

**TESTIMONY FOR SENATE
BUDGET COMMITTEE
TASK FORCE ON PERFORMANCE MANAGEMENT**

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I am honored by, and grateful for, the opportunity to provide testimony on the approach we developed in the Blair Administration to performance management. I hope my comments, which will focus solely on the British experience, will be of interest. I look forward to discussing this with the Task Force.

Our approach to performance management had the following elements.

1. A Delivery Unit

Immediately after his re-election in 2001 Prime Minister Tony Blair established a new Prime Minister's Delivery Unit under my leadership and directly responsible to him. Its mission was to secure delivery of about 20 major domestic policy priorities, selected by the Prime Minister in consultation with his cabinet colleagues.

2. Priorities

The 20 major priorities were selected from across the areas of health, education, policing, criminal justice, asylum and transport. They included, for example, improving the performance of elementary schools, reducing wait times in the National Health Service, bringing about major reductions in crime and ensuring punctuality on the railways.

Of course, these were not the only issues the government had to deal with; they were the ones that the Prime Minister – having listened to the British people during the election campaign – believed were most important to citizens and would benefit most from a more intensive focus and drive for implementation.

3. **Targets**

For each of the priorities we set targets; measurable goals with a deadline: for example, that no one would wait more than 4 hours to be seen and treated in the emergency room of a hospital by December 2004; or that there should be a 30 percent reduction in vehicle crime by 2005. These targets were made public and citizens could track progress towards them on a website.

Successful reform does not require published targets but it does require clear, specific definitions of success. Published targets, however, have the benefit of being measurable and of setting expectations both for the providers and users of a service.

4. **Delivery Plans**

Once the priorities and targets were established, the Delivery Unit required the relevant government departments to prepare delivery plans which set out how the targets were to be achieved. We reviewed the quality of these plans with the relevant officials.

We wanted departments to draw up real operational plans which set out the key milestones, major decision points and key steps towards implementation. We also required the plans to include trajectories that indicated how the data would change from current performance to hitting the target. The trajectories were crucial because they required government departments to think hard about what impact their proposed actions would have on the outcomes.

5. Routines

Perhaps the single most important lesson of my time in the Delivery Unit was that, all too often, government is driven by crises and unexpected events yet it is routines that deliver results. The Delivery Unit in collaboration with the Prime Minister developed three key routines.

i) **Every month**, we prepared a brief note for the Prime Minister on progress on each of the key priorities. This meant that, in literally a few minutes, he could acquaint himself with progress on his key priorities and, if he chose, respond urging faster action or continued advance.

ii) **Every quarter**, the Prime Minister held a stocktake meeting with each of the relevant ministers at which progress against trajectory was reviewed and any necessary corrective action agreed. The Delivery Unit prepared the agenda for these meetings which normally began with a brief presentation from me, showing progress and identifying problems. For the first time in British history there were regular meetings in the Prime Minister's diary where the agenda was not strategy or policy but implementation.

iii) **Every six months**, the Delivery Unit reviewed all the major priorities, again in collaboration with the relevant departments, and rank-ordered them according to "Likelihood of Delivery". This ensured the Prime Minister knew where he and we needed to focus most of our energy in the next phase. In addition, this six-monthly Delivery Report informed the Prime Minister what action would be taken in the next six months on each of the priorities either to ensure continued progress or to solve problems where they had arisen.

The result of these three routines was that problems were identified early and corrected, rather than left to fester and become crises.

From the Prime Minister's point of view, they meant that whatever global or political crises he had to deal with –and there were many between 2001 and 2005 – he knew that the Delivery Unit was focused all day, every day, on ensuring implementation of his key domestic policy priorities.

6. Problem-solving

Of course, with large, complex reforms in a rapidly changing world, there are times when implementation does not go according to plan. The routines were sufficiently robust to identify these moments promptly. In the Delivery Unit we developed a range of ways of solving problems as they arose. At the simplest level, sometimes a problem-solving conversation with the relevant officials would be enough. With more complex problems, a rapid (six-week) review, carried out in collaboration with the relevant department and involving frontline visits as well as analysis of the data, would be required. Occasionally, a period of full-scale crisis management, involving the Prime Minister himself, would be needed to correct the course. This was especially important where solving the problem involved multiple departments and agencies.

7. Culture change

Underlying the approach was a drive to change the culture in the civil service. We wanted to instill the belief that bold reform and the transformation of performance was possible.

The Delivery Unit employed a relatively small number of talented people who, with the backing of the Prime Minister, sought to build collaborative relationships with those whose performance we sought to change. We were constructive, plain-speaking and persistent. We insisted that the targets were achievable with the resources already allocated. When problems arose we sought solutions through

benchmarking within services, between services and globally. We refused to accept that problems, however intractable they appeared, could not be solved. In short, we had what Prime Minister Blair called a “can-do” attitude.

At first, inevitably, there was some suspicion around government that we were the Prime Minister’s “spies” checking up on ministers and departments, but quite quickly people perceived that, while we were challenging, we were also a force for good; we ensured consistent pursuit of a small number of priorities, helped to find solutions to problems as they arose and – importantly – always gave the credit to the relevant ministers and departments, rather than claiming it for ourselves. We understood President Truman’s dictum that “there is no limit to what can be achieved as long as you’re prepared to share the credit.”

8. Conclusions

- Around 80 percent of the ambitious targets we set in 2001 were achieved by 2005. With the other 20 percent, in almost cases, performance had improved, even though we had fallen short of the target.
- Prime Minister Blair described the Delivery Unit as the best reform he ever made of the government machine.
- Real progress was made in building the overall capacity of the government to implement reform successfully – though when I stood down in 2005 there was still a long way to go. Further progress has been made since 2005.
- Our focus on data and transparency helped to establish an evidence-informed approach to policymaking and implementation.

The key messages are that establishing clear priorities, measuring progress, establishing simple, easy-to-use routines and solving problems as they arise – rather than when they become crises – makes a huge difference to performance. Conceptually, this is straightforward; impact depends on the rigor and persistence with which the approach is implemented.

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