



# Better Policy-Making

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## About CMPS

The speed of social change in Britain and rising expectations of Government on the part of the citizen call for more responsive, informed policy-making and more effective service delivery. By fostering a culture of continuous learning and knowledge sharing, CMPS helps public servants acquire the skills and tools they need to reform and modernise the country's vital public services and redesign them around the customer.

Part of the Cabinet Office, situated at the heart of Government, the Centre for Management and Policy Studies works to realise the vision of Modernisation, namely by:

- changing the way people work
- changing the way people think
- changing the way people connect.

Our aim is to help the development of better policies and translate them into action. We do this by:

- developing and encouraging an approach to policy-making which draws on evidence and runs across departmental boundaries;
- evaluating new approaches to policy-making and public management, and identifying and promoting best practice, wherever it may be found;
- the training and development of public sector managers based on this leading-edge thinking.

The **Policy Studies Directorate** within CMPS provides a centre of expertise, advice and information to support excellence in policy-making at all stages, from formulation to evaluation. Drawing on the experience in the UK and abroad, we seek to encourage the best in policy development and review and, in particular, to actively promote an evidence-based and cross-cutting approach.

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It contains examples of innovative approaches to policy-making in central government.

'It contains examples of innovative approaches to policy-making in central government.'

In 1999, the Modernising Government White Paper made a compelling case for a more professional approach to policy-making.

It is not an easy challenge. The work which the Centre for Management and Policy Studies has carried out shows that while policy-makers across central government understand the need for modernising the policy process and are keen to put new approaches into place, they find the practical aspects of how to go about creating new approaches difficult and frustrating.

This report on better policy-making in central government is intended to help. It contains examples of innovative approaches to policy-making in central government. It aims to share knowledge and expertise amongst policy-makers. And it demonstrates what can be achieved by civil servants working with Ministers in complex areas of public policy. It is a testament to the hard work going on every day in departments and in the centre of government to bring about change.

## Foreword

SIR RICHARD WILSON GCB  
SECRETARY OF THE CABINET  
AND HEAD OF THE  
HOME CIVIL SERVICE



## INTRODUCTION

In November 2000, the Centre for Management and Policy Studies (CMPS) undertook a survey of senior civil servants in all Ministerial Departments. The purpose of the survey was twofold. Firstly, to obtain a wide range of examples from across Government on new, innovative and professional approaches to policy-making; and secondly to find out from policy-makers what they considered to be the main issues in modernising the policy process, and what support they wanted to facilitate change.

We received over 130 examples of modern approaches to policy-making. They provide a broad spectrum of Government activity in a range of different policy areas, including initiatives in large and small Departments.

This is the most comprehensive survey that has ever been undertaken on modern policy-making. It provides up to date information on some of the interesting approaches that have been adopted by Departments, but it does not provide a representative picture of how far Departments have modernised the policy process or which features of modern policy-making are most well developed.

The report is based on the findings to emerge from this survey, and is made up of two parts. The first part pulls together what policy-makers felt to be the main issues in modernising the policy-making process, with their views on the enablers of change. The second part highlights some of the interesting approaches being adopted by individual Departments to progress the modernisation agenda in policy-making.

## Executive Summary

'This is the most comprehensive survey that has ever been undertaken on modern policy-making. It provides up to date information on some of the interesting approaches that have been adopted by Departments,' ....

## KEY FINDINGS

### APPROACHES TO MODERNISING THE POLICY-MAKING PROCESS

Policy-makers have already assimilated and are acting upon several strands of the agenda to modernise policy-making (see Fig.1, p.14). Although many found the process difficult and frustrating, they are generally committed to the modernisation agenda, and recognise the importance of change.

There appears to be no distinction between large and small Departments' commitment to the modernisation of the policy-making process. However, smaller Departments seem to be facing more practical difficulties in taking this agenda forward.

Policy-makers provided CMPS with more examples of how they were being inclusive than any of the other features of modern policy-making (see p.14 for a full list of these features). In particular, CMPS received a number of examples that indicate that policy-makers are involving experts at key stages of the policy-making process, and are bringing in external experts to policy teams.

Many policy-makers reported that the policy-making process was informed by evidence. The main types of activities listed were reviewing existing evidence, commissioning new research, piloting initiatives and programmes, evaluating new policies, and inviting experts to advise on specialist areas.

The survey provided limited information on how policy-makers are adopting forward or outward-looking approaches, or how they are using innovative techniques such as brainstorming, scenario planning and risk management.

Relatively few policy-makers reported using a reviewing or lesson learning approach.

### DRIVERS

The drivers of change are generally at a high-level. This includes Ministers, Permanent Secretaries, and the senior civil service.

Where the value of modernising the policy-making process has been recognised, policy-makers frequently reported that a key incentive had been to retain the civil service's role as the prime source of policy advice.

### BENEFITS

Policy-makers identified a wide range of benefits in adopting new, professional and innovative approaches to policy-making. The survey produced evidence that such approaches were resulting in better policy and improved delivery.

The benefits of new approaches are considered in detail in Part II of the report in relation to specific examples.

### BARRIERS

Policy-makers identified a range of barriers to modernising the policy-making process. The most frequently mentioned barrier was inadequate time. This was not a knee-jerk reaction of demanding additional resources in the face of change, but a recognition that the adoption of new approaches had different demands, and did require more time. In particular, it was considered that joined-up and inclusive approaches to policy-making take more time than traditional methods. However, CMPS's survey indicated how some policy-makers are effectively engaging with key stakeholders in spite of tight timescales. Some of these examples are highlighted in Part II.

Many policy-makers considered that new approaches to policy-making are making much heavier demands upon resources than traditional methods. Many are struggling with under-resourced training budgets and unsuitable IT systems.

The inflexibility of hierarchical organisational structures was identified by a number of policy-makers as incompatible with professional policy-making.

Many policy-makers consider that a risk-averse culture prevails in the civil service, making it difficult to adopt innovative approaches to policy-making.

The focus on joined-up policy to cross-Government work is seen as a major challenge to policy-makers. Although the need to join-up was well understood, securing and maintaining buy-in from other Departments was seen as difficult and an obstacle to change.

## ENABLERS OF CHANGE

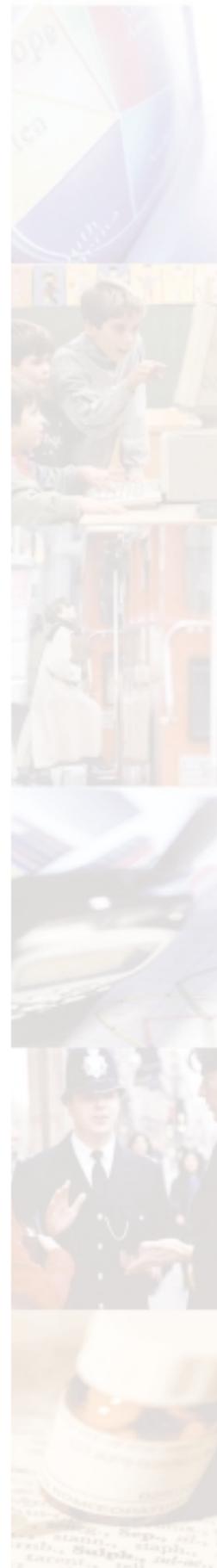
Policy-makers were asked to identify what would best support modernisation of the policy-making process. The strongest call was for sharing best practice in policy-making.

Other forms of support included more time and more opportunity to network with others, more advanced IT systems, more training, greater flexibility in the recruitment process and the need for policy-makers to give greater consideration to policy implementation.

The introduction of the Public Service Agreement (PSA) process, coordinated by HM Treasury, was identified as an enabler, particularly in encouraging joined-up approaches.

## WHAT IS BEING DONE TO ENCOURAGE AND PROMOTE NEW APPROACHES TO POLICY-MAKING?

There is a wide range of activity to support the policy-making process. In addition to the work of CMPS, this involves a range of other bodies, both within the Cabinet Office and beyond. A round up of this work is discussed at page 27.



# Part 1

## Chapter 1

Introduction: The Context of Policy-Making

## Chapter 2

Modernising Policy: Learning the Lessons

# Chapter 1

INTRODUCTION:  
THE CONTEXT OF POLICY-MAKING

## INTRODUCTION: THE CONTEXT OF POLICY-MAKING

In November 2000, CMPS carried out a survey of senior civil servants in all Ministerial Departments in the UK. The purpose of the survey was twofold. Firstly, to obtain a wide range of examples from across Government Departments on new, interesting and professional approaches to policy making; and secondly, to find out from policy-makers what they considered to be the main issues in modernising the policy process, and what support they wanted to facilitate change.

CMPS received over one hundred and thirty examples from nineteen Government Departments. These examples represent a broad range of Government activity including:

- initiatives in large and small Departments
- regional, national and international activities
- a variety of social, economic, scientific and foreign policy areas
- policies and initiatives at different stages of development
- government communication activities
- personnel policies
- perspectives from a range of grades of staff

This report is based on the findings to emerge from the survey and highlights a selection of the examples that Departments told us about. The report is intended primarily for policy-makers at all levels. A key purpose of the report is to facilitate the exchange of good practice between policy-makers across Government. It will also be of interest to social researchers, economists, statisticians and scientists within Government. These are the key groups in ensuring that the policy-making process is informed by a strong evidence-base.

## BACKGROUND TO THE SURVEY

In 1999 the Modernising Government White Paper made a compelling case for change in the way the civil service operates. The message was that Government must make better policy and improve its translation into action if it is to satisfy a sophisticated 21st century society. The White Paper demanded that policy-makers should have available to them the widest and latest information on research and best practice and that all decisions they make should be demonstrably rooted in this knowledge. It also challenged those who deliver services to interact with citizens and to work in a way that prioritises public need.

This was not to suggest that there was an absence of good policy-making, practice or people within the service – both the White Paper and a Cabinet Office report on the state of policy-making, *Professional Policy Making for the Twenty-First Century*, (Cabinet Office, 1999), gave many and varied examples of successful initiatives from right across Government and the public sector. Rather it pointed to structural problems that have inhibited the type and tempo of change required to keep the civil service in step with the society it serves.

Because the UK civil service has evolved along Departmental lines, it can have a tendency to think and act within strict organisational limits rather than share and build upon its successes. Performance, behaviour and the nature of relationships within the service, with external organisations and with citizens, have all suffered as a result.

The modernisation agenda demands that Departments change their approach, and become truly joined-up. It calls for knowledge of value to the civil service to be gathered, held and made available to those who need it. It expects creativity, innovation, expertise and problem solving ideas to be owned by the entire service. It expects Government to work in partnership with people and organisations in the wider public, private and voluntary sectors, as well as its counterparts in other international administrations.

## WHAT DOES A MODERNISED POLICY-MAKING PROCESS LOOK LIKE?

The Modernising Government White Paper identifies where the policy-making process needs to change if policy-makers are to be confident of delivering policies fit for the challenge of the twenty-first century. Those changes involve:

- designing policies around outcomes
- making sure policies are inclusive, fair and evidence-based
- avoiding unnecessary burdens on businesses
- involving others in policy-making
- becoming more forward and outward-looking
- learning from experience.

This framework formed the basis for the thinking behind *Professional Policy Making for the Twenty-First Century* (Cabinet Office, 1999). This report developed a model of the modernised policy process and used it to carry out an 'audit' of good practice, identifying where the strengths of present practice lay and where further change seemed necessary. This work concluded that one way forward was to produce a descriptive model of policy-making, consisting of:

- a series of high level 'features' which, if adhered to, should produce fully effective policies
- three 'themes' – vision, effectiveness and continuous improvement – that fully effective policy-making will need to encompass
- nine core competencies that relate to each theme and together encapsulate all the key elements of the policy-making process
- definitions of the core competencies, together with descriptions of the evidence needed to demonstrate each competency.

Perhaps the most valuable piece of learning to come from *Professional Policy Making for the Twenty-First Century* is the taxonomy of the features of modern policy-making (Fig.1). The competencies highlighted here formed the basis of our approach to policy makers across Government.

FIG.1 THE NINE FEATURES OF MODERN POLICY-MAKING

## 1 FORWARD LOOKING

The policy-making process clearly defines outcomes that the policy is designed to achieve and, where appropriate, takes a long-term view based on statistical trends and informed predictions of social, political, economic and cultural trends, for at least five years into the future of the likely effect and impact of the policy. The following points demonstrate a forward looking approach:

- A statement of intended outcomes is prepared at an early stage
- Contingency or scenario planning
- Taking into account the Government's long term strategy
- Use of DTI's Foresight programme and/or other forecasting work

## 2 OUTWARD LOOKING

The policy-making process takes account of influencing factors in the national, European and international situation; draws on experience in other countries; considers how policy will be communicated with the public. The following points demonstrate an outward looking approach:

- Makes use of OECD, EU mechanisms etc
- Looks at how other countries dealt with the issue
- Recognises regional variation within England
- Communications/presentation strategy prepared and implemented

## 3 INNOVATIVE, FLEXIBLE AND CREATIVE

The policy-making process is flexible and innovative, questioning established ways of dealing with things, encouraging new and creative ideas; and where appropriate, making established ways work better. Wherever possible, the process is open to comments and suggestions of others. Risks are identified and actively managed. The following points demonstrate an innovative, flexible and creative approach:

- Uses alternatives to the usual ways of working (brainstorming sessions etc)
- Defines success in terms of outcomes already identified
- Consciously assesses and manages risk
- Takes steps to create management structures which promote new ideas and effective team working
- Brings in people from outside into policy team

## 4 EVIDENCE-BASED

The advice and decisions of policy makers are based upon the best available evidence from a wide range of sources; all key stakeholders are involved at an early stage and throughout the policy's development. All relevant evidence, including that from specialists, is available in an accessible and meaningful form to policy makers. Key points of an evidence based approach to policy-making include:

- Reviews existing research
- Commissions new research
- Consults relevant experts and/or used internal and external consultants
- Considers a range of properly costed and appraised options

## 5 INCLUSIVE

The policy-making process takes account of the impact on and/or meets the needs of all people directly or indirectly affected by the policy; and involves key stakeholders directly. An inclusive approach may include the following aspects:

- Consults those responsible for service delivery/implementation
- Consults those at the receiving end or otherwise affected by the policy
- Carries out an impact assessment
- Seeks feedback on policy from recipients and front line deliverers

## 6 JOINED UP

The process takes a holistic view; looking beyond institutional boundaries to the government's strategic objectives and seeks to establish the ethical, moral and legal base for policy. There is consideration of the appropriate management and organisational structures needed to deliver cross-cutting objectives. The following points demonstrate a joined-up approach to policy-making:

- Cross cutting objectives clearly defined at the outset
- Joint working arrangements with other departments clearly defined and well understood
- Barriers to effective joined up clearly identified with a strategy to overcome them
- Implementation considered part of the policy making process

## 7 REVIEW

Existing/established policy is constantly reviewed to ensure it is really dealing with problems it was designed to solve, taking account of associated effects elsewhere. Aspects of a reviewing approach to policy-making include:

- Ongoing review programme in place with a range of meaningful performance measures
- Mechanisms to allow service deliverers /customers to provide feedback direct to policy makers set up
- Redundant or failing policies scrapped

## 8 EVALUATION

Systematic evaluation of the effectiveness of policy is built into the policy making process. Approaches to policy making that demonstrate a commitment to evaluation include:

- Clearly defined purpose for the evaluation set at outset
- Success criteria defined
- Means of evaluation built into the policy making process from the outset
- Use of pilots to influence final outcomes

## 9 LEARNS LESSONS

Learns from experience of what works and what does not. A learning approach to policy development includes the following aspects:

- Information on lessons learned and good practice disseminated
- Account available of what was done by policy-makers as a result of lessons learned
- Clear distinction drawn between failure of the policy to impact on the problem it was intended to resolve and managerial/operational failures of implementation.

## WHY MODERNISE POLICY-MAKING?

The Modernising Government White Paper defines policy-making as:

'the process by which governments translate their political vision into programmes and actions to deliver 'outcomes' – desired changes in the real world'.

The need for change is multifaceted. The world for which policy-makers have to develop policies is becoming increasingly complex, uncertain and unpredictable. The electorate is better informed, has rising expectations and is making increasing demands for services tailored to their individual needs. Key policy issues, such as social exclusion and reducing crime, overlap and have proved resistant to previous attempts to tackle them, yet the world is increasingly inter-connected and inter-dependent. Issues switch quickly from the domestic to the international arena and an increasingly wide diversity of interests needs to be co-ordinated and harnessed. Governments across the world need to be able to respond quickly to events to provide the support that people need to adapt to change and that businesses need to prosper. Technological advancement offers new tools and has the potential to fundamentally alter the way in which policy is made.

In parallel with these external pressures, the Government is asking policy-makers to focus on solutions that work across existing organisational boundaries and on bringing about change in the real world. Policy-makers are urged to adapt to this new, fast-moving, challenging environment if public policy is to remain credible and effective.

## WHAT ARE THE BENEFITS OF CHANGE?

Put simply, the aim of better policy-making is better policy. Modern public policy needs to be soundly based, enduring and coherent. Whilst the rationale behind the modernisation agenda is still publicly debated both here and abroad – is it cost efficiency, Europeanisation, agentification, response to globalisation etc? – the need for better public services, and thus better public policy-making remains unchallenged.

In addition to the rather obvious claim for better policy-making resulting in better public services, the Modernising Government White Paper also suggests that modern approaches can foster broader involvement of the public in the decision-making process, encourage greater citizenship and better exploit creativity and diversity in organisations and communities.

Better policy-making has the potential to secure public confidence through greater transparency. The introduction of the Freedom of Information Act, and recent public concern about the handling of BSE, for example, have underlined the need to maintain public confidence in the policy-making process.

Other benefits attributed to better policy-making include the importance of maintaining the unity of the civil service in a devolved environment. Ensuring that the civil service is able to continue effectively to discharge its role as prime policy advisers has also been identified as a concern for the modernisation agenda.

The value of the cited examples is in inspiring others, suggesting alternative approaches and the sharing of practical lessons across the policy-making community and beyond.

However, whilst it assumed that the approaches set out in the Modernising Government White Paper will bring about better policy-making processes, the link between better processes and better outcomes has been untested until recently. CMPS is exploring this link through a number of detailed case studies on leading edge approaches to policy-making within central Government. This has included a review of the Policy Action Team approach to policy development adopted by the Social Exclusion Unit; the establishment of cross-boundary units; and a review of strategic policy-making by the Home Office. In addition, CMPS, in partnership with the Economic and Social Research Council's Future Governance Programme<sup>1</sup>, has launched a series of seminars with leading academics and senior civil servants. The seminars draw on leading-edge thinking, and will inform the development of a methodology for evaluating the effect of modern policy-making on policy outcomes. The learning points to emerge from these seminars are available on the CMPS website<sup>2</sup>.

### EVIDENCE ON HOW THE POLICY-MAKING PROCESS IS BEING MODERNISED

When embarking on work in this area, it was immediately evident that whilst *Professional Policy Making for the Twenty-First Century* had provided a useful starting point, there was very limited information on the range of approaches that were being adopted by policy-makers in modernising of the policy process. Very little was known about what policy-makers perceived to be the obstacles to implementing change, what they felt enabled change and what support they felt they needed in order to facilitate change.

Identifying best practice in policy-making relies on a thorough and up-to-date knowledge of current and planned activity within Government Departments. Producing relevant and useful tools with which to support policy-makers in their attempts to modernise the process is dependent on knowing what sort of help, support, information, advice and guidance policy-makers require to adopt new approaches to policy-making.

### ABOUT THIS REPORT

This first part of the report pulls together what policy-makers considered to be the main obstacles and enablers of change. It is striking that although most found the process difficult and even frustrating, they were generally committed to the modernisation agenda and recognised the importance of change. The majority of policy-makers responding to the survey felt that sharing information and practical examples of how others had attempted new, interesting and professional approaches to policy making could enable genuine progress.

Part II sets out what CMPS's survey revealed about how Departments are implementing the modernisation agenda in policy-making. Chapters 3-6 include summaries for specific examples of where new or professional approaches to policy have been adopted. Whilst *Professional Policy Making for the Twenty-First Century* developed nine themes of policy-making, this report is structured to reflect some but not all of these features. This reflects the examples that policy-makers reported. Chapter 3 looks at ways of joining-up and being inclusive. Chapter 4 covers the challenge of establishing an evidence-base for policy. Chapter 5 presents a range of innovative and creative responses to the modernisation agenda, and Chapter 6 considers how Departments are establishing more forward and outward-looking elements into policy design. Wherever possible, contact details have been included to facilitate as much exchange and sharing of information between policy-makers as possible.

Although the response to the survey was good, it would be misleading to look on the examples contained in this report as a comprehensive guide to best practice. They were chosen by policy-makers to illustrate new, interesting or professional approaches to policy-making. By and large, the processes and approaches adopted remain unevaluated and it is difficult to quantify at this stage what difference a particular approach brought to a particular policy outcome. The value of the cited examples is in inspiring others, suggesting alternative approaches and the sharing of practical lessons across the policy-making community and beyond. They provide an authentic flavour of both the difficulty of the task and the creativity of the approaches adopted.

<sup>1</sup> see [www.futuregovernance.ac.uk](http://www.futuregovernance.ac.uk) for further information about ESRC's Future Governance Programme

<sup>2</sup> see [www.cmeps.gov.uk](http://www.cmeps.gov.uk) for further information

"I don't see any [of this] as 'modernising the policy process'. It is innovative, based on the existing strengths of the civil service, which is always adapting itself".

## Chapter 2

MODERNISING POLICY  
LEARNING THE LESSONS

### MODERNISING POLICY: LEARNING THE LESSONS

This chapter explores:

- What policy-makers told us about how they are modernising policy
- Why policy-makers have responded to the challenge of modernising the policy-making processes
- Who have been the main drivers behind this change
- What policy-makers see as the main obstacles to change
- The forms of help and support that policy-makers considered would assist them to adopt new, innovative and professional approaches to policy-making
- The role of those working to encourage, maintain and promote professional approaches to policy-making.

#### A. WHAT POLICY-MAKERS TOLD US ABOUT HOW THEY ARE MODERNISING POLICY

The returns to the survey confirm that policy-makers within central Government are assimilating and acting upon the agenda to modernise policy-making. In terms of commitment to the modernising agenda, the survey suggests that there is no distinction between large and small Government Departments whether in England, Wales, Scotland or Northern Ireland. Equally, examples of innovation were recorded right across social, economic, scientific and foreign policy areas. However, smaller Departments would seem to be facing more practical difficulties in taking this agenda forward.

Policy-makers provided more examples of how they were being inclusive than any of the other features of modern policy-making. In particular, CMPS received a large number of examples indicating that policy-makers are involving experts at key stages of the policy-making process, and are bringing in external experts to policy teams.

Many policy-makers reported that the policy-making process was informed by evidence. The main types of activities listed were reviewing existing evidence, commissioning new research, piloting initiatives and programmes, evaluating new policies, and inviting experts to advise on specialist areas.

CMPS received limited information on how policy-makers are adopting forward or outward-looking approaches. Although many policy-makers reported that the approaches they were adopting were innovative, we received limited information on the use of such techniques as brainstorming, scenario planning and risk management. Furthermore, relatively few policy-makers reported using a reviewing or lesson learning approach in which an existing policy is reviewed at frequent intervals to ensure that it is having the intended impact, and lessons are learnt of what does and does not work.

#### B. WHY POLICY-MAKERS HAVE RESPONDED TO THE CHALLENGE OF MODERNISING THE POLICY-MAKING PROCESSES

The majority of policy-makers who responded to the survey understood the need for modernising the policy-making process and agreed with the aims of the Modernising Government White Paper. There was widespread support for the agenda, and a universal recognition that the civil service had to change if it was to continue to be Ministers' preferred source of policy advice.

A small, but nevertheless significant, minority of policy-makers considered that the agenda was not necessarily new:

"I don't see any [of this] as 'modernising the policy process'. It is innovative, based on the existing strengths of the civil service, which is always adapting itself".

This quote highlights that some policy-makers view the modernisation of the policy-making process as the continued development of the techniques and approaches that the civil service has traditionally employed when developing policy, rather than a significant break with the past. For these policy-makers, adapting the policy-making process to the current set of challenges posed by an ever-changing society was not considered directly attributable to the modernisation agenda, but business as usual.

#### C. WHO HAVE BEEN THE MAIN DRIVERS BEHIND THIS CHANGE?

The survey asked policy-makers to identify the drivers of change: whether they were located at the top of the office, whether staff were pushing through change and whether the drivers were seen as located within Departments or externally-based.

*Professional Policy Making for the Twenty-First Century* suggests that:

"as with the rest of the modernising government agenda, change in policy making will need to be led from the top and the involvement of ministers as well as top managers and policy-makers, through joint training, will be essential to success"

The majority of policy-makers responding to the survey identified the top of the office as the key driver for change: Ministers, Permanent Secretaries, Directors and other members of the senior civil service. However, this may be a reflection of the sample that was drawn from the top senior civil servants across Government. Very few senior policy-makers identified their Departmental Board or Senior Management Team as a champion of change in policy-making.

Interestingly, a number of policy-makers saw their Minister and other Ministerial Colleagues as crucial to bringing on change in the policy process, especially where the approach adopted had resulted in better joining-up.

A small minority of policy-makers identified external drivers for change, such as public opinion or lobby groups.

## D. WHAT POLICY-MAKERS SEE AS THE MAIN OBSTACLES TO CHANGE

The survey highlighted many practical concerns based on policy-makers' first-hand experience of trying to introduce change into the policy-making process. All of the obstacles to change were the same as those identified in *Professional Policy Making for the Twenty-First Century*. Although none have completely disappeared, there is evidence that policy-makers are successfully tackling these problems in a number of ways. Responses to the survey reveal a community that is forging ahead with change, testing out solutions and innovative approaches to relatively major and often deeply- entrenched obstacles.

### BUSINESS AS USUAL?

A small minority of policy-makers across a range of Government Departments reported no obstacles to modernising their policy process. This is worth recording, as it suggests that some are finding and applying the right tools in the right circumstances in order to modernise the policy-making process:

"I feel we have quite successfully addressed these [obstacles] through political leadership, building in analytical and professional skills, much more dialogue with other stakeholders and more effective knowledge sharing with front-line staff."

"No real obstacles to adopting new or interesting approaches, indeed we frequently innovate either in existing policy situations or in responding to new issue or crises. If there is an impediment, it owes mostly to lack of time to think creatively."

### NEW APPROACHES: NEW RESOURCES?

New approaches to policy-making were often seen as making much heavier demands upon resources than traditional models, and yet for many, there had been no additional resources to cope.

Without doubt, the most frequently mentioned barrier to modernising the policy process was inadequate time. This was not the knee-jerk reaction of demanding resources in the face of change. Policy-makers showed a genuine concern that the adoption of modern approaches meant a need for more time: time to think, read, visit and to network:

"It seems to me that the key to successful policy development is the timely production of a policy that is as much owned by those who have to sustain it as those who wish to implement. Wide consultation and adoption of some (many) of the comments of others is essential. This all takes time and yet in many instances has to be added to existing work. I do not believe there is any substitute for this detailed painstaking work but it is resource intensive."

"Acceptance that the modernisation agenda is one that will take time to deliver effectively, and therefore that developments that are driven simply because they are novel or interesting may well have huge opportunity costs".

Policy-makers were keen to secure additional resources to order to protect time for longer term strategic planning and policy-making.

"...the help we need is time: time for hard pressed staff to talk to academics, practitioners abroad, counterparts in the private sector etc"

Whilst time was the major concern for most policy-makers, others struggled with under-resourced training budgets that could not stretch to providing training on more modern techniques, such as scenario planning.

### INFORMATION TECHNOLOGY

IT poses a major obstacle to change and policy-makers called for commitment to the investment needed in IT systems. The need for superior IT and management information systems was underscored by many, particularly in Departments that had scores of different systems struggling to communicate with each other.

"The main obstacle is getting multi-professional business processes properly focused around the 'consumer' and then investing in IT to improve them".

"What we need most are top class IT systems, matching the best in the private sector".

"We need a big debate (with answers!) as to whether IT leads or supports. At present it tends to block because the resources are overall insufficient".

Although many identified inadequate IT as a constraint to modern policy-making, a similar number identified IT as part of the solution. The survey produced a number of examples where IT had made an important contribution to modernising the policy process, and some of these are highlighted in Part II.

### NEW SKILLS AND THE ROLE OF TRAINING

*Professional Policy Making for the Twenty-First Century* (1999) points out that changes to the policy process which the Modernising Government White Paper proposes can only be achieved if changes in working practices are accompanied by the development of new and different skills amongst policy-makers.

The survey emphasised that policy-makers clearly recognised that the modernisation agenda has created major new training and development needs, as well as more needs for networking. Training was seen by many as a way of enabling progress towards the modernisation of policy development. There was support for training in policy-making as a group (held at the workplace) and for major training programmes, along with sufficient incentives, to develop analytical skills and understanding.

"[we need] a major programme of training particularly for policy colleagues, in virtually all the nine features of modern policy-making".

The inclusiveness of holding so many training events in London concerned a significant minority of policy-makers.

"The main obstacle is getting multi-professional business processes properly focused around the 'consumer' and then investing in IT to improve them".

"Civil service rewards need improving – to attract and retain good staff".

Others felt that the need was for more themed seminars, especially for policy-makers not at the top of the office:

"CMPS comes across as only for Ministers and senior officials. What about involving more junior ones, and external stakeholders so they can play their part in the process?"

*Professional Policy Making for the Twenty-First Century* indicates that policy-makers also require grounding in economics, statistics and relevant scientific disciplines in order to act as 'intelligent customers' for complex policy evidence. However, policy-makers still feel at the beginning of this process of change.

"Too few policy colleagues have the necessary analytical/professional skills and understanding of when and how to use such skills".

"The number of analysts in the Department is insufficient to make up for the gap in analytical skills among policy leads".

It was considered that regular secondments for policy-makers, whether within or outside the civil service, would complement training, and help to expose them to diverse ways of working and different experiences. One suggestion, designed to combat 'silo mentality' was to encourage staff to go on regular secondments to very different policy areas for a period of 3 to 6 months.

Conversely, bringing in new staff from outside the civil service, whether as secondees or on a more permanent basis, was another way of ensuring that the policy-making community was equipped with the full range of skills for responding to the modernisation agenda. This is considered in more detail in the section below on organisational structure and culture.

### THE SHOCK OF THE NEW

Although the need for training was widely recognised, for many policy-makers a cultural change was also required in order to respond to the modernising agenda. The traditional mindset towards policy-making was frequently cited as a barrier to change. For many, whilst the need for change was accepted, a lack of familiarity with the new approach spelt uneasiness. Policy-makers frequently spoke of feeling more comfortable sticking to traditional methods, of lacking confidence in new ways of working, such as project management, and of a fear of failure. For some, this was just the 'normal human worry about doing things differently', whereas for others, fear of upsetting senior officials and Ministers represented a considerable obstacle to change:

"Ministers and senior colleagues can be very nervous about extensive involvement of outsiders"

New approaches demand a certain confidence: one policy-maker reported:

"you need confidence or, failing that, faith, that the changes you advocate will improve things; including improved conditions for staff involved, through obvious improvements in efficiency and satisfaction".

### ORGANISATIONAL STRUCTURE AND CULTURE

Many policy-makers, when asked about the obstacles to change, identified a number of different aspects of organisational structure and culture that hindered modernisation of the policy-making process. Organisational structures were seen as too traditional, rigid and hierarchical and were often identified as incompatible with professional policy making:

"At a very high level of analysis, I think the main obstacle is that policy-making is not yet close to the direction of travel set out by the Modernising Government and e-Government approaches. Developing person-focused policy requires new and interesting approaches to policy development, and may well challenge the nature of the professional organisations best able to frame and deliver them."

"A completely different framework would be needed to have a significant impact. We also need potential resolve and a willingness to discuss openly sensitive issues."

Many policy-makers called for greater flexibility and assistance in getting the right people in the right job at the right time, particularly in secondments and interchange schemes:

"Salaries need to be paid which do not fit departmental pay structures, JESP methodologies etc."

Some emphasised the need for a 'brokering system' to facilitate project based secondments. The recruitment process was seen as too lengthy in some cases, and modernising the policy-making process was seen to have a very particular impact on small Departments:

"All the things to be done assume a large Department with dedicated personnel staff. I cannot implement them in ....[a small Department], in which no one spends all their time on personnel issues."

"A recognition that we should not be 'grade bound'. In looking for innovation and the other elements of effective policy-making, team members of all levels can make an important contribution."

There was also a view that greater emphasis needed to be given to ensuring that the civil service keeps hold of talented policy-makers:

"Civil service rewards need improving – to attract and retain good staff".

At the heart of concerns around organisational structure lies a concern with the ability of the policy-making process to fully address issues of inclusiveness. For many, significant policy change was seen as unlikely to be successful unless it is firmly grounded in the experience of those responsible for implementing and living the change:

"the challenge is how to meet the public and Governmental commitment to change through working with organisations and institutions which need to be persuaded of the case and the practicality: and all within a tight timescale."

Policy-makers felt that the organisational culture 'bureaucratised' good ideas.

Many saw the articulation of a concise and clear overarching objective as the key to an effective policy-making process. There was also a demand for the more systematic use of time planning and management tools to bring about change.

Some working practices were not seen as conducive to modern approaches. A handful of policy-makers identified current procurement practice as a constraint:

"Government procurement rules make it difficult to respond quickly. The clearance procedure through Departments and Ministers is very time consuming and does not always add value. It is easier to do it in the traditional way – flexibility is difficult for a bureaucracy."

Many thought that there was a propensity for some Ministers to be short-termist, and heavily focused on presentational issues. A number of policy-makers considered that this often made Ministers wary about speculative discussion, together with a tendency to pursue new structures and schemes before the performance of those already in place has been properly established:

"Demands by Ministers for short term, quick fix solutions rather than more carefully considered strategic initiatives."

#### INNOVATION AND RISK

The need for a cultural change in response to the modernising agenda is demonstrated in the area of innovation and risk. There was a general acceptance that fear of failure and the high 'penalties' attached to mistakes acted as powerful disincentives to real innovation. Too many people, and particularly senior staff, were thought by policy-makers to be too risk adverse. Whilst many valued the work they were doing on risk management, many policy-makers wanted an environment where there was more willingness to take risks, and for the top of the office to lead by example:

"There is an internal contradiction – e.g. encouragement to 'innovate' and 'take more risks' has had to contend with increased risk aversion, fuelled by the Dome experience. Human Rights Act, Freedom of Information etc have increased Ministers' vulnerability if innovation and risk-taking lead to mistakes."

'Professional Policy Making for the Twenty-First Century' recognised that barriers to innovation may be deep-seated and difficult to remove or overcome. Policy-makers responding to our survey eighteen months later still felt that a blame culture prevailed, stifling innovation. One policy-maker referred to this as the "Public Accounts Committee" culture - whereby the public service is more heavily penalised than innovation is rewarded. A significant number of policy-makers wanted acceptance by the Public Accounts Committee, Ministers and senior civil service managers that well calculated risks which fail should not be a matter for opprobrium. In addition, some felt that 'a softening of some of the audit rules' could encourage innovation.

Greater recognition for those who adopt new approaches was suggested as a way to encourage work in this area:

"...by and large, we do not see the innovators getting on – but the people who would always have done so."

#### CROSS-CUTTING WORK

The focus on cross-cutting working presents a major challenge to policy-makers. And whilst those who responded to the survey confirmed that the need for joining-up effectively is now well understood by policy-makers, they are still feeling their way when it comes to how best to achieve it. Both securing and maintaining buy-in from other Departments for cross-cutting work was seen as difficult, and an obstacle to change, both at Ministerial and official level.

Common reasons for not joining-up include incompatible IT systems, differences of culture and organisational structure, budget structures that reflect the 'silo' mentality and lack of time. Perversely, the differential rate of take up of the modernisation agenda has posed a challenge for joining up:

"Lack of commitment from partner departments – who may not understand the reason for the different approach, but whose commitment is fundamental to the success of the new, more flexible approach."

Policy-makers identified a greater role for the Cabinet Office in facilitating joining-up, and the need for more cross-cutting budgets.

The Comprehensive Spending Review (1998) push for more joined-up working was seen by many as helpful and a strong steer from the top was seen as vital:

"the Prime Minister has given [a strong steer]. Departmental Ministers do so less consistently, arguably."

Many policy-makers identified the PSA process, co-ordinated by HM Treasury as an enabler to joined-up approaches.

'It is hard for a single Department to push a cross-cutting objective across other public services where cost and effort are required. OGDs inevitably focus on their key priorities. Working with the Treasury gives a substantial push from the top which helps to get the cross-cutting objective built into Departmental planning...'

#### EVIDENCE-BASED POLICY-MAKING

Good quality policy-making depends on high quality information and evidence. Modern policy-making calls for the need to improve Departments' capacity to make best use of evidence, and the need to improve the accessibility of the evidence available to policy-makers. Our survey found that there is some way to go on both these issues. One policy-maker was concerned that the evidence-informed approach was not being taken seriously:

"Policy people still often pay lip services to 'evidence' and 'evaluation!'"

"...by and large, we do not see the innovators getting on – but the people who would always have done so."

## E. FORMS OF HELP AND SUPPORT THAT POLICY-MAKERS CONSIDERED WOULD ASSIST THEM TO ADOPT NEW INNOVATIVE AND PROFESSIONAL APPROACHES TO POLICY-MAKING

The survey asked policy-makers what would best support modernisation of the policy-making process. The strongest call was for sharing best practice in policy-making. Other forms of support have already been detailed above, and include more time and more opportunity to network with others, superior IT systems, more training and more responsive recruitment processes. There was also a call to re-emphasise the importance of policy implementation in the modernising agenda.

### SHARING PRACTICAL EXPERIENCE

The most common response, by the majority of people was the desire to learn from the experience of others, 'in real situations'. Overall, policy-makers rejected the need for further written guidance in this area, but were keen to learn from the practical experience of others: what was required was "central learning from what's already working....."

"Sharing of good practice so that all Departments and NDPBs know how to respond flexibly."

"Identifying and spreading good practice examples is likely to be more productive than prescription from the centre."

"A web site of interesting examples (brief) with a contact would be helpful."

Policy-makers wanted evidence of what works in policy-making but not all thought that they should learn from best practice alone:

"Evidence (on-line, websites, contacts, documentation etc) that what is promoted as a new approach has been successfully implemented elsewhere"

One suggestion was for more learning from failures:

"a risk averse culture develops when failures are not accepted and learnt from, and that makes any modernisation process difficult."

Most policy-makers who identified the need to exchange experience, to share ideas, thought that some network or form of contact with other policy-makers across government would facilitate change.

"Ability to get support from colleagues working in similar areas of policy in different domains if there is the need to adopt what may appear to me to be a new approach to policy-making in mine".

One policy-maker suggested the creation of a policy forum with "more structured networking within Government policy departments to ensure there is greater awareness of new or innovative approaches to policy making". Another suggestion was to develop a network of 'Champions in policy-making', with steerage from a 'Super Champion'.

"Identifying and spreading good practice examples is likely to be more productive than prescription from the centre."

In an attempt to address the time pressures associated with new ways of working described above it was suggested that networking could be enhanced by setting up "permanent fora through which industry, NGOs and others could be engaged in the policy development process, without something tailor-made having to be set up each time."

### FOCUS ON IMPLEMENTATION

Many policy-makers felt that policy implementation was currently undervalued, and that a new focus or emphasis on the role of implementation would result in better policy:

"We need more policy-makers who have spent time developing at local level. Policy-makers need to spend more time away from Whitehall looking at real issues on the ground..... Policy should always be seen in the light of how it will actually be implemented, not just at the centre but on the ground."

"Significant policy change is unlikely to be successful unless it is firmly grounded in the experience of those responsible for implementing and living the change – the challenge is how to meet the public and Governmental commitment to change through working with organisations and institutions which need to be persuaded of the case and the practicality."

## F. ENCOURAGING, MAINTAINING AND PROMOTING NEW, INNOVATIVE AND PROFESSIONAL APPROACHES TO POLICY-MAKING

### 1) WORK WITHIN THE CABINET OFFICE<sup>2</sup>

#### Centre for Management and Policy Studies

The Centre for Management and Policy Studies (CMPS) works to ensure that the civil service is cultivating the right skills, culture and approaches to perform its tasks; and to ensure that policy-makers across Government have access to the best research, evidence and international experience. The work of CMPS in encouraging and supporting policy-makers can be broken down into four key areas:

#### - Providers of training and development

CMPS provides Ministers and civil servants at all levels and disciplines with a range of programmes and events that reflect the priorities of Modernising Government, and support improved policy-making. Training and development programmes for civil servants have been re-designed and re-launched; and new elements have been introduced including a comprehensive programme of learning for Ministers, and a programme of high-level joint seminars for Ministers, senior officials and other members of the public sector that focus on key aspects of policy-making.

<sup>2</sup> Many of the functions of the Modernising Public Services Group in the Cabinet Office were being reorganised at the time of print.

"Sharing of good practice so that all Departments and NDPBs know how to respond flexibly."

**- Promotion of best practice in policy-making**

CMPS is concerned with the process of identifying, analysing and promoting best practice in policy-making. It identifies what works, shares good and innovative ideas around Departments, and promotes their integration into policy-making.

In addition, a rolling programme of Departmental Peer Reviews is underway. The aim of peer reviews is not just to support individual Departments, but to share learning about what works through the dissemination of key learning points.

**- Promotion of evidence-based policy-making**

A key objective of CMPS is the promotion of evidence-based policy-making. It seeks to identify, co-ordinate, encourage and enable the best ways of making research evidence and other resources accessible in order to support better policy-making. It leads on the development of Knowledge Pools and other resources for cross-cutting policy areas.

**- Promotion of excellence in Government policy research and evaluation**

It provides a centre of expertise and advice in research and evaluation to ensure that government researchers are equipped to provide high quality research and analysis to support policy-making. It provides consultancy and advice on evaluation, is undertaking a review of pilots, and runs a series of policy evaluation seminars. It is also undertaking the design of a national demonstration project on retention and advancement in employment.

**The Prime Minister's Delivery Unit (PMDU)**

The reform and modernisation of the public services is the Government's top priority. To strengthen the capacity of Whitehall to deliver the Government's key objectives the Prime Minister has established a Delivery Unit based in the Cabinet Office. The new Unit reports to the Prime Minister under the day-to-day supervision of the Minister for the Cabinet Office, Lord Macdonald.

The role of the Unit is to ensure that the Government achieves its priority objectives during this Parliament across the key areas of public service: health, education, crime, asylum and transport. The Unit's work is carried out by a team of staff with practical experience of delivery, drawn from the public and private sectors.

**Office for Public Service Reform (OPSR)**

The role of OPSR is to advise the Prime Minister on how the Government's commitment to radical reform of the civil service and public services can be taken forward. It covers the full range of public services, including those provided by central and local government, as well as other public bodies. Working closely with the civil service corporate management team and the e-Envoy Prime Minister's Delivery Unit, the Forward Strategy Unit, CMPS, Office of Government Commerce, HM Treasury and others, it will fundamentally examine current structures, systems, incentives and skills, and the nature of services currently provided.

**Performance and Innovation Unit (PIU)**

The Strategic Futures work within the PIU aims to make policy-making across Government more forward-thinking and outward-looking, by the timely and efficient use of futures work. This project, which started in late 2000,

represents the continuation of an earlier PIU project entitled Strategic Challenges. The small Strategic Futures team was assembled from a mix of civil servants, overseas secondees, and contract Subject Matter Experts (SMEs). A key aim for the team is dissemination of material to policy-makers. Current work, which obtained the approval of the PIU Steering Board in December 2001, includes:

**Co-ordination of the Strategic Futures Group (SFG).** This is a forum for strategic units across Whitehall, the Devolved Administrations and the EC who come together every 6-8 weeks to share ideas and experiences on injecting a strategic element into Departmental business. External speakers are invited to present to the group on topics such as 'futures methodologies', 'scenario planning' and 'future-proofing of policy'.

Alongside the SFG, the Strategic Futures team in PIU runs an **ongoing seminar series for a wider audience of strategic thinkers**, one example topic being 'workforce development'. Further, efforts are being put into the creation of a 'strategic futures electronic knowledge system' to enable PIU and ultimately a wider audience to have electronic access to the ideas and materials generated from the work of the PIU's Strategic Futures team.

**Research on 'big issues' in futures work.** The team is currently carrying out, with assistance from SMEs, research on the following three themes: benchmarking the UK's strategic capability against that of other nations; best practice for pulling futures work into policy-making; and meta-analysis of drivers of change.

Finally, the Strategic Futures team commissions one-off papers on subjects which its Director believes to have currency across the policy-making community. One example is a recent informal report on 'the futurist's toolbox' that discusses various methods of forecasting and how they can best be applied.

**Regulatory Impact Unit (RIU)**

RIU works with other Government Departments, agencies and regulators to help ensure that regulations are fair and effective. The Unit's work involves:

- promoting the Principles of Good Regulation
- identifying risk and assessing options to deal with it
- supporting the Better Regulation Task Force
- removing unnecessary, outmoded or over-burdensome legislation through the order-making power contained in the Regulatory Reform Act 2001
- improving the assessment, drawing up and enforcement of regulation, taking particular account of the needs of small businesses

RIU's **Public Sector Team** investigates ways of reducing bureaucracy and red tape in the public sector. The Team is developing a Regulatory Effects Framework that will help prevent future burdens being imposed on the public sector when policy-makers frame new initiatives.

The **Regulatory Impact Unit (RIU) Scrutiny Team** works closely with other Cabinet Office Units, other Departments, regulators and the regulated, focusing on those regulations which impact on business, charities, and the voluntary sector. The Team's aims are to:

- seek the removal of outdated and the improvement of unduly burdensome existing regulations;
  - help ensure future Government laws and regulations meet the Principles of Good Regulation:
  - as part of the Cabinet Office's Modernising Government agenda help spread best practice on good policy-making and regulation.
- 'Good Policy Making: A Guide to Regulatory Impact Assessment' was revised in August 2000, and RIU has delivered a number of seminars around key Government regulatory Departments to promulgate the guidance.

The **Regulatory Reform Team** is the gatekeeper for the order-making power contained in the Regulatory Reform Act 2001. This power can be used to reform burdensome legislation by using an alternative method of Parliamentary scrutiny that does not usually require time on the floor of the House. The Team is involved in helping Departments put together robust packages of reform and in advising them on using the power correctly.

The order-making process is based on:

- rigorous prior public consultation lasting at least three months
- thorough Parliamentary scrutiny in Committees of both Houses
- tough legal safeguards

Each Government Department has a Departmental Regulatory Impact Unit (DRIU), which acts as the first point of contact within Departments on regulatory issues. The Scrutiny Team work closely with DRIUs and Departmental officials to ensure Departments:

- prepare robust **Regulatory Impact Assessments (RIAs)** to assess the impact of proposals that are likely to have an effect on business, charities and the voluntary sector which consider all available options including non-regulatory alternatives;
- include a **Regulatory Impact Statement**, agreed with RIU, in any Ministerial correspondence seeking collective agreement for "significant" proposals;
- provide **early and effective consultation** with those affected;
- actively manage the efficient and fair **transposition of EC regulatory law** to our own statute book.

## 2) WORK BY OTHERS

### HM Treasury

The **Public Services Productivity Panel** has been looking at policy-making from the point of view of the Government's customers (the public and other stakeholders). The Panel report on this project – **Customer Focused Government** – is about the need to have much clearer customer focus in order to deliver better policy outcomes and better public services. The project looks at public and private sector experience to show the importance of aligning all parts of the delivery chain, from policy advice through implementation to frontline service provision, to face the customer in order to raise performance. The report provides practical examples, advice and a self-analysis tool for policy-makers to identify their customers, proactively manage stakeholder relationships, and apply this approach at an organisational and unit level. DEFRA and DFES are launching pilot projects which take forward the approach in this report.

HM Treasury has been using the different strands of the Spending Review to improve policy-making. Public Service Agreements set out targets to drive good performance by clarifying the final outcomes on which services should focus. The Service Delivery Agreements set departments' plans for good management of their resources.

A major lever for achieving better policy-making across Whitehall is the next Spending Review. The first priority for the 2002 Spending Review is to ensure delivery of high quality, efficient and responsive public services and a prerequisite for this is to obtain good evidence on what works. Hence, the Chancellor's spending committee PSX, and the Spending Review as a whole, will take a close look at the evidence on the effectiveness of existing programmes, and likely effectiveness of proposed new programmes.

HM Treasury is also taking, jointly with CMPS, a lead role in implementing the January 2000 PIU report *Adding It Up* (AIU) on ways to improve analysis and modelling in central government in support of policy. The AIU Secretariat is based in HMT, and works to an Implementation Group (IG) comprising outside experts as well as cross-departmental representatives. The AIU Secretariat and IG have helped to ensure significant progress in several initiatives:

- an Evidence Base Policy Fund, which mainly finances research that is both policy-focused and cross-cutting in scope
- a Summer Placements scheme to bring academics into Whitehall to carry out a previously agreed research project on a policy area
- development of a website cataloguing the evidence base underpinning Departmental PSA objectives
- the launching of a programme to maintain and develop modelling where this can help support policy development.

"A web-site of interesting examples (brief) with a contact would be helpful."

"Ability to get support from colleagues working in a similar areas of policy in different domains if there is the need to adopt what may appear to me to be a new approach to policy-making in mine".

Soundly based analysis and modelling requires access to, and use of, good data. In the context of *Adding It Up* it should be noted that ONS has a crucial role to play in providing advice about the availability of data sets, providing data quality assurance and setting future priorities for data collection within National Statistics.

Analysis and modelling is equally dependent upon availability of professional expertise. A Federated Working Group, with a secretariat based at HM Treasury, has been set up to review and revise the role, pay, and policy involvement of specialists in Whitehall. Specialists in Government have to interpret the significance of academic debate for policy-makers and Ministers, so better links to the academic world are being fostered.

#### National Audit Office

The National Audit Office report examines how departments manage the risk of policies not achieving their intended outcomes and not delivering value for money. By identifying examples of good practice from across Whitehall Departments and beyond, the report is intended to help promote improvements in the way risk and value for money feature as considerations in the policy making process set down in the Cabinet Office report *Professional Policy Making for the Twenty First Century*. The report, which is being prepared for Parliament, was to be published in November 2001, and includes:

**Case studies of policy-making.** Examination of the risk and value for money issues faced during design and implementation of four policies from major departments, to illustrate different circumstances which departments commonly face. The report also draws on examples of policy-making from other major departments, local authorities, and the private and voluntary sectors.

**Analysis of risk and value for money in the policy process.** Examination of the complex factors faced by departments as they design and implement policies, the risks these present for the intended benefits and value for money of policies, and the different approaches that can be adopted to manage these risks and secure cost effective policy design, implementation and maintenance.

**Lessons for wider application.** The aim of the report is to draw out key lessons for the Cabinet Office and Departments which have potential for wider application in the design and implementation of policies, for instance a range of criteria or questions which departments need to take account of to ensure that risk is managed and value for money promoted.

#### The Economic and Social Research Council's (ESRC) UK Centre for Evidence Based Policy and Practice

The development of well-founded policy and its implementation in practice are dependent on the availability of high quality information. There is an increasingly powerful expectation that rigorous, replicable, relevant, and independent research should make an important contribution to the evidence base for action. The 'Evidence-Based' movement is already firmly established in medicine, and the ESRC has launched a major initiative to promote the concept in the social sciences to inform decision-making in Government, business, and the voluntary sector.

At the heart of the initiative is a national coordinating centre, based at Queen Mary, University of London. It has four objectives:

- to encourage the exchange of research-based evidence between researchers and those who can make use of it
- to increase their mutual understanding by acting as a conduit to ensure research reflects the needs of users, and that the research community understands those needs; and to encourage users to be more aware of the potential uses (and abuses) of social science research
- to accelerate the development of methods of appraising and summarising the results of research relevant to policy and practice, and to make the findings available when required and in a way that decision-makers can handle
- to support efforts to improve the quality of research, policy development and practice

The Centre came into being in December 2000, and is both undertaking research itself and supporting a network of seven university centres of excellence in evidence-based research. This Evidence Network as a whole will be developing the knowledge base and building access pathways to it for the user community. This will be done primarily through the mechanism of systematic reviews but also via less complex, time consuming and costly narrative reviews, bibliographic listings and critiques in order to satisfy the differing needs and timescales of the initiative's potential clients, but all quality assured. The ESRC funding enables a number of researcher-driven activities to be undertaken and currently these comprise:

- At Queen Mary, a bibliography on EBP, a map of relevant organisations and individuals to whom the Network will relate, a review of training provision for both researchers and practitioners, and reviews relating to the effect of 'naming and shaming' policies, and factors affecting the implementation of guidelines for professional practice
- Across centres within the network, a range of studies, including a discussion paper on EBP requirements (St Andrews), research relevant to children (Barnardos/City/York), the work recruitment and retention of ill and disabled people (Glasgow), and the effects of residential turnover (Glasgow/Bristol)

The Centre will be communicating the findings of the network through hard copy publications, a regular newsletter, and a comprehensive website which is currently under construction.

The address of the Centre is: ESRC UK Centre for Evidence Based Policy and Practice, Queen Mary, University of London, Mile End Road, London E1 4NS. Tel: 020 7882 7657/9. Fax: 020 7882 7641. Email: [ebp@qmw.ac.uk](mailto:ebp@qmw.ac.uk). Information on the Network itself, with contact information, can be found at [www.evidencenetwork.org](http://www.evidencenetwork.org)

## Part 2

### Chapter 3

Joined-Up and Inclusive

### Chapter 4

What Works: Evidence, Evaluation and Expertise in the Policy Process

### Chapter 5

Innovative, Flexible and Creative Policy Development

### Chapter 6

Forward and Outward-Looking Approaches to Policy-Making



## Chapter 3

JOINED-UP AND INCLUSIVE

### JOINED-UP AND INCLUSIVE

'In traditional policy-making, policy is developed in sequential 'bubbles' with policy-makers in different Government Departments and often even in different areas of the same one thinking and working in isolation from each other. Thinking is often taken to a sophisticated level before others are consulted and rarely takes account of operational issues'

(POLICY-MAKER RESPONDING TO CMPS'S SURVEY ON POLICY-MAKING)

This chapter is divided into three sections. The first part looks at different approaches to Departmental joining-up, examines the main drivers, and identifies the benefits.

Notions of joining-up tend to focus on horizontal lines of communication, that is, the identification of inter-departmental solutions to cross-cutting issues. Equally as important is the need for good communication links within Departments. The second part of this chapter looks at examples where consulting those responsible for implementation has had a beneficial impact. This is referred to as 'vertical joining-up' in this report.

Finally, the chapter looks at different approaches that have been taken to ensure that policy-makers consider carefully the views of those groups or individuals affected by a policy. In the past, the need to consult with stakeholders was mainly approached through more traditional methods, such as written consultation around a Green Paper. However, the survey has demonstrated that this is an area in which Departments are adopting more innovative techniques. Many Departments seem to be using an array of approaches to ensure that they engage with as wide a range of stakeholders as possible, and in the most effective ways.

### A. HORIZONTAL JOINING-UP

The response to the survey suggests that the benefits of joining-up are widely recognised by Departments. At the same time, there is widespread recognition that fostering a more joined-up approach generally takes longer than unilateral approaches, and that barriers to joining-up still exist. A common theme expressed in the survey is that it is often difficult to maintain Departmental 'buy-in' or ownership of the approach.

The main driver for joining-up was considered to be the centre, that is, No.10, the Cabinet Office and the Treasury. In particular, the Social Exclusion Unit and the Treasury were frequently mentioned as providing the impetus for ensuring more cross-cutting and joined-up approaches.

## Case study



### SOCIAL EXCLUSION UNIT: IDENTIFYING CROSS-CUTTING ISSUES

#### BACKGROUND

The Social Exclusion Unit (SEU) was set up to help improve Government action to reduce social exclusion by producing joined-up solutions to complex issues for which no single Government Department has responsibility, or which falls between the responsibilities of several Departments.

#### APPROACH

The SEU takes a joined-up and inclusive approach to identifying cross-cutting issues, and options for policy development. The unit is staffed by a mixture of civil servants and external secondees, thereby ensuring a good mix of skills and experience. Secondees come from a number of Government Departments and from organisations with experience of tackling social exclusion.

The SEU approaches cross-cutting topics in a number of ways. Each project has an Inter-Departmental Steering Group involving both officials and Ministers from other Departments. Consultation papers are issued at early stages to draw out key issues and concerns, and to identify key evidence and good practice. The SEU also ensures a partnership approach to implementation, ensuring that practitioners are involved throughout.

Other benefits of this approach demonstrate many of the nine features of modern policy-making. In particular, it is strongly evidence-based. The SEU places great emphasis on building up the evidence base for its work, and is keen to draw on international comparisons where appropriate. It draws on advice from external experts to provide valuable insight into the topics under investigation.

#### BENEFITS

The Unit has made an important contribution in encouraging joined-up Government thinking. Indeed, many respondents to our survey identified the SEU as the main impetus

for joining-up. It has provided a challenge to existing ways of working, and has helped to identify possible solutions to problems that go beyond traditional Departmental boundaries. As a result, many cross-cutting units have been set up to manage cross-cutting policies. These include the Teenage Pregnancy Unit in the Department of Health, the Rough Sleepers Unit in DTLR, the Children and Young People's Unit in DfES and the Neighbourhood Renewal Unit in DTLR<sup>1</sup>.

The experience of the SEU reinforces many Departmental concerns that joining-up takes time, and considers that lesson-learning has been an important part of its evolution. In particular, it has recognised the need to allow more time for written consultation, both for responses and for the subsequent analysis of responses, and for additional time when scoping potential cross-cutting issues.

<sup>1</sup> The Centre for Management and Policy Studies (CMPS) within the Cabinet Office has recently completed a review of cross-cutting units, and its work helped to inform the setting up of the Neighbourhood Renewal Unit. The review will be published in Winter 2001, and will be available through the CMPS website, [www.cmeps.gov.uk](http://www.cmeps.gov.uk)

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SEU's Policy Action Teams (PATs) are widely recognised as a joined-up and inclusive approach to policy development. The approach has been evaluated by CMPS and the findings and key lessons will be published in Winter 2001. The report will be available on the CMPS website.

Some policy-makers have found that the Treasury's greater strategic involvement in Departments' policies since 1997 (through Public Service Agreements and Service Delivery Agreements) has helped to facilitate joining-up. The Home Office, for example, considered that the Treasury's involvement has been crucial in ensuring that race equality issues have been built into high level planning across OGD, starting with Departmental PSAs and SDAs -

*'It is hard for a single Department to push a cross-cutting objective across other public services where cost and effort are required. OGDs inevitably focus on their key priorities. Working with the Treasury gives a substantial push from the top which helps to get the cross-cutting objective built into Departmental planning...The Treasury can be a powerful ally and is interested in performance management.'*

## Case study



Department for  
International  
Development



### DFID, MOD AND FCO: CONFLICT MANAGEMENT

options to be deployed in tackling long standing conflict situations.

#### BACKGROUND

Conflict is a major impediment to poverty reduction and sustainable development, particularly in Africa where many of the poorest countries are in serious conflict, mainly within national boundaries but with growing regional implications. Departments with an interest in this area had tended to respond separately to such crises in a piecemeal manner. The Secretary of State for International Development was keen to develop more comprehensive approaches that tackled not just the symptoms of conflict (e.g. through humanitarian support) but addressed the causes.

#### APPROACH

DFID proposed this area as a joined-up Comprehensive Spending Review approach initially for Africa. Subsequently, a more global conflict initiative, led by FCO, was added. As a result, closer inter-departmental working was adopted, involving FCO, MOD, and DFID. The three Departments pooled funds, and an Official Group and a Ministerial Committee were convened to oversee progress. The approach included developing joint strategies for particular countries or regions and issues (e.g. small arms proliferation) with implementation conducted by departments best suited according to their comparative advantage. There are also common agreed indicators of performance.

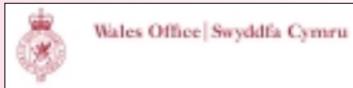
#### BENEFITS

Joining-up has not been without its difficulties. In particular, agreeing priorities between the three Departments has proved to be a time-consuming and protracted process. A particular concern is to ensure efficient inter-department working methods that do not slow down the ability to respond quickly in crisis situations. Nevertheless, progress is being made, particularly in West Africa and Indonesia, where a more cohesive approach has proved possible. The pooled funds have also enabled DFID to play a more proactive role in encouraging a wider range of policy

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The following example shows how devolution has put an emphasis on joined-up working. This was the first time that the Welsh Assembly had called for primary legislation since devolution.



## WALES OFFICE: CHILDREN'S COMMISSIONER FOR WALES

### BACKGROUND

The Assembly was keen to introduce a Children's Commissioner in Wales. This was a manifesto commitment, and achieved all-party support in the Assembly, but to set up the Commission required primary legislation that the Assembly has no power to enact and had to be introduced at Westminster by the Secretary of State for Wales.

### APPROACH

This was the first time that primary legislation had been made by the UK Government at the request of the Assembly. It had to take account of the public policy development role of the Assembly Committees and accommodate the different timetables of Westminster and Cardiff.

The approach involved partnership between the Welsh Assembly and the UK Government, and accommodation of the Assembly's public policy development process.

### BENEFITS

The primary legislation is in two parts. One part was passed through very easily in the last session, and a Bill is in this current session.

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The Performance and Innovation Unit Report of January 2000 looked in detail at how UK Government could better deal with cross-cutting issues, and what could be done to remove some of the barriers that sometimes stand in the way of joining up<sup>2</sup>.

### B. VERTICAL JOINING-UP

The survey provided a number of examples where organisations are seeking to involve operational staff at an early stage of policy formulation, and more generally, to improve vertical lines of communication within organisations. These examples not only included cases where policy was implemented by operational staff within the same organisation as the policy makers, but also cases where a separate organisation is responsible for implementing policy on the ground.

Local government is one area where policy-making and policy formulation is undertaken by separate organisations. The following example looks at the review carried out as part of the Government's plans for modernising the local government finance system.

<sup>2</sup> 'Wiring It Up: Whitehall's Management of Cross-Cutting Policies and Services', Performance and Innovation Unit, The Stationary Office, January 2000. Available from [www.cabinet-office.gov.uk/innovation/2000/wiring/wiring.shtml](http://www.cabinet-office.gov.uk/innovation/2000/wiring/wiring.shtml)



## DTLR: REVIEW OF REVENUE GRANT DISTRIBUTION SYSTEM

### BACKGROUND

Around £40 billion per year is paid to local authorities to support their delivery of key national and local priorities, such as education and social services. The current system for distribution was introduced in the early 1990s, but has been modified so often that it has become too complex and generates unpredictable results. Local government, Ministers and central government Departments were all dissatisfied with how it worked.

### APPROACH

DTLR recognised the need for an open and consultative process from the start. Traditionally, the main negotiating parties on local government finance had been treasurers of local authority groupings (eg, counties, Northern metropolitan areas, London), and other government Departments. DTLR believed that the net needed to be cast more widely to include local authority chief executives, heads of local authority service Departments, education professionals, councillors, MPs, and anyone who wished to contribute in some way.

The first step in engaging wider local authority views was commissioning a postal and telephone survey of local authority senior officers and members' opinions on the revenue grant distribution system. A separate piece of research looked at lessons we could learn from other countries' local government finance systems.

A joint central and local government review was set up to discuss the findings of this research and develop ideas for reform. Policy papers were drafted by both central and local government, and published on the Local Government Association (LGA) website, along with the minutes of the meetings.

### BENEFITS

This approach allowed the most feasible and realistic options to be fed into the Green Paper. As a result, the Green Paper was launched 'to a warm reception from local government and minimum controversy'. It received over 16,000 responses.

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Where staff within the same organisation undertake policy-making and implementation, the need for joining-up is equally important. The Home Office in implementing the flexibility provisions of the Immigration and Asylum Act of 1999 demonstrated one approach.



## HOME OFFICE: IMPLEMENTATION OF THE FLEXIBILITY PROVISIONS OF THE ASYLUM ACT 1999

### BACKGROUND

The procedures for allowing entry into the United Kingdom for arriving passengers were recognised as outdated, inefficient and ineffective. They perpetuated bad working practices and the inefficient use of staff. The need for change was compounded by the increasing rise in passenger numbers, and also in the number of clandestine entrants and asylum seekers with whom the Immigration Service has to deal. According to the new procedures, the Immigration Service is no longer required to interview almost all arriving passengers. The overall aim is to speed the entry of passengers, to remove unnecessary questioning of arriving passengers, and to enable Immigration Service resources to be focused on those passengers who pose a risk to immigration control.

### APPROACH

The flexibility provisions of the Act are deliberately open-ended and give scope for the unlimited introduction (subject to the introduction of secondary legislation in each case) of new procedures. The very close interplay between policy-makers and operational staff has been, and continues to be an integral part of this policy. From the start of formulation of the proposals for legislation, staff with operational experience were members of the team working up the legislative proposals, taking them through Parliament and in the project work leading to implementation.

### BENEFITS

It was considered that the early and sustained involvement of operational staff in policy formulation would result in resource savings in the later stages of the process as the policy was more reality-based. In particular, the last minute

identification of problems and the need for change was much reduced.

*'It is certain that the process of implementation and the ultimate end-product (ie, the new processes) have been smoother and more robust than would have been the case.... with more traditional approaches.'*



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There is also evidence that Departments are doing more to improve internal lines of communication, and thus facilitating a more joined-up approach. The following example shows how simple measures can improve internal communication in an effective and non-costly way. This in turn has benefits for policy development.

## Case study



### FOREIGN AND COMMONWEALTH OFFICE: E-MAIL POLICY GROUP

#### BACKGROUND

FCO outstations were generally excluded from policy formulation, and it was recognised that they needed to be integrated into the policy process.

#### APPROACH

An e-mail policy group was set up linking policy-makers in London with officials overseas. This allowed Ambassadors and other staff to be more closely involved in policy formulation relevant to their area of expertise. IT has been a key facilitator.

#### BENEFITS

The FCO officials in the outstations feel more included in policy decisions. It has also provided a reality check on the feasibility of certain solutions, '...avoiding policy options that look good in the UK, but prove unworkable on the ground'.

World wide e-mail makes the e-mail policy group feasible, and it will be even more effective when classified world wide e-mail is available to all posts later this year.



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Other simple, low-cost approaches were being adopted by other Departments to good effect. As with the FCO example, technological advances have assisted some Departments to join-up internally. DTI has used teleconferencing to link up with its officials stationed at the EU in Brussels, to ensure greater understanding between those writing policy briefings, and those responsible for actually delivering them at a weekly meeting of EU member states. Other methods for improving understanding of work are more simple, but contribute to more internal cohesiveness. The Trade Policy Division in DTI for example, has recently started to host a series of seminars to improve understanding of trade policy more widely in the Department.

*Professional Policy Making in the 21st Century* identified a number of barriers preventing organisations joining-up from within. One of the main problems cited was the problem of incompatible IT systems, particularly where those implementing policy are in a separate organisation to those formulating the policy. The survey showed that this is still a problem in many Departments. However, the following example shows how the Department of Health is attempting to overcome this obstacle.

## Case study



### DEPARTMENT OF HEALTH - INFORMATION FOR HEALTH STRATEGY

#### BACKGROUND

The NHS is often seen by outsiders as a large national corporate resource, but it actually consists of many separate entities, including Health Authorities, Trusts, and GPs. Each of these bodies has the capacity to act independently in a number of areas, such as the procurement of IT.

The Department of Health was keen to implement a strategy to ensure that information and IT in the NHS is kept up to date, is properly resourced, and is implemented both locally and nationally by 2005. 'Previous central initiatives had appeared to be driven in a top down way and had engendered a feeling that things were being done to local [health] communities because the centre wanted it, rather than because it helped local requirements'.

#### APPROACH

The approach adopted in this example recognised the fact that local health communities had different starting points, and that a centrally-driven solution would not be appropriate. Instead, the Department of Health requires each local health community to produce a Local Implementation Strategy (LIS) to demonstrate how they are going to achieve the national objectives for information and IT. Although the centre produced clear guidance on what LISs should look like, this was essentially a bottom-up approach. Local health communities were given sufficient autonomy to develop their own strategies.

#### BENEFITS

A bottom-up approach has ensured ownership of the national strategy at a local level. Within a nationally mandated framework, it gave local health communities relative autonomy to manage

the best implementation route for their particular circumstances. The majority of local health communities responded positively to LISs – 'They have clearly put more energy into the exercise than they would have done using a more top down driven approach.'



### C. INCLUSIVENESS

A key feature of modern policy-making is that it should be inclusive. This means that policy-makers should take account of the impact of a particular policy on those people that are affected by it, whether directly or indirectly, to ensure that it has the intended consequences. An inclusive approach might include consulting those responsible for service delivery (as discussed in the section on vertical joining-up), and those at the receiving end, or otherwise affected by the policy. Impact assessments and feedback from recipients and front line deliverers are also part of an inclusive approach to policy-making.

The survey indicates that Departments are increasingly adopting innovative approaches to consultation. The need to actively engage with a wide range of stakeholders generally seems to have been recognised. Departments seem to be using an array of consultative techniques, combining more targeted and direct consultation with key stakeholders with more traditional types of written consultation. More and more policy-makers seem to be bringing forward the consultation phase so that it occurs as an integral part of policy formulation and development, rather than waiting for a fully worked up policy to be developed, which then goes to consultation with external stakeholders.

The following example from DTI highlights the benefits of an inclusive approach in an immensely complex and inaccessible area.

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## Case study



### DEPARTMENT OF TRADE AND INDUSTRY: REFORM OF COMPANY LAW

#### CONTEXT

The current framework of company law dates back some 150 years. There have been occasional attempts at reform but they have always been piecemeal and reactive rather than going back to first principles. The consequences are that we are left with a patchwork of legislation that is immensely complex and seriously out of date. DTI Ministers recognised the need for a comprehensive review early in the last administration. The review started in March 1998 and its final report is expected in 2001.

#### APPROACH

From the start, this large-scale review has been extremely open and thorough. DTI engaged directly with a wide range of stakeholders, including: large and small firms and their representative bodies; members of the legal, accounting and auditing professions; investment companies and finance houses; regulators such as the Financial Services Authority; consumers' representatives and other non-governmental organisations. Key Whitehall players such as the Treasury and the Small Business Service have been involved throughout. The aim has been to achieve consensus on key issues, so that the new framework for company law is robust, flexible and long-lasting.

The review has been managed by an independent Steering Group (chaired by DTI) with around 15 exceptionally well-qualified members, including senior lawyers, accountants and auditors, representatives of small and large firms, academics, an economist and a business journalist. The Steering Group published nine separate consultation documents (some building in progressive detail on key areas; others on specific technical issues) and received some hundreds of comments on each of the main ones. A valuable

contribution has also been made by a Consultative Committee (also chaired by DTI), meeting quarterly and consisting of nearly fifty members covering the stakeholder interests indicated above. In addition, around a dozen working groups and sub-groups have provided expert advice through a widely drawn membership of practitioners able to tap extensive networks and contacts. Some 200 organisations or individuals have been involved in this way at some stage in the review. The whole process has been an accumulative, organic one.

The Steering Group's views, consultation options and recommendations have been their own. Ministers have been kept closely informed of progress. Following the final report, it will be for Ministers to decide how to proceed in the light of the Steering Group's recommendations.

#### BENEFITS

The first benefit for all concerned is an authoritative final report that should carry credibility with those who use and are affected by company law. Each main issue, as well as specific technical issues, has been the subject of at least one round of consultation. The approach combines the advantages of independence (ie the ability, via the Steering Group, to float controversial propositions without immediate political problems) with the benefit of ensuring that the Department (through chairmanship and Secretariat functions) and Ministers remain closely engaged.

For the DTI, a further benefit is confidence in the basis for new legislation. The comprehensive and detailed nature of the exercise exposed the main areas of policy controversy and technical complexity and revealed the arguments for and against any particular position.

*'We are optimistic that we will be providing a fully worked out basis for legislation which has wide support both amongst the technical experts and in business and the community at large. This must give confidence as to the outcome; and one hopes that it will facilitate Parliamentary handling of a future Bill.'*

One further benefit, for DTI and others involved, has been a strengthening of contacts between the Department and external experts in company law. This should serve the Department well over the next few years.

DTI considers that this approach is capable of being replicated in other areas:

*'We have a very positive view of our approach, and a number of observers have suggested that it should be applied to other areas of public law and policy.'*

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Policy-makers are required to take as full account as possible of the impact the policy will have on different groups who are affected by policy. A more pro-active approach to consultation is required if some of these groups are to be actively engaged.

## DEPARTMENT FOR WORK AND PENSIONS: REVIEW OF DISABILITY BENEFITS

### CONTEXT

The current system for extra-costs disability benefits is complex, and characterised by an often inconsistent administration and award process. In 1998 the Government set out in a consultation document on disability benefits its intention to develop a new model for these benefits, based on Activities of Managing Life<sup>3</sup> and designed to ensure a fairer, more consistent approach towards benefits awards.

### APPROACH

From the earliest stages, the project has been supported by a Working Group including both DWP officials and leading members of the disability lobby – The Working Group has now been in existence for two years – making this the first time that a new benefit structure has been devised in sustained consultation with organisations representing potential claimants.

The approach was also characterised by involvement of the Benefits Agency, the organisation that (in current or future form) would be responsible for administering the new benefits. The Benefits Agency was involved on the Working Group from the start, and has played a leading role in preparing the AML model for “live trialling” involving volunteer claimants. Customer feedback will be obtained from this trial, and will be vital in taking decisions about the final shape of the potential new structure.

Most key documents are in the public domain, and the Government is able to explain openly to Parliament and others what it is planning to do.

### BENEFITS

The disability lobby has welcomed such an open and consultative process. Although the lobby members of the Working Group have never been supporters of AMLs, they have become increasingly involved as the Working Group has continued, and have given their support for the live trials.

The approach has meant that the process of policy development and implementation has been slower than it would have been using a traditional approach but it is seen as a way of trying to ensure that the policy is well tested at the start rather than the untested approach that can be imposed by short implementation times. In any case, timing of the development stages was not felt by DWP as necessarily a critical problem given that a legislative slot will eventually be needed to introduce the system.

<sup>3</sup> These are intended to span the range of basic living activities, and include; Feeding and Drinking; Dressing and Undressing; Washing and Bathing; Toileting; Getting in/out and Turning in Bed; Mobility; Rising and Sitting; Fits Requiring the Supervision of Another Person; Reliance on Machines, Equipment etc; Communication; Orientation; Taking Medication or Undergoing Therapeutic Procedures; Budgeting; Hygiene; Daily Routine; Awareness of Danger or Unsafe Behaviour and Childhood Development.

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## CABINET OFFICE: BETTER GOVERNMENT FOR OLDER PEOPLE

### BACKGROUND

Better Government for Older People (BGOP) was launched in June 1998 and ended in December 2000. It was developed to test out local joined-up strategies to provide better services for older people and engage them more directly. It's aim was 'to improve public services for older people by better meeting their needs, listening to their views, and encouraging and recognising their contribution'. BGOP comprised a unique partnership between central and local government, the voluntary sector and the academic world. The partner organisations were Age Concern, Help the Aged, Anchor Trust, Carnegie Third Age Programme, Warwick University, Local Authorities Research Consortium and Cabinet Office. The programme also had the active participation of the Local Government Association.

### APPROACH

BGOP established 28 local pilots across the UK to develop and test integrated inter-agency strategies, and to examine innovative ways of delivering services to promote better co-ordination and responsiveness to users. Local authorities led the pilots, involving a wide range of partnerships with central government and the voluntary, private and community sectors, as well as older people themselves. More than 300 local partner organisations were involved. The pilots were required to develop action plans to meet local priorities. This process resulted in a diverse range of activities, with some pilots focusing on very specific issues, such as information provision, and others concentrating on the needs of particular groups of older people, such as those living on estates or those from ethnic minority communities.

### BENEFITS

The Better Government for Older People Programme very clearly demonstrated that by engaging, listening to and involving older people, service providers from all sectors were able to deliver services that met the needs of users and enhanced the quality of life for older people.



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## SCOTTISH EXECUTIVE: RURAL IMPACT ASSESSMENT

### BACKGROUND

The Scottish Executive was keen to ensure that the rural dimension is acknowledged, understood and tackled in all policy formulation across the Scottish Executive. It recognised that much policy formulation has an urban bias with rural policy restricted to the primary sector industries. Changing economic factors in rural areas meant that this was no longer acceptable.

### APPROACH

A Ministerial Cabinet Committee of eleven Ministers has been set up to ensure that policy developments take account of any rural dimensions. This provides the political commitment required to ensure the new approach to rural policy consultation is effective across the Scottish Executive. The Committee is backed up by the Rural Agenda Steering Group, a group of officials within the Scottish Executive. The Committee also takes general or specific policy advice from the Scottish National Rural Partnership that comprises all major NGOs and Executive bodies. In this way, the Ministerial Committee has access to the range of expertise and specialised knowledge that it requires to ensure a joined-up and inclusive approach to policy formulation.

### BENEFITS

While this approach is still at an early stage, there are clear signs that the new mechanisms have resulted in a heightened awareness of rural issues and circumstances across the Executive's policy responsibilities, which in turn has produced new policies and approaches designed specifically with rural areas in mind. It has also helped to break down the “silo” approach to policy-making, and to encourage more joint working. A recent specific example of this is the co-ordinated approach to the Foot and Mouth Disease outbreak, which is

being overseen by a sub-group of the Cabinet Committee, and is involving close team working by officials from different parts of the Executive.



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## LORD CHANCELLOR'S DEPARTMENT: CIVIL JUSTICE REFORM IN NORTHERN IRELAND

### BACKGROUND

LCD was keen to make civil justice in Northern Ireland as accessible, economic and efficient as possible, taking into account Lord Woolf's reforms in England and Wales.

### APPROACH

In the past, NI reforms to civil justice have been heavily influenced by the major English reforms. There have been criticisms in the past that the English solution is not necessarily suited to the needs in NI. Following the Woolf report it became imperative to look at the NI position and in particular to determine if similar problems existed and if so how they could be best addressed in that jurisdiction. Rather than leaving this to be determined by civil servants, it was judged to be better to establish an independent, representative group of experts. The group included members of the judiciary, lawyers, academics, consumers and civil servants. The group reported to the Lord Chancellor who then consulted on the Report before taking decisions on the way forward.

### BENEFITS

Members of the group gave freely of their own time, usually meeting on Saturdays. Although a consensus was not always easily achieved amongst members of the group, this led to wider-thinking around the issues of civil justice reform, and the identification of more innovative and relevant solutions. A persuasive report was published on the issues, which had the backing of a broad-based group with expert local knowledge.

The particular benefits were twofold. Firstly, there was a policy solution tailored to NI needs but taking into account English experience; and secondly, a wider sense of ownership of the policy because of the real involvement in the process

by the representatives of those most directly concerned.

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## HOME OFFICE - CHEQUE AND PAYMENT CARD FRAUD

### BACKGROUND

The Home Office has embarked on a policy to reduce cheque and payment card fraud, a crime that is becoming increasingly widespread.

### APPROACH

The private sector has been actively engaged in developing the policy aimed at reducing the levels of payment card fraud. The two main initiatives are:

- the introduction of chip cards (card authentication) which would significantly reduce the use of fraudulent cards and the introduction of a cardholder verification system, probably using a PIN number to confirm that the user of the card is genuine
- the creation of a dedicated law enforcement team, on an initial two year pilot basis, to target, investigate and arrest offenders responsible for organised payment card and cheque fraud.

It was considered vital to engage the private sector from the outset given that the sector owns the expertise in this area. In addition, the Home Office was looking for a major investment by the private sector.

The private sector has been consulted throughout the process of policy development, rather than being brought in after the policy had been worked up. This involved setting up a Steering Committee with representatives of the banking and retail industries and the police. The Steering Group developed a strategy that was subsequently validated through two main seminars that engaged over 120 representatives from commercial companies.

While the Steering Group had no executive mandate to commit new resources to tackling this area of crime and policing, its small but comprehensive membership allowed the proposals developed within the supporting working groups to be 'fast tracked' with interest groups, significantly reducing the time which would otherwise be taken in consultation.

### BENEFITS

Because the main stakeholders have been fully involved in the development of the strategy from the outset, they are in a better position to assess the value of the substantial contribution which they are being invited to make. The police squad is estimated to cost in the order of £4 million over the next two years, while the cost of the main project - the introduction of chip cards (card authentication) which would significantly reduce the use of fraudulent cards and the introduction of a cardholder verification system, probably using a PIN number to confirm that the user of the card is genuine - is estimated at over £1 billion, which would be shared between the retail and financial sectors.

Whether or not this investment is eventually made, this integrated approach to policy development has allowed the costs and benefits to be identified and agreed upon and has brought the need for a comprehensive approach to credit card fraud into much sharper focus.

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homeoffice.gsi.gov.uk

A common theme to emerge from many of the examples that Departments provided, was that joining-up, and inclusiveness were time-consuming, with the policy process generally taking longer than more traditional approaches. This is particularly the case where the consultation process involves diverse groups, and where a consensus is hard to achieve.

Departments also have to be mindful of the political sensitivities involved in engaging outside organisations. Departments need to be as inclusive as possible, and avoid criticism that they only consult with the 'usual suspects'. This was a particular concern of officials in DTI working on trade policy issues. They considered that the net needed to be widened to take full and systematic account of the views of outside organisations. Previously Ministers for Trade had concentrated their consultation on a select few organisations, and Ministers and officials were consulting an overlapping range of organisations. It was recognised that these discussions needed joining-up. Consequently, a new system has been introduced recently in which Ministers and officials meet a much broader range of organisations to a single schedule, with agenda mapped out by agreement in advance.

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Many of the examples included in this section have been successful in achieving a consensus position among the main stakeholders. In some cases, a consensus is more difficult to achieve, and stakeholders do not move from entrenched positions or the respective Department has to arbitrate in disputes. This in turn can cause delays in the policy process, and is more resource-intensive for Departments.



## HOME OFFICE: IMPLEMENTATION OF THE HUMAN RIGHTS ACT

### BACKGROUND

The decision to introduce a Human Rights Act was a key part of the Government's constitutional reform programme launched after the 1997 election. The relationship between Government and NGOs working in human rights and civil liberties is traditionally uneasy, with some taking high profile cases against the State and pressing policy positions which would give a greater role to judicial and international supervision of domestic political decisions than has been found acceptable. The new administration was keen to harness the energies and expertise of those outside groups that had been pressing for human rights legislation. This would help all Departments prepare for implementation and continue the sense of constructive partnership that had existed before the election.

### APPROACH

A taskforce involving the key NGOs and Ministers from the Home Office, Lord Chancellor's Department and the Attorney General's Office was set up with monthly meetings, together with sub-groups that met at other times. The taskforce spearheaded preparations for implementation of the Human Rights Act, contributing significantly to the production of guidance and publicity, advising individual departments about their preparations for implementation, and assisting in handling adverse media coverage before the Act came into full effect. It also discussed possible future developments, such as the proposal for a UK Human Rights Commission. Although NGOs have long been consulted about human rights matters, the nature and extent of the disclosure and access involved in the work of the taskforce was novel and, at times, difficult to handle. The key to success lay in mutual recognition, respect for differing perspectives and being as open as was possible. The NGO members contributed

decisively to the successful launch of the legislation but it would be wrong to pretend that a full consensus was achieved, or that there were no strains:

*'... It is an illusion to think such tension can be removed by joint-working. But contact deepens our understanding of where NGOs are coming from.'*

### BENEFITS

The taskforce approach required a considerable investment of time, official and Ministerial, but both sides were able to reap benefits from this open and inclusive approach. NGOs were kept in touch with Government thinking, and Departments got better guidance, plus some invaluable insights into those areas where awareness of the Act's implications needed to be raised.

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## Chapter 4

WHAT WORKS: EVIDENCE, EVALUATION AND  
EXPERTISE IN THE POLICY PROCESS

### WHAT WORKS: EVIDENCE, EVALUATION AND EXPERTISE IN THE POLICY PROCESS

'...Government should regard policy-making as a continuous, learning process, not as a series of one-off initiatives. We will improve our use of evidence and research so that we understand better the problems we are trying to address. We must make more use of pilot schemes to encourage innovations and test whether they work. We will ensure that all policies and programmes are clearly specified and evaluated, and the lessons of success and failure are communicated and acted upon...'

(MODERNISING GOVERNMENT WHITE PAPER, 1999)

This chapter considers ways in which policy-makers, Government analysts and external experts are working together to ensure that policies are informed by a solid and robust evidence base.

A variety of sources of evidence for informing policy decisions are available. Each has its own strengths and limitations. The key resources

that appear to be used by Departments are domestic and international research and statistics, policy evaluation, economic modelling, and expert knowledge.

The survey provided numerous examples where evidence, evaluation and expertise feed into policy thinking and review. In many cases, using evidence was mentioned as one component of modern practices alongside other new ways of working such as joining-up, involving outside stakeholders, or long-term planning. In other cases the way that evidence was built into the policy process was seen as central to the new approach and described in more detail.

Many policy-makers responding to the survey considered that evidence was a key tool in professional policy-making. On the other hand, there were as many examples where evidence was not discussed explicitly, and it is not clear what contribution it has made to policy-making.

A broad range of activities was identified such as: reviewing existing evidence; commissioning new research; piloting initiatives and programmes; evaluating new policies; and inviting experts to advise on specialist areas. Less was mentioned of learning from or disseminating best practice.

### WHY USE EVIDENCE?

Responses identified a number of benefits of using evidence. For example, research uncovered reasons for reforming or developing new policy. In some cases reaching consensus in a group comprising different interests was facilitated by the presentation of evidence. Policy-making was thought to be faster in some cases where experiences from experts or lessons from previous research have been built into development.

Evidence also contributed to a better

## Case study



### DTLR: HOME BUYING/SELLING REFORM

#### BACKGROUND

The current system of home buying and selling in England and Wales has been criticised as slow, inefficient and wasteful, resulting in stress and anxiety. Public dissatisfaction with the process contributed to the need to look at reform.

Previous reviews of this issue have tended to focus upon a narrow legal perspective, and drew in views from professionals such as solicitors and estate agents but not particularly other government Departments or members of the public.

#### APPROACH

Underpinning the reform process was an extensive programme of research into home buying and selling in the UK and abroad. This has involved, amongst other things:

- the largest study ever of the current system of home buying and selling in England and Wales, involving a tracking survey of nearly 800 buyers and sellers
- international comparisons
- citizens' workshops used to gain consumer views in low value/low demand areas
- the piloting of key elements of the proposed reforms in market conditions.

Policy-makers and government research staff have worked very closely, thus ensuring strongly evidence-based policy decisions.

The initiative has been co-ordinated by a cross-departmental Ministerial team involving DTI, DTLR and Lord Chancellor's Department (LCD). An advisory group comprising representatives from both central and local government, the Consumers' Association, and the main professional bodies has also been set up to provide help and guidance to the policy-makers involved

in the initiative.

Consultation has been built in throughout the review, in particular with other Government Departments, the Consumers' Association and service providers. This can be time consuming, and has demanded careful management of the initiative and a clear view of the objective of reform: a better system for the consumer.

#### BENEFITS

In contrast to previous reforms in this area, these reforms have maintained momentum and have succeeded in reaching a consensus between a number of stakeholders. The benefit of undertaking such an extensive programme of research has been an independent and comprehensive look at the policy area from a number of perspectives rather than only special interests:

*'The evidence from the research, and the contacts between government and other interested parties helped to ensure that this consensus was reached.'*

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understanding of complex policy areas and has been used to fine-tune policies or assess whether objectives are being met. Where new approaches have been used, evaluation identified strengths and weaknesses for future use.

In the following sections, specific examples are outlined to illustrate the different ways in which policy-makers are using evidence.

### BUILDING EVIDENCE INTO POLICY THINKING

This section outlines five examples of:

- evidence informing the development and reform of policies and services
- research informing the understanding of broad policy contexts and complex policy areas
- the contribution of forecasting to policy implementation.

These examples have been chosen to demonstrate the range of activity in government, from extensive programmes of research and evaluation to more 'modest' initiatives to use evidence and expertise more effectively.

### A) EVIDENCE INFORMING THE DEVELOPMENT AND REFORM OF POLICIES AND SERVICES

The survey identified that evidence has performed a 'stocktaking' or review role where the current state or effectiveness of policy has been established. This has contributed to the identification of a need for change and has also provide information useful to the development and direction of change.

## Case study



### EQUALITY DIRECT: THE ROLE OF EVIDENCE IN DEVELOPING NEW SERVICES

#### BACKGROUND

Businesses can access information and advice on equality issues from an array of sources, including Government Departments, non-departmental public bodies, voluntary sector organisations and private consultants. Much of this advice is not joined-up and can be time consuming to acquire. Employers have to make links between advice from different sources and work up a course of action that is suitable to their circumstances.

Following Machinery of Government changes, the management of the Equality Direct project has moved to ACAS.

#### APPROACH

Research helped identify the need to develop policy in this area. In particular, findings suggested that small businesses were unlikely to contact existing sources of advice and did not tend to think strategically about 'equality' issues, but thought of 'management problems'.

This evidence in combination with concerns about duplication of effort between the Government and Equalities Commissions, and negotiation on two European equality directives, informed the direction of policy change. In response, Equality Direct – a confidential telephone advice service and supporting Internet website on equality issues for employers, especially Small and Medium Enterprises (SMEs) was developed.

The development of the service was joined-up and inclusive, involving a steering group to contribute to the development of the service, appointment of contractors and implementation. Membership included the Small Business Service at DTI, ACAS, Equal Opportunities Commission, Commission for Racial Equality, Disability Rights Commission and the Federation of Small Businesses. An operational level network group involving the

contractors, the Commissions, and a number of government Departments and agencies was also set up which has facilitated the exchange of information on policy developments between the parties, and ensured that the service has developed in a way which complements and dovetails with existing services.

Evidence was used throughout the development of the service. Monitoring data was fed into its design and research was conducted with small businesses to identify their needs and check reactions to development of the service.

#### BENEFITS

The findings from research provided a new understanding of the issues and contributed to the identification of a need to change policy. Evidence also shaped the development of the service that should address the needs of small businesses. Equality Direct was launched in January 2001, and the reaction of businesses using the service – both large and small – has been positive. Anecdotal evidence suggests that businesses are particularly satisfied with the joined-up nature of advice, and the fact that they do not need to shop around for information and advice on the separate strands of equality. Feedback from business on the telephone advice service and Internet website has been used to enhance the service. Business perceptions of the service will be an integral part of the formal evaluation of the project.

Involving key stakeholders and government Departments was also seen as a great advantage in developing a rounded service that avoided duplication and which was informed by relevant expertise.

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### B) RESEARCH INFORMING THE UNDERSTANDING OF BROAD POLICY CONTEXTS AND COMPLEX POLICY AREAS

## Case study



SCOTTISH EXECUTIVE

### SCOTTISH EXECUTIVE: MINISTERIAL CRIMINAL JUSTICE RESEARCH SEMINARS

#### BACKGROUND

Criminal justice policy is a complex area. The development of criminal justice policy on the basis of evidence is seen as a priority. The Scottish Executive has established a regular research seminar for Ministers and senior officials to explore relevant research evidence.

#### APPROACH

Research seminars are held every two months lasting between one to two hours. Current research is presented to Ministers in order to stimulate discussion of the evidence relevant to current policy issues.

#### BENEFITS

The seminars are seen to have generally improved the information that shapes policy. However, finding time in busy schedules was a practical challenge found in making them work.



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As well as considering research evidence, people with specialist expertise have also been invited to contribute to policy-making. The following example considers changes in personnel policy.

## Case study

### HEALTH AND SAFETY REFORM IN CUSTOMS AND EXCISE

#### BACKGROUND

Following Health and Safety Executive (HSE) inspections and feedback from local staff, it was recognised that Health and Safety policies within Customs and Excise needed updating. A new philosophy and approach underpinned by current thinking in the HSE was needed.

#### APPROACH

An expert from the HSE was brought in to advise on how to develop Health and Safety policy. This external source of knowledge and experience helped Personnel to develop new policies based on HSE thinking.

This approach involved less consultation with other staff than might traditionally happen. In turn, selling the outcome to colleagues was a harder task.

#### BENEFITS

Changes to policy were based on a clearer understanding of regulatory requirements. This in turn translated into faster policy-making as time was not spent trying to interpret guidance:

*'What we have done is faster and a lot smarter.'*

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## C) THE CONTRIBUTION OF FORECASTING TO POLICY IMPLEMENTATION

## Case study



### DTLR: RAILWAYS SETTLEMENT FOLLOW-UP REVIEW

#### BACKGROUND

The Ten Year Plan for Transport provided for rapid expansion of rail use including new funding. In response to this, the Railways Settlement Follow-up Review was established to ensure effective implementation, monitoring and evaluation in respect of railways.

#### APPROACH

A number of modelling and forecasting issues are being reviewed at the outset of implementation in order to provide robust evidence on effectiveness.

The review is considering a wide range of issues including:

- how to join up economic modelling and forecasting for rail with modelling of other transport issues, such as roads
- review of assessment of value for money and affordability of new rail projects and programmes
- arrangements for monitoring and evaluating the effectiveness of policy
- mechanisms for funding and future support for the railways.

#### BENEFITS

Reviewing procedures at an early stage should ensure that reliable information is available throughout implementation and, critically, allow individual decisions within a rolling programme to be set in their wider context. It is expected that by seeking to look at issues in the round, rather than independently, some processes will initially be more time consuming. However, the benefits of a full examination of opportunity costs will more than compensate.

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## IS IT WORKING? PILOTS, EVALUATION AND POLICY REVIEW

As well as evidence informing policy development it can also identify whether policies are meeting their objectives - 'whether it is working in this case'. Three examples are given here covering:

- evaluation of national policies;
- piloting new policies before wider implementation.

### A) INFORMING POLICY DEVELOPMENT AND EVALUATING EFFECTIVENESS



#### INLAND REVENUE: WORKING FAMILIES' TAX CREDIT

##### BACKGROUND

In May 1997, the Government formed a taskforce led by Martin Taylor to explore the scope for tax/benefit integration, how the existing system could be improved to make work pay, and the options for an in-work tax credit.

The outcome of the review was the development of the Working Families' Tax Credit (WFTC) with the aims of making work pay; removing the stigma of benefit; and helping families with children out of poverty.

Inland Revenue (IR) subsequently took responsibility for tax credit policy, which was a new role for the Department. IR was also tasked with evaluating the policy.

##### APPROACH

Evidence informed a number of stages of policy development. In the early stages, the taskforce looked at examples of tax regimes in other countries, in particular the United States, Australia, Canada and Europe, enabling lessons from other countries to be applied to policy development.

A range of formal and informal consultations were undertaken with key stakeholders at different stages of policy development. This included internal consultation with IR operational staff and IR's IT Partners (EDS) on the more practical and operational issues raised by the new tax credit. External consultations held with a wide range of key stakeholders both within Government and outside - for instance with those representing recipients and employers (who were being asked to pay the tax credit along with wages).

Policy and communications staff worked together on the communications strategy for naming and advertising the tax credit. Market research was undertaken with lone parents and other people on low income to gather information on potential customers' perceptions of WFTC.

Finally, an evaluation strategy for WFTC was integrated into policy development. As a relatively new area to IR at the time, an evaluation steering group was set up involving staff from DSS, HMT and the Employment Service. External experts were also involved in the group.

The evaluation strategy took six to eight months to develop as the steering group grew and different perspectives were added. Although this was time consuming, the input of the group has been seen as valuable:

*'Working with the different team members and drawing on their experience helped to produce a more useful evaluation tool'*

##### BENEFITS

In this example, evidence played an important role in shaping policy. In addition, international experience and a range of consultative techniques were used to engage the main stakeholders throughout different stages of policy development. This approach enabled the policy to be fine-tuned, and to allow WFTC to be introduced with the minimum amount of disruption.

Building in evaluation of the policy will allow an assessment to be made of the effectiveness of the policy, and inform decisions on future tax credit policies.

The evaluation strategy agreed with the evaluation steering group has been implemented and IR is commissioning and managing a number of research projects. However, the evaluation programme is still in its early days. IR will publish findings and research reports in due course.

## B) PILOTING POLICY INITIATIVES



#### CROWN PROSECUTION SERVICE: PROVISION OF INFORMATION TO VICTIMS OF CRIME (CPS)

##### BACKGROUND

In the past the police provided information on case progress to victims and witnesses including details of CPS decisions. Two Government reports contained recommendations that led to the development of a new policy. This policy involved the CPS communicating prosecution decisions direct to victims either by letter or, in certain cases, in face to face meetings.

##### APPROACH

An inter-agency steering group was established to oversee policy development. Membership included an independent researcher experienced in victims' issues. Progress was also reported regularly to multi-agency groups concerned with victims.

Prior to national implementation, the new policy was piloted for a period of 12 months at six CPS offices and then developed into wider options studies for a further six months.

Two models were tested; a standard model in which the decision-making lawyer drafted and sent letters, and a victim information bureau model in which a dedicated unit of administrative staff drafted letters which were subsequently signed by lawyers. In certain serious or sensitive cases, a face to face meeting was offered to the victim if a further explanation was required.

A significant training need was identified because much of what the scheme demanded was new to CPS staff. Consequently, every member of staff involved in the project was required to attend a three day training course covering the skills needed to undertake the work.

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The scheme was evaluated by a small team of members of the CPS Policy Directorate assisted by in-house systems and management consultants. This entailed travelling to the pilot sites and conducting face to face interviews as well as collating material gathered. An evaluation report was produced after the first six months of the pilot and decisions were made based on those findings to move to the wider options studies that ran for the final six months prior to national rollout.

Towards the end of the eighteen month period, a firm of independent consultants was employed to conduct a victim satisfaction survey on the quality of service provided by the CPS in relation to the letters victims had received or the meetings they had attended. A substantial number of victims were interviewed and their responses recorded. The final consultants' report set out those responses as well as making recommendations as to the approach to take in the future to meet the needs of victims.

The report was produced alongside the final evaluation report covering the whole project. Both were circulated throughout the CPS, together with additional written guidance, to assist in planning for the national rollout.

#### BENEFITS

By involving other agencies and experts, fresh ideas and the experience of others have been drawn upon in policy development.

Unquestionably, the initiative could not have been implemented successfully without the pilot. It was possible to identify the extra resources that would be required to run the initiative nationally. There was also a significant benefit in being able to pinpoint changes that needed to be made to both office systems and IT software.

By testing the scheme over a fairly lengthy period, we were able to make significant changes that were incorporated into the wider options study for the final six months testing

period. This included, for example, giving much more detailed reasons to victims for the decisions rather than the fairly limited basic explanations that were provided during the initial pilot study. As a result, the quality of letters sent to victims improved substantially.

Finally, by thoroughly testing the new procedures and testing out detailed monitoring, CPS was able to allay staff concerns relating to the volume of the queries that were likely to arise from victims and to potential difficulties that could arise in having to meet victims face to face to explain decisions.



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## Case study



### DTLR: LOCAL PUBLIC SERVICE AGREEMENTS (PSAs)

#### BACKGROUND

Local Public Service Agreements (Local PSAs) are voluntary agreements that offer local authorities real incentives to enhance their services, and more freedom to bring innovative solutions to local problems.

Under Local PSAs, authorities sign up to demanding targets to further improve outcomes beyond what has already been planned, in return for up-front investment in services, substantial reward grants for meeting targets, and the opportunity to negotiate administrative freedoms and flexibilities with the Government.

#### APPROACH

Local PSAs have been successfully concluded with the twenty local authorities taking part in a pilot. These pilot authorities have set stretching targets for performance indicators across a wide range of services (e.g. education, employment, health and social services, crime prevention, waste management, transport, electronic service delivery). The pilot will be followed by an extension to all other English 'upper tier' local authorities (county councils, metropolitan districts, unitary authorities and London Boroughs) over the next two years.

The Local Government Association (LGA), who originated the Local PSAs concept, has been closely involved throughout the design and development of administrative processes. DTLR are leading within Government, in close co-operation with HM Treasury, but all other Departments with interests in services delivered by local government have also been closely involved. They have been able to contribute to the development of the policy through the regular meetings of the Local PSAs Steering Group. The Steering Group is now co-ordinating the design of an extended scheme for the whole of England. The design process is being informed by an evaluation report into the pilot, prepared by independent consultants from the Office of Public Management.

#### BENEFITS

Piloting the process allowed us to test how feasible it was to reach acceptable agreements with a broad range of local authorities. It also revealed the key implementation and administration issues that needed further consideration before a national extension of the scheme – for example, communications, standardisation of processes and documents, high-level involvement, and workload management.

The involvement of the LGA was essential in maintaining the goodwill of local authorities through the pilot. The pilot authorities greatly appreciated the opportunity to discuss their concerns directly with policy holders in Government Departments. Government officials also welcomed the chance to discuss with local authorities what barriers exist to the delivery of better services, and how Government and local authorities can work together to find solutions. Local PSAs themselves offer Departments a way to pilot ideas with a small number of authorities (e.g. a greater degree of freedom to borrow money, proposals to facilitate adoption of children in care, or the ability to retain income from fixed penalties for littering), and so promote innovation in Whitehall. There is also growing recognition in Departments that Local PSAs will boost their efforts to meet their own targets.

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## Chapter 5

INNOVATIVE, FLEXIBLE AND CREATIVE

### INNOVATIVE, FLEXIBLE AND CREATIVE POLICY DEVELOPMENT

'Traditional methods are tried and tested and occasionally lead to a breakthrough by the 'gifted genius' unfettered by the thinking of more cautious colleagues. But more typically, it is slow and cumbersome leading to nugatory work, protracted negotiations and compromises or impasses. The outcomes are often poor quality'

(POLICY-MAKER RESPONDING TO CMPS'S SURVEY ON POLICY-MAKING)

Innovation means different things to different people, and what might be considered an innovative or pioneering approach by one policy-maker, might be standard practice to another. We reported many examples of how policy-makers were bringing in 'outsiders' to fulfil specific roles in policy development and to stimulate new ideas. This approach would seem to be a common feature of policy-making in many Departments, and is often part of a wider strategy to be more inclusive and joined-up. Chapter 3 provides examples where Departments have sought the advice of external experts or brought in secondees to good effect.

Furthermore, in chapter 6, we will see how some Departments are responding in innovative and creative ways to more high-level and strategic

requirements, including a changing political agenda, new challenges and demands, and increasingly complex issues.

This chapter highlights a range of innovative and creative undertakings by a range of Departments that have led to:

- the introduction of fresh and creative policies
- changes to the processes of policy-making
- inventive approaches to policy implementation.

#### A. NEW POLICIES

Our survey suggests that some policy-makers consider that they are not working in an environment in which new and creative ideas are encouraged or supported, or in which the established ways of working are questioned and improved. However, there are significant exceptions, and the following example indicates how a pioneering approach, involving complete abandonment of previous ways of working, has resulted in a considerable achievement for the Government. In this case, innovation was built into the policy formulation process, rather than afterwards, and an environment was created that was supportive of creative thinking and risk-taking.

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## Case study



### DTI: RADIO SPECTRUM

#### BACKGROUND

Radio spectrum is the raw material on which mobile telephones, broadcasting and a bewilderingly wide range of other applications depend. It is a finite national resource with high economic value. However, until 1998, sitting tenants had no incentive to use more efficient and modern technology or to make way for entirely new users. This situation was transformed by the Wireless Telegraphy Act 1998.

#### APPROACH

In the interests of promoting more efficient use of the radio spectrum, a basic tenet of government administration was set aside – that the price of a licence should reflect the cost of administering it. The Government was keen to adopt an approach that would unlock the economic value of the radio spectrum for the UK. It was also keen to allow companies to gain access to the spectrum they needed to exploit new technology and bring innovative services to UK businesses and citizens. To achieve these objectives, it was decided that licences for the new 'Third Generation' mobile telephone services would be auctioned.

The UK was the first country in the world to auction 3G licences and the outcome 'astonished the telecommunications and financial sectors around the world'. The project was taken forward by a team of about 15 civil servants. Creativity was encouraged amongst the team 'and the standing agreement in the team was that in pursuing the published objectives, nothing was inherently unthinkable'. The team was supported by extensive and expensive external advice from bankers, lawyers, auction designers and technologists. The results more than justified this investment.

An additional strength of the approach was the highly consultative process that was adopted, involving an inter-departmental steering group bringing together all the

Whitehall interests. In addition, consultative machinery involving all the key industrial stakeholders was established to ensure transparency.

#### BENEFITS

The benefits of this approach were considerable and far-reaching.

The first such auction of five licences of spectrum to run next generation ('3G') mobile phone networks led to licences being assigned to the operators who valued them most and would generate the greatest economic and consumer benefits. The licensees include a completely new entrant to the UK mobile telecommunications market, which will be good for competition and consumers. Furthermore, because the five licensees are highly motivated to build networks and grab market share, 'UK businesses and consumers will have advanced services here before most other countries. This would not have been achieved by a conventional approach'. Finally, the auction raised £22.5 billion for the Exchequer, although revenue was by no means the primary consideration. The proceeds have been used to reduce the National Debt and so will bring economic benefits long into the future.

Constraints on Departments, particularly on the use of public money, sometimes restrict flexibility and the ability to try innovative and creative approaches to policy-making. The example from DEFRA below highlights a successful approach to overcome the problems inherent in such a risk averse culture. In this case, the Department recognised that there was a high risk of failure had it been responsible for implementing the strategy.

RA is an agency of DTI

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## DEFRA: WASTE AND RESOURCES ACTION PROGRAMME

### BACKGROUND

UK Government is committed to significantly reducing the quantities of waste going to landfill, and increasing recycling. Delivering a sustainable increase in recycling without large and long-term government subsidy will rely on strong markets for recycled materials. However, many existing markets for recycled materials are already running at full capacity, and others are new, fragile or non-existent.

### APPROACH

DEFRA has established Waste and Resources Action Programme (WRAP). This is a new, independent body, sponsored by government, to promote the development of markets for recycled materials. It is not an agency, nor a non-Departmental Public Body (NDPB), but a private company, flexible enough to operate in the private sector, but with checks and balances in place to ensure that the Government receives value for money from its sponsorship.

It was recognised that the Government did not have the appropriate skills and understanding of working in a business environment to undertake the task itself. Also, as an independent company, WRAP will be well placed to attract private sector funding, and to use that funding to test out innovative financial mechanisms.

### BENEFITS

Such an innovative and pioneering approach to a problem has meant that there was not a great deal of experience to draw on. However, this conversely meant that DEFRA had the freedom to work from a blank sheet, and the lack of established procedures meant that officials were able to operate more quickly and flexibly.

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## B. NEW AND CREATIVE APPROACHES TO POLICY-MAKING

In some Departments, the Modernising White Paper and *Professional Policy Making in the Twenty-First Century* encouraged the development of innovative, flexible and creative approaches to policy-making. The Ministry of Defence is a particular example.



## MINISTRY OF DEFENCE: REVIEWING THE POLICY-MAKING PROCESS

### BACKGROUND

MOD was keen to adopt the innovative and flexible approach to policy-making described in the Modernising Government White Paper. It was keen to critically examine its policy-making process, to build on the best features of the 1998 Strategic Defence Review (SDR), and to support its policy-makers better.

### APPROACH

The SDR was a watershed in defence policy-making, establishing modern thinking and processes. Reflecting the emerging themes of the Modernising Government White Paper, the review was highly inclusive, with wide consultation throughout the MOD, the Services, other Government Departments, non-Government organisations, academia, industry and the wider public. It was driven by a clear vision, defined in the FCO/MOD foreign and security policy baseline, which described what the nation required of its defence.

MOD learned much from conducting SDR and is building its best features into its new policy, planning and performance management processes and, in particular, is developing a new strategic planning process linking vision, policy, resource allocation and delivery.

In policy terms, this has two components. The Future Strategic Context looks out as far as thirty years and assesses the implications for Defence of changes in the international strategic environment. The Defence Strategic Plan builds on this, defining the MOD's strategic vision, describing policy and establishing key planning parameters. This work was published early in 2001 in two reports, the 'Future Strategic Context for Defence' and 'Defence Policy 2001'. In addition, MOD has audited policy-making across its business. The project group set up to do this assessed a number of case studies using 'Professional Policy-Making in the 21st Century' as a framework.



The project found that MOD's policy-making has many strengths. MOD routine takes a long term, strategic and inclusive view. It makes extensive use of analysis and modelling. Working closely with other Departments and Allies is the norm in global security policy. The work also identified areas of relative weakness and in October 2000, the Department's management board endorsed proposals to address these. A small Policy Support Team was formed earlier this year.

The team is using a project management approach and its work is an integral part of the MOD's wider programme to modernise the management of Defence. It is piloting a model of policy-making in Defence and has recently published a 'Policy-Makers Resource Centre' on the MOD intranet. In the coming months, its priorities will be: the evidence underpinning key policies; training and development for policy-makers (and specialists wanting to move into policy-making); improving key policy processes; and providing policy-makers with better managed information. In all of this MOD will reflect the Government's renewed emphasis on project management and policy delivery.

### BENEFITS

Defence is a long term business that requires consistency of purpose in the development both of policy and military capability. Modernised policy-making has an important part to play in this. Publishing the outcome of its Strategic Planning Process gave MOD the opportunity to explain what it is doing and why.

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SCOTTISH EXECUTIVE

## SCOTTISH EXECUTIVE: SCOTTISH HOMES

### BACKGROUND

Scottish Homes is responsible for regulating and providing development funding for housing associations in Scotland. Changes in the social housing sector provided the opportunity to reconstruct the institutional arrangements for housing matters in Scotland. It was considered that Scottish Homes should be re-positioned to take on the role of regulating all social landlords including local authorities, and that it should also have a role in regulating new duties relating to the homeless. It would also take on the role of Scottish Ministers in supporting community regeneration. At the same time Scottish Homes' role in providing development funding to housing associations will in time pass to local authorities, which will have an enhanced strategic role for housing issues.

### APPROACH

The approach adopted by the Scottish Executive represents a complete break from the past. Scottish Homes is in the process of changing from a non-Departmental Public Body (NDPB), and becoming part of the civil service as an executive agency. In effect, this will democratise Scottish Homes by making it directly accountable to Scottish Ministers rather than a Board. The new Agency will operate as an arm of the Scottish Executive pursuing the policy agenda set for it by Scottish Ministers to whom it will have direct access and responsibility.

### BENEFITS

Although it is too early to assess the success of this, the Scottish Executive is confident that it will ensure a more coherent and integrated approach to the administration and execution of housing and regeneration policy

in Scotland in support of the Scottish Ministers' wider social justice agenda.



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Other examples of innovative approaches have also been engendered by new requirements on Departments from a range of organisations, including the European Union.

## Case study



### DTLR: PROJECT MANAGEMENT IN TRANSPOSING EU DIRECTIVES

#### BACKGROUND

The transposition of EU Directives into UK law is a frequent task in many Departments. It is particularly common in the fields of transport and environment policy. It imposes a legally determined timetable and exacting requirements with monitoring by the European Commission and legal challenge. Transposition requires co-operation across a variety of interests in the Department, often with public consultation.

#### APPROACH

The former DETR promoted project management as a tool that could have wide applications in the Department. It planned to pilot project management techniques in the area of transposition.

*'We are taking the concept of project management from the traditional fields of engineering, building, IT etc and applying them to policy advice and implementation.'*

Four pilot projects were identified: Conventional Rail Interoperability; The Railways Package; Strategic Environmental Assessment (SEA); and Deliberate Release of Genetically Modified Organisms (GMOs). The GMOs project is one of the dossiers that participated in the Pilot Quality Assurance Study run by the Regulatory Impact Unit during May-October 2001.

The project management pilot will continue in the Department of Transport, Local Government and the Regions. The transposition of the SEA and GMOs Directives are also expected to continue to be handled using project management techniques.

#### BENEFITS

Although it is too early to assess what impact this approach has had on transposition, the experience of project management techniques in other areas of the Department's work has been very positive. The expectation is that it will instil a greater sense of systematic planning and co-ordination with respect to transposition, including improved time management. This should lead to more time for Ministers and others to consider policy options at early stages.

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In DFES, the encouragement of new and innovative ideas has been assisted by the changing role that communications specialists play in the wider work of the Department.

## Case study



### DFES: BRINGING POLICY AND COMMUNICATIONS STAFF TOGETHER

#### BACKGROUND

There was little integration between policy-makers and communications staff within the Department. The former tended to involve communications staff at the end of a process, when considering presentational issues for a finished product, rather than considering from first principles what message needed to be conveyed to which specific audiences and the best routes for achieving that.

#### APPROACH

Strategy and Communications Directorate issued a vision statement, illustrating the full remit of their work:

*'Our first priority is to provide excellent services to the people we work for...but we aspire to more than that. We are agents for change, helping the whole Department to think automatically about the customer perspective, media and marketing issues.'*

This has required changes to the way of working within the Directorate (for example, a Press Office news desk dedicated to fielding phone calls and a press notice website for journalists to free up staff time for the more strategic role), and elsewhere in the Department where rules now require systematic consideration of communication issues and specialist staff involvement in all announcements.

#### BENEFITS

Difficulties have been encountered in getting some policy divisions to accept the new way of working, and progress across DFES has not been universal. However, where a closer relationship has been forged, the Directorate has supported considerably the work of policy divisions, and vice versa.



## LORD CHANCELLOR'S DEPARTMENT: HUMAN RIGHTS ACT

### BACKGROUND

The Human Rights Act (HRA) gave effect, from October 2000, to the European Convention on Human Rights. It enables people within the UK to have direct access to their Convention Rights in all the UK's courts and tribunals. Courts and tribunals, as public authorities, must themselves act compatibly with Convention Rights, as well as adjudicate on disputes involving potential breaches of human rights by all other public authorities. In the lead-up to October 2000, LCD decided to try out various scenarios in different parts of the justice system so that it could develop an idea of what to expect and how to prepare for implementation rather than merely waiting to see the impact of the HRA. It was particularly keen that all players in the justice system were able to anticipate the issues that would need to be tackled to give effect to the HRA such as training needs and the potential areas of difficulty in policy, procedure and practice.

### APPROACH

LCD therefore ran a programme of hypothetical case-studies ("walkthroughs") between September 1998 and June 2000. These were day-long events run on a workshop basis. Each case study was presented as if it were a court hearing with discussion of the issues as they arose. No one's life, livelihood or liberty was at stake so the walkthroughs provided a safe environment under Chatham House rules in which to grapple with the new arguments introduced by the HRA. The walkthroughs covered all levels of the court system ranging from the magistrates' courts to the Court of Appeal.

LCD was heavily indebted to lawyers experienced in the field of human rights who gave their time free of charge to write a series of case studies to bring out the key issues and/or then lead the discussion at

the walkthrough. As the case studies provided the framework for the day, it was important that they were constructed carefully and framed in a manner, which invited discussion of both foreseeable and unforeseeable human rights points as they arose.

Prior to the day of the walkthrough, the participants were deliberately asked merely to look at the case study and think quickly about it rather than to prepare thoroughly. This approach was necessitated by the concern of some participants that the walkthrough would resemble an oral examination. On the contrary, it was intended as a joint exploration of the need for further work. LCD aimed to reach a wide audience at a time when only a few people had any depth of HRA expertise. The joint exploration, with experts as guides, helped to engender a sense of excitement and involvement as well as a desire to become more expert in HRA issues.

One of the great strengths of the walkthroughs was the sheer diversity of the people who attended and whose experience as well as expertise could be tapped into. These included members of the judiciary at all levels, the magistracy, lawyers, academics and representatives of a wide range of non-governmental organisations as well as civil servants from other departments.

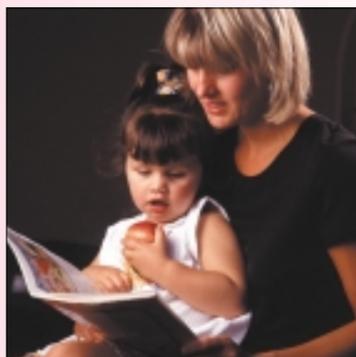
### BENEFITS

The approach brought many far-reaching benefits. It highlighted at an early stage to all the key players the main risks and issues that needed addressing. It also prompted better joined-up working relationships, a widespread sense of understanding and ownership of the legislative changes and a greater appreciation of the preparation needed before October 2000.

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Its understanding of the marketplace enables more interesting and imaginative communications routes to be explored, and consequently, for a particular policy initiative or strategy to have a greater impact than it might have had under more traditional approaches to dissemination or marketing. The campaign to encourage more parents to read with their children, for example, was supported by a multi-faceted communications strategy. This involved a hints and tips leaflet for parents that evaluation showed was still being used a year after being publicised, and a range of dissemination routes aimed at fathers, including big screens at football matches and using Post Office staff to hand materials out to men with children. The publicity strategy won a prestigious award from the IPA for advertising effectiveness.



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Innovative approaches to policy-making are also about making established ways of working more effective. The development of an e-mail policy group by FCO to link policy makers in London with colleagues overseas is one example of simple, innovative, and relatively cheap approaches having a positive impact. This example is examined in more detail in chapter 3.

The following example from Customs & Excise is one pioneering approach that is intended to improve the performance of staff by undertaking an appraisal of the skills required.

## CUSTOMS & EXCISE: LEARNING LAB USING EMOTIONAL INTELLIGENCE IN VAT ASSURANCE

### BACKGROUND

VAT assurance involves visiting selected businesses (generally where errors or avoidance are more likely to occur for an audit-type checking and necessary follow-up action). To fulfil this role, staff need to interact effectively with businesses. Improving people's ability to interact was seen as a way to improve performance. Personnel divisions were interested in research indicating that salespeople, through appropriate training, are able to improve their performance by 50%, and higher.

### APPROACH

Customs and Excise piloted training in emotional intelligence for officers carrying out these visits through a 'learning lab' experiment. This was an approach used widely in other organisations, particularly in USA. Customs and Excise piloted the approach, in partnership with external consultants, with an office being used as a learning lab.

### BENEFITS

It is too early to assess the success of the new experiment in terms of higher performance. However, the pilot has helped C&E to learn more about the skills needed to do the job, and to develop team working.

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## FORWARD AND OUTWARD-LOOKING APPROACHES TO POLICY- MAKING

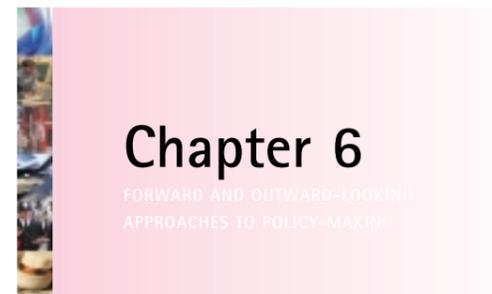
CMPS's survey suggests that policy-makers are becoming increasingly aware of the need to adopt a strategic approach to policy-making, and the growth of strategic units across Government, together with the networking between them, provides testimony to this. Less evidence exists to suggest that policy-makers have become more outward-looking. Each of these aspects of modern policy-making is considered separately below.

### A. FORWARD-LOOKING

A number of Departments have understood the need to take a forward-looking approach to policy-making. The creation of strategic units, and the introduction of long term strategic planning in specific policy areas are the two main ways that policy-makers are adopting forward-looking approaches.

### STRATEGIC UNITS

A number of Departments have created strategic units in response to the need to be more forward-looking in the development and implementation of policy. The following example from the Home Office saw the establishment of a strategy group in response to the new political agenda. This Group has a number of interesting features, including the involvement of external experts, non-hierarchical team working, and the application of project management techniques.



## Case study



### HOME OFFICE: DEVELOPMENT OF STRATEGIC CAPABILITIES

#### BACKGROUND

The arrival of the new Government in 1997 brought in a new policy agenda. The Home Office recognised that it needed to develop its capabilities to handle the sort of long term and cross-cutting thinking that was needed if it was to remain a preferred source of advice on strategic policy issues, and contribute to delivering the Government's reform programme.

#### APPROACH

A new unit has been set up in the Department to develop strategic and cross-cutting policy. It works on a project basis with a strong emphasis on involving the widest range of stakeholders inside and outside the Department. It is multi-disciplinary with a mix of internal and external recruits, the emphasis being on finding people with the most appropriate skills and experiences to undertake the particular project. This approach is characterised by flexibility and non-hierarchical team working. The unit reports directly to the Permanent Secretary.

The main problems that have been encountered by this particular approach relate mainly to recruitment and human resource management – 'personnel processes [are] not well adapted to recruiting a flexible team without predetermined grades or job restrictions'.

#### BENEFITS

It is too early to evaluate the impact of this new approach, but all the indications to date appear positive. Earlier this year the Home Secretary, together with the Lord Chancellor and the Attorney General published 'Criminal Justice: The Way Ahead, a forward-looking strategy for the criminal justice system. It received a very positive response from No10, and more widely.

It was important that the document reflected agreement between the stakeholders. The



process of identifying and agreeing a strategy for the future was evaluated by CMPS. The lessons learned from the process will be published by CMPS.

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## Case study



### DEFRA: DEVELOPMENT OF A POLICY AND CORPORATE STRATEGY UNIT

A similar approach has been adopted in the Department for Environment, Food and Rural Affairs (DEFRA). A Policy and Corporate Strategy Unit (PCSU) has been set up to help DEFRA become a centre of excellence for creativity, innovation and strategic thinking. This will include helping the Department develop a strategic and more joined-up approach to policy-making. Although it is too early to comment on its success, DEFRA is confident that it will facilitate the adoption of a new, professional and innovative approach to policy-making.

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CMPS has brought together key players from such units through the establishment of a network on excellence in policy-making. The main purpose of the network is to facilitate the exchange of practical information and good practice between members.

In addition, the Strategic Futures team in the Performance and Innovation Unit brings together these different units in a Strategic Futures Group to discuss forward thinking and outward looking aspects of policy-making. Themes discussed by the group include 'scenario planning in government' and 'future-proofing policy'. This work is discussed in more detail in chapter 2.

#### LONG TERM STRATEGIC PLANNING

Policy-makers in a number of specific areas have realised the benefits of adopting a long term view. The following examples highlight how in two key areas – health and transport – a strategic approach has been adopted to ensure that public services are transformed, and are more responsive to the requirements of the electorate.



### DEPARTMENT OF HEALTH: NATIONAL BEDS INQUIRY: LONG TERM PLANNING FOR HOSPITALS AND RELATED SERVICES

#### BACKGROUND

The number of acute hospital beds has been declining for over 30 years. The National Beds Inquiry was undertaken between 1998 and 2000 in response to growing political and media concern about the shortage of hospital beds to cope with winter crises.

#### APPROACH

The purpose of the Inquiry was to assess whether the crises were evidence that the long term downward trend had gone too far and to determine the requirements for hospital beds over the next ten to twenty years.

To assess future requirements a fourfold approach was adopted:

- historical analysis of the major drivers of demand for hospital beds
- research on expected future trends in those drivers, particularly technological change, medical advance, patient preferences and public expectations
- a study of current approaches and recent trends in other countries
- detailed analysis of inter-health authority variations within England.

The international analysis looked particularly at expected future trends in the USA, parts of which are ahead of the world in minimising the use of hospital beds, and at current policies in the Netherlands, to which a short visit took place. The analysis of local variations not only suggested there was considerable scope for improvements in the use of hospital beds but prompted such

interest for local planning purposes that the analysis is now updated annually.

The evidence collected from these four approaches was brought together into three twenty year scenarios of different possible patterns of services for older people, the major users of acute hospital beds. The three scenarios were chosen to span the most likely outcomes from the continuation of recent trends and to illustrate what might be achieved if different policy choices were made.

The Inquiry produced an analytical report that is both forward looking and outward looking, and with a strong evidence base. It was followed up by an inclusive consultation process.

#### BENEFITS

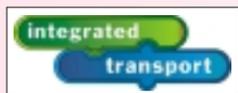
The main effect has been to produce a resourced commitment to a significant shift in patterns of health services, particularly for older people. The NHS Plan published in July 2000 announced an increase in acute hospital beds up to 2003/4 and a long term increase in intermediate care places to facilitate a shift towards "care closer to home". To assist local planning of these shifts a simulation model, "Modelshire", based on the findings of the Inquiry was issued to all health authorities. This is expected to challenge and improve the quality of local service planning. The benefits to patients should take the form of shorter waits for emergency and elective care, more rapid reablement and the provision of services in more appropriate settings.

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## Case study

The following example shows how one Department is taking a long term view based on statistical trends and informed forecasts. It has been successful in putting public and private investment in transport on a more secure footing.



## DTLR: TRANSPORT 2010: THE TEN YEAR TRANSPORT PLAN

### BACKGROUND

In December 1999 DTLR began work to prepare a 10 Year Plan for Transport. The result, Transport 2010, was published in July 2000. This is a long term investment plan to transform Britain's transport systems, and to tackle the associated problems of congestion and pollution. In the past, a strategic approach to transport has been hampered by 'stop-start' funding associated with traditional Public Expenditure rounds.

### APPROACH

DTLR took a long term look at the investment needs of the transport system, and linked it to the outcomes that the Government wished to achieve in policy terms. The Plan was drawn up as part of the Spending Review process (which looks at public spending over the coming three years) but looked further ahead over a 10 year period, and also took account of the potential contribution of the private sector given its importance in providing both infrastructure and services. A dedicated Task Force was set up to manage the process.

The Plan built on an earlier comprehensive statement of policy set out in the Integrated Transport White Paper. Economic models were used to link public and private investment and other transport policy measures to outcomes over a 10 year period. The result was a programme of investment linked to firm Public Service Agreement (PSA) targets.

The task of forecasting and predicting all the key relationships over a ten year period was a demanding task with uncertainty increasing towards the end of the period. The Plan had to make assumptions about the outputs that would flow from the proposed investment recognising that decisions would be taken by a number of different bodies following processes established by the White Paper to ensure an integrated approach. The Plan also looked at the impact of three illustrative scenarios for the costs of motoring over the 10



year period. Accompanying the publication of the Plan was The Background Analysis, a document setting out the assumptions and analysis underlying the Plan.

There is an on-going commitment to maintain, monitor and review the Plan, and to take forward work to improve key aspects. The Commission for Integrated Transport has been asked to provide advice as part of the review process. To inform the review the Department's main transport model is being revised and expanded into a fully multi-modal model. This draws on the advice of outside consultants and on discussions with a wide range of outside experts and stakeholders.

### BENEFITS

The Plan provides a firmer foundation for investment in transport, linked to outcomes in 2010, and was successful in securing £180 billion of private and public investment over the ten year period. It provides the basis for monitoring, reviewing and evaluating progress against DTLR's PSA targets.



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## CUSTOMS AND EXCISE: REFORM OF BETTING DUTY

### BACKGROUND

The increased volume of credit betting in recent years, the reduced cost of international calls, and technological developments such as the growth of the internet, have led to a rise in the number of bookmakers trading from outside the UK, diverting betting turnover away from their UK counterparts. Customs and Excise set out to introduce a robust tax regime able to deliver a fair basis for UK bookmakers to compete internationally; a fair opportunity for horseracing to secure financial support; and a fair contribution from the industry towards general tax revenues.

### APPROACH

The team was encouraged to be innovative and to create a long term solution to the impact of technological growth on revenue. Policy development was focused on long term outcomes, some 3-5 years and beyond:

*'Traditionally, policy-makers would have been encouraged to preserve the revenue, minimise the risk and provide a solution with demonstrable short term benefits (often at the expense of the bigger picture)'*

A range of evidence gathering tools was employed, including the commissioning of academic research; comparative studies to establish the international position; a consultation document; and frequent meetings with the bookmaking and racing industries. A particularly important component was developing a trust relationship with bookmakers that allowed access to commercially sensitive data from the industry. This information was fed into scenario planning and economic modelling, with Customs' internal work being cross checked with that of the independent academics, and similar work commissioned by the industry, to build the most rounded and reliable picture possible.

The development team was run on project management lines. This framework, together with senior management encouragement, created an environment where risk taking and innovative ideas were encouraged and developed. The team drew on internal expertise in policy, operations, anti-avoidance activity, economic analysis and the law, from across the organisation.

### BENEFITS

There were many benefits to this particular approach. Chief among them is that the approach taken to policy development including extensive consultation, modelling and piloting, has resulted in a policy that is likely to stand the test of time.

*'Studying the impacts of the wider technological, social, economic and political framework enabled the development of a far reaching future policy, rather than a short term "quick fix".'*

Under the revised structure, the Government has taken a risk by suffering a short term drop in revenue for an expected long term increase. Similarly, the industry has also been required to take a risk in expectation of a long term growth in profitability. However, evidence has been a key component of the approach, allowing risks to be identified and actively managed.

The approach has empowered staff, and created an environment that is capable of responding to change and innovation. The involvement of front-line staff ensures that the policy will be workable on implementation. A positive working relationship with the bookmaking and racing industries has been developed. In the words of the Chairman of Ladbrokes, one of the largest bookmakers in the UK, 'This tax reform will benefit everyone. It is a fantastic example of Government listening to business.'

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## B. OUTWARD LOOKING APPROACHES

CMPS's survey produced only a small number of responses to indicate ways in which policy-makers are adopting an outward-looking approach to policy-making. Where an outward-looking approach has been adopted, this generally involves considering the experience of other countries; making use of EU mechanisms; and adopting policies in recognition of the regional variation within England.

### LEARNING FROM OTHER COUNTRIES

The use of international comparisons is frequently considered as part of the wider evidence base. This is true, for example, of DTLR's work to reform the home-buying and selling process, and Inland Revenue's work on Working Families Tax Credit, and further information is provided on both examples in chapter 4.

Looking at the experience of other countries has a number of benefits. The examples that CMPS received from policy-makers would suggest that it is a useful technique in preparing for the implementation of new legislation.

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## Case study



### HOME OFFICE: FREEDOM OF INFORMATION ACT

#### BACKGROUND

The Freedom of Information Act 2000 provides clear statutory rights for those requesting information together with a strong enforcement regime. Under the terms of the Act, any member of the public will be able to apply for access to information held by bodies across the public sector. The Act must be brought fully into force by 30 November 2005 at the latest, and will require all public sector bodies to undergo a significant cultural change. The Home Office is responsible for preparing public authorities for this legislation.

#### APPROACH

A key part of the Home Office's preparations for this legislation was to look at the experience of other countries. Ireland, Sweden and France were visited to learn from their experience of implementing FOI laws. The Home Office also examined literature on the experience of Australia, New Zealand and Canada. Overseas participants, including delegations from Australia and Ireland, were also invited to address the UK Openness Working Group when they were in the country. This took place well in advance of implementation, one year before, and helped the Home Office to build up an early picture of what was needed to implement the Act successfully.

#### BENEFITS

This outward-looking approach has contributed to ensuring that public authorities are prepared for the implementation of the legislation.

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## MAKING USE OF EU MECHANISMS

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## Case study



### HOME OFFICE: HANDLING ASYLUM APPLICATIONS

#### BACKGROUND

The Home Office's Country Information and Policy Unit (CIPU) researches, monitors developments and promulgates information and advice to Immigration and Nationality Directorate caseworkers on political, security and humanitarian conditions in asylum seekers countries of origin. It is responsible for providing policy advice on specific countries of origin of asylum seekers to support decisions on asylum applications. This includes briefing to Ministers on the policy towards specific countries, and translating this into operational guidance for caseworkers responsible for dealing with applications on the ground.

#### APPROACH

The Home Office publishes its country assessments - which are fully sourced - on its internet site enabling free and full access to this information to all those involved in the asylum process - both governmental and non-governmental bodies. It has made increasing use of the EU Working Group CIREA (Centre for Information, Reflection and Exchange on Asylum) and the IGC (Intergovernmental Consultations) Country of Origin Information Working Group that are both designed to aid exchange of information on conditions in asylum seekers' countries of origin. The groups have not only facilitated an exchange of information on security, humanitarian and other conditions in particular countries, but have also enabled member states to learn from each other's experience and draw comparisons to inform the development of country specific policies.

#### BENEFITS

The publication of this country information has ensured greater transparency in the development and application of policies related to asylum. The approach has enabled changes in policy to be more consistent and easily understood by all stakeholders, including Ministers, operational staff and NGOs. Country specific policies are less

susceptible to challenge and more sustainable when individual cases go to appeal to Independent Appellate Authorities. It ensures that responses to operational needs are addressed tactically, consistently, and with improved timeliness.

#### FOR FURTHER INFORMATION, PLEASE CONTACT:

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# Case study



## DCMS: LOCAL AND REGIONAL STRATEGIES

### BACKGROUND

The Department for Culture, Media and Sport aims to improve the quality of life for all through cultural and sporting activities and through the strengthening of the creative industries. Until recently, there was no overall strategy or coherence in local government or the regions for the various provisions for culture in its widest sense, including cultural heritage, the arts, libraries, sport and recreation, media and tourism.



### APPROACH

DCMS has established a stronger local focus to its policies and programmes. It has published guidance to local authorities on preparing local cultural strategies that bring together all culturally related subjects, and expects them to publish the strategies by 2002. This will ensure that LAs express their own cultural visions and priorities in a holistic way linking directly with themes such as social inclusion, lifelong learning, health improvement and crime reduction.

DCMS is also seeking to secure a stronger regional focus for its policies and programmes through the development of Regional Cultural Consortiums outside London. The consortiums with members drawn from all relevant sectors are charged with drawing up a strategy that sets out the future of all culturally related subjects in their region, and encourages a joined-up approach to the delivery of regional cultural strategy, dovetailing with other strategies.

### BENEFITS

It is too early to assess the benefits of this approach. However it is already showing the valuable contributions which the various cultural sectors can make to each other, and to ostensibly non-cultural sectors.

### FOR FURTHER INFORMATION, PLEASE CONTACT:

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# Annexes

**Annex I**  
 Research Methods

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## RESEARCH METHODS

### APPROACH

This exercise has sought to map the considerable Departmental activity in developing new, innovative and professional approaches to policy-making. Our aim was to gather a comprehensive picture of the range of new ideas and approaches to policy-making by conducting a survey of the most senior civil servants in UK Departments.

There are over 3,000 senior civil servants working across Government. At the time of the survey there was no up-to-date, comprehensive database of all senior civil service posts or of those in the highest ranks. Recipients were therefore selected from a mailing list of 600 highest-ranking senior civil servants that had been collated within CMPS. A sift of the details held on the mailing list was conducted and contacts updated where possible. Over 460 recipients were selected, who worked in Ministerial departments or central government offices.

In November 2000 Professor Ron Amann, Director General of CMPS, wrote to recipients inviting them to complete a questionnaire on modernising policy development. The questionnaire allowed for a single person to respond or a number of people to provide examples. It was also available in electronic format on the CMPS web site at [www.cmeps.gov.uk](http://www.cmeps.gov.uk). A reminder was sent in early January 2001 to encourage responses.

In total, 27 departments and central government offices were contacted. These are listed below.

### RESPONSE

Overall, the survey received a good response representing a spread of Departments and policy-making activities. Responses were received from 19 Departments. Some of these were group responses co-ordinated by a number of the people originally approached and comprised a number of examples per response. In total, over 130 examples of modern approaches to policy-making were gathered in the exercise.

Responses represent a broad range of government activity including:

- initiatives in large and small departments
- regional, national, and international activities
- a variety of social, economic, scientific and foreign policy areas
- policies and initiatives at different stages of development
- government communication activities
- personnel policies
- perspectives from a range of grades of staff.

A list of Departments that responded is presented below.

### MAPPING AND SELECTION OF EXAMPLES

The mapping exercise involved analysis of the questionnaires and classifying them as illustrating specific features of modern policy making. These codes were based on answers given to open-ended questions and depended very much upon the detail of the information provided. The nine features of modern policy-making used in the exercise are listed in page 12.

Based on the overall mapping of exercise specific examples were chosen to include in the report. These were selected to represent the range of activity across Government from simple to complex approaches across a variety of policy areas.

The examples chosen to include in the report were circulated to the Departments concerned to check accuracy and detail.

### DEPARTMENTS AND OFFICES SURVEYED<sup>1</sup>:

- Cabinet Office
- Crown Prosecution Service
- Department for Education and Employment
- Department for International Development
- Department of Culture, Media and Sport
- Department of Health
- Department of Social Security
- Department of the Environment, Transport and the Regions
- Department of Trade and Industry
- Foreign and Commonwealth Office
- Government Communications HQ
- HM Customs and Excise
- HM Treasury
- Home Office
- Inland Revenue
- Lord Chancellor's Department
- Ministry of Agriculture, Fisheries and Food
- Ministry of Defence
- National Assembly for Wales
- Northern Ireland Office

<sup>1</sup> This list refers to Departments and Offices prior to the machinery of Government changes in June 2001.

## Annex I

- Offices for National Statistics
- Office of the Scottish Parliamentary Counsel
- Parliamentary Counsel
- Prime Minister's Office
- Scottish Executive
- Scotland Office
- Wales Office

## DEPARTMENT RESPONSES

A list of Departments that responded to the survey, is set out below:

Cabinet Office  
 Crown Prosecution Service  
 Department for Education and Employment  
 Department for International Development  
 Department of Culture, Media and Sport  
 Department of Health  
 Department of Social Security  
 Department of the Environment, Transport and the Regions  
 Department of Trade and Industry  
 Foreign and Commonwealth Office  
 HM Customs & Excise  
 Home Office  
 Inland Revenue  
 Lord Chancellor's Department  
 Ministry of Agriculture, Fisheries and Food  
 Ministry of Defence  
 Office for National Statistics  
 Scottish Executive  
 Wales Office

## FURTHER READING

Cabinet Office (1999) 'Professional Policy Making for the Twenty-First Century', (available in full on Cabinet Office's website, [www.cabinet-office.gov.uk/moderngov/1999/policy](http://www.cabinet-office.gov.uk/moderngov/1999/policy))

Cabinet Office (1999) 'Modernising Government White Paper', Cm 4310, The Stationery Office.

Davies, HTO, Nutley, S and Smith, P. (2000) 'What works? Evidence-based policy and practice in public services', Policy Press.

Hood, C. (1998) 'Art of the State: Culture, Rhetoric and public management', Clarendon Press.

Hogwood, B W and Gunn, L A, (1984) 'Policy Analysis for the Real World', Oxford University Press.

Page E. C. (2001) 'Governing by Numbers: delegated legislation and everyday policy-making', Hart Publishing.

Performance and Innovation Unit (2000) 'Adding It Up - Improving Analysis and Modelling in Central Government', Cabinet Office.

Performance and Innovation Unit (2000) 'Better Policy Delivery and Design: A Discussion Paper', Cabinet Office.

Performance and Innovation Unit (2000) 'Wiring It Up - Whitehall's Management of Cross-Cutting Policies and Services', Cabinet Office.



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