



The Civil Service Response to Modernisation in the Devolved Administrations

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At the heart of recent organisational change in the British civil service is the concept of 'modernisation'. This concept can be applied to many social, political, economic and technological processes but in its most potent or creative forms implies the obsolescence of past forms and the availability of a new alternative. In British government and public management, these themes came together neatly in the creation of devolved governments in Scotland, Wales and Northern Ireland in 1999. They were established in response to demand for political change in the nations, and also expressed a sense that the business of government and its relations with citizens should take place on a different, more modern basis. But there were problems in realising this vision. The officials of the Scottish and Welsh devolved administrations remain part of the Home Civil Service, and their managerial arrangements are reserved to the United Kingdom government. The Northern Ireland Civil Service remains a separate civil service under the Crown, but it has been so influenced by the norms and practices of the UK Home Civil Service that its discretion is of little help (and ironically, as discussed below, can serve as a means of resisting modernising forces). Local government has a common professional organisation throughout Britain, and recent innovations (such as executive members and cabinets) are common experiments.

Modernisation implies homogeneity – the diffusion of best practice from successful to less successful organisations, emulation and organisational learning. Since the development of public sector management and of privatisation as themes of policy, practice and study in the 1980s, private sector models are available as a comparator and inspirer. Much recent British public sector thinking, such as John Major's Citizen's Charter of 1991, has used the model of banks and financial institutions as a paradigm of organisational self-presentation. New governments self-evidently want to be modern, best-practice governments, not a tired echo of what went before.

Modernisation at the UK level

Many UK administrations have tried to be modern – notably Harold Wilson's in the 1960s with its faith in technology, and Edward Heath's in the 1970s with its reorganisation of central and local government and promotion of analytical policy-making. The Conservative governments of 1979-97 retreated from structural reform in the direction of privatising ideology (Thatcher) and improved standards of service (Major) within a framework of resistance to constitutional change. Labour's approach, developed in opposition, is diverse and politically aware. Newman identifies six themes in Labour's modernisation: 'the reframing of policy problems; the move towards a more inclusive process; the development of a focus on 'what works' in public policy; the dispersal of power to nations, regions and localities within the UK; ...joined-up government and public participation' (Newman 2001: 54).

As far as the inner world of policy-making is concerned, we can identify four overlapping stages:

1. The *Modernising Government* white paper of March 1999 was a call for modern relations with citizens, if possible conducted electronically, and best practice in service delivery. It included

management themes like diversity within the civil service, and was part of Labour's wider constitutional agenda that included devolution, reform of the House of Lords, freedom of information and human rights legislation.

2. Civil service reform – this was one strand of *Modernising Government* but the end of 1999 had become a separate exercise, with groups of Permanent Secretaries producing reports on matters like performance management and diversity. The agenda is associated with Sir Richard Wilson, Head of the Civil Service from 1998 to 2002 and represented an attempt to satisfy the demands of the Blair government within traditional frameworks (Wilson 2002). The exercise produced annual reports and events, but has quietly dropped off the agenda.

3. professional policy-making – this strand also marked the early Blair years and was represented by two documents: the Cabinet Offices *Professional Policy Making for the 21st Century*, (Cabinet Office September 1999) and the Centre for Management and Policy Studies' *Better Policy-Making* (Bullock et al, 2001). The documents set out a rational approach to policy-making at odds with the reactive style of British government and so easy to criticise (see Parsons 2001).

4. improved strategy and delivery – this is the motif of Blair's second term, and it marks the fusion of the preceding themes, associated with the Cabinet Office, with the techniques of the Treasury for expenditure control developed in the first term. These were based on stated performance goals set out in Public Service Agreements and Service Delivery Agreements and mark the influence of Sir Andrew Turnbull, who moved from the Treasury to become Head of the Home Civil Service in 2002. This takes institutional form in the Strategy Unit under Geoff Mulgan and Delivery Unit under Michael Barber (changes announced on 3 September 2003 have moved Mulgan to Head of Policy at No 10).

In many respects these themes relate well to the approach of the devolved administrations, and appeared in many of their documents (especially those of the Scottish Executive in 1999-2000). But there are also political reasons for holding back on a total embrace of them:

- They do not want to be seen to copy Whitehall
- They lack the capacity to plan similar exercises of their own – and so rely on consultants, secondments and Whitehall networks
- They may have a weaker position vis a vis public sector unions because of tradition, or the background of ministers
- There may be tensions between political actors within the system, such as those with or without Westminster experience and between coalition partners
- Their agenda is one of democratic legitimacy rather than managerial reform
- Devolution includes an implicit theme of resistance to the globalising, modernising emphasis of recent UK governments in favour of a more introspective political system faithful to the traditions of the nations

Therefore we have a mixture of

Pro-modernisation forces through homogenisation, a mentality of change and a wish to present an image of a modern European political system ahead of Westminster

Resistance to modernisation through rules and expectations derived from the pre-devolution system and some expectation that devolution would introduce a 'comfort zone' in public policy, especially for public employees.

The experience of the devolved administrations

In reviewing the experience of the devolved administrations, the main point is that each has been put in place to resolve specific political problems in the nations: the strong Scottish demand for self-government with a realistic option of independence; pressure to enhance Welsh nationhood

and not miss out on the devolution project, though with much less secure support than in Scotland; and the Northern Ireland peace process with its concept of cross-community government and a compulsory coalition of all the main parties. With such a range of agendas, modernisation of government was bound to be a subsidiary element.

Scotland

Scottish devolution is the best endowed of all three systems: based on a strong popular mandate in the referendum of September 1997, drawing on a history of sovereignty prior to the Union with England in 1707, using a civil service with a high reputation in UK central administration, and producing prominent leaders within all parties (all three current major UK party leaders were born in Scotland). Such promise runs the risk of underachievement, and the record of the Scottish Executive has been mixed. The loss of two First Ministers and resultant Cabinet reshuffles has produced a ministerial team of low public profile, on the Labour side closer in style to local authority leaders than Westminster politicians. Jack McConnell has closed down much of the leak-inspired media froth generated by his predecessors, but at a price. With international politics dominating British political debate and the television news agenda set from London, the Executive risks slipping into a subordinate position alongside local government.

From the civil service side, the emphasis has been on becoming a proper government reminiscent of Whitehall, with ministerial codes, Cabinet meetings, Cabinet papers, secrecy, private offices – and the added demand of serving a coalition government with a programme agreed after the elections. This was achieved with technical success in 1999, but bolder initiatives comparable to those in Whitehall (the Policy Unit, ‘21st Century Government’, ‘Changing to Deliver’) have not amounted to a consistent modernisation programme and have become fragmented into smaller-scale policies. The emphasis now is on responding to the perceived demands of the Scottish people, in McConnell’s case by embracing a populist agenda on crime and anti-social behaviour. The new Permanent Secretary, John Elvidge, emphasised the Executive’s place in Scottish society rather than internal civil service themes in his inaugural speech to staff on 8 August 2003 (Scottish Executive 2003).

Wales

Wales is potentially the most interesting example of a devolved response to modernisation, as a political system being forged afresh and on a constitutional basis that mixed local and central government approaches. It was recognised that the National Assembly (now ‘Welsh Assembly Government’) lacked the capacity to make policy. Wales had been dependent on English departments for policy capability, and the Permanent Secretary, Jon Shortridge, chose better policy-making as a theme for his officials in the ‘Delivering Better Government’ programme.

The pre-1999 Welsh Office was a more integrated corporate entity than the Scottish Office, and the present structure does not reflect ministerial portfolios. With a single office base for ministers, the Welsh administration is notably joined-up. Ministers relate to backbenchers closely because they sit on Assembly Committees and in some cases chair them. The integration of special advisers with the permanent officials on policy analysis is better than in Scotland and Northern Ireland. The Welsh First Minister, Rhodri Morgan, is a strong and popular personality and a former civil servant who chaired the House of Commons Public Administration Committee.

But the system has not been stable. A Review of Assembly Procedure in 2001 led to a full-scale review of powers and electoral arrangements under Ivor (Lord) Richard that is due to report by the end of 2003. This focuses on the lack of primary law-making powers of the Assembly and its unclear division between executive and legislature. Traditional personnel practices of the civil service have come under scrutiny, with pressure to extend the use of open external advertisement of vacancies in order to promote equal opportunities. Above all, low public support for the Welsh devolved system (expressed in the referendum results and subsequent electoral turnout) has combined with the traditionally clientelistic basis of Welsh politics to make any consistent programme of modernisation difficult to implement.

Northern Ireland

Northern Ireland alone of the devolved administrations had the tools to produce a modernised system. It has its own civil service and a smaller number of UK departments (with social security

being devolved). Many functions of local government had been transferred to the centre in the 1970s.

The problem has been that under devolution using this potential was not a political priority. The political structure was heavily departmental, with various political parties choosing and then 'owning' portfolios in proportion to their strength. The system of statutory departments has made corporate and joined-up working difficult, especially under devolution. Officials served their ministers rather than the Executive as a whole, leading to the building-up of an Office of the First Minister and Deputy First Minister as a countervailing corporate force. This was compounded by the slow adoption of modernising programmes within the Northern Ireland Civil Service: unlike Scotland and Wales, they did not have to take part in civil service reform. A report by Lord Cuseley into the representativeness (in terms of community balance) of the senior civil service produced a more cautious outcome in terms of the use of external advertising than the corresponding Welsh initiative has done (Parry 2004: 122). A wider Review of Public Administration under Tom Frawley is still ongoing; it is focusing on the pattern of service delivery in Northern Ireland and whether the present centre-heavy structure should continue.

The suspension of the devolved institutions in October 2002 can be seen as an opportunity for the civil service and UK ministers to regain control of the policy process and take decisions that had been held up by party conflict. After a year, it has become a stable part of government in a way that the previous brief suspensions were not. But previous experience of direct rule suggests that it will be accompanied by the slow and cautious application of UK managerial norms to the local administration.

The direction of movement within the devolved administrations

The two most important variables for understanding modernisation are the location of responsibility of officials, and whether or not managerial matters are under local political control (table 1). If – as in the Westminster system – officials serve ministers alone and assist them to resist both the opposition and the legislature, the government machine becomes a largely closed area, to be shaped and reshaped at the discretion of ministers. Devolution introduces a second, potentially incompatible variable. Officials serve devolved ministers alone, and not the UK government, but civil service management is a reserved function. Not only are devolved ministers are constrained in what they can do about the civil service, but the officials have a direct line to Whitehall and are expected to take part in UK-wide modernising initiatives. In the early years the general new Labour tide meant this was not a problem. Later, ministers seemed less happy with the personnel management they were getting, leading in 2003 to the hiring of external Directors of Human Resources in both Scotland and Wales. In Northern Ireland management is devolved but this is has seemed to favour resistance to modernisation.

Table 1: the context of modernisation in UK government

| | Management of officials reserved to Whitehall | Management of officials devolved |
|------------------------------------|--|----------------------------------|
| Officials serve ministers only | *UK government *Scotland *Wales (practice) | *Northern Ireland |
| Officials serve whole elected body | *Wales (theory) | *Local government |

Local government is not usually discussed in this context, but it does give elected members managerial authority, constrained by professional structures, national terms and conditions, and the need to satisfy lawyers and auditors. This is expressed by the involvement of members in appointments of chief officers, in contrast to the civil service practice of only keeping ministers informed and offering them a vague opportunity to comment on or object to the system's nominees.

Welsh and Northern Ireland devolution departs from the Westminster model in a way that Scottish does not. In Wales, there is in theory a single corporate body, the National Assembly, that officials serve and are part of. But the trend, with little resistance, is to separate Assembly and Government. Interestingly, the trend in local government is the same, towards executive members in charge of services scrutinised by backbench members, causing uncertainty among officials about the status of their traditional role as adviser to the whole council (Harbour and Wilson 2003). In terms of table 1, there is a direction of movement from local government to UK central government models.

Conclusion: modernising the civil service out of existence?

Modernisation depends on whose agenda is being pursued. As an essentially supra-national movement, it runs counter to the deference to local political forces implicit in devolution. Some tension in the role of the civil service is inevitable and has been felt.

The official line (endorsed by the major parliamentary investigation of the issue, that of the House of Lords Constitution Committee (2002), which took valuable oral evidence from officials) is that the unified civil service model is working. It has been much assisted by the general flexibilities available to all departments on the recruitment, pay and grading of the junior staff and middle management, and the wish of the Cabinet Office not to press too far their theoretical rights of control on what the devolved administrations are doing. These flexibilities could be taken further: the government is suggesting to the Civil Service Commissioners that ministers should be able to choose between outside candidates for appointments (*Financial Times*, 12 September 2003); and there is scope for movement on the conversion from temporary to permanent status, allowing staff recruited on the soft terms available to for fixed-term secondments to be retained if they do well. The devolved administrations have been interested in the idea of a common public service elite that crosses traditional divisions between civil service, local government and arm's length public bodies and borrows practices from all of them.

The constitutional alternative is the local government model, a subject of much scepticism by the civil service but offering a more realistic balance between politicians and officials, and the administration and the backbenchers. Scottish and especially Welsh devolution made it possible to embark on a journey away from the orthodoxies of the Westminster model. But both local government itself and the devolved administrations are moving, seemingly happily, towards a Westminster government vs opposition style. With politics mattering above all, it now looks less likely than in 1999 that the devolved administrations will be able to deliver on what might be regarded as, in terms of international public sector management, a distinctive modernising agenda

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