



The Government's Policy on Inspection of Public Services



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1. Preamble

1.1 Aims and scope

By this statement the Government:

- makes clear its commitment to inspection;
- clarifies what it means by effective inspection;
- outlines the arrangements by which effective inspection can be achieved; and
- states its expectations of inspectors.

This statement applies to all UK government departments responsible for public services and, by extension, to any agencies, non-departmental public bodies (NDPBs), local government bodies, and private or voluntary sector entities commissioned to provide those services.

The policy set out in this statement applies to existing inspectorates, or the equivalent. Where inspection exists or the department decides it is needed, then this policy should be taken to apply.

1.2 Nature and purpose of this statement

This statement expresses the Government's policy on inspection of public services paid for through the use of public money. It is based on the Government's understanding of best practice in inspection, as discussed more fully in the report *Inspecting for improvement: developing a customer focused approach* published in July 2003 by the Office of Public Services Reform in the Cabinet Office.

The views expressed in this statement are consistent with the Government's principles of public services reform.

Specialised terminology is explained in the glossary at appendix D. See the glossary, for example, for definitions of services as used in this statement. The glossary is part of this policy statement.

1.3 Commitment to inspection

There are special accountabilities and standards attached to public money and the proper delivery of public services. Inspection makes an important contribution to the improvement of delivering public services and provides assurance on the stewardship of public resources. By means of the following policy statement, the Government expresses its belief in the efficacy of targeted and user-focused inspection in providing assurance to the public and support for the improvement of public services.

2. Policy statement

The Government's policy on inspection in public services is set out below. The consequences of it for the planning and conduct of inspections are summarised in appendices A to C, which are part of this statement.

2.1 Definition

Inspection of public services is an external review that should:

- be independent of the service providers;
- provide assurance, to Ministers and the public, about the safe and proper delivery of those services;
- contribute to improvement of those services;
- report in public; and
- deliver value for money.

2.2 Applicability

The Government recommends there should be a process of inspection wherever inspection has the potential to provide assurance about whether standards in public services are being met and to contribute to their improvement, and where it can be demonstrated that the benefit of inspection outweighs the cost. Inspection is particularly relevant to public services delivered at a significant cost to public funds, to public services where safety is an issue, where a failure in performance could cause loss or damage to end users who rely on the services, or where failure in performance could compromise the ability of other public service agencies to deliver a high quality of service.

2.3 Principles

Public services inspection should:

- a) pursue the purpose of improvement;
- b) focus on outcomes;
- c) take a user perspective;
- d) be proportionate to risk;
- e) encourage self-assessment by managers;
- f) use impartial evidence, wherever possible;
- g) disclose the criteria used for judgement;
- h) be open about the processes involved;
- i) have regard to value for money, including that of the inspecting body;
and
- j) continually learn from experience.

These principles are expanded on the next page.

2.4 Duty to collaborate

Inspectors should work with other inspectors, with auditors and with regulators, and where appropriate make use of each other's findings so as to minimise the burden and maximise the benefit of review. Sponsoring departments should facilitate this process of co-operation.

The principles of inspection

The principles of inspection in this policy statement place the following expectations on inspection providers and on the departments sponsoring them:

1. The **purpose of improvement**. There should be an explicit concern on the part of inspectors to contribute to the improvement of the service being inspected. This should guide the focus, method, reporting and follow-up of inspection. In framing recommendations, an inspector should recognise good performance and address any failure appropriately. Inspection should aim to generate data and intelligence that enable departments more quickly to calibrate the progress of reform in their sectors and make appropriate adjustments.
2. A **focus on outcomes**, which means considering service delivery to the end users of the services rather than concentrating on internal management arrangements.
3. A **user perspective**. Inspection should be delivered with a clear focus on the experience of those for whom the service is provided, as well as on internal management arrangements. Inspection should encourage innovation and diversity and not be solely compliance-based.
4. **Proportionate to risk**. Over time, inspectors should modify the extent of future inspection according to the quality of performance by the service provider. For example, good performers should undergo less inspection, so that resources are concentrated on areas of greatest risk.
5. Inspectors should encourage rigorous **self-assessment** by managers. Inspectors should challenge the outcomes of managers' self-assessments, take them into account in the inspection process, and provide a comparative benchmark.
6. Inspectors should use **impartial evidence**. Evidence, whether quantitative or qualitative, should be validated and credible.
7. Inspectors should disclose the **criteria** they use to form judgements.
8. Inspectors should be **open** about their processes, willing to take any complaints seriously, and able to demonstrate a robust quality assurance process.
9. Inspectors should have regard to **value for money**, their own included:
 - Inspection looks to see that there are arrangements in place to deliver the service efficiently and effectively.
 - Inspection itself should be able to demonstrate it delivers benefits commensurate with its cost, including the cost to those inspected.
 - Inspectorates should ensure that they have the capacity to work together on cross-cutting issues, in the interests of greater cost effectiveness and reducing the burden on those inspected.
10. Inspectors should **continually learn** from experience, in order to become increasingly effective. This can be done by assessing their own impact on the service provider's ability to improve and by sharing best practice with other inspectors.

3. Implementation

3.1 Roles, responsibilities and action

Government departments responsible for the delivery of public services should review their arrangements for planning, delivering, monitoring and inspecting services to ensure they are clear and are consistent with this policy statement, including:

- the roles and responsibilities of Ministers, departments, service providers and inspectorates detailed in appendix A; and
- the direction to inspectorates and others on planning inspection programmes and on reporting given in appendices B and C.

3.2 Putting this policy into practice

The Government is committed to keeping this policy statement up to date and may amend it from time to time in response to changing requirements or developing professional practice.

It is for departments to take the leading role in putting this policy into practice, with support from inspectorates and service providers. Departments should:

- consult with inspectorates and service providers to identify the strategic priorities for inspection; and
- make provision for joint working among different inspectorates, in co-operation with the Government and other departments.

Appendix A

Roles and responsibilities

Departments

It is for Ministers and their departments responsible for a public service to set standards determining how the service is to be delivered and to make sure effective performance management systems are in place. The standards set should be appropriate to the service, for example social benefits, public safety, quality.

Ministers and their departments should consider whether inspection of a service is needed, and should set up, commission or disband an inspectorate as appropriate.

Ministers and their departments have a duty to co-operate with other departments in managing the overall landscape of inspection, to minimise the potential burden of review on service providers and reduce bureaucracy.

In managing the relationships surrounding inspection, departments should:

- support the need for inspection to be independent of the service provider and to be objective;
- facilitate co-operation among the relevant inspectors and other reviewing bodies;
- eliminate duplication of effort among their internal inspection and review units;
- not be unduly prescriptive about how inspectors should carry out their work;
- agree with the inspectorate its terms of reference;

- support the taking of appropriate action; and
- decide the most appropriate means of funding the inspection process, whether by grant, fees or a combination.

In deciding whether inspection is appropriate...

Factors tending to justify the use of inspection are:

- Assurance to the public can be improved by an inspection process, particularly where a cross-cutting approach could help improve delivery.
- There is the potential for contributing to the improvement of the service being delivered, particularly where there is a risk of services failing or performing poorly.
- Inspection could add significantly to the process of policy making, particularly where there are few other means of feedback.
- A service is delivered across a wide base, with the resulting risk of significant variations in standards.

Inspection may not be helpful in circumstances where:

- Existing audit or regulation procedures provide sufficient assurance to the public and service improvement is being assured by other means.
- The costs of inspection outweigh the benefits.

Service providers

A service provider may be a government department, NDPB or agency, local government, or a private or voluntary sector agency.

The primary responsibility for delivering the service rests with the service provider. Managers of the service provider are responsible for conducting its business properly and delivering the service in accordance with the relevant policies, standards and resources available.

Service providers can expect inspectors and other reviewing bodies to co-ordinate their work in order to minimise the burden of review on the service provider.

The service provider should:

- comply with the reasonable requirements of the inspectorate for information and explanations;
- co-operate with the inspectorate during the reasonable conduct of an inspection;
- challenge any unreasonable or impractical recommendations; and
- respond, in the public domain, to the outcome of an inspection, within a reasonable time.

In the event of a finding from inspection that appears to the provider to be unreasonable or unfair being upheld by the inspector, service providers can expect a fair and open means of raising a complaint, leading to remedy where applicable.

Inspectors

The role of inspection is to provide well-informed, objective judgements and constructive recommendations. It is for inspection to assess whether the systems and policies being operated by management of the service provider are delivering effective outcomes for the service user, and to make recommendations according to the findings from the inspection process.

Inspectors should:

- carry out their functions having regard to the expectations set out in this policy statement;
- make sure their independence is not compromised, for example an inspector should not be assigned to review a service provision unit where he or she has been recently employed or where he or she has a financial or other direct interest;

- take reasonable steps to plan and execute inspection work so as to establish a sound basis for their judgements, but inspectors are not expected to examine every transaction or activity carried out by the service provider; and
- work in co-operation with other inspectors and reviewing bodies, relying on their work wherever possible, to minimise the potential burden of review.

It is not the responsibility of an inspector to review policy set by government departments, but the findings from inspection should, where relevant, seek to inform future policy making.

Appendix B

Planning an inspection programme

Inspectors should be guided by the threefold purpose of providing assurance, helping to improve the service and informing policy. Inspection programmes should be:

- planned and targeted;
- end user focused and cross cutting; and
- collaborative.

Planned and targeted

When planning their work, inspectors should have regard to the terms of reference agreed with the sponsoring department and to ministerial priorities. Inspectors should have discretion, within their overall terms of reference and the resources allocated to them, to determine the width and depth of their work.

Inspectors should determine the optimum allocation of their resources in the long and short term. For example, each year, departments should expect to receive and discuss an updated three to five year overall strategic plan and a one year detailed programme.

In planning their work, inspectors should take an approach that is proportionate to the risk of poor service delivery by the service provider. There would normally be a greater need for inspection resources to be directed at providers where the risk of poor performance is greatest. Inspectors will also need to take sufficient account of the working practices of the good performers, in order to help spread good practice.

End user focused and cross cutting

Cross cutting means an approach which is not restricted by the different means of provision or by geographical or other boundaries, but which

takes an end user focus irrespective of how the elements of the service are provided or the outcomes are pursued. Inspectors should adopt a cross-cutting approach to planning and conducting their work.

To this end, inspectorates should consider appointing a lead inspector for certain themes, for example services for children. Lead inspectors should plan an inspection programme that addresses all the relevant service providers and is designed and built in collaboration with the other inspectors and reviewers concerned with this theme.

Collaborative

There is a duty on inspectors to co-operate, and on departments to facilitate such co-operation. Inspectors should be mindful that their work imposes a burden on others, for example through the preparatory work that will be done by the service provider and the time spent by the provider's staff with inspectors during site visits, in commenting on draft reports and responding to recommendations. Inspectors should take steps to minimise these costs to the service provider by, for example, agreeing appropriate memoranda of understanding with the other review bodies concerned and engaging in joint planning on a timely basis. Inspection work should be conducted so as to eliminate waste of time and effort and avoid duplication, using and developing common data sets wherever possible.

Appendix C

Reporting

Inspectors should report in public, as part of providing assurance to the public.

- Inspection reports should be placed in the public domain unless there are strong reasons not to do so, for example where the interests of the public are not best served by public reporting, or where sensitive policy advice has been given to a Minister.
- It follows that inspectors should also put their criteria for judgement into the public domain and be open to consultation on how those criteria develop and change over time.

Inspection reports should identify poor performers or any failure to deliver, giving constructive advice on how to improve.

Inspectorates should carry out reasonable follow-up work to determine whether recommendations that were accepted are being put into effect properly, and to learn whether they are having the impact intended.

Inspection reports should be:

- concise;
- clear;
- evidence based;
- written in plain English, in order to be accessible to end users of the service; and
- focused on outcomes rather than internal processes.

Inspectors should, where possible, use a common system of reporting their findings, including ratings, in order to improve communication with the inspected bodies and the public. The Government accepts that such standards will need to be developed iteratively, and that specific local reporting requirements may need to be accommodated.

Appendix D

Glossary

Meaning of terms used in this statement

Audit, external, in the public sector	A formal review leading to an opinion, carried out in accordance with the relevant legislation and the Code of Audit Practice. Public sector audit usually consists of both financial and performance audit components.
Audit, financial, in the public sector	The audit of accounts and the underlying financial systems and processes and the financial aspects of corporate governance, such as internal control, risk management, probity and propriety. This policy statement does not apply to financial audit.
Audit, performance, in the public sector	An assessment of the value for money of services, functions, programmes or specific projects and the systems and processes put in place by management to manage activities and the use of resources, and to prepare and publish performance information. Performance audit is included in our definition of inspection.
Cross cutting	Having regard to how the service is delivered to the end users (see below) irrespective of the different providers involved or any locational or other considerations.
End users	The persons or groups of persons to whom the service is provided.
NDPB	Non-departmental public body.

Public service	A benefit, utility or necessity provided to the public or to sections of it, using public money.
Regulator	A person or body appointed to carry out reviews of specific compliance with legislation or other prescriptive requirements, normally accompanied by sanctions and the power to grant permission to continue to operate as a service provider, and given the appropriate powers and duties. Many inspectorates also act as regulators, but this policy statement is not intended to cover the special powers and duties of a regulator.

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