Not so ‘arm’s length’: reinterpreting agencies in UK central government

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Abstract

As prominent expressions of new public management (NPM) and its recent attenuation, agencification and de-agencification have been subject to sustained empiricist investigation. However, interpretive analysis remains incipient. Accordingly, this paper explores the evolution of agencification within the UK by attending to its changing discursive construction. Drawing on a three-part analytic framework, which interprets meaning through the rhetoric of argumentation, narrative voice and discursive differentiation, the recent Public Bodies Reforms are shown to narrate a significant reinterpretation of the original executive agency idea of the Next Steps programme. In particular, the old emphasis on managerialist empowerment and decentralisation has given way to new themes of corporate integration and ministerial control. Thus, while no formal or legal redefinition has occurred, the UK’s ‘arm’s-length’ agency model has been discursively ‘departmentalised’. This highlights the potential limitations of using empiricist, ‘population studies’ to explore the evolution of agencification and, by extension, NPM.

Keywords

Executive agencies; agencification; UK; coalition government; post-NPM; interpretive methodology
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INTRODUCTION

Much scholarly attention has been directed towards agencification and de-agencification – that is, the removal of executive functions into semi-autonomous public agencies, and their repatriation into core government departments (Christensen & Lægreid, 2006; Pollitt et al., 2004; Verhoest et al., 2011). The intensity of this research interest reflects both the international pervasiveness of “agency fever” (Pollitt et al., 2001), and its paradigmatic implications. Forming networks of dispersed, task-specific and performance-managed organisations, agencification epitomises new public management (NPM), to the extent that the UK’s widely-cited ‘Next Steps’ agencification programme was said to “symbolise the concept” of NPM (Massey & Pyper, 2005, p.85). Latterly, in response to diminishing efficiency, coordination and control, many states have initiated further reforms (Verhoest, et al., 2011). Modified governance, organisational mergers and some de-agencification have together altered the UK’s agency landscape considerably (Elston, 2013). Moreover, comparable reforms internationally have prompted claims of an emergent, post-managerialist paradigm (Christensen & Lægreid, 2007). This demonstrates the extent to which developments in ‘arm’s-length governance’ have served as a barometer for NPM’s wider (in)stability.

Pollitt et al. (2004, pp.12-18) identify three principal approaches to agencification research: those based on micro-economics; those reflecting more ‘traditional’ social science, including organisation theory; and those adopting constructivist meta-theory. The second approach has come to dominate, in particular through the recent burgeoning of agency ‘landscape’ studies (for example, Elston, 2013; MacCarthaigh, 2012; Verhoest, et al., 2011). Approximating to varying degrees the assumptions and techniques of organisational ecology (Hannan & Freeman, 1989), these treat organisations as members of a wider, structurally homogenous collectivity – a
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‘population’ – of interest in its own right as an administrative phenomenon. This has led to increased profiling of reform trajectories both within and across states.

Such landscape studies proceed from a realist ontology. Within a particular polity, the objective agency concept is held to exist independently of any particular discursive rendering, being accessible and measurable as a standalone variable. This empiricism contrasts with the third of Pollitt et al.’s research genres, for which “there is no single thing called an ‘agency’ which can be extracted from reality and studied” (2004, p.16). To constructivists, administrative phenomena are rather the negotiated products of social agents interpreting and sharing meaning. Therein, discourse is not merely representational, but partly constitutive. As Morrell and Hewison (2013, p.60) explain: “talk and text in policy and politics do not simply reflect a state of affairs; they bring states of affairs into being”. Empirically, this shifts the focus away from large-N hypothesis testing towards the interpretation of contingent meaning-making.

Despite strong growth in the application of interpretive policy analysis (for example, Bevir & Rhodes, 2006; Wilkinson, 2011; Yanow, 1996), post-empiricist agencification research remains incipient. Smullen (2010) is the principal example within the otherwise expansive agency canon. Accordingly, this paper offers a contribution by deploying interpretive theory as an alternative means of exploring continuity and change. It probes the evolving construction of the executive agency idea within the UK, registering a marked reinterpretation since the original Next Steps programme. In particular, the old NPM basis of managerial empowerment and decentralisation has given way to new themes of ministerial control and corporate integration. This discursive ‘departmentalisation’ of the previously arm’s-length agency model is telling of managerialism’s potential insecurity in Whitehall, and yet is overlooked in existing, landscape studies, for which fixity of meaning is a core methodological assumption.

The paper begins with matters of epistemology and methodology. It then explores the construction of the agency idea in the Next Steps programme and the Coalition Government’s recent Public Bodies Reforms, drawing on an analytic framework of rhetorical argumentation,
narrative voice and discursive differentiation. The conclusion considers the wider implications of the agency idea’s discursive evolution.

**NARRATING AGENCIFICATION**

**Philosophical beginnings**

Interpretive social science proceeds from distinct ontological and epistemological presupposition (Burrell & Morgan, 1979). Informed by phenomenology, hermeneutics and symbolic interactionism, this argues for the perspectival character of knowledge and observation, and the centrality of negotiated interpretation within all areas of human endeavour, including social research (Yanow, 2005). Meta-theory of this kind contrasts markedly with the (often implicit, but no less formative) empiricist assumption of a single, unmediated and atheoretical social reality, available for detached, objective observation according to (a particular version of) the physical sciences (see Hawkesworth, 1988). While interpretivists recognise the face validity of such a ‘given’ ontology, it is theorised as the cognitive “objectification” (Berger & Luckmann, 1971, p.35) of an otherwise plural, negotiated, and ineluctably human world. As Berger and Luckmann contend:

“Social order exists only as a product of human activity. No other ontological status may be ascribed to it without hopelessly obfuscating its empirical manifestations. Both in its genesis (social order is the result of past human activity) and its existence in any instant of time (social order exists only and in so far as human activity continues to produce it) it is a human product.” (1971, p.70)

Interpretive research therefore looks to register contextually and reflexively the meanings that continually ‘re-accomplish’ social phenomena (Wagenaar, 2011, ch.1). In so doing, it recognises the potential “multivocality” of phenomena as being “capable of carrying multiple meanings” (see Yanow, 1996, p.26). This destabilising of ‘objectified’ reality leads to inductive data generation and the forging of contingent knowledge claims, bound by their situatedness and temporality. Importantly, though, interpretivism does not relegate social science to epistemological relativism. As Yanow describes:
"This is what is ‘social’ about ontological constructivism: that it has a shared character, developed in the course of living in common, interacting through the medium of political, cultural, and other artifacts in which the meanings embedded in these artifacts come to be known, tacitly, even when such communication is nonverbal." (2005, p.14)

The implication is that, beneath self-reported subjectivities, there lies a deeper, shared and more stable undercurrent of meaning-making, sitting in dialectic with the subjective surface and being similarly a product of (collective) human endeavour, whilst remaining less consciously available. Wagenaar (2011, p.18) formalises this distinction as one between "subjective" and "objective" meaning, the former representing "reasons, motives, and purposes which are part of the actor's consciousness", and the latter "belong[ing] to the group or community" as "the basic assumptions and conceptualizations that make a particular activity possible". It is towards the interpretation of this shared (and partially re-stabilised) intersubjectivity that much interpretive research is directed.

**Interpreting agencification**

Interpretive analysis could explore the meaning of agency practice within a particular policy system, drawing on qualitative fieldwork to understand everyday organisational processes. Alternatively, it could probe the high-level framing of agencification within political discourse, perhaps aiming at time- or place-based policy comparisons (for example, Smullen, 2010). In attending to the evolving construction of agencification within UK policy discourse, the present analysis adopts this latter approach. Insights from narrative analysis provide a means of interpreting and comparing successive iterations of the agency idea.

**A narrative approach**

Narrative analysis has received growing attention in the humanities and social sciences over recent decades (Chase, 2011; Elliott, 2005), and has made tentative inroads into public policy and administration (Feldman et al., 2004; Maynard-Moody & Musheno, 2003; Ospina & Dodge, 2005). A “methodological repertoire” rather than a single, defined technique (Quinn, cited in Riessman, 2012, p.369), narrative approaches share an interest in meaning generated through the content-structure dialectic of story-like texts. As Chase explains:
“Narrative theorists define narrative as a distinct form of discourse: as meaning making through the shaping or ordering of experience, a way of understanding one’s own or others’ actions, of organizing events and objects into a meaningful whole, of connecting and seeing the consequences of actions and events over time.” (2011, p.421)

This interplay between the "shaping or ordering" of "events" – between structure and content – underscores the interest in storytelling as an expression of shared meaning. As Wagenaar (2011, p.211) contends, "the storyteller connects his [sic.] rendering of events with shared cultural knowledge, with the wider meaning structures of the community". Similarly, Riessman (2012, pp.369, 377) suggests that "personal narratives are deeply social", referencing "larger cultural and historical discourses". As such, narrative analysis aims to register these intersubjective meanings (see Elliott, 2005, pp.27-28).

In what follows, ‘narrative’ is defined not only in terms of the framing of events, but also of politico-administrative ideas. This is befitting of the political world, in which policy ideas are contested. As outlined below, attention is paid to three particular aspects of narrative form.

**Argumentation**

On the understanding that "storytellers rely on tacit assumptions shared with their listeners", Feldman et al. (2004, p.150) develop a narrative approach which, by attending to “enthymeme” as a rhetorical component of argumentation, makes explicit these communal, taken-for-granted meanings (see also Feldman & Sköldberg, 2002). Often characterised as an “incomplete” or “truncated” syllogism (Jasinski, 2001, p.206), enthymeme is an Aristotelian device in which part of an argument remains latent or unarticulated. The listener infers this missing component co-productively in order to interpret the overall argument. An example is: "John will fail his examination because he hasn't studied" (taken from Corbett, 1990, p.61). This incomplete syllogism contains one premise (that John hasn’t studied) and a conclusion (that he will fail the exam). The unarticulated middle premise is: "Anyone who doesn't study will fail his [sic.] examination" (Corbett, 1990, p.61). This inference makes sense of the given premise and conclusion, thereby rendering the overall argument complete.
In hiding some argumentation and engaging the audience in its authoring, enthymeme inhibits refutation of the substantive claim. It is therefore considered the “substance of rhetorical persuasion” (Aristotle, cited in Jasinski, 2001, p.205). Moreover, enthymeme involves “a plausible, likely, or probabilistic inference, rather than a logically binding one” (Feldman, et al., 2004, p.152), meaning that the inference is guided by “commonplaces – commonly held beliefs that are usually true” (Feldman & Sköldberg, 2002, p.276). Hence, not only does enthymeme offer a means of explaining policy rhetoric (as in Morrell & Hewison, 2013), but it also allows interpretation of the implicit, taken-for-granted assumptions – the intersubjectivity, or “ideology” (Feldman & Sköldberg, 2002, p.286) – informing and enabling meaningful argumentation.

**Narrative voice**

As Bal (1985, p.100) explains, events “are always presented from within a certain ‘vision’ ... a point of view ... a certain way of seeing things”. Even intentional objectivity is perspectival, being merely “an attempt to present only what is seen or is perceived in some other way”. As such, “narrative voice” provides insights on power and relationships, authorial evaluation, and socially-meaningful groupings and divisions (Pentland, 1999, pp.714-715; see also Fairclough, 2003, ch.3). The latter represents one facet of discursive differentiation.

**Discursive differentiation**

Fairclough (2003, p.88) argues that “the ‘work’ of classification is constantly going on in texts, with entities being either differentiated from one another, put in opposition to one another, or being set up as equivalents to one another”. Meaning is thus registered by examining how “people, objects, [and] organisations ... are differentiated in texts, and how differences between them are collapsed by ‘texturing’ relations of equivalence between them”. For example, in addition to the groupings and divisions established through narrative voice, analysts can look to contrastive (‘but’, ‘however’) and additive (‘and’, ‘which’) discursive relations (Fairclough, 2003, pp.88-91). Moreover, discursive differentiation need not be explicit; as Feldman et al. (2004,
p.151) maintain, “when a storyteller describes a situation, one way to uncover meaning is by looking closely at what he or she is implying is its opposite”. For example, a discussion of good management practice serves to define, implicitly, poor management.

In combination, argumentation, voice, and differentiation offer a three-part analytic framework for exploring the changing discursive basis of agencification policy. This proceeds below.

THE NEXT STEPS PROGRAMME

Executive agencies were introduced from 1988 as the latest of a long line of NPM-style measures aimed at improving efficiency and effectiveness. The proposing report, Improving Management in Government: The Next Steps (Efficiency Unit, 1988), gave its name to the programme, and is analysed below. Drawing on the analytic framework, the construction of agencification is shown to rest upon enthymematic referencing of the prevailing managerialist ideology, and the construction of adjoining narratives of civil-service empowerment and organisational decentralisation.

Argumentation – the managerialist enthymeme

The Next Steps argumentation rests upon two foundational syllogisms, relating to problem diagnosis and policy remedy (see Box 1 and 2). The first, diagnostic syllogism is enthymematic, containing two explicit components [labelled #1a and #1c] and one implicit connector [#1b]. Hence, while the report identifies a series of deficiencies in administrative practice, and affirms that management should be improved, the reasoning behind the prescription of improved management is left implicit, requiring enthymematic inference to render the overall argument meaningful and persuasive. Box 1 collates the three components of the truncated syllogism. The implicit premise is underlined, and the explicit material is illustrated beneath.

<table>
<thead>
<tr>
<th>Truncated syllogism (enthymeme):</th>
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<tbody>
<tr>
<td>[#1a] Service delivery is being hampered by overly-centralised controls, institutional rigidities and poor local responsibility. [#1b] Overly-centralised controls, institutional rigidities and poor...</td>
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</table>
local responsibility represent defective management.* [#1c] Therefore, management must be improved.

[*Implicit premise]

**Illustrations of explicit premises in Efficiency Unit (1988):**

[#1a]: “There are controls not only on resources and objectives, as there should be in any effective system, but also on the way in which resources can be managed. Recruitment, dismissal, choice of staff, promotion, pay, hours of work, accommodation, grading, organisation of work, the use of IT equipment, are all outside the control of most Civil Service managers at any level.” (p.5)

[#1c]: “The substantial gain we are aiming for is the release of managerial energy.” (p.16)

Many practices are identified as antithetical to effective service delivery. The findings chapter, for example, lists seven key issues, including the centralised personnel and management “controls” cited in Box 1. Further evidence is then presented in a large appendix. This provides for a strong narrative underpinning to the contention that bureaucracy is hampering service delivery [cf. #1a]. Moreover, the syllogism's concluding call for improved management capability [#1c] is similarly emphatic: for instance, as well as the aspiration for “the release of managerial energy” (Box 1), there is the report's title, *Improving Management in Government*. What is missing from the narrative surface, though, is a similarly explicit connecting premise explaining how the apparently manifold deficiencies represent an issue to which improved management is the solution. This diagnosis requires enthymematic inference of a definition of ‘good management’ [cf. #1b].

In this manner, because centralised controls and diffuse accountability are so obviously symptomatic of “poor management”, the explicit establishment of this would be redundant or even banal. That bureaucracy should be remedied with improved management is a “commonplace” of the “ideology” of the day (Feldman & Sköldberg, 2002, p.286). This is supported by existing work on the potency of managerialism in the 1980s and 1990s, which describes both an ideology (Pollitt, 1993, pp.6-10) and a discourse (Clarke & Newman, 1997, pp.91-93). However, what the enthymematic underpinning of the Next Steps argumentation
particularly reveals is the importance of this ideational background to the discursive construction of the original agency idea. Latterly, this proves an important point of contrast with the modern agency discourse.

Making the case for agencification, the second of the two structural syllogisms moves from diagnosis to remedy. It is firmly connected to the diagnostic enthymeme through the restating of its conclusion as the new starting premise [#1c/#2a] – a common device within extended arguments (see Feldman, et al., 2004, p.152). The report then discusses at length the benefits of agencies [#2b], emphasising particularly the managerial freedoms which may be granted within a framework document. The recommendation for the adoption agencies [#2c] is then driven home through the listing of strategies for securing successful implementation; for example, by appointing a senior project manager. Together, this makes for a perfect – if dependent – second syllogism (see Box 2).

**Box 2: Policy remedy**

**Perfect syllogism:**

[#2a] [Previous conclusion:] Management needs to be improved (because of centralisation, processual rigidities and non-devolved responsibility). [#2b] Agencies facilitate relaxed controls, innovation and local responsibility. [#2c] Therefore, agencies should be introduced.

**Syllogism-to-syllogism interlinking:**

[#2a] Previous conclusion (cf. Box 1)

**Illustrations in Efficiency Unit (1988):**

[#2b] "... once policy objectives and budgets within the framework are set, the management of the agency should then have as much independence as possible in deciding how those objectives are met... [T]here must be freedom to recruit, pay, grade and structure in the most effective way as the framework becomes sufficiently robust and there is confidence in the capacity of management...” (p.9)

[#2c] "We recommend that ‘agencies’ should be established to carry out the executive functions of government within a policy and resources framework set by a department.” (p.9)
In this manner, the Next Steps argumentation proceeds in two stages. The first diagnoses the policy problem by enthymematic recourse to managerialist ideology; and the second prescribes agencies as a policy solution via a perfect syllogism.

**Narrative voice – empowering the frontline**

Often, the report’s narrative of the problem-remedy argumentation is voiced not by a dissatisfied political or bureaucratic elite, but rather from the perspective of a self-critical, frustrated and constrained civil service. As well as granting ‘bottom-up’ legitimacy and aiding official ‘buy-in’, this makes for a wider narrative of civil service empowerment. Specifically, as a response to the concerns and desires of managers, rather than political dissatisfaction, the granting of increased frontline autonomy is framed as emancipatory – it is about ‘letting managers manage’ rather than ‘making managers manage’, to coin the much-cited NPM tension. This narrative of empowerment is explored below.

Much of the Next Steps Report is presented subjectively, foregrounding the opinions and concerns of interviewed civil servants. For example:

“First, the management and staff concerned with the delivery of government services (some 95 per cent of the Civil Service) are generally convinced that the developments towards more clearly defined and budgeted management are positive and helpful. The manager of a small local office in the north east said that for the first time in 20 years he felt that he could have an effect on the conditions under which his staff works and therefore on the results they produced. But this kind of enthusiasm is tempered by frustration at constraints. ... Middle managers in particular feel that their authority is seriously circumscribed both by unnecessary controls and by the intervention of Ministers and senior officials in relatively minor issues. People who had recently resigned from the Civil Service told us that frustration at the lack of genuine responsibility for achieving results was a significant factor in encouraging them to move to jobs outside.” (Efficiency Unit, 1988, p.3)

The underlined words highlight the subjective data presentation, and, by implication, the eschewal of a more passive or ‘objective’ tone. Hence, the passage begins with a sweeping statement on the attitudes of those whom the report, if implemented, will most affect – the “95 per cent”. It then focuses on the experience of "the manager of a small local office", before broadening again to identify wide-spread “frustration at constraints”. A division is erected between constrained “middle managers” and interfering “ministers and senior officials”. This
serves to disassociate the Efficiency Unit, which was based in the core executive, from such top-down dysfunctionality. Thereafter, the closing reference to “people who had recently resigned” implies regret at their apparent disaffection. In this manner, the diagnosis of defective bureaucracy is made on the basis of what the Unit were told by the frontline, rather than what it observed. Rhetorically, the impression is that there can be no greater assurance of the urgent necessity of change than from within the (faulty) institution itself.

In addition to the subjective critique, the report’s de-blaming of civil servants also contributes to a sense of emancipation. This is revealed through its emotive language:

“[Departments will define] a rigorous policy and resources framework within which the agency management is set free to manage…” (Efficiency Unit, 1988, p.10)

“The FDA [a trade union] confirmed that ATs and HEODs [junior civil servants] were clamouring for management jobs.” (p.25)

“A common source of frustration in many local offices is the inadequacy of the service staff feel they are giving.” (p.26)

Once again, “inadequacy” – the report’s meta-theme – is diagnosed not by the Efficiency Unit itself or, indeed, by ministers, but instead by “staff” in “local offices”. Moreover, all three extracts suggest that it is not for a lack of trying that the civil service is at present suboptimal; rather, due to factors beyond their control, officials are being constrained. Specifically: if management is to be “set free to manage”, the implication is that it is presently constrained; if junior officials are “clamouring” for management positions, these must be unavailable; and if staff are frustrated that their service is inadequate, there must be something preventing them from achieving.

This de-blaming of officials is furthered by the narrative personification of government organisations – that is, establishing them as characters with sociological agency and a coherent voice (see Pentland, 1999, p.714). As the following passage demonstrates, this supplies an alternative focal point for apportioning blame:
“The main rule imposed by the Treasury is that there should be no movement of money from non-running costs to running costs. Rules about moving money between different running costs items are generally imposed by departments themselves.” (Efficiency Unit, 1988, p.28)

Again, it is not that the civil service does not want management responsibilities; rather, institutions are imposing rules and causing obstructions.

In sum, in arriving at the agencification proposal on the basis of a subjective, bottom-up critique of existing failures, with blame directed not to the civil service but rather to the institutions with which it does battle, the agency idea is framed as an emancipatory or empowering solution, supplied by a concerned political and bureaucratic elite keen to assist the frustrated and disempowered frontline. As such, the document narrates the origins of the agency programme not from the ‘distant’ centre of government, but rather in the “95 per cent”. This places civil service empowerment – an acknowledged theme of managerialism more generally (Peters & Savoie, 1994) – at the heart of the Next Steps idea.

**Discursive differentiation – the decentralisation narrative**

Unwittingly, the foregoing analysis has identified many paired oppositions within the Next Steps Report. Most broadly, there is the coupling of the policy problem and remedy – a common feature of policy documents (Fairclough, 2003, p.91). Mapping onto this structural dualism are many subordinate pairings; for example, the constrained versus empowered frontline, and the dysfunctional versus effective Whitehall (see Table 1). Another important opposition originates from the report’s narrative of decentralisation. This is explored below.

<table>
<thead>
<tr>
<th>Argumentation</th>
<th>Policy problem</th>
<th>Policy solution</th>
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<tbody>
<tr>
<td>Pre-agency</td>
<td>Old, dysfunctional</td>
<td>New, effective</td>
</tr>
<tr>
<td></td>
<td>Poor management</td>
<td>Improved management</td>
</tr>
<tr>
<td></td>
<td>Centralised, inflexible, diffuse responsibility</td>
<td>Decentralised, innovatory, responsible</td>
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Table 1: Paired oppositions in the Next Steps narrative
In formulating agencification as a mode of decentralisation, the Next Steps Report constructs an opposition between ’the Centre’ and ’the Periphery’ of government. Its discussion of framework documents illustrates this discursive differentiation:

“The setting of a policy and resources framework is needed not only for agencies but also in situations where the department has to proceed by influence rather than by direct control. It applies therefore to the relationship with any organisation which is providing services for which the department carries some responsibility, whether agency, nationalised industry, local authority, or public body... In any of these relationships the department’s task is to set a framework, tailored to the job to be done... It will also need to ensure that indicators of effective performance are developed and used for regular monitoring. For directly managed agencies, Ministers and civil servants must then stand back from operational details and demonstrate their confidence in the competence of their managers and the robustness of the framework by leaving managers free to manage.” (Efficiency Unit, 1988, pp.10-11)

The underlining in this passage identifies the Efficiency Unit’s collapsing of discursive boundaries to form equivalences between new executive agencies and pre-existing forms of arm’s-length governance. For example, framework documents are necessary “not only” for agencies but “also” for the other decentralised situations, “whether... nationalised industry, local authority or public body”. This constructs a united ’Periphery’ by positing equivalence through use of the connective “also”, “whether” and “or”. Sitting in opposition to this is ’the Centre’. Its implication comes through the grouping of “Ministers and civil servants” (as opposed to ”their managers”), and the personification of “the department’s task”. The Centre and Periphery are then further distanced by the contractual terminology – such as “framework”, “relationship”, “services”, “indicators” and “monitoring” – and the call for ministers to ”stand back” and demonstrate “confidence” by “leaving” managers to manage. In this manner, decentralisation is narrated on the basis of an opposition between ’the Centre’, meaning ministers, civil servants, and their departments, and ’the Periphery’, comprising agencies, public bodies, and other arm’s-
length entities. This marks another important point of contrast with the Coalition’s agencification narrative.

**Interpreting the Next Steps agency idea**

The main ideational themes emerging from this analysis of the Next Steps Report are: (i) managerialism, which was referenced through enthymeme in the document’s argumentation; (ii) empowerment, which was evoked through the bottom-up narrative voice; and (iii) decentralisation, forged through the construction of ‘the Centre’ and ‘the Periphery’. Although by no means exhaustive, these rhetorically and discursively significant components of the 1988 policy form an adequate basis from which to compare the Coalition Government’s more recent discourse.

**THE PUBLIC BODIES REVIEW**

The Coalition Government has embarked upon a significant programme of arm’s-length body reform, aimed at enhancing ministerial accountability and reducing costs (Cabinet Office, 2010; Public Administration Select Committee, 2010). Its cross-governmental review proposed 496 closures, mergers and other major reforms (National Audit Office, 2012, p.13). Significantly, executive agencies were excluded from this, on the grounds that they are constitutionally synonymous with sponsoring departments. Furthermore, in seeking to bring functions ‘closer’ to ministers, the reforms have actually led to new agencification, most notably in the Department for Education (DfE). This assertion of primordial difference between agencies and ‘quangos’ has caused some consternation (Committee of Public Accounts, 2012; Flinders & Skelcher, 2012). In particular, it challenges the Next Step narrative of decentralisation, which posited underlying equivalence between agencies and other forms of arm's-length governance. Accordingly, what follows draws upon documentary and interview materials to explore the apparent (re-)construction of the agency idea within the Coalition’s reforms. First, an enthymemetic ‘narrative of constitutional prosperity’ is identified as the overarching context. This rationalises centralisation as the reinstating of the Westminster ‘default’ of departmental
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(non-delegated) governance, thereby paving the way for the reinterpretation of agencies as a centralised form of administration. Finally, a brief case study of the new Standards and Testing Agency probes this ‘departmentalisation’ further.

**Argumentation – constitutional propriety**

The principle of increasing the accountability and efficiency of public bodies has enjoyed broad political consensus, albeit with some disputes over individual reforms. To this end, something of a shared narrative has emerged on the problem of the oversized ‘quango state’ and the need for change. Distilled from contributions to parliamentary debate, this bipartisan ‘narrative of constitutional propriety’ is formalised in Box 3.

**Box 3: The constitutional default**

<table>
<thead>
<tr>
<th>Truncated syllogism (enthymeme):</th>
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<tr>
<td>![3a] Departmental delivery overseen by ministers, is the legitimate mode of state administration and the default of the Westminster system.* ![3b] The Public Bodies Reforms are returning functions to departments (although these may not have originated in departments in the first place). ![3c] Therefore, the reforms represent a return to the constitutional default.*</td>
</tr>
<tr>
<td>[*Implicit premises]</td>
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**Illustrations from Hansard, 14th October 2010, col. 506:**

- ![3b-i] “...we are bringing a host of functions back into departments, such as those of the Child Maintenance and Enforcement Commission and the Renewable Fuels Agency to name but two.” (Minister's statement)
- ![3b-ii] “...the high point of the unaccountable quango state was under the Major Government...” (Opposition frontbench question)
- ![3b-iii] “How will the Minister ensure that quangos handed back to the Government do not generate more costly parliamentary questions?” (Government backbench question)

**Illustration from Hansard, 15th December 2011, 108WS:**

- ![4b-iv] “These triennial reviews will ensure that never again will the quango state be allowed to spiral out of control.”

The argumentation summarised in Box 3 is strongly enthymematic, with both the first premise ![3a] and conclusion ![3c] remaining largely implicit, their sense being extrapolated from the
explicit middle premise [#3b]. This situation is frequently encountered by Feldman et al. (2004). Hence, the overall contention that the Public Bodies Reforms represent a reinstating of constitutional propriety is inferred from the explicit contention that functions are being returned to departments. The emphasis on ‘returned’ is crucial, and can be seen in all four illustrations. In [b-i], the minister speaks of bringing functions “back into departments”; in [b-ii], the opposition spokesperson talks of the “high point of the unaccountable quango state”, thereby implying there was also a low point; in [b-iii], the backbencher refers to quangos being “handed back”; and in [b-iv] the minister promises to ensure that “never again” will they "spiral out of control" (see Box 3). The significance of this emphasis on return comes from the fact that, in many cases, public bodies were set up originally in their independent, arm's-length format, rather than having first belonged to a unitary department and subsequently been hived-off. By implication, if not originally established within government, the pervasive talk of their return refers less to chronological reversal than to a return to constitutional propriety – that is, to the way it should be done, according to doctrine [cf. #3a]. In other words, it is a matter of principle that state administration belongs in departments overseen by ministers. As such, the Public Bodies Reforms are returning to this default.

**Discursive differentiation – reconstructing ‘the Centre’**

The ‘narrative of constitutional propriety’ propagates an opposition between appropriate and inappropriate – default and deviant – public administration. Therein, the deliberate exclusion of executive agencies from the Coalition’s reforms testifies to apparent contentment with the conformity of this delivery model to the constitutional principle of departmental governance. This discursive positioning of agencies as departmental rather than arm's-length entities contrasts markedly with the Efficiency Unit's framing of agencification as a mode of decentralisation and ministerial distancing. There, agencies were narrated as part of ‘the Periphery', akin in character, if not in legal status, to local authorities, nationalised industries and public bodies. The extent of the Coalition's deviation from this original intent is evident in
political discourse surrounding the reforms. As the minister explained, first in his opening parliamentary statement:

“I stress that departmental agencies – executive agencies – are not in the review’s scope. They are directly controlled by Ministers who are accountable to Parliament for what they do.” (Hansard 14th October 2010, col. 506).

Then, in response to an opposition question:

“I think that [the right hon. Gentleman] confuses the role of executive agencies with the function of a quango. It seems to me perfectly proper that when Members of Parliament inquire about an activity they receive a reply from the executive agency’s chief executive. That does not mean that the agency is not accountable to Parliament through what a Minister says and does.” (Ibid)

And similarly, when questioned in Committee:

“Well, we deliberately exclude executive agencies on the basis that those are already accountable. Ministers take responsibility for what executive agencies do.” (Public Administration Select Committee, 2010, ev. 12)

This final quote, which identifies agencies as “already accountable”, illustrates again the pervasive ‘narrative of return’ underpinning the constitutional enthymeme. In addition, all three citations frame agencies as substantively different to arm’s-length bodies, first through characterisation (“they” and “those”) and then on the basis of favourable comparison (“are not”, “confuses”, “does not mean that” and “are already”). Complementing this explicit differentiation, these extracts also contain implicit opposition. For example, agencies are described as “directly controlled”, “accountable” and “perfectly proper”; by implication, non-agencies are uncontrollable, unaccountable and improper.

The framing of agencies as a centralised form of administration resurfaces in the following interview conversation:

**Official:** ...there is a very clear case through Public Bodies Reforms, and this is what we talk about with accountability for public functions, about there being a [emphasis] very strong centre [I: Mm?] who sets, kind of, strategic direction on particular policy areas. So that’s why, in a number of cases, we’re moving things from a public body, either to an agency or the cent- in the central department – because the ministers have taken a view that it should, rightly, be a minister who is responsible for the final decision. [I: Mm?] And so I think- I think that does refer to the nervousness about policy-making arm’s-length bodies. [I: Mm?] And a lack of accountability.
Interviewer: Yeah?

O: So you’ve actually got bodies that are making policy—they are at least, they are deciding things that influence citizens’ lives, [I: Mm] but they don’t have an elected mandate to do so.

I: Yeah, okay.

O: So I think that you—that does then lead to a direction where you pull more policy-making decisions into the centre...

This passage is predicated on a centre-periphery opposition, with the description of “a very strong centre” (singular) implying, by definition, the existence of a peripheral non-centre. The location of agencies on the ministerial side of this pairing contrasts starkly with the Next Steps idea. In particular, the interviewee populates the centre by eliding departments and agencies: “either to an agency, or ... in the central department”. Furthermore, ministerial responsibility, held at the centre, is contrasted with “policy-making arm’s-length bodies” which lack an “elected mandate”. Agencies, a model favoured by the government, are responsive to ministers (and their “elected mandate”), and are thus not “arm’s-length”.

Asked about the likely shape of central government following the reforms, another official similarly differentiated agencies and public bodies:

O: I think it’s just maximising ministerial accountability, and there’s a range of ways in which that is happening.

I: Yeah?

O: And, you know, the agency model is an important part of that, because unlike, for example, an NDPB [non-departmental public body], an agency is part of a department; ministers are, I think, held to be more directly involved and responsible [I: Mm] and accountable where it happens within that structure, than if it’s a sort of kind of para-statal arm’s-length body—a satellite on the outside.

Here, discursive differentiation is again effected through comparison (“unlike” and “more”), with the agency being identified as “part of a department” and therefore within a minister’s responsibility. This is said to differ from a “para-statal arm’s-length body—a satellite on the outside”. As such, agencies are neither “on the outside”, nor “para-statal” and “arm’s-length”, as the official later confirmed:
O: The dividing line between what’s an agency and where it becomes an NDPB?

I: Yep, yeah?

O: I mean, I think they are different beasts. I mean, as you say, an agency’s part of a department. I think, as I said, the term ‘arm’s-length body’ is fairly umbrella like [I: Mm] and within that there will be- I suppose there will be a variation in the distance – in the length of the arm – whichever sort of analogy you want to use. I think they have a- they’re different from- they are a business unit, of a kind, within a department. You know, they are staffed by civil servants; they are usually headed by a chief executive who is also a civil servant, who has a direct line of accountability not to an independent board [I: Yes] but to the minister.

I: And that’s a key distinction, is it?

O: It is a key distinction. And it’s not a separate entity in any sense.

Despite referencing a gradation of “the length of the arm”, this passage is primarily about differentiating NDPBs and agencies. They are “different beasts”, agencies being “staffed by civil servants” and headed by a chief executive and with “a direct line of accountability not to an independent board but to the minister”. As such, agencies are “not a separated entity [to a department] in any sense”.

Table 2 summarises the explicit and implicit opposition within the reviewed discourse. Against the background narrative of constitutional propriety, the suggestion is of the discursive ‘departmentalisation’ of the agency model, effected through the collapsing of department-agency distinctions and the forging of non-equivalence between agencies and (other) arm’s-length bodies.
Table 2: Differentiating ‘the (new) Centre’

<table>
<thead>
<tr>
<th></th>
<th>Agencies</th>
<th>Public Bodies</th>
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<tbody>
<tr>
<td><strong>Contextual enthytheme</strong></td>
<td>Default / appropriate</td>
<td>Deviant / inappropriate</td>
</tr>
<tr>
<td><strong>Political discourse</strong></td>
<td>Departmental</td>
<td>Non-departmental / ‘arm’s-length’</td>
</tr>
<tr>
<td></td>
<td>Controllable</td>
<td>Less controllable</td>
</tr>
<tr>
<td></td>
<td>Accountable to and via minister</td>
<td>Less accountable to ministers and Parliament</td>
</tr>
<tr>
<td><strong>Implementation discourse</strong></td>
<td>Part of ‘the Centre’ (singular)</td>
<td>Part of ‘the Periphery’</td>
</tr>
<tr>
<td></td>
<td>Accountable to and via ministers</td>
<td>Accountable to independent board</td>
</tr>
<tr>
<td></td>
<td>‘Statal’</td>
<td>‘Para-statal’</td>
</tr>
<tr>
<td></td>
<td>Civil service</td>
<td>(Generally) non-civil service</td>
</tr>
</tbody>
</table>

**The Standards and Testing Agency**

The DfE previously owned 17 public bodies and no executive agencies (Cabinet Office, 2010). Reflecting both the central reform programme and major policy change within the department, the Education Act 2011 transferred many of these delegated responsibilities to the Secretary of State. To deliver this expanded departmental remit, four executive agencies have since been established, employing some 1,350 civil servants. The Standards and Testing Agency (STA) was the first of these, taking over some functions of the Qualifications and Curriculum Development Agency (QCDA) – an abolished NDPB. The published business case for this change is analysed briefly below.

In line with the ‘narrative of constitutional propriety’, the business case asserts strong ministerial ownership for both the policy agenda and the enabling organisational reforms:

“Ministers made it clear that not all functions currently carried out by QCDA will cease. They indicated that statutory assessment and National Curriculum Tests (NCTs) would continue... In order to deliver statutory assessment and testing in the future, the Secretary of State signalled his intention to establish a new Executive Agency, the Standards and Testing Agency, within the Department for Education...” (DfE, 2011, p.1)
Reflecting the constitutional narrative, this political ownership contrasts with Next Steps’ bottom-up, emancipatory voice, which framed agencification as a response to the disempowered and frustrated frontline. Agencification now serves to fulfil requirements of ministerial control and accountability:

“Ministers are clear that they are accountable to Parliament for delivery of this important part of the Government’s education agenda. Bringing the work into an Agency within DfE provides for that clear line of accountability.” (DfE, 2011, p.5)

This extract establishes the link between the narrative of constitutional propriety and the DfE reorganisation, which “provides for” ministerial accountability to Parliament by “bringing the work into an agency”. In particular, the passage constructs an inside-outside, centre-periphery dualism, and locates agencies on the ministerial side of this by referring to their place “within” the DfE.

The reconstructing of ‘the Centre’ as inclusive of both core departments and agencies is bolstered by the document’s narrative of integration. For example:

“Delivering the current programme of statutory assessment and testing through an arm’s length delivery model is considered inefficient and less effective. In particular, as a non-departmental public body (NDPB) QCDA delivered its own corporate services. There are economies of scale to be gained from merging those functions (such as HR, Communications, Finance and IT) with those in the Department to create a single shared services approach for all proposed DfE Executive Agencies...” (DfE, 2011, p.2)

The opposition here is between multiple corporate service centres in arm’s-length bodies, and a single, integrated backoffice in the department. Thus, not only are agencies departmental rather than arm’s-length, but their creation represents a consolidation (“merging”, “single”, “all”). This resonates with the earlier discussion of the single centre versus ‘the Periphery’.

A challenge to this ‘departmentalisation’ of the agency model comes in the discussion of the chief executive’s independence in signing-off testing and level-setting (DfE, 2011, p.8). As the document explains, it is largely this requirement of impartiality – a relic of the former QCDA’s
statutory independence – that leads to the favouring of agency status over delivery from a core directorate:

“The development and delivery of tests ... require[s] high levels of public confidence. Giving direct responsibility for the current testing functions of QCDA to a Directorate in the Department – as opposed to an Executive Agency – would create reputational risks. The Government could be open to accusations of political interference... [Therefore] although option three – bringing the function in-house – has the same NPV [net present value] as option two, the risk to the statutory assessment and testing system are too significant to make option three the preferred option.” (DfE, 2011, pp.5-6)

This passage deviates somewhat from the departmentalisation narrative, in differentiating the agency option from delivery within an “in-house” directorate. Nonetheless, the assumption of identical costs for both the agency and directorate options reinforces their grouping as ‘the Centre’, in opposition to inefficient and unaccountable arm’s-length delivery. Moreover, in a further contrast with the Next Steps narrative, the chief executive’s independence is simply to ensure technocratic, apolitical decision making, rather than being a means of ‘letting the managers manage’.

**Interpreting the Coalition’s agency idea**

Taken together, this analysis of the Public Bodies Reforms highlights several salient components of the Coalition’s agency idea. In place of managerialism, agencification is underpinned by a new ideational environment of constitutional propriety. This lays the groundwork for the reinterpretation of agencies as departmental, corporately-integrated and ministerially-proximate entities.

**CONCLUSION: REINTERPRETING AGENCIES**

Recognising the limitations of exploring administrative continuity and change solely through landscape studies, this paper began by establishing an epistemological and methodological rationale examining agencification reforms narratively. This interpretive agenda was then implemented by comparing the original framing of the agency idea with the Coalition Government’s recent reform discourse. In particular, the early advocacy of agencies was shown to depend upon enthymematic reference to the managerialist ideology surrounding the Next
Steps programme. This intersubjectivity demonstrates the intimate association between the first construction of executive agencies and NPM’s contemporaneous hegemony. Moreover, it points to the potential instability of this interpretation of agencification, should the prevailing ideational environment evolve. Latterly, the paper has explored the implications of such a paradigmatic shift. Managerialist doctrine was nowhere to be found in the Coalition’s advocacy of agencification, whether implicitly or explicitly. Rather, this centred on the assurance of constitutional propriety, ministerial control and corporate integration. As such, contrasting with the former themes of empowerment and decentralisation, the Coalition has accomplished a significant reinterpretation of the agency concept.

To be sure, there has been no ‘official’ change in the definition of the agency model; agencies are, and always have been, legally part of their sponsoring government departments. Nonetheless, the evidence presented above points to a process of discursive ‘departmentalisation’, by which agencies have become framed as a mode of centralised – not delegated – governance. Figure 1 illustrates this reinterpretation. It follows Carstensen’s (2011) model of composite ideational structure, which weighs the various substructural “elements of meaning” according to their discursive strength of articulation (measured here by enthymeme).

Figure 1: Comparing agencification

![Diagram of agencification comparison]
Accompanying the recent revival of political interest in the UK’s agency landscape, scholarly assessment of agencification continuity and change has begun to emerge. James et al. (2011, p.67), for instance, maintain that, despite some structural developments and adjustments to practice, the agency model “remains intact”. Similarly, in opining that the Coalition’s agenda is “built, to a large extent, on a constitutionally dubious distinction between executive agencies and executive NDPBs”, Flinders and Skelcher (2012, p.332) posit broad continuity between contemporary agencification and the Next Steps idea. In particular, in line with the original narrative of decentralisation, they identify the difference between agencies and NDPBs as “for all intents and purposes, meaningless”. The implication is that the Coalition’s markedly differing narration of the agency concept as a mode of organisational centralisation and ministerial control does little to alter its essential meaning as a partially-decentralised organisational form that instantiates NPM tenets of structural disaggregation, contractualisation, and empowerment. However, by adhering to the constructivist maxim that discourse is constitutive of social phenomena, rather than simply descriptive, no such assumption of ideational fixity can be made. Rather, continuity and change becomes a matter for empirical investigation in its own right. To this end, the departmentalisation of the agency model, described above, suggests the distinction currently being narrated between agencies and ‘arm's-length’ bodies is far from meaningless. Rather, it is testament to the fact that the attenuation of NPM is not only manifest in high-level rationalisations of agency landscapes (Verhoest, et al., 2011), but also in the evolving meaning of agency policy.

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