad thing.

The fact is that the better we make the NHS, the more egalitarian our society becomes, the more health outcomes of the poor will mirror those of the rich and the more we will have the right to hold Britain up to the world as a model of social justice, equality and fairness. Most of all, we will make the lives of hardworking people better and truly be able to say that we serve the patient.



Suma Chakrabarti

Born in 1959, he began his career as an Overseas Development Institute Fellow and Economist working with the Government of Botswana and joined the Overseas Development Administration in 1984. He has held posts in HM Treasury and the Cabinet Office. He was appointed Permanent Secretary of the Department for International Development (DfID) in 2002.

DfID is the UK Government department responsible for promoting sustainable development and reducing poverty. The central focus of the Government's policy is a commitment to the internationally agreed Millennium Development Goals, to be achieved by 2015. These include:

- eradicating extreme poverty and hunger
- achieving universal primary education
- promoting gender equality and empowering women
- combating HIV/AIDS, malaria and other diseases
- ensuring environmental sustainability
- developing a global partnership for development.

The interview: Suma Chakrabarti

With a portfolio that spans the world, in a policy area where the answers are never obvious, the Department for International Development has one of the toughest briefs in Whitehall. Keith Coleman talks to the Permanent Secretary, Suma Chakrabarti, about what he has learnt from five years at the forefront of making – and delegating – decisions about development.

Making tough decisions

Keith Coleman: What do you think is the toughest decision that you've taken in your five years as Permanent Secretary?

Suma Chakrabarti: Giving early retirement to one of my very senior colleagues whose performance had waned. It was a colleague I admired a lot so, emotionally, it was a very tough decision to make. He was my mentor in many ways, also my colleague and a friend. Gearing myself up to making the decision and then taking him through it was very hard.

As a manager as well, I think it's important to connect emotionally with staff on the business and why we are here.

KC: Do those personal decisions become easier over time?

SC: They do and you learn from them – you learn about the handling of those decisions and they do become a bit easier. You develop a stock of emotional resilience to make those decisions.

KC: I'm interested that you are using the word 'emotional'. Sometimes decision making processes are talked about as being purely rational or analytical.

SC: I am fairly emotional about these things. I think that our approach as a department should not just come out of a nice evidence base. It's a good feeling when evidence, decision rules and emotion line up. So, for example, I feel very strongly about our

evidence-based rule that our money must go to poorer states in order to get the best outcome. As a manager as well, I think it's important to connect emotionally with staff on the business and why we are here.

So when we have difficult decisions to make around efficiency - what we should cut and what should we prioritise - it's best to explain the choices around maximising our impact on the Millennium Development Goals rather than a pure productivity problem, which is a terrible thing to engage on.

KC: What have you learnt from the tough decisions that you've made?

SC: Another tough decision that I made early on was about the reorganisation of our policy work. That became a very drawnout process. The senior team, including myself, weren't engaged enough in the beginning and then

we disagreed with what the staff who had been involved came up with. It took a long time to fix that. So I learned that sometimes you should expect to be directly involved, to make clear what is up for discussion and what isn't.

We took a much more direct approach in another change programme, about a year and a half later, which involved reducing our Latin American and Eastern Europe programmes significantly to finance our operations in Iraq.

KC: What did that decision involve?

SC: It involved first of all deciding what was core and non-core to our mission: we had to finance Iraq and so we had to decide what non-core activities had to be cut.

We had the option of taking staff and money out of Africa but that, for us, is core business and our reputation rests on it. Latin America, although it has large pockets of poverty and exclusion, is a much better-off region, much less in need of aid. After we'd settled this, we had to tell staff what we were doing. It wasn't a discussion about whether this was the right or wrong thing to do, the discussion was about how to implement the decision - which we had to do very quickly.



So what was very important in that context was for members of the management Board to go and talk to the staff in the regions affected and not leave the explaining to line management alone.

KC: Was setting up in Iraq a difficult process?

SC: Our model is to have people in the field who are directly working with the people and the authorities in that country. It was quite difficult to set that up in Iraq: not just persuading people who may have been against the war to engage emotionally, but to go there and live amidst ongoing conflict. What was important about that process was that top management gave top priority to staff security, visited regularly and stayed more closely engaged with this programme than with others. Quite quickly, we managed to get a cadre of people who not only went there but some got promoted, partly in recognition for their achievements in the most trying circumstances.

We are no longer going along as we would have in the past and saying: “Tanzania, we’ve got this project. We think you should have it.” We now say: “What are your plans?”

Putting the right structures in place

KC: It sounds like, when faced with the decision of how to finance work in Iraq, you had developed some criteria quite early on about what is important and therefore which countries you were going to exit and where you were going to get the money from.

SC: Decision criteria are very important because they underlie the operating model of the department. What we’ve done over the years is to clearly establish those so that we’re not approaching each decision from scratch. We have a steady-state decision rule, which is to target aid to the poorest countries. So if you’ve got to finance Iraq which is a middle income country, the aid to wealthier countries has to be cut to make room. It is not that such countries don’t have problems, but that aid to them has less impact on poverty than, say, in Africa and South Asia.

KC: It’s interesting that your mission, which is to provide development aid to the poorest countries, is reflected in your decision criteria. Not all organisations achieve that.

SC: One of the things that we have done over the years is to drive the mission through the business planning system and the decision criteria based around it. So you don’t get the sort of dysfunctional behaviour that we used to have. The other factor is having a philosophy of development. We are no longer going along as we would have in the past and saying: “Tanzania, we’ve got this project. We think you should have it.” We now say: “What are your plans?” When we support a country like Tanzania, we will try to fall in with their plans and work with the Tanzanians on devising some quality reforms.

But there is an inherent political tension in this approach. While the approach is quite good as political economy, it takes British politicians and vested interest groups here away from centre stage. It’s saying to them that, actually, the action is out in Dar es Salaam, not here in the UK. So politicians have to really believe in the philosophy – and we’ve been fortunate in having Ministers that do.

KC: If I could thread together the four elements that you’ve picked out for making tough decisions. They are:

- have a clear vision and decision rules that sit behind it
- be strongly demand-driven, understanding your users or your beneficiaries very well and let them drive you
- work with Ministers to ensure mutual agreement on the model
- act quickly and decisively in executing decisions.

SC: I’d add one other element: set yourself up organisationally to be close to the demand. So we have country offices and we delegate decisions to them. The centre here very rarely overrides the frontline. We sign off on the strategy for the country but we don’t argue the toss in any detail on discrete investments unless they are over a very significant amount or novel and contentious. Those decisions are made by the front line.

KC: How do you distinguish between the sorts of decisions you need to leave to the front line and the sorts of decisions that need to be taken at a corporate level?

SC: Let me give you an example: the amount of money that should be spent in India is not a decision that should be left to the office

in Delhi. That decision needs to be made as part of the resource allocation process at the centre. But, as for the content of the India programme, there is some debate between the centre and the India office, because it is a big programme. But, at the end of the day, it will be left to our Head of India to decide with Ministers. I won't be saying to her, "you must get out of West Bengal next year". I might ask a question of that sort, but in the end, I won't overrule her. In a smaller programme, I probably wouldn't even ask the question.

KC: How do you reinforce this delegation of decision making in terms of the decision making structures?

SC: By having very clear rules on the levels at which different decisions are made. For example, by being clear about which decisions need to come near the board. The previous management board we had five years ago was cluttered up with too many decisions. So we put in a sub-committee structure (SCS) where a lot of decisions are now housed instead.

On top of the structure though, to support the delegation of decision making, we also had to build a corporate culture amongst the top 100 people. So we first got the Board in the right place, then we built the Leadership Group of DfID's directors, which we use for information exchange and communication – a "sounding board". Now, every six to nine months, we have a full gathering of the SCS to talk about the corporate agenda. So the top 100 are pretty well-aligned. That's how we've done it. My one piece of advice to other people is that it takes some time to get this right. You can't build corporate governance and culture in one year.

KC: Are there factors that make it easier?

SC: One of the things is freeing up people to make some of these decisions as well, so that they have time to actually devote to it. Also, it is important not to change policy every ten minutes. One of the advantages that we've had at DfID is a set of largely stable policies for the last ten years. Stability in the Ministerial and top management team, which we've been fortunate to have, matters too. Stability does count for a lot and it allows you to implement the decisions that you make and, over time, you learn to get better at making the decisions too.

Dealing with conflicts in decision making

KC: You use a distinction between decisions that are for the centre and decisions that are for the front line. Are there decisions that are difficult to categorise?

SC: The decisions that sometimes cause tension are top-down decisions about sectors. Trying to push plans to do more in one sector if the demand is not there from the countries becomes difficult. How do you map the commitment to a particular sector on to the approach in a particular country and remain demand-led at the same time? That can be contentious. So far we have managed it pretty well. For example, the Chancellor wanted to do more on education, but countries also want more money for education.

KC: You are part of a broad group of ministries that are involved in Britain's interface with the world – the Foreign Office, MOD and some of the secret services. Do you find it simple – given that you've got your decision criteria, your vision and your

role quite clearly defined – to interact across Government or are there complications that get in the way?

SC: The frank answer is that it is much easier in the field because, in the front line, people are forced to get on with each other. Also, in the field, there is much better acceptance, in many of the countries that we operate in, that DfID is the dominant British interest. We've been helped in that by having the International Development Act which makes it illegal for us to spend aid money on anything that isn't motivated by poverty reduction.

In headquarters too, the relationship has improved a lot in ten years. Initially, when we were split off from the Foreign Office the divorce was very painful, but the relationship has been worked on since then.

KC: How do you live with decisions that go against what you would like to happen?

SC: On this, I'm a rather classical sort of civil servant. My job is to speak 'truth unto power', which may not always make me popular. But that's my job. Ministers have every right to overrule me, so I'm not going to go home and cry about it because they overruled me. That's life and I think the worst thing is when you think you shouldn't give your best view because you might be overruled.

I'm a rather classical sort of civil servant. My job is to speak 'truth unto power', which may not always make me popular.

Now, obviously, you've got to get to the situation where Ministers understand that you want the best for them and for the department and it's your role to give your best view and you understand that it's their role to take the decision. And that your relationship – which is key to the effectiveness of the department – remains healthy even when you disagree, hopefully not too often! I think that, at DfID, we've managed to get right the political accountability and the management accountability and the space of each.

KC: This is a critical area in the Capability Reviews. Can you tell us a bit more about it?

SC: What we have at the moment is a situation where Ministers are very clearly in charge of strategy and policy. We will work out the ideas for them but the strategy is for them to shape. It's our job to then deliver against it. We will think about allocation of programme resources but the final decision on that is for the Ministers. We will think about the structure of the organisation and about which people in the organisation are best for the different roles. Ministers here have been clear that that is not their job.

KC: How did you reach this accommodation?

SC: We established this model with Clare Short, who was an ex-civil servant, so I think she understood these issues very well. And the approach has worked for Hilary Benn as well. Why should he be interested in management issues rather than the key strategic issues? His view is that he'll only get involved in management if on some of the big issues we get it palpably wrong or they throw up wider political questions, because

then he's personally accountable. But, as long as there's a good history of things not going wrong, and of us coming to him when we think he needs to be aware of a management issue with a political implication, then Hilary's view is that management should be left to get on with management.

It may be that we've been helped in getting this division of accountability with Ministers by the relatively benign politics around international development. This could change. As public expectations rise alongside spending on the aid programme, the political context may change. There may be failures in the future and then the media and politicians will become more interested in the detail of our management. If that happens, Ministers might want to have more engagement in management aspects than they currently do.

Wider issues in the public sector

KC: Where do you think the big challenges are in terms of decision making for the public sector in the UK?

SC: The hardest decisions are the ones about letting go. The history of the last 30 to 40 years has, with the exception of the period of privatisation, been one of centralisation. The media, Parliament, the public, have all become used to the idea of laying blame on politicians for everything. Politicians need to let go but, if they do, they fear that they are ducking the issues of interest to the electorate though, actually, letting go will probably improve public service delivery. Getting close to your customer and buying into what your customer wants rather than telling them what they should want is the right idea.

KC: I often think that one of the factors that makes decision making more difficult in the public sector is the lack of feedback mechanisms. How should the public sector go about making decisions when the feedback mechanisms are so weak?

SC: Feedback mechanisms in some sectors are stronger than others; you can get surveys and so on and you can take steps to improve these mechanisms. For example, we do a review of our portfolio every quarter. Our Finance Director, who had grown up in the organisation, went on secondment to Hertfordshire Council for a couple of years and came back with ideas for improving programme performance management. We do a self-assessment of our portfolio and, from time to time, we also get independent reviews. A year ago, our project management returns told us that we had a problem and the portfolio quality was worsening. We had to take management action immediately. The management Board immediately said to country teams with problem projects that they had to either cut them or do something drastic to improve them; and that they had to do this within the next few months.

The hardest decisions are the ones about letting go.

One of our biggest areas for improvement is the need to improve further the average calibre of our staff. Tougher performance management has to be part of that. We also need to change the skills mix. For example, we need more people who can help with the climate change agenda and with influencing the rest of government.

KC: Switching gears a little bit, crisis vs. business as usual. Is the decision making process the same or different?

SC: Different. An example of crisis decision making would be something like the tsunami. There are wider issues, everything is moving very quickly, the centre of Government wants to be involved and it is not easy then to devolve decisions. So you have to be personally involved. My usual approach is to set parameters and delegate. But I soon learned that, in a crisis, my typical approach isn't going to work, because the Prime Minister or Secretary of State wants to talk to me directly about the detailed issues. So I had to work almost as a desk officer at least for the first month of the crisis until we reached a steady state. After that, I could delegate more. But, for the first month after the tsunami, I had meetings every day with Ministers and the key staff involved. I had to get out of my normal business in order to make room for that.

KC: There's quite a lot of debate at the moment about the role of the centre of government in decision making. What do you think is a good role for the centre to play?

SC: I think the fundamental issue in this is: what model of government do you want? We can design a centre with rules that fit different models of government. The model that probably fits best with the wide range of public sector activity involves a lot of delegation from the centre. The centre then only concentrates on performance challenges – those areas which, if they go wrong, will damage government as a whole; and then some really cross-cutting issues, eg. childhood obesity, climate change, with

big societal consequences. Not dealing with them necessarily but identifying them and holding the relevant departments or cross-departmental units to account. There is also a role for the centre in terms of setting standards, like in corporate functions such as HR or Finance.

KC: There's a lot of talk of the risk being too great in the public sector and how that influences decision making. Is the public sector risk-averse?

SC: I don't really buy that; I mean, look at what we are doing in DfID. Being really risk-averse in our situation would be to put all our money in India probably; that would be a great safe bet and it will all turn out fine but it wouldn't have the biggest impact on poverty reduction across the world. We're working in difficult places and doing difficult things because that has the biggest return in terms of poverty reduction if we get our interventions right. And so I don't see us as being very risk-averse. I think that the issue is rather that the public sector has made decisions in the past, perhaps in terms of IT projects, where we didn't properly understand what the risks were. Many of those projects should have been done in a very different way. We had our own big IT issue that we could have dealt with through a single IT project but we split it up into smaller projects instead. In that sense, it's not an issue of being risk-averse but of how to handle risk in the best way.

KC: To conclude, what do you think is the key to getting better at decision making?

SC: Being systematic, being boring and systematic, is very important. Having systems, or decision rules, is critical because taking good decisions without a frame of reference for what you're trying to deliver is very difficult.

But, even when you have that reference point, I think that there's still a question of leadership. This isn't about heroic, courageous, individual leadership. You may need something like that to kick-start a process but if that remains the motor for change beyond the initial period, then you have failed. The key to ensuring that organisations continue to evolve, face up to the future challenges and take the difficult decisions that count is a distributed leadership. We're on the right road in that respect in DfID but I recognise that we haven't quite arrived.

Having systems, or decision rules, is critical because taking good decisions without a frame of reference for what you're trying to deliver is very difficult.

Case study:

Managing investments in the Department for Work and Pensions

Large organisations have to regularly make decisions about competing priorities and programmes. Robin Vasudeva discusses the decision making model that the Department for Work and Pensions (DWP) has adopted to improve the quality of these decisions and increase the benefits to be realised from them.

Introduction

This case study looks at how to improve the decision making capability of large organisations, which are federal in nature with large degrees of autonomy across business units. The objective is to improve the allocation of funding to different programmes and ensure effective progress once a programme has begun. The mechanism discussed here is the introduction of an Investment Management Organisation (IMO), with the associated governance and services. This has been achieved within DWP, one of the largest public sector organisations in the UK.

The key objective in creating an IMO is to fundamentally and radically improve an organisation's ability to take better decisions on the major investments that it is

undertaking. These investments can include anything from a major technology-enabled change programme to a new estates policy and can be driven by efficiency, customer focus or policy changes. When one considers that the level of investment that a large public sector organisation makes across major programmes can run into billions, it follows that even a small improvement in decision making can lead to a step-change in the return derived from the investment portfolio.

The creation of an IMO is one way of handling the massive risks and opportunities presented by large investments. This case study sets out the key elements of capability, process and governance that constitute the model – with associated timelines for their implementation.

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JobCentre



Initial elements

Board level sponsorship and governance (Months 1-3)

As the IMO is likely to be housed in a corporate function such as Finance, it is important that there is agreement at an executive level that the mechanisms put in place by an Investment Management (IM) function will be fully applied. These mechanisms include the governance process, the way in which programmes report through a monthly review cycle and the principles of transparency.

Putting in place the necessary governance is a vital first step, the objectives of which are two-fold: to allow funding to be drawn down against an allocation at key points across the project lifecycle; and to ensure that the design of the project is robust enough to ensure success into implementation, including the realisation of planned benefits.

Within DWP, these objectives are achieved through two sub-committees of the department's most senior executive committee, the Executive Team (ET). The first, the Investment Committee (IC), convenes at Gate 0 to review the initial business case, stakeholder alignment and key risks. The objectives at this gate include agreement that the project has a strategic fit within the department, that it is appropriately led and that funding is available and can be drawn down by the programme to complete the necessary detailed design work, before the next corporate gate, called the Critical Design Review (CDR).

At the CDR gate, a sub-committee of ET called the Change Delivery Committee (CDC), comprising the change directors from

each of the business units, reviews the design of the programme and concludes whether it is robust enough to allow further draw-down of funding before completing the design.

The CDC is also able, through a process of monthly reporting by the IMO, to take any action it sees fit in order to bring a project that is in trouble back on track, including asking it to return to Gate 0.

Establish the portfolio and build the profile of the projects (Months 2-6)

With executive alignment in place and the appropriate governance being set up, the next step in this phase is to build the portfolio of projects applying the 80-20 rule to investment and planned benefits, and so establish the portfolio that the IM function and governance committees can focus on. Criteria that would typically cause a project to be included in the portfolio are the size of the investment, the projected level of benefits or a risk rating associated with it (the latter could therefore be used if it were a small project, with tight timelines and for which there are a number of dependencies). Within DWP, the criteria used are lifecycle investment costs in excess of £10 million, benefits of over £15 million and a risk score of 41 (based on a scoring index used by the Office of Government Commerce; the maximum score is 72). The portfolio of projects that meet these criteria is defined as being the responsibility of the CDC.

Critical to this step is working with each of the project directors and project management functions to build the profile of the projects. This profile should include the baseline forecasts for costs and benefits over the lifetime of the programme and the appropriate spending review period.

It should also contain the risks and plans for mitigation, the dependencies on other projects and a clear articulation of the scope.

Having the right technical, interpersonal and commercial skills within the IMO itself will enable the department to make the right investments in projects typically costing tens of millions of pounds.

Design and implement the IMO (Months 2-8)

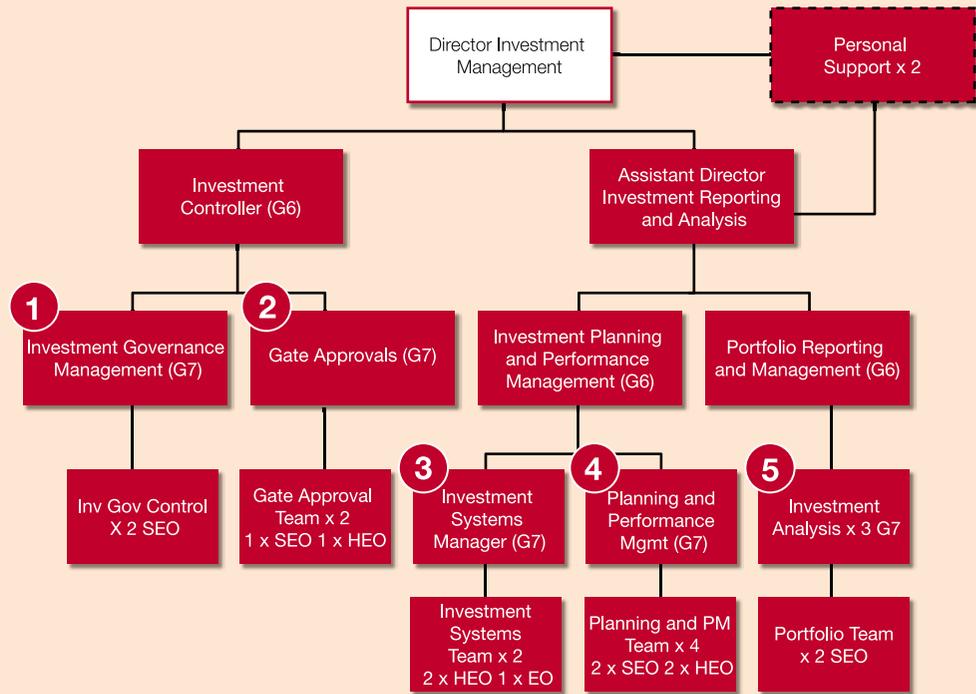
The IMO needs to carry out a number of functions, beginning with a review of the investment case. It then has to prepare the rationale and make the appropriate recommendations to both IC and CDR gates, working closely with the project teams both in advance of the projects coming to the gate as well as during the preparation phase for the gate. This is an absolutely crucial role and having the right technical, interpersonal and commercial skills within the IMO itself will enable the department to make the right investments in projects typically costing tens of millions of pounds.

There is also need for a more strategic capability with the IMO, to assess choices on the portfolio either as a result of changing priorities over the Spending Review period, changes in policy that divert funding from planned investments or slippages in major programmes upon which other investments depend. This area will work closely with the planning and strategy functions within the department to carry out scenario planning.

Another core part of the IMO is the reporting and systems team. The need to keep track of the performance of individual projects within the portfolio will identify the need for a technology solution to capture both financial and non-financial measures. DWP uses a product called Clarity to record and report on project information and maintain a 'corporate memory' across its major programmes for the first time. It also developed a proprietary tool so that in the short term it could capture the financial information and project status information, while the procurement for an off-the-shelf package could be made. Given that it is project individuals across the business who are responsible for keeping this information up to date, it is crucial that the outputs of the system deliver value to them as well as to the IMO. Information from this system, coupled with insights gained through discussions with each of the projects, provides the basis for reporting and making recommendations to the monthly CDC meetings.

The final component of the IMO is the team that builds strong links into the project teams. It is essentially charged with establishing that the benefits realisation profile is on track and that the projects are receiving guidance on how the various services that are delivered through the IMO should be applied.

Opposite is an example of a typical organisational blueprint, with a brief summary of the responsibilities of each team – which provides an idea of the skill sets that are required.



Grade 7 teams

1. Investment Governance Team

Ensure the effective governance of investment spend across the department through the development, implementation and embedding of frameworks. Provide support and guidance in framework application.

2. Gate Approvals Team

Provide effective control of investment spend across the department, coordinating input to gated review briefs from IM analysts and other subject matter experts, maintaining and controlling project baselines, escalating projects outside tolerances.

3. Investment Systems Management Team

Develop, implement and maintain systems and tools that capture data-enabling planning and reporting on the Departmental Investment Portfolio, ensuring data accuracy.

4. Planning and Performance Management Team

Production of monthly portfolio reports and annual investment plans, coordinating project-specific commentary and insight where necessary from IM analysts (5) and business units.

5. Portfolio Reporting and Management Team

Develop project-specific knowledge and insights by partnering with the business. Provide analytical input to project gated review briefs, monthly portfolio reports and plans. Provide support to the business at all stages of the project lifecycle.

Figure 1: Investment Management – Grade 7 teams

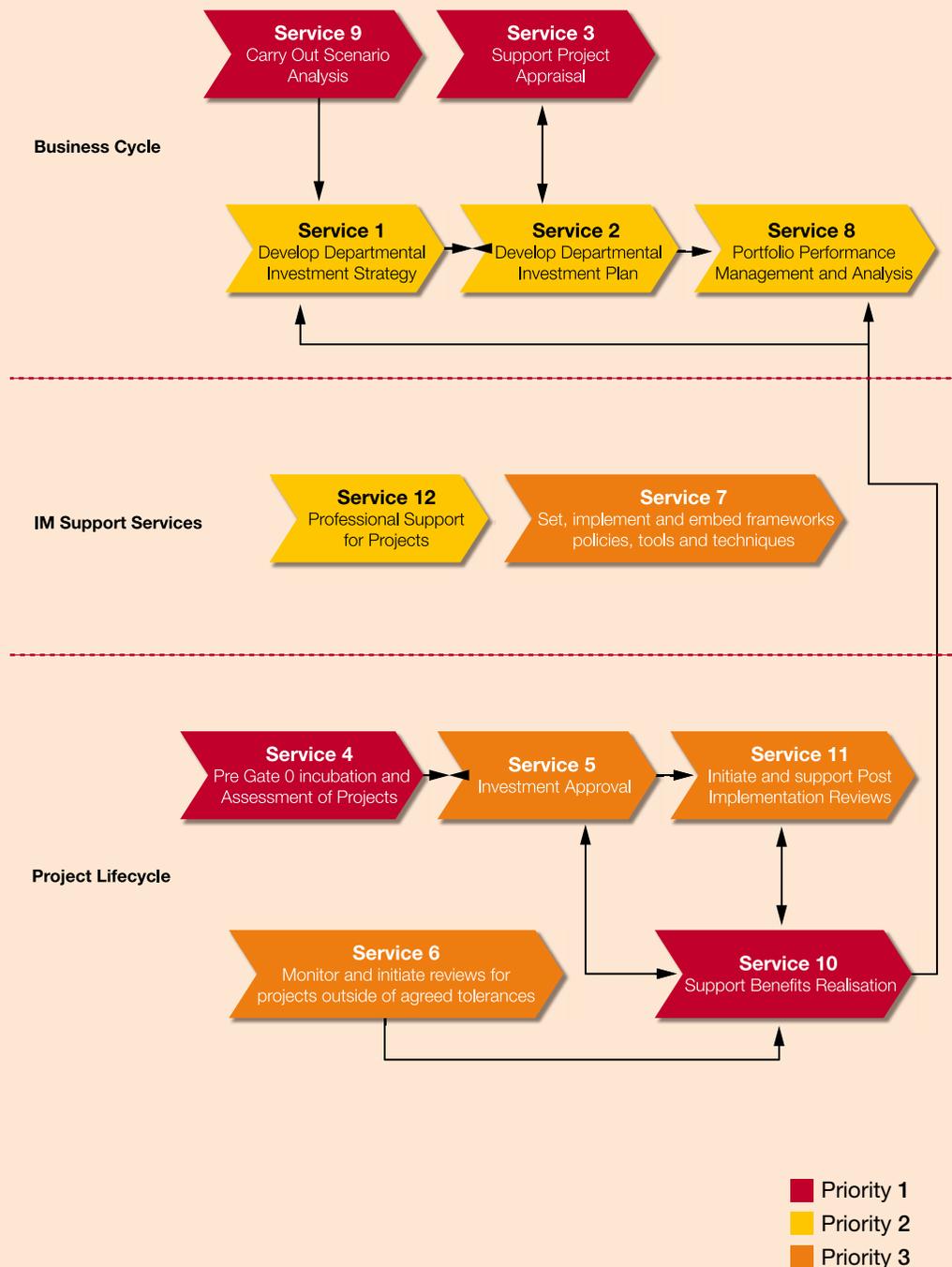


Figure 2: Investment Management – service overview

Embedding the changes

The next step is to set up IM services in three broad areas, as shown left

In the final analysis, the role of IM should be to drive quality *into* the investment decision making process rather than inspecting it out at various project gates; in my experience, this is not something that happens in the first six months of operation. However, setting up these services begins to make the IMO function as it should. The risk in the short term is that projects will pay lip-service to the IMO and assume that its conclusions will not be taken seriously, or that a project's special needs will allow it to be waved through.

Remedying this, and embedding the role of the IMO, requires ongoing action over Months 8-18. This second phase of implementation can be prioritised as follows (the numbering of priorities matches the diagram).

Priority 1 services: In my experience, it is important to get the services related to the project lifecycle implemented first, as this will drive project insight at the monthly review meetings, and allow stop/go decisions to be taken at corporate gates. The latter point in particular also demonstrates that an organisation is serious about the remit of the new IM function, which is vital in the early stages of IM's development.

Of the 12 services that the IM function provided in DWP, the first to be implemented related to monitoring and making recommendations on projects outside of tolerances, supporting the gated reviews through the investment appraisal and carrying out post-implementation reviews,

in particular where a project has breached its tolerances and the IC/CDR requires greater assurance before committing further funding.

Priority 2 services: Supporting projects to deliver better quality products (eg business case) into the gates – in particular Gate 0 – is highly valuable as this demonstrates a collaborative approach and the importance of IM and business unit partnership in driving success. This should result in the quality of projects appearing at the gate improving significantly, with a number of projects delaying entry to the gate or not appearing at all. As the gate is the only mechanism through which a project is able to draw down its funding, it is in the interests of the project or programme to work closely with the IM organisation to address any outstanding issues. This, coupled with a strong approach to benefits realisation, really does begin to demonstrate the importance of IM as a ‘critical friend’ of the business. Based on this additional insight from the business units, IM is then in a position to support scenario analysis as a result of key planning events, new policies, and in answering other ‘what if’ types of question.

Priority 3 services: The IM organisation will now be more fully developed, business units will be taking its role more seriously, and real insight will be driven through the monthly CDC and IC meeting. Now IM is able to play a more active role in the setting of the departmental strategy and planning, and a review of the projects and programmes in the round becomes more important.

Moving to business partnership

This is the final stage in implementing the model. Months 18-24 should therefore be focused on moving to a partnership model with the businesses, continually seeking to drive quality into the investment decision making process. This would be characterised by:

- the introduction of tools and techniques to improve quality – for example, developing an understanding of the benefits logic and what the drivers and assumptions are for its realisation
- higher levels of collaboration between businesses in supporting the gated reviews – though continuing to retain objectivity
- providing support to emerging business strategies or tactical changes to them
- creating forums through which leading practice can be shared
- using the wealth of data that has now been built up to develop trends at the project and portfolio levels.

Key enabling factors for the success of the model

Alongside the basic features of the model, there are certain enabling factors that must be given attention.

Building relationships with change directors

The IM director acts as ‘the corporate conscience’ when attending the monthly CDC meeting and corporate gates. This will involve exposing those areas of a project’s performance or plan that are less well developed or that are failing to progress satisfactorily. So it is important that, where possible, the IM director is able to discuss emerging findings with the relevant business

unit change director over the course of the month, to challenge the established project point of view and any recommendations that are about to be made to the monthly meeting. Additionally it is useful to build relationships with key stakeholders for the major programmes, so that an independent view of a project’s performance can be formed.

Applying insight

Insight at both the project and portfolio levels is essential to getting better returns on investment. The structure that has been described here is designed to produce such insight and the introduction of a systematic investment management function will almost certainly increase the level of scrutiny placed on projects. Some of the scrutiny role will have been undertaken by the project organisation or programme management office in the past, but the integral nature of these organisations limits their independence and often results in a reluctance to identify a project as failing and giving it a ‘Red’ status. The objective view should seek to do two things: first, apply a consistent and transparent set of criteria to using the ‘Red’ status (for example: financial tolerances breached, baseline milestones missed); and, secondly, draw up a series of lead indicators that cause a project to go ‘Red’ in advance of a milestone being missed. Doing this will be critical to enabling the success of the IMO.

Stopping something

It is quite likely that there are one or more projects that are felt to be failing either because they are being poorly implemented or, more fundamentally, because they were poorly conceived in the first place. These projects may be burning significant funding

on a monthly basis. The overall framework of the IMO makes it easier to surface issues relating to 'bad investments' but doing so still requires decision making with and without that, the IMO will not fully deliver its potential benefits.

Conclusion

The purpose of this case study was to provide a comprehensive understanding of how the model works and its different elements. The key factors in implementing the model successfully can be summarised as follows:

- obtaining sponsorship from the Executive Team – must be cross-organisational
- building a robust understanding of the projects that drive the 80-20 rule
- implementing a baseline for each project quickly, covering financial and non-financial measures
- phasing the implementation of services based on the needs of the organisation
- applying consistent criteria to the portfolio and ensuring transparency on recommendations made across individual projects
- having a mixed set of skills in the IM function – financial, project, commercial, interpersonal, and written
- if a decision is taken at a meeting, capturing the logic, especially if it is not consistent with the recommendations from IM
- linked to the above – leaving no back door for decisions, and no 'trading'
- building credibility for the function early on – this includes fixing anything that 'breaks' immediately
- moving to business partnership quickly and sharing lessons across businesses – this will help to accelerate the de-risking of the portfolio
- ensuring value at all levels of a business unit's organisation – to drive adoption of new ways of working, and increase transparency
- integrating the model with broader planning and performance management functions
- paying attention to the process of building credibility with key external stakeholders to help explain choices and discussing the implications of introducing a programme based on new policy into the portfolio.

The last word should belong to DWP, which has now fully incorporated the model described here. Simon Parkes, Director for Finance and Performance Management, says: "The department's Investment Management function is, with strong and effective leadership, starting to add real value to the investment decisions we take. In particular, the development of lead indicators is allowing us to have more penetrating and challenging discussions about project performance. We have every reason to expect that project delivery will improve as a result of the implementation of an investment management capability."

Trust and judgement in decision making

How should we make decisions when we have limited information and the consequences are far from certain?

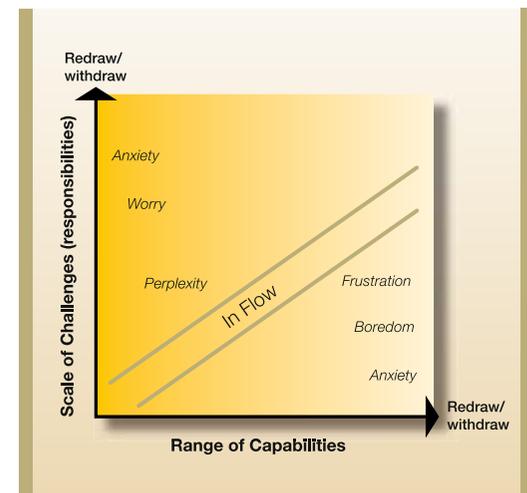
Professor Gillian Stamp, a Fellow of the National School of Government, looks at the role of trust and judgement in helping us to decide.

Judgement is what we rely on in unfamiliar, volatile and ambiguous situations – and these arise in every organisation. Yet, though the exercise of judgement is essential in the ordinary course of organisational life, it is also fraught with uncertainty.

By definition, we use judgement when knowledge and expertise are not enough. In order to cultivate confidence in judgement, it is the responsibility of leaders to build and maintain a supporting framework. Such frameworks may not seem necessary when life is moving smoothly and problems are ‘tame’. On the other hand, however, there are the ill-defined and ill-structured decisions that arise from incomplete, contradictory and changing requirements – in the work that I do with organisations, I call these ‘wicked problems’. When faced with ‘wicked problems’, neither experience nor knowledge is enough and judgement becomes crucial. People feel

unsure in such settings because they cannot put into words what it is that they are taking into account and do not know whether what they are doing will achieve the desired result – only time will tell. But, at the same time, they typically feel exhilarated – because using judgement brings something of themselves to bear, something only they can bring.

It isn't surprising that the people that I have worked with, all over the world and at all levels in organisations, describe a sense of well-being when their capacity for judgement matches the challenges that they face. They speak of feeling energised, competent and confident in their capacity to make decisions. This sense of trust in their own judgement may also be called being ‘in flow’, as shown in Figure 1.



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Figure 1: *The experience of work*

By providing a framework for people to use their judgement wisely, leaders not only create the conditions for successful engagement with 'wicked problems', they also enhance personal well-being among the members of their organisation. When the right framework is in place, people in an organisation:

- feel trusted to use their judgement in the interests of the organisation
- give each other the benefit of the doubt
- see bad decisions as honest misjudgements
- communicate freely and honestly
- offer spontaneous support without narrowly calculating the cost or anticipating any short-term reciprocation
- resolve disagreements through working together.

I have found that a powerful way to think of the framework for enhancing confidence in judgement and achieving these benefits is as a tripod that the leader must build from three complementary and equally vital activities: tasking, trusting and tending.

Tasking

Leaders in all organisations must delegate tasks and hence they are dependent on the good judgement of the people whom they lead. Delegating tasks gives rise to a constant tension between control and trust. Leaders can manage this tension through *tasking*, a process that enables the leader to define the limits for judgement and establish criteria for review by:

- sharing intentions
- agreeing objectives and resources
- agreeing a timeframe for completion.

Tasking builds *prescriptive trust* and this refers to how far people are (and feel that they are) trusted to obey the rules that limit their discretion. Leaders send signals about prescriptive trust through the way they design systems, processes and targets, and people respond by staying within the prescribed limits and applying their expertise and knowledge. The CEO of one global company that I've worked with describes tasking as: "ensuring people understand the framework within which they have freedom to act."

Where prescriptive trust is high, people see limits as external standards that give the relief of knowing when they have done well and what they can improve. Where prescriptive trust is depleted, there is a temptation for leaders to add rules, controls and measures, at considerable cost, yet often with limited gain in quality or value.

Trusting

Once tasking has established the objectives of the work, the second element of the tripod, *trusting*, comes into play. More specifically defined as discretionary trust, this refers to how far people are (and feel that they are) trusted to use their own initiative and judgement in forwarding their work.

Leaders establish a framework for discretionary trust through sharing their values and people respond by using their judgement in the light of those values. Depleted discretionary trust leads to a decline in respect for the prescriptive element of the work and/or manipulation of measures and definitions – for example, reclassifying a trolley as a bed in order to meet a target for hospitals to get patients off trolleys and into beds within a certain number of hours.

Targets and prescription (tasking) are effective in lifting service and delivery from poor to mediocre, but people need to be trusted to use their judgement if services are to go from mediocre to excellent.

People are very clear about the differences between prescriptive and discretionary trust – as one civil servant put it, "prescriptive trust is trust without space, and discretionary trust is trust with space."

When he was head of the Prime Minister's Delivery Unit, Michael Barber made the point that targets and prescription (tasking) are effective in lifting service and delivery from poor to mediocre, but people need to be trusted to use their judgement if services are to go from mediocre to excellent.

Tending

The third element, *tending*, is the process of maintaining the balance of trust and control. Tending is the work that keeps things working, that keeps the organisation, as a whole, 'in flow'. It means that there is monitoring without crowding, vigilance about the levels of both prescriptive and discretionary trust, and continuous communication about objectives – all this means that people are able to use their judgement in order to make adjustments in specific cases on their own initiative. Tending requires that a leader stays alert and responsive to constantly changing circumstances, but sometimes it can also benefit from actively changing those

circumstances. The leader must have the courage to 'nudge'. Nudging, or provoking change, requires courage because it adds to the prevailing uncertainty, and there is no guarantee that it will yield relevant information or comfortable knowledge.

Balancing the tripod

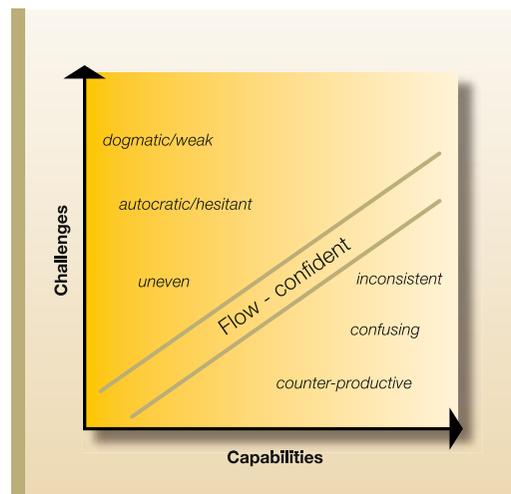
Tasking, trusting, tending. On the face of it, this sounds like common sense, and it is. But as one CEO put it, "The tripod sounds simple but is far from easy. The art lies in the appropriate balance of the three. I know that if I tell people both what to do and how to do it, they feel I don't trust them either to stay within the framework we agreed or to use their judgement. Then we all lose out on that vital blend, the choice of which objectives to go for with the local know-how of how that can be achieved in their particular circumstances."

On the other hand, too little specification of what to do can leave people uncertain. As another leader observed, "The last thing I want is to be 'managerialist' or for people to feel I am micromanaging, so I say as little as possible. But I do know that it means people are not only unsure, but even seem worried that they do not know what is expected of them. So they keep coming back to check and in the end we all get irritable."

The leader's tripod

Leaders use their judgement in ways that affect many other people and institutions. Therefore they have a particular duty of care for their confidence in their own judgment – a responsibility to recognise when they are not 'in flow', and to take action to restore this balance for the benefit of the whole (see Figure 2).

A leader overwhelmed by challenges first becomes perplexed, then worried and eventually anxious; his or her leadership becomes uneven, autocratic and dogmatic, or hesitant and weak. Alternatively, a leader underwhelmed by challenges may decide to use his or her 'spare capacity' to lead and develop others. That is a good consequence but, equally, the leader may become frustrated, apathetic or subversive, which can cause confusion and be counter-productive.



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Figure 2: Leadership

One way for leaders to strengthen confidence in their own judgement is to use the three Ts of the tripod – tasking, trusting and tending – in relation to the self.

Tasking the self

Tasking the self is an important discipline, an expression of the ancient wisdom "know thyself" – that is, know thy strengths, vulnerabilities, graces and thirsts. In particularly difficult circumstances, leaders

who find themselves 'out of flow' are often tempted to choose shortcuts, diversions or substitutes over the exercise of genuine judgement. A vital element of tasking the self is becoming aware of such temptations in order to resist them.

In particularly difficult circumstances, leaders who find themselves 'out of flow' are often tempted to choose shortcuts, diversions or substitutes over the exercise of genuine judgement.

Common temptations for leaders include:

- treating a 'wicked problem' as 'tame' or vice versa
- continuously gathering facts in the hope that there is some way of processing them that will decide the issue
- trying to freeze chaotic motion in order to reduce pace and variety and thus solving yesterday's problems
- ignoring inconvenient facts
- denying uncomfortable knowledge
- relying on lessons learned in obsolete circumstances ('fatal baggage') to deal with a new and unrelated situation
- allowing premature foreclosure.

Trusting the self

Trusting one's inner resources is at the heart of being 'in flow'. As a senior manager put it, "When you are 'in flow', you are confident. When you are 'out of flow', you become a searcher. You search everywhere and you cannot trust what comes to you. So you try to delay and avoid decisions."

Just as the fore mentioned temptations undermine judgement, there are other, more positive techniques leaders can use to enhance their confidence in their own judgement:

- Discern the situation. As one banker described it, “Discerning is seeing what might not be there, grasping and comprehending what is obscure, and deliberately navigating that shaded area between the view of things as expressed in models, and the infinitely more complex and changing world.”
- Attend to sparseness. In mathematics, sparse areas are those where there is little or no apparent connection between input and output. As one CEO with a mathematical background observed, where “there is a need to discern which inputs impact on which outputs and in what magnitude, it is not so much extrapolating between dots as choosing which dots are important to start with... One way of thinking about sparseness is in terms of an overexposed picture – lots of white but very little image. Before taking the picture, the image in the viewfinder was balanced and clear – however, something was lost in the translation to the photographic paper. The detail is somewhere in the background but cannot be seen, however most people can recognise the image without a perfect exposure, and are able to establish the context reasonably accurately by letting their brain fill it in! Another way of turning the lack of information around is to imagine it was the sparseness that you focused on, by turning the image into a negative – the dark shadows would now be bright and white, and the familiar highlights would become dark and less prominent, and maybe we could see things differently.”

- Make the most of surprise. Leaders cannot tell what *will* happen, but they are able to imagine what *can*. There is a significant difference between probability and possibility. While *probability* assumes a list of suggested outcomes that must be finite and known, possibility acknowledges the inherent uncertainty of wicked problems. Uncertainty need not necessarily be seen as risk – a leader who embraces the possibility of surprise will be stronger than one who tries to force ‘knowability’.

As a senior manager put it, “When you are in flow, you are confident. When you are out of flow, you become a searcher. You search everywhere and you cannot trust what comes to you. So you try to delay and avoid decisions.”

Tending the self

Tending the self is at the core of living in and with turbulence, uncertainty and impermanence. Tending can take the form of walking, listening to music, keeping pigeons or learning a new skill or sport.

Many people have such tending activities in their ordinary lives but, as soon as there are new demands on us, we become less likely to find the time for those activities that sustain us. Tending is so often neglected because, for the self, it can so readily seem “selfish” while tending others or a team, department or organisation does not seem like real work. As someone put it, “It’s like the plumbing, no one knows it’s there until it breaks down.”

Restoring trust in judgement

One leader who had come from outside to a top role in an organisation quickly saw that not only was there a need to engage with several wicked problems, but also that many such problems were being addressed as if they were tame, and so apparent solutions were unravelling. He also saw a legacy of low discretionary trust, a decline in respect for observing prescribed limits, and manipulation of measures to meet targets.

As he reflected on how best to restore trust, he decided to give attention first to his immediate team on the premise that, as they changed, so they would be able to restore trust for those who worked for them. Here is how he considered the task that he was facing:

“So where to start? Well, tasking and trusting will give me the ‘in’ to reinforce, extend and elaborate both on the boundaries and on the choices they can use to achieve what we all want... and we must shift the culture from blame to learning. So, if I make sure people are aware of the framework within which they have freedom to act, there will be clarity and evidence as the starting point for review rather than just vague expectations, and that will feel fairer.”

I will make a start by asking each member of my team what they need from me by way of time, approachability, working together to agree milestones, listening to their ideas when they disagree, reviewing in ways that motivate and help to learn.

I know the first steps must be small as I gradually increase their freedom to act so that each of them becomes more comfortable with using their initiative and then I can let further off the leash, and so on. But I also know that it

is all too tempting to do something dramatic and in the present state of depleted trust, that might startle, but would not have the lasting effect the department needs.

So, must do the low-key tending and keep systems, practices and people heading in the right direction at the right pace through what's going to be a turbulent few months. If people feel tended they will be readier to learn and improve. And if this all works, we will be able to monitor activities without interfering, compare what we are doing with the best external standards, and keep a close eye on costs as well as on how we're being perceived.

But I know this is not going to be easy; I'll be tempted to tighten the framework if something seems to be too slow, or even not as I think it should be, and that will undermine the fragile emerging trust. Will need constant reminders..."

Further thoughts from leaders

A CEO of a global company based in Europe said: "More and more I find that I can dismiss the numerous optimistic business models and NPV calculations in favour of the best view from the team not of all the upsides and synergies of a project, but rather a list of the unknowns and downsides. My feeling is that we can be happy when synergies arrive but we can be out of business when a surprise from the sparse region of the unknown comes and kills a project ..."

Uncertainty need not necessarily be seen as risk – a leader who embraces the possibility of surprise will be stronger than one who tries to force 'knowability'.

The CEO of a British not-for-profit organisation said: "Thinking more about the temptations, I would be inclined to add the need to resist the temptation to pretend, consciously or sub-consciously, that actually 'I am not the real leader. The Minister is – the Board is – all I can do is advise – the outcome is not my fault.' And to resist focusing on problem definition or diagnosis as though progress can only be made when 'the problem' is accurately defined – and then defining it again and again because the diagnosis has not told you what to do – or because you can't get everyone to agree with that diagnosis. And I would add to the temptation to deny uncomfortable knowledge that of not looking for/not asking for facts which one senses will be irritating and/or will get in the way."

A retired CEO of US-based global company, now a consultant said: "One of the things I have found most helpful on complex projects (the things closest to wicked problems) was a team meal and a communal de-briefing at the end of day. Everyone from my CEO and the Exec VPs to the Assistant VP was given a very few minutes (and a safe space) to tell the group what they found most important, most troubling and what they most wanted those in other disciplines to know. This way we got terrific cross-pollination of ideas and a better collaboration on projects than the same people normally exhibited in their day jobs. It also spurred better creativity. Plus the 'breaking of bread' together is one of the most basic ways to form an adaptive community of trust – it triggers and responds to something in our social genes."

Conclusion

While 'tame' problems may sometimes be very complicated, they are nevertheless comfortably resolvable. By contrast, even if a 'wicked problem' does have a solution, it is likely to be messy. It will resist analogies with problems dealt with in the past, so experience will give insufficient insight. It will confound analysis, so sheer deduction cannot show the way. Wicked problems demand the exercise of judgement, the deepest and most ineffable form of knowledge.

The Greeks had a word for it. Well, Aristotle did. He called this kind of judgement 'phronesis'. Phronesis is the practical wisdom of what to do and how to do it, at the right time and with the right people, with the right mix of persuasion and challenge, and the right sense of what to leave unsaid and undone.

Organisations facing turbulence and uncertainty cannot survive without such 'practical wisdom'. Given the proper framework of support, leaders themselves will flourish and thrive and the people who work for them will in turn become leaders themselves.



Jack Stilgoe:

Challenging the received wisdom: the role of expertise in decision making

Our everyday lives are played out through a series of technological and expert relationships. But, though we are dependent on experts, do we understand how to make the best use of their knowledge in decision making? Following the recent appearance of cracks in the bridge between experts and decision makers, Jack Stilgoe considers how we can rethink expert advice and expert evidence for the future.

Adapted from The Received Wisdom - Opening up expert advice, London, Demos, 2006, by Jack Stilgoe, Alan Irwin and Kevin Jones, available from www.demos.co.uk

Science remains the pre-eminent form of expert legitimacy for government decisions, from mobile phone risks to medicines, from BSE to bird flu. But experts can also be found offering their thoughts on culture (why is art important?), social policy (what is a liveable minimum wage?), economics (what should interest rates be?) or security (how long will it take a rogue dictator to launch his WMDs?).

Since 1997, there has been a flowering in bodies such as the Health Protection Agency, the Food Standards Agency and the National Institute for Health and Clinical Excellence (NICE) that turn science into policy. At the same time, we have seen more and more ad hoc expert groups pop into existence,

tell the Government what to think about public issues such as mobile phone risks or radioactive waste disposal, and then fade into the background. All feed the insatiable appetite for 'evidence-based policy'.

Experts are woven into the fabric of Government. But they tend to be talked about only when things go wrong. They are a resource, we are told – 'on tap, not on top,' according to Churchill. And yet their authority is codified in the legislative process. They are often asked to speak beyond their immediate area of specialist knowledge, but their status as scientists – usually independent university scientists – gives them rhetorical power. Like expert witnesses in court, their evidence resists challenge because of their status.

In the last 20 years, however, the politics of expertise have been exposed all too dramatically. Rather than making the best use of expert knowledge, politicians were seen to be relying on expert authority, shedding their own responsibility for making decisions. In 1990, the Conservative environment minister John Gummer famously swept aside uncertainties over the safety of beef with the help of his daughter. Seeking to reassure the public, he gave Cordelia a burger made from British beef, claiming that science had shown it to be safe. (She wisely spat out her mouthful, claiming it was too hot.) The chair of the BSE expert advisory committee had previously been bounced into the role of Government mouthpiece. In its death throes,





the Conservative Government admitted its mistake. Stephen Dorrell and Douglas Hogg told the House of Commons that there was a link between BSE and Creutzfeldt-Jakob Disease.

New Labour saw how easily science could get politics into trouble. Worried by the emerging controversy over GM foods, they tried to put their house in order. Within months of being handed their ministerial boxes, Frank Dobson and Jack Cunningham promised that they would work out what went wrong with BSE. The Phillips Inquiry lifted the lid on expert advice, speaking to scientists, civil servants and anyone else connected with BSE. The more the Inquiry found, the more there was to uncover. In more than 4,000 pages of excruciating analysis, Lord Phillips argued that things had to change. No longer could the Government obscure unpleasant scientific uncertainties. The British public should never again be patronised with false reassurances. And we would have to stop assuming that science had all the answers.

The real issue is not whether the public trusts experts, but whether, as we lose our old certainties, the way in which knowledge speaks truth to power is fit for purpose.

Erik Millstone from Sussex University describes BSE as 'the most serious failure of UK public policy since the Suez invasion of 1956'. It demonstrated that the relationship between experts and politics was more complicated than the comfortable image

of 'speaking truth to power.' But, since BSE, experts and the rest of society have not yet found a new way of living together. Controversies over the MMR vaccine and Foot and Mouth Disease have highlighted a misunderstanding between expertise and citizens that will take time to resolve.

The policy response to BSE has been to open up. Where Whitehall once spoke to the men in white coats behind closed doors, discussions are increasingly taking place in the open. 'Transparency' and 'openness' are the new buzzwords. Committees of experts now have websites full of minutes and agendas. Some allow members of the public to sit in on meetings. Anthony Giddens explains that one of the things that makes us modern, is our reliance on expert systems. They are the hidden bits behind our technologies and our policies that we'd rather not think about. So the relationship with expertise necessarily depends on trust. Current moves towards openness are justified in terms of 'building trust'. But this misses the point. The real issue is not whether the public trusts experts, but whether, as we lose our old certainties, the way in which knowledge speaks truth to power is fit for purpose. How can we avoid another BSE?

Everyday technocracy

Since 1997, political rhetoric across all sorts of policies points towards more participation – more voice, more choice. And since the wake-up call of BSE, this is reflected in the way that politicians talk about science. But this tendency towards democracy has its opponents. Beneath the rhetoric, there are plenty of policy-makers who quietly think that, in these irrational times, we should not devolve matters of science to the people. They

see technocracy – government by facts – as a way of saving policy from public opinion, media manipulation and political whim. Technocracy is manifest in the everyday practices of government, and it bridges political divides. Seeing a public that doesn't know what's good for it, technocrats on the Left have traditionally advocated expert control for reasons of social justice. Those on the Right have done so for the sake of efficiency.

In New Labour, we have a government that has enthusiastically endorsed the managerial advantages of evidence-based policy. Even moments that appear to critique the linear transformation of knowledge into decisions have been reconstituted to fit the model. According to a paper from the Prime Minister's Strategy Unit, the BSE fiasco was nothing more complicated than an 'imprecise use of evidence.'

In November 2006, a report from the Commons Select Committee on Science held a mirror to the fashion for evidence-based policy. In some areas, the committee argued, 'evidence-based' has become a way to justify policy rather than a way to make policy – the evidence is found to suit the decision. Evan Harris, a committee member and Liberal Democrat science spokesman, said that the way some policies claimed to be evidence-based was a 'fraud that corrupts the whole use of science in government.'

Unfortunately for civil servants, far from providing easy answers, the rise of evidence-based decision making forces more questions to the surface. As we have seen in the last few years, controversies involving expertise frequently involve questions such as: What counts as evidence? Whose evidence?





Evidence of what? Evidence for whom? What do we still not know? As Arie Rip puts it, “There are deep problems, with ‘evidence’, with ‘-based’, and with ‘policy’.” The inescapable paradox is that ‘policy is about the future, and evidence is about the past.’ As BSE reminded us, by accentuating the positive – what is known – evidence-based policy often overlooks the uncertainties that come to define our problems.

Unfortunately for civil servants, far from providing easy answers, the rise of evidence-based decision making forces more questions to the surface.

The Select Committee saw the need to put politics back into decision making. There are moments when we don’t have evidence and there are moments when decisions fly in the face of evidence. We need to be honest about these. But we also need to acknowledge that even at the best of times, when evidence seems clear, there is no simple way of turning it into policy.

Rethinking expertise

The reality of decision making is that evidence is seldom tidy, facts can rarely be separated from values and decisions are needed quickly. A more democratic approach to expertise sees the limits of expert evidence. But this is not about rejecting the received wisdom in favour of the wisdom of crowds. Specialist knowledge is vital and arguments for more democracy do not on their own get us very far. It would be foolish to ask society at large whether the MMR vaccine causes



autism, or whether BSE is transmissible across species. Expertise and evidence are necessary for these questions. But they are not sufficient to give us complete answers or policy decisions. The wisdom of crowds can still teach us something.

The 'evidence-based' turn in policy sees experts as providers of information, giving answers to policy questions. But expertise has always been about more than evidence. Expertise is also about judgement, about wisdom, about asking new questions and challenging convention. The physicist Werner Heisenberg defined an expert as 'someone who knows some of the worst mistakes that can be made in their subject and who manages to avoid them.' Expert wisdom is about navigating uncertainty, reminding people in power what we still might not know, in addition to what we think we know, and cautioning against complacency.

Far from taking power away from experts, we are suggesting that they contribute more, in a role that extends beyond evidence to wisdom. Experts should be encouraged to speak up, to contribute to debate and challenge its terms. We are taking the first steps towards a new social contract between experts and society. This means rethinking science – as a process rather than as a body of facts. It means looking at 'the public' more respectfully. And it means appreciating the complexity of policy-making.

A new model of expert advice

Dickensian London was a pretty unsavoury place. Economic growth in the first half of the 19th century had brought thousands of new people to Soho, but the sewers for which we now thank the Victorians had not yet arrived. Cholera flowed freely through the city. Bodies were regularly carted down the narrow streets. In 1854, one epidemic was particularly virulent, posing a challenge both to experts and to families struggling to escape the disease.

London's men of science disagreed bitterly about the cause of cholera. The prevailing theory was that it was spread in the 'miasma' – the foul-smelling cloud of smog that blanketed the city. Others, including a young doctor called John Snow, disagreed. Snow reckoned that it was a waterborne disease. When the 1854 epidemic began, Snow began finding out about the disease and the social context in which it was spreading. In a pioneering example of 'shoe-leather epidemiology,' he teamed up with a local vicar, Reverend Whitehead, and began building a picture of the problem by knocking on doors and speaking to Soho residents. He mapped the cases of illness and worked back to a single water source – a water pump.

In *Hard Times*, published in the same year, the hard-headed Gradgrind places his trust in the power of isolated 'facts and calculations.' By contrast, Snow and Whitehead's story is one of expertise-in-context. It is about exploring uncertainty, questioning authority and mixing different sorts of knowledge. And it can teach us plenty about modern expertise.

The 'evidence-based' turn in policy sees experts as providers of information, giving answers to policy questions. But expertise has always been about more than evidence. Expertise is also about judgement, about wisdom, about asking new questions and challenging convention.

We now take clean water for granted. But, presented with new threats like bird flu, it is clear that certain sorts of expertise will be necessary. Understanding bird flu will require the knowledge and wisdom of epidemiologists, geneticists and pathologists. But it is not clear which sorts of expertise will be sufficient. Nor is it clear how we should make the best use of this expertise. However, it is our view that a more open model of expertise will make us more resilient to such surprises.

We cannot offer a blueprint for this new model. A new social contract between experts and society will be the product of ongoing discussions between individuals, cultures, and institutions. But we can offer some pointers to the issues that will become more relevant as this new model is debated and retooled. The box overleaf gives a sense of what this model needs to look like and what our new expectations of experts should be.



Old model of expertise

- Presenting the evidence
- Closed
- Homogenous
- Hubristic
- Demanding public trust
- Expecting expert consensus and prescription
- Managerial control.

New model of expertise

- Open
- Diverse
- Humble
- Trusting the public
- Expecting plural and conditional advice
- Distributed control
- Presenting evidence, judgement and uncertainty.

Responsibility for the necessary changes to expert advice cannot just be placed at the door of experts, nor just at the door of policy-makers. Instead, we must change the way that expertise and policy talk to one another. The relationships in the system are as important as the individuals. To embed a new model of expert advice, we now need to extend our thinking towards some areas that ten years ago would have been unimaginable, and may still seem counter-intuitive and uncomfortable.

Provisional expertise

Issues involving science do not arrive with a script. And they do not bring with them a body of relevant evidence. Knowledge and wisdom must be marshalled to make sense of new challenges. Hard decisions will have to be made on the basis of pretty soft science. Facts will be hard to come by and uncertainty is

likely to be rife. In such cases, experts and policy-makers need to be open-minded and humble. As they make sense of issues, they need to explore rather than assume. We have learnt from experience that, as well as shedding light on problems, expertise can blind us to our ignorance. We still need to learn how to take decisions openly in these situations.

This exploratory, adaptive mode of expertise involves listening to new voices and seeking out diverse areas of expertise. And it also involves changing how we see science in policy. We cannot expect that science has all the answers. Theoretical models and predictions therefore need to be augmented by monitoring and research focused on answering specific questions.

This provisional mode casts experts differently. It asks them to broaden their remit, to question, challenge and apply their wisdom. Policy-makers should expect what Andy Stirling calls 'plural and conditional advice' as opposed to recommendations that are 'monolithic and prescriptive.' Minority reports from committees should be considered as part of the process of making robust decisions rather than a dangerous break from unanimity. Scientific uncertainty does not mean that 'anything goes.' But recent debates do tell us that we need to find new ways to talk about uncertainty, as part of a richer conversation about expertise.

Cosmopolitan expertise

Issues that demand expertise often fall across disciplinary, organisational and national borders. And the questions that policy and the public are likely to ask will not fit neatly into certain schools of thought.

Policy has come unstuck in the past by assuming that useful advice will come from narrow perspectives. But as Ulrich Beck and Anthony Giddens argue, 'from a cosmopolitan point of view, diversity is not the problem; it is the solution.' This diversity requires new forms of collaboration between cultures, whether local cultures or disciplinary cultures of expertise.

As government experts become less important and external experts fill their role, government must assume a different role, one of network building and cross-cultural diplomacy.

Expert advice needs to blend different people and perspectives. As government experts become less important and external experts fill their role, government must assume a different role, one of network building and cross-cultural diplomacy. A combination of perspectives and disciplines in expert advice, though necessary, brings problems of communication. Elements of discussion are likely at first to get lost in translation. But translation is an integral part of expert advice. Finding ways for different experts to speak to one another is a crucial part of working towards a new model of expertise.

Increasing diversity is far from straightforward and runs counter to many of the institutional structures and regulations that shape policy. In recent years, we have seen international bodies such as the World Trade Organisation casting their decisions as scientific, preventing discussion both within



and between countries of the broader politics of new technologies. This stifles diversity and challenges the legitimacy of national governments. The UK has had a peculiarly chequered history with expertise. But these questions are far from parochial.

However, just as expertise can close down discussions if used narrowly, it can open them up if used wisely. With the recent Stern report on the economics of climate change, the UK has, by drawing on expert wisdom, created a new space for political leadership in tackling a global problem. As more and more of these discussions take place globally, we need to ensure that we are able to engage in a richer conversation about expertise, its benefits and its limits.

Putting the politics back into policy



The politics of expertise are becoming more important and more visible. This essay has narrated some recent examples in which the attempt to portray issues as just about science or evidence has been resisted by a sceptical public. Like squashing a balloon, the attempt to push the politics out of certain questions is likely only to mean that dissent will bulge up somewhere else. As issues play out in public, the small ‘p’ politics emerge through the questions that people ask of experts.

But we are also starting to see an uneasy simmering in politics more generally. The MMR clash reminded us that talk of ‘gold standard’ evidence and best practice sits uncomfortably alongside that of choice in healthcare. The growing interest in agendas of localism, personalisation and choice point to future unease with centralised, managerial policies drawing on narrowly-defined expertise.

Evidence-based decision making seems on the surface like a straightforwardly good idea. But in practice it can be anti-political; it can narrow the space for debate. As Will Davies puts it, “In an evidence-obsessed world, both politicians and public are able to renounce their responsibilities to the political process. Politicians are able to duck the normative question of how they believe society ought to be, while the public no longer needs to engage with the mechanisms of democracy in order to convey where its interest or demands lie.”

Evidence can support decisions and it can challenge them. But it does not on its own tell us what to do. The political legitimacy of policy does not increase with more evidence or more expertise. Political judgements must still be made, in a web of uncertainties, interests and public concerns. In the sorts of areas in which expert wisdom is useful – unbounded and uncertain – policy is not a line from evidence to execution; it is a complex system.

A regular complaint from experts is that politicians and the public expect too much from them – to have all the answers, to understand everything and to express this with confidence. As we move further away from experts knowing all that could be known, we need to move away from technocracy. Government needs a modest and self-aware sense of the strengths and limitations of expert knowledge: a culture of humility. Social scientists have suggested a shift from talk of ‘evidence-based’ policy to ‘evidence-bound’ policy. The phrase is less important than the sentiment, which is a reassertion of the space for political decision making.

This is in essence an argument about uncertainty. It is about not looking for easy answers when the reality is that our knowledge is incomplete. It is about finding new ways to deal with what we don’t know and make decisions that acknowledge our ignorance. Expert uncertainty does not have to sit uneasily with policy making. Governance is a process of negotiating ambiguity, a messy business consisting of compromises, partial decisions and continuous renegotiation. But the problem with facts is that they are easy to hide behind. Complexities are obscured by discussions of evidence and knowledge.

Putting the politics back into policy means politicians and policy-makers taking greater responsibility for decisions. It means restoring legitimacy to the decision making powers of government. It means being honest with the public about why decisions were made. And it means being open to criticism and conflict. We are currently at a stage in which everybody recognises the need to rethink the role of experts and evidence in our society. Science can no longer be taken for granted. Government is unsure how to begin the discussion that will take us forward. Our work suggests that it will be a vital political battleground in the next decade. But the debate needs to take place in the open. It is certainly too important to be left to the experts.

Expert uncertainty does not have to sit uneasily with policy making.



Huw Davies:

What's the use? Research evidence and the decision making process

The use of evidence is a central plank of 'modernised' decision making processes. But what does it mean for decision makers to 'use' evidence, asks Professor Huw Davies. What counts as evidence in the first place, and who says so? What difference does it make when evidence is used, and how might more productive use of it be promoted?

It is commonly thought, or hoped, that research-based evidence shapes the options available to decision makers, and even has a decisive role in the choice between competing options. Yet studies of policy repeatedly show that evidence – even strong and robust research evidence – is rarely used in such a direct and instrumental fashion. Instead, research often enters policy debates in much more indirect ways: for example, by shaping what is seen as a problem in the first place; by destabilising current framings of the problem set; or by challenging orthodox approaches to intervention. These more complex and subtle types of evidence use – slow-burn, diffuse, and often indirect – may in the end have greater impact in reshaping political preoccupations and the direction of policy.

Even when evidence is used explicitly, it may be being used tactically or politically, for example, to advance a position, buttress previously taken decisions, or derail customary debates. While such uses may be derided as 'misuse' (especially by researchers), they at least admit the possibility that evidence might be influential rather than irrelevant. Understanding this diversity of use draws attention to other important – and at times discomforting – questions that lie at the heart of evidence-based policy: questions such as: 'which evidence counts most?' and 'who gets to decide what counts as evidence in the first place?'

On the face of it, the assessment of what counts as evidence might be seen as a technical question, calling for careful

methodological judgements. In practice, however, despite a plethora of methodological guidelines such as 'hierarchies of evidence', such judgements are inevitably political as well as technical. This is because the labelling of particular types of knowledge as 'evidence' means that problems become defined and made visible by those powerful enough to assert such labelling, and solutions are then proposed that advance the interests of some at the expense of others. For example, 'randomised control trials' are dominant at the apex of hierarchies of evidence and many people believe that this has the result of favouring drug interventions in health care over public health or organisational interventions, in relation to which the evidence-base is more methodologically diverse and frequently contested.





Examples of slow-burn impacts of research

Informal carers and health care delivery

Research in the 1970s and 1980s highlighted the substantial and distinctive role of informal carers in delivering health care outside formal health care settings, especially to people living with disability or chronic long-term conditions. This awareness gradually permeated into policy and a consideration of carers is now central to much policy in health and social care.

Unsafe health care and patient safety

Work in the US in the 1970s and 1980s, and in the UK in the 1990s, highlighted just how unsafe many of our health care settings can be. Such research, in tandem with several public scandals (Bristol, Harold Shipman), has led to patient safety concerns in general, and medical errors in particular, taking centre stage.

Well-being and happiness

Longitudinal studies consistently show that rising individual prosperity in most developed nations is not matched by rising levels of individual well-being or happiness. This apparent paradox has begun to lead to more attention being paid to social capital, community development and interventions – such as cognitive behavioural therapy (CBT) – aimed at improving mental health and well-being.

Substance misuse and harm reduction

Research on injecting drug users in the context of infectious diseases such as HIV and hepatitis has led to a reframing of problem drug use from a predominantly criminal justice concern to an issue of harm reduction.

In this sense, then, the refusal to accept particular information as ‘evidence’ can be seen as an act of resistance. This suggests that there are no easy or value-free ways in which ‘evidence’ can be defined separately from the context of its use. Such judgements involve a deployment of complex technical expertise and positional power dressed up in the guise of disinterested rationality.

Despite such inevitably political concerns, many of the initiatives developed as part of reformed decision making processes seem to assume relatively unproblematic, rational and linear relationships between research, evidence and policy. Much effort has been expended on improving the supply of research: ensuring that the right questions get investigated; supporting rigorous synthesis of existing research studies; and providing for a degree of translation of research findings so that they are accessible both literally and intellectually. All of these have to some extent ramped up the availability of concise research-based evidence. However, supply alone is clearly insufficient, and attention has been given in parallel to the demand side.

Encouraging the policy demand for research evidence has also been a central feature of reformed processes. Departmental spending bids are now required to be supported by evidence, and the evidence underpinning key policy decisions is increasingly being cited and published. Moreover, staff training and support for evidence use has received much greater attention than hitherto; and the expectation that policies and programmes will be piloted and evaluated is now increasingly the norm. Formal evaluation of these ways of increasing the demand for evidence is rather thin on the ground but nonetheless some positive experiences are reported.

Beyond improving the supply of evidence and stimulating the demand side, other initiatives have sought to bridge these worlds.

Beyond improving the supply of evidence and stimulating the demand side, other initiatives have sought to bridge these worlds. Strategies used have included strengthening the role of government researchers as knowledge brokers and co-locating these researchers alongside policy-makers. Efforts have also been made to develop research and policy networks in key policy areas that reach out to wider stakeholders, such as practitioners and service users. Such initiatives can acknowledge the diversity of knowledge providers for the policy process and can address the issue of whether research needs to be integrated with other forms of evidence such as routine management data and stakeholder consultations. They also promote more interactive and dialogical engagement with that evidence. Again, however, while such bridging activities seem sensible, there is little systematic evidence on how they affect the uptake and impact of research.

While action on the supply and demand side of evidence (and attempts to bridge or integrate between these), is welcome, there may be more that we can do to promote evidence uptake and impact. A consistent theme from those who have examined how research evidence actually gets used is that it is an interactive and social process of learning that is strongly influenced by the contexts of that use: situated interaction and intermediation seem to be key.





Interaction and intermediation – particularly the drawing in of a multiplicity of voices and agencies into policy deliberations – offer many more opportunities for research to become part of the policy discourse. However, the result is likely to be a far cry from a rational and linear process of instrumental research use. The degree of contestation and debate that inevitably arises is likely to encourage more challenging roles for research: roles that go beyond simply supporting developments within current policy and service paradigms, to roles that question and challenge these paradigms. While clearly demanding in many ways, such open, pluralistic, interactive and informed policy communities have exciting possibilities and democratising potential.



This is a vision for vibrant and inclusive policy processes: processes involving active policy networks, covering a wide variety of agencies and intermediaries, and drawing on diverse sources of knowledge of which research evidence is just one part. It is a vision that is most challenging for those who would like to see a centrally managed set of strategies for developing research-informed policy, as it will involve a good deal of ‘letting go’ of policy debates and the evidence that shapes them.

From the government side, there will need to be a willingness to get actively engaged with a wider range of actors – for all the difficulties, tensions and delays that might ensue. Outside government, there is already a growing awareness of what might be achieved with evidence, through being policy-savvy, media-aware and advocacy-oriented. Some advocacy-oriented agencies (as diverse as the Joseph Rowntree Foundation, the World

Wildlife Fund, The Health Foundation and Barnardo’s) are already showing the way with creative mixed strategies involving vigorous attempts to shape the policy context, the creation of active alliances around key issues, and the development of demonstration projects that signal what can be done on the ground.

A key message then is that orderly and controlled evidence supply and policy processes – though not without some value – are likely to be insufficient to promote a genuinely rich and inclusive policy dialogue where research infuses and informs all aspects of debate. Instead there is much more that governmental and non-governmental agencies can do to help to shape an environment in which productive evidence-informed interactions are more likely than unproductive evidence-oblivious clashes.

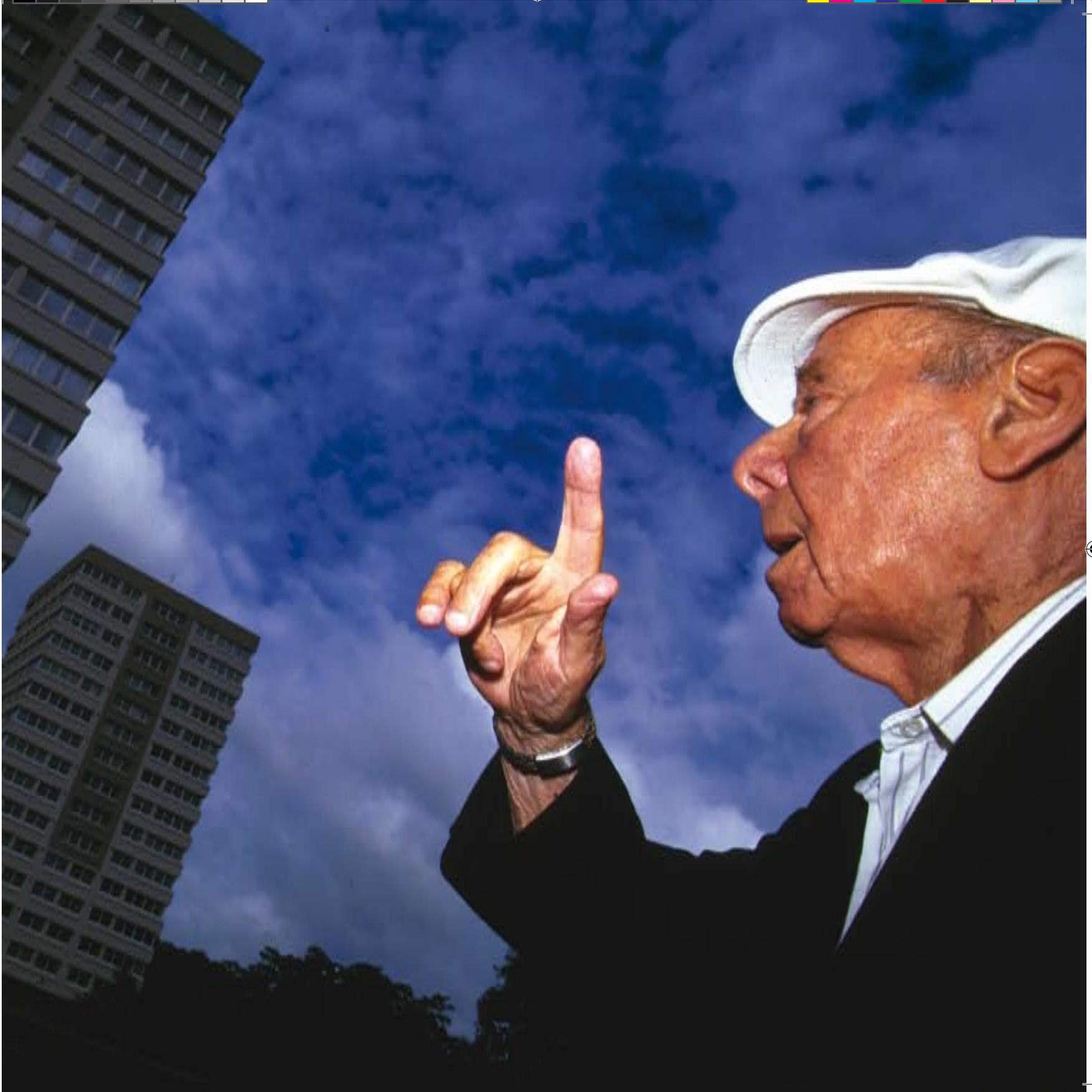
A consistent theme from those who have examined how research evidence actually gets used is that it is an interactive and social process of learning that is strongly influenced by the contexts of that use.

Mixed strategy on evidence use as part of a broader advocacy role

The Health Foundation (a major UK charity, www.health.org.uk) can be seen as an evidence advocate, particularly in its role around patient safety. The Foundation has been actively seeking to shape the debate around patient safety in a number of ways. First, it supports dialogue between policy makers, health care professionals and researchers, through round-tables and expert seminars, and has published a variety of briefing papers and research reports summarising or commenting on the evidence. Secondly, it has built alliances with other agencies both in the UK and abroad (most notably with the Institute for Healthcare Improvement in Boston MA, a leading US evidence advocacy organisation – www.ihl.org). Finally, it has invested considerable sums in supporting local organisational efforts to improve quality and performance in health and healthcare services (the ‘Safer Patients Initiative’). These investments are supporting demonstration projects clearly designed to have wider policy impacts. Stephen Thornton, Chief Executive of the Health Foundation, said, “Our vision is for the hospitals to act as shining examples of what works to improve patient safety, sharing their successes and experiences first locally and then further afield... the findings will have important lessons for national policy development.”

Source: www.health.org.uk







Terry Dailey:

How IT changes the nature of decision making

Software development techniques are changing and applications are becoming more sophisticated.

Terry Dailey looks at how sophisticated need not mean expensive and slow – and how this new software can improve many elements of an organisation's performance, including its decision making.

Over the last few years, many organisations have redesigned processes around the needs of the customer. This typically means tackling those functions that are most visible to the customer. For example, businesses that sell consumer goods almost always start change at the customer service end of the supply chain. Similarly, in the early 2000s, most UK local authorities set up call centres, using new e-government applications to handle the millions of phone calls they receive each year in an effort to improve customer service.

Inevitably, however, as each function is transformed, the 'bottleneck' or problem moves further upstream; it becomes more internal to the organisation but it still has a massive impact on what the organisation is able to do outwardly for the customer. This is the worst of all possible worlds: high impact and low visibility. The initial impact in most councils was to hide the fact that the

underlying customer service processes (the value chain) had not improved; the new call centres merely provided the customer with a more consistent treatment at the initial point of enquiry.

This problem can be particularly acute when the upstream problem requires new information technology (IT) for its solution. Customers do not forgive IT problems. They don't get to see the contractual and decision making processes involved and yet the impact of any problems on the service that they receive can be very high.

Public sector managers, on the other hand, are only too aware that the development lifecycle for IT infrastructure is long and complex. This is why we are beginning to see a change in how IT is developed. Organisations are moving away from monolithic development towards more

loosely coupled services. Another option is to buy applications off-the-shelf and focus on configuration rather than programming and development.

Equally, organisations are challenging the assumption that the amount of manual processing that staff need to do, no matter how simple it may be, has to decrease every time that a new system is developed. I can't remember sitting down with a departmental manager to discuss the implementation of e-government or change projects without their opening gambit being "if it involves my team doing more manual processing than they do now, I'm not interested!"

However, by focusing less on the issue of reducing the manual inputs, it becomes possible to focus instead on improving the speed and quality of the information outputs. Rapid Application Development (RAD) is a



software development process that involves iterative development, the construction of prototypes, and the use of computer-aided software engineering (CASE) tools. This new method attempts to minimise risk by developing software in short timeboxes, called iterations, which typically last one to four weeks. Each iteration is like a miniature software project of its own. In many cases, software is released at the end of each iteration. This is particularly true when the software is web-based and can be released easily. At the end of each iteration, the team re-evaluates project priorities. This enables organisations to have a more flexible (and changeable) mix of automated and manual process steps.



The last three years have also seen the advent of Software as a Service (SaaS) whereby even enterprise-level applications can be hosted externally and accessed through a web browser. A core feature of their design is that they can be configured quickly and by non-specialised staff.

But it is not only purely IT functions that are affected by these technological advances. Strategic functions benefit too. For example, consultation and stakeholder management can be accelerated through electronic means.

While managing a development programme for the Office of the Deputy Prime Minister in 2005, my team planned to work with 20 or 30 users to test products and guidelines. Once we discovered what could be done, we quickly adopted externally hosted collaborative software which allowed us to work with 400+ user group members belonging to 80+ councils and a further 20 agencies and assorted suppliers. This

resulted in better quality and faster feedback than if we had continued to use manual methods. In addition, we ran regular on-line (externally hosted) surveys to formally establish usage baselines and progress across the 80+ councils. In some cases, we were able to get feedback within 24 hours of making new developments available through the collaboration tools. The Office of Government Commerce is using this same approach to manage the refresh of its Gateway toolsets with large numbers of quality reviewers.

New IT can also help to both collect and disseminate information. Is it not about time that we killed off the monolithic information structures that public sector organisations so often use to communicate with their staff or customers, and adopted real web-based communications that can be tailored to the preferences of the customer?

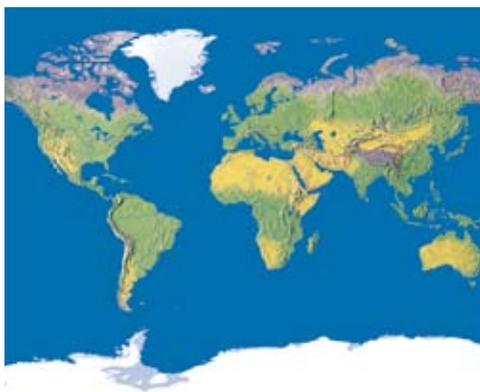
I am currently spending a lot of time on my local council's website over the planning application of a neighbouring property. The council has an admirable planning site that displays all the plans, letters and other details for each application. However, there is no way of identifying the committee meetings where the applications will be considered without first understanding both the planning process and doing a lot of research around the committee structures. It would be so much simpler for the customer if the council would just link the committee agenda and documentation and the underlying repository of plans and documents for each application, using simple web services.

Performance management must also catch up and align itself with the new IT realities. Highly important decisions are often based on spurious planning assumptions, or on old data, yet IT can provide the level of information that organisations need to make these decisions on a much sounder and more timely basis.

The public sector has learned about the use of real-time information, such as in call centres, where real-time performance information such as the numbers of lost calls and calls waiting, can highlight deficiencies in resourcing and allows the correlation of performance information and resource profiling across working hours and days of the week. This information allows managers to predict daily, weekly and monthly workloads and to plan ahead for recruitment or to employ contractors to help mitigate the chronically slow recruitment processes that are endemic in the public sector. IT can provide the same decision making detail in other areas too.

Decisions are the lifeblood of business – whether it is in the public or private sector. Public sector organisations already collect vast amounts of data. To help turn that data into useful information, it is essential to make business processes as visible to both the organisation and the customer as possible and to link relevant information thus enriching the information available to make key decisions. With a lot of thought and a little money – and these really are relatively 'little money' options, even at the enterprise level – it is possible to improve both the quality and the timeliness of management and customer decisions.





The widening conflict over patents *Thailand*

As health care systems come under stress from increases in long-term conditions, *Justine Doody* looks at the new steps taken by the Thai government to challenge established financial constraints.

Thailand's military government has infuriated drug companies by choosing to break patents on some of their most useful – and lucrative – life-saving drugs. The government has issued compulsory licences, as it is entitled to do under WTO rules, for the production of generic versions of Kaletra, an AIDS drug, and Plavix, a medication for heart disease.

Thailand has a system of universal health care and an AIDS programme that has been acknowledged by the UN as one of the best in the world. But the system is under increasing pressure as AIDS cases rise; in a population of 64 million, Thailand has over 580,000 people living with HIV or AIDS. The use of generic versions of Kaletra, the second-line AIDS treatment manufactured by Abbott, should save the health system close to \$35 million. And as the government is at the moment moving to abolish the current nominal fees for hospital visits in Thailand, any savings that can be made can easily be used in an already over-stretched health system.

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African countries have frequently broken patents on AIDS drugs, using generics so as to be able to afford life-saving treatments, but Thailand is the first middle income country to take this step – and the first country to break the patent on a heart disease drug. The WTO's compulsory licensing laws allow any country to override patents in the case of a 'national emergency', and these laws have been used to justify patent breaking on AIDS drugs. But the pharmaceutical industry argues that heart disease, while a public health concern, cannot be described as an emergency. The

Thai government, on the other hand, claims that the high cost of blood-thinner Plavix has limited its availability to only 20% of those patients who need it. Plavix is one of the top five drugs sold worldwide – sales in 2005 were almost US\$6 billion.

The government's actions, particularly on the licensing of generic Plavix, have garnered broad support from activists and NGOs, including Médecins San Frontières. But the pharmaceutical industry says that patent breaking will endanger the research and development of new drugs. For Thailand, the repercussions may be severe – the companies that make Kaletra and Plavix have substantial holdings in Thailand, and there is reason to fear that the government's actions may lead them and other pharmaceutical manufacturers to withdraw investment from the country. Investors in other industries, worried that the government may change rules elsewhere, are also considering their position with regard to future ventures.

The Thai government has threatened to break more drug patents in the coming months. And although it is drawing the most fire from the pharmaceutical industry, it is not alone in the shift towards generic versions of highly priced drugs. In February in the UK, the OFT issued a report claiming that the NHS could have saved up to £575 million annually by using generic alternatives to some drugs. While the pharmaceutical industry rejected the report, the Department of Health and the Department of Trade and Industry have until the end of June to consider the OFT's findings.



Libya

Reshaping the public sector

More than 400,000 public sector employees are to lose their jobs in 2007 as part of the government's drive to reform the Libyan economy. Adding up to over one-third of the nation's public sector workforce, the laid-off employees will be offered redundancy payments equal to three years' salary. They will also be granted government loans if they wish to start new businesses.

The government hopes that the move will stimulate private sector growth, much needed in a country almost entirely reliant on oil production and extremely dependent on imports in areas like consumer goods. Streamlining the public sector may also help Libya deal with the problems of corruption and inefficiency that have plagued its bureaucracy.

At the same time, the government is raising the salaries of the remaining public sector employees by 25%, while increasing employee housing allowance by 237%.



Estonia

The electronic franchise

Estonia has become the first ever country to allow citizens to vote in a national parliamentary election via the internet. About 30,000 voters cast ballots online in elections on 4 March, after e-voting in local elections went without a hitch in October 2005.

In order to vote electronically, voters put their state-issued ID card into a reader attached to a computer and entered two passwords. The conduct of e-voting was monitored by the OSCE.

Although it remains one of the poorest nations in the European Union, Estonia has, since the collapse of the Soviet Union, emerged as a regional leader in information technology. The government's policy of promoting IT extends to ensuring that all schools and libraries have internet access, and e-government is very strongly developed in the country – three-quarters of Estonians file their tax returns online.

Hawaii and the Philippines will be the next countries to trial e-voting, in local and mid-term elections in April and May respectively.



USA

A new national identity

The Department of Homeland Security has issued regulations for the standardisation of state-issued ID cards. The new REAL ID cards will be equivalent to drivers' licences and will be required to board internal US flights and to enter federal buildings like courts. States have been told to begin issuing the documents by May 2008, although they may apply for an extension to January 2010.

The REAL ID Act was signed in 2005 after the 9/11 commission recommended the US tighten up its identification procedures. Though many had expected the cards to include biometric data, the DHS has only stipulated that the cards contain personal data stored on a 2D barcode.

The measures have been opposed by civil liberties activists, as well as by states who think implementing the new standards is an unnecessary financial outlay. Almost half of the states in the USA are considering legislation to oppose REAL ID.

Horizon Webwatch



The Web is steadily becoming a key resource for public policy experts. Justine Doody picks out another set of useful websites.



www.digitaldialogues.org.uk

The Department for Constitutional Affairs has initiated an independent study to gauge the success of central government in engaging the public using new technologies, as well as to examine how new technologies can be used to enable collaboration between departments.

Administered by the Hansard Society, 'Digital Dialogues' began in 2005 and, its remit having been extended last autumn, is now set to finish in spring this year.

The study is examining several major efforts to create dialogue both within central government and between the government and the public, and evaluating the successes and failures of each case study. Among the sites being monitored are the Law Commission Forum (<http://forum.lawcom.gov.uk/>), a platform for the public to help in identifying areas of law needing reform; the Discussion Forum of Communities and Local Government (<http://forum.communities.gov.uk/>), a forum to discuss issues like social housing regulation and public sector pension schemes; and David Miliband's ministerial blog at the Department for Environment, Food and Rural Affairs (www.davidmiliband.defra.gov.uk/).

The site includes the interim findings of the study, which you can read online or download in pdf form. So far, the study seems to show that online public consultation exercises are working, at least in that they are drawing in a range of people previously not politically active – the majority of those who contribute online are regular internet users who choose to comment rather because of the medium than the message. The final results of the study will be published on the site later in the year.

You can comment online on most aspects of the findings, either anonymously or by name – comments will be published on the site after moderation by the Hansard Society.



www.egovmonitor.com

eGov Monitor aspires to be a 'platform to debate real issues on how best we can develop an economically competitive yet socially inclusive Britain and Europe with opportunities for all.' Under headings like Citizen Centric Services, Knowledge Society, Security and Trust and Transforming Government, the site provides news and features about public sector issues affecting central and local government, education, health and law enforcement.

Regular features on the site include a section on 'Key Stakeholders', providing information on an outside organisation that affects policy creation, and a section entitled 'Speech of the Week', highlighting important statements from MPs or public sector figures. Issues under discussion on the site include citizen engagement and digital inclusion. eGov Monitor invites contributions to the discussion from all interested readers; contact details are available in the 'Your Say' section of the website. You can keep up with news from the site using their RSS Newsfeeds or their weekly and fortnightly email newsletters.

The main eGov Monitor site links to GovXChange, an innovative project developed by eGov Monitor and the Society of Information Technology Management. This site is designed to act as a 'knowledge-sharing platform to support public service delivery and develop successful sustainable communities'. Public sector users are invited to create their own space, either blog, forum, or information resource; spaces in existence at the moment are on topics like 'performance management', 'IT government' and 'digital/socio-economic exclusion'. A user can choose to make his/her space private, open to a closed group of invited members, or public. Members of each space can collaborate on work and receive RSS feed updates on the activity in the space. The information from all the spaces is indexed and searchable, offering any member of any space the opportunity to access a knowledge base drawn from the expertise of members from a wide range of disciplines.



A daily news site that takes in areas from social housing and communities news to central government and the environment, 24dash.com offers an independent perspective on UK public sector news. With information updating on an hourly basis, the site supplies grass-roots stories as well as coverage of issues of national importance; the social housing section in particular provides information that often goes unreported elsewhere.

Podcasts from 24dash.com present an inventive way to absorb the site's material. The '60 Second Dash' gives a snapshot of the top UK news headlines in just one minute. In the features section, you can download a podcast of the most recent session of Prime Minister's Questions. Other podcasts are available on public sector news, social housing and education, and are updated throughout the day.

In the site's Press Release section, you can browse thousands of releases submitted by over 300 local authorities, community organisations and charities, both alphabetically and under the headings of Communities, Council, Education, Entertainment and the Arts and Housing Organisations.

The website has a searchable archive where you can access over 15,000 stories; the search is powered by Google, and so is effective and easy to negotiate. 24dash.com offers RSS feeds for each of its sections, as well as a unified feed for all the latest news from the site. The job directory lists opportunities from across the public sector, and the onsite polls provide a quick and easy way to register your opinion on a range of public sector issues.

In the age of Web 2.0, the site is not exceptionally interactive, although you can send your press releases and stories via an email address provided on the site. However, 24dash.com has plans to introduce a facility for commenting on stories, as well as a directory for public sector services.



The case for localism

As government debates the right balance on service delivery, Justine Doody looks at new polling evidence that suggests that the public wants more devolution.

Recent data from Ipsos MORI shows that the public's faith in local government is considerably greater than its trust of central government. Around 30% of people believe that Parliament and the government are good at taking the views of the public into account, as compared to 60% who feel that the government is either fairly poor or very poor at listening to the public. On the other hand, 57% of people believe that local councils are good at taking their views into account.

At a time when local election participation is declining in much of Europe, Britain's turnout for the 2005 local elections was an estimated 64%, higher than the general election turnout of 61.3%.

The voting figures give credence to the idea that local government is becoming more important to the British voting public: at a time when local election participation is declining in much of Europe, Britain's turnout for the 2005 local elections was an estimated 64%, higher than the general election turnout of 61.3%. In 2006, the Power Commission's inquiry into the health of the connection between people and government in Britain found that the public's apparent disengagement from the political process was not a result of voter apathy. The problem lies more with the people's perception that they have no influence on political decisions. The commission's report suggested that a rebalancing of power from central to local government could reinvigorate the political process by locating decision making closer to the people.

The public seems to agree. More than half of people polled by Ipsos MORI believe that some services should be taken out of the control of central government and placed under the authority of local government and councils. Nearly 70% are in favour of giving directly elected councillors responsibility for services like public healthcare, education

and policing. It seems that public opinion is broadly in line with certain initiatives being considered in central government, such as David Miliband's notion of 'double devolution'. Ruth Kelly's local government White Paper of October 2006 tried to offer something close to Miliband's concept of allowing more power to local government, while also empowering communities and individuals. By cutting central government performance targets for local authorities, councils should have a greater ability to manage their own affairs. Mechanisms for community oversight of council procedures are also laid out; any council that falls short of service delivery expectations can be held to account by residents.

But local government officials say that the new proposals are meaningless without some form of local revenue reform involving the relocalisation of some taxes. Local government funding is under review at the moment – the results of Sir Michael Lyons' independent inquiry are expected this spring. However, the current extensive support for local councils may ebb away if local authorities do manage to get control over their own funding. Just 27% of respondents to the Ipsos MORI poll said that they would support the transfer of control over services to local government, if it meant an extra hike in their council tax.

Ipsos MORI Public Services Survey for Ernst and Young, UK.

The base for all questions is 1,869 British adults unless stated otherwise. Interviews were conducted face-to-face between 23-27 November-- 2006.

I am going to read out a list of public services. From what you know or have heard, please tell me how satisfied or dissatisfied you are with the way each service is provided in your local area.

Local government

	Very good %	Fairly good %	Fairly poor %	Very poor %	Don't know %
Parliament	2	27	38	22	10
Your local MP	2	30	38	18	13
Your local council <small>Base: Residents living in single tier authorities (1,137)</small>	10	44	15	7	23

How strongly would you support or oppose control of some of the services that are currently run by central government being transferred to your local council?

	%
Strongly support	11
Tend to support	43
Neither support nor oppose	25
Tend to oppose	9
Strongly oppose	3
Don't know	10

Where percentages do not sum to 100, this may be due to computer rounding.

Central government

	Very good %	Fairly good %	Fairly poor %	Very poor %	Don't know %
Your County Council <small>Base: Residents living in single tier authorities (732)</small>	3	46	25	11	15
Your District or Borough Council <small>Base: Residents living in single tier authorities (732)</small>	3	50	25	9	14
Your Town or Parish Council <small>Base: Residents living in single tier authorities (732)</small>	7	48	19	8	19

And how strongly would you support or oppose control of some of the services that are currently run by central government being transferred to local council *if it meant that your council tax rose faster than it would have done otherwise?*

	%
Strongly support	3
Tend to support	24
Neither support nor oppose	22
Tend to oppose	24
Strongly oppose	16
Don't know	10



Christopher Hood and Martin Lodge: Endpiece: Civil Service reform syndrome – are we heading for a cure?

The Civil Service has many problems. But the solutions are often insufficient or abandoned before they are fully implemented. Christopher Hood and Martin Lodge suggest that wider changes may be necessary.



Picture the scene. It's 2010. In an election upset, all the three main British parties have shrunk to a fraction of their former strength. The UK is governed by a fragile coalition dominated by the Greens plus Plaid Cymru and Democratic (Ulster) Unionists. The one thing these three uneasy political bedfellows can agree on is that changes are needed in the Civil Service. In a reaction to what they see as years of spin and bias, the new government has decided that 'neutrality and open policy debate' should be the new watchword for the bureaucracy.

Initiatives come and go, overlap and ignore each other, leaving behind residues of varying size and style.

Unlikely? Of course. But let's imagine what happens next. Expect at least three developments. One is a rash of initiatives at the centre. A new Neutrality Unit appears to build a neutrality empire at the Cabinet Office and perhaps something similar at No. 10. Neutrality Czars and departmental neutrality units follow. Ambitious 35 year-olds in Whitehall devote their talents and energy to pushing the idea, in an eruption of documents, focus groups, websites, neutrality audits and the like.

Second, agencies and departments respond selectively to the initiative. They screen out the bits of the neutrality idea that are hard to do or threaten their way of life, and adopt or adapt the bits that reflect what they already do or want to do. So a few months after the grand announcements of the new

approach, 'open policy debate' fades into the background, and the neutrality component turns into a flood of 'neutrality-proofing' checklists, audits and counter-audits, ticking the boxes without changing the culture or most organisational routines.

Third, events quickly change to alter the political backdrop. In a political bust-up Plaid Cymru leaves the coalition and the remaining two partners try to gain support from other parties by a 'think British, act local' (TBAL) initiative. Soon a rash of TBAL units are springing up at the centre. Almost before the paint is dry, the Neutrality Unit in the Cabinet Office is merged with a media oversight body to become the Media and Public Service Bias Unit and moved to the Department of Culture, Media and Sport. The thrust of the neutrality initiative is lost before it has had



any chance to bear real fruit, leaving only a residue of cynicism about half-baked ideas for bureaucratic reform, too many reform ‘czars’ with too little real authority, churning by overpaid consultants and a 36-hour political attention span.

OK, this hypothetical case is far-fetched. But the process – Civil Service reform syndrome – is all too familiar. We have seen this movie before – albeit with a slightly different plot-line – with earlier attempts to fix up the bureaucracy, accompanied by the characteristic hype from the centre, selective filtering at the extremities and political attention deficit disorder that works against follow-through and continuity. We have seen the pattern with ideas like total quality management, red tape bonfires, better consultation, risk management, competency, evidence-based policy, joined-up government, delivery leadership, and now better policy-making. Such initiatives come and go, overlap and ignore each other, leaving behind residues of varying size and style.

Does it matter that successive reform initiatives follow this pattern? It does. Problems in the public services are not imaginary, and the welter of short-lived initiatives launched – but not followed through – from the centre often exacerbate rather than solve them. Some failings in the public service are deep-seated and chronic – including poor teamwork and idea generation, bad support systems and, too often, poor management preoccupied by attempts to avoid blame.

So could it be different? Is there a cure for Civil Service reform syndrome? Perhaps one more heave – attempts at reform within the current constitutional and

institutional framework but this time with more goodwill, better (less campaign-style) policies, wiser heads in charge – could make an impact. That is the assumption that the current reform initiatives are based on, keeping the centre doing things but in a way that’s better than before. But if those assumptions again turn out to be false, some more basic shift in the constitutional and institutional bargain applying to the public services may be the only cure for Britain’s Civil Service reform syndrome.

What kind of ‘constitutional’ change?

The most often mentioned proposal, for a Civil Service statute to match equivalent statutes in the Continental countries, is intended to limit politicisation and protect traditional values but, even if it succeeded in doing so, it would not directly deal with the causes of Civil Service reform syndrome. To deal with those causes – such as the incentive to over-produce system-wide initiatives at the centre and the confusion of constitutional and delivery roles – would require different measures.

So consider three possibilities. One is to follow the German style and decentralise the centre by giving government departments the formal power to manage themselves. Another is to follow the Mexican style and put direct responsibility for most public spending in the hands of sub-national governments rather than Whitehall (yes, that would raise the ‘English problem’). A third is to follow the Taiwanese style, by putting most of the current regulators and overseers of the Civil Service into a separate service (either quasi-autonomous or working for Parliament), to give the ‘doers’ more autonomy and clearly separating the bargains that apply to different

parts of the public service. All of those approaches would make the system less hare-like and more tortoise-like, but remember it was the steadily plodding tortoise that won the race in Aesop’s fable, while hares ran around in circles.

Could such cures be worse than the disease in some conditions? Certainly. But if Civil Service reform syndrome persists or gets worse the idea of being able to change the system effectively without constitutional change will eventually have to be abandoned.

Problems in the public services are not imaginary, and the welter of short-lived initiatives launched – but not followed through – from the centre often exacerbate rather than solve them.

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National School of Government

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