

The Government's goal is to deliver world-class public services that are excellent and fair for all. Since 1997 the Government has significantly improved public service performance through a programme of sustained investment and reform.

Building on the principles of public service reform that were announced in Budget 2003, the achievements of previous Spending Reviews, and the findings of the Devolving Decision Making Review that reported in March 2004, this Spending Review sets out the next steps in the reform of public service delivery. These reforms aim to empower public service providers to deliver better services that are more personalised to individual users' needs.

This Spending Review announces measures to:

- strengthen further the achievement of national objectives;
- increase devolution and flexibility for front-line professionals and communities;
- enable front-line staff to develop a new professionalism; and
- achieve more personalised public services.

INTRODUCTION

3.1 Excellent and fair public services are essential to the delivery of the Government's objective of a strong economy and a fair society with opportunity and security for all. Since 1997 the Government has made considerable progress towards these goals through a programme of sustained investment and reform. Recent Spending Reviews have delivered significant additional resources for front-line public services, alongside an ambitious programme of reform. This has resulted in major improvements and a reduction in unacceptable variations in standards.

3.2 Having achieved step-change improvements in standards and instilled a performance culture across public services, the Government is now taking the next steps necessary to achieve further excellence and fairness in public services, focusing on four key areas:

- further **developing long-term outcome-focused goals** through a sharper, more streamlined role for central government in setting and delivering public service targets and standards. This will mean better consultation with stakeholders and the public and more effective, more proportionate inspection;
- extending **devolution** by giving professionals and communities greater freedom to meet central priorities and to define local priorities, more flexibility to decide how best to deliver them and putting in place appropriate structures and incentives to drive performance locally;
- enabling a **new professionalism** among front-line workers, with a strengthened culture of continuous improvement, innovation and collaboration; and
- delivering greater **personalisation in public services** by ensuring that they are designed around individual users' needs and circumstances, and empowering users and communities by giving them more choice, more opportunities for involvement and greater support.

STRENGTHENING NATIONAL TARGETS AND STANDARDS

3.3 Public Service Agreement (PSA) targets are an integral part of the Government's public expenditure framework. They help drive up standards and reduce unacceptable variations in performance while freeing those at the front line to decide the most effective means of delivery.

3.4 PSAs set out the Government's key priorities, focusing on the outcomes that really matter to the public. They send a clear message to the public about what they can expect the Government to deliver while focusing departments on delivering results. PSA targets also bring an unprecedented level of transparency and accountability to the delivery of public services. Departmental Reports and Autumn Performance Reports, and the PSA performance website launched last year¹ provide the public with the latest published data on how each department is performing against its targets.

Strengthening PSA targets

3.5 As part of the 2004 Spending Review the Government has further strengthened and developed PSAs by:

- focusing PSAs even more closely on outcomes, removing input targets and giving the front line maximum scope to determine how to deliver outcomes most effectively at the local level in consultation with stakeholders and the public;
- **introducing PSA 'standards'** in particular areas of public service delivery. PSA standards highlight areas where the Government's ambitions for delivery expressed in previous PSA targets have been achieved but where performance data will continue to be monitored and reported to ensure that high levels of performance are maintained;
- **increased consultation with a wide range of stakeholders**, particularly the front line, on the phrasing and measurement of targets. This has helped to develop a shared agenda and minimised the risk of creating unintended distortion to service delivery. For example, the new child poverty target was agreed after consultations with 220 organisations in a series of seminars;
- **greater use of evidence and analysis** to ensure that the targets are informed by delivery experience and best practice. The National Audit Office has also been closely involved in the scrutiny of technical notes, which set out how progress against targets will be measured.

Devolving Decision Making Review

3.6 These reforms reflect the findings of the Devolving Decision Making Review, which reported at the Budget. The Review looked at how best to improve the Government's overall approach to performance management to encourage continuous improvement in public services. Details of the Review's finding are set out in Box 3.1.

¹The Public Services performance index can be accessed at <http://www.hm-treasury.gov.uk/performance>

Box 3.1: Devolving Decision Making Review: refining targets and performance management

The Devolving Decision Making Review was announced in July 2003. Building on improvements to public service delivery since 1997, the review was asked to:

“explore how best to achieve decentralised delivery and responsive local and regional services in a way that is consistent with equity and efficiency, against a clear framework of national standards.”

The review sets out the key role that PSAs have played, alongside increased investment and independent inspection, in driving improvements in public services. Greater capacity within public services and better performance data now provide scope for a more devolved approach to performance management within a continuing framework of national standards.

The Devolving Decision Making Review recommended an evolution in the relationship between central government, local government, regional organisations and the front line. Central government should maintain a strategic role, ensuring national standards are met and maintained, but should allow greater scope locally to determine priorities and to decide how best to deliver national outcomes. The Review set out a number of steps to achieve this:

- within a continued framework of national PSAs, fewer additional targets and other external controls should be set for front-line organisations, giving greater scope for locally determined outcomes and methods of delivery;
- greater local autonomy should be accompanied by more local accountability through democratic processes, greater public participation and transparent performance data; and
- performance management capacity within front line, local government and regional organisations should be strengthened. This requires a greater focus on performance management capacity as part of transparent and proportionate inspection regimes such as the Comprehensive Performance Assessment for local government

3.7 Responding to the Devolving Decision Making Review, the Government is also refining the performance management framework that underpins national PSAs so as to reduce the burdens on front-line staff:

- **Budget 2004 announced the removal of 500 Service Delivery Agreements (SDAs) that previously set targets below PSAs.** In implementing the PSAs agreed in this Spending Review, departments will continue to streamline performance management systems further so that schools, hospitals, local authorities and other front-line organisations do not face excessive numbers of targets or process and input controls; and
- **freedom to set local priorities alongside national targets is being increased, for example through reformed local PSAs** with greater focus on local priorities and building more effective local partnerships, and through the **New Relationship with Schools**, a more streamlined dialogue allowing greater scope for local flexibility.

Effective and proportionate inspection

3.8 Alongside more focused targets and greater devolution to local managers, the Government is pursuing a more proportionate and streamlined approach to the inspection of public services. Inspection is essential to ensure standards are met and can provide valuable information about performance for managers and the public; however it must be properly focused so as not to put excessive burdens on front-line organisations.

3.9 Last year the Government published its policy on public service inspection and set out ten principles that should underpin all inspections. The new policy stipulates that inspections should focus on promoting improvement, increasing user focus and ensuring services provide value for money. To ensure a consistent and strategic approach to inspection across government, focusing in particular on inspection as a lever to drive the quality of public services, the Prime Minister has established a committee of senior ministers to assess all new proposals for inspection and explore ways of rationalising and improving current inspection regimes.

3.10 The Audit Commission's Comprehensive Performance Assessment of local government is a good example of the new approach to inspection. Councils are assessed on their corporate capacity, performance measures from other sources are incorporated into the overall assessment and self-evaluation is encouraged. Further reforms to inspectorates are underway. In education, OFSTED is proposing to make inspections shorter, fairer and more frequent, with more self-evaluation and reduced compliance burdens for schools. In social care, two separate inspectorates have been merged to form the Commission for Social Care Inspection. **This Spending Review will also see reform being undertaken in criminal justice to reduce the number of inspectorates from the current five to three**, which will ensure increased communication and collaboration, better handling of cross agency issues and a lighter, more modern approach that delivers more efficient joined up inspection across the criminal justice system. The Government will continue to explore the scope for further reform and, where appropriate, rationalisation.

DEVOLUTION

3.11 The Government is clear that robust national standards work best as part of an overall framework of devolution and local accountability. A devolved approach to public service delivery can help deliver excellent and equitable public services that are better suited to different local and regional needs and individual circumstances. Devolution and local decision-making empower public service staff and professionals, allowing services to be tailored to meet local needs and encouraging innovative approaches to delivery.

3.12 The Government has devolved significant power from the centre since 1997, including through:

- setting up the Devolved Administrations in Scotland, Wales and Northern Ireland;
- establishing the Regional Development Agencies (RDAs) and progressively increasing their autonomy and flexibility, allowing them to direct their resources to meet the priorities and needs of their regions; and
- devolving control of 80 per cent of health budgets to local Primary Care Trusts and increasing direct payments to schools.

3.13 The Government is committed to further devolution to effective regional institutions. As well as work on performance management (see Box 3.2), *Devolving decision making: 2 – Meeting the regional economic challenge: Increasing regional and local flexibility*² set out the next steps necessary to ensure that the regional institutional framework is focused on delivering enhanced economic outcomes in the regions and localities of the UK. This is discussed in more detail in Chapter 4.

3.14 Following the Devolving Decision Making Review, the Government is taking further steps to increase local flexibility and to devolve more power to the front line. This Spending Review announces:

- the Government's intention to provide **three-year settlements for local authorities and schools to increase autonomy from annual and national spending decisions and stability at the local level;**
- as part of the **New Relationship with Schools**, establishing a single point of contact between the Department for Education and Skills (DFES) and schools, secondary schools will be freer from unnecessary bureaucracy, and experience fewer initiatives and requirements and simpler accountability systems. **The Government intends to reform the funding system for schools by introducing a dedicated Schools Budget from 2006**, giving headteachers and governors greater medium-term financial certainty;
- **new ways of bringing together decisions on land planning, transport, and economic development at the regional level**, within the context of indicative budget assumptions for every region; and
- increased local flexibility for local decisions on resource allocation and partnership working through a **single Safer and Stronger Communities Fund**. This fund will combine existing funding streams from ODPM and the Home Office into a single pot. Local communities will be able to direct resources to meet an agreed set of outcomes; to tackle anti-social behaviour, improve public space, reduce crime and empower communities at the neighbourhood level.

3.15 For a devolved approach to public service delivery to work in practice, the Government needs to ensure that appropriate structures and incentives are in place to drive high performance in all local areas. These require:

- transparent and easily accessible performance information;
- wider use of information-driven local performance management;
- more challenge through competition and contestability;
- appropriate incentives and funding flows to drive performance improvement; and
- support and intervention for under-performers.

Transparency and information

3.16 In devolving decision-making to the front line, the Government needs to be confident that local organisations have the ability to improve public services. This confidence should be informed by a clear understanding of the capacity to deliver and by timely information as to whether this capacity is being translated into performance improvements. The Government has taken steps across public services to ensure that information about the performance of providers is collected and publicly available. Star ratings for hospitals and primary care trusts

²*Devolving decision making: 2 – Meeting the regional economic challenge: Increasing regional and local flexibility* (HM Treasury, ODPM, DTI) March 2004.

have been made publicly available, with each household now receiving information about the performance of their local health bodies. Performance tables for each Jobcentre Plus are now published at quarterly intervals and available through the Department for Work and Pensions website while the publication of school league tables and Ofsted reports has driven up performance through greater transparency and scrutiny.

Local Performance Management

3.17 Performance information is also a key element in strengthening organisation's own strategies for self-improvement. As the Devolving Decision Making Review showed, excellent local managers frequently use performance management information to drive improvements across their organisations. As set out in Box 3.2, best practice in schools, health trusts, police forces and local government in the UK – as well as abroad through systems such as New York's Compstat and Baltimore's Citistat in the US – shows how robust performance management systems, relying on 'real time' data, strong leadership and clear accountabilities, can be used to drive continuous improvement and innovation. The Government is exploring how better use of data can provide a spur for continuous improvement across all public service organisations. Several departments are examining how data and performance management systems can enable local managers to continuously monitor and learn from their performance.

Box 3.2: Local performance management and devolution

As part of a more devolved approach to public service delivery, it is vital that external performance management stimulates and reinforces performance measurement and management inside front line organisations. Performance measurement and management systems must be devised within organisations in ways that suit their business and obtain the buy-in of front-line staff. Studies of best practice in a range of organisations suggest that critical factors that make performance management systems particularly effective are robust and reliable internal data, strong leadership, clear accountabilities, and regular performance review combining challenge and support together with transparent rewards and sanctions.^a

In Fernwood comprehensive school in Nottingham, extensive use of within-term performance data – led by the headteacher, working constructively with the Local Education Authority (LEA) – has played an important role in raising pupil and school aspirations. The school's performance has risen by 12 percentage points over the last four years.

In Wigan Metropolitan Borough Council, stable leadership has allowed the development of strong relationships and an organisational culture in which individuals are willing to take responsibility and to take risks in order to develop and improve services. This approach is underpinned by stretching goals. Performance against objectives is then monitored closely using clear, robust and timely data. The council was rated 'excellent' in both the 2002 and 2003 Comprehensive Performance Assessment.

In the Thames Valley, the police have adopted a performance review cycle based on New York's Compstat system. This entails extensive use of performance data during monthly performance meetings at which challenge and support are provided by senior management, who also ensure follow-up of agreed actions.

^a More detail on these case studies can be found in *Devolving decision making: 1 – Delivering better public services; defining targets and performance management*.

Contestability and competition

3.18 Contestability and competition in the public services, through which under-performing managers and organisations can expect to be replaced if they fail to improve their performance, can act as a source of external challenge and help maintain national standards. The introduction of contestability and competition in a number of public services since 1997 has driven up standards. Contestability within the Prison Service has driven up the performance of the worst prisons through allowing the private sector to take over their management following a competitive bidding process.

3.19 The Government is committed to increasing contestability and choice where they have scope to drive further improvement. Measures in the forthcoming Housing Bill will enable the Housing Corporation to pay social housing grant to 'for profit' developers, opening up provision of new social housing to competition from suppliers outside the Housing Association sector. As prisons and correctional services become integrated in the new National Offender Management Service, contestability will be extended to all prisons, with an increasing number of probation programmes and functions also subject to contestability.

Smart incentives and funding flows

3.20 Smart, well-designed incentives and funding flows can facilitate bottom-up pressures for improvement. For example, in the health service, the introduction of payment by results is a fundamental reform to the way finances flow around the NHS. Providers of treatment will be paid for the treatment they actually deliver, and commissioners will have the incentive to select the best providers and to look for alternative providers if agreed activity levels are not met. Where staff do more work and are more efficient, their organisation will stand to benefit. Financial surpluses will be re-invested in clinical or other services. The Government is also committed to developing flat-rate local housing allowance Housing Benefit pilots in the social rented sector. Flat-rate local housing allowances will provide recipients with greater incentives to drive improved producer performance through exercising choice and also will improve incentives to work.

3.21 Devolution does not mean that under-performance will not be addressed. Where inspection has identified failure to meet national standards, a credible and effective support and intervention regime is necessary. Where additional support for those organisations that have been identified as being at risk of serious underperformance does not lead to improvement, the Government will intervene as a last resort to protect the interests of local people and service users.

Intervention and support for under-performers

3.22 Effective support and intervention regimes have been established across public services. The Police Standards Unit has been tasked with engaging with poorly performing police forces, with these interventions showing positive results in terms of improved performance. Regimes to tackle corporate and service delivery failure in local authorities are now well established. The NHS Modernisation Agency and Strategic Health Authorities give support to zero star health trusts who are then required to develop plans to improve performance. Where schools are found to be failing, OFSTED works with the Local Education Authority and the DfES to determine an appropriate course of action.

NEW PROFESSIONALISM

3.23 The Government is committed to empowering front-line workers and professionals and embedding a culture of high performance, innovation and continuous improvement driven by the public service ethos. As public service professionals and front-line providers take on greater responsibility for monitoring and improving their own performance, they will be required to develop further already high standards of professionalism further.

3.24 In addition to providing resources to increase further front-line capacity by an estimated 250,000, staff this Spending Review supports the next steps in developing a new professionalism among those who deliver public services. These focus on:

- developing leadership and enabling greater flexibility in workforce planning to yield more responsive and efficient service delivery; and
- encouraging and incentivising collaboration and the sharing of best practice to drive performance across providers.

Leadership 3.25 Effective leadership is key to ensuring excellence in all organisations. The Government recognises the important role of good leaders in the public sector and has set up the National College for School Leadership and the NHS Leadership Centre to nurture and develop future leaders. Developing local leadership among elected members, senior officers and middle managers will be the objective of the new Local Government Leadership Centre being launched this month.

Workforce reform 3.26 Workforce reforms, better strategic workforce planning and more flexible use of pay are an important source of further improvement in public service performance and efficiency. Changes in professionals' skills mix and new working practices can lead to a more productive and responsive workforce and are key to enabling further reforms and improvements. Examples include:

- the Agenda for Change in the NHS, which will enable greater flexibility across professions;
- workforce remodelling driven by information technology in the Department for Work and Pensions which has led to increased efficiency; and
- the new National Offender Management Service, which will bring together in one organisation the skills of different front-line staff to ensure offenders are case-managed seamlessly. This should free up probation officers' time and allow them to focus their skills and experience and expertise on high-risk offenders.

Collaboration and best practice 3.27 Collaboration and the sharing of best practice are important drivers of improvement that build on the public service ethos of those that work in the public services. The Government has put in place incentives and channels for professionals and public service leaders to share the benefits of their experience and expertise.

3.28 Collaboration is already a significant driver of improvement in schools, as described in Box 3.3. In the NHS, the Modernisation Agency has been tasked with identifying and sharing best practice and has put in place an extensive range of collaborative networks through which doctors and managers share and access each other's expertise. Excellent local authorities have also been encouraged through National Capacity Building Programmes and the Beacon Council programme to spread best practice and undertake mentoring of weaker authorities. A specialist team of expert advisors have assisted councils and NHS organisations in spreading best practice on tackling delayed patient discharges from hospitals with the result that levels have been reduced by 60 per cent.

Box 3.3: Collaboration between schools

The 2004 Spending Review is providing resources to support the ways in which schools are learning from and working with each other.

Collaborative partnerships. Both Excellence in Cities (EiC) and the Leadership Incentive Grant (LIG) facilitate collaborative partnerships between schools. LIG provides resources for senior management training and for supply teaching to release time for teachers and senior management to undertake and undergo mentoring.

Best practice partnerships. “Leading edge” or “beacon” schools have been sharing their skills and expertise with neighbouring schools. In future, high-performing schools will be able to form “foundation partnerships” with weaker schools, who, as part of their school improvement plan, will be required to join a foundation partnership.

Local collaboration. In addition to collaborative partnerships, some schools have entered firm or looser forms of federal relationships. A leading example is Ninestiles secondary school in Birmingham. At the suggestion of the LEA, this school took steps to federate with Waverley, a school that has improved considerably, as recognised by the latest OFSTED report. The three schools now in the Ninestiles federation gain from the experience of the executive headteacher and from the opportunities to share teaching and other resources.

Advanced Skills Teachers (ASTs). Under this scheme, teachers are incentivised to become ASTs and to share their expertise with neighbouring schools.

School Improvement Partners (SIPs). As part of the New Relationship with Schools, the School Improvement Partner will involve present and former heads in the provision of support and challenge to lower performing schools. Forthcoming pilots will explore how partnership working of this kind can be further developed and improved.

PERSONALISATION

3.29 The Government is committed to delivering public services that are excellent for everyone. Each individual has unique needs and circumstances. Delivering fair outcomes therefore requires differentiated services that can be responsive to each individual's needs and circumstances. The Government's goal is to provide flexible public services that are personalised to individuals and can ensure fairer outcomes. Box 3.4 sets out reforms already underway to create a more personalised health service.

3.30 This Spending Review supports the next steps in greater personalisation of public services. Greater personalisation will be achieved through

- ensuring more flexible access to a greater diversity of options and services that are shaped around the needs and preferences of the individual, rather than relying on the expectation that people will fit in with the system;
- empowering users through greater choice and shared decision-making in designing and delivering services and outcomes; and
- providing better access to information and support.

Services centred around users **3.31** Putting users at the heart of service design and delivery means ensuring that every individual can access services with ease and that they experience attentiveness and responsiveness to their specific needs. Services designed around users also means that all the different public services that contribute to a particular outcome are seamlessly integrated in their delivery. Ensuring user focus will mean greater attention to users' experience and perceptions of services as a valuable indicator of service performance.

Box 3.4 Moving towards a more personalised National Health Service

The NHS Improvement Plan sets out how the Government is transforming the NHS to provide a more personalised service to patients. There are three elements to the Government's strategy.

The NHS will offer flexible access to services shaped around the needs and preferences of the individual, rather than on the expectation that people will fit in with the system

- NHS Direct provides 24 hour access to information and advice to over 6 million patients a year. In primary care, 97% of patients are now able to see a GP within 2 days and a network of Walk-in Centres offers 365 day a year access to primary care without an appointment.
- In hospital services, the maximum waiting time for an operation has fallen from 18 months to 9 months, and by next year it will be down to 6 months. By 2005 every hospital appointment will be booked at a time and place convenient to the patient. By 2008 no one will wait more than 18 weeks from GP referral to hospital treatment.

The NHS will empower patients through more choice and shared decision-making

- From this August patients who have waited over 6 months for an operation will have a choice of hospital. This choice will be given to every patient at the point they are referred by their GP from 2005. By 2008, every patient will have a choice of any healthcare provider, so long as they meet NHS standards and can provide within the price the NHS will pay.
- Patients with long-term conditions will benefit from the national rollout of the 'Expert Patient' programme, giving them more information about their conditions and treatment options, training in self care and support and advice from specialist community matrons and fellow patients. This will enable them to take a more active role in managing their condition.

The NHS will provide better access to information and support

- More transparent information about hospital and PCTs is now publicly available with each household provided with information on the performance of their local NHS. Healthcare and performance information is available from NHS Direct Online, and through NHS Direct Digital TV from later this year.
- The Department of Health and the NHS will work with professional and voluntary groups to develop a programme to 'kitemark' information for reliability and trustworthiness.
- From this year every patient will have their own electronic NHS 'healthspace' where they can record information about their preferences to share with the clinical team treating them. This will in future be linked with patients' electronic treatment records. By 2006 the new electronic health record will follow the patient through the pathway of care linked to the latest quality assured evidence, information and advice.

3.32 In areas such as health, employment and local government, more convenient access to services through more use of electronic delivery or innovative delivery outlets such as one-stop shops is already making services more responsive to users. The Government is taking further steps to ensure services are designed around users:

- patients already experience much quicker access to healthcare due to efforts to reduce waiting times. In this Spending Review, the Government will set a **new, more stretching PSA target that will further increase access for patients by ensuring a maximum wait from referral by GP to hospital treatment of 18 weeks by the end of 2008;**

- jobseekers already have assigned personal advisers who assess readiness for work, identify specific needs and recommend suitable options, with discretion to provide whatever an individual might need to obtain a job. In *Building on New Deal*³, the Government has announced that local managers will have more flexibility over the allocation of resources to enable them to better address local priorities. **Over the 2004 Spending Review period, the Department for Work and Pensions will be testing more personalised approaches to support those furthest from the labour market**, for example through the Pathways to Work pilots for claimants of incapacity-related benefits;
- parents and pupils will benefit from schools offering a wider range of related services through **the Government's aim to increase the number of full-service schools to 240 by 2006, and to ensure that there will be at least one in every LEA**. A "core offer" will be available across all primary schools by 2008, to include study and parenting support and swift referral to a wide range of specialist support services. For secondary schools, the core offer will also include widespread community access to school facilities, with Children's Trusts commissioning specialist services. Many more primary schools will offer wrap-around childcare, some from 8am-6pm; and
- vulnerable elderly people should in future be able to access seamless care that integrates health and social services. **This Spending Review establishes a £60 million pilot fund to promote innovative and integrated working between social services and the NHS in order to deliver this.**

3.33 Improving users' experience of a service is often a desirable outcome in itself, or instrumental to achieving outcomes. For this reason, hospital and PCT star ratings have begun to incorporate patient survey data, so user experience feeds directly into performance reward, while the new GP contract agreed last year contains an incentive framework that includes financial rewards for GPs linked to patient experience.

The voluntary and community sector's role

3.34 The voluntary and community sector (VCS) has an important role to play in the drive to improve services. The value of public services delivered by the voluntary and community sector has grown from £3.2 billion in 1991-92 to £7.5 billion in 2001-02. The Government's support for the sector has been demonstrated in a wide range of spending measures introduced since 1997; in particular, the implementation of the 2002 Cross-Cutting Review, resulting in the £125m Futurebuilders fund to improve public service delivery through long-term investment in the sector; the Home Office's £80 million investment programme to improve and reconfigure support available to the sector, and measures to improve funding relationships between the sector and government.

3.35 As part of the Voluntary and Community Sector Review 2004, the Government has been exploring the particular contribution that the VCS makes to public services (see Chapter 5). The sector adds value to the delivery of many public services in several ways, for example:

- providing services tailored to personal needs: fewer bureaucratic constraints can provide additional organisational flexibility to respond to individual needs and join-up services for those with multiple needs. Many organisations involve or employ service users with direct experience of a particular issue who are well-placed to understand users' needs and experiences;
- exhibiting a service ethos: the high level of personal commitment of third sector employees to public service and helping others can bring significant

³*Building on New Deal: Local solutions meeting individual needs*, Department for Work and Pensions, June 2004.

dividends in terms of service quality as well as contribute to community cohesion, with many organisations often employing local people to deliver a local service; and

- enhancing contestability: the VCS not only provides additional capacity but also provides valuable challenge and contestability in sectors such as health, social services and correctional services.

Sharing information through technology

3.36 More tailored and integrated services will require better use and greater sharing of information. This can be facilitated by investment in new technology, as the Electronic Patient Record System and “Healthspace” (see Box 3.4) demonstrate. In social care, **use of smart alarm technology funded through this Spending Review will help Councils deliver more responsive preventative services** which will potentially benefit up to 160,000 older people. The Government’s vision for more integrated children’s services will entail more effective sharing of information between social services, primary care trusts and schools.

3.37 In schools the wider use of individual learning plans based on information about pupil performance that monitor each pupil’s achievement against individually-set goals can deliver more personalised learning and pupil ownership of their goals. Together with wider use of the latest technology such as interactive whiteboards that allow teachers to better engage individual students within a whole class context, more personalised learning can be expected to improve the performance of pupils.

3.38 **This Spending Review is enabling new technology that will make possible better information-sharing within the police, in accordance with a key recommendation of the Richard Inquiry.** The Home Office will create the first national police intelligence computer system to ensure that all Forces use the same system to manage and share intelligence information system.

User empowerment and choice

3.39 The Government recognises that users have a key contribution to make in achieving service outcomes. This requires them to be more fully empowered participants in the design and delivery of services. The Government is committed to strengthening the role users play in several ways: through expanding user choice and the range of options available, through professionals and users working together to achieve outcomes and through providing users with the information and support they need to maximise their input.

3.40 In social care, the introduction of direct payments is empowering 9,000 social care users to design and purchase directly the mix of care services that they decide would best suit their individual needs. The Government is also putting in place long-term plans to improve the ability of tenants in social housing to exercise real choice through reforms to the housing benefit system accompanied by the introduction of choice-based letting and the restructuring of rents that reflect the relative value of different properties. By 2005, 25 per cent of local authorities will have adopted choice-based letting schemes, with all authorities expected to have done so by 2010.

3.41 The 2004 Spending Review will support further measures to increase the empowerment of users:

- **it will enable an increase in the choice that patients have over healthcare providers as envisaged in the NHS Improvement Plan.**⁴ From 2005 patients have the right to choose from at least four or five healthcare providers. In 2008, patients will have the right to choose from any provider as long as they meet clear NHS standards and are able to do so within the national maximum price that the NHS will pay for the treatment patients need;

⁴The NHS Improvement Plan: Putting people at the heart of public services, Department of Health, June 2004.

- **it will also provide resources to extend the benefits of the successful ‘expert patient’ schemes for patients with long-term diseases** in which patients are provided with a combination of better information about their conditions and treatment options and training in self care and support and advice from specialist community matrons and fellow patients. These schemes enable them to take a much more active role in monitoring and managing their condition, and equip them to take informed decisions about treatment options. This allows patients to balance the advantages and disadvantages of different options against their individual preferences and lifestyles to produce the personalised solution that is best for them. Evidence and experience shows this produces better outcomes, reduced pain and suffering, improved quality of life and more efficient use of medication and reductions in use of GP and hospital services;
- building on the Government’s Sure Start programme, which involves parents and the community in determining the way that services are provided, **this Spending Review has announced the establishment of 2,500 Children’s Centres by 2007-08**. (More detail is provided in Chapter 5); and
- building capacity for children and young people to have a voice in the development of services, with all departments taking action to ensure they are involved in policy development and design of services, and that professionals have skills to involve them. A Youth Board is being established to provide direct advice from children and young people on the development of national policy and practice while the Children’s Commissioner will represent the views and interests of children and report to Parliament on progress against the outcomes for children and young people.

Box 3.5 A vision for public services: Children's Services

The 2003 Children's Green Paper *Every Child Matters* set out a radical and ambitious agenda for the reform of children's services. The aim is to ensure better protection for children from harm, and help them to achieve their potential. The 2004 Spending Review has provided substantial extra resources to support this, as described in Chapter 5.

This is an agenda that demonstrates many of the principles of public service reform outlined in this chapter:

- **Long-term, outcome-focused goals.** Previous Spending Reviews had already set challenging outcome-focused goals to improve the lives of children and young people; for instance, on reducing teenage pregnancy by 2010. This Spending Review takes this further by setting a more holistic range of objectives, for instance new universal goals for child development at 5 and an objective of halting the rise in child obesity;
- **Devolution.** At the local level, there will be a major contribution to this agenda from new Children's Trusts situated at the heart of local government and given greater flexibility to meet local needs. A variety of different funding streams will be pooled, allowing local decisions on how best to spend resources in pursuit of local and national priorities. A vital part of the agenda is greater contestability involving a key role for the voluntary and community sector, so that children are better served by organisations best placed to meet their particular needs;
- **Professionalism.** *Every Child Matters* identified workforce reform as a key part of the reform agenda which will aim to equip social workers, teachers, police and health professionals with the skills necessary to work more closely together in a way that is more focused on children's needs. This involves a range of measures that will bolster the existing professionalism of the sector, such as joint training and a pay and workforce strategy to improve recruitment, retention and skills. Workforce reform should also facilitate other changes at the local level; for instance, extended schools and multi-disciplinary teams; and
- **Personalisation.** Children, each with their own needs and circumstances, are right at the heart of this agenda. More personalised strategies will be possible through greater integration of different services, driven by Children's Trusts with their new ability to commission services in an integrated way. Across social services, PCTs and schools the Government will be looking to encourage much greater and more frequent use of data that can help design more individually-tailored strategies to prevent harm and enable children to flourish. These strategies will be augmented where necessary by additional specialist services, with liaison managed by a single trusted professional.