



Consorzio per lo Sviluppo
delle Metodologie e delle Innovazioni
nelle Pubbliche Amministrazioni

NEW PUBLIC MANAGEMENT

Ciclo di seminari sulle nuove tendenze
della riforma dell'amministrazione

n. 1 - 2000



NEW PUBLIC MANAGEMENT

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PRESENTAZIONE

di Claudio Franchini

Da alcuni mesi, il British Council, l'Istituto di diritto pubblico della Facoltà di giurisprudenza dell'Università di Roma "La Sapienza", l'Istituto nazionale di statistica e la Confindustria promuovono, con il patrocinio della Presidenza del Consiglio dei ministri, una serie di seminari sulle nuove tendenze della riforma dell'amministrazione (New Public Management). Scopo dei seminari è di mettere a raffronto esperienze italiane e inglesi e di individuare gli aspetti dell'esperienza inglese che sono rilevanti per l'Italia.

I seminari riuniscono circa 50 persone, studiosi, amministratori, politici, industriali, giornalisti ed altri esperti della materia; sono organizzati intorno a brevi relazioni, introdotte da Sabino Cassese, dell'Università di Roma "La Sapienza", così da consentire di chiedere chiarimenti e di discutere; sono a numero chiuso e la partecipazione è solo per invito.

Sino ad oggi si sono svolti cinque seminari.

Nel primo si è discusso su "Lo "staff" del Presidente: Palazzo Chigi e Downing Street, n. 10 a raffronto".

Scopo del seminario è stato quello di confrontare il sistema semipresidenziale alla francese, il parlamentarismo secondo il modello inglese, il presidenzialismo all'americana: nel dibattito costituzionale avviato da tempo in Italia, infatti i modelli stranieri sono all'ordine del giorno; tuttavia, che cosa c'è dietro lo schermo costituzionale, come sono organizzati e funzionano i centri del potere esecutivo?

Palazzo Chigi e Downing Street n. 10 sono i centri del potere esecutivo, in Italia e nel Regno Unito: il confronto tra i due ha consentito di rilevare che le strutture e il modo di funzionamento sono radicalmente diversi e di valutare le componenti del successo (e di qualche insuccesso) dell'ufficio

del Primo ministro inglese che possono essere rilevanti per l'Italia.

Particolare attenzione è stata rivolta alle dimensioni e al costo complessivo, alla struttura interna, al tipo di personale e al suo reclutamento, al funzionamento, all'efficacia dello "staff" del Presidente e ai rapporti con i dipartimenti centrali.

Relatori sono stati Vincent Wright, del Nuffield College di Oxford (Il modello inglese), Antonio Manzella, dell'Università LUISS di Roma (Il modello italiano), Peter Gregson, Former Permanent Secretary del Department of Trade and Industry (Il modello inglese in pratica), Francesco Battini, della Presidenza del Consiglio dei ministri (Il modello italiano in pratica), Anthony King, dell'University of Essex (Le strutture di studio e proposta nel Regno Unito) e Giovanni Pitruzzella, dell'Università di Cagliari (La Presidenza del Consiglio dei ministri nelle proposte di riforma costituzionali).

Nel secondo incontro si è discusso su "Efficienza, controllo dei costi e value for money".

Scopo del seminario è stato quello di esaminare la determinazione delle grandezze della spesa pubblica e delle priorità tra le diverse destinazioni della spesa, che sono strettamente connesse. Infatti, l'esigenza di riduzione del disavanzo e della spesa - oggi più che mai al centro del dibattito politico, in vista della terza fase dell'Unione economica e monetaria - impone non solo il mantenimento dell'equilibrio finanziario, ma anche l'accrescimento dell'efficacia di "ogni lira di spesa pubblica".

A questo riguardo, sia in Italia, che nel Regno Unito (specie dopo la Private Finance Initiative), è assai importante il ruolo del Tesoro. Un confronto tra l'esperienza italiana e quella inglese consente di rilevare che, in concreto, questo ruolo è diverso per quel che concerne il controllo dei costi e dei rendimenti, di constatare che ciò dipende sia dalla posizione istituzionale del Tesoro, sia dal modo in cui sono concepiti bilanci e costi consuntivi, di saggiare la diversa influenza dei modelli privatistici.

Il dibattito si è sviluppato sui temi della connessione tra il controllo della spesa e value for money, del rapporto tra il Tesoro e i ministri, della configurazione dei bilanci preventivi e consuntivi, degli strumenti volti a rendere il Governo accountable.

Relatori sono stati Alesandro Petretto, dell'Università di Firenze (Efficienza dei servizi e razionalizzazione della spesa pubblica), John Oughton, Head dell'Efficiency Unit del Cabinet Office (Efficienza dell'amministrazione pubblica), Alberto Zuliani, Presidente dell'Istat (Controllo dei costi), Peter Wanless, Head del Private Finance Policy Team del HM Treasury (Value of money: cooperazione tra il settore pubblico e quello privato in Gran

Bretagna) e Fiorella Padoa Schioppa, dell'Istituto di studi per la programmazione economica (Value for money in Italia).

Nel terzo incontro si è discusso su "Le procedure di audit e di controllo a raffronto".

Scopo del seminario è stato quello di analizzare la recente esperienza italiana sul sistema dei controlli sui poteri pubblici, arricchitosi di nuovi istituti che hanno contenuto e finalità economiche: mirano, in particolare, a verificare il corretto uso delle risorse pubbliche, così da accertare non solo il rispetto delle regole vigenti, ma anche l'efficienza, l'economicità e l'efficacia dell'azione amministrativa.

Un confronto con i criteri e le tecniche di controllo in uso nel Regno Unito, in seguito alle modifiche apportate nel corso degli ultimi anni (ad esempio, al ruolo del National Audit Office), può contribuire a chiarire questi dubbi, mostrando cosa si intenda per controllo di gestione e chiarendo come il controllo della spesa possa essere svolto sia da uffici interni alle amministrazioni, sia da uffici esterni operanti come controllori di secondo grado.

I temi di maggior rilievo sono stati quelli dei principi e dei criteri dei controlli, dei margini entro cui essi sono determinati dagli uffici di controllo, delle modalità di programmazione e di svolgimento dei controlli, degli interventi e delle azioni di natura correttiva, della posizione degli uffici di controllo interno ed esterno.

Relatori sono stati Francesco Battini, della Presidenza del Consiglio dei ministri (Il controllo gestionale in Italia), Michael Whitehouse, Director of value for money development del National Audit Office (Ruolo, funzione e nuovi indirizzi del NAO), Sandro Palanza, della Camera dei deputati (L'esperienza del servizio di bilancio della Camera e del Senato), Jamie Mortimer, Treasury Officer of accounts and Deputy Director del HM Treasury (Rapporti tra HM Treasury, NAO e Public Accounts Committee), Christopher Pollitt, del Center for the Evaluation of Public Policy della Brunel University (La funzione di "Performance Audit": promesse e realtà) e Vittorio Guccione, della Corte dei conti (L'esperienza dei servizi di controllo interno).

Nel quarto incontro si è discusso su "La carta dei servizi pubblici e la Citizen's Charter", partendo dalla constatazione che il modello ottocentesco, secondo il quale le pubbliche amministrazioni, assieme all'intero corpo politico, sono soggette ad un giudizio unitario, espresso dai cittadini attraverso il voto, è in crisi. Ciò dipende da una serie di fattori, ma principalmente dal fatto che, accanto all'insieme indistinto dei cittadini che, con il loro voto, esprimono un giudizio complessivo sul funzionamento di

tutta la macchina politico-amministrativa, vi sono utenti interessati a giudicare particolari amministrazioni e i servizi pubblici da questi erogati.

All'inizio degli anni '90, nel Regno Unito e in Italia, così come in altri importanti paesi occidentali (Stati Uniti, Francia, Spagna), sono state adottate carte dei servizi pubblici per tutela degli utenti del servizio pubblico: oggi, la Citizen's Charter e la Carta dei servizi pubblici si sono ormai affermate.

Il confronto tra le due esperienze ha consentito di esaminare i punti di partenza nei due paesi, il rapporto tra le carte dei servizi e le altre misure di riforma amministrativa, i fini generali di assetto dei servizi pubblici perseguiti con l'adozione delle carte, la struttura delle carte e, in particolare, il rapporto tra la carta generale, quelle di settore e quelle adottate dai singoli enti erogatori di servizi, i principi codificati, gli standards di erogazione dei servizi e il controllo sulla loro attuazione, il ruolo degli utenti dei servizi nella adozione delle carte.

Relatori sono stati Pia Marconi, del Dipartimento della funzione pubblica (La normativa sulla Carta dei servizi pubblici), Gloria Craig, Deputy Director del Charter Programme presso il Cabinet Office (I problemi principali della Carta dei servizi pubblici), Stefano Battini, dell'Università di Urbino (La tutela degli utenti e la Carta dei servizi pubblici), Helena Shovelton, Chair della National Association of Citizen's Advice Bureaux (L'impatto delle carte dei servizi pubblici sul cittadino); Giulio Vesperini, dell'Università della Tuscia (L'attuazione della Carta dei servizi pubblici), e Tony Bovaird, del Public sector Management Research Centre della Aston University (Il monitoraggio e la valutazione delle Carte dei Servizi Pubblici).

Nel quinto incontro si è discusso su "Le privatizzazioni".

Scopo del seminario è stato quello di definire il tema delle privatizzazioni, che è certamente uno dei problemi maggiori del nostro tempo: riguarda ogni aspetto dello Stato contemporaneo, nel quale si vendono imprese, si spostano nell'area privata enti pubblici, si sottopongono alla contrattazione collettiva di tipo privatistico i dipendenti pubblici, si vendono persino le carceri.

Molte le cause: necessità di cassa del Tesoro, esigenza di diminuire le dimensioni dello Stato, necessità di allontanare dal governo un settore pubblico industriale cresciuto troppo e così via. Diversi, però, gli esiti, che dipendono dalle tradizioni dei singoli paesi, dalle condizioni del mercato azionario, dalle resistenze degli enti e delle imprese da privatizzare e così via.

L'incontro ha messo a raffronto l'esperienza inglese e quella italiana, due esperienze di privatizzazione diverse per molti aspetti, a cominciare dai tempi (quella inglese è iniziata prima), per finire con gli orientamenti dei governi che le hanno realizzate (in Gran Bretagna un governo conservatore,

in Italia un governo di centro-sinistra).

Relatori sono stati Vittorio Grilli del Ministero del Tesoro (Le privatizzazioni in Italia: esperienze e prospettive), Adam Sharples, *Head Public Enterprise Partnerships Team del HM Treasury (Privatisation in the United Kingdom. Lessons and Prospects)*, Giampaolo Galli, del Centro studi della Confindustria (Privatizzazioni e regolazione), Mark Thatcher, del *Department of Government della London School of Economics and Political Science (Regulatory Regime: Advantages and Limits)*, Marco Onado, della Consob (Il contributo delle privatizzazioni allo sviluppo del mercato italiano) e Vincent Wright, del *Nuffield College di Oxford (Privatisations. Paradoxes of the Privatisations)*.

Alcune delle relazioni presentate nel corso dei cinque incontri sono state pubblicate (o sono in corso di pubblicazione) sulla "Rivista trimestrale di diritto pubblico", edita da Giuffrè.

Le altre sono raccolte in questo volume - talvolta in forma schematica - poichè è evidente il rilievo che esse assumono per coloro che si occupano di questi temi.

Il volume è stato realizzato a cura del "Consorzio per lo sviluppo delle metodologie e le innovazioni nelle pubbliche amministrazioni". Si tratta di una istituzione senza scopo di lucro, costituita nel 1997 dall'Istituto nazionale di statistica (Istat), dal Centro di formazione e studi (Formez) e dalle Università di Cagliari, di Roma Tre e di Siena, che promuove, progetta, organizza e svolge attività di studio, ricerca e documentazione sull'organizzazione e sul funzionamento delle pubbliche amministrazioni.

Scopo del "Consorzio" è favorire la diffusione della cultura economica ed organizzativa nel settore pubblico, di sviluppare le metodologie per la valutazione dell'azione amministrativa, di migliorare la conoscenza critica dei processi innovativi nelle istituzioni pubbliche.

Per realizzare queste finalità, il "Consorzio" svolge indagini in campo economico, statistico e giuridico-amministrativo; effettua interventi di consulenza presso amministrazioni o enti pubblici e si occupa di diffondere i risultati raggiunti; promuove ed organizza incontri di studio, per favorire lo scambio di esperienze e di informazioni anche a livello internazionale, nonché iniziative di formazione rivolte al personale pubblico.

In questa prospettiva, il "Consorzio" si propone come un punto di incontro tra i soggetti interessati all'approfondimento dei temi connessi alla pubblica amministrazione.

La costituzione di questo nuovo centro di ricerca è frutto di una serie di

esperienze delle quali il Consorzio rappresenta l'erede diretto: prima tra tutte, quella del Progetto finalizzato "Organizzazione e funzionamento delle pubbliche amministrazioni" del Consiglio nazionale delle ricerche, diretto dal Prof. Sabino Cassese, nell'ambito del quale, nel 1988, è stato costituito un centro di ricerche applicative e di diffusione delle conoscenze sulle amministrazioni, l'Osservatorio sulle metodologie e le innovazioni nelle pubbliche amministrazioni.

Come è noto, l'attività dell'Osservatorio si è articolata lungo due direttrici. Da una parte, è stato costituito un Centro di documentazione che ha raccolto la "letteratura grigia", ossia la documentazione interna delle pubbliche amministrazioni che, per quanto sia spesso di rilevante interesse per gli studiosi della materia, non risulta facilmente reperibile. Dall'altra, sono state condotte una serie di indagini di campo che hanno consentito di sviluppare le conoscenze sui meccanismi di funzionamento e sugli effetti delle riorganizzazioni che sono state intraprese, nonché di affinare le metodologie e le tecniche di intervento per l'innovazione delle pubbliche amministrazioni (in particolare, sono state realizzate ricerche - i risultati delle quali sono contenuti in alcuni volumi pubblicati dalla casa editrice "Il Mulino" all'interno della collana del Progetto finalizzato - su l'organizzazione dei ministeri, i sistemi informativi, con specifico riferimento a quelli statistici, le procedure amministrative, la gestione degli organici, la misurazione dei costi e dei rendimenti delle unità amministrative, la mobilità orizzontale e verticale del personale pubblico, la soddisfazione degli utenti dei servizi pubblici; la valutazione dei servizi pubblici).

Seminario n. 1

Lo "staff" del Presidente: Palazzo Chigi e Downing Street, n. 10 a raffronto

- Vincent Wright, del Nuffield College di Oxford, *Il modello inglese*
- Andrea Manzella, dell'Università LUISS di Roma, *Il modello italiano*
- Peter Gregson, Former Permanent Secretary del Department of Trade and Industry, *Il modello inglese in pratica*
- Francesco Battini, della Presidenza del Consiglio dei ministri, *Il modello italiano in pratica*, pubblicato in *Rivista trimestrale di diritto pubblico*, 1998, n. 1, p. 207 ss., con il titolo "La presidenza del Consiglio dei ministri alla vigilia della riforma"
- Anthony King, dell'University of Essex, *Le strutture di studio e proposta nel Regno Unito*
- Giovanni Pitruzzella, dell'Università di Cagliari, *La Presidenza del Consiglio dei ministri nelle proposte di riforma costituzionali*

Seminario n. 2

Efficienza, controllo dei costi e value for money.

- Alessandro Petretto, dell'Università di Firenze, *Efficienza dei servizi e razionalizzazione della spesa pubblica*, pubblicato in Rivista trimestrale di diritto pubblico, 1998, n. 3, p. 735 ss.
- John Oughton, Head dell'Efficiency Unit del Cabinet Office, *Efficienza dell'amministrazione pubblica*
- Alberto Zuliani, Presidente dell'Istat, *Controllo dei costi*
- Peter Wanless, Head del Private Finance Policy Team del HM Treasury, *Value of money: cooperazione tra il settore pubblico e quello privato in Gran Bretagna*
- Fiorella Padoa Schioppa, dell'Istituto di studi per la programmazione economica, *Value for money in Italia*.

EFFICIENCY IN UNITED KINGDOM CENTRAL GOVERNMENT DEPARTMENTS

di John Oughton

Reform in the UK - Overview

- 30 years of public sector reform in the UK
- Main issues: the role of Government, accountability, openness, service quality, efficiency, size of Civil Service
- Caveat UK experience only a guide. Will need adaptation to local circumstances
- Some Key milestones:
 - 1968 Fulton Report
 - 1970 Civil service College established
 - 1982 Financial Management Initiative
 - 1988 Next Steps agencies
 - 1991 Citizen's Charter
 - 1991 Competing for quality
 - 1994 Continuity & Change
 - 1994 Deregulation & Contracting out Act

Efficiency and effectiveness: departments and agencies

- Government Departments consist of Next Steps Agencies and non agency operations
- 75% civil servants now work in Agencies

- Agencies have performance standards set by their Departmental Ministers - responsibility clearly delegated to agency chief executive
- Chief executive is responsible to Minister for performance, value for money and quality
- Each year Minister submit Departmental Efficiency Plans covering all activities including their Agencies, to Prime Minister's Adviser on efficiency

The tools available

- contracting out - 1992-95: 241 activities contracted out
- market testing - 1992-95: 498 market tests (345 in house agreements and 153 contracts to the private sector)
- benchmarking - Customs and Excise has saved up to 30%
- restructuring - Senior Civil Service has saved over 20%
- abolition - 1992-95: 46 activities were abolished
- privatisation - eg.: the Cabinet Office payroll computer
- investment in information technology - to improve clerical tasks

Some (More) results

In addition to the results mentioned already:

- Efficiency through competition-the Competing for quality initiative-recently endorsed by an independent policy review
- 1992-96. £. 3.6 billion of activities reviewed under Competing for Quality. Gross annual saving £. 700+million =20%
- as a result of efficiency scrutinies, million fewer forms for doctors, teachers and the criminal justice system
- 75% of Civil Servants in executive Next Steps Agencies, focused on quality and value
- 90 Agencies have won Charter Marks for quality customer service

Some key message from the UK's experience

- Learn from experience, but be innovative
- Contracting out encourages the market to develop to meet the Government's needs
- Demand good performance, quality and value for money - public and private organisations rise to challenges
- Motivated staff deliver efficiency and effectiveness
- Activities need to be reviewed again and again - when the contract is up or when circumstances change
- Plans need to be flexible - efficiency is the goal. Flexibility will achieve it. Rigidity is inefficient

IL CONTROLLO DEI COSTI: IL MODELLO ITALIANO IN PRATICA

di Alberto Zuliani

Articolazione dell'intervento

Assetto consolidato

Diretrici dell'innovazione

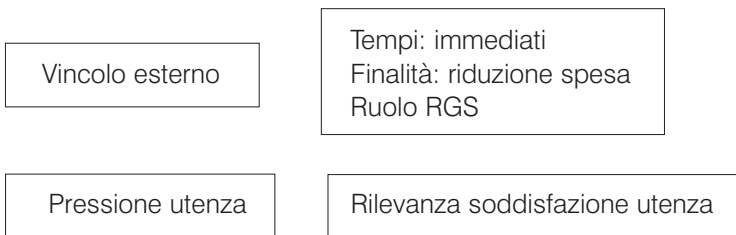
Analisi delle esperienze in corso

Percorsi di intervento

Assetto Consolidato: la valutazione dei costi è episodica e sperimentale

- Pervasività e rigidità dei sistemi di regolazione
- Bilanci finanziari
- Canonicità del disegno organizzativo
- Autoreferenzialità
- Marginalità del ruolo svolto dalla dirigenza amministrativa
- Controlli di legittimità

Impulso al cambiamento amministrativo: riflessi sul controllo dei costi



Impianto della riforma amministrativa

Separazione politica e amministrazione (D.lgs. 29/93)

Disegno organizzativo: Decentramento e semplificazione (L. 59/97)

Centri di responsabilità per servizi omogenei (L. 59/97 e 94/97)

Riforma controllo (L. 20/94)

Riforma bilancio (L. 94/97)

Il controllo dei costi: ambiti di rilevanza

Valutazione delle funzioni obiettivo previste nel bilancio (L. 94/97)

Indicatori per le direttive del Ministro ai vertici dirigenziali

Controlli operativi interni alle amministrazioni viste in modo unitario (art. 10

D. lgs. 279/97)

Valutazione economica della regolazione giuridica

Valutazione dei costi sopportati dai privati

Analisi delle esperienze in corso

Le funzioni obiettivo

Bilancio 1998 - Utilizzo sperimentazione della Corte dei conti

Bilancio 1999 - Rilevazione della RGS supportata dai servizi di controllo interno (circ. 65/1997 Min. Tes.)

Criticità

Le amministrazioni non ragionano per obiettivi

Necessità di integrare le informazioni contabili con informazioni extracontabili

I servizi di controllo interno non sono operativi in quasi nessun ministero

Direttive del ministro ai vertici amministrativi

A seguito dell'approvazione del bilancio il ministro deve assegnare ai direttori generali il budget e gli obiettivi (L. 94/97)

I servizi di controllo interno devono formulare indicatori e parametri, analizzare gli scostamenti e proporre al ministro l'adozione di misure organizzative

La Corte dei Conti dovrebbe realizzare un controllo di secondo grado sul finanziamento dei sistemi di controllo interno

Criticità

In pochi casi i ministri formulano direttive

I centri di responsabilità apicale svolgono servizi disomogenei tra loro

Elevato grado di interdipendenza tra l'attività svolta dalle diverse unità organizzative che limita la responsabilità per i risultati

Controlli operativi interni alle amministrazioni pubbliche

Delega al Governo per la realizzazione presso ciascuna Amministrazione di un sistema informativo-statistico di supporto al controllo interno di gestione (art. 17 L. 59/1997)

Retribuzione incentivante per i risultati a personale delle diverse qualifiche e dirigenti (C.C.N.L.)

Carichi di lavoro (L. 537/1993)

Criticità

Necessità di razionalizzazione del quadro informativo

Affidabilità delle informazioni utilizzate per la determinazione dei compensi incentivanti e i carichi di lavoro

Valutazione attività delle amministrazioni viste in modo unitario

Indagini per la relazione al conto annuale (D.lgs 29/93)

Sistema di contabilità analitica delle pubbliche amministrazioni (art. 10 D.lgs 279/97 di attuazione della legge 94/97)

Criticità

Compressione del ruolo dei Servizi di controllo interno

Scarsa attenzione alla specificità delle singole amministrazioni

Maggiore enfasi sulla riduzione dei costi

□ **Valutazione economica attività della regolazione giuridica**

È stato istituito presso il ministero dell'Industria un organismo per la verifica degli effetti dei provvedimenti di sostegno alle attività produttive economiche (L. Bersani art. 1)

I servizi di controllo interno devono verificare gli effetti degli interventi di semplificazione dei procedimenti amministrativi (L. 59/1997)

Criticità

Assenza di un uso sistematico della valutazione economica degli effetti della regolazione ex ante ed ex post.

□ **Valutazione economica dei costi dei privati**

Commissione sui maggiori costi per l'esportazione (1991)

Indagine Istat-Unioncamere sui costi amministrativi per le imprese

Criticità

Assenza di una valutazione sistematica sia in fase di regolazione che di gestione amministrativa

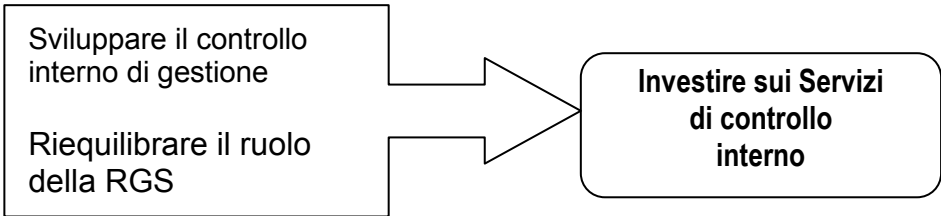
Il controllo sui costi: caratteri

Organizzazione delle informazioni di costo più per processi/prodotti che per strutture

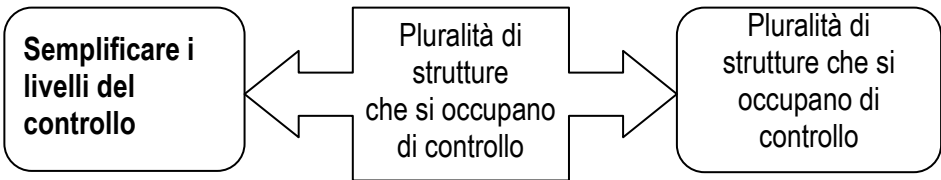
Condivisione informazioni di costo tra diversi livelli/finalità del controllo

Integrazione di informazioni di natura contabile con informazioni extracontabili

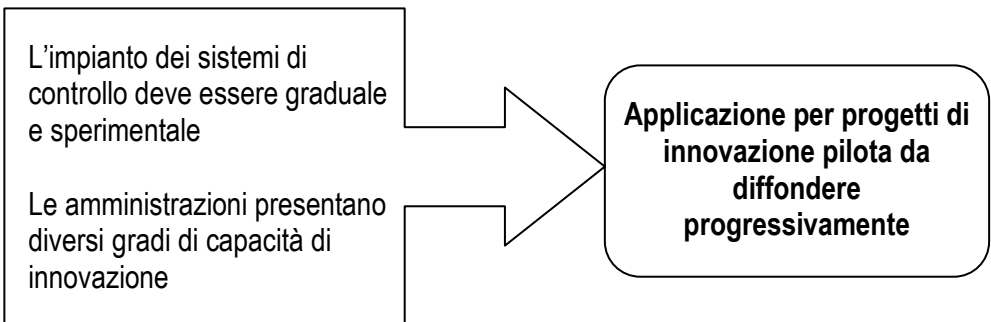
PERCORSI DI INTERVENTO/1



PERCORSI DI INTERVENTO/2



PERCORSI DI INTERVENTO/3



HEAD OF THE UK TREASURY'S PRIVATE FINANCE POLICY TEAM

di Peter Wanless

Private Finance is a hot topic. Budgets are tight. The boundary is shifting between what the State does and what others can do better. Governments throughout the world want increasingly to harness private sector money and management skills to the benefit of public services. But it is not easy. It requires a revolution in the roles traditionally performed by public servants and by private businesses. Done well, the value for money benefits are substantial. Done badly, there are heavy costs for all concerned.

Over the last 5 years, the UK Government has vigorously pursued its Private Finance Initiative (PFI). There have been some successes but progress has been slower than ideally we would have liked. That said, the deal flow is now accelerating and the new Labour Government has committed itself to further improving the process and to removing any obstacles in the way of bringing projects to fruition. After living through what one might regard as a grand experiment, there are a great many lessons from which other countries can benefit. And there is how considerable expertise within British firms that you can use. Much of our policy framework has been established in close cooperation with them. We do not claim to have all the answers. Indeed, we are learning all the time. However, I hope that by setting out the principles of PFI and, where we have had success, why that has been the case, there will be some benefit to you all. I will also say something about other forms of public/private partnership that we are now looking to develop.

First, it is worth looking back to 1992 when the PFI policy was launched. The Government faced the prospect of a £50 billion fiscal deficit (around 8 per cent of national output), that it was looking to reduce. It noted that private sector skills were increasingly being put to good use inside Government under its "Competing For Quality" Initiative. We were beginning to see signifi-

cant value for money improvements across a range of short term service contracts that had been put out to competition: catering; cleaning; that sort of thing. When done well, annual operating savings of 20 per cent were not uncommon. That had to be contrasted with the very poor value we seemed to be getting from capital spending. Large publicly managed projects routinely overran their budgets; took longer than anyone expected; and often left the public sector holding assets that were far from efficient when it came to delivering services. People were asking whether we could put to good use the lessons of short term contracts into deals where capital investment was required. In that way, we might be able to deliver new business opportunities for the private sector, value for money for the taxpayer and improved services for the public.

Analysis of PFI was based on the idea that British citizens paid their taxes in order to benefit from public services, not to accumulate and own assets. Their primary interest was in the output from capital investment: available hospital beds, secure prisoner places, miles of maintained road. It was not in the number of buildings Government owned or, indeed, the absolute amount it spent. So the public sector was asked to take on a new role. It would, in future, be required, to specify what service it wanted and then challenge the private sector to compete for how best to deliver it. The PFI sought to transform Government departments from being owners of assets and operators of services into purchasers of these services from the private sector. We would enter into long term contracts for the outputs we wanted, not the inputs.

This has already led to PFI contracts with a capital value of over £7 billion.

One thing to make clear from the outset is that PFI is not just about borrowing money from the private sector. There is no point in that since, generally speaking, the UK Government can raise money much more cheaply itself through the gilt market.

That said, we do want private sector parties who put their own money at risk because that is fundamental to providing bottom line incentives to perform that it is impossible to replicate in the public sector. But the private finance is only a means to an end: the end is to achieve performance improvements and efficiency savings across the life of a contract that more than match the additional cost of borrowing.

We have experience of three basic types of PFI transaction. First, financially free standing deals. Here the private sector supplier designs, builds, finances and then operates an asset, recovering his investment through direct charges on the users of services associated with that asset. Good examples include John Laing's award winning Second Severn Bridge, the Dartford River Crossing and a new Royal Armouries museum which houses exhibits there is no longer any room for in the Tower of London.

Second, joint ventures. Despite the name, these have, until now, not involved public management of a project other than through monitoring and enforcement of the contract. They are wholly managed by the private sector. However, they are projects which require a financial contribution from the public sector to make them viable. The best example is the Channel Tunnel Rail Link project between London and the South Coast of England. Virgin lead a consortium called London and Continental Railways who have sole responsibility for raising the private finance necessary to build and then operate the line. The Government is making a significant contribution in lieu of benefits we receive from the line that we would not otherwise have secured (faster travel times for commuter trains which will share the track, regeneration of areas close to new stations and so on). Much of that contribution is linked to the delivery of those new services. It is to be paid as they come on stream, not up front. Working together the UK will benefit from new infrastructure that neither public nor private sector alone could have contemplated.

But I want to focus mainly on the third type of project, since these are most revolutionary in their approach. These deals occur wherever private sector companies compete to sell services to the public sector (not individual users) but which require them to invest in assets. Their revenue stream is a series of future payments by the public sector client which depend on successful delivery of those services to specific quality standards.

The UK Treasury has taken a lead in driving these projects forward from the centre of Government. That has raised a few eyebrows. A Finance Ministry apparently interested in spending money? But you need strong central support to run a change programme that is this ambitious. Departments are encouraged to contract for what the taxpayer is really interested in. A Government is not a better Government simply because it owns buildings, irrespective of how operationally useful those buildings are. That is evident from the significant amount of our existing public sector budgets that must be spent on patching and repairing old buildings or operating at less than optimal efficiency. Departments must think strategically about what they want over the medium term. This is very different from short term, lowest price decision taking. The focus must be on what is required, not how best to deliver it. They need persuading to give up detailed control of their operations so that the private sector can use its innovative skills to come up with the configuration of assets most likely to deliver best value for money in terms of costs and benefits across the whole life of these assets.

I have touched on the major change necessary in the public sector. But it is no less significant in the private sector. Our companies have been obliged to position themselves as the long term providers of services, not simply builders who put up a structure and then disappear. The Government is seeking

partnerships that last. Builders know that a return on their investment depends on their delivering something functionally useful in the medium term. Operators know they must keep on delivering well if they are to make their money. Typically they have been getting together in newly formed multi-skilled consortia to reap synergies across design, build and operation.

In the old days, under conventional procurement, Government typically entered into one contract with a builder and then either operated the resulting asset itself or entered into a second contract for operation. We would typically pay the builder in stages as he did his work.

Sure enough, contractors built assets. But they would typically put in all sorts of claims for cost overruns. The project would be delivered late. More costs to the taxpayer. A report by the Government's Efficiency Unit noted that construction projects in the UK public sector typically overran by 25 per cent. All because the public sector had failed to recognise and contain certain risks that it had left itself exposed to.

That was only half the story. The public sector then took delivery of the asset and began to operate it. Within months the roof started leaking, the paint peeled. Maintenance and repair costs started to emerge. But the contractor had long gone. Another familiar problem was that operators of the asset who had no role in the design and build, found that the asset had been constructed in a way than was less than optimal when it came to delivering services efficiently. That had huge cost implications over the 25 or 30 year life of a major asset - far more significant than a little extra borrowing cost at the construction stage.

I have described a worst case purchase, nevertheless I am sure this is a pretty familiar story.

What could be done to improve performance and increase the chances of delivering more and better projects? For years the Treasury had been lobbied about benefits of private finance. For years we resisted. Why borrow money from the private sector when you can do so more cheaply yourself? What persuaded the Treasury to embrace PFI was the development of deals structured so that they are not just glorified hire purchase arrangements. The private sector has come up with new kinds of deals which offer the big prize of better management across the life of a contract.

Under PFI the payment mechanism is very different and that has a fundamental impact on the incentives to perform. The contract is for services so we pay nothing until these services are being delivered. Under PFI, we no longer buy a road. We purchase miles of maintained highway and, through shadow tolls, we pay for the vehicles that flow along that highway. So the service provider has every interest it free of roadwork. Under PFI, we do not buy a prison building. We buy custodial services, linking payments not to the thickness of a wall but to the continuous delivery of package of prisoner pla-

ces including secure cells, food, exercise facilities and rehabilitation programmes. There are penalties for prisoner escapes or for a riot that might leave a wing of the building unusable.

Private sector suppliers are paid typically in relation to some combination of services being available, the quality or performance of those service and in many cases the demand for them. We look for the best value of competing bids (costs and benefits) alongside published evaluation criteria. Those options must include a publicly financed option when one is available.

It is worth nothing the speed with which desired investment is made under these contracts. Let me give you one example. The contractor who won the opportunity to design, construct, mange and finance a new prison in Liverpool is so keen to start receiving his service payments that the facility is going to be ready 7 months early. The last 2 prisons built by that same contractor under conventional procurement each overran by more than 10 months.

So what makes for good PFI?

First I should make clear that we have tried not to stifle private sector initiative with pages and pages of public sector rules, procedures and blue prints that look fine on paper but do not work in the real world. Value for money to the taxpayer overrides everything else. There will be some extra costs in going down the private finance route: I mentioned that borrowing costs will be a little more expensive. In addition potential supplier will look to make a profit, and, over time, will want to recover their bid costs. However, these factors can be more that outweighed by others.

A key route is through optimal allocation of risk. In the past we have found that the public sector was bad at identifying risks. It tended to sweep them under the carpet only for them to come back and haunt us at a later stage. PFI requires managers to identify risks and, in competition, allocate them to the party best placed to manage them. We are looking for the optimal allocation of risk not the maximum transfer of risk. But there are many that the private sector may be better to take on: design and construction to cost and time, installation and operating risks, residual value of the asset at the end of the contract.

Innovation can get Government a better price. And we are also keen to structure contracts in which the private sector can make money from other uses of his assets, alongside services to the public sector (so called third party revenues). Its profit from these can significantly bring down the price to Government. How many Government buildings can you think of whose economic value is not being maximised? School facilities that lie idle for 18 hours a day; vacant space in and around public assets.

All fine in theory but difficult in practice. The UK has had some notable successes and I can leave with you a list of over 50 projects and any num-

ber of value for money efficiencies that have been negotiated. But there have been problems which others can usefully learn from. I will highlight a few briefly and describe some of the steps taken by the new Government to address these.

First it is essential that a Government department is an intelligent purchaser. It must know what it wants from the outset and be clear about the services it is seeking and their associated payment mechanism. It must be clear about the broad magnitude of the deal to be sure it can afford future service payments if these are to fall to Government rather than individual users. It should be clear it has the legal powers to enter into the contract and that there a project champion with the authority to drive matters forward to a reasonably clear timetable. Clarity about processes to be followed is always appreciated. Think hard about risk allocation. Don't retain control over issues that impinge on the private sector's ability to deliver outputs. If the private sector supplier has clear ownership, responsibility and control he will take all the risk he can manage. If the public sector seeks to reserve to itself many of the responsibilities and controls that go hand in hand with ownership, the private sector will at best substantially increase its price (damaging value for money) or, at worst, decline to bid at all. On the other hand, don't waste time trying to transfer risks that are wholly outside the private sector's control. We did when we tried to persuade suppliers that they should to be paid in relation to the number of prisoners being sent to a prison: something entirely in the gift of a Government Minister. Make sure there is one contract for design, build, finance and operation to maximise the synergy across all elements of the contract. Ensure there is a single unitary payment that is related to the services you are looking for. Build in incentives for extra savings and additional third party revenues.

Second, prioritisation. In the UK we originally encouraged experimentation, inviting departments to "let a thousand flowers bloom». That approach to private finance has been discredited. I would strongly advise initial focus on a limited number of top priority projects which can then form a sound basis for future business. This provides the opportunity for public and private sectors to focus their brainpower and resources on transactions that everyone wants to bring to a conclusion. It also channels good, strong competition into a fixed number of deals.

Third, the procurement process has been a thorny issue. These are valuable contracts. The winner can often get himself into a 25 year business. But tendering is expensive. If companies are to retain interest in your deals, when there may be very many more attractive competing investments elsewhere in the world, you have to make the procurement process as

smooth as possible. People will not willingly join “shortlist” of more than 3 or 4 bidders given the upfront investment required of them. The public sector will want a thorough competition to drive out the best deal. The private sector will be looking to become preferred bidder sooner rather than later, so they can have confidence in a contract at the end of the day. Knowing when to appoint a preferred partner is tricky. Experience and confidence in the tendering process enables one to run a longer competition. Ultimately, we see the process becoming as much of a production line as possible. All markets start as custom built products but develop as the products, become more familiar and the number of players in the market and, therefore, the extent of competition increases, into commodities where development and financing is a more predictable and cheaper process. It is striking that speedy progress is now being made in the three sectors where we have model contracts: roads, prisons and IT deals.

Much of this depends on structuring a good project at the beginning. What is proposed must be a commercially viable proposition. To drive up the quality of UK transactions, our Ministers have recently announced the creation of a PFI Taskforce inside the Treasury. This team combines projects and policy expertise at the heart of Government. Alongside my policy team we have eight project experts recruited from the private sector, whose job is to sign off the commercial viability of all significant projects before they go to market. The Taskforce seal of approval will be increasingly important and a signal to the business community that a deal is worth going for.

So where have we got to in the UK? There is no doubt that PFI is here to stay. The principles of partnership between the public and private sectors in delivering services that involve a capital asset are supported by all political parties. The recent change of government in the UK has not diminished the commitment to seeking better value for money through PFI.

And where do we go from here? Already there is interest in building upon the PFI model to develop other forms of Public/Private Partnerships where complimentary skills of each sector can work effectively alongside one another. We are looking at new models to encourage private investment into London's Underground train system and the maintenance and refurbishment of our schools.

This is a fascinating new area of public sector reform. We have no monopoly of wisdom. However, the challenge facing governments throughout the world is to deliver their objectives in a way which, at time of universal budget constraints, make best use of the resources at their disposal - public and private. The public has a right to expect quality services, delivered cost effectively. The means by which this is achieved is far less important than the

end result. Governments everywhere are being forced to review whether the State must always be the provider of public services, or whether it can make more efficient of its resources by becoming simply a purchaser of those services from private sector providers. This is the context in which PFI is providing a lead and stimulating the thought processes of other governments.

VALUE FOR MONEY: DOING MORE WITH LESS

di Fiorella Padoa Schioppa Kostoris

In spite of the fact that the three words "economy (least cost), efficiency (minimum cost for given output), effectiveness (maximum result for given cost) in public spending" are often written in our country's official documents, I would suggest that value for money (which is a combination of the three or at least of the last two words) is not really a hot issue among Italian policy-makers and the use of those three words has not been up to a recent past more than a lip-service. The reason is, I believe, that this is not a real issue in the Italian public opinion perhaps for two major reasons - an economic and a cultural one.

As for the former, citizens, consumers and tax payers are sensitive to the value for money problem when they establish a principal-agent relationship with the General Government, whereby costs and benefits of the agent - namely the General Government- are transparent and strictly connected to each other. This is clearly not the case in a country like Italy, where large deficits have been the rule for almost thirty years, where public intervention creates roundabout processes, tax collection is very centralised while public spending is, to a certain extent, decentralised and the use of the price mechanism for public services is very limited; prices are, when they exist, administered, while the cosharing of costs for public services on the part of private agents is still rare.

As for cultural reasons, I think that one should not forget that the prevailing ideologies in Italy are sceptical or even opposite to merit-rating; the Protestant viewpoint has never been successful in our country, whereas our Catho-communist (the mixture of catholicism and communism) approach implies the importance of good intentions and the relative indifference to good results: why, then, to look for value for money, being money, moreover, a dirty thing which well behaved people should not talk about?

But conditions are slowly changing in Italy. Our system is becoming more transparent in the sense that there now exist laws (still to be fully implemented), stating the citizens' right to the information on the behaviour of the General Government employees, who are made more accountable by the ex post control on the effective results of their activity. Processes are becoming less roundabout, as new laws (as the two Bassanini ones) are introducing the subsidiarity principle and some form of fiscal federalism. Deficits are now limited by the Maastricht Treaty and the reduction in public spending inevitably leads to look for priorities and merit-rating. The increase in taxes to improve the equilibrium of public finances is sometimes substituted by cosharing of costs of public services on the part of private agents and even, to a certain extent, by the use of market prices, following privatisations of some public utilities. The entry into the European Monetary Union implies, among other things in Italy, a different cultural and economic evaluation of competition, liberalisation, private markets, all embodied in the so-called European Economic Constitution.

It is, then, easy to forecast that value for money will soon become an important issue for Italian public opinion and policy-making.

From this viewpoint, policy analysis can already define some conceptual categories and try to evaluate through them some economic policy examples, observed in our country. A twofold taxonomy may be sufficient: the first category would include cases of (1) expected presence of value for money in public spending, the second category would include cases of (2) expected absence (total or partial) of value for money in public spending, a macroeconomic example belonging to category (1) and few microeconomic example belonging to category (2) will be provided.

(1) Expected presence of value for money in public spending

In a macroeconomic perspective, I believe that there is a larger expectation of value for money when public spending is devoted to stabilisation and growth rather than to mere redistribution of resources, and this for the simple reason that in such a case the General Government expenditure is supposed to be productive (in terms of human or material capital); its rentability is self-financing and therefore it can be financed in deficit without creating a burden on future generations; the debt is, thus, sustainable. This position is illustrated in the economic-literature (the leaders being the Musgraves and Modigliani); it appears as a golden rule in the basic Economic Law of the Federal Republic of Germany of 1949 - as amended in 1969 - in its 115 article, which says that deficit spending can never exceed public investment; it is implicitly embodied at the European level in the Maastricht Treaty in the form of the 3% parameter of deficit to GDP, being 3% equal to the ratio of

public investment to GDP effectively observed in the average of the 15 member countries of Europe at the beginning of the 1990's; it is probably present in the Italian Minister of Treasury statement, according to which we should "increase the effectiveness of every Lira of public expenditure". Indeed, we should not forget that the impressive reequilibrium of public finances obtained in Italy since 1992, with an expected deficit to GDP ratio reduced to 3% by 1997 (while it was more than twice as large last year), has been reached through an equally impressive decline of public investment in material capital some decrease in health spending and education (essential components of human capital), while all other items of public expenditure in current account were rising without any interruption (see Table 1).

But value for money is much more relevant in a microeconomic perspective. I will say something about the latter in discussing about the second category of the taxonomy, i.e.

(2) Expected, total or partial, absence of value for money in public spending

At least 3 subcases to be examined in such a situation regard

(2.1) the presence of kickbacks, wastes and mismanagement of resources in General Government;

(2.2) the absence of any target in public spending or the existence of goals which are unclear, internally inconsistent or too many relative to the available instruments;

(2.3) the ignorance of feedback effects of policy-interventions, which are known to create results opposite to original intentions.

(2.1) Kickbacks and mismanagement of resources. In this event, the General Government is not producing at the frontier of its possibilities, as if it were not fully using inputs in its production function. Examples observed in the Italian recent past include:

a) wastes of resources on the part of the General Government, due to corruption in public works and infrastructures, an essential element in the so-called Tangentopoli. It is interesting to note that the Italian public opinion has been very sensitive to these facts from a moral and a penal point of view, not at all from an economic viewpoint.

b) wastes in purchases of commodities and services by the General Government, an event particularly frequent in the National Health Service. It is well known that different public bodies within a single country (and a fortiori between similar countries) buy the same commodities from the market at totally different prices and by no mean they seem to pay more when they buy a lower quantity, as the law of demand would imply. This depends, on

the contrary, on the legal framework they adopt for purchases (public procurements or not), on the degree of competition of the seller's market (generic drugs without patent are less expensive than innovative-unique drugs), on the degree of monopsonist power in the buyer's market (the National Health Service may or may not impose a reference-minimum price for drugs containing an identical active principle), on the preferred technology and perhaps on the level of corruption, as few examples will indicate. Minister Cassese in 1993 publicly showed that the huge price differences of cooked ham, similar offered in different Italian hospitals, could be explained by the fact that some hospitals bought a large piece of pork to slice every day for their patients, while others bought single meals of already sliced ham. Less obvious reasons for price differential can be given in relation to the heating gas oil used by different public hospitals, the differential being of the order of 10 - 15%, in spite of the fact that this is a very homogeneous commodity, easy to transport, to store and to predict in its need.

c) Wastes in services supplied by the public sector at large, particularly in public utilities, in the presence of Government failures sometimes larger than market failures which at the origin suggested the public rather than the private production and control. These imply higher costs of inputs, lower quality and perhaps even lower quantities of outputs, relative to what would be the performance of regulated private markets. These Government failures, example of which arise in Italy in Mail Services, Railways, Air Transport, Electricity, Telecommunications, Local Services and so on, suggest liberalisations, privatisations, deregulations combined with new regulations, unless a large network with sunk costs on capital exists, like for railways and the distribution of electricity.

(2.2) Absence of any target or existence of obscure and internally inconsistent goals in public spending. This problem is clearly overcome when there exists a negotiation followed by a written contract between the General Government and a private supplier or within public agencies, responsible and accountable. It always appears, on the contrary, in at least two typically Italian situations:

a) the absence of any target is the general rule in most social services, which are offered in Italy on a universal basis. They are not targeted to cover adequately the needs of specific individuals or groups, after testing for their personal or household earnings, their health, their education, their minority status, on the presumption to be capable to give "everything to everybody", but in fact, ending up giving "little to everybody, particularly to the needy", at a very large cost. These social services turn out to be, at the same time,

excessive and insufficient and very expensive. Notable examples of the absence of any targeting in social expenditure are the maternity paid leaves, which are compulsory in Italy two months before delivery up to three months after and are independent of the mother's sickness and desire; first eight years of compulsory education are free for everybody from any direct or indirect charge (for tuitions, books, school meals), independent of the household ability and willingness to pay; drugs for chronic diseases or considered by law to be essential (the majority of drugs, which are said to belong to category A) are available to everybody in the National Health Service at a zero price, except for a modest ticket (two to four dollars, depending on the number of item prescriptions, with some exemptions), independent of the recipients' wealth and income. The avoidance of any targeting in welfare spending is correlated with the fear of imposing some form of "stigma" on needy people and is of course reinforced by the pervasive scepticism in our country on the quality of statistical indexes and tests concerning income levels, health conditions, educational aptitudes etc., while transparency tends now to be further reduced by the restrictive interpretations of the recent law on privacy.

b) obscure goals of public spending are given whenever targets exist, but they are based on presumptions rather than on any empirical evidence on targeted groups or individuals. Social assistance to fight poverty and inequality of income is partly conceived in our country in this way. As a premise, let us recall that, according to most recent studies, income inequality (measured by Gini coefficient) is very large in Italy, second only to the US among the OECD countries (see Graph 1); it has been stable over time up to 1990 and has increased later; it is almost constant across families in the sense that there appears to exist very little social mobility upwards or downwards. And this happens in spite of the fact that 20% of GDP is devoted in Italy to social transfers.

Data show that poverty is concentrated among single-parent families with children and among couples with three or more children (see Table 2): poverty rates are much higher for children than for retired people and yet the presumption in the country is that pensioners are poor, while empirically only 15% of their households earn less than half the average equivalent Italian income (defining the poverty line). The little is done to support the poor families with children in Italy is done through a mechanism of family allowances ("assegni familiari") which has the characteristics of being at the same time expensive on aggregate (4 billion dollars yearly), and ineffective to fight poverty, for the following reasons (illustrated by Table 3): 27% of families receive these benefits and 56% of the latter do not concern poor; the average

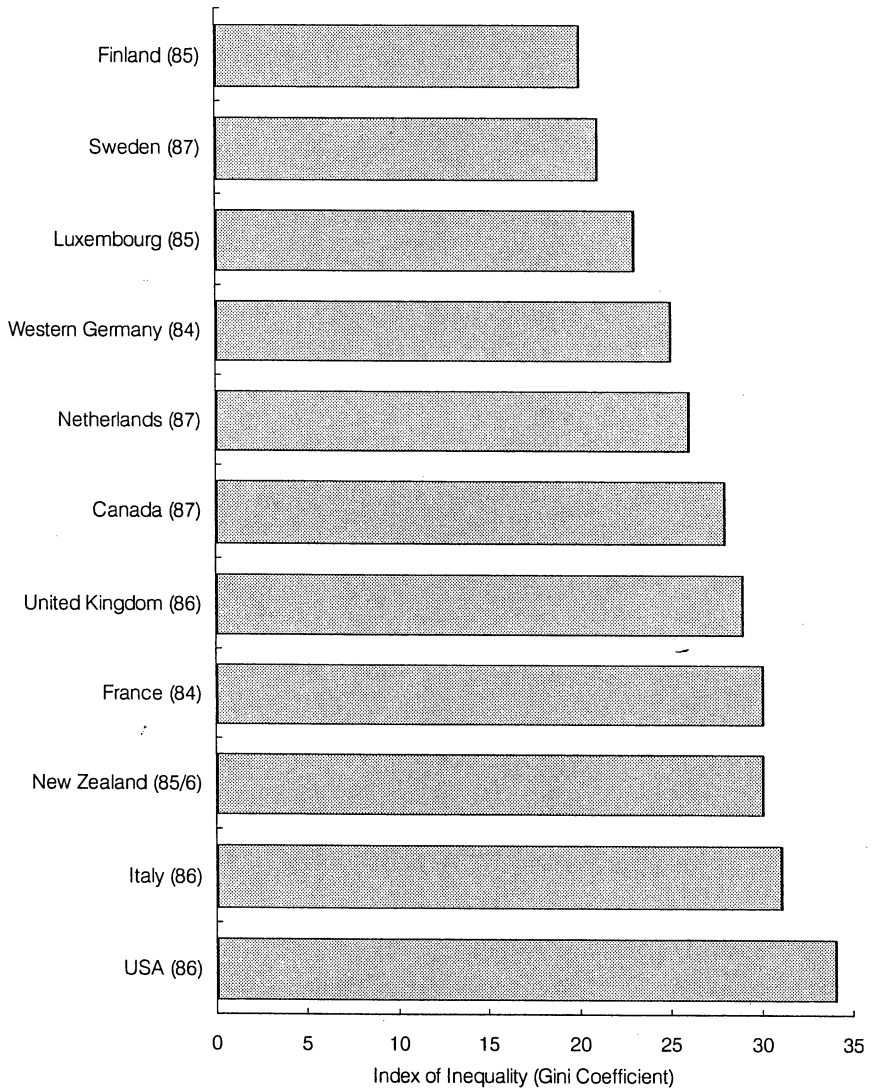
benefit equals 1,000 dollars yearly (2,000 dollars for poor); not surprisingly the poverty rate is reduced by these family allowances only by 2 percentage points, with no relevant change in poverty gap, and the well known index of effectiveness of this kind of benefit, called the Beckerman index, indicating the ratio between resources devoted to poor and total resources (allocated to poor and not poor) equals 36%, against values around 46-56% in Australia, Norway, the United Kingdom. One can doubt whether these allowances aim at a different goal. For example are they conceived to raise fertility rather than or together with fighting poverty? The whole issue is not clear. But certainly it is impossible, as professor Tinbergen would teach, that one policy-instrument achieves more than one goal; at best, only one is obtainable.

(2.3) Ignorance of feedback effects of policy-interventions which are known to create results opposite to intentions. Here there are many well known examples (mostly abroad) again in the sector of policy-actions to fight poverty, which in fact create poverty traps and the so-called dependency culture. I will concentrate on two typically Italian situations:

a) Unemployment benefits for temporary laid off workers (in principle one to two years, in practice much longer) with fixed replacement ratio (80%) relative to the wage which would be earned if he or she continued to work. This is the CIG - Wage Supplementation Fund - which induces moral hazard behaviours because firms and workers agree to raise wages, thus providing an advantage both to those who remain in the job and to those who are temporary laid off, thus effectively increasing unemployment;

b) excessive protections of weak components of the labour force, as women (measured by too long and expensive maternity leaves, too general paid absences in the first three years of each child, inhibition of heavy and night works, etc.), that in fact weaken this labour force, by raising its cost, therefore reducing its demand, increasing its unemployment rate.

Graph 1: Income* distribution inequalities in Main OECD Countries, middle of the 80's



* Equivalent Disposable Income

Source: Gardner K., "A Survey of Income Inequality Over the Last Twenty years -How Does the UK Compare?", *STICERD WSP/100*, London, 1993

Table 1: Some investment in human and material capital of the Italian General Government (1990-1995)

	Billions of current liras										Billions of 1990 liras													
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995						
Gross investment	43,141	46,587	45,454	41,104	37,907	38,673	43,141	44,200	41,548	35,930	32,070	31,163	43,141	46,587	45,454	41,104	37,907	38,673	43,141	44,200	41,548	35,930	32,070	31,163
Net investment	18,119	18,753	17,013	11,010	9,645	10,932	18,119	17,793	15,551	9,624	8,160	8,809	18,119	18,753	17,013	11,010	9,645	10,932	18,119	17,793	15,551	9,624	8,160	8,809
Health	73,916	83,266	86,928	86,692	86,425	85,813	73,916	77,170	77,201	75,647	73,428	70,454	73,916	83,266	86,928	86,692	86,425	85,813	73,916	77,170	77,201	75,647	73,428	70,454
Education	70,299	74,438	80,346	79,910	80,149	82,732	70,299	68,988	71,355	69,729	68,096	67,924	70,299	74,438	80,346	79,910	80,149	82,732	70,299	68,988	71,355	69,729	68,096	67,924
GDB	1,310,659	1,427,571	1,502,493	1,550,296	1,638,666	1,771,018	1,310,659	1,325,582	1,333,072	1,317,668	1,346,267	1,385,830	1,310,659	1,427,571	1,502,493	1,550,296	1,638,666	1,771,018	1,310,659	1,325,582	1,333,072	1,317,668	1,346,267	1,385,830
Social Security	187,608	207,125	233,936	244,963	262,043	279,011	187,608	191,960	207,758	213,755	222,686	229,073	187,608	207,125	233,936	244,963	262,043	279,011	187,608	191,960	207,758	213,755	222,686	229,073
Assistance	21,048	21,810	23,645	26,494	27,877	28,388	21,048	20,213	20,999	23,119	23,685	23,307	21,048	21,810	23,645	26,494	27,877	28,388	21,048	20,213	20,999	23,119	23,685	23,307

Percentage of GDP

Temporal dynamics 1990=100

	Percentage of GDP										Temporal dynamics 1990=100									
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995		
Gross investment	3.29	3.26	3.03	2.65	2.31	2.18	100.00	107.99	105.36	95.28	87.87	89.64	100.00	107.99	105.36	95.28	87.87	89.64		
Net investment	1.38	1.31	1.13	0.71	0.59	0.62	100.00	103.50	93.90	60.77	53.23	60.34	100.00	103.50	93.90	60.77	53.23	60.34		
Health	5.64	5.83	5.79	5.59	5.27	4.85	100.00	112.65	117.60	117.28	116.92	116.10	100.00	112.65	117.60	117.28	116.92	116.10		
Education	5.36	5.21	5.35	5.15	4.89	4.67	100.00	105.89	114.29	113.67	114.01	117.69	100.00	105.89	114.29	113.67	114.01	117.69		
GDB	100.00	100.00	100.00	100.00	100.00	100.00	100.00	108.92	114.64	118.28	125.03	135.12	100.00	108.92	114.64	118.28	125.03	135.12		
Social Security	14.31	14.51	15.57	15.80	15.99	15.75	100.00	110.40	124.69	130.57	139.68	148.72	100.00	110.40	124.69	130.57	139.68	148.72		
Assistance	1.61	1.53	1.57	1.71	1.70	1.60	100.00	103.62	112.34	125.87	132.44	134.87	100.00	103.62	112.34	125.87	132.44	134.87		

Source: Modigliani F. and F. Padoa Schioppa Kostoris, *Sostenibilità e solvibilità del debito pubblico in Italia*, Bologna, Il Mulino, 1998, forthcoming.

Table 2: Poverty rates by occupational status and socio-professional characteristics of the household, 1993

	At least one employed			
	Without children		With children*	
	single	couple	single-parent	couple
a. Householder in working age (<60 years old)	6%	5%	30%	11%
a 1. employed	5%	5%	28%	11%
of which a 1.1 disabled	0%	4%		17%
a 2. unemployed	21%	26%	100%	40%
of which a 2.1 <35 years old	17%	0%	100%	12%
of which a 2.2 from 35 to 55 years old	18%	26%	100%	46%
of which a 2.3 from 55 to 60 years old	100%	61%		0%
a 3. pensioned and or unable	12%	4%	15%	23%
of which a 3.1 disabled	14%	7%	0%	55%
a 4. others	12%	9%	19%	11%
b. Householdsnot in working age (>60 years old)	5%	5%	26%	3%
b 1. employed	14%	5%	0%	7%
b 2. unemployed		100%		
b 3. pensioned	3%	4%	30%	1%
of which b 3.1 disabled	0%	4%	0%	0%
of which b 3.2 pensioned	21%	0%	0%	0%
b 4. others	0%	0%		0%
Total	6%	5%	29%	11%

* Child less than 13 years

continued - **Table 2: Poverty rates by occupational status and socio-professional characteristics of the household, 1993**

	No employed and at least one pensioner			
	Without children		With children*	
	single	couple	single-parent	couple
a. Householder in working age (<60 years old)	37%	17%	88%	11%
a 1. employed				
of which a 1.1 disabled				
a 2. unemployed	70%	76%	100%	100%
of which a 2.1 <35 years old	82%	100%	100%	100%
of which a 2.2 from 35 to 55 years old	67%	53%		100%
of which a 2.3 from 55 to 60 years old	%	100%		
a 3. pensioned and or unable	32%	11%	87%	36%
of which a 3.1 disabled	63%	68%	43%	92%
a 4. others	77%	34%	92%	50%
b. Householdsnot in working age (>60 years old)	17%	9%	44%	67%
b 1. employed	%			
b 2. unemployed				
b 3. pensioned	17%	8%	44%	67%
of which b 3.1 disabled	15%	13%	100%	100%
of which b 3.2 pensioned	57%	40%	0%	0%
b 4. others	12%	29%		0%
Total	19%	10%	83%	44%

* Child less than 13 years

continued - **Table 2: Poverty rates by occupational status and socio-professional characteristics of the householder, 1993**

	No employed and no pensioner				Total
	Without children		With children*		
	single	couple	single-parent	couple	
a. Householder in working age (<60 years old)	75%	100%	98%	97%	14%
a 1. employed					9%
of which a 1.1 disabled					12%
a 2. unemployed	99%	100%	100%	100%	73%
of which a 2.1 <35 years old	100%	100%	100%	100%	75%
of which a 2.2 from 35 to 55 years old	100%	100%	100%	95%	71%
of which a 2.3 from 55 to 60 years old	93%	100%			84%
a 3. pensioner and or unable					19%
of which a 3.1 disabled					40%
a 4. others	62%	100%	97%	100%	31%
b. Households not in working age (>60 years old)	55%	68%		100%	12%
b 1. employed					7%
b 2. unemployed	87%	100%		100%	96%
b 3. pensioned					12%
of which b 3.1 disabled					13%
of which b 3.2 pensioned					47%
b 4. others	52%	0%			29%
Total	68%	97%	98%	97%	13%

* Child less than 13 years

Table 3: Estimates of Redistributive Effects of Family Allowances, 1996

Programs and target groups	Costs				
	Yearly average benefit for recipient families (thousand of liras)	Yearly average benefit for poor families only (thousand of liras)	Total cost (billionsof liras)	Percentage of total family disposable income	Leakage (percentage going to non-poor)
All families					
without current scheme	0	0	0%	0.000%	0.0%
without current scheme	1,568	3,063	8,694	1.035%	55.9%
Families with at least one worker					
without current scheme	0	0	0	0.000%	0.0%
with current scheme	1,797	3,439	7,315	1.057%	54.6%
Families without worker and at least one pensioner					
without current scheme	0	0	0	0.000%	0.0%
with current scheme	848	1,490	1,191	0.823%	72.0%
Families without worker and pensioner					
without current scheme	0	0	0	0.000%	0.0%
with current scheme	2,713	2,890	188	6.583%	2.9+%

continued Table 3: Estimates of Redistributive Effects of Family Allowances, 1996

Programs and target groups		Outcomes on families							
All families									
without current scheme	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
without current scheme	5,542,928	26.80%	13.10%	1.90%	85.00%	73.20%	12.20%		
Families with at least one worker									
without current scheme	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
with current scheme	4,069,976	29.40%	9.20%	2.60%	88.20%	70.60%	6.90%		
Families without worker and at least one pensioner									
without current scheme	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
with current scheme	1,403,519	22.00%	16.40%	0.50%	83.20%	78.00%	17.30%		
Families without worker and pensioner									
without current scheme	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
with current scheme	69,433	15.30%	84.90%	0.00%	15.10%	84.70%	83.80%		

continued Table 3: Estimates of Redistributive Effects of Family Allowances, 1996

Programs and target groups	Poverty measures and impact			
	Poverty rate (% of poor families on total families)	Poverty gap (proportional differential of poor income)	Beckerman's index**	Weisbrod's index***
All families				
without current scheme	15.00%	35.10%	0.30%	0.00%
without current scheme	13.10%	35.60%	36.10%	14.30%
Families with at least one worker				
without current scheme	11.80%	30.50%	0.00%	0.00%
with current scheme	9.20%	31.20%	36.10%	22.90%
Families without worker and at least one pensioner				
without current scheme	17.00%	25.70%	0.00%	0.00%
with current scheme	16.40%	25.00%	28.00%	6.60%
Families without worker and pensioner				
without current scheme	84.90%	80.50%	0.00%	0.00%
with current scheme	84.90%	78.70%	96.00%	32.30%

Seminario n. 3

Le procedure di audit e di controllo a raffronto

- Francesco Battini, della Presidenza del Consiglio dei ministri, *// controllo gestionale in Italia*, pubblicato in Rivista trimestrale di diritto pubblico, 1998, n. 2, p. 447 ss.
- Michael Whitehouse, Director of value for money development del National Audit Office, *Role, function and new directions of the United Kingdom, national audit office*
- Sandro Palanza, della Camera dei deputati, *L'esperienza del servizio di bilancio della Camera e del Senato*, pubblicato in Rivista trimestrale di diritto pubblico, 1998, n. 3, p. 753 ss., , con il titolo "L'informazione tecnica nelle procedure parlamentari:"
- Jamie Mortimer, Treasury Officer of Accounts and Deputy Director del HM Treasury, *relationship between the Treasury, the Natinal Audit Office and the Public Accounts Committee*
- Christopher Pollitt, del Center for the Evaluation of Public Policy della Brunel University , *Performance Audit: promise and practice*
- Vittorio Guccione, della Corte dei conti, *L'esperienza dei servizi di controllo interno*, pubblicato in Rivista trimestrale di diritto pubblico, 1998, n. 3, p. 769 ss., con il titolo "La nuova fisionomia del controllo interno. Modelli organizzativi e prime esperienze"

ROLE, FUNCTION AND NEW DIRECTIONS OF THE UNITED KINGDOM, NATIONAL AUDIT OFFICE

di Michael Whitehouse

Role of the National Audit Office

The National Audit Office (NAO) was established in 1983 but its roots go back to the thirteenth century. The Comptroller and Auditor General (C&AG), Sir John Bourn, is head of the NAO. The C&AG and the National Audit Office are wholly independent of Government. The C&AG is an Officer of the House of Commons and is appointed by Parliament to carry out the external audit of central government departments, agencies and many other public bodies. He is supported by the NAO which employs some 700 staff.

The primary aim of the NAO is to help the nation spend wisely by providing independent assurance and advice to Parliament on the proper accounting for and regularity and propriety of central Government expenditure, revenue and assets; and independent reports to Parliament on the economy, efficiency and effectiveness with which Government departments and other bodies use resources. In doing so the NAO also aims to help these bodies provide better value for money.

Our audit field is vast, encompassing receipts and payments totalling around £550 billion in 1996-97 plus assets of much greater value. The C&AG is the prime auditor for Government departments, executive agencies and some 350 other bodies. He has a right of inspection at a further 4,000 bodies which receive public funds, such as higher and further education institutions, which allows him to provide assurance to Parliament that public money is spent properly and wisely.

Who carry out two main types of work:

* **Financial audit.** We audit the accounts and examine the regularity and propriety of Government expenditure addressing the risks to financial control and accountability; and

* **Value for money audit.** We review the economy, efficiency and effectiveness of publicly funded programmes, projects and activities and produce 50 reports to Parliament each year on the results of our examinations.

Our independence is guaranteed by the C&AGs status as an Officer of the House of Commons, Parliament has granted the C&AG wide ranging access to all the departments, officials and papers required to carry his audit. He decides which subject he will examine, taking into account the views of Parliament. The focus of his work is not to question the merits of Government's policy but how well these objectives have been implemented.

Financial audit

Our financial audit includes the work carried out to provide an opinion on the financial statements presented for audit and additional work to examine risks to regularity propriety and financial control, (figure 1). This involves:

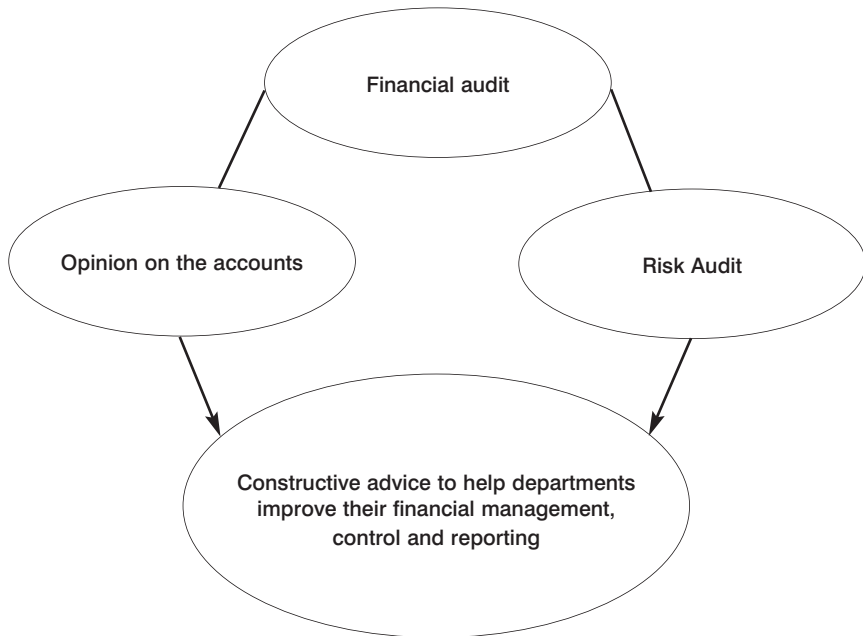
providing Parliament with reasonable assurance that the financial statements audited by the NAO are presented truly and fairly, that they have been prepared in accordance with relevant accounting and other requirements and that they are in accordance with the authorities which govern them;

by identifying, assessing and examining risks to propriety and financial control in central Government bodies and reporting on significant weaknesses to Parliament; and Propriety

Propriety is the requirement that expenditure and receipts should be dealt with in accordance with Parliaments expectations as to the way in which public business should be conducted, including conventions agreed with Parliament and in particular the Public Accounts Committee (PAC).

by giving audited bodies constructive advice that will help them improve their financial management, control and reporting.

The first of these is referred to as the NAO's certification audit and the second as risk audit. Constructive advice to audited bodies flows from both areas of the NAO's financial audit.

Figure 1

We conduct our certification audit work in accordance with the statements of Auditing Standards issued by the UK Auditing Practices Board. We plan and organise our work so that the C&AG can issue a clear expression of opinion on accounts in the most cost-effective manner. We use a number of techniques to support our certification audit, including assessments of the overall control environment; the review and testing of accounting and IT systems; and substantive tests such as predictive and analytical procedures and the direct testing of individual transactions. Our work is also based on a periodic review of audited bodies' activities to identify areas where there are potentially significant risks of irregularity, impropriety or failures in financial control.

Figure 2 Scope of the NAO's certification audit

Our certification audit has the following objectives:

Existence: an asset or liability exists at a given date;

Rights and Obligations: an asset or liability property pertains to the entity at a given date;

Occurrence: a transaction or event took place which pertains to the entity during the relevant period;

Completeness: there are no unrecorded assets, liabilities, transactions or events or other undisclosed items;

Valuation: an asset or liability is recorded at an appropriate carrying value;

Measurement: a transaction or event is recorded at the proper amount and revenue or expense is allocated to the proper period;

Presentation and Disclosure: an item is disclosed, classified and described in accordance with the application reporting framework.

In addition to these assertions, which are common to all financial statements, in the central government sector we recognise an eighth assertion:

Regularity: a transaction is in accordance with the legislation authorising it, regulations issued by a body with the power to do so under governing legislation, Parliamentary and Treasury authority.

Value for Money

The primary aims of our value for money (VFM) work are:

to provide Parliament with independent information and advice about how economically, efficiently, and effectively the departments, agencies, and other bodies subject to our examination have used their resources, and

to help audited bodies improve their performance in achieving VFM

Our main concern is accountability to Parliament, and ultimately the taxpayer to assure them that public funds and resources are used properly and

to good effect.

We seek to promote better VFM by highlighting and demonstrating to audited bodies ways in which they could make improvements to realise financial savings or reduce costs; provide a better quality of service;

strengthen and enhance their management, administrative, and organisational processes, and achieve their aims and objectives more cost-effectively.

VFM work has been an important aspect of the C&AG's activities for many years and in 1983 was given statutory expression in the National Audit Act.

In accordance with the Act the C&AG:

- decides whether, when, and how any VFM examination shall be carried out;
- decides whether, when, and in what terms the results of an examination are reported to the Parliament; and
- has rights of access at all reasonable times to all documents reasonably required and may seek such additional information and explanation as are reasonably necessary.

In deciding whether to carry out an examination the C&AG takes into account any proposals made by the Committee of Public Accounts (PAC).

Scope of value for money

The National Audit Act 1983 does not seek to define economy, efficiency and effectiveness (ie vfm). Figure 3 illustrates how we define these terms.

Figure 3

Economy	Example
<p>Minimising the cost of resources used for an activity having regard to appropriate quality</p>	<p>Were hospital supplies of the quality specified purchase at cheapest price?</p> <p>Did market testing of an IT function result in a reduction in the price paid for the service while maintaining quality?</p>
Efficiency	
<p>The relationship between outputs, in terms of goods, services or other results, and the resources used to produce them. An efficient activity maximises input to a given output and, in doing so, pays due regard to appropriate quality</p>	<p>Were hospital waiting times reduced at no extra cost and no reduction in quality of patient service?</p> <p>Were the costs of running a repair depot minimised while increasing the number of vehicles serviced to satisfy safety and operational standards?</p>
Effectiveness	
<p>The extent to which objectives have been achieved and the relationship between the intended impacts and actual impacts of an activity</p>	<p>Did the education programme improve examination success rates?</p> <p>Were the objectives of the health care programme met and did the succeed in reducing sickness-levels?</p>

Committee of Public Accounts

The Committee of Public Accounts (PAC) is the primary recipient of our reports. The PAC is a Senior Science Committee of the House of Commons ensuring that the sums granted by Parliament to meet public expenditure are properly accounted for; that public money has been spent in the way Parliament intended; and that value for money has been achieved.

For many years the Committee's enquiries have concentrated on securing sound practices in financial administration and the need to obtain good VFM. In practice, PAC bases almost all its examinations on the C&AG's reports and memoranda. The PAC's scrutiny and its reports are key sanctions against failure to spend taxpayers' money properly and wisely.

Carrying out VFM examinations

In order to carry out a VFM examination who need evidence. This can be derived from existing sources (documentary evidence, interviews with officials and third parties) and from new sources for example, through research, surveys or analysis which are undertaken on commission.

We need to understand how the audited body works - not only its objectives but also what challenges it faces. Not all of this may be written down and so it is essential to explore all relevant aspects with the audited body. As well as audited body staff we may need to consult external stakeholders - these might be recipients of public resources or benefits, providers of public services in the private sector and other third parties. Whilst we have no legal access to external stakeholders, they are usually willing to speak to us and to provide information.

We employ a range of tools and techniques in carrying out VFM studies to collect and analyse data. These typically include benchmarking, sampling, consumer surveys, operational modelling, statistical analysis and focus groups. Our core skill is audit but this is supplemented by a range of other disciplines economists, engineers, social scientists either on short term contract or as consultants for example, staff have experience of working in fields as diverse as the health service, the armed forces, merchant banking and the City. These skills help us choose from a wide range of analytical expertise and enhance the impact of our VFM work.

Impact of value for Money examinations

Following up and measuring the impact of VFM examinations is an integral part of our standard procedures. The purpose is to:

- * identify the extent to which audited bodies have implemented the changes they have announced in response to recommendations in PAC and C&AG reports;
- * determine the impacts which can be attributed to our VFM examinations; and
- * demonstrate the added value of our work.

Saving £7 for every £1 we cost

One of the ways in which we demonstrate VFM is through helping departments identify and realise savings. In recent years we have saved the taxpayer around £7 for every £1 it costs to run the NAO. We aim to quantify the impacts achieved by our VFM examinations whenever practicable so as to demonstrate the NAO's effectiveness in improving VFM.

Examples of our recent impacts are shown in Figure 4.

Figure 4

Examples of recent VFM impacts are:

□ In recent years the National Audit Office has reported to Parliament on the risks to value for money where, in flotations of companies, Government departments decide to sell all the shares at once rather than in stages. Having regard to the concerns expressed by Parliament and difficulties in pricing an initial issue of shares, the privatisation of National Power and Power Gen was conducted in stages, as a result of which the taxpayer has benefited from additional proceeds of £2.3 billion, £1.15 billion in 1996.

□ The Motability Scheme involves organisations in the public, voluntary and private sectors, working in partnership to assist disabled people to obtain personal transport. The National Audit Office's examination resulted in the first detailed, independent, account of the way the Scheme operates and the recommendations built on work that Motability had in hand to enhance good value and service for the future. As a result of action by Motability to strengthen their oversight of the Schema and work by their principal service providers. Motability Finance Limited, to take advantage of changes in economic condition, customers entering into new contract hire agreements in 1996, will benefit from price reductions worth around £69 million over the period of their agreements.

□ The National Audit Office's annual review of HM Customs and Excise highlighted unregistered traders as a significant risk to VAT revenue. This work, taken together with the Department's trade category and cash team exercises, led to the Department establishing shadow economy teams. The Department have estimated that the impact, over the first three years, of the National Audit Office's contribution to revenue to be generated by the shadow economy teams will be about £43 million.

□ The 1996 report and good practice guide on the management of space by higher education institutions in Wales have already contributed to financial savings. In particular, two of the institutions visited by the National Audit Office have radically revised their approach to planning for future space needs, resulting in substantial reductions in planned expenditure of some £14.6 million in 1996-97. After the National Audit Office highlighted low utilisation, one institution moved from planning for expansion to planning to dispose of parts of its estate and another institution has decided to use existing sites more intensively rather than putting up new buildings.

The challenges we face

The public sector in the United Kingdom has undergone radical change and this is likely to continue

□ In 1979 nearly 11 percent of gross domestic product (GDP) was accounted for by Nationalised industries; following privatisation this has fallen to 2 percent.

Since 1988 executive agencies have been set up to establish a clear demarcation between responsibility for formulating policy and its implementation.

□ In 1979 there were 735,000 civil servants; now there are fewer than 500,000, of whom three fifths work in the 138 Executive Agencies set up since April 1988.

□ Yet in spite of this parent shrinkage in the size of Government, all is not what it seems. In 1979 the State consumed some 43 percent of GDP; following all the public sector reforms the State still consumes 42 per cent.

□ The major difference is that the state has become much less a provider of public services and more a purchaser of services. For example, the public provision of training for young people and unemployed adults, which costs over £1 billion a year is now the responsibility of Training and Enterprise Councils (TECS). They are neither departments, nor executive agencies. They are constituted as companies but they are not companies of the usual kind; the personal liability of each TEC director, in the event of the failure of the TEC, amounts to no more than £1.

□ The introduction of the Private Finance Initiative (PFI) or Public/Private Partnerships, under which the public sector is increasingly looking to private sector partners for the provision and operation of asset based services (such as prisons and roads). With PFI, the public sector is entering into contracts committing tax payers' money for 20 or 30 years.

□ The introduction of resource accounting is a monumental change, Government Departments and their agencies are aiming, by the turn of the century, to draw up their accounts on an accruals rather than a cash basis. The aim is to focus more on resources consumed than cash input, to treat current and capital expenditure in a way that better reflects their economic significance, and to encourage the discipline of greater emphasis on outputs.

□ A key feature of resource accounting will be the requirement for departments to establish and publish measures and indicators to demonstrate the performance they have achieved.

How we are responding

For Parliamentary scrutiny to remain effective, and where practicable enhanced, we need to respond appropriately to these developments.

□ **Following public money.** As Government seeks new ways of providing services it is important that we follow public money through into the hands of the private sector providers. Government has so far resisted Parliament's suggestion that we should have a general right of access to the private sector provider entrenched in law, preferring to address this issue on a case by case basis. Unless, one way or another, we can continue to resolve such access rights, the public accountability of those responsible for spending the taxpayer's money will diminish.

□ **Proper conduct of public business.** With the private sector providing an increasing proportion of public services and with personnel being appointed from the private sector to manage public services, in some cases the proper conduct of public business has been put at risk. Both our certification audit and VFM examinations have reported examples of impropriety, extravagance and malpractice and made recommendations to improve management and control.

□ **Benchmarking performance.** With the creation of 138 agencies who are no longer dealing, with monolithic departments, so benchmarking has become increasingly important as a technique for ratcheting up performance.

Examples of our benchmarking work include:

□ a comparison of the Ministry of Agriculture Fisheries and Food's approach of the exploitation of intellectual property with that of five other organisations, from the public and private sectors, who are active in the field of agricultural research;

□ a comparison of the performance of the Immigration Service's different arrivals points against a number of key indicators such as passenger throughput; and

□ an examination of the procurement processes used by the Ministry of Defence in comparison with six other major purchasers. By bringing their procurement practice into Line with best practice, at our recommendation, the Ministry should save over £4 million a year.

□ **Validating performance measures.** We are becoming increasingly involved in invalidating the performance measures which departments and agencies are publishing. A recent examination of the performance measurement system used by the Meteorological Office led to our recommending improved record keeping, the maintenance of audit trails, a redefining of some

indicators and the introduction of new ones. And a separate examination of the system operated by the Social Security Benefits Agency - at 700,000 staff the largest executive agency - showed that it was a very good system, but that in view of the fundamental programmes of change taking place in the department, developments were needed particularly in the areas of accounting to Parliament and the public.

These are some of the key changes which are taking place in the way which we as external auditors are carrying out our work. It is clear that public audit is becoming more complex and challenging and Parliamentary expectations are increasing. We need to maintain and develop our scrutiny if Parliamentary accountability is to be effective.

THE RELATIONSHIP BETWEEN THE TREASURY, THE NATIONAL AUDIT OFFICE AND THE PUBLIC COMMITTEE

by Jaime Mortimer

The role of Treasury in public expenditure matters

The Treasury has two main objectives in relation to public expenditure:

- to set aggregate public spending at an appropriate level and to secure good value for money when providing public services;
- to promote high standards of propriety, regularity and accountability, and an effective accounting and budgeting framework.

Controlling total spending and achieving good value

Around 200 people in the Treasury focus on the first of these two objectives.

They deal with:

- the annual round of inter-departmental negotiations on the overall level of public expenditure over the following three years and the distribution of that expenditure between departments. Decisions on these matters have, in recent years, been announced in the Budget. The new Labour Government have said that they do not want to have such a negotiation this year, however. They will stick with the previous Government's spending plans;
- in-year control including requests for additional expenditure to meet unforeseen needs;
- zero-based reviews of departmental expenditure programmes. Currently, the Treasury is working with departments on a series of such reviews called "comprehensive spending reviews";

- work on specific spending proposal which require prior Treasury approval. These might concern large investment project or spending that will put pressure on spending total future years;
- presenting spending plans -for "Estimates" - to Parliament for approval. Only the Treasury can present such Estimates to Parliament.

Promoting high standards of regularity and propriety

Around 60 Treasury staff work on the second of the two objectives - concerning propriety, regularity, audit and accountability. This work involves:

- prescribing a framework of financial control with central Government involving the appointment of "accounting Officers" - the senior permanent officials each department - who have a personal responsibility for the public finance for which they are answerable, for the keeping of proper accounts, and for value for money;
- the publication of various guidance notes on financial procedures. These include an important financial handbook called "Government Accounting", a handbook on internal audit called "Government internal Audit Manual" and various guidance documents on specific topic such as "Regularity and propriety" and "The Fees and charges Guide";
- giving directions to central Government bodies (including departments and agencies) on how to draw up their accounts;
- providing advice on auditing matters;
- providing advice on internal audit matters;
- working closely with the central Government's external auditor - The National Audit Office - on matters of common interest.

Resource accounting and budgeting

The right of the Treasury of prescribe the form of departmental accounts particularly important at the moment since the Government is about to introduce the biggest change in accounting procedures for over 100 years. This involves the introduction of resources accounting and budgeting.

Up to now, accounts have been drawn up on cash basis. They basically reflect the amount of cash spent by departments and the amount of cash received. From 1999-2000, however, the accounts will be presented in accruals or resources terms - ie on the same basis as that used for private

sector companies. Resources budgeting - ie the planning of future expenditure in resource terms - will start in the year 2000 and relate to expenditure 2001-02 and later years.

The introduction of resource accounting and budgeting will involve some major changes:

- the need to take account of various non cash items - such as depreciation and the cost of capital employed;

- the production of departmental balance sheets to show the value assets owned by central Government. We started on the process of drawing up such balance sheets by the publication on 24 November of a National Asset Register listing all the assets owned by central Government (but not giving them values);

- producing systematically quantitative information on output and performance of Government departments.

The role of Parliament in public expenditure matters

Parliament has two important roles in public expenditures matters:

- it approves each year department's spending plans by voting the necessary finance;

- it asks a Committee of Mps - called the Public Accounts Committee - to examine the account of all central Government bodies.

The public Accounts Committee (PAC)

The Public Accounts Committee has 215 members. They are all members of Parliament. It is one of most important Committees of the House of Commons. The chairman is always a member of the main opposition party. The Committee meets twice a week when Parliament is sitting. It thus holds around 50 hearings years. It examines reports sitting. It thus holds around 50 hearing a year. It examines reports produced by the auditor of central Government bodies - the National Audit Office. These reports arise out of the annual certification audit of the accounts or from reports or how cost-effectively Government departments have implemented specific spending programmes. These are called "value for money" reports. At each meeting of the Committee, evidence is taken from departmental Accounting Officer. The Committee produces separate reports on each issue it has examined containing specific recommendations. The Treasury provides responses to these reports in what is know as a "Treasury Minute", indicating the action

it will take on these recommendations. More are accepted. The NAO will subsequently monitor the action taken, and may report back to the Committee.

The public Accounts Committee has a very important part to play in ensuring high standards of propriety and regularity and good value for money. The need to appear before the PAC is something which Accounting Officers do not welcome since:

- such hearing require a lot of preparation (Accounting Officers are normally examined for over 2 hours at a time);
- they need to answer difficult and sometimes embarrassing questions;
- the hearings often lead to bad publicity;
- reports produced by the Committee are often critical.

The fear to having to appear before the committee is therefore a powerful incentive on Accounting Officers to manage public expenditure properly and well in the first place.

The role of the Treasury Officer of Accounts

I am what is known as the "Treasury Officer of Accounts". I work in that part of the Treasury concerned with propriety, regularity, audit and accountability. I have deputy - the Second Treasury Officer of Accounts - and head a team which is responsible for issuing many of the guidance documents on financial control and good financial practice. The role of the second TOA and me in respect of the PAC involves:

- attending hearings of the Committee in order to answer questions on the Treasury involvement in particular issues and implications of Treasury guidance;
- helping Accounting Officers to prepare for each of the hearings;
- helping to co-ordinate the response of Government departments to PAC reports. As I said earlier, these responses are produced in "Treasury Minutes".

How good is the system?

Is this a good system of public accountability? My own view is that it is:

- the possibility of having to appear before the PAC and answer questions means that Accounting Officers have to take their financial management responsibilities very seriously;

the result is that standards of conduct within the British public sector are generally very high, though there are lapses from time to time.

But PAC hearings can sometimes be confrontational with the result that:

Accounting Officers and departments are sometimes defensive. Occasionally this can damage working relations between departments and their external auditor - the NAO;

when this occurs, it is unfortunate since the NAO should be the friend of departments - helping them to improve value for money and prevent impropriety and their enemy.

PERFORMANCE AUDIT: PROMISE AND PRACTICE

by Christopher Pollit

Introduction

Performance audit (PA) is intended to be very different from traditional, financial audit.

Financial audit is concerned with financial probity, legality and regularity. It is built upon the notion of verification - checking that a set of transactions. PA, by contrast, seeks to assess the economy, efficiency and effectiveness with which a process, programme or institution has been managed. The international Organisation for supreme Audit Institutions definition states that performance auditing embraces:

- "audit of economy of administrative practices in accordance with sound administrative principles and practices and management policies";

- "audit of the efficiency of utilization of human, financial and other resources, including examination of information systems, performance measures and monitoring arrangement, and procedures followed by audited entities for remedying identified deficiencies";

- "audit of the effectiveness of performance in relation to the achievement of the objectives of the audited entity, and audit of the actual impact of activities compared with the intended impact".

One contrast between PA and financial audit that is worthy of note is that the latter tends to be considerably easier to standardize than the former. There is a sense in which each PA has to be specially designed, ad hoc, for the particular topic under focus. Financial audit is more a question of applying a given set of procedural rules a particular account.

We should also note, however, that definitions of PA vary from one country to another, as does the way in which it is organized and practiced.

Furthermore the way SAIs report on their own performance - both financial audit and PA - varies enormously from one EU member state to another.

The UK National Audit Office (NAO) and its predecessor institution has conducted value for money studies (VFM a form of PA) for more than twenty years. The 1983 National Audit Office Act explicitly mentions economy, efficiency and effectiveness (the 3Es) as the criteria which these VFM studies should apply. In 1996/97 the NAO published 50 VFM studies.

Savings of 858M pounds were attributed to the more traditional financial audit work during the financial year 1996/97 was 13M pounds (National Audit Office, 1997a). Of course, 'savings' are not the only aim (or outcome) of audits, either financial or performance.

An example of performance audit: the "Jobs in Wales" study.

In 1991 the NAO presented a report to Parliament based on its VFM study of a set of central government programmes which aimed to create or safeguard jobs in Wales (National Audit Office, 1991). These programmes were of various kinds, including the giving of grants and loans to firms which were starting new projects and the purchase of sites and construction of factories in advances of expressed need. The report showed that the public authorities responsible for these programmes had significantly over-estimated of jobs created, and that there were a variety of other weaknesses in the way the programmes were being managed. In reaching these findings the NAO study team used economic concepts such as displacement, deadweight and the supplier effect, and they applied methods to enable them to estimate the size of these various factors. They undertook, inter alia, two survey of companies which had received aid from one of the programmes (one by visits/interviews and one by telephone) The report concluded that the responsible governmental bodies:

"are not able to compare an consistent basis, and against their own criteria, their forecasts of jobs to be created of safeguarded with what is actually achieved either in gross on not terms. Moreover they are not in a position to measure the not benefits in relation to the costs to public funds....." (National Audit Office, 1991, pp4-5)

The report had a considerable impact. Top officials from the public authorities concerned were vigorously cross-questioned by the Parliament Public Accounts Committee, and various changes were made. [A fuller account of the study, its methods and impacts can be found in Roberts and Pollit, 1994]

Supreme Audit Institutions and Performance audit across the UE

The constitutional position and roles of SAIs' a good deal from one coun-

try to another. [A good account of this is given in National Audit Office, 1996 and a commentary on the British, Deutch, Finnish, French, Swedish SAls can be found in Pollit and Summa. 1997b]. For example:

□ Some SAls report to legislature (e.g. the NAO). Others report to both legislature and executive (e.g. the Finnish VTV or the French CdC). Some occupy institutional locations within the sphere of the national ministry of finance (e.g. the VTV and Swedish RRV). Others are servants of the legislature (the NAO) or quite free-standing (the CdC).

□ Some SAls are collegiate (e.g. CdC, The Algemeen Rekenkamer) whereas others are monocratic (the NAO, which is headed by the Comptroller and Auditor General, or Rrv)

□ Some SAls have the judicial status of courts (CdC but most of those in northern Europe do not).

More specially, as far as PA is concerned, some SAls conduct it as distinct and separately-organized activity (e.g. The British NAO and Swedish RRV), while others conduct what is in effect PA in conjunction with traditional audit (e.g. the French CdC) and others still do not really undertake PA at all. Our research into the development of PA shows that the way it is organized and carried out within SAls has been subject to continuing change and improvement (for a guide to current practice within the NAO, see National Audit Office, 1997b) Very different approaches exist in different countries. For example:

Some SAls normally use teams to carry out Pas (e.g. the NAO), whereas usually give the responsibility to an individual auditor (e.g. the Finnish VTV)

Some frequently employ contracted in experts (e.g. transport economist for a study of public roads) while others seldom do so. [The NAO frequently used experts; the CdC and VTV do not];

Some SAls have given priority to board studies of a whole policy sector, or to the coordination of different programmes (e.g. the Algemeen Rekenkamer, The VTV) whereas others have tended to focus more upon quite specific issues or institutions (e.g. the NAO). This difference of emphasis is partly (though not entirely) related to the debate within the auditing world concerning the relative advantages and disadvantages of 'systems' versus substantive audits (for a strong critique of systems auditing see Power, 1997).

Procedures for "clearing" the texts of reports differ in important ways from one country to another. In the UK, by convention, the NAO and the audited body have to agree the text before it goes to Parliament. This can lead to very long-drawn out 'negotiations' over exactly what is to go into a particular report. In some other countries differences of opinion between the SAI and the auditee may be recorded within the text of the report itself.

More generally, in recent research my colleagues and I have found that,

although some SAs claim that their PA work focusses mainly on efficiency and effectiveness, practice the majority of the reports do not directly, explicitly or systematically apply these criteria. A high proportion of PA reports actually seem to be most concerned with establishing whether sensible administrative and management practices are in place and being followed. To put this another way, a lot of PA work is similar to financial audit in that, conceptually, it consists of checking to see whether certain generally accepted practices are being applied.

Performance audit, monitoring and evaluation

The boundaries between performance audit, evaluation and monitoring are conceptual and linguistic minefields, with the same terms being used in different ways by different institutions. For examples, the European Investment Bank reserves the term "evaluation" for ex post analyses of how well projects have met their objectives, whereas the European Commission's recent evaluation guide specially distinguishes between concurrent evaluation and monitoring (European Commission, 1997, p.13)

There is no "one right answer" to these terminological disputes and inconsistencies. The usage I prefer (and could justify, but only at too great a length!) is the following:

Performance audit: an analytical form of public sector audit which involves making a reasoned assessment of the quality of management, the economy, the efficiency and the effectiveness of government projects, programmes or policies.

Monitoring: the routine and continual monitoring, by programme or projects managers of implemented practice against plans and targets. May will make use of performance indicators. The key criterion is "are thing going according to plan"?

Evaluation: the analysis of projects, programmes or policies in order to determine their worth or value. Typical criteria are efficiency, cost-effectiveness, effectiveness and cost benefit although evaluations may also be directed at other chosen criteria (e.g. equality; consistency, etc). Employs social science techniques (e.g. economic analysis, statistical analysis, surveys, interviews) in order to estimate worth or value and frequently attempts to constructs model explaining exactly how programmes work (or don't work).

Evaluation seek to explain why thing are as they are whereas PA is usually more concerned to say what is happening and how well badly it matches up to "good practice". Evaluation is what distinguishes food from garbage, lies

from truth, and science from superstition" (Scriven 1991, p.139-140).

Monitoring is usually carried out by programme managers themselves, and is (or should be) a routine function. The existence of a good monitoring system is frequently great help to performance auditors and evaluators because it produces a foundation of reliable and systematic performance data.

Performance audits and evaluations are not routine - They are ad hoc and more analytic in approach than monitoring PA and evaluation can be undertaken forms of control and enquiry. However, whereas PA is most closely associated with SAIs (and therefore their checking-and public-accountability role) evaluation may use some of the same tools and techniques, and although they may apply some of the same criteria, they come from different cultural and institutional milieux (Pollit and Summa, 1997a). PA like all audit, is essentially an ex post activity, whereas evaluation may be ex post, ex ante or concurrent.

Issue and questions.

This brief account of PA raises many questions about the role PA within a national system for the auditing and control of the central executive. Only a few can be selected for further discussion here. I suggest that the following may be among the more important:

□ There is a strong argument (on the both democratic and functional grounds) that a modern, performance-oriented government needs to be complemented by some external check, not just on probity and legality, but on its performance (and its performance data). PA, carried out by an SAI, is one way of meeting this requirement. There may be others, such as an evaluation institute or some other kind of analytic unit that is independent of the executive. Each type of institutional "solution" will have its own pattern of advantages and disadvantages.

□ A training in law and/or accountancy may not be the best background for a successful performance auditor. Economic analysis and other social science disciplines tend to be more useful. Where can individuals with this kind of training be obtained, and under what terms should they be employed?

□ How can the independence and transparency of PA be most effectively institutionalised? This may involve considerations of constitutional issues (the position of the SAI in relation to the executive and the legislature) and key procedural issues such as the requirement that PA reports include an account of the methods the auditors have employed.

□ At present character and quality of PA reports are quite variable. In some cases PA seems to have fallen well short of its original claim to interrogate

efficiency and effectiveness, instead confining itself largely to the "safer ground" of commenting on good management practice. If SAIs find it culturally or politically difficult to report on all 3 "Es", do we need some other kind of institution which can? Alternatively, what kind of internal changes within SAIs might encourage them to adopt a more creative and rigorous approach to the assessment of the efficiency and effectiveness of public programmes?

THE MAIN PROBLEMS OF THE CHARTER PROGRAMME

by Gloria Craig

The Current Position

As is well known, the Citizen's Charter was introduced in 1991 by John Major, the Conservative Prime Minister. It was the last of the series of public reforms undertaken by the previous Government during the 1980s and '90s, and was based on six principles of public service: Standards, Information and Openness, Choice and Consultation, Courtesy and Helpfulness, Putting things Right and Value for Money.

The first thing to be said about the Charter is that it does not actually exist: there is no such thing as the "Charter"; there is no legislation covering it; there is not even a piece of paper that constitutes "the Charter". The British people do not like formalities: we don't have a written constitution, and nor do we have a written Charter. So if I talk about the Charter, I'm really talking about a concept: that of improving public services and making them more responsive to their users, by applying the principles listed above.

What we do have is lots of different charters. At present there are 40 main national charters (eg Patient's, Parent's, Benefits), some 200 or so other charters which cover the country, and something like 10,000 local charters, specific to a single organisation (school, hospital and so on).

This has all been achieved over the last six years. These charters were one of the main (though not the only) outputs of the Charter Programme. The outcome of the Charter Programme has, we believe, been a major improvement in public services in the United Kingdom. But I shall return to this later.

Last year we had elections in the UK, resulting in a change of government,

and this might lead one to wonder what a new government would make of an idea introduced by the previous Prime Minister. We have a saying in the United Kingdom, which goes: "A good idea has many fathers, a bad idea is always a bastard". This is a good idea, and the fact that the new government has adopted it as its own - and even claims to have invented it! - is proof of that. The Labour Government came to power with some criticisms of the Charter, but essentially wanting to continue with it.

The main criticism that it made was that the Charter was too "top down". It began as an initiative from No 10, and was promulgated through departments down to the service providers. The present government wants to adopt a much more "bottom-up" approach. So in September we issued a consultation document to 500 or so organisations and individuals, so as to find out from them how they would like to see the Charter program revised. We got a very good response: about 50% of organisations responded, the majority of whom told us that they thought the Charter had actually improved public services. Many good ideas came out of the consultation. We are now in the process of putting together a report which will both comment on the ideas that we've had and say how we intend to go forward.

We expect to concentrate on three areas in the future. One is improving standards. We are already beginning to revise what is probably the most famous charter - the Patient's Charter; this was a manifesto commitment by the Labour Government. We are also looking at probably the second best-known charter - the Passenger's Charter (this is now actually 25 charters because, since the privatisation of British Rail, there are 25 companies working the railway network in the UK). We are also devoting considerable attention to the spread of best practice in drawing up standards and devising charters, and the Charter Unit is currently revising all the Best Practice guides that we have produced, as well as producing new ones.

The two other main elements of this government's approach are: more effective consultation - listening to, and involving users, staff and other stockholders; and secondly, working across sectors.

Taking the listening first. We are carrying out considerate work with various organisations to produce guidance on how to consult and involve members of the public. We are also doing something that I don't think has been done anywhere else in the world at a national level: setting up a "People's Panel" of 5,000 representative members of the public, whom we shall consult about issues affecting service delivery. We shall run it for a year in the first instance and then evaluate it, and make a judgement as to whether to continue with it.

On the cross-sectoral working front, one of the effects of the reforms of the last decade has been that government has become desegregated. That was, indeed, the intention: the Next Steps Agency approach was designed to separate government up into transparent, manageable entities. But an

unintended result of this has been that there is now less co-operation and co-ordination between different sectors than there used to be. So a very heavy emphasis of this Government is on trying to ensure that different organisations work more effectively together, in order to deliver more co-ordinated services to the public, without losing the benefits - greater efficiency, transparency and accountability - that have accrued from the Next Steps reforms.

There is a variety of projects now under way that are trying to achieve this. One that the Charter Unit is masterminding is designed to provide

better services for older people. They are often the people most likely to suffer from being passed from pillar to post and also the least likely to complain when they receive poor service. We are about to embark on a series of pilot projects, together with Warwick University and three other sponsors, which will be led by local authorities but will aim to bring together both local government, central government, the voluntary, community and private sectors in providing seamless services for, and in consultation with, older people.

The Problems of the Charter

What then are the problems faced by the Charter at this point in its development? As I have said, the Charter is widely accepted as a good idea; but we know that it still has warts, and I'm sure that you will hear more about those from my two British colleagues today. I have thought of five main problems, on which I shall concentrate here. The first is lack of ownership by public servants themselves; the second is the national press and what we call the "chattering classes" (academics, journalists, and other influential people); the third is recognition by members of the public; the fourth is standards; and the fifth is monitoring and evaluation.

After nearly seven years of the Charter programme, we still have a problem of ownership by people in the public service itself. This is more acute in the middle of government - often at its worst in central government departments - than at the front line, where many people recognise that the Charter is a tool which helps them to do their job better. At the middle levels, where you have Civil Servants pushing papers there is often less of an understanding and acceptance of the value of the Charter.

Secondly, the national press and the chattering classes have traditionally taken a very negative line towards the Charter initiative. This was partly because it was associated with John Major, who, especially in the last days of his administration, could do nothing right in their eyes. It was also partly because there have been some initiatives under the Charter that have not

been altogether successful (and if I refer to the Cones Hotline, my British colleagues will know what I mean). The national press became more positive when the new Government came to power. We have not yet had an opportunity to test how positive they will be towards the new Charter Programme.

The third problem - and it really is a big problem - is recognition by the public. If you ask members of the public whether they know about the Citizen's Charter, about 70% will tell you they do. But that is probably about as far as it goes. The general understanding of charters, what they mean, and what they can do for you, is pretty low in the United Kingdom. It is often surprising to us that even the people we expect to know most about charters don't. We held a focus group recently with older people, who we thought would be aware of the Patient's Charter because it is in every hospital, and has been widely publicised; but none had even heard of it. We have struggled with this problem and have asked public relations companies how we can overcome it. They have advised us on many occasions that what we really need to do is to undertake an advertising campaign, particularly on TV. This is, unfortunately, financially and politically impossible. It would cost millions of pounds and would just not be acceptable to the British taxpayer. So our hands are tied in getting information about charters out.

Fourthly, there is still a problem of getting the right standards into charters. Many current standards are woolly and vague; many are peripheral to the real business of the organisation concerned; most have been drawn up with little or no consultation with users. We are trying to change all that now, not least through the guidance that we are issuing. But it is a long, slow, process.

The last problem, which I won't say too much about because I know Tony Bovaird will talk about it later, is monitoring and evaluation. We have over the last six years produced an annual White Paper reporting on the achievements of the Charter Programme; but the report was very specific and even sometimes anecdotal. We have never really monitored or evaluated the programme in what might be called a scientifically systematic way. So we can't really prove that the Charter has done any good. First of all we cannot scientifically prove that services have improved, although there is general acceptance that they have. And secondly, we cannot demonstrate that, where there has been improvement, the Charter was responsible for it. So it can be hard to convince people that the Charter programme has really added value. Again, this is something that we are currently working on.

So, these are some of the problems that the Charter faces in the United Kingdom at present. I imagine that many of them are familiar to you, and I hope that we will be able to discuss here today how we might approach finding solutions to them.

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Seminario n. 5

Le privatizzazioni

- Vittorio Grilli, del Ministero del Tesoro, *Le privatizzazioni in Italia: esperienze e prospettive*
- Adam Sharples, Head Public Enterprise Partnerships Team del HM Treasury, *Privatisation in the United Kingdom. Lessons and Prospects*
- Giampaolo Galli, del Centro studi della Confindustria, *Privatizzazioni e regolazione*, pubblicato in Rivista trimestrale di diritto pubblico, 1998, n. 2, p. 471 ss., con il titolo "Privatizzazioni e riforma della regolamentazione in Italia"
- Mark Thatcher, del Department of Government della London School of Economics and Political Science, *Regulatory Regime: Advantages and Limits*, pubblicato in Berrington, H. , Britain in the 90s, 1998
- Marco Onado, della Consob, *Il contributo delle privatizzazioni allo sviluppo del mercato italiano*
- Vincent Wright, del Nuffield College di Oxford *Privatisations. Paradoxes of the Privatisations*

PRIVATISATION IN THE UNITED KINGDOM LESSONS AND PROSPECTS

di Adam Sharples

1. Experience

Conservative government 1979-1997

Over 50 major business sold

Dozen of smaller ones

Turnover about 9% of GDP

Over \$100 billion proceeds

Three phases

Commercial businesses - British Airways, etc.

Utilities - Telecoms, Gas, etc.

Complex businesses - Rail, nuclear energy

2. Lessons

Privatisation has been contentious

Makes it difficult to make objective assessment

Successes

Thriving businesses in competitive markets

Big increases in efficiency

Good deal for many consumers

10 million private share holders
Innovations in sales - shift to bookbuilding
Approach taken up worldwide

Did taxpayer get full value for money in sales?

Sharp increases in share price post privatisation
Cash proceeds at expense of long term value?
Scope for utilities to gear up under-estimated?
Political factors - eg. in rail sales

Alternative approaches

Partial sales; retaining public stake
Clawback mechanisms
Don't rush

Did we get industry structure right?

Gas sold as monopoly, Telecoms duopoly
Hard to unpick later

Alternative approaches

Get structure right at the start
Understand variety of industry structures
Importance of maximising competition

Can regulation be made more effective?

Concerns about profits of utilities - Windfall tax
Concerns about rail investment
Some consumer eg. rail passengers not yet convinced

Alternative approaches

Current review of utility regulation

Bring forward timing of regulator's first review?

Profit sharing/error correction?

3. Prospects - A pragmatic approach

"The old argument as to whether public ownership was always best or whether privatisation was the only answer is behind us. The truth is that there are some things that the private sector is appropriate" - Labour's business manifesto

"What matters is what work. If it works for Britain then that is fine by me" - Tony Blair

What is left in public sector?

PostOffice

London Transport

Civil Aviation Authority

British Nuclear Fuels

British Waterways

Commonwealth Development Corporation

The Public Private Partnership Approach

Retaining a minority stake

Selling a minority stake

Concession - ultimate ownership retained

Franchising

Joint ventures

Commercial freedom

IL CONTRIBUTO DELLE PRIVATIZZAZIONI ALLO SVILUPPO DEL MERCATO MOBILIARE ITALIANO

di Marco Onado

ARGOMENTI

* Assetti quantitativi delle privatizzazioni in Italia

- il contributo all'aumento della capitalizzazione
- la riduzione della presenza dello Stato nella borsa

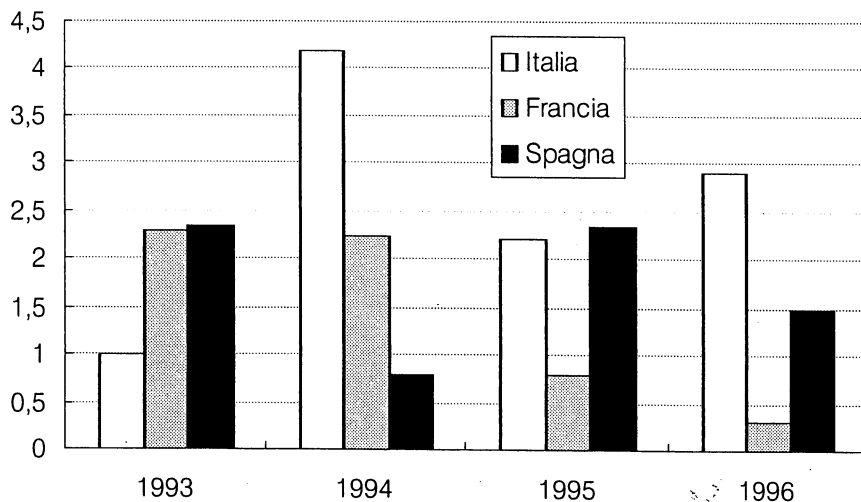
* Le forme delle privatizzazioni sul mercato

- le due forme della legge 474: public company vs "noccioli duri"
- la terza via: gli azionisti stabili

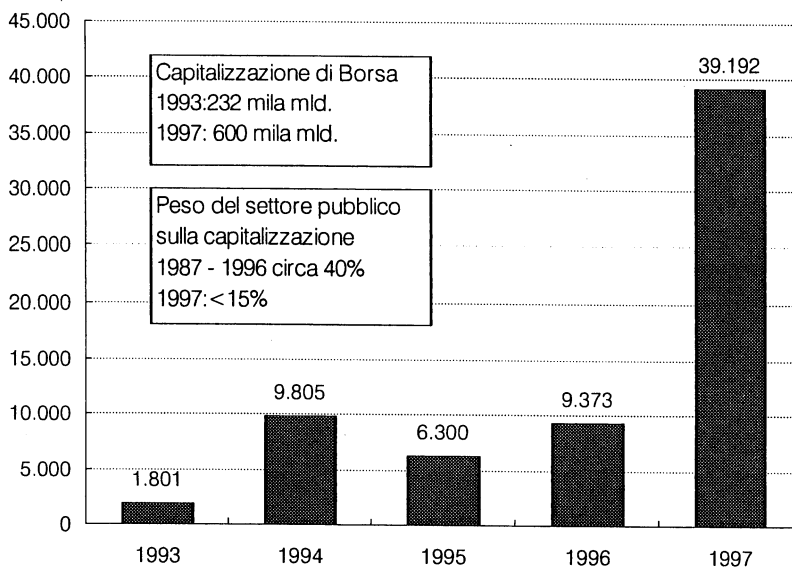
* Le prospettive

- il contributo all'aumento dell'offerta di titoli
- l'evoluzione della struttura proletaria

Le privatizzazioni tramite opv in alcuni paesi (in % della capitalizzazione di borsa)



Le privatizzazioni in Italia Le opv 1993-1997 (miliardi di lire)



Le opere di privatizzazione

Società	Quota ceduta	opv	investitori istituzionali	azionisti stabili	tetto al possesso
COMIT	51,9	30,40	21,5	0	3,00
CREDIT	63,1	36,3	26,8	0	3,00
ENI	48,39	32,11	16,28	0	3,00
IMI	62,4	15,6	27,8	19,0	10,00
INA	65,6	32,2	15,0	18,4	5,00
S. PAOLO	54,01	14,71	16,3	23,0 (iniz. 19)	-
TELECOM	41,9	28,7	4,24	9,02	3,00
AER ROMA	45,0	16,4	28,6	0	-
B. ROMA	40,67	29,12	7,5	4,05	-

Assetti proprietari e di controllo delle società privatizzate al 31/12/97

Società	struttura proprietaria				controllate
	stato	azionisti stabili	altri rilevanti	mercato	Ministero Tesoro
COMIT	0,0	0,0	19,59	80,41,	non identificato
CREDIT	0,0	0,0	19,07	80,93	non identificato
ENI	51,54	0,0	0,0	48,46	
IMI	0,0	29,73	29,73	67,76	non identificato
INA	33,11	11,72	11,72	55,17	non identificato
S. PAOLO	20,52	22,84	22,84	56,64	non identificato
TELECOM	9,45	9,02	9,02	79,24	non identificato
B. ROMA	41,07	4,05	4,05	48,50	CR Roma

La proprietà "circolare" nei gruppi quotati italiani

- ampia presenza di legami azionari fra gruppi diversi
- assetti proprietari e di controllo relativamente chiusi
- limiti all'efficacia dei meccanismi di corporate governance

Gli effetti della proprietà circolare sul controllo delle società private quotate

Tipo di controllo	Numero società	Capitalizz (m.di)	Numero quote gruppi	Q1 %	Quota % media controllo	Quota % media dei gruppi	Quota % media art. 5
non controllate	7	46.278	20	10.6		13.3	22.9
Da patto	5	7.722	41	13.1	47.4	41.9	38.1
Di fatto	10	28.559	30	31.2	31.2	37.1	37.9
Di diritto	6	6.114	14	64.2	64.2	70.58	73.8
TOTALE	28	88.673	105	21.2	18.6	27.4	32.6

La proprietà circolare in Italia alcuni dati

- 20 gruppi rappresentano il 63% della capitalizzazione del settore non pubblico e il 36% dell'intera Borsa
- legami di vario livello
 - 11 bilaterali (a-b e b-a)
 - 16 triangolari (a-b b-c c-a)
 - 4 quadrangolari
 - 3 pentagonali e oltre

Le prospettive

- Un'esigenza: assorbire la forte domanda di azioni
- la competitività del mercato italiano è legato alle sue dimensioni
- un problema congiunturale, too much money chasing too few shares?
- Un'opportunità: le dismissioni da parte del Tesoro e delle Fondazioni Bancarie
- Un rischio: evoluzioni verso modelli proprietari non contendibili