

House of Commons
Committee of Public Accounts

**ENSURING THAT
POLICIES DELIVER
VALUE FOR MONEY**

Forty-ninth Report of Session 2001–02

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*Report, together with
Proceedings of the Committee and
Minutes of Evidence*

Ordered by The House of Commons to be printed 3 July 2002

HC 541
Published on 31 July 2002 by authority of the House of Commons
London : The Stationery Office Limited
£10.00

Committee of Public Accounts

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Footnotes

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FORTY-NINTH REPORT

The Committee of Public Accounts has agreed to the following Report:

ENSURING THAT POLICIES DELIVER VALUE FOR MONEY

INTRODUCTION AND LIST OF CONCLUSIONS AND RECOMMENDATIONS

1. The objectives of government policy, on which Ministers are accountable to Parliament, are beyond the scope of this report. But the policy-making process, and especially the evidence and assumptions with which policies are framed, does much to determine the practical scope for achieving value for money. In recent years we have reported on a number of serious failings arising from poor design or implementation of government policies which have led to taxpayers' money being wasted and citizens failing to benefit from improvements in public services (Figure 1). Although the good practice we recommend in this report might seem obvious, and we are pleased that this report refers to policies which have been well managed, the examples of failings we have identified in the past demonstrate that good practice is regularly not followed.

2. If for example the information underlying the business case is unrealistic the policy may cost more than expected, as with the Millennium Dome where the assumptions about the number of likely visitors were ambitious and inherently risky and their subsequent underachievement resulted in significant financial difficulties.¹ If options are not tested to determine whether they will work in practice the programme may be difficult or impossible to implement. For example, insufficient time for specifying the requirement and piloting contributed to the delay and wasted money on the Benefits Payment Card Project.² Furthermore if a policy is not communicated to those who are intended to benefit they may remain unaware of its implications for them and fail to respond appropriately. For example, failure to publicise a change in the law about the State Earnings Related Pension Scheme gave misleading information to the public for more than a decade.³

Figure 1: Instances of failings observed by the Committee of Public Accounts

Failings	Example	PAC Report
If implementation is not tested a policy may be difficult or impossible to implement, may be delayed or may cost more than expected.	The timetable for the Benefits Payment Card project had been very over optimistic. When projects go wrong, management should face up to the prospect of failure and take prompt decisions to avoid abortive costs.	3 rd Report, 2001–02 (HC 358)
If a plan for implementation has not been drawn up to cover the resources required to implement a policy, the necessary resources will not be available when needed and service delivery may suffer.	The origin of the Passport Agency's inability to provide an adequate service during the summer of 1999 was the introduction in late 1998 of a new computerised system for processing passports. The Agency should have been more realistic about the time, resources and management effort needed to secure the successful introduction of information technology and the associated changes to operating procedures.	24 th Report, 1999–2000 (HC 208)
If risks with implementation of a policy are not assessed, policies may not deliver what is intended.	The Contributions Agency contract let to Andersen Consulting to develop by February 1997 a replacement National Insurance Recording System (NIRS2) was critical to providing support for new pensions provisions coming into effect in April 1997. At the end of December 1998 the	46 th Report, 1997–98 (HC 472)

¹ 14th Report from the Committee of Public Accounts, *The Millennium Dome* (HC 516, Session 2001–02)

² 3rd Report from the Committee of Public Accounts, *The Cancellation of the Benefits Payment Card Project* (HC 358, Session 2001–02)

³ 34th Report from the Committee of Public Accounts, *State Earnings-Related Pension Scheme: The Failure to Inform the Public About Reduced Pension Rights for Widows and Widowers* (HC 401, Session 1999–2000)

	system was still not fully operational, meaning that thousands of benefits were being paid on an interim or emergency basis and there were delays in payments to pension holders.	
If changes to an existing policy are not publicised widely those intended to benefit or be influenced by a policy may not understand it or may be confused.	For nearly ten years from 1986, the Department of Social Security did not publicise adequately a very significant change to the arrangements for the inheritance of the State Earnings-Related Pension, introduced in 1986 but not due to come into force until April 2000. As a result, many thousands of people are likely to have made decisions about their future pension provision based on an incorrect understanding about the pension that would be inherited by their spouse after their own death.	34 th Report, 1999-2000 (HC 401)
If service delivery is not maintained in the event of something going wrong, citizens may fail to receive the service expected.	Continuing backlogs of applications for citizenship, asylum or extension of stay in the United Kingdom caused enormous personal distress to hundreds of thousand of applicants and their families. The Home Office's contingency planning when things started to go wrong was inadequate.	7 th Report, 1999-2000 (HC 130)
If results from review and monitoring are not acted on, existing policies may not be implemented and the quality of public services does not improve or is put at risk.	The number of broken rails on the rail network had increased since privatisation in 1996. Since 1998 the Office of the Rail Regulator had put pressure on Railtrack to improve track quality and to reduce the number of broken rails.	35 th Report, 1999-2000 (HC 536)

3. The Cabinet Office has issued guidance to departments on the principles of good policy-making.⁴ On the basis of a Report⁵ by the Comptroller and Auditor General we examined the progress made in encouraging departments to improve their policy-making so that risks to value for money are better managed. We took evidence from the Department of Health on its Meningitis C vaccination policy, the Department for Education and Skills on its National Literacy Strategy as well as the Cabinet Office on its policy to support women's entrepreneurship. We underline five main points:

- Central to understanding the nature of a problem or issue requiring a policy response is sound analysis of the circumstances and economic and social factors that have led to the problem, as failing to have a realistic information base underlying policies may lead to policies costing more than expected and failing to deliver intended benefits. For example, we have expressed concern in previous reports that without robust, up to date, data it is difficult to see how the Department of Health, the NHS Executive, health authorities and NHS Trusts can target activity and resources to best effect (such as tackling hospital acquired infection, inpatient admissions, bed management and patient discharge; and hip replacements).⁶ In designing policies departments should ensure that they draw on sufficient and reliable information, from external as well as internal sources, and involve staff with appropriate research and analytical skills.

⁴ Cabinet Office, *Professional Policy-Making for the Twenty-first Century*, September 1999

⁵ C&AG's Report, *Modern Policy-Making: Ensuring Policies Deliver Value for Money* (HC 289, Session 2001-02)

⁶ 42nd Report from the Committee of Public Accounts, *The Management and Control of Hospital Acquired Infection in Acute NHS Trusts in England* (HC 306, Session 1999-2000)

- Departments should ensure that they test how policies are likely to work in practice by consulting customers to identify barriers which may not have been considered in designing the policy but which need to be addressed otherwise policies may not be effective and there is a risk that sections of society are excluded. They should ensure, in particular, that those who may be less effective at expressing their views are not overlooked. For example, our reports on competition in the telecommunications and gas industries identified the lack of clear information on pricing structures as a barrier to delivering choice which prevented some customers benefiting from competition as much as they could.^{7 8}
- Policies developed by one department can often have an indirect impact on other policies, such as care for the elderly which usually relies on a range of health, social support, housing and transport services. Departments should identify and consider connections between policies developed in one part of a department which may have an impact on policies developed in the same department or in other departments and agencies. If they do not, policies may be developed in isolation from other priorities with direct consequences for service delivery, resources being misdirected and lessons not learned. The Committee has, for example, been concerned at bed blocking in the NHS where people remain in hospital who do not need to do so because of inadequate arrangements for their care outside hospital, preventing the use of NHS beds for people needing to be in hospital.⁹
- Departments also need to ensure that those who will have to implement a policy are consulted early enough. This is particularly important where responsibility for policy design and implementation is split between a department and an executive agency or where responsibility is shared by a number of departments. Failure to involve those responsible for implementation increases the risk of a policy not being workable, practical options being missed or of the policy not being cost-effective. For example, our recent report on the implementation of the National Probation Service Information Systems Strategy (NPSISS)¹⁰ concluded that the Home Office lacked a strategy for communicating with locally managed probation services, and failed to enlist the support of users in those bodies. In turn, NPSISS has delivered some but not all expected benefits to local probation services.
- The Cabinet Office has a role to promote improvements in policy-making but depends on departments to implement the good practice and advice which it recommends. The Cabinet Office sought to answer our questions as fully as possible but, as we said in our previous report on joint working,¹¹ lacked first hand information on the extent to which policy-making is improving in practice and delivering better public services. The Department of Health and the Department for Education and Skills were better able to answer our specific questions. In examining the impact of centrally led initiatives to improve value for money and public services the Committee will, as on this occasion, in future also seek evidence from Accounting Officers directly responsible for implementing these initiatives.

⁷ 8th Report from the Committee of Public Accounts, *Office of Gas and Electricity Markets: Giving Customers a Choice – The Introduction of Competition into the Domestic Gas Market* (HC 171, Session 1999–2000)

⁸ 64th Report from the Committee of Public Accounts, *Countering Anti-competitive Behaviour in the Telecommunications Industry* (HC 842, Session 1997–98)

⁹ 1st Report from the Committee of Public Accounts, *Inpatient admission, bed management and patient discharge in NHS acute hospitals* (HC 135, Session 2000–01)

¹⁰ 32nd Report from the Committee of Public Accounts, *The Implementation of the National Probation Service Information Systems Strategy* (HC 357, Session 2001–02)

¹¹ 28th Report from the Committee of Public Accounts, *Better Public Services through Joint Working* (HC 471, Session 2001–02)

4. Our more specific conclusions and recommendations are as follows:

On initiatives to improve policy-making

- (i) The Cabinet Office is promoting better policy-making through training and the promulgation of good practice as an important means of delivering better public services. Departments too should publicise in their annual reports and elsewhere what they are doing to improve policy-making and what this has achieved in terms of tangible improvements in public services.
- (ii) Departments have found existing guidance on policy-making inaccessible and not easy to use. The Cabinet Office is seeking to remedy this through the development of a good practice website. In doing so it should ensure that the guidance is practical and reflects the range of different circumstances which policies most frequently have to address.
- (iii) Some £400 million is spent annually on policy related research, but the distribution of specialist advisers across departments is uneven, with relatively small numbers of economists and other experts devoted to some high expenditure areas. Departments should assess carefully their need for specialist advice and determine whether this is best provided by in-house staff or purchased externally.

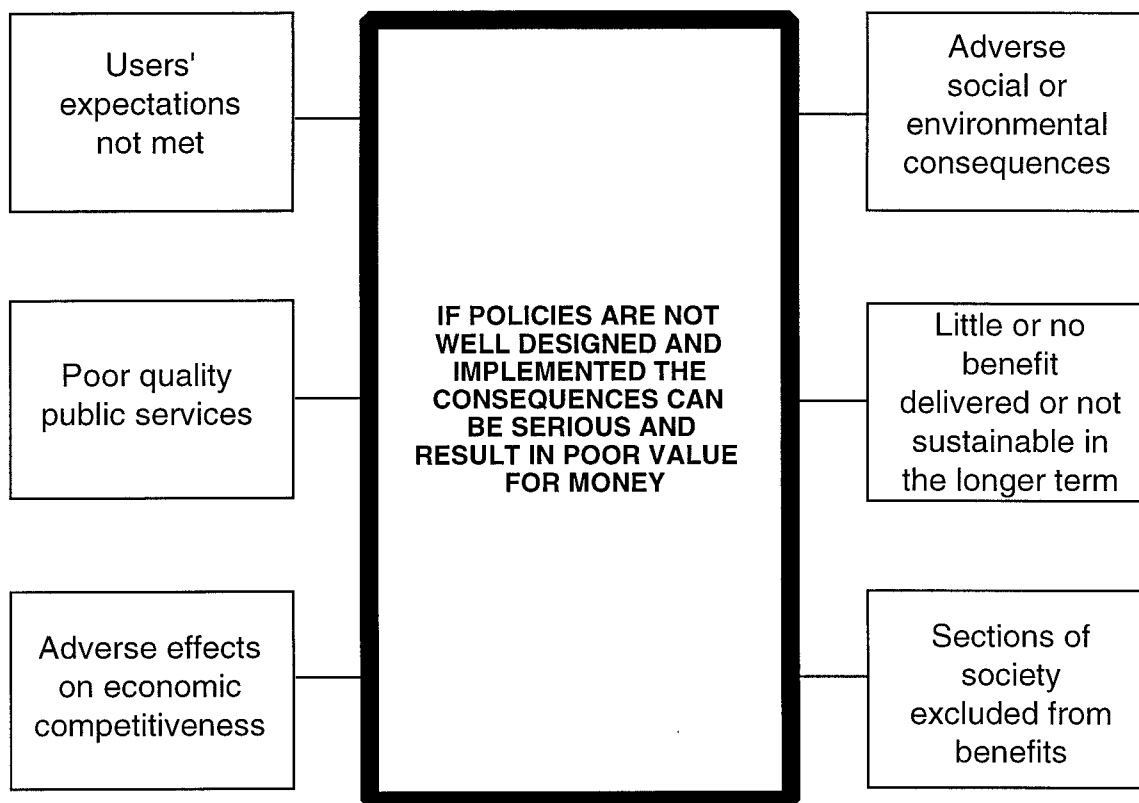
On implementing policies

- (iv) The risks faced by any policy should be identified and assessed during its design and should be followed through to policy implementation when risk monitoring and management are essential.
- (v) If a policy is not sufficiently well explained to the public, particularly where it is likely to affect them directly, uncertainty and mistrust may develop to the extent that success is put at risk. Departments should have clear communication strategies to explain to the public what a policy is about and what they can reasonably expect from it.
- (vi) Policies need to be implemented with sufficient flexibility to take advantage of opportunities to adopt new methods of delivery which meet client groups' needs more effectively. To do so departments should regularly consult frontline staff directly involved in delivering public services to determine if policies are operating as intended and how they might be improved.
- (vii) Departments should have the confidence to terminate policies rather than modify or refine them if the results of evaluations and other reviews suggest that a policy is no longer cost-effective or is not delivering its intended benefits.
- (viii) Decisions about whether policies need to be modified or terminated can only be made if departments have reliable and regular data on current performance particularly where policies have a direct impact on public services. Departments need to be sure that they have reliable monitoring information to assess progress and indicators to alert them to under-performance early enough to take remedial action.
- (ix) More evaluations of policies are needed so that departments can determine what works well in improving public services and what further practical steps are necessary to enhance service delivery and improve its effectiveness.

INITIATIVES TO IMPROVE POLICY-MAKING

5. Government departments and their agencies spend some £350 billion each year on a range of services and activities intended to benefit the public. If policies are not well designed and implemented public services may be of poor quality, those intended to benefit may not do so or a significant section of society may be excluded from the benefits, or a policy may be successful in achieving its objectives but the cost of doing so may not represent value for money¹² (Figure 2).

Figure 2: The quality of policy making impacts on the quality of public services



6. The Centre for Management and Policy Studies was formed as part of the Cabinet Office in June 1999 to promote improvements in policy formulation, for example by making it more evidence-based, giving greater emphasis to achieving tangible outputs, and learning lessons through systematic evaluations. In September 1999 the Cabinet office published *Professional Policy-Making for the Twenty-first Century*¹³ setting out nine key characteristics to which policy-making should aspire. This was followed in November 2001 by the report *Better Policy-Making*¹⁴ which included 40 case examples of good practice in policy-making.¹⁵

Adopting good practice

7. Asked how it could be sure that the good practice which it was advocating was being translated into action by departments, the Cabinet Office told us that there was some evidence of good progress but also a recognition that more needed to be done. Departments were getting better at consulting and informing stakeholders who had an interest in a

¹² C&AG's Report, para 1.5

¹³ Cabinet Office, *Professional Policy-Making for the Twenty-first Century*, September 1999

¹⁴ Cabinet Office Centre for Management and Policy Studies, *Better Policy-Making*, November 2001

¹⁵ *ibid*, para 4; Qs 2, 39

policy, but were less good at forward thinking and using international evidence to learn from other countries. Better information on the impact of policy-making in delivering tangible outputs and improvements in public services was becoming available through reporting progress against achievement of Public Service Agreement targets.¹⁶ The Cabinet Office also told us that they followed up some specific initiatives, for example they had asked departments to report on their compliance with guidance on the need to consult more widely in developing policies.¹⁷

8. The Cabinet Office and the Treasury have produced a substantial amount of guidance on policy-making. The Comptroller and Auditor General found, however, that it was not widely used by departments because it tended to be inaccessible and did not fit together well, and often reduced policy-making to a structured logical process which did not reflect reality. The Cabinet Office accepted that guidance tended not to be user friendly, but said that it was making it more accessible by establishing a website which would include practical examples of best practice in policy-making. It intended to monitor the number of departments accessing the website as well as the use made of the good practice. Websites were not enough on their own as they were only a source of information, so in addition the Cabinet Office was establishing networks of policy makers to make it easier for them to consult one another and share good practice.¹⁸

The role of the new central units

9. In addition to the Policy Unit and the Performance Innovation Unit, three new units – the Forward Strategy Unit, the Delivery Unit and the Office of Public Services Reform were established as part of the Cabinet Office in June 2001. The Cabinet Office accepted that there was some scope for confusion, but emphasised that while the units were doing complementary work they had different responsibilities. The Delivery Unit was working with departments on achieving the targets in their Public Service Agreements. The Office of Public Services Reform was developing a departmental change programme to improve civil servants' programme delivery and project management skills. The Forward Strategy Unit took a longer term perspective considering issues to which government might need to respond in ten to fifteen years.¹⁹

The use of experts in policy-making

10. Rigorous data and analyses are needed to inform the government's decision-making on policies and assess the outcomes policies are delivering. Without soundly based analysis, research and modelling those involved in policy development and delivery of services will be working in the dark and unaware of the impact policies are having. Some £400 million is spent on policy related research by departments each year. A report²⁰ by the Cabinet Office's Performance and Innovation Unit in January 2000 identified a need for policy makers to make better use of the 1,800 specialists (economists, statisticians, actuaries, social researchers and operational researchers) employed by departments. The report was also concerned at the distribution of specialists across departments and drew attention to the relatively small numbers of economists and statistical experts devoted to some high expenditure areas. The Comptroller and Auditor General found at the time of his examination in 2001 that the situation remained unchanged. The Cabinet Office considered that departments were now more successful in recruiting economists and statisticians and did also buy in extra advice for a particular purpose if in-house skills were

¹⁶ Public Service Agreements were first introduced in 1998 setting out each department's objectives for the public services which they are responsible for together with measurable targets to monitor the delivery of the objectives.

¹⁷ Qs 2, 8, 117, 127

¹⁸ C&AG's Report, para 2.21; Qs 45–50, 57–59

¹⁹ C&AG's Report, para 1.13; Qs 17–26

²⁰ Performance and Innovation Unit, *Adding it Up – Improving Analysis and Modelling in Central Government*, January 2000.

not available. But for IT project management skills for example, departments were often competing in an expensive market. The Cabinet Office also said that a better system for managing knowledge was needed so that policy makers could more easily access the wider range of information and research that was now available to make policy-making more evidence based.²¹

Interconnections between policies

11. Some departments such as the Department of Health and the Department for Transport, Local Government and the Regions have a broad range of policy responsibilities whose activities impact on different groups in society. Policy developed in one part of such a department may have an indirect impact on other policies either in the same department or other related departments and agencies. The consequence of not identifying and considering these connections is that policies may be developed in isolation from other priorities. Resources may be misdirected and lessons not learned which might have wider application within departments or to related policy areas in other government organisations. The Committee has for example, been concerned at bed blocking in the NHS where people remain in hospital who do not need to do so because of inadequate arrangements for their care outside hospital, which prevents the use of NHS beds for people who need to be in hospital. The Comptroller and Auditor General nevertheless found no examples of the interconnection between policies being regularly reviewed. The Cabinet Office said that the need to consider carefully the interconnection between policies was now widely accepted by departments. The last spending review had included a number of cross-cutting reviews. Moreover when policies were considered by Cabinet Committees their interconnectivity was also reviewed.²²

Peer review

12. The Cabinet Office has recommended that departments subject themselves to peer review as one means of improving policy-making. These are intended to be constructively critical reviews of departments' key activities carried out by an independent team with hands on experience of the area under review to identify practical ways to improve. The Cabinet Office told us that it had been subject to a peer review in the summer of 2000, which had led it to consider how it worked across all its responsibilities to achieve greater coherence and avoid duplication, and how it could become more engaged with departments to strengthen policy-making.²³

IMPLEMENTING POLICIES

13. Poor value for money and under-performance are likely to mean that the implementation of policies has not been thought through and planned. For example, when the Child Support Agency was established in April 1993 to implement a major new social policy and to operate a new system of child maintenance, a very high risk strategy was adopted by bringing in a totally new policy, with new staff and a new computer system, all at the same time. Staff numbers had to be increased because the time required to carry out maintenance assessments had been underestimated and was twice as long as expected.²⁴

14. Typical problems encountered during implementation include: over-ambitious timescales or resources not being available when required; those implementing policies not having the appropriate skills or training; poor project management resulting in significant and uncoordinated policy or design changes contributing to cost increases and time delays; and roles and responsibilities not being clearly defined resulting in confusion and under-

²¹ C&AG's Report, para 2.8; Qs 4-5, 126

²² C&AG's Report, paras 10, 2.6; Qs 5, 7

²³ *ibid*, para 1.10 (Figure 12); Q13

²⁴ C&AG's Report, para 2.17

performance. Cost-effective implementation also requires departments to remain alert to new opportunities, such as developments in information technology, which might improve service delivery.²⁵

Risk management

15. The Committee has in a previous Report²⁶ emphasised the importance of departments improving the way in which they manage risk and we asked whether sufficient attention was now being given to risk management. The Cabinet Office said that it was working closely with the Treasury and the Interdepartmental Liaison Group on Risk Assessment (ILGRA) to develop a statement on the approach to risk management to be adopted across government. The Performance and Innovation Unit was carrying out a study on how best to promote improvements in departments' risk management. All Permanent Secretaries were now required to sign annual statements of internal control which were intended to provide assurance that reliable risk management is in place.²⁷

16. The Comptroller and Auditor General found that departments were spending more time on risk identification and analysis in developing policies, but risk assessment and management still tended to be ad hoc and not done in a systematic way. The Cabinet Office considered that while the importance of risk management was now more widely accepted by departments more needed to be done so that staff better understood how to manage risk. This was something which the Cabinet Office's Delivery Unit and Office of Public Services Reform would be addressing by drawing departments' attention to examples of where risk had been effectively managed in rolling out projects and programmes.²⁸

17. There have been a number of instances when departments have not kept the public sufficiently informed about the degree of risk involved with some programmes or policies. For example, the public had for some time had increasing concerns over the health risks associated with BSE (Bovine Spongiform Encephalopathy) before these were fully explained. We asked what departments would normally do to explain likely risks to the public arising from complicated scientific issues which might affect their health. The Cabinet Office said that the Performance and Innovation Unit study currently under way was considering how to communicate risk better to the public. The government's Chief Scientist was also reviewing how to handle scientific risk and, in particular, how to improve departments' capacity and skills to form better assessments of scientific risk.²⁹

18. The Department of Health said that for nearly a decade it had twice a year surveyed mothers of young children to ascertain their understanding of the risk of disease and their concerns about, for example, vaccines. It used this knowledge in deciding how to communicate health policies to the public. In terms of the likelihood of risks becoming a reality, the Department told us that it worked very closely with the scientific community to ensure that it had a good understanding of scientific risks. We asked whether there was a danger that departments could be too reliant on scientific evidence. For example, the scientific advice for many years was that there was no risk to human health from BSE and then the scientific advice suddenly changed. The Cabinet Office considered that however good the risk analysis some judgement was ultimately required. It was important with all advice to the public that risks were clearly set out and explained so that people could make an informed choice based on the known evidence.³⁰

²⁵ C&AG's Report, para 3.6

²⁶ 1st Report from the Committee of Public Accounts, *Managing Risk in Government Departments* (HC 336, Session 2001–02)

²⁷ Qs 16, 63–69

²⁸ C&AG's Report, para 2.17; Qs 60–61

²⁹ Qs 35–36

³⁰ Qs 36–37

Consulting those who have to implement policies

19. Assessing how a policy is likely to work in practice is a crucial stage in policy design, because it should identify practical constraints which need to be overcome if the policy is to be successful and can help develop more accurate estimates of the likely cost and impacts of the policy. The Comptroller and Auditor General found, however, that those required to implement policies were consulted fairly late in the design process. We asked to what extent Executive Agencies that often had to implement policies were sufficiently involved in their design. The Cabinet Office told us that agency involvement in policy design varied considerably depending on their roles and responsibilities. A review of agencies which reported to Ministers in March 2002 considered the range and scale of their activities including the extent to which they were sufficiently engaged in policy development.³¹

20. We asked to what extent frontline staff, and in particular general practitioners, had been consulted in developing the Meningitis C vaccination policy. The Department of Health said that it had worked closely with the British Medical Association and the Joint Committee on Vaccination and Immunisation, which included representatives from the Royal College of General Practitioners. The Department told us that with any new health programme it would discuss how it should be implemented with general practitioners and other frontline staff such as those working in community child health in respect of school health services.³²

21. Asked whether sufficient warning was given to general practitioners about changes in policy, the Department of Health said that in some cases the profession would be alerted three to six months in advance, but sometimes the interval might be fairly short, such as in the winter when the incidence of Meningitis C increased and there was a need to immunise quickly. The Department said that there were immunisation co-ordinators in every health district and it sought to make sure that they were consulted and had all the necessary materials required to train those involved in implementing a new programme sufficiently early.³³

Terminating policies that are not cost-effective

22. There may come a time when a policy has achieved its intended outcome, remedied the social or economic issue it was designed to tackle, or the policy may have become obsolete or ineffective. It may then be necessary to replace it with a new one to reflect different circumstances, or more cost-effective to terminate the policy altogether. The Comptroller and Auditor General found that policy reviews and formal evaluations rarely resulted in a decision to terminate policies that were no longer effective. The tendency was for policies to be developed into new forms rather than to be terminated completely. Asked why this was so the Cabinet Office said that the issues to which policies had to respond did not necessarily change so the need for a policy often continued. Policies were, however, reviewed and adapted to reflect different circumstances and to improve their effectiveness, as in the case of the single regeneration project intended to help deprived areas. This policy had had some beneficial impacts but a full evaluation recommended that local people should be consulted so that the policy better reflected their needs. As a result the policy was refocused by the Neighbourhood Renewal Unit rather than terminated.³⁴

23. The Cabinet Office's Women and Equality Unit has a policy to promote women's entrepreneurship by working with the Small Business Service, the Department of Trade and Industry and the Treasury. The outputs were a benchmarking report comparing the

³¹ C&AG's Report, paras 14, 2.12; Q15

³² Qs 98–100

³³ Qs 109–110

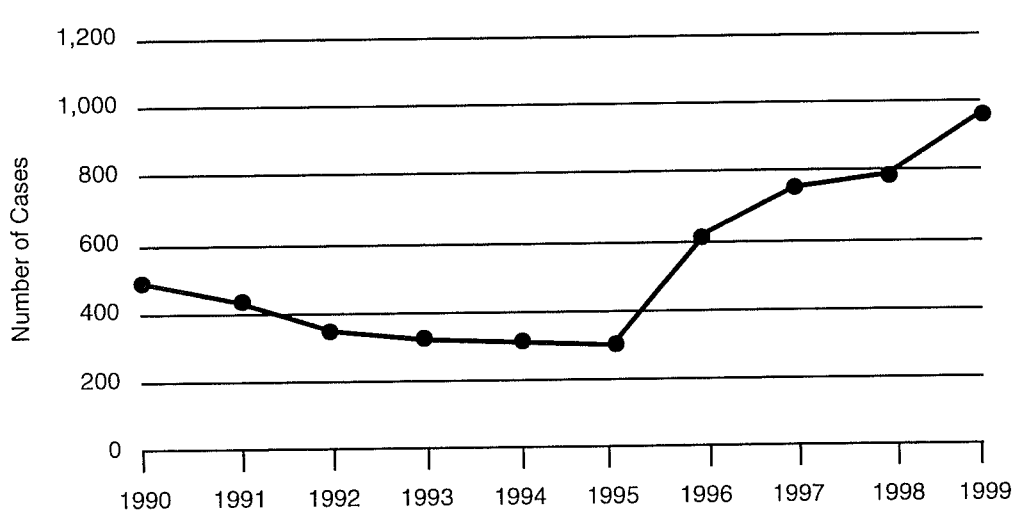
³⁴ C&AG's Report, para 3.23; Qs 83–89, 92–96

state of knowledge about women's entrepreneurship and self-employment in the UK and Sweden and a new website providing advice specifically for women. Asked how the policy could be considered effective, and whether it should have been terminated, the Cabinet Office said that the role of the Women and Equality Unit was to generate ideas which it would not necessarily implement itself. Its work to promote women entrepreneurs was now being taken forward by the Small Business Service. It was too soon to evaluate the success of the policy in helping women to set up businesses.³⁵ Asked how many policies had been terminated over the last two to three years because they did not provide value for money, the Cabinet Office said that it did not routinely collect such information.³⁶

Need for early warning indicators

24. Early warning indicators ranging from increases in letters from the public and lobbying by interest groups, to detailed analyses of trends in the incidence of disease (such as had informed the introduction of the Meningitis C vaccination programme in 1999, Figure 3), falling examination pass rates or increases in the demand for social support, may suggest a need to examine the effectiveness or appropriateness of a policy.

Figure 3: Cases of Meningitis C, 1990-1999 (laboratory confirmed)



Source: C&AG's Report, *Modern-Policy Making: Ensuring Policies Deliver Value for Money*, page 71.

Asked how departments ensured such indicators were in place to monitor if a policy was working, the Cabinet Office accepted that there was a need to have better performance indicators to determine what policies were achieving. The Department of Health said that it received weekly feedback from all those involved in implementing the Meningitis C vaccination programme and daily reports from the suppliers of the vaccine. The Department for Education and Skills told us that the National Literacy Strategy had mechanisms in place to provide quick feedback both from local authorities and schools on all aspects of the strategy as it was rolled out. Asked whether the results of the Key Stage 2 examinations³⁷ (Figure 4) were a reliable indicator of the strategy's impact in improving literacy the Department said that other indicators were also important such as Ofsted's reviews of the quality of teaching and learning in the classroom.³⁸

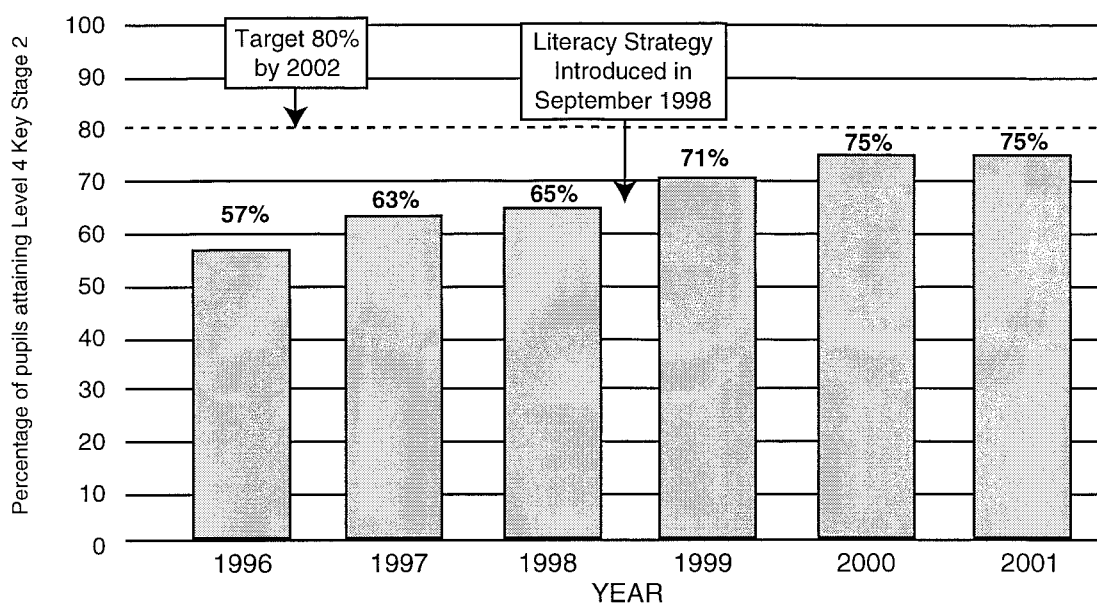
³⁵ C&AG's Report, Appendix 5, para 7; Qs 30-34

³⁶ Qs 41-42

³⁷ Key Stage 2 National Curriculum tests in English are taken by children at age 11. Level 4 is the standard expected for 11 year-olds. In 2001, 75 per cent of 11 year-olds reached this standard.

³⁸ C&AG's Report, para 2.6; Qs 71-76, 79

Figure 4: National Curriculum English test results at age 11 in primary schools



Level 4 in the Key Stage 2 National curriculum tests for English is the standard expected for 11 year olds.

Source: C&AG's Report, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, page 78.

Evaluating the impact of policies

25. Evaluating the impact of policies is important for determining the extent to which they have met or are meeting their objectives and that those intended to benefit have done so. Evaluation can also help departments share good practice and learn lessons. The Comptroller and Auditor General found, however, that while departments were commissioning more evaluations they needed to be more practical. The extent to which lessons were learned was also variable. The Cabinet Office said that major evaluations were taking place of programmes such as New Deal for Communities and Sure Start, but it accepted that more needed to be done. The Centre for Management and Policy Studies had set up a new training programme in policy evaluation bringing policy makers and analytical staff together as well as encouraging civil servants to share examples of good practice.

MINUTES OF PROCEEDINGS OF
THE COMMITTEE OF PUBLIC ACCOUNTS

SESSION 2001–02

MONDAY 21 JANUARY 2002

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon	Mr David Rendel
Mr Brian Jenkins	Mr Gerry Steinberg
Mr George Osborne	Mr Alan Williams

Sir John Bourn KCB, Comptroller and Auditor General, was further examined.

The Committee deliberated.

Mr Brian Glicksman, Treasury Officer of Accounts, was further examined.

The Comptroller and Auditor General's Report on Modern Policy-Making: Ensuring Policies Deliver Value for Money (HC 289) was considered.

Mavis McDonald CB, Permanent Secretary, Office of the Deputy Prime Minister and Cabinet Office, was further examined; Professor Ron Amann, Director General, Centre for Management and Policy Studies; Dr David Salisbury CB, Principal Medical Officer, Communicable Disease Branch, Department of Health; and Mr Stephen Crowne, Acting Director, Standards and Effectiveness Unit, Department for Education and Skills, were examined; and Mr Tim Burr, Deputy Comptroller and Auditor General, was further examined (HC 541-i).

Mr George Osborne declared a non-pecuniary interest in having been a Special Adviser at the Ministry of Agriculture, Fisheries and Food at the time of bovine spongiform encephalopathy (BSE).

Mr David Rendel declared a non-pecuniary interest in that his wife is a General Practitioner.

The witnesses withdrew.

The Committee further deliberated.

Resolved, That the provisions of paragraph 1(a) of Standing Order No. 137A (Select Committees: power to work with other committees) be applied to the transcript of evidence taken before the Committee this day, in respect of the Education and Skills Committee.—(The Chairman).

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[Adjourned until Wednesday 23 January at Four o'clock.

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WEDNESDAY 3 JULY 2002

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Mr Ian Davidson
Geraint Davies
Mr George Howarth
Mr Brian Jenkins

Mr Nigel Jones
Mr George Osborne
Mr David Rendel
Mr Gerry Steinberg
Mr Alan Williams

Mr Tim Burr, Deputy Comptroller and Auditor General, was further examined.

The Committee deliberated.

Mr Rob Molan, Second Treasury Officer of Accounts, was further examined.

* * * * *

Draft Report (Ensuring that Policies Deliver Value for Money), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 3 read and agreed to.

Paragraph 4 postponed.

Paragraphs 5 to 25 read and agreed to.

Postponed paragraph 4 read and agreed to.

Resolved, That the Report be the Forty-ninth Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the provisions of Standing Order No. 134 (Select Committees (Reports)) be applied to the Report.

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[Adjourned until Wednesday 17 July at Four o'clock.

REPORTS BY THE COMMITTEE OF PUBLIC ACCOUNTS
SESSION 2001–02

		<i>Publication Date</i>
1	Managing Risk in Government Departments (HC 336)	23/11/01
	Government Reply (Cm 5393)	14/02/02
2	Improving Construction Performance (HC 337)	05/12/01
	Government Reply (Cm 5393)	14/02/02
3	The Cancellation of the Benefits Payment Card Project (HC 358)	06/12/01
	Government Reply (Cm 5393)	14/02/02
4	The Renegotiation of the PFI-type Deal for the Royal Armouries Museum in Leeds (HC 359)	12/12/01
	Government Reply (Cm 5450)	28/02/02
5	Ministry of Defence: Major Projects Report 2000 (HC 368)	28/11/01
	Government Reply (Cm 5450)	28/02/02
6	Ministry of Defence: Major Projects Report 2000—The Role of the Equipment Capability Customer (HC 369)	28/11/01
	Government Reply (Cm 5450)	28/02/02
7	Sale of Part of the UK Gold Reserves (HC 396)	19/12/01
	Government Reply (Cm 5470)	14/03/02
8	Office of Water Services (OFWAT): Leakage and Water Efficiency (HC 397)	04/01/02
	Government Reply (Cm 5470)	14/03/02
9	Tackling Obesity in England (HC 421)	16/01/02
	Government Reply (Cm 5477)	20/03/02
10	The Acquisition of German Parcel (HC 422)	11/01/02
	Government Reply (Cm 5477)	20/03/02
11	Office of Gas and Electricity Markets: Giving Domestic Customers a Choice of Electricity Supplier (HC 446)	17/01/02
	Government Reply (Cm 5481)	09/05/02
12	The Radiocommunications Agency's Joint Venture with CMG (HC 447)	23/01/02
	Government Reply (Cm 5470)	14/03/02
13	Regulating Housing Associations' Management of Financial Risk (HC 470) . .	09/01/02
	Government Reply (Cm 5470)	14/03/02
14	The Millennium Dome (HC 516)	01/02/02
	Government Reply (Cm 5487)	25/04/02

15	How English Further Education Colleges can Improve Student Performance (HC 528)	07/02/02
	Government Reply (Cm 5487)	25/04/02
16	Access to the Victoria and Albert Museum (HC 559)	14/02/02
	Government Reply (Cm 5487)	25/04/02
17	Ministry of Defence: Maximising the Benefits of Defence Equipment Co-operation (HC 586)	15/02/02
	Government Reply (Cm 5487)	25/04/02
18	Inland Flood Defence (HC 587)	01/03/02
	Government Reply (Cm 5512)	23/05/02
19	Ship Surveys and Inspections (HC 608)	15/03/02
	Government Reply (Cm 5512)	23/05/02
20	Educating and Training the Future Health Professional Workforce for England (HC 609)	08/03/02
	Government Reply (Cm 5512)	23/05/02
21	Better Value for Money from Professional Services (HC 309)	14/03/02
	Government Reply (Cm 5512)	23/05/02
22	The Channel Tunnel Rail Link (HC 630)	21/03/02
	Government Reply (Cm 5512)	23/05/02
23	Report on Inland Revenue Appropriation Account (HC 631)	22/03/02
	Government Reply (Cm 5524)	20/06/02
24	Ministry of Defence: The Risk of Fraud in Property Management (HC 647) ..	20/03/02
	Government Reply (Cm 5512)	23/05/02
25	Excess Votes 2000–2001 (HC 648)	07/03/02
26	Better Regulation: Making Good Use of Regulatory Impact Assessments (HC 682)	12/04/02
	Government Reply (Cm 5524)	20/06/02
27	The Medical Assessment of Incapacity and Disability Benefits (HC 683)	10/04/02
	Government Reply (Cm 5524)	20/06/02
28	Better Public Services Through Joint Working (HC 471)	18/04/02
	Government Reply (Cm 5524)	20/06/02
29	Non-competitive Procurement in the Ministry of Defence (HC 370)	19/04/02
	Government Reply (Cm 5524)	20/06/02

30	The Auction of Radio Spectrum for the Third Generation of Mobile Telephones (HC 436)	26/04/02
	Government Reply (Cm 5524)	20/06/02
31	Postcomm: Opening the Post (HC 632)	01/05/02
	Government Reply (Cm 5549)	16/07/02
32	The Implementation of the National Probation Service Information Systems Strategy (HC 357)	03/05/02
	Government Reply (Cm 5549)	16/07/02
33	Income Tax Self Assessment (HC 296)	09/05/02
	Government Reply (Cm 5549)	16/07/02
34	Policy Development: Improving Air Quality (HC 560)	24/05/02
	Government Reply (Cm 5549)	16/07/02
35	Losses to the Revenue from Frauds on Alcohol Duty (HC 331)	17/05/02
	Government Reply (Cm 5549)	16/07/02
36	Progress on Resource Accounting (HC 349)	19/06/02
37	Handling Clinical Negligence Claims in England (HC 280)	13/06/02
38	NIRS 2: Contract Extension (HC 423)	07/08/02
39	Giving Confidently: The Role of the Charity Commission in Regulating Charities (HC 412)	03/07/02
40	NHS Direct in England (HC 610)	10/07/02
41	Ministry of Defence: Major Projects Report 2001 (HC 448)	04/07/02
42	Managing the Relationship to Secure a Professional Partnership in PFI Projects (HC 460)	11/07/02
43	The Use of Funding Competitions in PFI Projects: The Treasury Building (HC 398)	17/07/02
44	The Misuse and Smuggling of Hydrocarbon Oils (HC 649)	18/07/02
45	Inpatient and Outpatient Waiting in the NHS (HC 376)	18/09/02
46	Inappropriate Adjustments to NHS Waiting Lists (HC 517)	18/09/02
47	The Landfill Tax Credit Scheme (HC 338)	25/07/02
48	Department for International Development: Performance Management— Helping to Reduce World Poverty (HC 793)	01/08/02

