

Victorian Public Sector Commission & the Australia and New Zealand School of Government present:



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## 'You say you want a revolution': does public sector reform have a happy history?

**Speaker**

**Dr Catherine Haddon**

Historian

UK Institute for Government

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Deputy Secretary

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‘You say you want a revolution’: does public sector reform have a happy history?

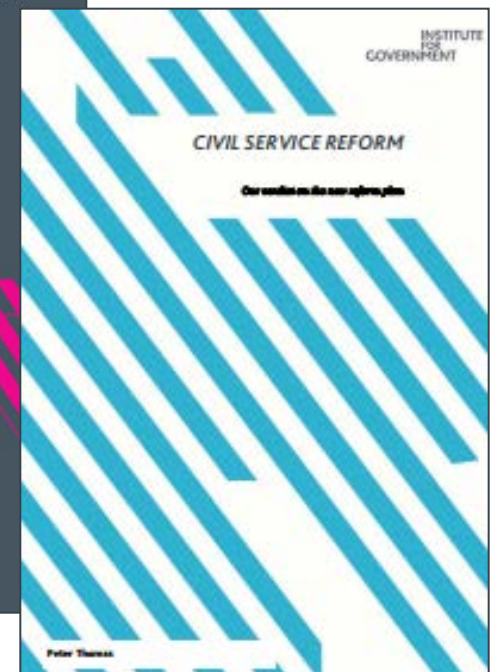
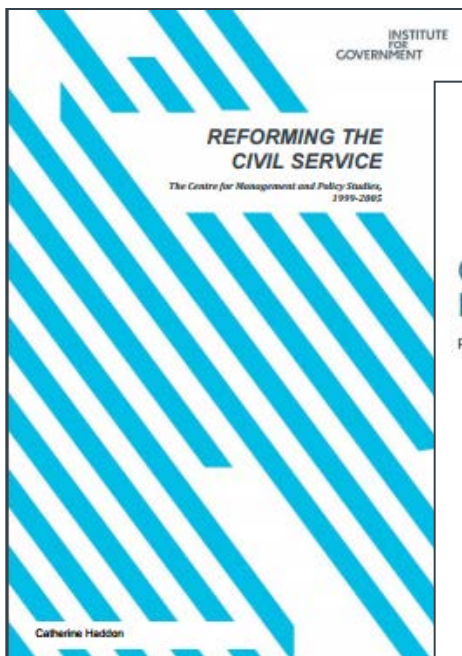
Dr Catherine Haddon

- Rhetoric versus reality
- Historic reforms
- Difficulty measuring outcomes and judging success
- Lessons from Civil Service Reform in the Real World

IFG work in this area

## IfG covers different aspects across its work:

- Specific changes for improving government
- Assessing departmental transformation programmes
- Scrutinising CS-wide reform
- Examining wider historical context



# 1. RHETORIC VERSUS REALITY

*People don't just seek revolution, sometimes they seek utopia*

- ‘Others may question whether this plan will actually be implemented. Too many plans to reform and renew the Civil Service lie gathering dust on library shelves. The difference this time is that there’s no choice. As the Institute for Government recently said, the question is “whether the Civil Service will adapt... as a confident and capable organisation or shrink in both size and stature”. That is why the actions set out here in words must translate into real change in the real world that civil servants, as much as the public at large, daily inhabit’

(Francis Maude, Minister for the Cabinet Office, Foreword, *Civil Service Reform Plan 2012*)

## *What the CS Reform Plan actually set out*

“innovating service delivery; using technology to achieve efficiencies; working in partnerships across departments; and looking at whole-system continuous improvement approaches.”

- 18 Actions
- Multiple aims, tasks, measures underlying each of them – ranging from targeted, achievable to hopeful and vague

### **Focus on:**

- Policy making
- Innovative culture
- Digitisation
- Leadership who would push through these reforms
- Measuring success of the reforms (One Year on?)



*The Cabinet Office was to provide updates of progress*

‘this report makes clear our joint assessment that too little of what was set out to be delivered by this point has been fully executed... Following publication last summer, we were too slow to mobilise. In particular, we did not identify clear leadership or adequate resources for the actions... Despite the very best endeavours of many people, the delivery of the Reform Plan to date has been held back by some of the very things that it was designed to address – weaknesses in capability, lack of clear accountability, and delivery discipline. We have learnt the importance of moving forward as a unified Civil Service, and that there should be no hiding place for those failing to deliver.’

(Cabinet Office, *Civil Service Reform Plan: One Year on*, July 2013)

*By 2014, reform changed from 18 to 7 priorities*

Seven 'game-changer' priorities:

- **CS21** – competency framework, culture and behaviours
- **Capabilities** - digital, project management, commercial and leadership
- **Digital** – Gov.uk, digital by default
- **Major Projects** – Major Projects Leadership Academy
- **Open Policy-Making** – What Works, Implementation Unit, blogs, contestable policy fund
- **Functional Leadership** – 8 cross-Government professional services (Legal, Communications, IT, Commercial, Finance, Internal Audit, HR and Property)
- **The Way We Work** – shrinking the government estate, IT, flexible working

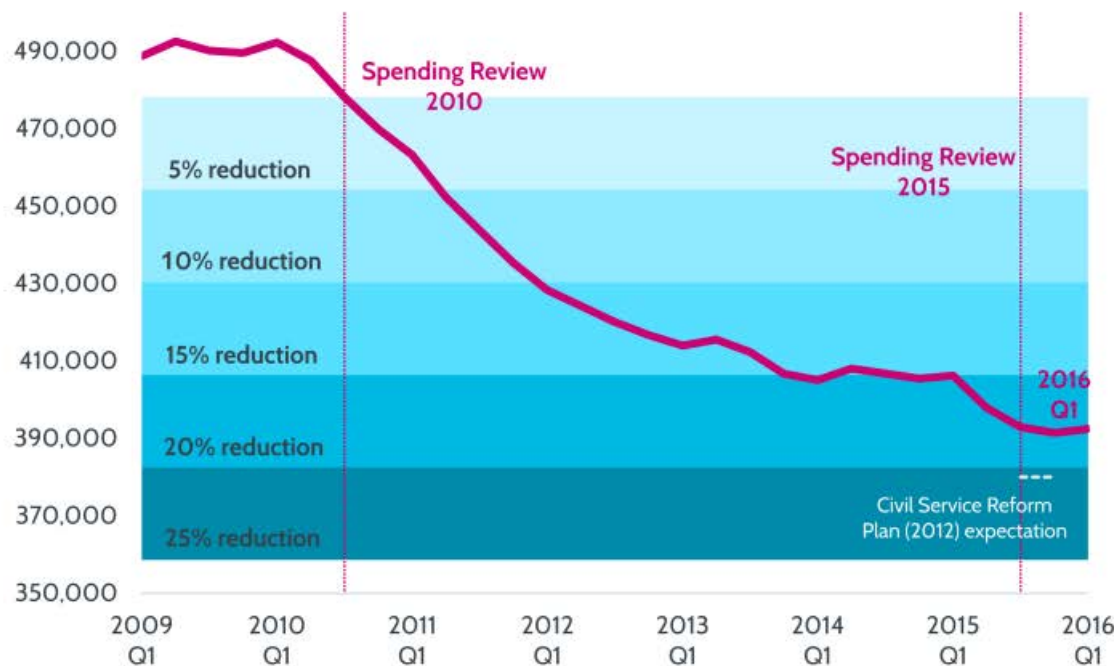
*By 2016, the reform agenda had moved on further*

- Improved outcomes through efficient, trusted services designed around user need;
- Inspiring, confident and empowering leaders who live the organisation's values;
- Skilled people who are high-performing, adaptable and take personal responsibility; and,
- Making the Civil Service a great place to work that is inclusive, flexible, modern and connected, sitting at the heart of a wider public service

# Rhetoric and reality: the numbers

*Meanwhile, the size of the Civil Service was reduced massively over whole period*

Civil service staff numbers, March 2009 to March 2016



Source: Institute for Government analysis of Office for National Statistics (ONS) Public Sector Employment Data (Table 9), Q1 2009 to Q1 2016

## 2. HISTORIC REFORMS

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# History sees all sorts of reforms

- **Big holistic reforms** – Fulton, Modernising Government, Continuity and Change, Civil Service Reform Plan 2012
- **Specifically-focused large-scale reforms** – Next Steps, Bringing in and Bringing on Talent
- **Unit-based change** – Efficiency Unit 1980s, Prime Minister's Delivery Unit, Capability Review programme
- **Departmental change** – Ministry of Justice, Ministry of Defence, Department for Education

## 3. OUTCOMES

*Reforms aren't just presented in advance as utopia, often the historical account misses the messy detail – Fulton 1968*

‘Coherent though the Report’s recommendations might appear, their effectiveness as a blueprint for reform depended in practice on the extent to which they were well researched, well argued and well directed. Their effectiveness, in short, depended on the Committee exhibiting the same qualities it demanded of a reformed Service—professionalism and dynamism. However, these were the very qualities which—by common consent—it lacked. As one of its signatories confirmed, its proceedings were characterised more by “anarchy than strategy”; another confessed that, of the many reports he had signed, it was undoubtedly the “worst.”’

(Rodney Lowe 2011, 120)



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## ... judging success is the hardest thing

### Criteria for success always difficult

- Recent CS reform plans have measures of success, outputs, milestones and implementation goals
- More difficult to judge whether they achieved outcomes wanted
- Historians judge changes, but difficult to disentangle what initiatives achieved versus longer historical evolution.

### However the bigger factor is inertia, loss of interest

- Those driving reform change jobs
  - Criticisms evolve
  - Ministers not interested
  - New initiatives are launched and take over
  - Fighting the next war
-

**Looking across a range of historic reforms, we identified six areas where those involved felt that success had been achieved**

1. A stronger sense of personal responsibility and accountability for delivery – whether of policies, projects, programmes or services.
  2. The use of objectives, performance indicators and measurement to make progress transparent.
  3. More open competition for senior roles and greater diversity of the Civil Service.
  4. Greater value placed on the quality of leadership and management.
  5. A more outward-facing organisation connected to other organisations, perspectives and ways of thinking to inform the policy development process.
  6. Learning and adopting new ways of working, which outlasted the reform that introduced them.
-

## 4. KEY LESSONS

## **Prepare and take off**

- Clarity around the reform idea and purpose
  - Personalised leadership
  - The right degree of political support
  - Ambitious while connecting with departmental priorities
  - The support, or at least permission, of the Treasury
-

## **Deliver and refresh**

- A dedicated and diverse team to drive the vision and the model
  - Balancing compulsion with collaborative values
  - The right use of accountability and governance
  - Managing critical transitions
  - Building a lasting coalition of leaders around reform
-

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# Reflections on Revolution and Reform

## VPSC/ANZSOG Applied Learning Seminar

Peter Fitzgerald  
Deputy Secretary  
Department of Health & Human Services

9 August 2016

# Key Learnings

- Reform (and evolution) is typically easier than Revolution - if revolution means displacing entrenched structures
- Even the best of reform propositions involving 'efficiency' may fail to win 'hearts and minds'
- A coalition of interests for reform is often a Key Success Factor (KSF)
- A narrative of what-why-and whats-in-it-for-me is a KSF for most individuals
- Victoria has the scale and culture (and occasionally the opportunity) to take on progressive reform undertakings
- Compared to other Australian jurisdictions, Victoria can appear insufferably proud of its innovation and progress



# Beatles Revolution (1968)

You say you want a revolution  
Well, you know. We all want to change the world  
You tell me that it's evolution  
Well, you know. We all want to change the world

But when you talk about destruction  
Don't you know that you can count me out

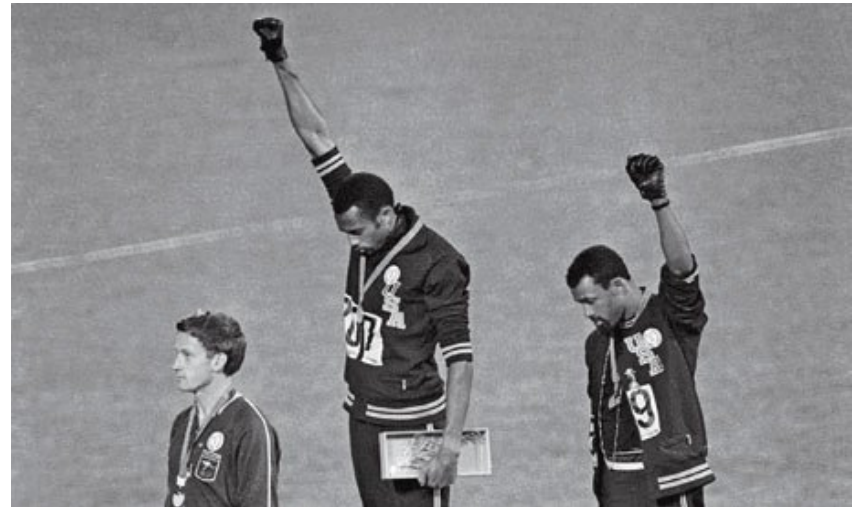
Don't you know it's gonna be alright  
Alright, alright

You say you got a real solution  
Well, you know. We'd all love to see the plan  
You ask me for a contribution  
Well, you know. We're all doing what we can

But if you want money for people with minds that hate  
All I can tell you is brother you have to wait

You say you'll change the constitution  
Well, you know. We all want to change your head  
You tell me it's the institution  
Well, you know. You'd better free your mind instead


But if you go carrying pictures of Chairman Mao  
You ain't going to make it with anyone anyhow



# Declare War on 1034 (1970)

Optus AU 3G

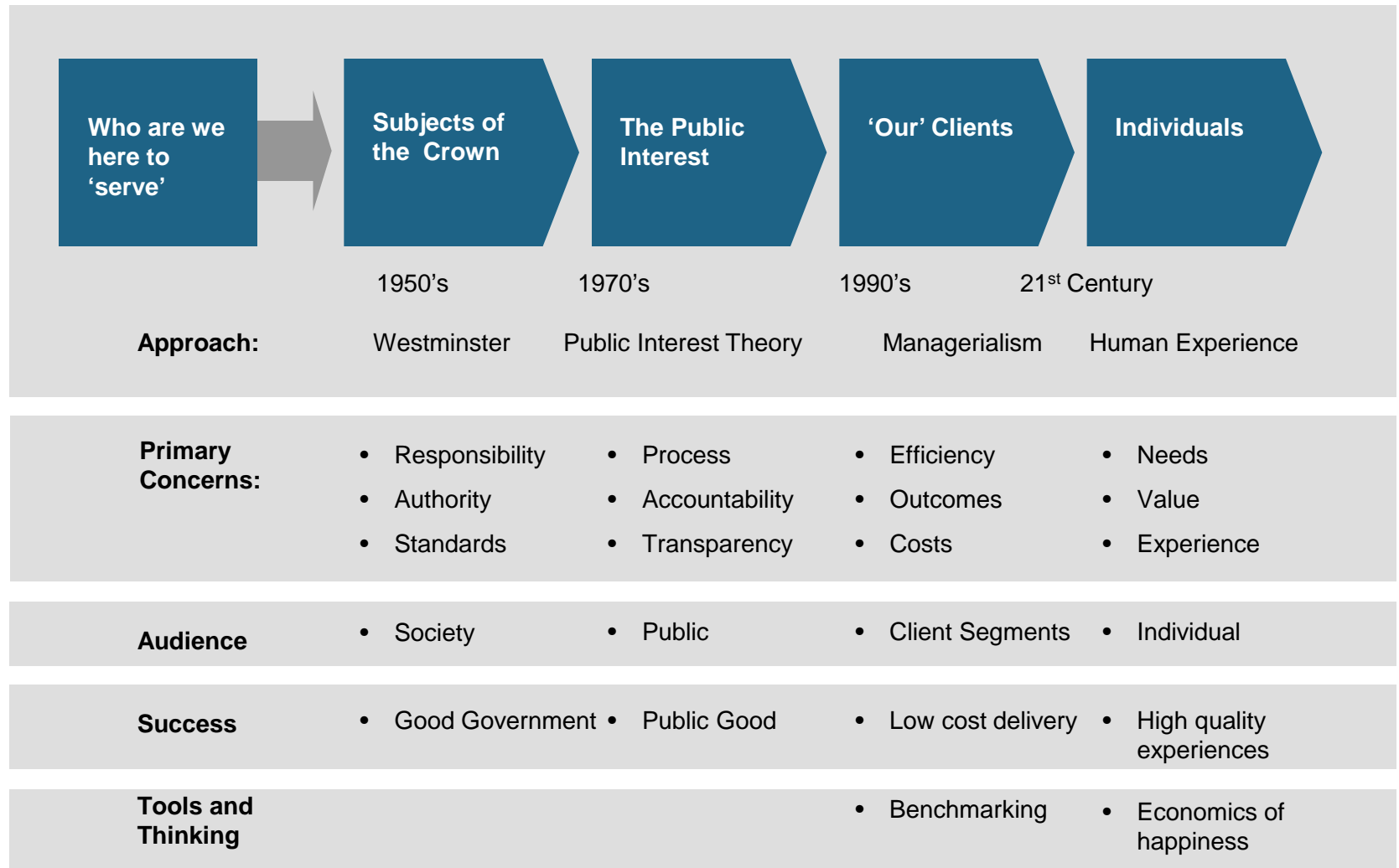
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melbournepressclub.com

70% 

HoF 2013 Harry Gordon



# Paradigms of Public Policy – Thinking Out Loud



# Sample of Victorian Reforms 1970-2015

- War on 1034 (1970) - seatbelts, speed limits, 0.05% and RBT, TAC Advertising Campaign (1990+)
- Environment Protection Agency – 1970
- Freedom of Information 1982
- VicHealth - Quit campaign - 1987+
- Hospital Funding and Governance (1995-2000) - Casemix (1995), Networks (1995-2000), Governance Boards (1995-2000)
- Victoria's National Reform Agenda (2004-2007)
- Budgetary - Recurrent Surplus - \$100m+ (2000-2015)
- Public Private Partnerships (2000-2015)
- Local Government Consolidation (1995) and CCT (Compulsory Competitive Tendering) (1995-2000)
- Energy Market creation (1995), Utility Privatisation (1995-2000), Regulation

# Health Reform 2010



# The New New Things

- Outcomes rather than outputs
- Evaluation of purpose and public value
- Citizen experience rather than just satisfaction with services delivered
- Codesign and coproduction rather than made-and-delivered-by-government
- Data analytics including Predictive Analytics



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## Upcoming Applied Learning Seminars

**Designing for the greater good: design thinking and innovation in government**

Speaker: Professor Jeanne Liedtka

Melbourne

28 September

**Un-plan the future: futures and stories for public policy**

Speaker: Dr Adrian Kuah

Melbourne

26 October

### Enquiries

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## Upcoming Executive Education Workshops

<b>Strategic Responses to Corruption</b> Course leader: Robert Waldersee & Adam Shapiro	Sydney	13-16 September
<b>Women in Leadership: The essentials</b> Course leader: Christine Nixon	Canberra	11-12 October
<b>Evidence for Decision-Making</b> Course leader: Dr George Argyrous	Melbourne	25-26 October

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