FIFTEEN YEARS AT THE TOP IN THE UK CIVIL SERVICE – SOME REFLECTIONS

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I am delighted to have been invited give this talk. The "fifteen years" in the title refers to my time as a Permanent Secretary in five posts- two in the Centre doing very different things (public and Civil Service reform; and latterly intelligence and counter-terrorism) and three as head of some of largest departments in central government. I cannot hope to cover this range in a short talk. Instead I thought I would reflect on some issues on change in government from a UK perspective and hopefully stimulate discussion and comparisons with experience in other countries and other sectors that are at the heart of the LSE MPA course.

It is a particular personal pleasure to be invited to speak at the LSE. Exactly 40 years ago I was agonising over whether to join the Civil Service or either first or as a prelude to a different career path to go on to postgraduate study, as it happens in international relations theory at the LSE. I chose to join the Civil Service but retained a strong interest in the social sciences and the contributions they can make to thinking whether about particular policy issues - on defence, labour markets, housing and urban policy or whatever, all subjects of interest to me over the years- or about the practice of government more generally.

The dialogue between government and academia is perhaps more limited than it should be, possibly for a mix of reasons around focus, background and the use of language. To over-simplify, for Ministers and officials the pressure is to produce results. They want distilled insights that can be turned into deliverables. They are vulnerable to the phenomenon identified by Keynes in one of his most often quoted comments:
"The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Little else rules indeed the world. Practical men, who believe themselves to be quite exempt from intellectual influence, are usually the slaves of some defunct economist."
Perhaps today we might add potential slaves to half-digested management fads and the thoughts of " gurus" of various kinds.

Conversely the pressure on the academic community is to address issues within frameworks and using language that conforms to the standards of peer-reviewed academic excellence. As a light-hearted illustration of one aspect of this tension, I was curious about the LSE MPA and went to its website to sample its wares. I came across collections of working papers on policy challenges written by participants in the MPA. They cover an admirably wide range of subjects with a strong international flavour. In the first series, a paper caught my eye entitled: " Rationalism and Constructivism: Policy Making Lessons from an Ontological Dispute". Now behind its rather academic title this is a very interesting read, if a bit hard for the non-specialist to follow. But what it is partly about is the need for policy makers to identify whether they face a problem whose solution requires the reconstruction of the world or whether they can take immediate action. They must pick their instruments

accordingly. I want to dwell on this challenge of finding the right instruments to bring about long-term change in a different context to the International Relations focus of the author of this paper.

In the last 15 years, we have seen a number of overlapping trends in the focus of politics and government in the UK: convergence on the centre ground with a shared commitment to a market-based economy; a heavily consumerist view of what government is about, with a strong focus on product delivery in two main areas of government activity- health and education; and the main parties each having a rhetoric around public service change.

We might note some of this is rather curious. Government is not wholly or perhaps even mainly about service delivery. Indeed, that has not been the decisive consideration in the reputation of the present Government. And, interestingly, while competition in politics has taken on a strong delivery and managerial flavour, at the same time our political class decreasingly has any experience of what is involved in running organisations of any significant scale or complexity. Is there a paradox here?

The political competition over public service change could take a number of forms- over vision and ideology, over delivery methods, over delivery competence, over resources, and so on.

What then of vision? Six principles could be said to encapsulate the present Government's approach to public service reform: a focus on standards; information and openness; choice; courtesy and helpfulness in delivery; redress against poor service; and value for money. In other words, if customer expectations are raised and the citizen is given comparative performance information, a powerful coalition for change will be created.

I do not myself in any way denigrate this approach. But perhaps what is illuminating about it is that the Conservative Government of John Major in fact enunciated these six principles, 16 years ago under the Citizen's Charter. While the flavour of the present Government's rhetoric has shifted more towards personalisation of services, the –perhaps unrecognised- continuity in vision is striking.

The Labour Government offered a number of approaches that were potentially different: complementing the focus on individual services with an interest in joining up and a commitment to linking together more coherently outcomes sought, outputs, and inputs; and considerable investment particularly in infrastructure through higher levels of public expenditure.

It is debateable how far looking at issues through the prism of outcomes and outputs has taken hold in terms either of policy making or of political rhetoric- it is just so much easier to boast of more money or more tangible extra things, whether teachers, police on the beat, or new schools, rather than to describe outcomes. As an illustration, the three central claims in the last Pre-Budget Report/Comprehensive Spending Review statement were:
-A goal on development aid expressed as a percentage of national income;
-A boast about educational expenditure increasing as a percentage of GDP; and

-A rise in health expenditure of 4 percent a year in real terms (Nowhere is the magic of the number “4” explained, but clearly it was seen in Government to be important).

It can be argued that, for the Conservative Government, the dominant dimension in the “value for money” equation became “ money”, with public expenditure constraints affecting infrastructure investment particularly. For Labour, the public expenditure story has had three phases: famine, feast and now, beginning again, tight constraint. It can be argued that, for the last 8 years in the feast period, the dominant focus has been on money and insufficiently on “ value”. For example, both education and health have improved but where is the evidence that value for money has been optimised? International comparisons in these and other areas can make uncomfortable reading in this respect.

What then of the dimensions of delivery methods and delivery competence- given the scale of the ambition are there clear and sufficient levers for successful change? The previous Prime Minister focused on both dimensions at different times- lamenting that he should have been more ambitious in the scale and pace of the change that he sought and that he had ” scars on his back” from seeking to bring about change in the face of resistance from the entrenched interests in the public sector.

Change in public sector organisations might be especially difficult to achieve for a number of reasons including:
-the absence of a burning platform of” adapt or die” found where there is strong competition. Does monopoly or quasi- monopoly breed complacency?
-delivery chains cross a number of institutional and cultural boundaries between e.g. Ministers, officials, and front- line staffs who in a number of cases are separate professions; and
-there are not shared goals and mutual confidence between the key elements of the delivery chain. Ministers can see both officials and professions as considerable barriers to ambitious change because, as they see it, of lack of competence and /or entrenched conservatism with a small “c”.

By the same token public servants have very high levels of commitment to what they do, that, if successfully harnessed, could be a powerful tool for change and for delivery. We can see this in the records and reputations of the armed forces and the intelligence services. It is present too in the Civil Service and indeed in education and health professionals- what seems less clear in these latter cases is how to frame the offer and the story to harness their commitment.

If the task of change is particularly challenging, are the levers for change and delivery models up to the task? There have been valuable process innovations in recent years- as in the work of the delivery unit in helping a small number of departments to drive change in some sectors. But the record is patchy. Why might this be?

My own view is that successful change depends upon a number of considerations:
-Clarity of vision.
-Alignment between the various elements of the organisation: in private sector terms from the Board through the management to the staff who deal with customers, and alignment between organisational structure and the goals and tasks of the organisation.

-Understanding of the scale and complexity of the change task and therefore of the pace at which organisations can change. This includes recognition that attempting to change everything at once is a sure- fire recipe for disaster.
- Leaders and managers within the organisation with the requisite skills and knowledge.
- Incentives for those you want to change to participate wholeheartedly- these can be both monetary and non-monetary. There also needs to be a capacity to move out those who are incapable of change.
- A coherent message of change which is understandable and heard- which means simple and repeated many times before moving on the message.

None of this is rocket science but, taken as a whole, it represents a very demanding agenda. For those interested in working within the Civil Service, for example, it requires a different blend of people in senior management and a stronger and more consistent emphasis on training and development at all levels. New governance structures are needed with a bigger and more effective non-executive element. This is work in progress in the UK system. In other sectors- local government, education, health- similar efforts can be seen to strengthen leadership and management.

There needs too to be recognition that large process organisations require consistency of approach and investment if change is to be delivered successfully. Because of the scale and complexity of much government activity, relatively simple changes with an Information Systems dimension require very large change programmes sustained over a number of years. The number of initiatives handled at any one time should be carefully controlled to take account of limits in management capacity and in the ability of staff to absorb what is being asked of them while continuing to deliver the day job.

In terms of incentives there has been progress in celebrating success and, in some sectors at least, in moving away from negative and hostile rhetoric. But it is difficult to see a consistent, sustained approach to financial rewards to underpin change.

These and the other dimensions of successful change have to be applied within government in a context dominated by political considerations and by a "management" at the very top whose experience is largely or wholly of politics. I should emphasise that I am not complaining about this- it is our good fortune in the UK to live in a democracy where decisions rest with Ministers. Moreover, I was fortunate to spend much of my official career working closely with Ministers from both main parties and I have considerable admiration for the skills and commitment they provide. The issue is how we balance and reconcile the culture and processes of political competition with the needs of management of large organisations.

What are some of the tensions injected by the political process? First, the currency is often short term and initiative driven- what Minister prospered by recognising there was potentially too much, insufficiently-considered change in the system and that the best course was simply to stick with the policies and programmes inherited from his predecessor even within the same administration?

Secondly, there is the question of " alignment" within the system. This can be thought about in number of dimensions.

A government with a strong commitment to " joining up" to deal with some of the most difficult ("wicked") issues might be expected to display a strong commitment to collective decision-making and collegiality amongst Ministers, to ensure all those with an interest were at the decision table and, as far as is possible, to guard against unintended consequences. If the scale of the task in bringing about sustained change was understood, this might also be expected to prompt humility at the Centre and active decentralisation and engagement of the front line. Both the rhetoric and the reality have at times been very different.

Another dimension of alignment is up and down within individual organisations. Analogies between different sectors in the economy need to be conducted with care. Government is not a business or a collection of businesses. The accountability framework is different. It has a range of goals and levers, deals in market failure, and, where it delivers services, often targets them in ways unrecognisable in business- for example, for good reasons chasing in very expensive ways marginal "customers" to achieve social objectives Moreover, private sector ownership structure vary, and leadership practices within companies take a number of forms, driven by money, ambition, rivalry and competence.

All this said, in many large organisations in the private and third sectors there would be recognition that aligning the approaches and messages of the Board, the executive management and the staff is a key ingredient in the organisation's success. This requires a shared understanding about respective roles, and mutual trust and loyalty. Within government this can perhaps be less evident or more difficult to achieve because, as I touched on earlier, of differences of interest, culture and background between Ministers, officials and delivery professionals. This can manifest itself in a number of ways, most obviously in the occasional practice of denigrating public servants in search of- usually illusory- political benefit.

In part the challenge of " Ministers as Managers" on top of an already huge workload has been met by limiting the State's direct delivery responsibilities (through privatisation and contracting out). Within central government this needs to be complemented by developing more effective approaches to strategic management, with greater clarity over the respective roles of Ministers and the professional management. The challenges of building mutual confidence amongst the top team and avoiding too many initiatives to make a mark and frequent re- evaluations of policies and programmes are all likely to be better handled by reasonable continuity in post of Ministers with the requisite combination of skills and experience. But Ministerial teams are not put together with these considerations in mind. The first whiff of political trouble is usually accompanied by demands for new initiatives and a Cabinet reshuffle. A number of the most demanding Ministerial portfolios from a delivery perspective are seen as stepping-stones to higher things or good places for sideways moves when a political message of refreshment beckons.

Of course, Ministers move for a variety of reasons including the impact of "Events". But the scale of turnover and its impact may be insufficiently appreciated. One of my old departments (the Department for Work and Pensions) is, for example, an employment and financial services organisation of world scale. It can be argued whether its Secretary of State is by private sector analogy its Executive or Non-

Executive Chairman for management purposes (Clearly for strategy and policy he has a strongly executive/deciding role). Either way, the DWP has had six Secretaries of State since 2002, some brought down by events, one who resigned for his own reasons, a number simply reshuffled. If DWP were a regulated financial institution, this scale of turnover would surely have attracted the Regulator's attention.

My message is not a pessimistic or negative one. I do not wish to look back nostalgically some past golden age, whether of Cabinet Government or Civil Service influence. I spent 40 years working in central Government. Who can doubt that the UK has been much more successful including through better government in the last fifteen years of my official career than in the first fifteen?

What I do believe is we should address the challenge of public service change in the context of the whole Government system. The drive to improve the skills and blend of experience of public servants, which I wholeheartedly support, needs to be complemented by addressing more systematically Ministerial roles and what these imply for skills, experience, and succession planning of Ministers. We need a more comprehensive approach to change that addresses cost as well as effectiveness and a more consistent approach to the provision of resources including for reward strategies. As I have argued, achieving successful, sustained improvement in the provision and cost-effectiveness of public services is a highly demanding challenge that can be informed by insights from a number of social science disciplines and institutions like the LSE.