Government and Administration 1998–99: Overcoming 'Conservatism' — A Job Half Done?

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FOR the British Prime Minister, Tony Blair, the twenty-first century will be characterised by progressive politics in which the potential of all is liberated in a system based on social justice. To bring this about, he told the Labour Party Conference in September 1999, the forces of conservatism must be defeated. These are not so much Her Majesty's Opposition but 'the cynics, the elites, the establishment, those who will live with decline, who yearn for yesteryear, those who prefer to criticise rather than to do' in the public sector. However, the battle for change will not be easy. 'You try getting change in the public sector,' Tony Blair told a meeting of venture capitalists, 'I bear the scars on my back after two years in government.'

Such public statements have fuelled the idea that Mr Blair has a distinctive, even antipathetic view of traditional public bureaucracies and professional groups as the counterpart to old Labour and hence in need of radical modernisation. If so, this is in tune with Philip Gould, one of the main drivers behind recent the Labour Party changes, and Charles Leadbeater, a member of the DEMOS think-tank.[1] Gould sees continual modernisation of institutions, policies and politics as essential to cope with a new world characterised by global financial markets, shifting political alliances and fragmenting social groups. Leadbeater, in a book ringingly endorsed by Mr Blair, questions the ability of the traditional public sector to cope with the demands of the new 'thin air economy' where knowledge is paramount, work redefined and institutions inadequate unless infinitely flexible. The vision, therefore, is a world in which the old public sector is too rule-bound, risk averse and hostile to innovation to be of much value. Instead, a totally changed system needs to embrace government (ministers for problems rather than departments), extensive financial and political decentralisation and a new breed of public sector entrepreneurs.

Following the Prime Minister's Labour Conference speech, ministers went on the offensive against the forces of conservatism. They threatened the teachers for resisting performance-related reward systems and doctors for doubting walk-in clinics or the development of health telephone helplines. Even the most senior civil servants were subject to accusations of sloth in delivering the government's programme and Permanent Secretaries found themselves in October at the Civil Service

College to work out how to change their management culture for a millennium in which the priorities were to 'deliver, deliver, and deliver'.

Yet some have been wary of throwing out too much of the baby with the old Labour bathwater. The Deputy Prime Minister, John Prescott, reminded the Local Government Association in Harrogate that public servants and elected local councillors had forged the civilised modern society. 'It was the public sector who made possible universal education, provided affordable and good quality housing, maintained parks and open spaces and organised care for those most in need.'[2] Others, amidst the praise, pointed out contradictions between rhetoric and practical policy and expressed a fear that attacks on conservatism were really a shorthand condemnation of all criticism. Commenting on the Prime Minister's Conference speech that also announced compulsory drug and DNA testing for all offenders, the *Economist* (2.10.99) noted Mr Blair's admission that he was 'sick of libertarian nonsense masquerading as freedom'. There was therefore a danger that words were being devalued to the extent that progressives were those who agreed with proposed reforms and conservatives those opposed.

Yet there may be implementation problems that are not attributable simply to vested public service interests but to the characteristics of policy. In the following sections we explore some of these tensions and contradictions as they have emerged during the past year in British government and administration before returning, in the conclusion, to assess institutional conservatism in the public sector.

Cabinet and machinery of government: joining up the centre?

In late 1998 Sir Christopher Foster, management consultant and adviser to governments, addressed the Public Management and Policy Association on 'The End of Cabinet Government?'. He was pursuing an old hobby horse, i.e. that that recent changes to political and economic environment have undermined the effectiveness of central policy-making and coordinating mechanisms and notably those of ministers acting collectively in Cabinet. His prescription is to engineer the Cabinet system as a centralised strategic capacity to assist policy formulation and enhance implementation, both of which increasingly involve inter-departmental issues.[3]

Unlike many consultants, Foster rejects any private sector practice template for this machinery. Cabinet decisions are too complex and the political and public scrutiny of policy too intense for such a model. Yet, some elements of good corporate governance can be shaped to fit a political environment. These include a new policy-monitoring and coordinating body at the centre of government to serve the Cabinet system rather than the Prime Minister, and better processes. For Foster, just as 'large complicated private sector businesses do not run or implement innovation well without good processes, neither can government'.

Such processes, of course, have to accommodate strong political forces within the core executive system. These have been witnessed in abundance during the past year, including in the various changes to the organisation of the Cabinet and Prime Minister's Offices and the comings and goings of senior ministers and their advisors.

The latter culminated in the Cabinet reshuffle of October 1999. The Prime Minister promoted Alan Milburn, a loyal moderniser, to the Department of Health in a clear indication of the determination to engage more actively with the 'forces of conservatism' in the health services than had Frank Dobson, who left the Cabinet to seek the Labour nomination for mayor of London. Mo Mowlam, who had been Northern Ireland Secretary since the election, took over as Chancellor for the Duchy of Lancaster (responsible for the Cabinet Office and public service) with a brief to promote 'joined up government' and shake-up the forces of conservatism in the civil service. She succeeded Jack Cunningham, who retired to the backbenchers.

All this might appear to be simply Mr Blair fine-tuning his ministerial team to reflect New Labour's modernising image. However, the most significant feature of this reshuffle was the return to Cabinet as Northern Ireland Secretary of Peter Mandelson, who had resigned controversially in December 1998. The Mandelson saga was not only complex, as the House of Commons Standards and Privileges Committee later discovered (HC 611, 1998/9), but also indicative of the potential of political forces and events to upset the dynamics of any Cabinet as a system.

It emerged that Mr Mandelson had in Opposition secured a sizeable personal loan from Mr Geoffrey Robinson, a wealthy industrialist and fellow Labour MP, in order to purchase a London home. This loan had not been publicly declared on the Common's register of interests nor to his Permanent Secretary when later, in government, he found himself at the head of a department (Trade and Industry) which was investigating Mr Robinson's business affairs. By this time Mr Robinson was also a government minister. When the press broke this news, Mr Mandelson attempted to explain events away but, rapidly recognising the futility of this position, resigned. So too did Mr Robinson who had already been censured in the House on more than one occasion for failing to register business interests (HC 975, 1997/8; HC 1190, 1997/8; HC 292, 1998/9; HC 975, 1998/9). A later casualty of the affair was Charlie Wheelan, press officer to Chancellor Gordon Brown. He had apparently briefed the press on Mr Mandelson's problems as part of a running battle between the two ministerial camps dating back to differences at the time of the last Labour leadership election.[4]

The departures of Mr Mandelson and Mr Robinson led to minor changes in the government team, but by July 1999 rumours were rife (apparently initiated and fuelled by the Prime Minister's own press office) that a major ministerial reshuffle was imminent. In the event, Mr

Blair made extensive changes to the junior ministerial ranks but not the Cabinet. Journalist critics of 'the most bathetic reshuffle in history' (*Economist*, 31.7.99) overlooked the significance of these changes in the attack on the forces of conservatism. They also failed to appreciate incipient developments that included the elevation of Defence Secretary George Robinson to Secretary General of NATO, a lull in the Northern Ireland peace process and pressure on Frank Dobson to run for London's mayor.

When the changes came, Ms Mowlam took over the Cabinet Office portfolio from Jack Cunningham. Some commentators had been less than impressed with Dr Cunningham's record. Yet, in terms of initiatives, his last year brought important changes to the central machinery of government. Some of these followed from Sir Richard Wilson's report[5] involving the new Performance and Innovation Unit and the Centre for Management and Policy Studies, others from the White Paper, *Modernising Government* (Cm. 4310) published in March 1999. In the Cabinet Office the latter resulted in a strengthening of the Better Regulation Unit, renamed the Regulation Impact Unit and given powers to question any department policy that was likely to impose regulatory burdens on the private sector, as well as the creation of the Modernising Public Services Group which brought together the former Effective Performance Division (responsible for benchmarking, Next Steps Agencies, market testing, etc) and Service First (the former Citizens Charter Unit). The latter merger was designed to meet the government's White Paper promise to respond to user needs and enhance service effectiveness by joining up government.

This commitment to 'joined up government' was also realised in the activities of the Performance and Innovation Unit and the Social Exclusion Unit. PIU projects included the development of electronic commerce in the UK, central government's role at the regional and local level ('joined-up delivery') and the incentives and accountability barriers to achieving 'joined up government'. Similarly, the Social Exclusion Unit, working though a variety of policy action teams and interdepartmental groups, reported on neighbourhood renewal, teenage pregnancy, and opportunities for 16–18 year olds, while initiating studies on poor neighbourhoods and teenage parents.[6]

In the meantime, the responsibility for advancing another modernising theme, improving policy-making, fell to the Centre for Management and Policy Studies. The Action Plan for implementing the White Paper expects the Centre to create a centre of expertise in policy evaluation, design a model of good policy-drawing on good policy-making practices in other countries, and develop seminars on policy-making for both ministers and senior civil servants.[7] Later, in September 1999, the government announced that a research capacity would be added to the Prime Minister's Policy Unit to provide Mr Blair with factual information. How such an addition would gel with developments in the Cabinet

Office was not spelt out. Nevertheless, there is here a concerted attempt to enhance central capacity.

Constitutional reform: devolution, regions and local government

In July 1999 the Queen opened the new Scottish Parliament in Edinburgh, an occasion described by former Liberal Leader Lord Steel as the most significant event in Scotland's history for 300 years. There were no carriages or other ceremonial dress, but the new members of the Scottish Parliament (MSPs) emerged to the tones of a commissioned fanfare played by a live orchestra. That proceedings were screened live on the internet might be seen as confirmation of gimmickry or a reflection of the sea-change in parliamentary politics brought by innovative procedures and organisation, a new electoral system, the coalition politics that this produced, and the subsequent flexing of devolved political muscle against Westminster and the Labour Party's Millbank machine.

The new chamber differs markedly from its Westminster counterpart. A semi-circular layout, electronic voting and public involvement in committee stages of bills are accompanied by an unusual sobriety as members address each other as Mr, Mrs and Ms without the benefit of alcohol (there will be no bars for the first two years). Yet if the Parliament is innovative (described as an 'unparalleled democratic innovation'[8]), so was the proportional method of electing it and the Welsh Assembly in May 1999. In Scotland, for example, voters were asked to cast two votes, one for a constituency MSP to be elected by the first-past-the-post system (73 MSPs) and the second for a party list (56 MSPs).[9] Both in Scotland and Wales the results confirmed the worst fears of supporters of two party government as the Scottish National Party, the Liberal Democrats and Plaid Cymru in Wales picked up enough seats to prevent Labour achieving an overall majority. In Scotland, Labour negotiated a coalition of its 58 seats with the Liberal Democrats' 17, leaving the Scottish Nationalists with 35 seats as the main opposition. The Liberal Democrats insisted on a formal concordat ceding to them not only executive positions but policy concessions on student tuition fees, extra education funding and a consideration of extending proportional representation to local government elections. This, and the tendency of some MSPs to talk of 'Scottish' interests, triggered shock waves in Labour's London political machine. However, as former minister Roy Hattersley was quick to point out, 'exercising devolved powers is not an excess' (*Guardian*, 17.5.99).

Labour's schizophrenia towards forces of conservatism in devolved parties was manifested earlier, when the resignation of Ron Davies as Welsh Secretary and Leader of the Welsh Labour Party led to an embarrassing battle over the leadership succession between his Cabinet successor Alan Michael and backbench MP Rhodri Morgan. Mr

Michael was eventually elected via an electoral college that many saw as created to ensure Mr Morgan's defeat, despite his support amongst the party members. Michael's legitimacy was further undermined as he scraped into the Welsh Assembly courtesy of his party list and then found himself in charge of minority administration (28 seats) weakened in a low turnout by a strong Plaid Cymru vote (17 seats). Conservatives gained 9 seats and the Liberal Democrats 6.[10] The powers of the Assembly (essentially those of the former Secretary of State for Wales) are considerably fewer that those of the Scottish Parliament but it may still remain a force to be reckoned with as the relationships between Westminster and Cardiff develop.

The significance of devolution for representation at Westminster has long been a concern of the Scottish but anti-devolutionist MP Tam Dalyell. His single-minded attention to this issue earned him the 'back-bencher of the year' award by the *Spectator*. He has no doubt been musing on the exclusion of devolved matters from parliamentary questions in Westminster and the proposals for reducing the number of Scottish MPs in the House of Commons. But what of England? Is the Opposition leader, William Hague justified in warning of the 'timebomb of English nationalism'? Certainly, Tony Travers argued that a possible consequence of devolution was an imbalance in regional public finances with Scotland, Wales and Northern Ireland 'featherbedded' by the southern English (*Guardian*, 21.4.99). Partly in response, Jacobs and Kelly observed (*Guardian*, 9.6.99) the inherent tension between two major objectives of government policy—devolution and redistribution—and the consequent need for a debate on fiscal policy and regionalisation.

Although the government has shown no urgency to pursue regionalism in a political sense, it established eight Regional Development Agencies (RDAs) on 1 April 1999. Their task is to inject economic stimulus into their areas. Although some have questioned this remit (e.g. the Commons Environment Committee, HC 232, 1998/9), the government argued that in parallel with regional Chambers of councillors and businessmen, RDAs could act as catalyst for other developments. But regional assemblies remain off the agenda except in London.

The Greater London Bill spelt out the powers of the mayor and Greater London Assembly (GLA). Unveiling the bill in December 1998, John Prescott argued that the mayor's priority would be transport. However, observers noted that responsibility for London Underground (the subject of private-partnership financial schemes) was unclear, while the constitutional relationships between mayor and assembly remained ambiguous and 115 powers were explicitly designated to the Secretary of State for the Environment rather than the mayor.

As the bill moved through the Commons, mayoral candidates emerged as characters in a French farce. Throughout the summer and autumn, the Labour Party provided most of the drama and featured the

candidature of Ken Livingstone MP. Mr Livingstone was the last leader of the Greater London Council when it was abolished by the Conservatives in 1986. Opinion polls began to suggest that he was favoured both by Labour supporters (who approved of his pro-London stand, especially on transport) and Conservatives (who felt he would be the best opposition to New Labour). Other candidates included media columnist Trevor Phillips, former Environment Minister Glenda Jackson, and the junior minister for London Nick Rainsford.

There was speculation that Labour Party headquarters was seeking to stop Mr Livingstone at all costs, fearing such an Old Labour figure would distract attention from the modernising agenda. Certainly there was a great effort to find a political heavyweight to 'stop Ken', which came to fruition when Health Secretary Frank Dobson declared his candidature. Further, many commentators detected an electoral fix in Dobson's favour when the party announced that the candidate would be selected by an electoral college made up of local London party, MPs, MEPs and trade union representatives. This was a similar discredited mechanism to that used to ensure the victory of Alan Michael in Wales. Unsurprisingly, a number of trade unions took the precaution of announcing they would be consulting individual members before declaring.

Meanwhile, the Conservatives were proceeding to their candidature in good order and making political capital out of Labour's discomforts. In September, London party members directly elected former party chairman Lord Archer as their candidate in preference to former Transport Minister Stephen Norris. In an otherwise sober campaign, Mr Norris was famously captured on television resolving not to support Lord Archer 'dead or alive'. It was a view which with hindsight suggested he had the measure of his opponent, for in November Lord Archer, in what will surely not be the final twist to the choice of a London mayor, withdrew following further allegations of impropriety in his erratic political career.

New Labour's commitment to local government reform was taken forward in a consultation paper *Local Leadership, Local Choice* (Cm. 4298, March 1999) and the Local Government Bill was published in November. These reinforced themes in the 1998 *Modern Local Government* White Paper (Cm. 4014), arguing that traditional modes of council operation were inefficient and that councils should consult directly with local communities on the way they wished to be governed. The public discussion of these proposals included Local Government Minister Hilary Armstrong berating local authorities for their reluctance to change: 'Those who oppose modernisation are setting themselves up as conservatives with a small 'c' defending an institution as outdated as the hereditary peerage' (*Guardian*, 7.7.99). Perhaps she had in mind the revelations of Channel 4's series on 'Tony's People', which examined Labour's agenda using the Prime Minister's constituency for its mater-

ial. It portrayed a latter-day 'rotten borough' in which the majority of ward elections were uncontested and candidates paid more attention to the greasy pole of party patronage than to their own constituents.

The idea that the reform of local authority structures and processes is essential to enhance local government legitimacy and participation has been widely discussed in this journal.[11] It has also been reviewed by a special Joint Lords/Commons Committee for Local Government Organisation and Standards, established to examine what constitutional adjustments might be required to effect the required change. However, despite one or two adventurers such as Lewisham and Liverpool, which have committed themselves to executive mayors and cabinet systems, and a few experiments with proportional representation and service delivery via information technology, there appears little enthusiasm amongst authorities to follow the government's line. To counter this institutional inertia, a Local Government Network (made up of practitioners and academics) has been formed to push through change. It has proposed forcing the largest urban authorities to hold referendums on elected mayors rather than leaving this to local discretion. Although attractive to ministers, this and similar universalist prescriptions are opposed by the Local Government Association, which argues that local government is keen to reform in a way that is sensitive to local needs and provides greater financial freedom. The government, however, in repealing Compulsory Competitive Tendering and enacting the 'Best Value' regime, retained reserve powers to control council taxes.

Early in 1999, Milton Keynes attempted to lead the way on both participation and financial freedom by asking its electors to express a preference between a range of council tax rises and cuts in council service levels. In a 45% turnout, over 70% opted for an increase of 10% or more (the government limit for the year was 5%). The Department of Transport, Environment and the Regions described the results as 'interesting' but advised that the government's fiscal generosity had rendered steep council tax rises unnecessary (*Guardian*, 24.2.99). Milton Keynes' successful turnout was not matched in the national local government elections in May 1999: only 30% of the total electorate bothered to vote, and in many urban areas fewer than 20%. Rallings and Thrasher noted that some government ministers ascribed such low levels of turnout to high voter contentment, in which case a truly contented democracy would have a zero turnout.[12]

Parliament, party funding and electoral reform

Constitutional change extended into Parliament by the reform of the House of Lords. After announcements in the Queen's Speech (November 1998), the government outlined how hereditary peers would be debarred from membership of the House and later a new second chamber would be established on the basis of recommendations of a Royal Commission (*Modernising Parliament*, Cm. 4183, January

1999). The Commission, chaired by former Tory minister Lord Wakeham and including Lord Butler (former Cabinet Secretary), Lord Hurd (former Tory Foreign Secretary), Gerald Kaufman (Labour MP and former minister) and Sir Michael Wheeler-Booth (former Clerk to Parliament), received written and oral evidence throughout the summer of 1999.[13] In the meantime, Labour's efforts to move its proposals through the Lords ran into difficulties. In December 1998 Tory Leader William Hague dismissed Lord Cranborne, then leader of the Conservative peers, for trying to do a deal with the government behind his back. However, the Cranborne deal, which drew on ideas of former Speaker of the Commons Lord Weatherill and supported the government's proposals in exchange for the retention of 91 hereditary peers pending the Royal Commission's report, was agreed. In October 1999 the Lords approved the abolition of hereditary peers in its House by 221 votes to 81.

Meanwhile there has been plenty of argument over what form the new second chamber should take. After a report from Lord MacKay of Calshfern, the Conservative Party moved closer to accepting an elected second chamber, in contrast to the government's apparent preference for an appointed assembly. The Royal Commission's Consultation Document appeared to indicate a preference for a chamber with enhanced powers of scrutiny that could contribute to 'better government'. Labour's submission emphasised a broad representation of gender, colour and political opinion without replicating the Commons and challenging the latter's pre-eminence. This was in sharp contrast not only to Lord MacKay's ideas but also those of Lord Richard, former Labour leader in the Lords, who also advocated a partly elected second chamber.[14] 'What', asked the *Economist* (8.5.99), 'prevents a potentially great modernising Prime Minister from seeing the force of these arguments? Perhaps Mr Blair's fear is not that the Commons would become weaker in relation to the Lords, but that Parliament would become stronger in relation to the Prime Minister?'

If the second chamber is to be directly elected, there is plenty of choice of electoral system. Indeed, the United Kingdom in 1999 was 'a paradise for electoral theorists and a nightmare for voters' (*Economist*, 17.4.99), with elections for devolved assemblies, local government and the European Parliament conducted under different voting systems. Representation at Westminster came under scrutiny earlier by the Commission on Electoral Reform, chaired by Lord Jenkins. This fulfilled Labour's manifesto commitment to investigate proportional representation and rewarded Liberal Democrat cooperation with other constitutional reforms. Its brief was to recommend a system that met the requirements for broad proportionality, stable government and the link between MPs and geographical constituencies.

The Jenkins report (Cm. 4090, October 1998) offered two changes. First, 80% of MPs should continue to be elected in single constituencies,

with the remainder selected from regional party lists according to a party's proportion of the vote. This should provide more even geographical representation. Second, constituency MPs would be elected on the basis of the alternative vote. This should ensure that each MP was elected by a majority of those voting and encourage candidates to seek broad support. David Lipsey, political journalist and Commission member, argued that the proposals were not only expedient but also came close to resolving the Commission's conflicting terms of reference (*Economist*, 31.10.98). Actual reform, however, requires not only prime-ministerial and Cabinet support but also clear public backing.[15] The doubts of some Labour ministers were reinforced by the serious Labour losses in the proportional representation systems of the devolution and European elections. Labour's manifesto pledge was to hold a referendum on electoral reform before the next general election. To date there seems little prospect of this being met.

Also in the autumn of 1998 the Committee on Standards in Public Life, chaired by Lord Neill, reported on party funding (Cm. 4057). This, too, was a manifesto commitment and included in the 1997 Queen's Speech.[16] The report recommended banning foreign donations, abolishing blind trusts, publishing all major donations to parties at national and local level, and limiting general election campaign budgets to £20 million. Referenda should be supported by equal state finding for 'yes' and 'no' campaigns (the Committee had been disturbed by the extent of underfunding for the 'No' campaign in the Welsh referendum) and governments should remain neutral throughout a referendum. The government accepted its general recommendations. In referenda, however, it preferred to limit the period of government neutrality to 28 days before a poll (arguing that it should not be unduly constrained from pursuing its own policies) and suggested spending caps to favour parliamentary parties with two or more members in the Commons over smaller fringe groups and individuals (Cm. 4413).

Modernising the representative process extended to the workings of the House of Commons itself. Under a government with such a large majority, it is hardly surprising that the efficacy of the House of Commons' scrutinising role was questioned. The Fabian Society argued MPs should devote less time to constituency problems and more to holding the executive to account.[17] In practice, more attention has been paid to shortening the working week and releasing MPs for more constituency work (HC 60, 1998/9; HC 719, 1998/9).

Perhaps the perceived ineffectiveness of the House under such a large government majority is affecting public attitudes to it. The Hansard Society reported that audiences for parliamentary TV and radio programmes have been in steady decline, a fact attributed by some on the limits placed on broadcasters by Parliament.[18] Another cause may be the continued accusations of misconduct, including Labour MPs who leaked draft Select Committee reports to ministers. Certainly, the Stan-

dards and Privileges Committee had a busy session. As reported above, it spent some time on the misconduct of former ministers Geoffrey Robinson (HC 975, 1997/8; HC 1190, 1997/8; HC 292, 1998/9, HC 362, 1998/9) and Peter Mandelson (HC 611, 1998/9). It also chastised Ernie Ross for passing a copy of the Foreign Affairs Committee draft report to the Foreign Office (HC 607, 1998/9).[19] Mr Ross eventually resigned from the committee, apologised to the House and was punished by a short suspension. Later, a similar leak from the Social Security Committee led to the resignation of one of Gordon Brown's Political Private Secretaries, Don Touhig MP, and apologies from him and from a Labour committee member, Kali Montford (HC 747, 1998/9) for 'errors of judgment'.

Meanwhile, as these events were unfolding, the Committee on Standards in Public Life decided to revisit its first report (chaired by Lord Nolan) and assess its impact on practice. In the summer of 1999 it saw 72 witnesses, including ministers past and present, parliamentarians, former civil servants and others. This group included Neil Hamilton, who complained about perceived injustices at the hands of the Standards and Privileges Committee, and former Parliamentary Commissioner for Standards, Sir Gordon Downey, one of the objects of Mr Hamilton's complaints. The committee also saw Tony Benn, veteran Labour backbencher and former minister. Mr Benn had observed that 'representation had been driven out of democratic politics by New Labour' and that he intended to stand down from Parliament at the next election 'to devote more time to politics and to have more freedom to do so'. No doubt some in New Labour will not be best pleased at the prospect of Mr Benn having more time to strengthen his own particular force for conservatism.

Persisting with prudence: current and capital spending

When in September 1999 the Chancellor of the Exchequer took time out from the International Monetary Fund Meeting in Washington to travel to the Labour Party Conference, he may have reflected on how one of his predecessors, Dennis Healey, had been summoned from the airport in 1976 to explain himself to a critical Conference just as he was to depart to seek an IMF loan. Mr Brown, in contrast, shook off his jet lag to make a rousing speech committing the government to combat child poverty and end unemployment within a generation. However, he made no specific spending pledges. On the contrary, he warned that the development of a credible and radical fiscal socialism required money to be spent only when earned.

This is the style that has endeared the Chancellor to the IMF as exemplar rather than supplicant. Based on twin concerns for recurrent expenditure control and enhancing capital investment, he has vigorously pursued prudent fiscal policies. With interest rate policy transferred to the Monetary Policy Committee of the Bank of England (a move

endorsed by the Commons Treasury Select Committee (HC 505, 1998/
9)) and economic growth rising from 1% in the autumn of 1998 to
1.8% a year later, Mr Brown delivered his 1999 budget with a flourish.
His 'package for enterprise and fairness' included cuts in income and
business tax rates, increased benefits to children and pensioners, extra
cash for the National Health Service, education and crime prevention,
and incentives for entrepreneurship. Although the *Financial Times*
(10.3.99) attributed a 'fiscal illusion' to an improved economy and
some skilful financial scheduling by the Treasury, Mr Brown claimed
he would spend £18 billion less over three years than originally pre-
dicted, confirming surveys showing public spending as its lowest for
forty years. Yet the aim is not public expenditure control per se. Mr
Brown told the *Guardian* (23.3.99) that the commitment to fiscal
prudence was the start of a journey which would bring welfare state
reform ('so that employment opportunity is provided for all') and the
enhanced delivery of public services such as education and health.

   Public Service Agreements (PSAs), described by the then Treasury
Chief Secretary Alan Milburn as 'contracts with the people' (*Public
Finance*, 21.5.99), are central to this journey. PSAs are quasi-contracts
in which spending departments and ministers agree to a set of objec-
tives, targets and performance improvement regimes in return from
three-year allocations of resources. PSAs are thus an effort to provide a
medium-term planning framework in which service improvement and
resource control can be planned together. Their implementation will be
monitored by a new Cabinet committee (PSX), chaired by the Chancel-
lor, which will demand evidence of departmental progress and effective
management to keep outturn to the agreement. To assist PSX, the
Treasury has established a Public Services Productivity Panel made up
of private sector managers and consultants to advise on improving the
productivity of departments and other public agencies.

   Introducing the first set of PSAs (Cm. 4181, December 1998),[20] the
Prime Minister praised such instruments of modernisation that
increased democracy and accountability and showed what the public
got for its money. The Treasury Select Committee (HC 378, 1998/9)
was not quite as enthusiastic. It noted the failure to pilot the system
before its introduction, warned against a failure to build service quality
into targets, and questioned the responsibility for setting targets and the
accountability for their delivery (HC 378, 1998/9).

   The Committee also stated its intention to monitor the Private
Finance Initiative (PFI). Inherited from the Conservative administration,
the PFI is a device which its supporters see as relieving public-sector
borrowing and transferring financial and operational risk by contacting
with private-sector organisations to finance and manage public facilities
in return for guaranteed revenue streams. Opponents, including succes-
sive Labour Party Conferences, see this as a mortgaging of the public
sector's assets in which the cost to the public purse will turn out to be

significantly greater and have adverse consequences for public employment and policy control. Reporting on PFI schemes in the NHS, the Health Service Select Committee warned that the PFI might create institutional apartheid and called for a pause prior to a proper evaluation (HC 38, 1998/9).

The debate about the PFI continues to be impassioned. An evaluation published by the *British Medical Journal* condemned the PFI as 'perfidious idiocy', arguing that its effects have included wrongly located hospitals and perverse bed provision.[21] The *Financial Times* (8–9.7.99) condemned the programme's political management and early failures to correct weaknesses inherited from the previous administration. On the other hand, the government's commitment to breathing new life into the scheme had 'by and large been a success'.

This mixed view of the PFI was shared by the House of Commons Public Accounts Committee. Its report (HC 583, 1998/9) was based on a succession of investigations by the National Audit Office. For the Public Accounts Committee, the PFI is important and potentially advantageous to the taxpayer. But it is also inherently complex and risky. It therefore offered advice on managing procurement, obtaining the best available deals and achieving value for money. In this light the Comptroller and Auditor General, Sir John Bourn, set out the National Audit Office's approach to auditing PFI projects and elaborated its analytical framework and guidance to bodies seeking to negotiate PFI schemes. For Sir John, 'the new approach brings with it new pitfalls and risks to value for money. Hence securing potential benefits requires new public sector skills' (HC 739, 1998/9).

Once sceptical of the PFI, the Labour frontbench has now embraced it. It is regarded as central to the Chancellor's plan to balance control of recurrent public spending with enhancing public sector investment. Thus the government has not only reversed the original Labour Conference opposition but also taken the scheme forward. A new agency, Partnerships UK, will take over from the current Treasury PFI taskforce. It will employ city expertise to get the best public-private partnership deals and act as project manager and broker in return for fees. But if Mr Brown's public expenditure coffers are so full, do public-private partnerships still represent good value given the risks and uncertainties that surround them? For many public-sector unions it is clearly not. The government, however, regards such opposition as further examples of institutional conservatism.

A civil service for the millennium?
Modernising government and freedom of information

February 1999 saw the publication by the Public Management and Policy Association of a report on *Modernising the Policy Process* by Sir Michael Bichard. As well as being chairman of the Association, Sir Michael is Permanent Secretary of the Department of Education and

Employment and contributed to an impressive series in which senior officials reflected openly on their craft.[22] His tone was notably didactic. As a 'creative industry', the civil service should be 'brimming with ideas, excitement and challenge; welcoming new approaches and new people, judging itself on the values it adds; satisfied only when it is admired not just for its impartiality, integrity, fairness and objectivity, but also for the quality and the originality and effectiveness of its policy'. This creative civil service required a modernisation of policy-making, service delivery and people management. Making policy more deliverable called for evaluation, research and evidence from the front-line. It also required addressing the issues 'as they are recognised by real people — not as they are defined by our various bureaucracies'.

It is thought that Sir Michael holds views Mr Blair would like to see all senior civil servants adopt. However, there were signs that by the autumn of 1999 the Prime Minister was unhappy with the pace of change in Whitehall. He appointed the industrialist Lord Simon to the Cabinet Office to speed up reform and asked Sir Richard Wilson, Cabinet Secretary and Head of the Home Civil Service, to organise a meeting of senior officials at the Civil Service College to prepare a Whitehall for the twenty-first century. This meeting determined that the service needed a clear sense of direction, a sharper focus on results, a wider base of recruitment, and ways to promote leadership and encourage talent.[23]

The reform agenda was set in March 1999 by the government's long awaited White Paper on public sector reform, *Modernising Government* (Cm. 4310). This had been promised for a year earlier by the then Chancellor of the Duchy of Lancaster, David Clark as part of a 'Better Government' initiative. Designed as 'a vision for transforming the way government works', it set out to provide an agenda for modernising policy-making, providing responsive and high quality services, introducing new technology, meeting citizens needs, and utilising public servants as agents of change.

In policy-making, there was a strong thrust for a more corporate approach that would make more use of policy evaluation and joint training of officials and ministers to create a government-wide, outcome-focused and 'joined-up' culture. Innovations such as the Cabinet Office's Performance and Innovation Unit and cross-cutting programmes such as Sure Start were endorsed. Benchmarking and Best Value were described as crucial elements in an integrated system to be developed by a new Quality Management Task Force.

Public access and service responsiveness to users were addressed through an information technology strategy embracing both the centre and sectors such as the NHS (e.g. NHS Direct) and education (the National Grid for Learning). Access to services would be enhanced, with 25% of dealings with the public 'on line' by 2002 and 100% available by 2008. One-stop shops in local authorities, work-focused

gateway projects and strategic area based programmes such as action zones were cited as exemplars of good practice in partnerships and joint working. As future initiatives will require a new public service acting as an agent of change, the White Paper extols the need for a culture of 'improvement, innovation and collaborative purpose' in which public servants will be encouraged to experiment, innovate and deliver a better product. The prerequisite is wider recruitment (most notably from outside the service), new reward systems and new working practices.

In July 1999, Jack Cunningham, as minister responsible for the Cabinet Office and Pubic Service, published an Action Plan for putting the White Paper into effect.[24] The plan announced that 38% of government services were already available electronically, that peer review teams had been established in Whitehall to check modernisation progress, and that the Centre for Management and Policy Studies in the Cabinet Office had been asked to 'design joint training for minister and civil servants on policy-making'. It also set out implementation details for 62 separate commitments.

The reception of *Modernising Government* was mixed. As with many such announcements of intent, the sceptics were quick to pronounce. There were warnings, for example, that many citizens' experiences with recent crisis at the Passport Office Agency or the Benefits Agency (both as a result of the introduction of new computer systems) would hardly endear them to any new information technology. There was even the danger of aggravating social exclusion through the development of an information underclass.[25] There were also more systemic concerns. Professor Richard Chapman, while welcoming the broad thrust, questioned the meaning of the modernising message, chastised the sweeping criticisms of traditional civil service practice in a document which espoused a rejection of bureaucracy baiting, and speculated on the consequences of a risk-taking public service culture.[26]

Risk-taking was not a notable feature of the government's approach to freedom of information. After David Clark's departure in 1998 from the Cabinet, responsibility for freedom of information legislation was transferred to the Home Secretary, Jack Straw. The latter set up an Advisory Group on Openness in the Public Sector, chaired by junior minister Lord Williams and including civil servants and academics, to brief him on how a climate of public sector openness was to be created.[27] However, it appears that Mr Straw was simultaneously seeking in Cabinet committees to dilute proposals (*Guardian*, 21.6.99). Hence, his draft bill of May 1999 differed from the Clark White Paper (Cm. 3818) in several major aspects. The test of 'substantial harm' for withholding information from the public was replaced by the test of whether disclosure would 'prejudice' government operations, the powers of the proposed information commissioner were severely curtailed, and exemptions to the release of information were extended.

The immediate reaction to the bill was notably hostile. While the

opening up of health and education was welcomed, many criticised the limited access to central government. The *Daily Telegraph* (25.5.99) described the bill as 'a step backwards' from access rights available under John Major's Open Government Code, replacing 'the existing binding public interest agreement with a voluntary commitment' and Hugo Young questioned Mr Straw's liberal credentials (*Guardian*, 26.6.99). Both the House of Commons Public Administration Committee (HC 570, 1998/9) and the House of Lords (HL 97, 1998/9) pointed out that the proposals fell short of international standards and argued for a clear presumption in favour of disclosure as a right of citizenship, with enforceable rights of access in place of discretionary powers of release.

In October 1999 Mr Straw announced to Parliament a modest retreat, confirmed in November by the publication of the bill. Admitting that the original legislation was a little 'rough at the edges', he proposed a number of minor changes that included enhancing the Commissioner's brief and relaxing the exemptions (HC 831, 1998/9). He insisted, however, that a balance had to be struck between the public's right to know and the efficient operation of government. Opponents described the legislation as still seriously defective, suggesting that on this occasion the conservative force was Mr Straw himself.

Reforming regulation: joining up the pieces?

After thirty people died in a crash between two trains near London's Paddington Station in October 1999, the Deputy Prime Minister and minister responsible for transport, John Prescott told the House of Commons that he recognised the national concern with rail safety and announced a public inquiry. He also confirmed that an early report from the Chief Inspector of Railways had identified general problems with safety regimes in the privatised rail industry.

Indications of such problems in Railtrack, the company responsible for the track network, had been flagged up earlier by the House of Commons Select Committee on Environment and Transport (HC 30, 1998/9; HC 352, 1998/9). As a result, the government asked the Health and Safety Commission to investigate. Its report was highly critical of Railtrack and advised transferring safety functions away from the company. The *Economist* (9.10.99), however, argued that while safety lapses could not blamed on privatisation itself, fault could be found with the complexity of privatisation including the 'mind-boggling' network of interactions between more than a hundred different firms. If so, this might have a bearing on the government's proposed partial privatisation of Air Traffic Control on which the Environment and Transport Select Committee had already expressed safety reservations (HC 122, 1998/9; HC 794, 1998/9).

An active participant in developments after Paddington was the rail regulator, Tom Winsor. He threatened both Railtrack and the train

operating companies with enforcement action if they were found to be in breach of licence conditions over the affair. He has also threatened Railtrack for underperformance on its investment commitments. The regulator is a key player in Mr Prescott's plans (Draft Railway Bill, July 1999) to devise a new regime for a privatised rail industry in which there is 'a massive gulf between the opulence of the rail companies and the misery of their passengers' (*Economist*, 3.7.99). With privatisation too expensive and difficult to reverse, the Deputy Prime Minister's reform proposes a rationalisation of regulatory roles, a tougher sanctions regime and greater prominence for rail users' views. The bill seeks to enshrine the powers of the Rail Regulator and a new Strategic Rail Authority in primary legislation. The latter, headed by former Eurotunnel chief executive Sir Alastair Morton, is to promote a strategic vision for the industry and assume the responsibility for the consumer protection role of the Rail Regulator.

These changes may be seen as part of a long-term intention by the government to reinforce the regulatory regimes in the privatised utilities. Primary legislation will be introduced to replace regulators (other than in the water industry) by full time executive regulatory boards and to strengthen regulatory enforcement (Cm. 3898, March 1998; and Parliamentary Written Answer by Mr John Battle, 27.7.99). In the meantime, it has merged the Electricity and Gas Regulators into the Office of Gas and Electricity Markets (OFGEM) and appointed a single regulator, Callum McCarthy. According to the draft legislation, he will be supported by a flexible framework designed to allow the regulator greater discretion to respond quickly to events while safeguarding the investment plans and interests of regulated businesses.[28] Mr McCarthy has already accused electricity generators of cheating customers by manipulating prices and stunned energy distributors with proposals that they should return some of their recent efficiency gains to consumers by cutting costs and reducing domestic electricity bills.

Elsewhere, the saga of the Post Office continues. Although, the Post Office has been financially successful, it has sought more freedom to invest so that it can compete in an increasingly competitive market. This conflicts with the Treasury's public borrowing regime. Thus, the issue for successive governments has been which of various forms of ownership and financing regimes will allow the Post Office to fulfil its national role. The Commons Trade and Industry Select Committee favoured more independence (HC 380, 1997/8) and elements in the Post Office's management have lobbied for full or partial privatisation.

Mr Mandelson, as Secretary for Trade and Industry, decided in December 1998 to keep the Post Office within the public sector, increase its borrowing powers and establish an independent regulatory regime to protect consumer interests, regulate prices and enforce competition. The Select Committee reported again (HC 113, 1998/9) with a useful catalogue of issues yet to be resolved: the degree of governmental

control over borrowing, the nature of the proposed regulatory regime and reductions in the Post Office monopoly. In the event, the White Paper (Cm. 4340) introduced by Mr Mandelson's successor, Stephen Byers (July 1999), sought to couple a greater liberalisation of the organisation with a phasing out of its monopoly right to deliver mail. The Post Office would be structured as a public limited company (plc) but remain in public ownership. It would be granted enhanced borrowing powers and allowed to retain more of its profits for investment purposes. *The Times* (8.7.99) described these proposals as a politically deliverable curate's egg. Certainly, the Post Office management was unhappy at the suggested erosion of the monopoly, but it would not be realistic to expect more commercial freedom without exposure to a range of competitive forces and regulation.

An opinion poll taken shortly after the Paddington rail crash indicated the public would like railway privatisation reversed. As we have observed, this is not financially feasible. It also offends the government's new commitment to public-private partnerships. However, the latter is supported by an intention to consolidate and toughen regulatory regimes. The community of regulators has endorsed this approach and announced that it will contribute by strengthening joint working. It will, for example, share information on the implementation of the 1998 Competition Act, the behaviour of the markets, price information and service delivery standards. The regulators intend that this closer and more transparent collaboration will equip them to meet the challenge of changing patterns of ownership and control and the crossing of sectoral boundaries.[29] The regulators thus appear to regard themselves as the champions of modernisation.

The National Health Service and social care: wrestling with wicked issues?

A survey of 60,000 people by the National Centre for Social Research reported in the autumn of 1999 that over 25% of patients waited more than four days for a GP appointment and 20% put off appointments as surgery hours were inconvenient. For Alan Milburn, who had only just succeeded Frank Dobson as Secretary for State for Health, 'this shows people want change in the NHS and they want it now'. Mr Milburn, a foremost moderniser, intends to respond.

The NHS internal market, a corner stone of the Conservatives NHS reforms, officially ended with the termination of General Practice fundholding in April 1999. In England (different arrangements are in place for Wales and Scotland), fundholders' commissioning powers were transferred to Health Authorities, supported by the advice of Primary Care Groups which came into being in April 1999. The long-term intention is for the latter to take over budgets with some becoming trusts in their own right and running community hospitals and district nursing services. In the government's eyes this will develop a health

system led by primary care. Primary Care Groups, however, are entirely new and challenging forms of agency, bringing together GPs, community nurses, social workers and lay representatives. Can such groups, so dominated by producers, collaborate and discharge effectively a commissioning role? The House of Commons Select Committee on Health advocated a careful monitoring and evaluation of the initiative's progress (HC 153, 1998/9) to find out.

For Mr Dobson, the winter of 1998–99 was one of discontent. The intractable problem of waiting lists escalated into a minor crisis as an influenza epidemic revealed staff shortages, especially in nursing and ancillary care. In an effort to address this, the government accepted the recommendations of the 1999 pay review bodies (Cm. 4240; Cm. 4241), awarding a third of qualified nursing staff and therapists an increase of over 8% and others 4.7%. Yet for the Commons Health Committee, staffing and pay remain intractable due to the diversity of NHS pay systems and groups. It suggested the amalgamation of the various pay review bodies, more integrated pay systems, more systematic personnel planning, and an immediate expansion in medical student and consultant recruitment (HC 38, 1998/9).

The strain on acute facilities is attributable to a neglect of health care amongst the general population. Smoking, for example, is a primary cause of chronic illness. A White Paper, *Smoking Kills* (Cm. 4177), set out priorities for action, including protecting young people and children, developing a smoking cessation programme and a combating passive smoking through a 'clean air' charter. Mr Dobson recognised that this would bring difficulties in dealing with the tobacco industry. The British Medical Association welcomed the initiative but warned against government timidity.

Addressing such problems as smoking means tackling health inequality. The government's later public health White Paper (Cm. 4386) recognised this in seeking to reduce deaths from heart disease, stroke, cancer, accidents and suicide. It sought to raise the profile of public health by establishing public health regional observatories and creating a new post of public health specialist with medical consultant status. It also attempted to address some of the problems of previous public health initiatives which, as Professor David Hunter pointed out (*Guardian*, 12.5.99), have often lacked focus, a clear strategy for implementation, a poor evidence base and ineffective performance management systems. Yet there remains the need to integrate the public health interests of health authorities and local government. In the White Paper this has been left to local rather than central initiative.

Such a preference for localism was also a feature of a proposal in December 1998 to reform the Patients Charter.[30] Greg Dyke, commissioned by the government to review progress (and incidentally appointed in 1999 as the British Broadcasting Corporation's new Director General), argued that while the old charter had succeeded in

raising consumer awareness, staff often found its demands irrelevant and patients had little faith in its sanctions. Mr Dyke's preference was for national guidelines coupled with local charters based on local priorities. Such a proposal raises the old dilemma of local discretion and national uniformity of standard.[31] While the government described local charters as 'a helpful starting point for debate', health pressure groups argued that they might reinforce unacceptable variations in health.

By coincidence, Mr Dyke's report was published on the same day as the last set of NHS league tables in their old form. In future, clinical indicators will be used to produce tables on effectiveness and quality of treatment. This change is linked to an initiative to enhance clinical governance through the National Centre for Clinical Excellence, formally established as a Special Health Authority on 1 April, and the Commission for Health Improvement. Thus the Department of Health published new sets of tables in June 1999 that included comparative data on hospital death rates after non-emergency surgery. Mr Dobson hailed them as a landmark in assisting public assessment of NHS performance and the quality of clinical care. However, it was also recognised that the quality of the data was variable and people were warned against reading too much into the differences.[32]

The medical profession, perhaps now warming to its role as a force for conservatism, reacted cautiously to many of these initiatives. Various groups argued that while the new league tables were an improvement on previous measures, they could not be used to assess definitively the quality of care. Health telephone advice lines (NHS Direct) and walk-in clinics for patients were also criticised at BMA meetings for threatening the doctor-patient relationship and removing the gatekeeper role of general practitioners. Such reactions led ministers to accuse the medical profession of seeking to sabotage the modernisation agenda. Perhaps as a counter to this, a National Health Network (similar to the Local Government Network) was launched 'to promote NHS modernisation by stimulating an environment of innovation and change'. Comprising NHS administrators, academics and others, this group seeks to encourage debate on a way forward for the service (*Guardian*, 28.4.99).

Underlying these attempts to reform health care is the constant problem of managing and satisfying demand in areas as wide-ranging as the provision of increasingly sophisticated drugs and care for the elderly. The latter was subject to a Royal Commission (the Sutherland Commission) (Cm. 4192) which advocated the provision of nursing and personal care without means testing the beneficiaries. This was unceremoniously sidelined by Mr Dobson in spite of a warning from the Commons Health Committee that failure to act would be a serious dereliction of duty (HC 318, 1998/9). However, it is these wicked issues that continue to plague the service in a system where, as Klein has argued, a greater transparency in assessment and performance measure-

ment may expose ministers more than professionals to censure if the service fails to deliver.[33]

Conclusion: forces of conservatism or mid-term frustration?

In July 1999, just before the summer reshuffle, the Prime Minister presented his government's second Annual Report (Cm. 4401). The contents had been leaked when Tesco (selected by the government to distribute the report) inadvertently put it on sale a day in advance. Undismayed, Mr Blair claimed that the government had delivered on 90 of its 177 election pledges with 85 on course for action. It had made a good start. At the same time, we observed at the beginning of this article that the Prime Minister had stridently attacked the forces of conservatism. So, what is he complaining about? What are these forces and what gives rise to them?

Undoubtedly, the government sees itself as a reconstructionist government, much in the style of the Liberals in 1905, Labour in 1945 and Conservatives in 1979. There are, it appears, three strands to its modernisation programme: (1) the constitution (e.g. devolution, House of Lords, electoral participation and possibly Europe); (2) policy management (e.g. the machinery of government and the processes of joined up policy-making); and (3) service delivery and effectiveness (e.g. outcome achievement). This makes its agenda rather more similar to that of 1905 than either 1945 or 1979. The last two governments saw modernisation in essentially economic and social terms (and thus took on a rather less severe challenge), while the Liberals of 1905 and Labour of 1997 share the additional challenge of constitutional reform which can in itself require the lion's share of a government's political and intellectual capital.

This suggests that the government has taken on rather a large portfolio of change. How is it faring? Several commentators have noted difficulties in key areas such as health and transport. The *Economist* (31.7.99) also questioned the Prime Minister's claim to be a radical reformer (other than in terms of constitutional change) and, with the aid of various academic experts, commissioned its own assessment. It gave the government reasonable marks in areas such as education and the economy but questioned the extent of achievements in welfare and health.

This turned out to be only a provisional assessment, for in a later article (21.8.99) the same journal argued that Mr Blair was indeed 'reinventing' the centre of British government by disempowering departments (and ministers) and strengthening the coordination and control at the centre, i.e. No. 10, the Cabinet Office and the Treasury, with the supporting mechanisms of media management. Enabled by the sorts of changes in central strategic capacity advocated by Sir Christopher Foster (see above), the government is gaining its effect. Intriguingly, this is a rather similar time span to that required for the first Thatcher administration to make a difference.

Labour's modernisation shares with the Conservatives of 1979 the way its reconstruction is seen by a large and established public service community as a threat to standards of provision as well as its own position. However, there are at least two reasons for suggesting that the forces involved with change are more complex than implied by the argument of self-interest. First, there is some evidence that political competition makes for administrative innovation. In large parts of local government, competition is limited by one-party systems and in much of the rest of the public sector electoral elements have been removed entirely by the fiats of previous administrations. Thus, in much of our system of government, much criticised for its adversarial properties, there may be too little structured competition.

Second, the most important resource in political and administrative change is people. We were struck by one headmaster (of a 'beacon school') who, in partial defence of his colleagues throughout public service, asked who had actually made many of the often poorly thought-through schemes work? His response, of course, was 'teachers, doctors, nurses; certainly not ministers'. While there are undoubtedly some in public service who regard their positions as licences to inertia, most carry a sense of stewardship of ideals and standards. Changing these frames of reference has generational tendencies. We recall the irony of Mrs Thatcher's reforms being delivered in the mid-1980s by cadres of Assistant Secretaries brought into the civil service of Prime Minister Edward Heath's managerialism. There they gained the inclination and the tools, but it was Mrs Thatcher who provided the opportunity to use them.

Thus, we doubt that the forces of conservatism are disproportionate to Labour's agenda. No doubt, the government came to power with a timetable which required it to establish its style with the instruments of government within the first 18 months (November 1998), deliver tangible benefits to the electorate over the next 24 months (November 2000), and then consolidate in time for a general election in June or October 2001. A likely explanation for the sensitivity to the forces of conservatism is thus the realisation that Labour is now in the second half of that delivery period. Frustration comes with this territory. Moreover, big projects are dangerous. They threaten differentiated interests and invite strange coalitions of disaffection. Administrative politics are alive and well in a government's mid-term.

1   P. Gould, *The Unfinished Revolution*, Little Brown 1998; and 'New Labour is the most radical option in town', *Guardian*, 24.8.99; C. Leadbeater, *Living on Thin Air: The New Economy*, Viking, 1999.
2   John Prescott, Speech to Local Government Association, Harrogate, July 1999.
3   C. Foster, *The End of Cabinet Government*, Public Management and Policy Association, January 1999; see also *The State Under Stress* (with F. Plowden), Open University Press, 1996, and 'Ministerial Overload and Effective Government', *Parliamentary Affairs*, April 1999.
4   Such claims are made in P. Routledge, *Mandy*, Simon & Schuster, 1999.
5   This is discussed in A.G. Gray and W.I. Jenkins, 'British Government and Administration and

Administration 1997–98: Modernisation and Democratisation', *Parliamentary Affairs*, April 1999; also see M. Burch and I. Holliday, 'The Prime Minister's and Cabinet Office: An Executive Office in All But Name', *Parliamentary Affairs*, January 1999.

6   See, for example, Performance and Innovation Unit, *e.commerce@its.best.uk* (report on electronic commerce), Cabinet Office, September 1999; Cm. 4045, *Bringing Britain Together: A National Strategy for Neighbourhood Renewal*, Cabinet Office Social Exclusion Unit, September 1998; Cm. 4342, *Teenage Pregnancy*, Cabinet Office Social Exclusion Unit June 1999; Cm. 4405, *Bridging the Gap: New Opportunities for 16–18 Year Olds*, Cabinet Office Social Exclusion Unit, July 1999.

7   See *Modernising Government: Action Plan*, Cabinet Office, July 1999; *Professional Policy Making for the Twenty-First Century*, Strategic Policy-Making Team, Cabinet Office, September 1999.

8   C.F. Smith and P. Gray, 'The Scottish Parliament (Re-)Shaping Parliamentary Democracy in the Information Age', *Parliamentary Affairs*, July 1999.

9   J. Mitchell, 'Creation of a Scottish Parliament', *Parliamentary Affairs*, October 1999; D. Denver, 'The Scottish Parliamentary Elections', *Politics Review*, 9(1), 1999.

10   L. McAllester, 'The Road to Cardiff Bay: The Process of Electing a National Assembly for Wales', *Parliamentary Affairs*, October 1999.

11   D. Wilson, 'The Limits of Public Participation', *Parliamentary Affairs*, April 1999; 'Threats and Promises: New Labour and Local Government', *Politics Review*, 8(4), 1999; S. Leach, 'Introducing Cabinets into British Local Government', *Parliamentary Affairs*, January 1998; L. Pratchett, 'New Fashions in Public Participation: Towards Greater Democracy', *Parliamentary Affairs*, 52(4), October 1999

12   C. Rallings and M. Thrasher, 'Election Report: The 1999 Local Elections', *Politics Review*, 9(1), 1999; 'An Audit of Local Democracy in Britain: Evidence from Local Elections', *Parliamentary Affairs*, 52(1), January 1999

13   Royal Commission on the Reform of the House of Lords, *Reform of the House of Lords: A Consultation Paper*, 1999; see also P. Lynch, 'Reform of the House of Lords', *Politics Review*, 9(1), 1999.

14   Lord Ivor Richard, *Unfinished Business*, Vintage, 1999.

15   See also D. Agnew, 'Electoral reform in the United Kingdom', *Politics Review*, 8(4), 1999.

16   J. Fisher, 'The Future of British Political Finance', *Politics Review*, 8(4), 1999.

17   G. Powell, *Representatives of the People: the Constituency Role of MPs*, Fabian Society, 1998.

18   Hansard Society, *Electronic Media, Parliament and the People*, 1999; J. Snow, 'Is this still the best we can do?', *Guardian*, 19.7.99.

19   Also considered earlier by the Foreign Affairs Committee itself (HC 293, 1998/9; HC 365, 1998/9).

20   An additional set was announced in Cm. 4315.

21   D. Gaffney et al, 'NHS Capital Expenditure and the PFI', *British Medical Journal*, 3.7.99.

22   The Association also heard in 1999 from Faith Boardman of the Child Support Agency and Sir Richard Mottram of the Department of Environment, Transport and Regions.

23   'Modernising Government: Message to All Civil Servants', Cabinet Office, 4.10.99; see also Sir Richard Wilson, 'The Civil Service in the New Millennium', Cabinet Office, May 1999.

24   *Modernising Government: Action Plan*, Cabinet Office, July 1999.

25   N. McKintosh, 'The new poor: an information underclass is developing', *Guardian*, 22.7.99.

26   R. Chapman, 'The Importance of *Modernising Government*', *Teaching Public Administration*, Spring 1999; see also N. Flynn, 'Modernising British Government', *Parliamentary Affairs*, October 1999.

27   Advisory Group on 'Openness in the Public Sector: Minutes and Papers', Home Office, 1999.

28   *A Fair Deal for Consumers: Modernising the Framework for Utility Regulation*, The Future of Gas and Electricity Regulation, The Government's Proposals for Legislation, Department of Trade and Industry, October 1999.

29   Statement by OFTEL, OFGEM, OFWAT, ORR and OFFER on Joint Working, Office of Telecommunications, October 1999.

30   G. Dyke, *The New NHS Charter: A Different Approach*, Department of Health, December 1998.

31   Also discussed in relation to central-local relations in A.G. Gray and W.I Jenkins, 'Democratic Renewal: Continuity and Change', *Local Government Studies*, 25/3, 1999.

32   *Quality and Performance in the NHS: High Level Performance Indicators and Clinical Indicators*, NHS Executive, Department of Health, June 1999.

33   R. Klein, 'Has the NHS a Future?' in *Healthcare UK 1999–2000*, Kings Fund, 1999.