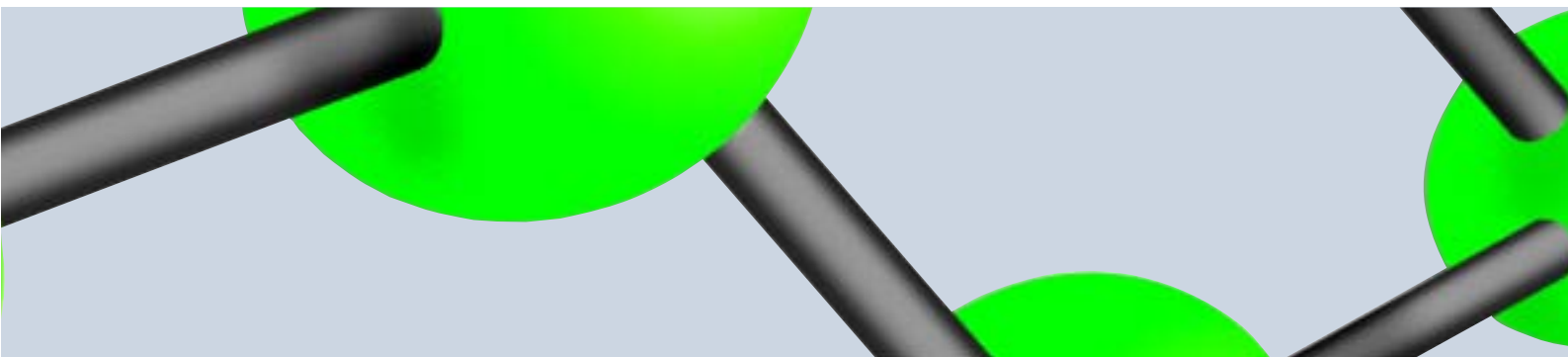


Joining Up to Improve Public Services



REPORT BY THE COMPTROLLER AND AUDITOR GENERAL
HC 383 Session 2001-2002: 7 December 2001

executive summary

- 1 Many organisations are involved in delivering public services - for example, support and advice for the elderly is provided by the NHS, the Department for Work and Pensions, local authority social services departments, private sector providers of residential care and the voluntary sector. How well such organisations work together and co-ordinate their activities can have a significant impact on the quality of public services.
- 2 In the past departments have often been concerned exclusively with achieving their own specific objectives reflecting responsibilities and funding which they can directly control. While this can be effective in delivering many of the Government's priorities, it can result in departments adopting a too narrow "silo" approach and not considering the wider contribution which they can make to cross-cutting programmes for groups such as children, the elderly and the long term unemployed. As Sue Richards, Professor of Public Management, University of Birmingham highlights in her research paper¹ which sets out an analysis of the public policy problems that joined up government is seeking to address, many of the most difficult issues faced by society - drug abuse, social deprivation, juvenile crime and inner city decline cut across traditional departmental responsibilities. They require a co-ordinated and combined response by departments, local authorities and other bodies in delivering public services.
- 3 The Government requires public, private and voluntary organisations involved in delivering public services to work together much more to design programmes that are better interconnected and mutually supportive thus increasing their chances of success and their overall quality (**Figure 2**). The Modernising Government White Paper (Cm 4310) published in March 1999 called for public sector staff to work in partnership across organisational boundaries to deliver integrated or seamless services. The Modernising Government Action Plan, published July 1999, along with subsequent progress reports, set out a range of initiatives and activities for departments to support the objective of joint working.

1 Joint working or "joined up" government

Joint working or "joined up" government is the bringing together of a number of public, private and voluntary sector bodies to work across organisational boundaries towards a common goal.

Joint working can take different forms:

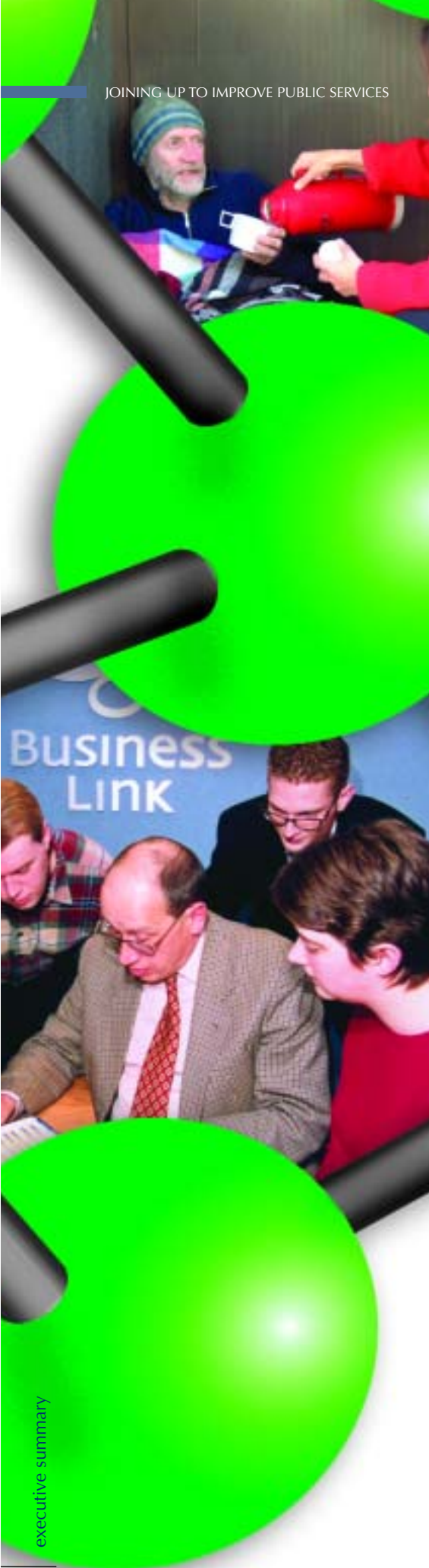
Realigning organisational boundaries- bringing together the whole or parts of two or more organisations to create a new organisation.

Formal partnerships - working together by contract, protocol or framework agreement.

Informal partnerships - working together by liaison, consultation or unwritten mutual agreement.

Source: National Audit Office examination of joint working initiatives

¹ *Four types of joined up government and the problem of accountability, Sue Richards Professor of Public Management, University of Birmingham - Appendix 2 to this report.*



2 How joint working can help improve public services

Benefits

Joint working between:

- departments
- agencies
- voluntary organisations
- private sector



Taking a wider view so that departments' activities make a contribution to cross-cutting programmes for client groups such as the elderly and children.

Tackling intractable social issues such as drug abuse, rough sleeping, juvenile crime and inner city regeneration by promoting the design of programmes which are better interconnected and mutually supportive thus increasing their chances of success.

Improving delivery for example, by delivering services through "one stop shops", integrated with websites accessible 24 hours a day, and by citizens only having to provide information on a range of issues once and to one location.

Promoting innovation by bringing people together from different backgrounds and experiences.

Improving cost effectiveness of public services by removing overlaps and realising economies of scale.

Source: National Audit Office

- 4 Departments and their agencies are responsible for achieving more joint working when appropriate in the policies for which they are responsible. The Cabinet Office and the Treasury are responsible for promoting joint working and monitoring its achievement. They are doing this through funding new innovative joint working approaches, training, and disseminating good practice, particularly on refocusing services to meet customers' needs. The Office of Public Services Reform, established in 2001 and based in the Cabinet Office, will have a key role to play in improving joint working, through the scrutiny of structures, systems, incentives and skills currently in use across the public sector.
- 5 This report assesses the impact of five joint working initiatives in achieving improvements in public services for three client groups - rough sleepers, pre-school children and small and medium sized businesses (**Part 2**). Drawing on our fieldwork and research we also highlight a range of good practice likely to support successful joint working (**Part 3**). This good practice is intended to help departments which are considering establishing joint working arrangements.

3 Five initiatives

- Rough Sleepers
- Early Years Development and Childcare Partnerships
- Sure Start
- Business Link partnerships
- British Trade International

Part 3

What is needed for successful joint working

3.1 This part of the report discusses how to create successful joint working initiatives. We draw principally on our examination of five joint working initiatives for which we analysed the features of the joint working in each case and asked those whom we interviewed about the success factors and barriers to joint working which they had to overcome. We also considered evidence from academic research, the views of our expert panel, international comparisons and previous reports by the Committee of Public Accounts and the National Audit Office. In this part we focus on:

- i) What needs to be in place to promote successful joint working. We set out the key success factors for joined up or partnership working; and
- ii) The questions which programme designers should address when designing joined up initiatives to enhance their chances of delivering successful outcomes.

What needs to be in place to promote successful joint working

3.2 A wide range of organisations deliver public services - local offices of government departments such as Benefit Offices; local authorities; non-departmental public bodies such as the Environment Agency; non-profit making companies such as housing associations; and profit making companies such as Consignia (formerly the Post Office). All of these service providers have their own objectives and work within different regulatory frameworks. For example local authority Social Services departments operate in a complex arena of regulation and well-established ways of working reinforced by the Social Services Inspectorate, local authority structures and practices and social workers' professional training. To be successful joint working has to establish an environment in which all these different requirements are mutually supportive and work towards a common goal. When, where and how to join up therefore requires careful consideration.

3.3 Our examination identified five requirements which as a minimum are needed to promote successful joint working. **Figure 19** provides examples of how each of these requirements are being met by the five joined up initiatives covered by this report.

1 Goals - working towards clearly defined, mutually valued, shared goals

Risk from failing to focus on goals

If objectives are unclear or not shared, partners may work towards different, incompatible goals and fail to achieve desired outcomes.

The Safer Cities Programme distributed funds to local partnerships to develop crime prevention strategies and schemes, but no overall goals or targets were set for programme co-ordinators and steering groups. The overall programme had only a marginal effect on reducing recorded crime.¹⁸

3.4 People and organisations working together have to focus on achieving the goals of the initiative or project. To do this, they must have a clear, shared understanding of what the goals are and an agreed time frame in which to achieve them. In some cases government departments set goals for local partnerships and the time frame for delivery. In other cases, local partnerships have more freedom to set their own goals and to establish the best way for them to contribute to government's overall aims. In both situations it is important that partners are clear about what they are trying to achieve and by when.

¹⁸ *Partnerships in Community Safety, an evaluation of Phase 2 of the Safer Cities Programme, J Knox, A Pemberton and P Wiles, Department of the Environment, Transport, and the Regions 2000*

2 Progress measurement - evaluating progress towards achieving the desired goal and taking remedial action when necessary

Risk from failing to monitor progress and evaluate achievements

Joined up initiatives are no different from other activities in that their progress must be monitored and remedial action taken when performance is less than satisfactory. If partners do not measure their progress and compare this against their plans and available external benchmarks, such as the progress made by other similar initiatives, they may fail to identify where and how they could improve.

The Audit Commission found that many pre-1999 Community Safety partnerships, set up to tackle crime and anti-social behaviour, had been unable to monitor and evaluate progress because they had not identified clearly their starting position or clearly linked their local implementation plans to their overall strategy. This hindered the learning and development of the partnerships.¹⁹

- 3.5 Joint working can involve a few or many organisations but ensuring that each makes its designated contribution to the partnership at the right time and of appropriate quality requires careful monitoring. This requires (i) an agreed action plan specifying the responsibilities of each partner with a timetable for delivery; and (ii) reliable information to track progress and assess performance. Our examination of the five joint working initiatives found that working with partners to develop an action plan and monitor achievement against the plan was usually the full time responsibility of a dedicated member of staff.
- 3.6 Partnerships may be set up to be time-limited or ongoing, depending upon their objectives. It is good practice, however, for all partnerships to recognise when they are near to achieving their original objectives and make plans to close down the partnership or set new objectives.

3 Resources - ensuring that sufficient and appropriate resources are available

Risk from insufficient or inappropriate resources

Without sufficient resources, including appropriate skills, a joint working initiative will not achieve its intended benefits or these will not be capable of being sustained in the longer term; and value for money and propriety may be put at risk. Shortages of resources may result in staff having to "fire fight" a variety of problems at the expense of the core objective of the joint working initiative.

A lack of finance skills meant that in the early days of Education Action Zones, some Zones were spending large sums of public money before they had reliable financial controls in place creating risks of poor accounting, impropriety and poor value for money.²⁰

- 3.7 Joint working often requires additional or different skills and resources to working through a single organisation. There is always a cost to working in partnership, even if it is only the time partners have to give to meetings. Joint working initiatives usually need:

- **Dedicated budgets** to underpin the initiative and to avoid funds being diverted to other programmes.
- **Sufficient time** to establish effective working relationships. We found that if organisations had some prior knowledge or experience of working together they made swifter progress than organisations which were completely new to one another. For example, the Southwark Sure Start programme established itself quickly because the partnership built on existing good working relations between staff from the Community Health Trust and other local agencies.
- **Skills.** Typical skills required for joint working are project management, marketing, consultation particularly in the context of obtaining and understanding the views of community groups, financial planning and IT. More specialist skills may have to be bought in such as accountancy and legal advice. For example, in setting up the new Northumberland Business Service the implementation project team had to carry out an extensive consultation exercise with small firms, define the tasks needed to get the new service up and running, develop a business plan, contract for a new IT system, liaise with the Small Business Service and other funders and develop a marketing plan for the new service.
- **Guidance and advice.** Those involved in joint working may have little prior experience of working with government organisations and, therefore, need guidance and advice on a range of issues including - establishing appropriate governance and accountability arrangements; how to engage local communities; the type and extent of information needed to monitor the progress of joint working and how such data should be collected; and quality assurance - how to assess and enhance the quality of the key outputs of joint working.

¹⁹ *Safety in Numbers - Promoting Community Safety, Audit Commission, 1999.*

²⁰ *Education Action Zones, Meeting the Challenge - The Lessons Identified From Auditing the First 25 Zones, National Audit Office, HC 130 2000-01, January 2001.*

4 Leadership - directing the team and the initiative towards the goal

Risk from lack of appropriate leadership

Joined up programmes can be difficult to keep on track because of the additional complexity arising from the number of players involved. Good leadership is important as part of the "glue" to hold the programme together. The leader must drive the initiative forward but also engender a co-operative spirit. Where there is no clear leadership or the leader is unable to secure the co-operation of key partners then turf wars may result with the energies of partners being distracted from key goals.

Research shows that strong leadership was important in creating successful joint working in partnerships set up to regenerate neighbourhoods in deprived areas.²¹

3.8 Most joint working initiatives are not partnerships of equals. Some organisations have more authority, resources or status than others. For joint working to be effective these differences need to be managed so that all parties are committed to achieving the intended benefits. Typical leadership skills required to make joint working successful include:

- **Facilitation** - particularly the ability to secure the involvement and commitment of a wide range of organisations in discussion and decision making.
- **Influencing and communication** such as the ability to convince partners and a range of stakeholders of the purpose of the initiative and what it can achieve and that there are no hidden agenda - that the real business and decision making is not taking place elsewhere.
- **Organisation and planning** - particularly to co-ordinate a range of partners and activities to achieving a common goal and sustainable improvements in public services.

5 Working well together - to achieve a shared responsibility

Risk from poor working relationship between partners

If organisations do not establish good working relationships based on mutual support and trust and open sharing of information then joint working will fail and improvements in public services will not be achieved.

If mistrust develops the consequences for service delivery and value for money can be serious. For example, the tendency for an adversarial relationship to exist between construction firms, subcontractors, consultants and their clients contributed to poor performance, cost and time overruns in the delivery of construction projects.²²

3.9 The aim of working in partnership is to harness the energies and expertise of individuals from different organisations towards the same goal, whether that goal is to provide a better quality, more efficient service or to tackle an intractable social problem. If individuals from different organisations cannot work effectively together then the benefits of joint working may be lost. Individuals taking part in partnership working can find it an uncomfortable process trying to balance the goals and priorities of the partnership with those of their own organisation which is why it is important that their organisations support the partnership's goals and priorities.

3.10 Joint working requires different approaches and attitudes to working as a single organisation. Partners have to share responsibility and authority but traditional ways of working may influence organisations to seek to protect their own interests. Developing trust between partners is key in creating a working environment where the concerns of individual organisations can be entrusted to the partnership. For example, in the Sunderland Early Years Development and Childcare Partnership, the partner representing play groups trusted the local authority to negotiate with schools over their admissions policies, a matter of great concern to play groups.

3.11 Barriers can arise from individuals' preconceived notions of the attitudes or skills of people from different working backgrounds compounded by a lack of understanding of partner organisations' different cultures and ways of working. Partners need to be aware of their own and others' expectations and viewpoints and to make positive efforts to develop open and honest communication. This can be helped by specific team-building events and joint activities.

3.12 As partnerships mature other problems can arise. The original enthusiasm and drive of the partners can wane or the partnership comes to resemble a cosy club, appearing exclusive to outsiders. Partnerships need to constantly re-evaluate their goals, their achievements and their expectations to ensure that they keep up the work rate and remain open to new ideas and people.

21 Policy Action Team 17. *Joining it up Locally, National Strategy for Neighbourhood Renewal, Department of the Environment, Transport and the Regions, 2000.*

22 *Modernising Construction, National Audit Office, HC 87 2000-01, January 2001.*

19 Examples of good practice in joint working

1 Goals - working towards a clearly defined, mutually valued, shared goal.

Northumberland Business Service was formed when a group of local business people got together with the County Council to develop a new service. The steering group worked together to define what they wanted the new service to be like. Their starting point was that the service should meet the business support and advice needs of all small businesses in the county. The Small Business Service reinforced this client-centred approach by adopting appropriate performance measures for example, setting minimum customer service standards and competence standards and accreditation of advice providers.

Benefit secured. The Northumberland Business Service won the franchise for Business Link services in Northumberland because their client-centred approach enabled them to develop a suite of services to meet local needs following extensive consultation with small businesses.

2 Progress measurement - evaluating progress towards achieving the desired goal and taking action as a result.

Sure Start programmes involve local partnerships creating an action plan with milestones and targets under each of Sure Start's key objectives. The programme manager is principally responsible for monitoring progress against the plan. The Sure Start Unit has also put in place an evaluation framework to assess the effectiveness of the initiative and its components.

Benefit secured. The performance framework allows partnerships to try out new approaches and test whether they work. Partnerships can assess their progress, learn from others and take action to refine their programme as a result.

3 Resources - ensuring that sufficient and appropriate resources are available.

The Department for Education and Skills provides resources direct to Early Years Development and Childcare Partnerships, paid via the local education authority, to underpin their partnership working and to develop services. The Department provides funding for a small team to give administrative and managerial support to each partnership and provides a range of other support through its partnership advisers, website and conferences.

Benefit secured. Partners can draw on the expertise and assistance of partnership staff allowing them to fulfil their strategic role.

4 Leadership - directing the team and the initiative towards the goal.

The Department for Transport, Local Government and the Regions appointed a rough sleeping Director to take personal responsibility for driving the initiative forward. The Department chose someone with strong communication skills and drive to promote the goal to the team and to partner organisations.

Benefit secured. The leader was able to enthuse the team and partner organisations. As a result, partners committed themselves to the goal, believing it could be achieved if they worked together for the benefit of clients.

5 Working well together - to deliver a shared responsibility.

The Department for Trade and Industry and the Foreign and Commonwealth Office joined together to form British Trade International. Managers and staff from both departments are working to overcome differences in culture and working practices between the two organisations. British Trade International are implementing joint training and secondments to reinforce joint working.

Benefit secured. Staff from the two organisations are learning to work with one another and barriers are being broken down to encourage staff to pursue common goals.

Source: National Audit Office examination of five joint working initiatives

Designing joined up programmes

3.13 The long term success of joint working initiatives depend ultimately on how well they are designed at the outset. This section of the report focuses on six key questions which require careful consideration in designing joined up programmes.

- A who needs to be involved
- B what incentives are needed to reinforce joint working
- C what support is needed to improve the capacity of organisations to work together
- D how to fund the initiative to support joint working
- E how long should the joint working last
- F what accountability and regulatory framework will best support joint working

When the Department for Education and Skills were considering how to implement its national childcare strategy it identified that it could expand the role of the existing **Early Years Development Partnerships** to include childcare. This was a more efficient use of local resources and also improved the integration of early education with childcare.

The Department for Education and Skills requires **Early Years Development and Childcare Partnerships** to include representatives from a wide range of local organisations including churches, higher education and health. This is important for a partnership whose role is to plan services for the whole community. Partnership meetings can be very large, however, and involve over 50 people making it difficult to engage all partners.

Some **Sure Start** partnerships have become companies limited by guarantee, with a board of directors, to enable them to contract for services whilst other partnerships have decided not to incorporate because they wish to preserve their flexibility to adapt their partnership arrangements to new circumstances which may develop.

In 2000, the Small Business Service reduced the number of **Business Link partnerships** from 89 to 45 and made their boundaries co-terminous with those of one of their principal partners, Learning and Skills Councils. The new partnership areas are also aligned with the boundaries of Regional Development Agencies. County councils, in particular, now work with only one Business Link partnership instead of several.

A Who needs to be involved?

3.14 The starting point for the design of any policy or service is considering a range of options, one or more of which may involve joint working. If joint working is appropriate a decision about which organisations need to work together has to be made. This can involve various stages:

- **Deciding whether to establish a new partnership.** The first consideration should be whether a new partnership or other joint working arrangement is required. Departments need a good knowledge of the extent and track record of partnerships and service providers that already exist particularly at a local level and consider whether an existing partnership or organisation could take on a new role. Departments need, however, also to guard against the temptation to use existing service providers simply because they believe it will be easier and cheaper to do so.
- **Determining the number of organisations to be part of the joint working arrangement.** The number and range of people and organisations invited to be part of a joint working initiative will depend on what the initiative is intended to achieve. Departments need to balance involving all organisations and community groups who have an interest or some role to play with avoiding the practical difficulties of organising and motivating large numbers of partners. Departments may need to consider whether there are other ways of involving large numbers of stakeholders and community groups without them needing to be formal partners for example, through regular consultation.
- **Deciding the organisational form which joint working should take.** There is no "one size fits all" for joint working. The appropriate legal framework will depend on circumstances, for example a partnership may be set up as a legal entity if it needs to own property or contract for services in its own right. Having clear governance arrangements, so that partners understand their role and responsibilities is, however, important.
- **Determining geographical boundaries and linkages** to other initiatives and bodies. Departments need to examine the proposed geographical boundaries of new partnerships they wish to set up to ensure that these are co-terminous with existing administrative boundaries wherever possible. This should simplify partnership arrangements and make liaison with other initiatives and bodies more effective. Departments should identify other local and national initiatives which will impact upon the work of the new partnership and consider how to ensure that the new initiative links effectively with existing initiatives both locally and within central government.

What incentives are needed to reinforce joint working?

3.15 Organisations need incentives to work together effectively because their customs, functions, and regulatory frameworks can tend to reinforce the primacy of directing resources towards organisations' own objectives rather than joining up with others. Incentives can take different forms:

- **Promoting action through leadership.** Strong leadership can be an important incentive particularly if this convinces joint working participants of the high priority and commitment behind the initiative.
- **Ensuring that objectives have direct relevance to partner organisations.** The better the fit between the objectives of the initiative and those of organisations involved in the partnership the easier it becomes to join up. This means ensuring that objectives are defined in a way that is relevant and meaningful to participating organisations.
- **Providing financial incentives.** Additional funds can be a powerful incentive to work together. For example, the new Neighbourhood Renewal Unit in the Department for Transport, Local Government and the Regions requires local authorities to set up a local strategic partnership to co-ordinate all the partnership activity within their areas as a condition of access to funding from the £900 million Neighbourhood Renewal Fund.
- **Allowing partnerships greater flexibility in their use of resources.** An alternative way of incentivising organisations to work together is to give them greater control over how they use their resources. In 2001, 20 local authorities agreed to pilot local Public Service Agreements. In return for greater freedom, for example the ability to borrow money or to disapply government regulations and administrative procedures - such as freedom to keep revenue raised from fines or to switch grants between different programmes, local authorities have committed themselves to achieving a range of performance targets which address both local and national priorities. For example, Kent County Council has committed itself to getting all the different agencies in the county to work together to meet new targets including closing the gap between its deprived areas and the rest of the county. If it achieves its targets Kent County Council will receive a Performance Reward Grant of £26 million in addition to having more flexibility over its spending.

3.16 Incentives do not always have the impact originally intended and this risk has to be carefully managed. Incentives need to be designed carefully and their various potential impacts thought through. In a number of the joint working initiatives which we examined we found examples where despite incentives being in place organisations did not act in ways originally intended. In addition, established partnerships may need new incentives and challenges from time to time to prevent them becoming stale.

The lead officers of each of the **Early Years Development and Childcare Partnerships** which we spoke to said that the support given by their MP or local councillors was important in securing the co-operation of partners. They considered that without this support the partnership would be seen as low priority by the Council's education or social services departments which would also affect how other organisations saw the work of the partnership.

The effect of the target to reduce **rough sleeping** by two thirds within three years galvanised activity within key voluntary sector organisations. Generally managers welcomed the target as providing a sharper focus for their activities although the reaction of workers trying to move people away from the streets was more mixed.

The **Rough Sleepers Unit** found that despite its work in communicating its objectives to partner organisations, a few pursued goals which were not fully in accordance with those of the Unit's policy. This situation arose from genuine differences of opinion between the Unit and voluntary organisations over how to address rough sleeping and homelessness. The Unit found that it was not enough that the organisation deliver the services set out in grant agreements. If they did not fully agree with the aims or approach of the initiative then they would not work effectively with others to provide joined up innovative solutions. For example, working with police to tackle a street drugs culture which attracts young people to the streets.

What support is needed to improve the capacity of organisations to work together

- 3.17 The size and nature of organisations working together in joint initiatives varies considerably. Some organisations have well established procedures and are familiar with working with departments. Others, and in particular local community groups, may have little experience of working with public sector bodies. In designing joint working initiatives careful consideration needs to be given to how to build and develop the capacity of local community groups, and other organisations with limited experience of working in partnership, to join up and work together effectively.
- 3.18 Support to develop the capacity of organisations to work together can be provided in various ways.

- **Advice and guidance.** Departments routinely provide guidance to those organisations which receive funding in the form of grants. The guidance typically sets out grant conditions and departments' grant administration procedures. For joint working and partnership initiatives departments provide additional advice. We found this guidance to be of varying quality and focus - some set out general good practice principles for partnership working supported by examples, some provide specific advice relevant to particular partnership models. Most of the guidance had been prepared by departments independently of one another suggesting that there is a need for more generic guidance on the principles of joint working based on a wide range of experience.
- **Expert assistance available locally.** Four of the joint working initiatives which we examined had established expertise in regional offices either in the Government Offices for the Regions or the Regional Development Agency as a source of advice and assistance. The role of these individuals is to provide advice to partnerships on a range of issues, facilitate networking between partnerships and monitor their performance and give feedback. The Rough Sleepers Unit carries out these functions itself from London although it delegates the networking role in London to a voluntary organisation, the Homeless Network.
- **Learning networks.** Organisations involved in joint working need easy access to information on good practice. We found that departments used a range of approaches to disseminate and promote good practice. These included conferences, seminars, training events, local networking meetings and websites.

EXAMPLES OF GUIDANCE ON JOINT WORKING CURRENTLY AVAILABLE:

- **Building Partnerships in the English Regions: A Good Practice Guide**, Department of the Environment Transport and the Regions, 1998.
- **Working in partnership: developing a whole systems approach.** Good Practice Guide, NHS Executive, 2000.
- **Working with local agencies and other partnerships and networks**, Department for Education and Employment, 2000.
- **Partnership Programmes - A Guide** Written by H M Customs and Excise, 2000.

Sure Start has appointed regional development officers who work from Government Offices for the Regions to advise and monitor Sure Start partnerships. The officers have their own expertise but also work to ensure that lessons learned from one partnership are disseminated more widely. **British Trade International** has appointed regional directors part of whose role is to support and manage the network of international trade advisers in Business Links.

The Department for Education and Skills has held a number of events for **Early Years Development and Childcare Partnerships** to identify problem areas where further guidance is needed and to promote networking between partnerships. The Small Business Service promotes the sharing of knowledge and ideas between **Business Link partnerships** by holding training events whilst the **Sure Start** Unit hosts a forum for questions and answers from partnerships on its website to share learning and good practice between programmes.

Sure Start partnerships have a single capital budget and a single programme budget. This gives the partnerships the flexibility to design programmes which draw on what is already available and plug any gaps in existing services. It also promotes innovation because partnerships have freedom to try out different approaches. Departmental control is exercised by scrutiny of partnerships' plans and by having a set of targets which partnerships must aim to meet.

The **Rough Sleepers Unit** has brought together funding previously administered by several different government departments and agencies. This has enabled the Unit to have greater flexibility in pursuing its strategy to reduce rough sleeping. In this case, the freedom to direct spending is also buttressed by a specific target to reduce rough sleeping by two thirds over three years.

D How to provide funding in ways which promote joint working

- 3.19 How joint working is financed can influence how successful it is. Consideration has to be given to whether it is important for the joint working arrangement to have flexibility in the way money is used or whether tighter control by the central unit or department responsible for the policy is needed to target spending on national priorities. The financing of joint working usually takes two forms - it can either be "ring-fenced" or "pooled". There are advantages with both approaches (**Figure 20**).
- 3.20 In general it is better for joint working for the partnership to have control over its funds. Pooled budgets allow greater flexibility, make it easier for partnerships to design solutions that fit local circumstances and encourage partnerships to develop a strategic approach. Separate ring-fenced budgets, especially combined with short-term or annual bidding for funds, militate against this. Where appropriate, departments should consider whether they can set meaningful, measurable targets for achievement which can be carefully monitored in place of ring-fenced budgets.
- 3.21 In funding joint working arrangements there are additional or increased support services likely to be needed including administrative and secretarial support, financial management, premises for meetings, attendance allowances to cover for staff absence at meetings and training for partners.

20 Advantages of pooled and ring-fenced budgets

POOLED BUDGET: funds which can be used to finance a range of activities are provided by a number of departments, agencies and local authorities.

Advantages include:

- Partners have greater flexibility in the way in which they can use funds.
- Partners can design solutions which fit local circumstances.
- Joint working is promoted because a number of organisations have an interest in how their money is spent.
- Accountability can be promoted by defining the outcomes to be achieved (with the partnership having discretion as to how they are achieved) and having measures to monitor progress.

RING-FENCED BUDGET: funds are designated by the sponsoring department for a clearly defined purpose and cannot be used for anything else without prior agreement of the department.

Advantages include:

- Partners have to focus on achieving a specific objective often within a designated time period.
- Sponsoring departments have much greater control over how money is used.
- Clearly specified amounts of money are allocated to priorities with guaranteed funding often for a number of years.
- There are clear lines of accountability because responsibility for expenditure is clearly specified.

The **Rough Sleepers Unit** was established to reduce the number of people sleeping rough by two-thirds by April 2002. The Unit has been working on a succession strategy to ensure that the reductions it achieves in rough sleeping are sustained beyond April 2002.

The national network of **Business Link partnerships** was formed between 1993 and 1997. The early enthusiasm for the initiative waned in some areas and some partnerships lost their focus on customers. The Small Business Service restructured the network in 2000-01 in part because of the variation in their performance.

How long should the joint working last

3.22 All forms of organisation need renewal after a period of time to respond to new circumstances and to prevent them becoming stale. Depending upon the nature of the problem the initiative is intended to solve, departments intend some joint working initiatives to produce an impact in a short period of time whilst others are designed as long term initiatives. There are two points programme designers need to consider:

- **Succession strategies.** It is important that, for time-limited initiatives, there is a properly thought-through succession strategy to ensure that the achievements of the initiative are sustained and that lessons are learned from the joint working and, where applicable, transferred to mainstream services. Departments should ensure that they build in time to develop succession strategies into their work-planning.
- **Maintenance.** For longer term initiatives the problem becomes one of maintaining the drive towards the goals. This may be more of a problem for partnerships than other organisational forms because partnerships often require greater effort to work well. Departments need to have a good handle on partnership performance and be ready to provide fresh incentives and challenges to partnerships from time to time. They should also re-evaluate the rationale behind the joint working and assess whether the initiative still fulfils a valid purpose which cannot be met in some other, simpler way.

What accountability and regulatory framework will best support joint working

3.23 In designing joint working arrangements departments need to establish a clear accountability framework which does not impose unnecessary burdens on partnerships and service providers. Departments also need to consider whether their own internal organisational structures will adequately support joint working.

- **Establishing a clear accountability framework.** A number of organisations may make a contribution to service delivery and receive public money to do so as part of joint working. Reliable accountability depends on (i) there being clear and accurate reporting of how public money is used by each organisation and what it has achieved; and (ii) those intended to benefit from the service having adequate means of redress where quality of service is poor.

The sometimes complex nature of joint working arrangements mean that it is important for the role and responsibilities of each organisation to be clearly defined and understood by all those involved in the joint working and those who use the service. The latter is particularly important if citizens are to know to whom they should complain if they are not satisfied with the service. Service providers should make clients aware of complaints procedures and the partnership should undertake regular surveys of client satisfaction.

The minimum requirements needed to promote sound accountability include:

- clear definition of the roles and responsibility of each organisation involved in joint working, and in particular partners' responsibility for ensuring propriety in the use of public money;
- unambiguous targets setting out the improvements in service delivery to be achieved and over what time period;
- clear statement of the client groups who are intended to benefit from the initiative;
- reliable information regularly provided on progress in meeting targets;
- clear understanding of who is responsible for taking remedial action if progress is less than satisfactory;
- audited financial statements reporting expenditure; and
- periodic independent evaluations to assess the achievement of planned benefits and to learn lessons.

In setting up joint working initiatives these basic requirements should be formally communicated to each partner organisation and a lead officer designated as having responsibility for ensuring that they are complied with.

Sure Start programmes have the most complex accountability arrangements of any of the five joint working initiatives which we examined. Local partnerships agree which partner will be responsible for administering funding and producing financial accounts. The partnership as a whole is responsible for meeting Sure Start's objectives although the lead partner has the responsibility of reporting on performance to the Sure Start Unit. Each service provider operates their own complaints procedures and is responsible for the staff they employ and the services they deliver. Clients can complain to their service provider in the first instance if they are not satisfied with the quality of service they receive. The partnership has no legal responsibility for quality of service, this rests with each individual organisation within the partnership.

The **Rough Sleepers Unit** reduced the number of monitoring reports it required from voluntary organisations. These organisations, however, felt that whilst the Unit had made some progress, there was more that could be achieved. In particular, voluntary organisations which received funding from a number of different departments and agencies have suggested that departments should share information and work together to develop a single system of regulation and inspection.

- **Minimising the administrative burden.** Joint working is often funded by a number of different departments and agencies all of which can have separate grant application and reporting of expenditure and performance procedures. There may also be separate regulation, inspection and evaluation requirements. All of this can result in an increased administrative burden particularly for smaller organisations. In designing joint working initiatives departments need to consider ways in which reporting and other associated procedures can be streamlined. In particular they should look for ways to integrate different reporting requirements and share information so that organisations only have to provide information in one format and to one location. For example, the Regional Co-ordination Unit of the Cabinet Office is currently carrying out a review of regeneration funding to try to make grant application procedures more accessible and to streamline monitoring. This builds on earlier work carried out by the Better Regulation Task Force on voluntary sector funding arrangements.
- **Considering whether existing departmental structures support joint working.** Implementing joined up programmes may have implications for departmental structures. Programmes designed around client groups often cut across existing policy responsibilities and departments should consider at an early stage in the design of programmes whether their own organisational structures are appropriate to support the initiative. We found that each of the five joint working initiatives which we examined had resulted in organisational changes for departments to enable them to provide a joined up policy response to the needs of specific client groups (**Figure 21**).

21 Organisational changes in departments to promote joint working

Initiative	Department	Organisational change
Rough Sleepers	Department for Transport, Local Government and the Regions	A specialist unit established in the department overseen by a Ministerial steering group with representation from key government departments. Key positions are staffed by secondees from voluntary sector homelessness organisations.
Early Years Development and Childcare Partnerships	Department for Education and Skills	Policy responsibility for nursery education and childcare has been brought together within one unit. The Unit has specialist partnership advisers, brought in from local government and elsewhere, located in Government Offices for the Regions.
Sure Start	Department for Education and Skills and Department of Health	A specialist unit was established between the Department for Education and Skills and the Department of Health. It is overseen by a Ministerial steering group with representation from key government departments and staffed by civil servants from departments and secondees from local government. The Unit has specialist development officers located in Government Offices for the Regions.
Business Link partnerships	Department of Trade and Industry	The Small Business Service was established as an executive agency of the Department of Trade and Industry to manage Business Link partnerships and to promote joined up policy towards small business from across government. The Small Business Service has regional directors brought in from the private sector and located in the Regional Development Agencies.
British Trade International	Department of Trade and Industry and Foreign and Commonwealth Office	British Trade International is itself a unique form of central government organisation bringing staff from two departments together into a single operation without formal status either as a separate government department or as an Agency. The Group Chief Executive reports to a Board including representatives from the two departments and the private sector and to a Minister who holds office in both departments. It has regional directors - most from the private sector - and in most cases located in the Regional Development Agencies.

Source: National Audit Office examination of five joint working initiatives