

# **Policy Making and Joined-Up Government**

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### **Martin J. Smith**

Whilst the relationship between central and local government has changed over time, British government is highly centralized. Even within the context of devolution the nature of power and decision making within the localities or regions is determined by Westminster. Nearly all forms of local decision making exist in a relationship that is defined by Westminster. Power is granted or removed by the centre. What is perhaps more remarkable is that this centralization is almost solely a phenomenon of the twentieth century, and not eighteenth or nineteenth state building projects as is the case in much of the rest of Europe. Until the interwar years considerable autonomy existed at the local level.

Nevertheless, it was a number of constitutional principles laid down in the nineteenth century that created the context of central-local relations being located more firmly in the centre than the locality. These principles are: cabinet government, parliamentary sovereignty, the legal status of departments, and ministerial accountability. Parliamentary sovereignty locates power within Westminster but the actual location of decision making resources is within departments. It is the secretary of state within a department that embodies legal authority and it is the department that has the bureaucratic resources to make and implement policy. This process is legitimized through the principle of ministerial accountability, which means that Ministers answer to Parliament for the actions of departments. Cabinet government is the mechanism for ensuring that a system of strong departments does not lead to fragmentation.

These features of British government mean that there is a tendency towards centralization which is invoked more strongly at some times rather than others. For example, the postwar welfare state was set up on the basis of a strong role for intermediate actors such as local authorities, health authorities and education authorities who delivered public services and had a degree of control over how these services were provided. From 1979 the Conservative Government attempted to reform the welfare state through reasserting parliamentary sovereignty and reducing the role of middle range institutions, particularly local authorities. The Labour government since 1997 has increased the role of local institutions – particularly through new forms of local organizations such as regeneration partnerships and primary care trusts – whilst at the same time trying to ensure an overall strategy for public services determined by the centre. The implication is that central-local relations are not fixed but change over time. However, there is an assumption underpinning this process that in terms of policy it is ‘the man in Whitehall knows best’ and it is in the centre that policy expertise exists. An important question is whether the location of policy making capacity in the centre produces the best policy outcomes?

The constitutional principles outline above has led to a system that is at the same time centralized and fragmented. It is centralized in that Whitehall/Westminster is often involved in highly detailed decisions – for instance the national curriculum. It is fragmented in the sense that departmental autonomy means that departments often

operate in silos which result in conflicts, contradictory decision and overlapping decision-making. Perhaps, more importantly, there have often been complex relations between the centre and the locality. The fragmentation has been increased by a series of public sector reforms such as the establishment of agencies, privatization, contracting out and the creation of quasi-markets have fragmented the delivery of public services. The Labour Government's focus has been on improving the delivery of public services and as a consequence it has attempted to reverse the process of disaggregation. The Government has produced two processes which have attempted to resolve the horizontal and vertical fragmentation and have aimed to overcome some of the deficiencies in the policy making capabilities of the civil service: joined up government (JUG) and greater policy and delivery capacity at the centre of government. At the same time the government has promoted public sector reform and a focus on new localism and devolution which may contradict JUG and the delivery programme.

### **Joined up Government**

One of the key themes of the first term of the Labour government was the notion of joined-up government (JUG). It was argued that the silos of departmentalism often resulted in contradictory or perverse outcomes. The government also recognized that many social problems required a holistic approach: poor housing, low educational achievement, teenage pregnancies, high unemployment and poverty are inexorably linked. To resolve one of the problems requires action on all of them.

In principle, joined up government should be provided by the Cabinet system. However, the size of government, the fact that the Cabinet system deals with a small proportion of policy and the increasing fragmentation of government, combined with the strength of departments, meant that fragmented policy making was endemic. In order to encourage JUG, the Labour government introduced a range of institutions, both ad hoc and permanent, to attempt to create joined up solution including: Tsars, the social exclusion unit, cross departmental bodies and task forces.

The continuing strength of departments makes joined-up government difficult to achieve and there are numerous examples of the failure to join up. However, in Labour's second term the focus shifted from joining up to delivery. Government realized that what was important was not how policy is made but how it is delivered. But the issue of delivery could not be isolated from joining up. The need to improve delivery added a new dimension to joining up. First it meant that there had to be joined up policy making and joined up delivery. Second it meant that there had to be vertical as well as horizontal joining up.

The question of how delivery is joined up with local government raises two crucial problems. One is how to connect the central government with the locality (see figure 1) and the second is how to ensure joined-upness at local level. Underlying this is the problem that joined up local government could restrict local autonomy and blur lines of accountability. There is a paradox: attempts by the centre to create joined up government at the local level may undermine joined up government because effective local joining up depends on autonomy, making scenario one difficult to achieve.

<b>Scenario 1</b> JUG at national and local level	<b>Scenario 3</b> Uncoordinated nationally and JUG locally
<b>Scenario 2</b> JUG nationally Uncoordinated locally	<b>Scenario 4</b> Uncoordinated nationally and locally

JUG at local level is faced with a different set of problems. Whilst national government has, in principle, a mechanism for joining up and a single source of authority, these do not exist at local level. The problem of joining up locally is complicated by separate spheres of authority, professional autonomy and diverse lines of accountability. Local governance does not exist within a single site but is spread through a range of national and local bodies.

There have been some explicit attempts at joined up government locally. For example, urban regeneration is based on Local Strategic Partnerships. These are mechanisms for ensuring that policies to tackle deprivation are joined up at the local level so that ‘all local service providers should work together’ (Johnson and Osborne 2003: 148). The aim, as Johnson and Osborne point out, is to ensure that local communities have control over the regeneration process. However, as they emphasise this creates the paradox outlined above:

JUG at local level depends on;

- good local knowledge
- autonomy in decision making
- the ability to create cross-professional institutions
- mechanisms to ensure that central government interacts with and responds to local government
- budget mechanisms that allow funds to operate across service providers.

Vertical JUG depends on:

- clear lines of authority
- hierarchical relationships
- strong feedback mechanisms
- limited local autonomy

### **Institutionalising central capability – the development of delivery mechanisms**

It is fair to say that until 1979, No. 10 and the Cabinet Office were relatively weak compared to the departments. The role of the Cabinet office was largely one of coordination and the Prime Minister tended to intervene directly in policy on an ad hoc basis, at times of crisis, or if particular issue was of interest to them. Policy making capacity was located within departments. The long held assumption is that Whitehall provides a 'Rolls Royce' policy making machine. However, since the Fulton report there has been criticism of the civil service in terms of its ability to make policy and these arguments have been reiterated in recent years. It is suggested that officials are generalists, that they do not develop policy strength, they are too focused on Whitehall and the short term needs of politicians, and that there have been a number of high profile policy failures. Policy making has been conducted in a hermetically sealed world of Westminster/Whitehall without enough connection with those involved actively in policy delivery and in contact with those who are receiving public services. As Martin Lodge and Christopher Hood point out: 'The subject expertise needed for effective and well informed policymaking is decreasingly likely to be available within the central parts of the public bureaucracy as in-house expertise is squeezed, outsourced or simply unavailable' (Hood and Lodge 2004). Indeed, the Prime Minister has argued that civil servants are good at developing legislation but less good at implementation.

Perhaps because of the limitations of departments, from the 1970s onwards Prime Ministers did develop independent policy making capability inside number 10 but it was only with Margaret Thatcher that No. 10 explicitly attempted to develop a coherent policy agenda with the aim of driving departments. Nevertheless, this usually depended on the use of temporary advisors rather than formal policy making capability. However, rather than improving policy making capacity of civil servants, governments have concentrated on improving the policy making capabilities of Prime Ministers and their control over policy delivery.

However, it was under the Labour Government from 1997 that central policy making capability became centralized for the first time. Tony Blair announced that it was his intention to create a strong centre to drive the government's reform agenda. He initially expanded the size of the policy unit, now known as the Policy Directorate. The role of the policy directorate is not to make policy but to make Department's aware of the policy steer emanating from Number 10. This policy steer continues to be driven by regular bilateral meetings with Ministers.

Strategic policy capability is provided by the strategy unit and by the Performance and Innovation Unit which are attempting to think about future policy problems and potential problems towards them. Perhaps the most important development however was the creation of the Delivery Unit in 2001. Reporting to the Prime Minister its role is to ensure that the government delivers on its priorities in terms of health, education, crime and transport. Its rationale is that the problem is not making policy but ensuring that it is delivered on the ground. The relevant departments are set clear public service agreements which lay out their targets and through regular bilateral meetings between number 10, delivery unit and department officials, progress on the PSAs is reviewed. These

collections of units provide the centre with a capacity that has never existed in the past. There was a conscious and explicit attempt to build capacity at the centre. The main mechanism of capacity is targets which are set between No. 10 and the Treasury and overseen by the Delivery Unit. The government's argument is that it sets national standards through targets but the targets provide flexibility for front line units because it is up to frontline units how the targets are achieved. There are now 197 people working in the Prime Minister's Office, which does not include the 20 in the Delivery Unit and those in the Strategy Unit or the Public Sector Reform Unit.

The extant aim of this central capacity is to ensure that better services are delivered on the ground. Some, however, see this increased capacity as the establishment of a command and control system which integrates the centre of government into delivery in a way that has never occurred in the past. The proposal that phonics is the best method for teaching children to read is an example of how targets can lead government into making detailed policy prescriptions that limit the autonomy of those delivering policy. Previously, British government has rarely been involved in implementing policy, leaving the delivery of policy to a range of intermediate bodies. Many people have argued that this increased capacity through the use of targets produces unintended and sometimes perverse outcomes (see Chapman 2004). The use of targets undermines local autonomy, produces game playing and leads to a focus on one set of outcomes rather than others.

Nevertheless the government is aware of the need to link improvements in central capacity with enhanced devolution and local autonomy. According to the Prime Minister:

‘Some commentators assert a false dichotomy between national standards and local decentralization. In reality, a strong framework of national standards backed up by enforceable entitlements is an important lever for users and citizens to drive local improvement.’

The centre recognizes that improvements in the delivery of services comes from increasing local control over how the services are delivered and it aims to increase local input into nationally driven targets. It is keen to develop local autonomy within the context of national policy goals.

### **Is increased central policy capacity compatible with local autonomy?**

However there seems to be a clash of perceptions between the centre and locality over the nature and impact of centrally derived targets. One of the problems is that as the government and a number of civil service reformers have argued that public sector reform is not about institutional, but cultural, change. So whilst on one side the government has argued that there are a limited number of targets and how they are implemented is up to local decision makers, the target culture is being replicated throughout the public sector. A set of targets that exist for literacy are translated into targets for schools which in turn become targets for teachers who then set ‘personal targets’ for pupils. Consequently, activity is tightly focused rather than allowing the development of personal and institutional autonomy. As the government acknowledges in the case of Health the number of frontline targets is 17 times greater than the number of headline PSAs and in education it is 34 times greater (Treasury/Cabinet Office 2004,

p.20). What is interesting is that the report blames departments, local authorities and delivery agencies for imposing these targets on front line staff. It has effectively created an interesting paradox saying PSAs are the targets – they are an effective management tool for improving public service delivery – departments and agencies should follow, and they should not impose further targets because that undermines the autonomy of frontline staff.

The fundamental questions are whether strengthened central capacity is compatible with increased local autonomy and whether to improve policy making and delivery it may be better to increase capacity at local level rather than at the central level? This issue relates to the fundamental nature of the British political system and whether the hierarchical nature of the British political system can allow any real local autonomy. Targets are a management tool to ensure certain patterns of behaviour within delivery agencies. The role of the delivery unit is to control the implementation process so that the policy goals of the core of government are delivered. In doing this it depends on an evidence based system. It uses statistics as a measure of success in delivery performance. Therefore it is tied to a crude measure of success or failure. In addition, the role of the so-called tsars and units within departments exist to ensure that localities are achieving goals set by government. The problem is that the policy goals are set by the centre and the centre wants to ensure that these goals are met. This drive comes from the nature of accountability. It is ministers and the Prime Minister that are constitutionally accountable for policy. This constitutional accountability is reinforced by the media's focus on government. The targets that are created for the locality whether it is street crime, anti-social behaviour or waiting lists are driven by issues of central accountability and political salience rather than local understandings in either the community or the service deliverers. Moreover, officials within departments respond to demands from their political masters in Westminster and not to those on the ground who are delivering policy. If an official is receiving conflicting information, the instinct, and constitutional priority, is to respond to what the minister, not the locality wants.

The increasing of central capability and the development of JUG has occurred within the context of attempting to increase local autonomy. However there are conflicts in the meaning of local autonomy. Because of the constraints of the constitutional and political imperatives, local autonomy usually means local control over the delivery of central targets and the locality is held to account over the delivery of central targets. This is actually a continuation of the managerial autonomy that was an outcome of the public management reforms of the 1980s and 1990s. It is not the creation of political autonomy. Real local JUG and autonomy over delivery is problematic for an outcome driven government because it can change the site of political decision making from the centre to the locality. It also blurs the lines of accountability and it may undermine the notion of choice in public services. However it can have considerable advantages because it means that local decisions are made with local knowledge (with solutions and policy arrangement that suit the community) and that problems such as education, anti-social behaviour, urban renewal are tackled in a holistic way. Perhaps most importantly local service providers work together and policy solutions are multi-dimensional. Yet if it is to work it needs a number of measures:

- **Rethinking policy spaces**

The fundamental problem within the British political system is that local authority autonomy does not exist in any real independent sense. All local autonomy whether it is by a head teacher, a local authority, a primary care trust, exists on sufferance from the centre. This point is illustrated well by the continual restructuring of the NHS which occurs as a result of the centre's need to improve control rather than the localities desire for new forms of organization. The only recognized separate sphere of authority is professional knowledge but even this is controlled through regulation, incentives and targets set by the centre. Consequently, any real local autonomy requires independent authority at the local level and some notion that policy spaces do not emanate out from the centre, but may be created between local actors who have the autonomy to define problems and what the solutions should be.

- **Increasing autonomy at local level**

This means that increasing local autonomy depends not on freedom to implement the government's agenda but autonomy to decide on priorities and to deliver policy solutions that meet local, not central, requirements. This would also have significant implications for the whole budgetary process because local priorities would require local decisions about spending. It may be for example desirable and democratically legitimate that the government decides that a strategic goal is to reduce childhood poverty. However the causes of childhood poverty may be different in an ex coalmining community where it is a consequence of a lack of alternative economic development and a seaside resort where it is a consequence of high levels of seasonal and low paid employment. Therefore, it should be at the level of the locality that policies to tackle childhood poverty are developed. Officials in Whitehall can have a sense of aggregate issues in relation to childhood poverty but it is impossible for them to have the information of particular circumstances in each locality or for ministers to be able digest the necessary information to develop the range of policies for particular areas. Therefore there is a strong argument for developing local policy capacity which deals with issues for particular localities.

- **Respecting local knowledge**

There would need to be a realization, which has never existed hitherto, that citizens have the knowledge to identify local problems and to create local solutions which may differ from those of the centre and may in fact produce outcomes that are more desirable for the locality. As Dunleavy, Margetts, and Bastow argue the centre often creates complex institutional designs which can have a negative impact on policy outcomes. The obvious example is the restructuring of health care provision. The continual changes in institutional arrangements, and the complexity of those arrangements, create problems for the delivery of services. Of course, to develop the use of local knowledge in identify collective problems would require new institutional mechanisms at the local level. Again, arrangements for the delivery of health care could be decided at local level in relations to local problems and priorities.

- **Diversity in policy preferences and policy outcomes.**

The outcome of increased use of local knowledge may be that local targets and local policy solutions do not conform to those of the centre. Again the British political system has had great difficulty in resolving real differences in political priorities between the centre and the locality. However, experience with devolution in Scotland and Wales suggests that the centre is learning to accommodate certain differences in policy preferences.

- **Reducing the degree of professional independence**

Increased local autonomy requires not only limitations on the spheres of authority of the centre but also a different set on the constraints on the behaviour of professions. The professions would both have to respond to the locality and respect their decisions, but also work outside of their professional boundaries. One of the biggest problems with joined up government at local level is the inability to get the separate professional groups to work together, for example police, health professional, teachers and social workers. Of course, this is problem is exacerbated by issues relating to the sharing of data.

- **Reorientating budgets to follow programmes rather than service deliverers**

The government has recognized this issue in certain areas. However, for real local autonomy it would have to go much further and of course it would require greater control at local level over money that is distributed by the centre. Experiments in participatory budget have been conducted in other countries where the community is involved in setting priorities and deciding how money should be spent. Such a development in Britain would be a considerable challenge to local and central government and would be a break from what is a highly centralized budgeting system (and all the implications that go with that). It would also raise issues of local political relations that have often been ignored in Britain.

### **The problems of local capacity and local autonomy**

The development of local autonomy and joined up decision-making at the local level depends on the existence of capacity at local level. One thing that is clear is that whilst in principle localities do have mechanisms for delivery, the capabilities vary greatly from area to area. However perhaps what is more important is the lack of institutional forms for two specific tasks. The first is creating links with civil society which would enable local authorities to identify local problems and local solutions. There is a strong democratic argument that central government is more responsive to the demands of citizens than local service deliverers. If local autonomy is increased there is a real danger that professional interest become dominant again rather than citizen interests, and so it is crucial in creating these types of local democratic arrangements that local professionals are also responsive to their communities.

The second problem is joining up local delivery. Central government does have an institutional basis for joining up through the Prime Minister and the Cabinet. At the local level this does not exist because each arm of delivery – the police, schools, local authorities tend to have separate sources of authority – and no organization has a

monopoly of authority or resources. Joining up then depends on the quality of local relations and to some extent on personal connections. This can work well in some localities. For example, in relations to Anti-social Behaviour Orders (ASBOs) in some localities, local authorities, police, social workers, schools and magistrates work well together and have developed formal partnership mechanisms. In others, police, magistrates and local authorities have conflicting philosophies in relation to ASBOs. Consequently, institutions and incentive mechanisms are needed to encourage consistent patterns of joined up delivery at local level.

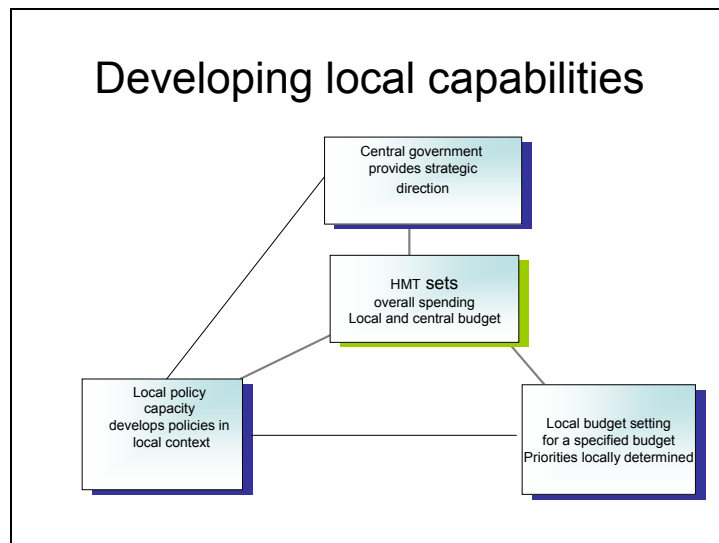
### **Developing Local Capabilities**

There is increasing concern that central government does not always have the right mechanisms or expertise for making policy. Traditionally the civil service has focused on servicing Ministers and it is generalists and centrally focused. Whilst the government has paid considerable attention to improving delivery mechanisms, it has paid less attention to policy making mechanisms. There has been increased criticism of the civil service as a policy making organization and a number of high profile policy failures such as BSE and foot and mouth. There is a possibility that some of the failures in policy making could be remedied through increasing the policy capacity at local, rather than, central level. There is a high level of policy expertise within local organizations because most public sector managers in localities and regions are concerned with problems in relation to how services actually work, and what impact they have, on the ground.

Within the context of the British political system it is possible to imagine a situation where local policy capacity was developed in two ways. First, localities could develop the capacity to make policies for their particular situation building on local knowledge and the preferences of local citizens. Much of this could be developed through using existing expertise on health, education, housing, crime and anti-social behavior, and social exclusion that exist already in the localities. Local officials and professional are dealing with the issues daily and have a considerable knowledge of what sorts of problems work. Whilst in recent years there have been increased attempts to draw in those involved in policy delivery into policy making by increasing local policy autonomy there would be a much more institutionalized use of local knowledge. Whilst traditional Whitehall mandarins do a very good job of servicing ministers, they may not be so good at developing policy for particular localities. Such developments would not necessarily undermine the existing system of representative government or ministerial accountability if the development of policies was within the framework of strategic goals set by the centre and if the locality had to report back to the centre on policy development. Secondly, whilst overall budgets could continue to be set by the Treasury, there could be a part of the budget over which local organizations could determine how it is spent. However, in order to ensure accountability there would have to be careful auditing of these budgets.

Improved local policy capacity would depend on:

- Stronger mechanism of local participation and accountability. If the locality was determining policy at local level as well as reporting back to the centre, local policy makers would have to involve the community and be accountable for the policy decisions they made.
- As mentioned above, it would be important, in order to prevent further fragmentation, that there were strong local strategic organizations – which could be local government – that provided the institutional basis for joined up policy making and delivery at the local level. Local policy capacity could not be allowed to further fragment the policy process at the local level.
- Considerable resources would have to be committed to developing local policy expertise. Ideally there would be a circulation of personnel from local organizations into local policy making bodies. There could also be an exchange of personnel between local and central government. What needs to be emphasized is the strength of expertise that exists within the local and regional tiers of government and public service.
- What would be desirable would be a more seamless relationship between local and central policy making. Strategic goals would be set at the centre through a dialogue with the locality and policy making would occur both at the local and central levels but in ways which is compatible rather than adversarial. This would depend on both central and local government recognizing separate spheres of autonomy. It would allow for central policy making to re-connect with those involved in the implementation of policy and ensure that their local knowledge and practical experience was fed into the development of strategic goals.



### Summary

The paradox of British government is that it is at the same time highly centralized and fragmented. Consequently policy making capability has been concentrated in the centre. The Labour government since 1997 has attempted to overcome this fragmentation through increasing central policy capacity and attempting to join up government.

However they have recognized that focuses on centrally driven targets to improve local delivery does have unintended consequences. As a result they have emphasised the need to allow local autonomy within the context of national policy goals. However, this leaves the problem of whether the British political system is able to accommodate real local autonomy. Measures so far are intended to allow local deliverers autonomy over how to deliver national goals and not a real political autonomy which would allow real local policy spaces that could define local problems and develop local solutions. To achieve these local policy spaces would involve significant institutional change at the central and local levels. There also would have to be considerable attention paid to issues of accountability and how new lines of accountability could be created at the local level. However, greater local policy autonomy would ensure that involvement of a whole range of policy expertise in the policy making process.

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