



Briefing Paper 3

WHAT THE GERSHON REPORT MEANS FOR CONSULTATION

by
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What The Gershon Report¹ means for Consultation

The Government has published a Report entitled “**Releasing resources for the front-line**”, an independent review of public sector efficiency prepared by Sir Peter Gershon. According to an independent survey by Kable², the reactions of senior public sector executives have ranged from enthusiasm (...it’s ...*at least five years overdue*...) to scepticism. Among the Trades Unions there is outright hostility.

Yet this Report, and the spending review it informs, will shape the debate about public services and the role of Government in the months leading up to the general election, and beyond. In particular it will impact the way in which public servants see their roles and undertake their jobs.

This paper looks at the implications for those engaged in public and stakeholder consultations. The **Consultation Institute** estimates that there are over 5,000 staff engaged for significant parts of their time in these activities, and there are a range of questions and issues which arise from an examination of what Gershon proposes, and what the Government intends.

In summary - the Institute believes that Gershon amounts to a big boost for public and stakeholder consultations - and for public engagement as a whole. BUT it also poses a number of important challenges.

Why Gershon is good news for Consultation

- ❑ Gershon is building on the work of a previous review - *Devolving decision-making: refining targets and performance management* - published by the Cabinet Office in March³.

This Report heralds the move away from huge numbers of targets and the micro-management of Local Authorities and other agencies from Whitehall. It proposes far more flexibility, particularly for Councils who have proved to be efficient Managers. Such flexibility is good for consultation. Too often in the past, public bodies have consulted their stakeholders only to find that they were constrained from responding to the preferences expressed. If Authorities have more flexibility, consultation can be more meaningful.

Developing a new and more integrated approach to targets and other controls will require increased local consultation

Devolving Decision Making (1), March 2004

¹ Releasing resources to the front line – Sir Peter Gershon CBE, July 2004 at www.hm-treasury.gov.uk

² What do they mean by “Yes”? – see www.kablenet.com/kablereport

³ See Devolving Decision Making (1) - also available on www.hm-treasury.gov.uk

- ❑ Gershon strongly supports the use of common *best practice* processes, especially for back-office and transactional services

This means a reduction in the common practice of every public service organisation choosing to approach consultation in its own way, with wasteful duplication of effort and re-inventing the wheel. Gershon uses the examples of different approaches to sick absence policies or best value strategic sourcing, but the principle could equally apply to public and stakeholder consultation

- ❑ The proposed introduction of three-year revenue and capital settlements for Local Authorities in England will make much current consultation more effective and improve its credibility with stakeholders.

Despite three-year budgets being introduced for Government departments, the NHS and other organisations, the £45 billion (2005-2006) distributed to Local Councils in England continues to be done on an annual basis - and Councillors and Officials only have 4-6 weeks to finalise their budgets. In the circumstances, it is hardly surprising that stakeholders - and the general public are deeply sceptical when Authorities try to consult them. A longer planning horizon gives local communities more scope to take decisions, greater discretion on some of these decisions, and a better chance of taking stakeholders' views into account.

- ❑ Gershon's emphasis on efficiency in policy, funding and regulation (PFR) will reinforce the trend towards *evidence-based* policy-making. As consultation outputs are key items of evidence, it will increase the emphasis on high-quality engagement with stakeholders.

The multiplicity and overlapping nature of regulatory bodies means that many stakeholders are consulted by different agencies on similar subjects simultaneously. It is a major cause of consultation fatigue. Rationalisation of regulation, inspection regimes and a more consistent, co-ordinated approach would reduce the burden on consultees and make consultation more cost-effective

- ❑ Workforce reforms, particularly among front-line service delivery staff is an important part of the Gershon agenda. Successful implementation of such changes requires excellent consultation, both internally and externally.

The Report appears to acknowledge that a gross reduction of 84,000 civil service posts (excluding the devolved administrations) and the concomitant changes to working practices can only be achieved with the co-operation and goodwill of the staff. *Employee consultation* - already destined to be a hot topic in 2005, with the implementation of the European Directive - is going to be critical as proposed departmental *Change Agents* grapple with the task of getting everyone on board.

- ❑ The Government believes that empowering citizens to exercise choice will contribute to a culture of contestability - with resulting efficiency savings

In its 2004 Spending Review, the Treasury confirms the need for more consultation if the choices offered to public service users are to be meaningful and practical. If citizens see that engaging with Local Authorities and others results in the right choices being offered them, it will enhance the value of public consultation and the reputation of the Public bodies involved.

.....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.....

2004 Spending Review
Chapter 3: Better Public Services

Taken together, and in the context of the scale of the forthcoming changes in Central and Local Government, this agenda confirms the growing need for high-quality consultations conducted by trained professionals observing well-defined standards and *best practice*.

What challenges do Consultation professionals now face?

Against this backcloth - and with the Conservative Opposition promising more of the same - nothing will be the same again.

Some Public Sector managers will misinterpret the messages coming from Government. After all, at a superficial level, consultation can be a barrier to administrative efficiency. It slows down decision-making, can seem excessively bureaucratic and is often perceived to be a cosmetic PR exercise when decisions have been taken anyway!

Yet experienced policy-makers know that genuine consultation with well-identified stakeholders can improve the quality of decision-making, avoid expensive mistakes, anticipate unintended consequences and secure the support and *buy-in* of those who are impacted by or engaged in implementing a decision.

What Gershon may mean in practice is FEWER consultations - but done BETTER!

There are some other likely challenges, however.

- ❑ Observing *Best Practice* principles will involve developing standards, training staff, and better co-ordination

This is easier said than done. Whilst the **Consultation Institute** will certainly develop and disseminate Best Practice standards, Local Authorities and Public bodies will need to commit to them, and will need to invest in training. Stakeholders are increasingly unwilling to tolerate sub-standard consultation exercises, and the task of bringing everyone to accept a common approach in even the smaller Councils may take one or two years.

A further change may be a loss of autonomy for departments who have traditionally undertaken public and stakeholder consultation in their own

....saving which could be made by benchmarking performance on key activities across comparable delivery organisations and bringing average performance up to the current best-in-class....

Releasing Resources to the front line
Chapter 2

idiosyncratic ways. Some Councils will centralise, and run all consultations from a dedicated unit, or some may be attracted to the earned autonomy principle - where departments who demonstrate that they can stick to Consultation Guidelines are left to get on with it.

- ❑ An increased role for the voluntary and community sector in delivering public services means a far greater need for local consultation

Consulting this sector can be difficult. Many of the groups which will become increasingly important have historically weak infrastructures, and public bodies will need to invest in serious capacity-building to help such groups engage successfully in dialogues on priorities and programmes. This will also mean a move away from traditional methods such as circulating long-winded consultation papers towards more participative techniques, with a consequent need for more trained facilitators or Focus Group moderators

- ❑ Gershon will lead to more financially-oriented management of the public sector

One of the Gershon Report's key recommendations - already accepted by the Treasury - is to strengthen financial management. This is in part a response to the need to use resources more effectively. This culture-change will cascade down all parts of the public service, and given that most Local Authorities cannot identify exactly how much they spend on public and stakeholder consultation, it is only a matter of time before the Audit Commission and other regulators will turn their attention to this issue. Prudent Councils and other public bodies will start to re-engineer their processes, and invest in the available consultation software solutions with a view to better accounting for the money and resources spent on consultation

- ❑ Much of Gershon's £20 billion savings are expected to come from more extensive use of cheaper interaction channels with citizens

The Government feels that it has spent heavily on ICT - but that until *take-up* of electronic services increases, the scope for achieving promised efficiency savings is limited. Correctly, it sees that consultation is an interaction - and the e-government programme has (through IEG statements⁴) in recent years asked Local Authorities to identify plans to move towards *e-consultation*. Such methods are still in their infancy, and many public bodies are still at the trial-and-error stage in using new technology.

Inevitably the use of *e-consultation* will grow. But the digital divide is still a significant issue, and traditional methods are also required. Achieving an appropriate mix of consultation techniques, and resisting the temptation to rely excessively on cheaper - but less inclusive *e-consultation* tools - will be a challenge for many.

.... proposals to deliver efficiencies through the migration of appropriate customer groups towards more cost effective channels such as web-based interfaces and call centres.

Releasing Resources to the front line
Chapter 3

Conclusions

Many parts of the Public Sector will be affected by the implementation of the Gershon Report and the Government's commitment to it through the 2004 Spending Review.

Chief Officers and Public Service Managers will find it easier to meet the efficiency aspirations of the Government if it makes better use of public and stakeholder consultation. Some public bodies have already invested in this issue. But for many, there is much to be done to professionalise consultation activities - and to adopt *best practice* standards.

The Gershon Report provides a timely opportunity for all those concerned to review whether their current arrangements are robust enough to meet the challenges ahead.

The **Consultation Institute** believes it is well-placed to act as a catalyst for change, and will be working with its members and Government agencies to conduct relevant research, develop and disseminate *best practice*, to deliver training courses, establish verification techniques and to host specialist events for consultation professionals.

For further discussion, contact Rhion Jones⁵ or Elizabeth Gammell at the **Consultation Institute Programme & Research Department** on 01767 682 532

⁴ Implementing Electronic Government submissions

⁵ **Rhion Jones** is Programme Director of the Consultation Institute and is the author of several White Papers and Reports on e-government, customer management and CRM

Six Reasons to join The Consultation Institute!

1. To increase your awareness of Consultation *Best Practice*
2. To keep abreast of new developments
3. To improve your access to key documents, research and toolkits
4. To meet and network with others engaged in consultation
5. To access training and specialist consultation events



6. The first step on the road to compliance with *The Consultation Charter*

Since its inception in 2003, the Institute has: -

- Secured **membership** from Local Authorities, Health, Police and Government bodies.
- Held 18 **Seminar/Workshops** in four different cities, for over 300 consultation professionals in the public and voluntary sectors.
- Organised 3 **networking events** for Institute members to meet each other and discuss matters of common interest
- Published the White Paper ***Was It Worth It?*** on the all-important subject of evaluation of consultations
- Launched a **Verification** service whereby a consultation can be reviewed by the Institute as an independent and authoritative external auditor
- Published four **Newsletters** and 15 **Tuesday Topic** briefings on various aspects of consultation
- Developed 20 separate (1-2 hours each!) **in-house training modules** for delivery to Institute members and others. Developed the first specialised event on ***Responding to Consultations***
- Made representations to the Cabinet Office on the re-drafting of its **Consultation Code of Practice**
- Published an authoritative critique of the Labour Party's **Big Conversation**
- Started to compile a definitive **knowledgebase** as a service to Institute members
- Published a **Briefing for Local Council** candidates ahead of the 2004 Local Elections
- Initiated a **Conference in Scotland** to launch a Scottish chapter of the Institute
- Published a commentary on the **Gershon Report** and its implications for consultation

Coming Soon.....

- White Paper on Employee Consultation
- E-consultation Summit
- A Glossary of Consultation terms
- Suppliers Directory

Making Consultation Meaningful Seminar/Workshop events

September 8 Manchester
 September 22 Birmingham
 September 29 Belfast
 October 6 Stokenchurch, Bucks
 October 20 Bristol
 November 3 Newcastle-on-Tyne
 November 17 Cambridge

For more details please see TCI website:
<http://www.consultationinstitute.org/>