

UK Government Blunders

I often refer, in my websites and other publications, to the frequent 'blunders' of the UK Government. This document provides the detail and background which underlies those references.

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But where to start? Well, a very good place would be Anthony King's and Ivor Crewe's *The Blunders of our Governments* whose subject is

"the numerous blunders that have been committed by British governments of all parties in recent decades... [British governments] screw up more often than most people seem to realise... Governments of all parties appear equally blunder-prone... in spite of government's incessant blundering, the United Kingdom is in many ways a well-governed country. [The majority of] our political leaders... are genuinely concerned with both the British people's welfare and the country's long term future... Compared with the political elites of some countries... most British politicians and civil servants are models of both rectitude and public-spiritedness... these very qualities make the frequency with which they commit blunders the more surprising and disappointing."

The book goes on to analyse the causes of a wide range of blunders, including:

- the poll tax,
- personal pensions mis-selling,
- the Child Support Agency,
- the UK's exit from the ERM,
- The Millennium Dome,
- Individual Learning Accounts,
- Tax Credits,
- the Assets Recovery Agency,
- the farmers' Single Payment Scheme,
- various IT projects,
- the London Underground public-private partnership, and
- identity cards.

It divides the causes into two main groups – human errors and system failures – but does not specifically criticise civil servants. According to its index, 'civil servants' and 'officials' are mentioned on only five pages of a 400+ page book.

One theme seems to be a failure to learn from previous failures - or even reconsider policies when they are going badly wrong. The 2013 Universal Credit 'policy reset', for instance, concentrated on the IT/back office functions and should have taken much more notice of what front line staff and recipients were saying. The sad truth is that neither Ministers nor officials are incentivised to identify and resolve problems as policies are being rolled out,

because they will then be associated with what will be characterised as a mistake or a failure. Similarly, they will later not acknowledge that a failure has happened, for fear of suffering political or career damage. This clearly inhibits learning.

Before I had read the book, I had prepared my own list of relatively recent failures of recent governments. But I too, despite my interest in the subject, found it impossible to identify the proportions of blame to be attributed to Ministers, on the one hand, and officials, on the other. This is of course the heart of the problem. No-one knows whether the blunders and failures were at least partially the result of poor advice from officials, or the result of Ministers not accepting good advice. It is surely unacceptable that this analysis cannot be carried out, and lessons learned from this analysis. But that is, we are told, the result of the system that we put in place nearly 100 years ago.

Anyway, here is my list, supplemented by some more recent examples:

Badly Prepared Policy Decisions

It was impossible to tell, from the outside, what exactly went wrong, but the last months of the Labour administration and the early months of the new Coalition Government, elected in 2010, were marked by a number of policy reversals and/or unsatisfactory decisions. In no particular order:

- The Government announced a major reorganisation of the National Health Service despite having promised, before the election, not to do so. The plans subsequently had to be watered down.
- An MoD pre-election decision to build two new aircraft carriers, despite the money not being available to pay for them. It was far from clear how the MoD's Accounting Officer could have justified the expenditure without requiring Ministers to direct him to spend the money. But Prime Minister David Cameron subsequently refused to let officials show the relevant (pre-election) policy papers to the National Audit Office. The eventual cost of the two carriers was estimated in 2011 to be £6.2bn.
- The incoming coalition government subsequently decided to proceed with the construction of the ships but not to equip them with aircraft for some years!
- A major fire control project was abandoned by the Labour government at a cost of £469m
- A proposal to increase the 'discount' for pleading guilty in serious criminal cases (from 40% to 50%) was abandoned following media criticism.
- A proposal to privatise the country's state-owned forests was abandoned following criticism.
- Both Ministers and senior officials argued that significant (c.30%) and rapid reductions in administration costs could and should be achieved via 'efficiency savings' without significantly reducing the range or effectiveness of departmental activities.
- On the other hand, the so-called 'efficiency savings' resulting from a significant reduction in the number of 'arms length bodies' (aka quangos) were in due course shown to be mainly due to reductions in outputs.

- A high profile leaflet 'Working Together for a Stronger NHS' contained numerous misleading, out-of-date or incorrect figures.
- A Department for Communities press release claimed that a possible 20% saving in local authorities' mobile telephone bills was evidence that 20% of the authorities' £50bn procurement spend could be saved by seeking better value.
- The incoming Prime Minister's announcement of The Big Society lacked clarity, including clarity of purpose. One official said that it was "like publicising a new car badge without first designing the car". (This did of course follow similarly empty announcements made by previous governments, including Citizens Juries.)
- It was difficult to understand the real reasons for the apparent failure of successive governments properly to equip our armed forces in Afghanistan. Was this another example of a failure to resolve the underlying tension between Ministers' wish to provide all possible support for our troops and Ministers' equally strong desire to save money?
- Successive administrations have wasted "obscene" amounts of money on government information technology, according to the Commons Public Accounts Committee reporting in July 2011. The MPs said that "Over-reliance on a few large contractors and poor public sector purchasing and management skills has produced a recipe for rip-offs".

And then ...

It became clear, in early 2012, that a number of departments had arranged to pay certain senior individuals via the individuals' own limited companies. These individuals were not, strictly speaking, senior civil servants as they had not gone through the normal recruitment process, but they worked alongside and were pretty much treated as though they were civil servants. The main motivations behind these devices were (a) to enable the departments to pay the market rate for the job - not the constrained pay of the senior civil service, (b) to enable the individual to avoid income tax and national insurance contributions, and (c) to enable the departments to enter into fixed term contracts with their staff, thus avoiding the danger of unfair dismissal claims if/when the appointments came to an end. Needless to say, there was considerable criticism of departments willingness to enter into artificial arrangements so as to avoid the government's own pay restraint, tax and employment law legislation.

Reporting in December 2012, the Public Accounts Committee found that "Interpretation services are vital for ensuring fair access to justice. Yet when the Ministry of Justice set out to establish a new centralised system for supplying interpreters to the justice system, almost everything that could go wrong did go wrong. The Ministry awarded the contract to a company, ALS, that was clearly incapable of delivering. The Ministry had been warned that ALS was too small to shoulder a contract worth more than £1 million, but went ahead and handed them an annual £42 million contract covering the whole country. The Ministry did not understand its own basic requirements, such as how many interpreters it needed or in what languages.

And it ignored the views of interpreters, who were clear that they had serious concerns about the contract and were adamant that they would not work for ALS. Capita took over

ALS in late 2011. They had no hope of recruiting enough qualified interpreters in time to start the service. The Ministry needed access to 1,200 interpreters when the contract went live; the company had only 280 properly assessed interpreters willing to work for it. Matters became even worse when the Ministry decided that the new service would go live nationally in one go. Many of the 'interpreters' it thought were available had simply registered an interest on the company's website and had been subject to no official checks that they had the required skills and experience. Indeed, we heard that some names were fictitious and one person had even successfully registered their pet dog. As a result, the company was able to meet only 58% of bookings against a target of 98%. The result was total chaos. Court officials have had to scramble to find qualified interpreters at short notice; there has been a sharp rise in delayed, postponed and abandoned trials; individuals have been kept on remand solely because no interpreter was available; and the quality of interpreters has at times been appalling. Despite this, the Ministry has only penalized the supplier a risible £2,200. This is an object-lesson in how not to contract out a public service."

Further Foul-Ups in 2012 and 2013

Things continued to go badly wrong even after the Coalition Government had settled into power. Highlights reported elsewhere on this website were [the failure of the West Coast Main Line franchising process](#) and [serious problems with the Universal Credit program](#).

Managing The Government's Program: I suspect that Professor Anthony King, writing in the Financial Times in April 2012, offered a pretty accurate analysis of the failure of No.10 to manage the Government's program:-

'Part of the problem is the sheer velocity with which most ministers evidently feel compelled to act. With the prime minister either urging them on – or, more probably, not restraining them – they advance rapidly and simultaneously on all fronts: NHS reform, local government reform, law reform, school reform, planning reform, welfare reform, the list goes on. The spectacle resembles a 19th-century cavalry charge, with some horsemen and their mounts inevitably cut down.'

The contrast between Mr Cameron and Margaret Thatcher could hardly be more striking. He is hell bent for leather and makes a speech almost every day as though to ram home the point. Mrs Thatcher was at least as radical a prime minister but far more focused and cautious. She had a clear sense of direction but travelled only slowly during the most successful phases of her premiership. Following her first electoral triumph in 1979, she was in office for fully three years before launching her most ambitious projects: trade union reform and privatisation. It was not until 1982 that she abandoned her step-by-step approach towards reforming the unions and encouraged Norman Tebbit (who needed little encouragement) to radically overhaul trade-union law. It was not until 1984, well into her second term, that her government began to undertake the wholesale privatisation of state-owned industries, starting with British Telecom. She looked before she leapt, until, to her cost, she lost the habit.'

Managing Contracting Out

The Institute for Government (IfG) made a similar point in its July 2013 report '*Making Public Service Markets Work*'. The IfG drew an implicit contrast between Mrs Thatcher's second term (i.e. not rushed) carefully prepared privatisation program, and the much less carefully planned introduction of public service markets by both the Blair/Brown and Cameron administrations.

Put another way, the wholesale introduction of contracting out/public service markets was a major change program which needed to be managed accordingly, led by a clear change manager who would ensure that all the implications were addressed. Because this did not happen, the IfG were able to draw attention to these problems:

- "failure to understand the nature of the services being provided: services have inherent properties which make it easier or harder to use market mechanisms to drive service improvement. We found a lack of systematic thinking about these inherent difficulties, which in turn contributed to insufficient or inappropriate corrective action on the part of government departments.
- uncertainty about whose job it is to perform essential market oversight functions: we repeatedly found that it was unclear who was responsible for addressing the problems we found – which may explain why they have persisted for so long. Where they had been assigned, responsibilities often rested at the wrong geographic level or in organisations that lacked the impartiality that was necessary to perform the function appropriately.
- low capability in central and local commissioning bodies: government is still developing its capacity to design and steward systems that rely on independent service providers. As the Institute argued in its System Stewardship report, the shift towards decentralised delivery models necessitates a much more open and iterative engagement between providers of public services (public, private and voluntary sector) and those setting policy or 'rules'. We found, however, that government has yet to think systematically about how its role and ways of working must adapt.

We found that departments and agencies:

- tend not to adequately stress-test shifts in approach o lack adequate methods of ensuring proposals are informed by business understanding
- did not sufficiently value the types of flexibility that could help the system adapt to unpredictable developments
- fail to demand sufficient transparency of either themselves or independent service providers (public, voluntary or private)
- focus excessively on reducing upfront costs, to the detriment of quality, diversity and levels of competition"

Underpinning these difficulties were well-documented weaknesses in commercial skills and departmental structures and processes that were not always up to the job.

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This all sounds depressingly similar to the same administrations' failure properly to manage their wider Civil Service Reform programs. As ever, however, it hard to tell how much of the blame should be attributed to officials and how much to their impatient political masters.

Or Failing to ?

Sir Gus O'Donnell avoided confrontation in 2010 when he heard that David Cameron intended to bring ex-News of the World editor Andy Coulson into No.10 to be head of his communications team. Sue Cameron, writing in the Financial Times, reported that "*Whitehall's finest have their heads well down as accusations fly over phone-hacking and the role of former newspaper editor and now Prime Minister's Press Secretary Andy Coulson. Did officials have misgivings about him moving to Downing Street? You bet! Did they tell new Prime Minister David Cameron? No! "You'd have to be suicidal to tell a new Prime Minister that the man he's worked with for three years is trouble."*" Eventually, of course, Mr Cameron's decision, and officials' failure to challenge it, helped cause significant political damage to the Prime Minister.

The Murdoch connection caused plenty of other damage of course, including to Culture Secretary Jeremy Hunt whose Special Adviser, Adam Smith, was allowed to develop inappropriate links with the Murdoch empire whilst Mr Hunt was supposed to be acting in a quasi judicial capacity as he considered whether to allow News Corporation to acquire a majority stake in BSkyB. One was again forced to wonder why his department's Permanent Secretary, Jonathan Stephens, had allowed this 'back channel' to open up. Bernard Jenkin MP, Chair of the Public Administration Select Committee, said on The World This Weekend on 26 April 2012 that "*There seems to be a reluctance amongst senior civil servants/Permanent Secretaries to confront their Ministers with how things should be done properly."*"

Incidentally, previous Prime Minister Gordon Brown claimed that his pre-election determination to hold an inquiry into phone hacking had been blocked by Cabinet Secretary Sir Gus O'Donnell. A clearly peeved Sir Gus then caused his advice to be published, making it clear, to quote the Cabinet Secretary that "I gave advice based on the evidence that was available at the time. It was for the Prime Minister to decide what to do."

[Follow this link to access a longer and deeper discussion of the issues around speaking truth to power.](#)

The 2012 Olympics

The UK's bid for the Olympics assumed a public sector funding package of £2.4 billion. Did anyone seriously think that this figure was even broadly in the right area, given that all Olympics since Montreal 1976 have spent an average of four times their original estimate? And London 2012 eventually cost the public purse around £6 billion more than the original estimate, not including taxes which were not included in the original bid, and which find their way back to the government.

What was senior officials' role in publicising the original estimate? Were they sensibly bending with the political and public wind? Or were they grossly negligent?

Much the same concerns arise in the case of other publicly funded major projects, by the way. They all seem to be approved on the basis of traffic forecasts, cost predictions etc. which are over optimistic. Perhaps the classic case was the Humber Bridge which opened with considerably more debt than expected (£151 million in 1981) a figure which grew to £439 million by 1992.

The UK Border Agency

There were problems at the Border Agency when the agency's managers sought simultaneously (a) to manage the scrutiny of ever-increasing numbers of travellers and (b) to cut staff by relaxing border controls in ways which were not approved by Ministers. John Vine, the agency's Independent Chief Inspector, reported in February 2012 report and said that "Overall, I found poor communication, poor managerial oversight and a lack of clarity about roles and responsibilities. There was no single framework setting out all potential border security checks, which of these could be suspended, in what circumstances and the level of authority required at Agency or Ministerial level to do so. There is a fundamental question of how free the Agency should be to decide its own operational priorities. These are important issues that need to be considered in order to define and agree the boundaries between the Home Office and the Agency."

Reading between the lines of the Vine Report, one of the underlying causes of the problems at the Border Agency in 2011 was that officials were struggling to cope with increased traveller numbers having agreed to reduce staffing numbers. Here are some extracts from the report.

'... the Agency's strategy for future border security [included] "greater risk-based decision making by frontline officers, in order to focus more effectively on those who present the greatest harm and threat to the UK". ..., the former Head of Border Force set out three types of checks "which are currently applied routinely to low risk passenger groups". ... The former Head of Border Force set out his view that undertaking these checks on every occasion was "wasteful, time consuming and for the Officer de-skilling". The submission proposed that all three checks should be applied using a targeted, risk-based approach, which would allow: · staff to focus on higher harm cases; · the Agency to proceed with further staff reductions in line with spending review commitments; and · for potential improvements in passenger clearance times.

... the Immigration Minister [said that] the Agency was planning to handle the challenges of balancing rising passenger volumes at airports while maintaining a secure border. The Immigration Minister then added: "We are introducing a more risk-based process to our checking of people at the border which will allow for more effective deployment of staff and a sharper focus on those people who intend harm to the UK.

... the Home Secretary requested further information, including details about the function and use of biometric chips, and information about what was done at Heathrow in 2010 to

ease pressures. This further information was submitted by the former Head of Border Force on 15 July 2011, who stated that he had chosen to focus on Heathrow because it represented the greatest risk, from both passenger volumes and reputational risk to the Agency. The former Head of Border Force set out that the Agency had only just managed to contain the queues at Heathrow in 2010, and that since then:

- “passenger traffic at Heathrow had increased by 9.1% - this is a dramatic rise and clearly has an impact;
- staff numbers have been reduced by 150 (8%) in line with our cost reduction requirement;
- a number of carriers are moving terminals and the match of the arrival halls to the passenger typology is not ideal

In another region, the ... pilot was actively promoted by managers in order to ensure that they could evidence its effectiveness. We encountered the phrase “use it or lose it” in a number of instructions to staff, particularly at ports where there was no need to suspend the full range of border security measures ...’

The Home Secretary subsequently took the view that the Head of the Border Force had acted without authority and taken excessive risks, leading to his dismissal. Whatever the truth of the matter (and there had clearly been serious management failings and failings of communication) it does seem clear that the agency’s management were struggling to cope with the increased passenger traffic with much reduced resources. Would they have agreed to do so if they felt they might be held to account for the result? And would it be a good thing if officials were able to reject what they regard as unreasonable instructions?