

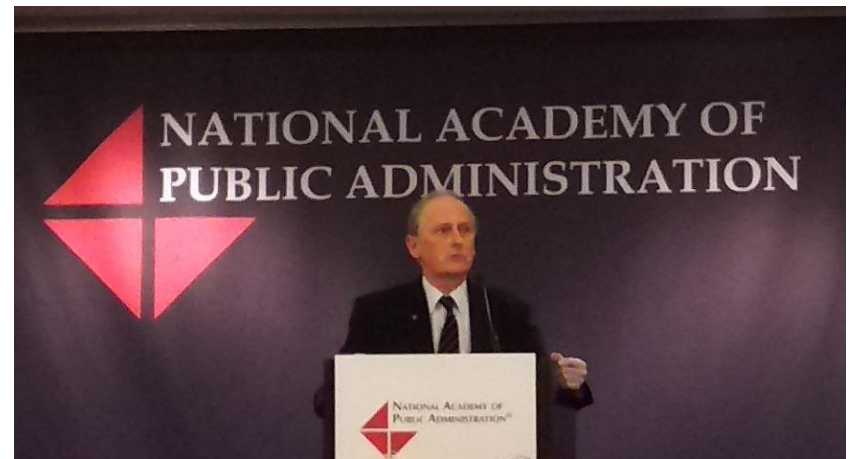
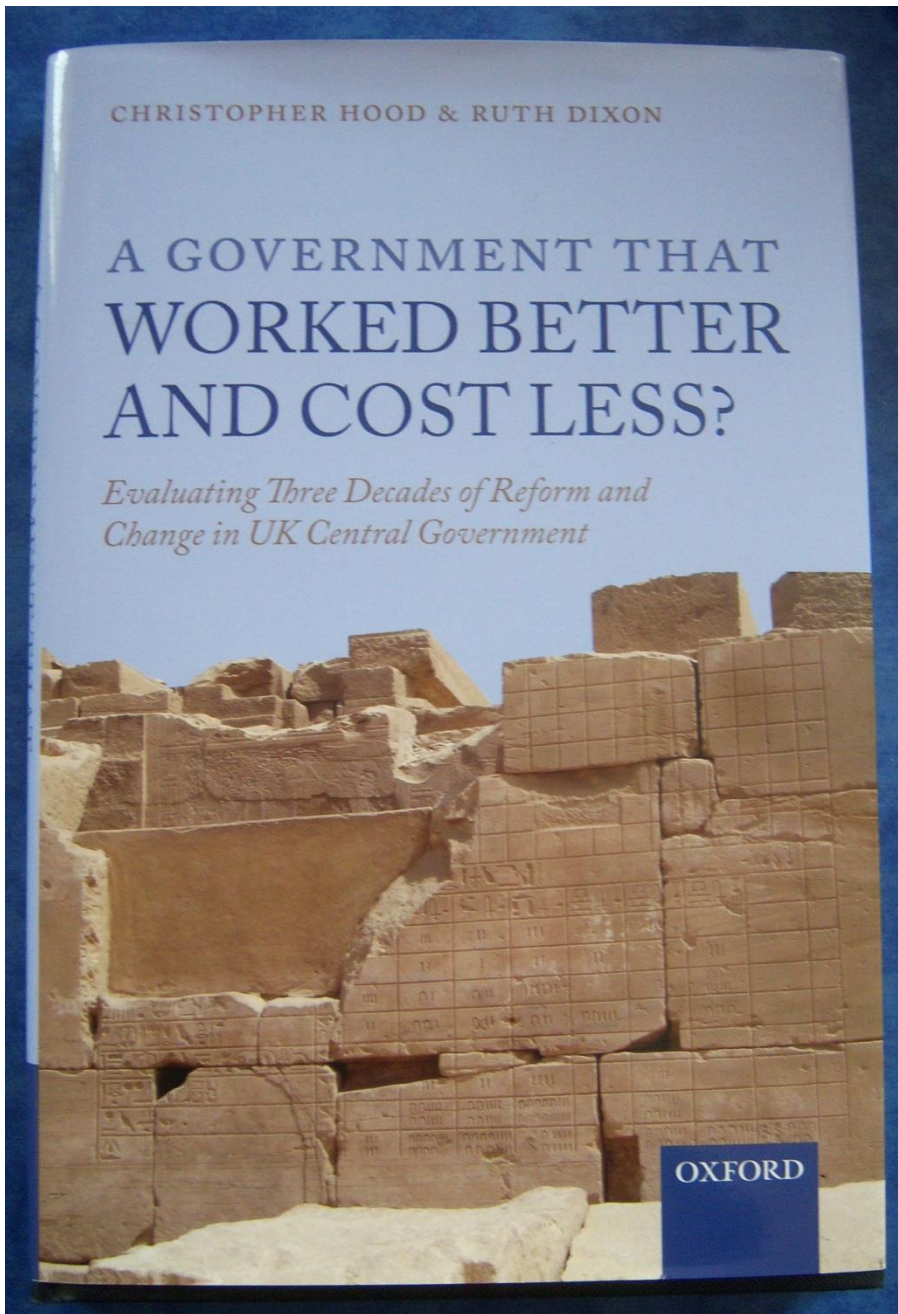
# **‘Reflections on “A Government that Worked Better and Cost Less”’**

**Christopher Hood**

**Visiting Professor, Blavatnik School of Government,  
University of Oxford, UK**

**[www.christopherhood.net/](http://www.christopherhood.net/)**

26 April 2017

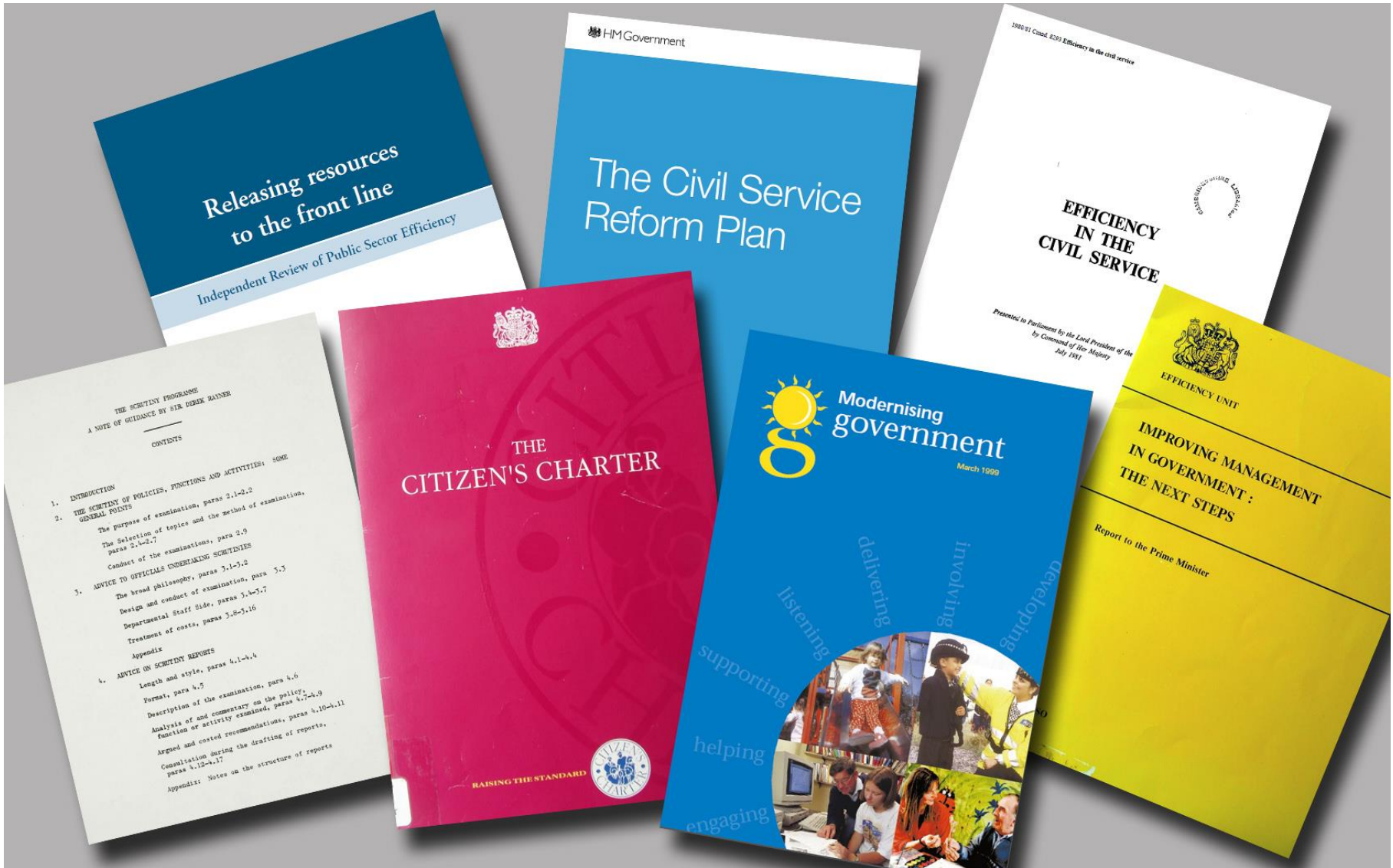


NAPA Brownlow prize 2015



PSA Mackenzie prize 2016

# 30 Years of UK Government Reforms



	'Progressive-era Public Administration'	'New Public Management'
Public sector Distinctiveness vs similarity	<p>Uniform/inclusive public service</p> <p>Loosely defined provision</p> <p>Public sector ethos/career</p> <p>Policy etc skills</p>	<p>Unbundled public service</p> <p>Contracts/ marketization</p> <p>'Private sector' style</p> <p>Hands-on management</p>
Rules vs Discretion	<p>Implicit/qualitative performance standards</p> <p>Process controls</p>	<p>Explicit performance standards</p> <p>Output/ outcome controls</p>

Source: Martin Lodge and Derek Gill 'Toward a New Era of Administrative Reform?' *Governance* 24 2011, p.144

# Two Aspects of 'Good Administration'

- Fair, careful, consistent, honest framing & handling of rules & cases

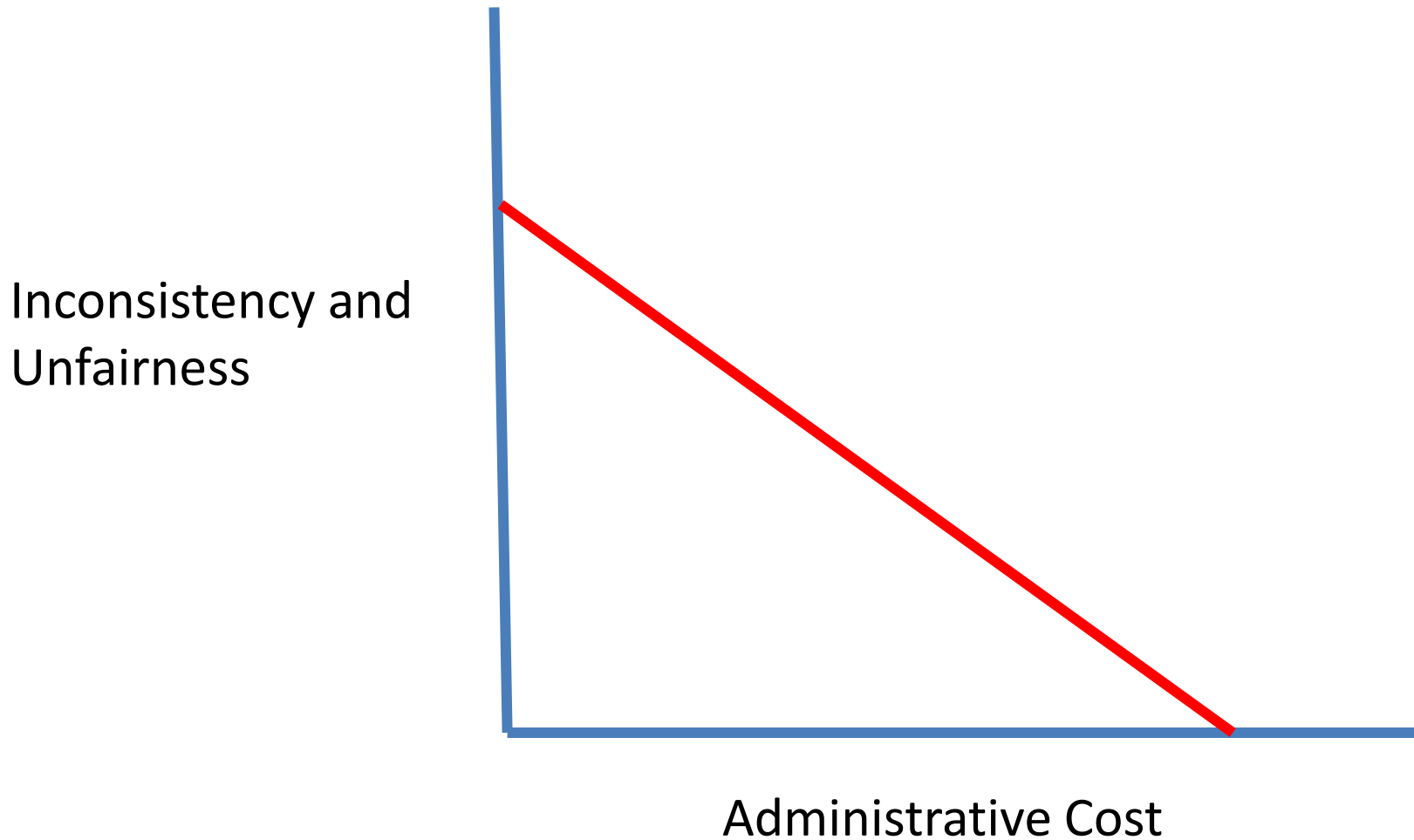
Example: 'Laws should not be anything but uniform and steadfast.' (Han Fei Tzu.)

- High-impact, low-cost government through cost-cutting management

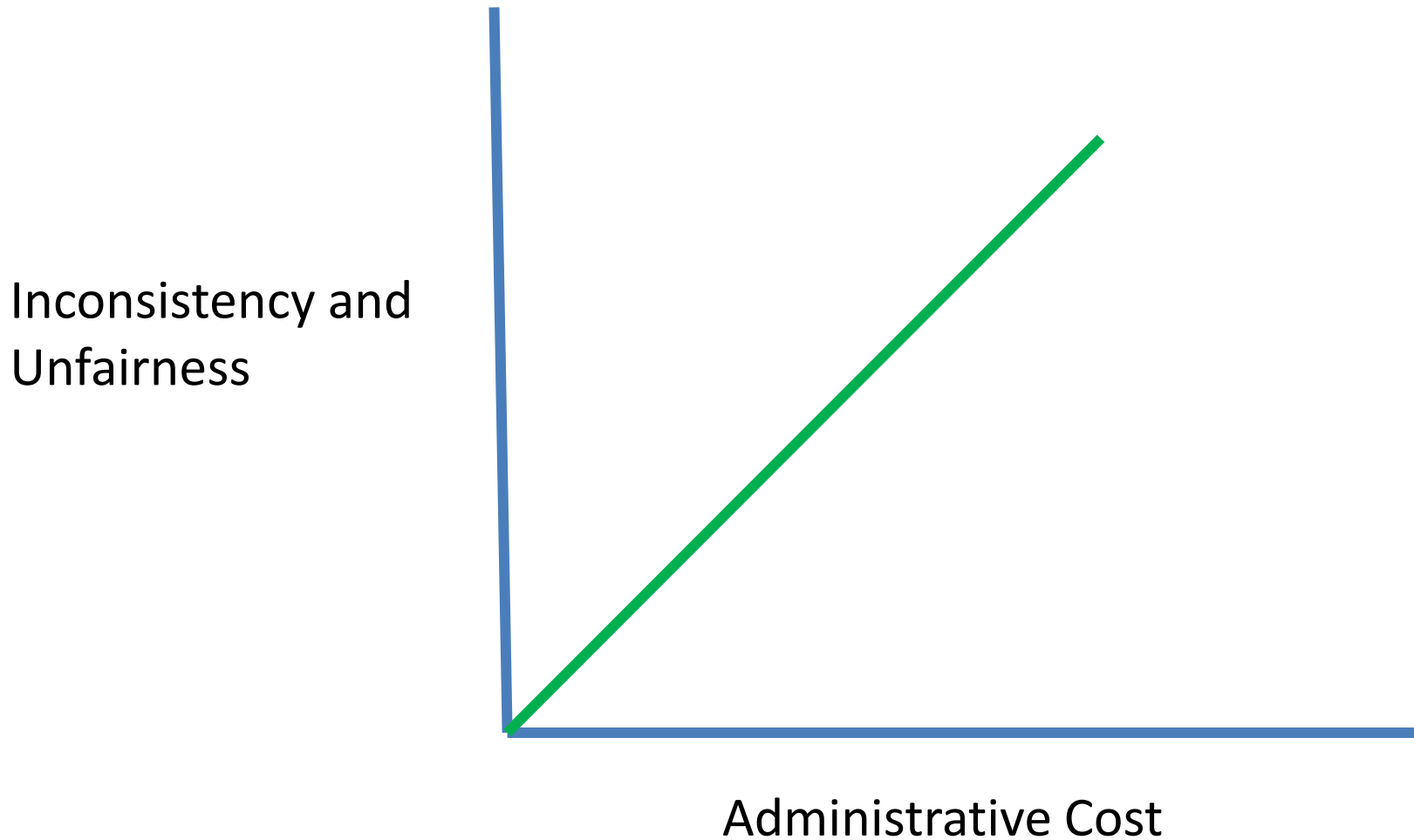
Example: 'Thrift should be the guiding principle in our government expenditure.' (Mao Tse-tung.)

What is or should be the relationship between these two values? Can you have both at once?

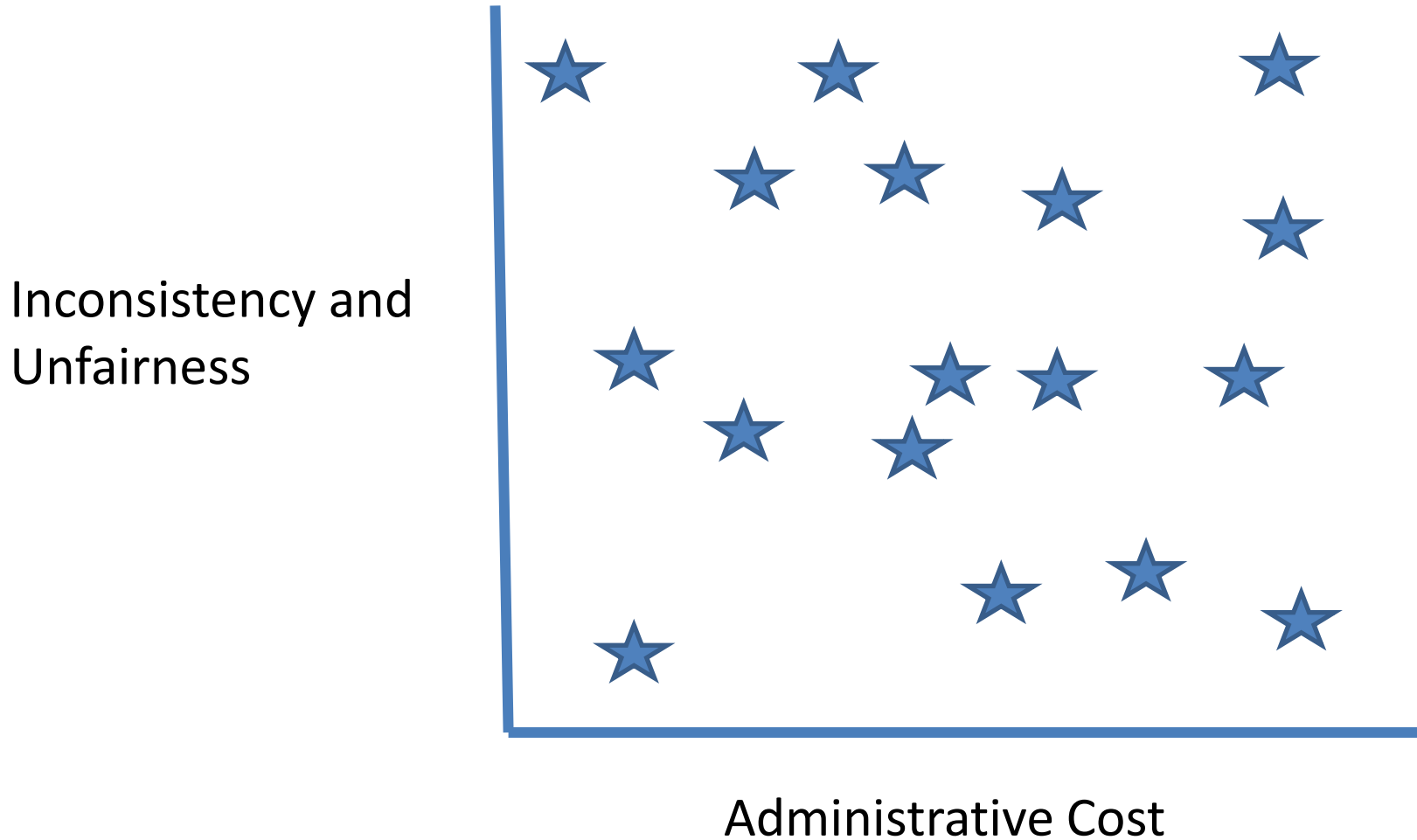
# Administrative Cost and Fairness/Consistency: The 'No Free Lunch' View



# Administrative Cost and Fairness/Consistency: The 'Having it All' View



# Administrative Cost and Fairness/Consistency: The 'No Systematic Relationship' View





# What We Found: Did UK Government End up Working Better and Costing Less between 1980 and 2010?

## WORKED BETTER?

**Change in incidence of claims about inequity, unfairness, inconsistency, etc.**

**Change in the 'success' rate (or strictly survival rate) of those claims**

**Complaints to ombudsmen**

Grew sharply despite efforts to develop other channels

Formal survival rate fell but numbers of survivals grew

**Judicial review**

General JR applications doubled 1980s/1990s, immigration cases grew throughout the period

Formal survival rate fell but numbers of survivals grew

## COST LESS?

**Change in absolute (constant-price) costs**

**Change in relative costs**

**Central government administration costs**

Grew markedly over the period as a whole

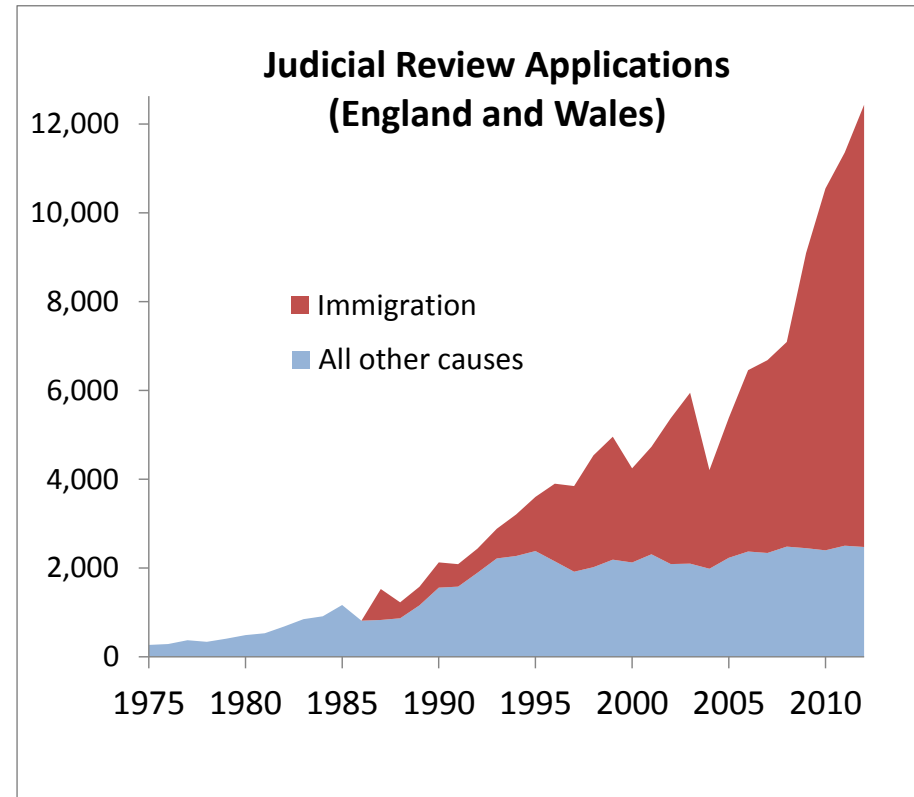
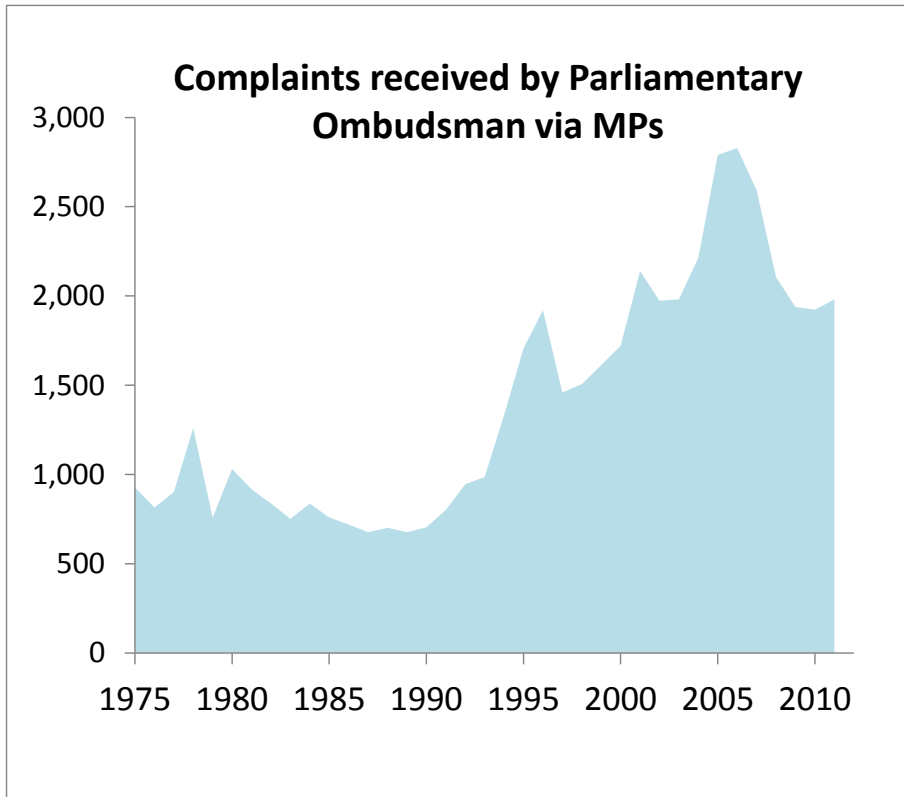
Decreased relative to TME, as TME doubled over the period

**Civil service staff costs**

Cost about the same, with fluctuations

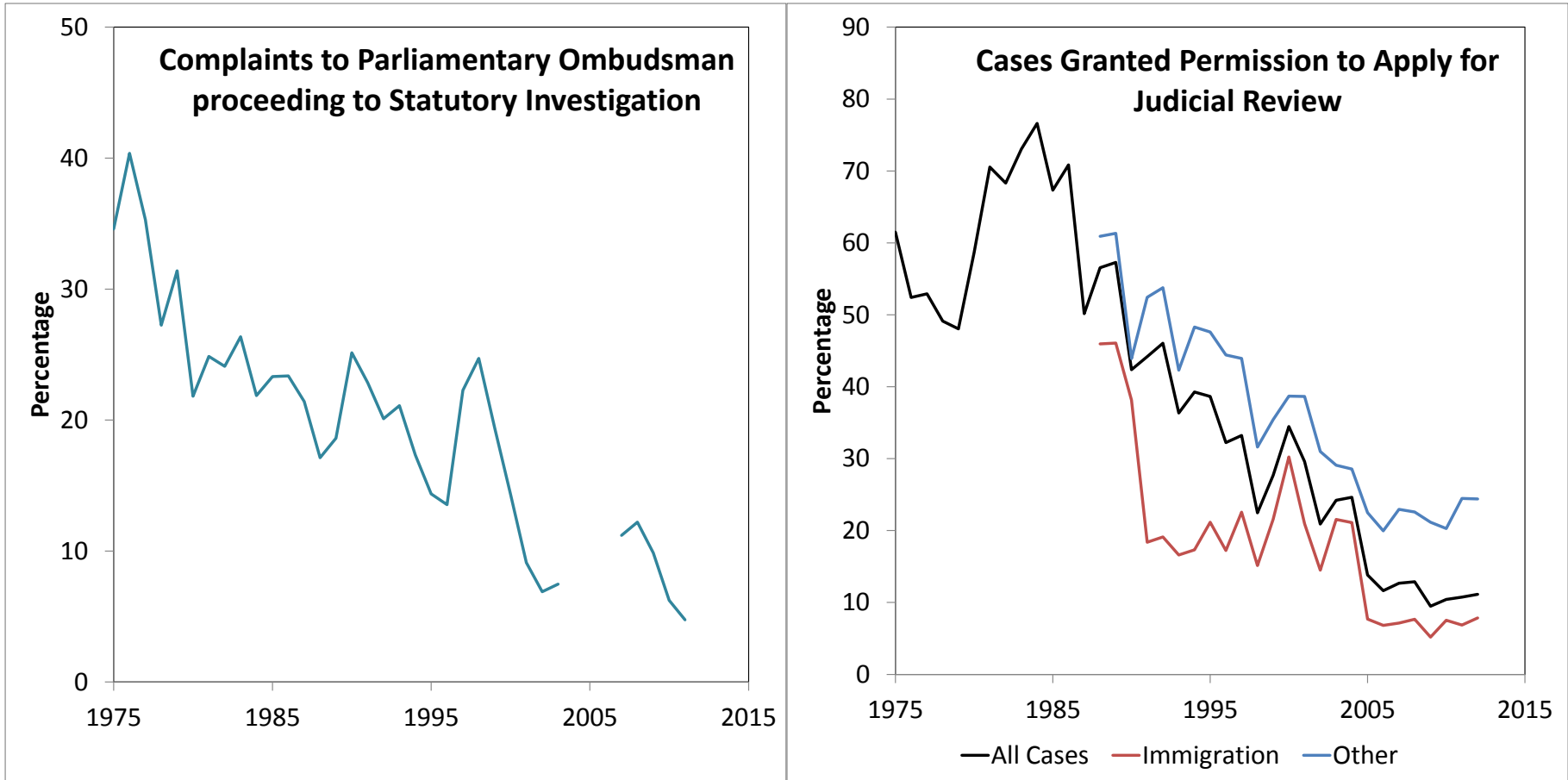
Decreased relative both to TME and UK average earnings numbers

# Worked Better? UK PCA Complaints and Judicial Review Applications in England and Wales

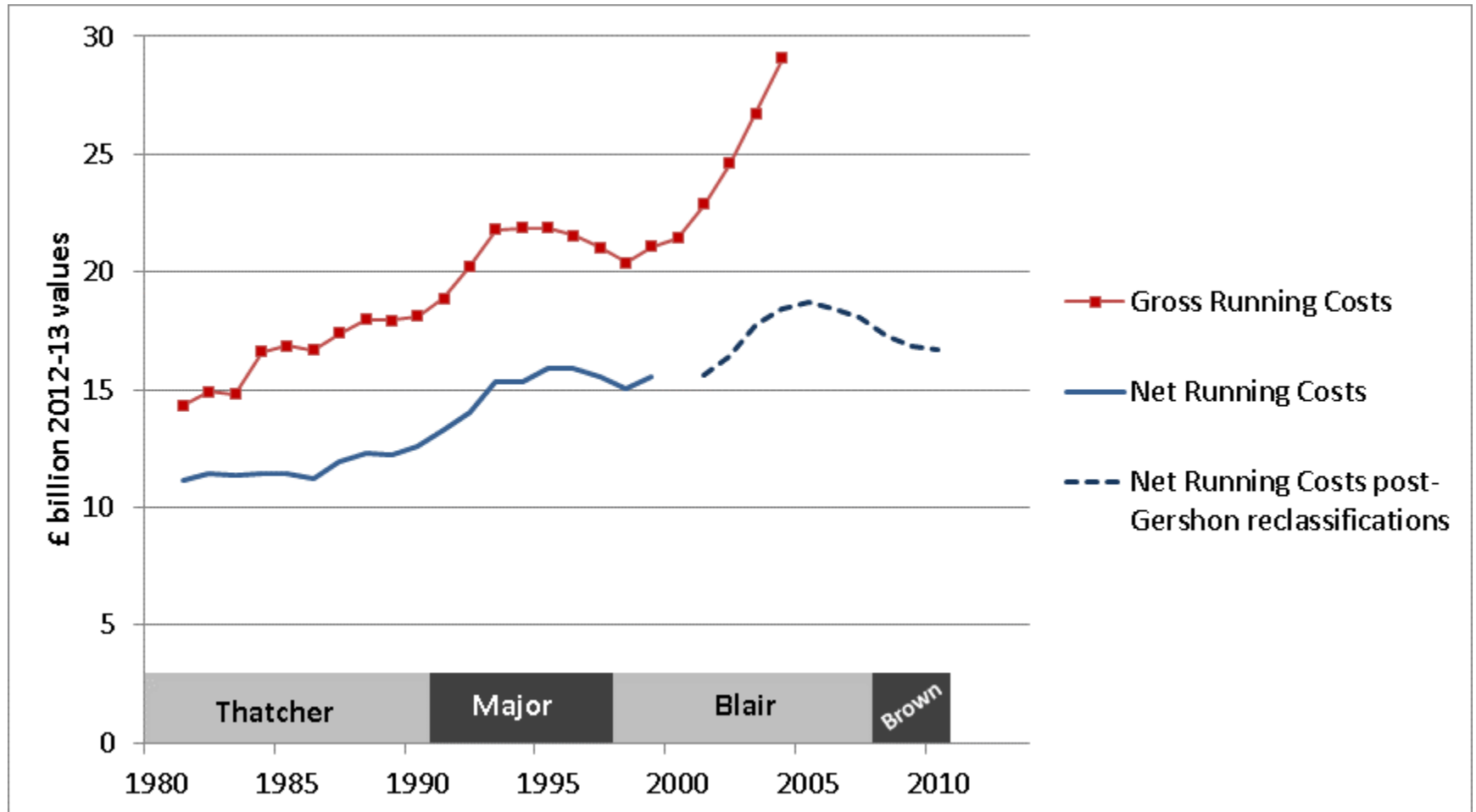


Data from *PHSO Annual Reports* and *Judicial Statistics*

# Survival Rates of UK PCA Complaints and England and Wales Judicial Review Applications (First-stage Filter)

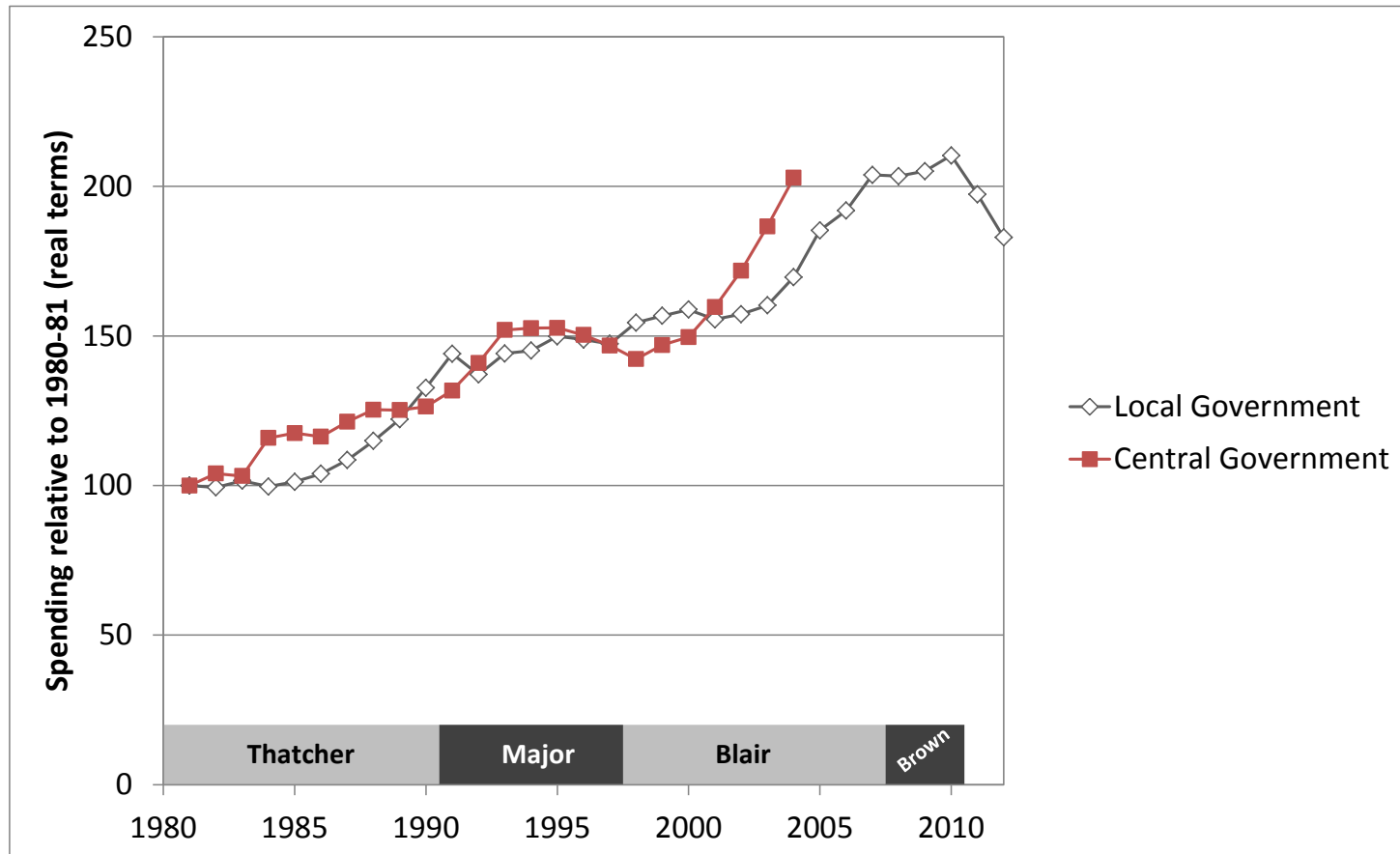


# Cost-Less? Real-terms Running Costs of UK Civil Departments



Calculated from data in *Public Expenditure Statistical Analyses 1986-2010*  
Figures are corrected for inflation by means of the GDP deflator, 2012-13 values.

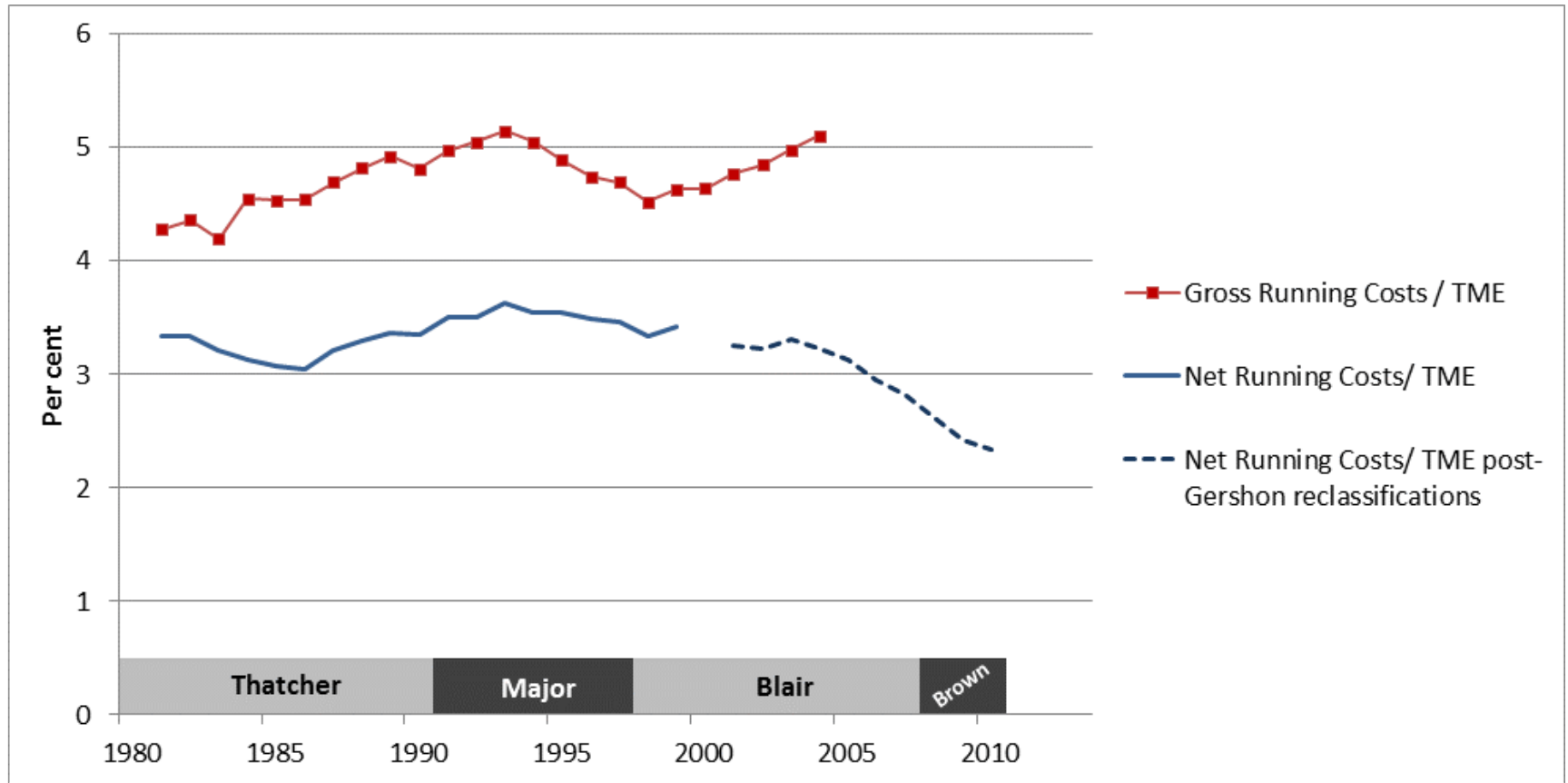
# Comparison of (English) Local and UK Central Government Gross Administrative Expenditure Relative to 1980-81



Source of LG data: *Local Government Financial Statistics*

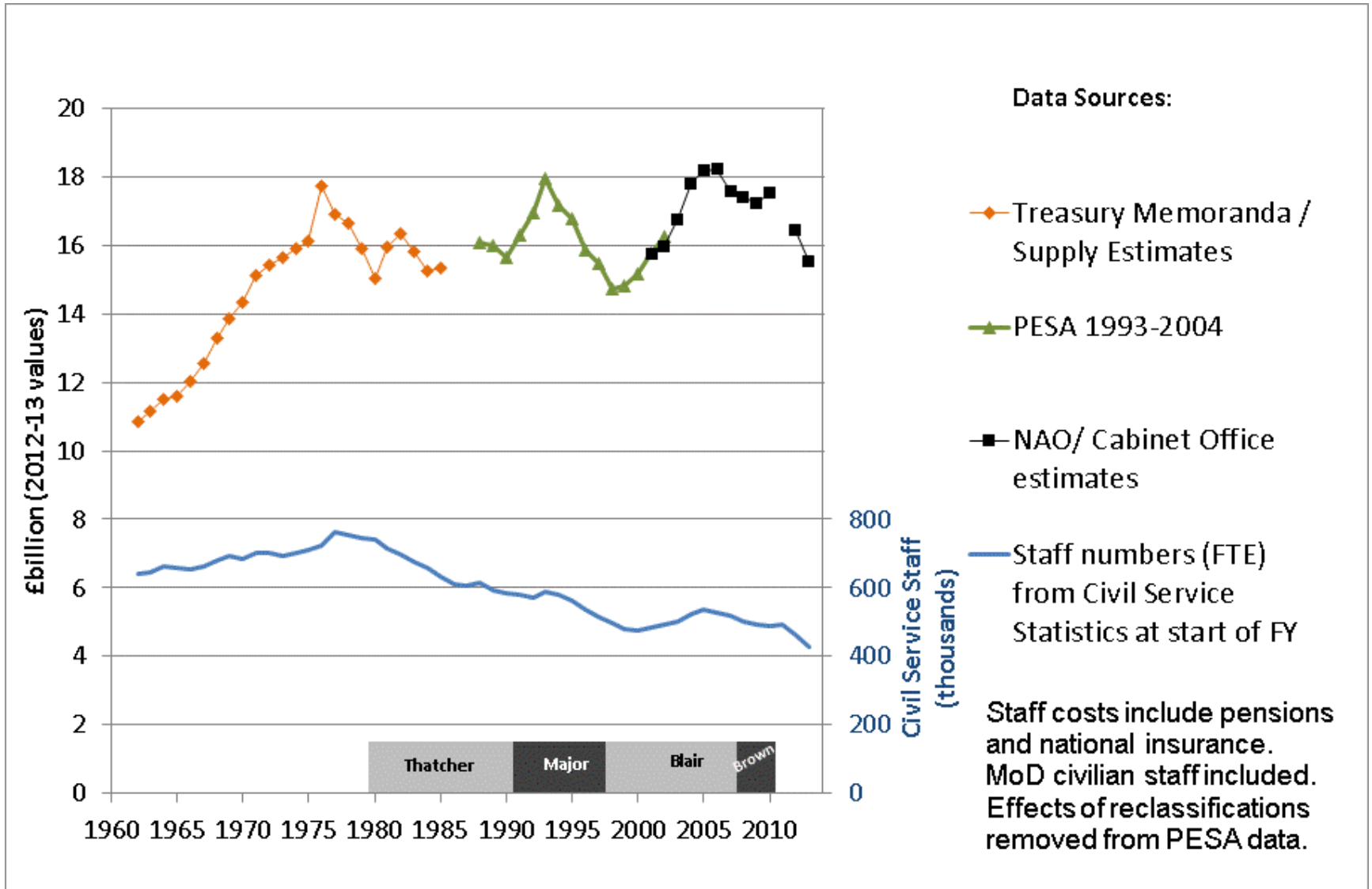
Figures are corrected for inflation by means of the GDP deflator, 2012-13 values.

# Gross and Net Running Costs Relative to 'TME'

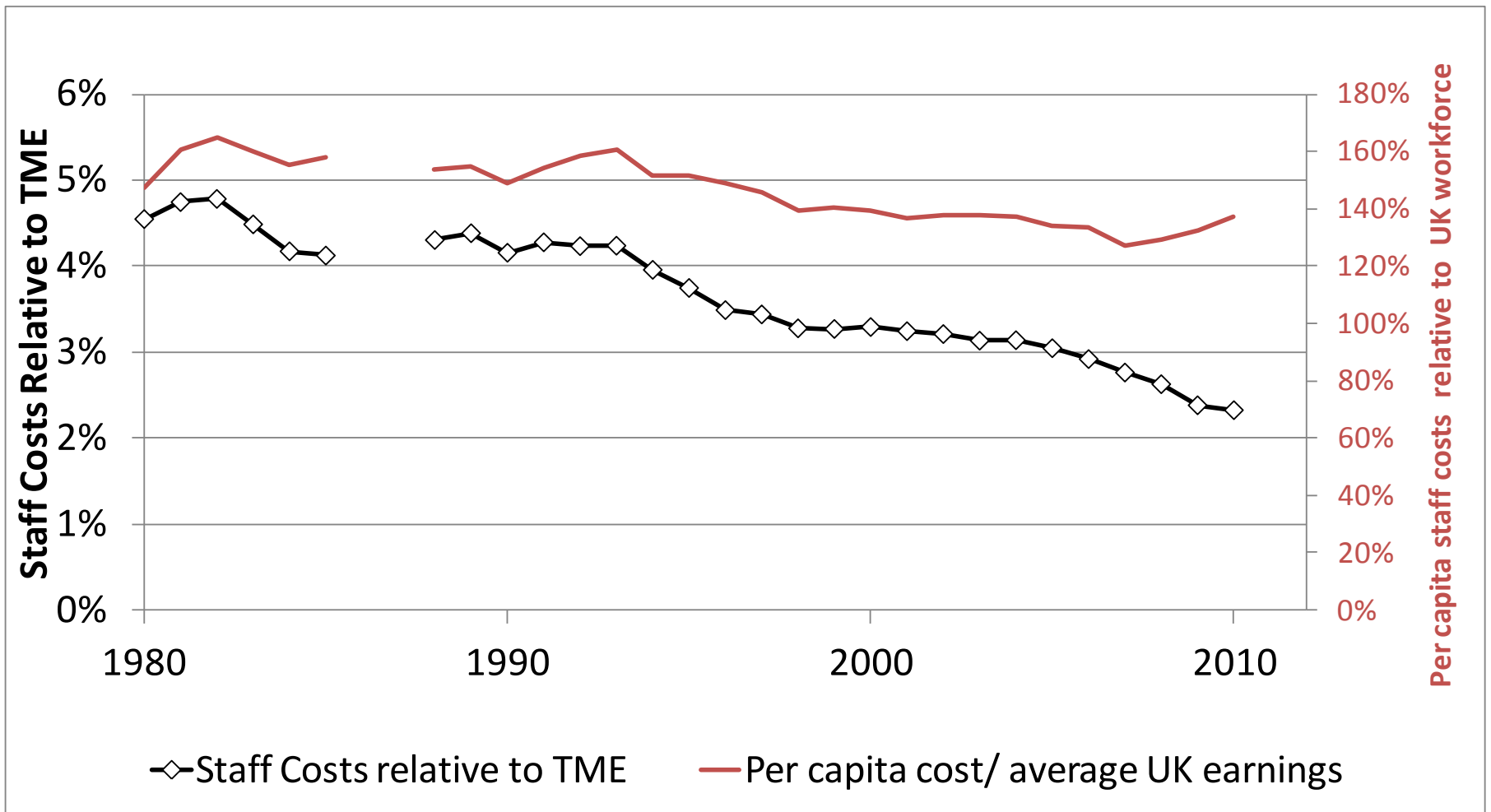


TME = Total Managed Expenditure (total government spending including social benefits, debt interest, and capital and current expenditure on services)

# Where Did the Running-Costs Money Go? Real-Terms Civil Service Staff Costs



# Relative Civil Service Staff Costs



TME = Total Managed Expenditure