

Symposium on International Experience with Monitoring and Evaluation (M&E) in Government

September 18, 2015, Hyderabad



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Mr. K. Padmanabhaiah
Former Secretary
Ministry of Home Affairs



UNITED KINGDOM

Presentation Outline

- 1. Brief Description of United Kingdom**
- 2. The M&E System**
- 3. Similarities with Indian M&E System**
- 4. Dissimilarities with Indian M&E System**
- 5. Lessons for India**

United Kingdom at a Glance

- Central government with 24 Departments, 361 agencies, and 3 devolved administrations.
- Local authorities (353) responsible for housing, education, fire fighting, and police, with 2 million employees.
- Quangos, in 2009, there were 766, employing 110000 people, mostly funded by government
- Two party system with radically different ideologies. Their approach to Local Governance.



United Kingdom at a Glance contd...

- **1979-1997 (18 years) - Conservative Government:**

1982 - Financial Management Initiative

1988 - "Next Steps"

1991 - Citizens charters,(40 main),over 10000 local charters,22 Citizen quality networks, People's panels with 5000 knowledgeable people.

1992 - Local Government Act gave Audit Commission power to fix performance Indicators for local Government.



United Kingdom at a Glance contd...



- **1997-2010 (13 years)-New Labour.**
 - In 1997, Public spending at 39.5% of GDP was at a historic low for UK & also by international standards. Poverty & inequality at unprecedented levels in post war history.
 - Labour party for Big government and centralized welfare State.
 - Set out a n ambitious agenda to raise outcomes overall, narrow socio-economic gaps, and modernize public service.
 - Focus on Education, Health, Crime and Transport

United Kingdom at a Glance contd...

- **1997-2010 (13 years)-New Labour contd..**

- Instruments were 3-yearly Departmental budgets (with year-end flexibilities),
- Spending Reviews (to make incremental changes to existing priorities)- 5
Comprehensive Spending reviews (fundamental strategic reviews of spending priorities with Zero-based budgeting)-2 And
- **3-yearly PUBLIC SERVICE AGREEMENTS** of all Departments with HM Treasury.



United Kingdom at a Glance



- **1997-2010 (13 years)-New Labour contd...**

Focus on delivery by Local Government: Instruments were,

- BEST VALUE PERFORMANCE INDICATORS & BEST VALUE REVIEWS (local government act-1999) .
- COMPREHENSIVE PERFORMANCE ASSESSMENT (CPA) and
- Comprehensive Area Agreements,
- Central government entered into agreements with Local government authorities, and with Local Strategic partnerships (**LOCAL AREA AGREEMENTS**) with responsibility on the latter to report on a set of 198 National Indicators (NI).

Public Service Agreements.

- **Phase 1:** 1998-2000, PSAs to demonstrate measurable improvements in 5 key election pledges (Ex: reducing NHS waiting lists) Targets: 600/160 Government Resource Accounting Act gave power to PAC to scrutinize PSAs.
- **Phase 2:** 2001-2007. **PMDU** created in June 2001. Later shifted to Treasury. PSAs rated by PMDU every 6-months. In 2003, PAC highlighted weaknesses like top down nature of targets, and for gaming potential. In 2006, “Capability Reviews” introduced in PMDU. 17 PSAs with Targets reduced to 130/110.



Public Service Agreements contd...

- **Phase 3:** 2007-2010: Going Cross cutting and comprehensive 30 cross-cutting PSAs, with 153 targets shared across all contributing departments.
- Service transformation agreement,
- and **DSOs (Departmental strategic objectives)** for each department.



COMPREHENSIVE SPENDING REVIEW

2008-11

- To achieve 4 overarching goals, through 30 cross-cutting priorities(30 PSAs), through 152 measures/targets
 - Sustainable growth & Prosperity _____ **7PSAs**
 - Fairness & opportunity to all _____ **10 PSAs**
 - Stronger Communities & Better quality of life _____ **9 PSAs**
 - A more secure, fair & environmentally sustainable world - **4 PSAs.**
- New departments created, and Lead departments named for a PSA or set of PSAs

UK-COALITION GOVERNMENT 2010-15

- Repercussions of global financial crisis, recession left UK with a current account deficit & net Government debt, highest since 1975, as well as slow forecast of economic growth.
- Coalition committed to reduction in size of the State, ending days of big government, redistributing power away from the Centre, and in creating a big society.
- Abolished PSAs/PMDU, Audit Commission involvement with Local authorities, CAAs, Local Area Agreements, the National Indicators set, Regional Assemblies, Regional Development Agencies, and scrapped 300 quangos.

UK-COALITION GOVERNMENT 2010-15 CONTD...

- Criticized Labour regime as “Big government, Central Control, and target culture”.
 - Emphasis on Spending cuts,
 - Changes to individual policy programs , and
 - Structural reforms.
- 2010-set up an Efficiency & Reform group in Cabinet office; An Efficiency & Reform Board under Minister for the Cabinet Office, A strategy Unit similar to one under labour),an Implementation unit (similar to PMDU), passed Localism Act,2013.

UK-COALITION GOVERNMENT 2010-15 CONTD..

- 17 Departmental Business Plans covering a 4-year period, to be updated every year, with 1200 reform actions, and 600 milestones. Standard format has 5 sections:

1.Vision

2.Coalition priorities

3.Structural reform plans

4.Departmental expenditure and,

5.Transparency

Structural reform is the heart. Performance evaluation is not easy, as there are no measurable targets.

2. The M&E System in United Kingdom

- A. What is evaluated?**
- B. How it is evaluated?**
- C. Who evaluates?**
- D. Has it sustained?**

2. The M&E System in United Kingdom

A. What is evaluated?

- During labour government, the policies, processes, delivery of services and outcomes are evaluated at all levels of Government, and also Quangos, and NGOs.
- In the Coalition government, it is mostly the strategic plans, and performance of Government departments in achieving coalition priorities that are monitored.

2. The M&E System in United Kingdom

B. How it is evaluated?

- Through PSAs & LAAs in Labour government,(Departmental Strategic Objectives-DSOs) and
- Through DBPs/Strategic Restructuring in Coalition Government, by focusing on indicators.

2. The M&E System in United Kingdom

C. Who evaluates?

PMDU, HM treasury, Lead Ministers/Secretaries, Parliamentary PAC in case of PSAs. The validity of National Parameters checked by NAO.

Re: LAAs, Audit Commission evaluators, and publishes league tables with star rankings etc.

2. The M&E System in United Kingdom

D. Has it sustained?

PSA system evolved over 10 years, was well established, Produced excellent results,

- in Health(reduction in waiting lists, reduction in waiting time),
- education(pupil –teacher ratio, pupil-adult ratio),
- children under 5,neighborhood renewal,
- crime reduction etc.

3. Similarities with Indian M&E System

1. PMDU/IU and PMD function as the central nodes of a performance- measurement-driven approach.
2. Weak Sanctions/incentives provisions vis-à-vis performance achievement.
3. Limited organic link between Performance data and systems used for managerial decision-making.
4. Bottom-up feedback loop on what works and what does not, remains weak.
5. More capacity building with support from benchmarking, communities of practice etc is needed in both systems for better quality.
6. Operational Risk Management (ORM) needed to be built in.

4. Dissimilarities with Indian M&E System

- The budgets and performance targets are better linked
- Close involvement of the Prime Minister's and Cabinet Office
- Medium term three-four years PSAs/DBPs performance agreements are more useful.
- The overriding emphasis is on service delivery and customer satisfaction. Many success indicators are formulated to measure customer response.

4. Dissimilarities with Indian M&E System

- Frontline managers are involved to a much greater extent while formulating performance agreements
- System of Local Area Agreements, led to a better understanding of the entire supply chain, from policy making at the center to the ultimate delivery to the citizen.
- Comprehensive Area Assessments' carried out Independent Audit Commission, published yearly
- Third parties like C&AG and Audit Commission set up performance targets for agencies and local authorities.

4. Dissimilarities with Indian M&E System

- continuous efforts to reduce number of priorities and number of success indicators
- The Parliamentary Public Accounts committee monitored the performance closely
- More emphasis on planning and target setting than on implementation review, and on lessons learned from what worked or did not work

4. Dissimilarities with Indian M&E System

- Lacks robustness in laying down clear inter-se priorities with appropriate weights, in measuring percentage of success of each success indicator, and in working out a composite index of overall performance
- No single composite index of performance for a department in the UK system. Hence inter departmental comparisons are not easy.

5. Lessons for India

- Most important in the UK, Delivery is the key. Involve front line managers
- Locus of action in India is in states
- Divide targets into three groups – Central , State and local government level
- Have delivery contracts / Agreements with state governments/ local authorities
- Fewer objectives for government as a whole (joined – up) government and cross cutting objectives.



Thanks