

Changing the change-makers

For decades, incoming prime ministers have formed teams of high-flyers into specialist units to drive their ideas through government. **Catherine Haddon** examines the track record of these internal champions of change

For years, governments have been creating specialist central units to provide functions seen as lacking elsewhere. Recently, this has included addressing policy implementation, behaviour change and efficiency. Such units work slightly outside the normal hierarchy, often as a challenge or coordinating mechanism. They attempt to learn different ways of doing things and to transmit this learning across government. Their very existence says something about the challenges involved in making government more effective – but those setting up units today would be wise to first consider whether such units are the right method for achieving change.

The Institute for Government has been carrying out research on a range of ‘change units’. Some of the key findings here draw particularly on the role of the Efficiency Unit in the early 1980s and the Prime Minister’s Delivery Unit (PMDU) in the early 2000s. Both units share a number of similarities. The Efficiency Unit, established in 1979, was headed by Marks & Spencer director Derek Rayner and aimed to reform the quality of management in government. It developed an annual process of scrutinising specific departmental functions and services. Rayner consciously hoped to leave a generation of civil servants in which this kind of forensic thinking was natural.

PMDU, meanwhile, was set up under Michael Barber in 2001 to improve the outcome of policy in specific areas. The momentum came out of the successes Barber achieved using similar methods in education reform, and Tony Blair’s feelings of frustration with the pace of change during his first term. The unit got departments to focus on delivering key targets, using data to understand and solve problems, and producing regular delivery reports and stock-takes.

Views are mixed on the extent of these units’ success. The efficiency scrutinies achieved some savings, but were never designed to be a comprehensive efficiency programme; PMDU set measurable targets, and made progress on a number of specific delivery aims. While both units also aimed to achieve deeper reforms in processes and culture – an objective whose results are less quantifiable – overall they were seen as fairly effective operators, and can provide valuable lessons for other units.

The importance of prime ministerial support

Prime ministerial support is crucial; but the PM needs to be consistently involved in the process, not just superficially supportive. For some observers, these units



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Agents of change: Tony Blair (top) attends an event with his Social Exclusion Unit in 2001; Michael Barber (above, pictured in 2003) was head of Blair’s influential PM’s Delivery Unit; John Redwood (above right) rose to prominence after leading Thatcher’s Policy Unit in 1983

professionalised the relationship between departments and the PM. The proliferation of units under Tony Blair, particularly after 1999, reflected his desire for more central influence over – and metrics on – the departments’ work. PMDU created formal contacts, methods and a paper trail on the specific goals in which the PM was interested. Other units provided a resource for the PM when taking on cabinet colleagues and departmental experts on specific policy subjects.

Relationships with departments

Although acting as a source of pressure and challenge,

the more successful units attempted a collaborative approach with the rest of Whitehall. Both the delivery and efficiency units tried to tie departmental ministers and senior civil servants into the process, and unit staff undertook scrutinies or produced delivery reports through the departments. There were supposed to be no surprises for the departments, and no action recommended formally that had not been agreed with them.

Both Rayner and Barber hoped that collaboration, and the demonstration of success, would encourage Whitehall to analyse processes and functions more critically in the future. To an extent, their approach worked; for other units, the failure to build relations had an immediate impact on their survival.

Rayner and Barber brought credibility to their roles from previous career achievements – Rayner’s in instilling new management techniques into Marks & Spencer; Barber in raising standards in education. Members of both units emphasise the personality of these men as a crucial factor in their success. The leaders created a very strong sense of loyalty, trust and enthusiasm in their units.

Working methods

Units undertaking some form of review process need a very clear and simple methodology, and a tight timetable for results. For PMDU, it was vital to focus on a limited number of targets. Both the efficiency and delivery units encouraged staff to get out and see for themselves how things looked on the ground, and to ask simple but penetrating questions as to why things were done as they were, and how they could be done differently. Both units tended to opt for young staff with a mix of experience. Such units have often proved to be a key link in high-flyers’ CVs: in their engagement with departments and their rigorous challenge for quality, they tend to push staff in at the deep end.

The ideal lifespan

There is both a political and an organisational lifecycle to these units. Initially, units act as a shock to the system; but as they become more familiar, departments can develop a ‘tick-box’ mentality towards the process. Likewise, there is a risk of mission creep. Some, the effective units, need to be formally instituted. Conversely, other units fail to take hold and, if it is some years before they are formally closed, they can become ‘zombie units’ that merely use up resources.

Units also have political limits to their lifespans. A change of prime minister or government may see units disbanded, or the original task cease to be relevant. Some of those interviewed said that reform should be achieved within a parliamentary term. The question here is whether the units’ aims require a sunset clause, or whether the body is to be a permanent addition to the machinery of government.

Conclusion

Governments need to think about the role of central units of this kind. If the idea is to provide a temporary or quick-fix resource that is otherwise lacking, the question is: why is the resource lacking? Ministers must also consider the combined impact of running several change units simultaneously. Such units can mirror duplicated efforts around Whitehall, or end up using their power to reinforce command-and-control change when that might not be appropriate. Change units can clearly foster significant change within government – but before establishing one, ministers must consider whether it’s the right response, how the unit will go about achieving change, and how it will interact with the other reform levers at their disposal. ■

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Unit costs: a brief history of change units

The ‘Garden Suburb’, 1916-1922	Lloyd George’s original ‘Policy Unit’
Central Policy Review Staff, 1971-1983	Established to supply long-term strategic thinking for the prime minister
Policy Unit, 1974-present	Set up to provide advice on policy to the PM independent of departmental views
Efficiency Unit, 1979-1998	Originally the home for ‘Rayner’s Raiders’, the unit became more formalised and played a very different role in the 1990s
Social Exclusion Unit, 1997-2006 (became Social Exclusion Taskforce in 2006)	Reporting directly to the PM, it was to work with the Policy Unit but provide a task force to coordinate on a specific area of cross-departmental policy
Performance and Innovation Unit, 1998-2002	To be a source of innovation in policy, improve cross-cutting working and undertake reviews
Centre for Management and Policy Studies, 1999-2005	Part of the Civil Service College, located in the Cabinet Office to facilitate best practice, foster links across government, and improve knowledge management.
Forward Strategy Unit, 2001-2002	Labour’s ‘blue skies’ policy thinking unit, intended to work closely with the PIU
Office for Public Sector Reform, 2001-2007	To carry through the Labour government’s reform agenda. It reported to the PM through the cabinet secretary
Prime Minister’s Delivery Unit, 2001-present	Task force to improve departments’ ability to implement policy. Became the home of capability reviews
Prime Minister’s/The Strategy Unit, 2002-present	Undertakes strategic reviews, provides policy advice, and supports development of effective strategies and policies in departments