

Getting It Together: Joined-Up Knowledge and the Strategic Framework of Debate

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Complaints about information silos and lack of effective joint action have become a routine feature of the public administration literature. Steve Bundred's *Public Money & Management* article (Bundred, 2006) was another useful survey. But his 'radical improvements in knowledge management' fell short of a totally convincing prescription. Having struggled with the problem for over 40 years, and at various levels of government, I have long concluded that all essential inter-agency co-ordination should be specifically financed.

W. J. M. Mackenzie once told me that he faced the same problem working with Professor Lindemann in the War Cabinet. Fighting a war required the radical centralization of decision-making but initially there was little effective delivery or liaison between the service departments. 'The Prof' explained all this to Winston Churchill and they devised an 'intelligence system' that made things 'not perfect, but better'. Mackenzie recalled all this after the war and put the idea into Herbert Commission proposals for the Greater London Council (GLC). Thus the GLC was the UK's first and only public body with a statutory intelligence function (Herbert Report, 1960).

Mackenzie said that it hadn't worked at the existing London County Council because 'each committee and Chief Officer hoarded data; partly for purposes of inter-departmental war, partly due to sheer muddle'. The GLC, on the other hand, had an intelligence unit housed near the rafters of 'county hall' whose head clutched a copy of the legislation which meant he couldn't be sacked! How much all this overcame 'the politics of data' is questionable given the sheer persistence of inter-

departmental and inter-agency problems—especially in peace time. As Mackenzie put it, 'There were no longer any big bangs going off outside'!

But the 'boundary problem' remained the main information dilemma. The GLC was set up as a 'strategic authority'—similar to the later post-1974 English metropolitan counties. But the GLC's comptroller of finance, Maurice Stonefrost, told me that these overall London responsibilities 'were never accepted in full by the other public bodies'. So, while the 'lower tier' authorities had relatively clear boundaries for executive datasets, it was never sufficiently clear how GLC 'strategic action' was defined and financed within our national boundaries. There was no robust definition—neither then, nor later in the case of the ill-fated metropolitan counties, nor indeed for the Greater London Authority of today.

A couple of years after the 1960 Herbert Commission, I found myself in an unusual pioneering role ahead of the legislation for the innovative public agency that would later employ me. I therefore had a splendid time 'co-ordinating' all planning and statutory development functions of the co-operating ministries and local councils within a 100 square mile designated area. But the 'accountable' regime soon arrived to put a stop to all that! Nevertheless, it was experience of what was and is technically possible—and recalled later when advocating joined-up working arrangements in Liverpool's Toxteth of the late 1960s (Shelter, 1972). Those proposals also fully anticipated today's Local Area Agreements and Strategic Partnerships, but within much more coherent national funding arrangements.

Such inter-agency liaison is clearly crucial in inner cities where people rely on various statutory services at every turn—and where dealing with one problem is often merely to succumb to another. But Liverpool then suffered from new 'super departments' (McKinsey, 1969) which crippled horizontal inter-departmental communications—now a classic phenomenon which Steve Bundred's article more generally laments. But it was also quickly evident that to co-ordinate for one thing could often mean not co-ordinating for something else. What was needed, therefore, was the ability to co-ordinate when and where that was strictly essential—and the ability to know when that was clearly the case.

And this essential co-ordination must be financed. Otherwise inter-agency liaison attracts the half-hearted co-option of the almost

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superannuated who participate mainly to protect their own agency's corner. An early example was the Department of the Environment's Liverpool 'area management' trial; part of DOE's 1972–1973 Urban Guideline Studies and 1972–1977 Inner Area Studies for which I was a full-time adviser (McConaghy, 1975, 1978). But since DOE refused to accept any relevant financial innovations, management experimentation was unpopular with the local service chairs. It folded amid acrimony.

So it was already possible to establish two clear rules for inter-agency co-ordination:

- Avoid wasting time except where there is (and while there is) a clear, recognized need for co-ordinated action.
- Action must be financed.

Whitehall's Initial Error

These rules apply everywhere and at all times! For example, failure to observe them crippled Ted Heath's otherwise sensible 1970 reorganization of central government (Prime Minister and Minister for the Civil Service, 1970). It failed partly through the creation of 'super departments' which (as in Liverpool) impeded inter-departmental co-ordination. But also because strategic co-ordination was led by Rothschild's Central Policy Review Staff whose interdepartmental reviews (PARs) were not formally tied to strategic funding. So hopes for 'PAR as handmaiden to PESC' (the Treasury's then annual spending reviews) remained an aspiration. Without interdepartmental strategic financing, there was no systematic or co-ordinated way of keeping departments (or ministers) in line!

And so on. One purpose of the 1970 central reorganization was to set the scene for the 1974 reorganization of local councils in England; the first major reorganization since 1888! But this was left to the environment department (DoE) which firmly rejected in-service ideas for inter-departmental strategic finance as a co-ordinating capacity; let alone ideas for linking this to the annual Treasury spending reviews ('PESC Plus') or any 'external' validation by parliamentary committees! The sole financial innovation in this massive reorganization was a power to vary the formulae to support local taxes. Thus all the new 'strategic' or 'co-ordinating' metropolitan counties were 'dead in the water'.

This is the background for today's chaotic proliferation of overlapping public agencies at both regional and local levels. To three decades of centralization and local fragmentation we

must add an ever increasing pressure in favour of privatization; the outsourcing and off-budgeting (and even off-shoring) of local services; and now the allocation of nationally 'shared local services' to commercial agencies. Clearly this fragmentation complicates inter-agency co-ordination. But the yet further consequence is the associated loss of in-service skills. Thus elected local (and central) governments are increasingly in the hands of firms too large for many local service chiefs to co-ordinate—or, indeed, challenge.

However, it may yet be possible to save the day, if (unlike the usual prescriptions) we start at the top! Here Sir William (later Lord) Armstrong's evidence to a 1969 Select Committee on Procedure gives a clue. He said he was uncertain about the limits of expenditure changes in any year and flexibility between programmes. Attempts, he said, had been made to estimate this but the highest figure he had seen anyone suggest was about 2.5% (Select Committee on Procedure, 1969).

Financing the Strategic Linkages

Precise figures are unimportant. What matters is that strategic change should be at the margin, as opposed to disturbing existing equities throughout the system. And this targeting at the edge is essentially different from the formulaic allocations that remain appropriate for the great mass of committed spending which keeps the country going. The former, then, is a practical definition of 'strategic finance', the cutting edge, which can be rolled out to involve the creative energies of parliamentary committees, appropriate regional forums and local government.

This externally-validated strategic finance should be a priority line within the Treasury's comprehensive spending review so that Whitehall departments are also co-ordinated and ministers kept in line. It makes no sense to expect co-ordination at subservient levels when every other day ministers and departments announce more unco-ordinated initiatives. More recently, the Treasury resource accounting reforms (to bring accounts in line with the private sector) produced public service agreements (PSAs) as 'the basis for the Government to report its performance to parliament and the public annually' (HM Treasury, 1999; McConaghy 1999). But the above distinction (between strategic and routine spending) was never made and therefore hundreds of PSAs have rained down outside any adequate framework for local, regional or parliamentary validation.

Some now grasp at ‘city regional mayors’ as the miracle co-ordinating device (Marshall and Finch, 2006)—which reminds me of Jean Monnet’s classic rebuke to the Gaullist National Assembly: ‘What type of democracy is it that despairs of all men except one’! A recent contrary approach floated by Treasury ministers attempts a slightly more structured approach (Balls *et al.*, 2006). But Ken Livingstone’s mayoral London triumph owes much to his unique political skills and the public admiration achieved from congestion charging; always ahead of a dithering government. Then, too, his promotion of co-ordinated plans for rail transport and other services is popular and against the grain of official policy. But a national solution that relies on the challenge to government is a counsel of despair.

Currently the Government Office for London (not the GLA) delivers some 40 programmes with overlap: initiatives often to enhance ministerial reputations and pure luck if they result in coherent activity on the ground. Even major proposals, such as the Northern Way or the Thames Gateway, lack adequate forward cross-departmental investment planning. Then, too, the more modest local area agreements must remain tokenism, while mainstream programmes themselves clash and often compete with each other. Decade after decade of select committee, National Audit Office and Audit Commission reports endlessly cover this same ground without ever tackling the anarchic national context.

What, then, are the opportunities for action? Obviously this must involve central management and the whole framework of national debate; how innovation and linkages are encouraged for their generative effects, and how this should permeate rigid departmental and jurisdictional barriers. The formula I have suggested within the financial system facilitates this, both horizontally (within areas) and vertically (between central and local government). But as such it must also anticipate a more rational parliamentary supply procedure than the current notorious farce, the co-ordination of departmental and regional funding within our comprehensive spending reviews and (at long last) a strategic response to local government finance. So will the executive wish to move in this direction? At any rate the challenge for creative administration is that interdependency and mutual causality are here to stay—and there is much to be done!

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