

# Identifying the Cause of the Child Support Agency's Problems: A Case of New Public Management Failure or an Issue of Inapt Accountability?

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## **Abstract**

This paper sets out to assess the impact of two dimensions on the highly publicised failure of this government 'Next Step' agency. Initially there is a brief history of the agency, not only since its formation, but also before its conception, after which the question of 'Why the allocation of child support should reside within the public sector?' is addressed. The first dimension considered is the operational/internal issue of control and management, which is reviewed using the theoretical basis of the New Public Management principles. The second dimension is one of the agency's relationships with the home department and associated minister. The discussion here invokes criticism of the system of accountability in place and proposes that the ambiguities and practical implications of such a system have helped to limit the agency's effectiveness.

## **History of the CSA and events that led to its conception**

The Child Support Agency (CSA) was formed in 1993 following the Child Support Act, 1991. It was set up as a 'Next Step' agency, and reports directly to the Department of Work and Pensions (formerly the Department of Social Security). Its purposes are basically four-fold; to trace the non-resident parent (NRP), to assess how much s/he should pay in maintenance, to provide a collection service if required and to enforce payment if necessary.

By the time 1992 arrived it was clear that the issue of child support was becoming a prominent issue as it had developed into a huge expenditure burden for the government. During Thatcher's era the child support bill had trebled to £6.6 billion, and thus was a massive and increasing tax burden for the country. The number of children born to unmarried mothers had risen to 31% by 1990 (10% in 1970), the number of lone parents claiming benefits had risen to 70% by 1989 (37% in 1971), yet the numbers receiving from the non-resident partner had dropped to 23% in 1989 (50% in 1979). (Harlow, 1999:155). All these statistics outline that the pressure on the government was growing to overcome these problems and that the establishment of a new body or reform was imminent to replace the court based system of maintenance provision under the Department of Social Security (DSS).

1991 saw the passing of the Child Support Act, "*Which was suggested, discussed and implemented in an incredibly short time with surprisingly little opposition.*" (Jenkinson 2001). Harlow (1999) suggests that this was a huge error and led to many difficulties in the early years. The absence of a pilot program meant employees were untrained and untried, and systems and technologies were not in place to support the activities of the organisation. However the agencies formation went ahead and it was formed in 1993

Mrs Ros Hepplewhite was the pioneering Chief Executive, appointed in 1993. She was recruited from the voluntary sector and had no previous experience working in a public service operation. Around half of the 5000+ staff were recruited from the agencies predecessor the "liable relatives unit" of the DSS, and thus had worked under the inefficient and ineffective organisation that preceded the CSA. Other staff were recruited from the private sector and thus brought little public sector experience to the table.

According to Jenkinson (2001) the birth of the CSA brought many "*huge and unwelcome changes*". One of the key arguments that support this negative outlook on the CSA outlined by Jenkinson (2001) was that the CSA had been formed as a tax alleviating measure rather than attempt to rid the country of child poverty. This raises questions about the exact purpose of the creation of the new agency.

January 1995 saw the publishing of a government White Paper promising changes to the CSA. This duly occurred with the Child Support Act 1995. This was partly prompted by a report from the Select Committee on Social Security (SSC) in the years 1993-4. In their first report on the CSA they found there were flaws at both policy and operational levels, as they saw targets of relieving the tax burden as highly unrealistic. They also criticised the agencies seeming preoccupation with middle class NRPs as a way of "*maximising the maintenance yield*" (Harlow 1999:165). The Second Report published by the same body ended up in compromise, as the chair of the SSC had been outvoted in proposing radical changes to CSA. A more conservative approach was 'agreed'. Measures, such as provisions for relatively greater flexibility, were put in place to dispel the growing press coverage reporting that the CSA was incompetent and unable to fulfil its objectives. ([www.childsupportanalysis.co.uk](http://www.childsupportanalysis.co.uk))

However despite the various bills the Agency remained inept. It appears that the Conservative Party were considering changes up to the 1997 general election,

however their imminent expulsion from government meant that the Labour Party entered office and immediately started the reform process, Ms Hepplewhite was promptly 'replaced' by Ann Chant as the new CEO of the CSA. The new minister put in place to oversee the change was Baroness Hollis.

Green and White Papers followed in years 1998 and 1999 respectively unfortunately becoming less radical in development, and more towards a tool of welfare relief. Diverting its attention in the process away from the interests of the children the agency was meant to support. This reform process culminated in the publishing of the Child Support, Pensions and Social Security Act in early 2000. The application of this act is coming in to place slowly with the new formula for support assessment being introduced by the end of 2003. It will only be then when we can assess the results of the third set of reform

June 2001 saw the creation of a new Department that the CSA had to report to; The Department of Work and Pensions. This department was a merger between the former departments of Social Security and Education and Employment. Alistair Darling became the Secretary of State for the Department of Work and Pensions (DWP) from June 2001 to May 2002, having previously been the DWP Predecessor, the Secretary of State for Social Security between July 1998 and June 2001.

Darling has recently been replaced by Andrew Smith and he has now been in the job since May 2002. With both Ministers being in control for such short spans of time it is difficult to assess their impact especially under the conditions of gradual reform instigated by the 2000 act. Douglas Smith is the current CEO of the CSA having replaced Frank Field in 2001, it remains to be seen what impact he will make on the CSA.

### **Why does this service have to be managed in the Public Sector?**

The allocation of child support is managed as a 'Next-Step' agency. This is a relatively new innovation in government and is a quasi-autonomous agency that directly reports to the DWP. However one must make it clear that it remains very much within the public domain. The following passage discusses issues and highlights reasons why this has to be the case, while drawing comparisons and discussion from the private sector.

Most importantly the allocation of child support must stay within the public domain, as its primary purpose is to alleviate child poverty. Whatever sinister political machinations lie beneath the surface, the allocation of this must stay within the public domain as it is dealing with a highly vulnerable group in society and thus a strict ethical code must be in place, to protect such a vulnerable body from an uncompassionate market.

Whitley and Osborne (1994) highlight the "*the 'trust' argument*". This accentuates the point that the CSA is dealing with a highly vulnerable consumer and thus must be under some sort of regulation ensuring equality. Although it would be highly cynical to insinuate that no private sector companies had an ethical stance or were untrustworthy, the private sector does have a reputation for being somewhat ruthless and such an approach could be highly detrimental in providing an equal and ethical

service that is required. The point here is that regardless of who provides the service the government will be held accountable by the general public for protecting the children. Provision within the public sector therefore allows politicians to remain in control of the service.

It is imperative to point out at this stage that there are some factors that do point to management in the private sector and it would be naïve to assume that managing the CSA in the public arena is infallible as has been shown by its fraught existence. Operations within the public sector are inevitably susceptible to political behaviour. Working within the political arena brings various implications, and McKeivitt and Lawton (1994) highlight a very important impact. When operating in the political arena there is frequent reshuffling and this as a huge impact on long-term strategy. As work in different operations is often short lived, then inevitably long term strategic development is hard to develop. This has been highlighted in the CSA, with three so-called radical reforms in its nine year life, and the frequent change in leadership at both the Ministerial and Chief Executive levels.

The age old issue of bureaucracy is also a key constraint, and is something that has plagued the CSA in its life. Time consuming bureaucracy is a constraint that has often been associated with the public sector and is often viewed as a huge limitation in managing in this environment. However as McKeivitt and Lawton (1994) point out bureaucracy is often an attempt to achieve equality and uniformity and thus cannot be whole heartedly criticised. It can be suggested that managing in the private sector will help to alleviate the huge amount of bureaucracy, but such companies do not have such a public accountability to equality, and bureaucracy helps to achieve this, whatever the various other impacts of this are.

McKeivitt and Lawton (1994:56), state that public sector companies have a wider and deeper accountability, than private firms. They have to operate an open policy on their operations, expose their plans, and justify them in the public arena, laying them open to fierce criticism. In general firms operating in the private sector don't have to face such stringent examination, however when dealing with such a delicate operation as child support one could argue that the public has a right to be informed on plans and performance of such an agency, regardless of which sector it is operating in.

Viewed in its simplest form, dealing with such a delicate issue equality and morals are absolutely paramount to ensuring a “successful” service. The market is not something that has traditionally provided such attributes and thus it appears imperative to operate the allocation of child support in the public sector. Flynn (1997) sums up this sentiment succinctly in the following:

*“The whole purpose of public services, is not to make money but to provide collectively; protection, help, restraint and care outside market relationships,”* (Flynn 1997:11)

## **Issues of Internal Management under the New Public Management principles.**

The creation of the Child Support Agency was preceded by societal factors that contributed toward the 'progression' from Public Administration to New Public Management as a method of organising the provision of public services. From the very start the developments made to the Liable Relatives Unit to turn it into the CSA were based on New Public Management principles because the government believed it to be the way forward.

The "*inadequacies of the traditional model of administration*" (Hughes 1998:52) saw both prevalent productive and allocative inefficiency throughout the public sector. These failings were present in many government arms and the Liable Relatives Unit was no different. Therefore, with what was viewed as an unacceptable level of failure and inefficiency, the Liable Relatives Unit was modernised and developed into the CSA as a "*Next Step Agency [that] was to operate according to the best principles of New Public Management*" (Harlow 1999: 163).

The theory of New Public Management operated upon the foundation of a number of features. It was possible to incorporate some of these features into the CSA whilst others were not. The features of decentralisation, performance measures and market forces, and the extent to which they were applicable to the CSA, are to be examined to see if reasons for the CSA's problems can be identified.

### *Decentralisation*

Decentralisation is a key aspect of New Public Management. As a separate agency the CSA had a much greater degree of autonomy than the Liable Relatives Unit had been permitted. The restructuring of departments and creation of Next Step agencies allowed responsibility for policy to be separated from service delivery (Policy/Provider divide). "*The United Kingdom's Next Step Agencies reflect equally a form of delegation of authority...It is based on broad grants of powers from the ministry in framework documents with little specific legal content*" (Elder and Page).

This is clearly introduction of a decentralised approach to management of the CSA as decision making and resources allocation responsibilities were passed down the hierarchy to the Chief Executive of the agency. NSAs are headed by chief executives who are responsible for day-to-day operations and management of clearly defined areas of administration. The parent department "*in theory, has arms-length control, leaving agency CEs with freedom and flexibility to manage*" (Horton, S. and Farnham, D, 1999: 147). Therefore their "*relationship with the parental department rests on the common law principle of delegation*" (Harlow, 1999: 151). Each agency is then in theory able to respond to its own individual market, clients, and users in an effective way, allowing an increase service efficiency and performance.

In the case of the CSA the role of the agency was set out in a management plan, which the Chief Executive was required to implement. "*A business plan had been agreed with ministers before the launch and were regularly published,*" (Harlow, 1999: 163).

The theoretical base of the superiority of business management and ensuring “*policy decisions [were] entrusted to professional experts*” (Hughes 1998:62) was provided by the staff who were employed to run the agency. Approximately half the staff came from the old Liable Relatives Unit that previously dealt with child support. However, the other half were staff drafted in from the private sector. These were generally employees of banking and insurance. (Harlow, 1999: 162) These people were to provide the ‘professional management’ needed for a market system to work it was intended that these employees would be able to drive for efficiency whilst still providing a public service. As Ms Hepplewhite stated it was an organisation, “*not like a business and not like the public sector,*” (Harlow, 1999: 162).

### *Market Forces*

In a market system resources are allocated by consumer demand. As Adam Smith stated, the consumer is king, consumers have sovereignty and are the most important people in the market. In its attempts to resemble this market system the CSA placed emphasis on being ‘Consumer Friendly’. However, a customer focus was the limit the CSA saw to its exposure to market forces. There was no competition and therefore no other substitutes available to the users of the service. It is certainly possible that as a foundation of the market mechanism, the lack of competition could be one of the reasons why the CSA was classed as a failure after its birth as a modern agency.

This focus on customers led to the creation of an attractive booklet detailing a ‘Charter’ that listed various promises to the customer. Examples include, answering all telephone calls within 10 seconds, replying to any letter within 10 days, reducing the interview waiting time to 20 minutes, promising full confidentiality and regular surveys to gain constructive feedback.

### *Performance Measurement*

The aforementioned Charter was all part of a system of Performance Measurement; another prominent feature of New Public Management applied extensively to the CSA. The devolution of the agency meant that ministers and senior civil servants needed to be able to monitor its performance. Performance measures included financial targets, customer satisfaction rates, measures of work efficiency and compliance to the aforementioned business plan. These performance measures were important because they offer a way of holding the operational members of the public service accountable for their results, a feature not generally present in public administration.

The main issue regarding such a system was, and still is, that the measures and targets being set were beyond the control or influence of the Agency's managers. Targets were set by ministers and central policy makers and in the case of the CSA have been criticised for being “*unrealistic as well as inflexible*” (Harlow, 1999:164). Ministers have to set high targets to appease the public; however, if they aren’t agreed as being realistic by the operational levels then when failings occur blame is still placed by both parties in the same way it was under Public Administration.

In reality the performance measures were not being met and inefficiency persisted, indeed “*inefficiency was freely admitted*” to exist by representatives of the CSA (Harlow, 1999: 163). There were seen to be “*regular breaches of confidentiality [and] letters that were unacknowledged*” (Harlow, 1999: 162) despite the new charter in place. No targets were met in the years immediately after implementation of New Public Management; benefit savings were below target as were the number of maintenance payments secured. (Harlow, 1999:162). The reasons why these performance measures were not being met are unclear but a link to the features of New Public Management adopted by the CSA cannot be excluded from consideration. Could it be due to the unusual combination of the agency's staffing that was brought in to run the agency? Was too much authority and responsibility devolved too soon to such an inexperienced organisation? Would the failure have still occurred in an old bureaucratic government department managed under Public Administration? Or was the CSA just an exception to the rule and other Next Step Agencies have prospered under New Public Management?

*Theoretical underpinnings: Public Choice Theory.*

Public Choice Theory was the academic underpinning of all the changes made to the way maintenance was obtained for lone parents. This sub-branch of economic thought is “*concerned with the application of microeconomics to political and social areas*” (Mueller in Hughes, O.E. 1998:10), and challenges many of the basic assumptions of public administration. A key objective was to reduce government bureaucracy, which was seen to greatly restrict the freedom of individuals and needed to be reduced in the name of choice. A number of features of public choice theory have been highlighted previously in this paper, which support the idea that public choice theory influenced the management of the CSA as it emerged from the Liable Relatives Unit.

To overcome the issue of productive and allocative inefficiency, as well as a lack of accountability due to clear bureaucracy in the Liable Relatives Unit, the market was seen to represent a viable solution. “*Markets are argued to have better mechanisms for accountability as opposed to a bureaucracy accountable to no one*” (Hughes, O.E. 1998:11). However as mentioned previously a market system was deliberately omitted from the CSA's formation.

Public choice theorists generally conclude that government should take a minimal role, but Horton and Farnham (1999) state that the government have changed direction, strengthening political control and reaffirming full ministerial responsibility for the CSA. However whether this would have been the case if the CSA hadn't been such a focus of media attention is a valid question to consider? The Minister being held accountable could not be seen to stand by whilst so many problems were being highlighted and one could argue whether this was ultimately useful. The problems plagued the CSA despite numerous policy changes and ministerial intervention. Was such action more concerned with limiting the political damage rather than solving the CSA's problems?

A key assumption of public choice theory is a comprehensive view of rationality. “*A rational man must be guided by the incentive system within which he operates. No matter what his own personal desires...*” (Hughes, O.E, 1998:11).

The rational man can be seen to be guided by an 'incentive system', and in the initial introduction of the CSA the CE was employed on a contract which included performance-related pay. However bureaucrats are not motivated by the public interest but by their own selfish interest, and ministers and politicians can be seen to be only interested in maximising votes. The theory drives for public sector organisations to be run like a private business, or as much as possible.

### *Failure of the Theory?*

However, despite the application of this 'economic theory' throughout the CSA, problems only seemed to worsen. In reality many failings seen in Public Administration persist within New Public Management in the example of the CSA. The minister blames the Chief Executive for the Agency's failings and the Chief Executive blames the minister for being too demanding and unrealistic; clearly the Policy/Provider divide has caused problems. Whilst operationally the preceding Liable relatives Unit and the current CSA are considerably different, the resulting service that the public has been receiving has arguably changed little. The reforms implemented seem to have provided little in the way of improvement that theoretically might have been expected.

Can the failings of the CSA, that are so similar to the failings of the Liable Relatives Unit, be seen as a simple failure of New Public Management? Or are there other environmental variables affecting upon the CSA that caused it to be defective? The problem with analysing such an agency as this is that, whilst in essence the CSA may have a distinct identity it is never really separated from central government and the minister responsible for the parent department. Therefore only looking at the 'Provider' side of the relationship is unlikely to reveal the complete picture. Analysis of the 'Policy' side is required as well as the way that the two interrelate.

### **Accountability Issues.**

Accountability has always been a major issue in public services for a number of reasons. Obviously it is important in any organisation to know who is responsible for what, but when politics is involved it becomes even more important. The government is spending public money and so there is large amounts of media attention and when things go wrong the government has to be seen taking action and punishing those who are accountable. The problem is the complex and paradoxical nature of accountability. *"Too much calling to account may confuse the issue of who is responsible and may impede the ability of management of an organisation to run the services for which they are to be held accountable"* (www.childsupportanalysis.co.uk.). The hierarchy of public sector organisations simply serves to confuse matters further as there are two possible groups to be held accountable, ministers and civil servants.

*The incongruity between the formal doctrine of accountability and practical reality.*

One of the main issues is the difference between the theory and the reality. The government has traditionally used a doctrine that clearly outlines the responsibilities of ministers and executives to determine who is to be held accountable. *"Ministers are accountable to the public, via parliament, for their own decisions and for the work of the departments; civil servants are accountable internally – and only internally - to their political chiefs."* (Barberis, 1998: 451)

This lays down the rules in black and white, clearly stating that ministers are to bear all of the responsibility and cannot *"blame their civil servants when things go wrong,"* (Barberis, 1998: 451). To give this black and white definition, the doctrine relies heavily on two main principles; that ministers delegate responsibility to the civil servants and that they are involved in the operations of their department. An apparently simple solution to a potentially complex issue, but this is not the case. The make up of government departments has changed over the years with departments expanding drastically and also becoming multifunctional in their duties. This has meant that ministers are increasingly detached from the day-to-day running of their departments and agencies. Due to these changes, many now consider the doctrine to be weak and impractical, yet it is still used. Even despite the creation of Next Step Agencies aiming to relieve the pressure on ministers by following a policy of 'controlled delegation' and giving more responsibility to the executives, the doctrine is still followed.

Therefore it is easy to see how the relatively simple theory of accountability has become complicated and completely detached from the reality of the situation. The case of the CSA brought to light many of the problems surrounding accountability because of the difficulties it had during its first years.

*"Seven years after its establishment the CSA had been the subject of a record number of inquiries, audits and reports. One chief executive, though notably no minister, had resigned. Masses of complaints had been, and continue to be, received. The chair of the Public Accounts Committee described the affair as an object lesson in how not to set up an agency."* (Harlow, 1999: 154)

With problems such as the CSA had, the doctrine states that it is the minister's responsibility and that s/he is accountable for the problems in his/her department. So why was it that after all these problems the only resignation had come from a Chief Executive? Ros Hepplewhite far from being only accountable internally to her minister, as doctrine prescribes was in fact subject to public scrutiny. It was she that spoke to the media about the problems involved with her agency<sup>1</sup> and after mounting pressure resigned in September 1994. This is a clear demonstration of how it has become impractical for the doctrine's principles to be relied on and used:

*"If you have a doctrine which says everything is the responsibility of the minister, which all common sense people know to be false, then you're really saying that the minister is in a wonderful position to say that nothing is his responsibility."* (Barberis, 1998: 457)

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<sup>1</sup> This was almost unprecedented and went against the traditional approach; Ms Hepplewhite was actually speaking on behalf of the agency rather than on behalf of her minister as was prescribed. (Barberis, 1998)

It would seem the easiest way to solve this problem is to make a distinction between the responsibilities of the ministers and those of the executives. This has largely been the case in the reality of the situation as we have seen from the saga of the CSA. *"It was perhaps inevitable that a distinction would develop between 'policy', for which ministers could be held to responsibility, and 'operational matters', for which civil servants seemed properly responsible."* (Harlow, 1999:151). However, problems are encountered because of the difficulties in drawing such a line of distinction.

#### *Policy and Provider inter-relationship*

The obvious line of distinction to draw is that between policy and operations as these are the areas that each party has most involvement but even this is difficult. The two are so intertwined that it is not a simple task to identify which area has been the cause of failure. After all, operations cannot succeed without the backing of sound policy, but good policy can be implemented badly.

One approach to blaming policy for the failures of the CSA comes from Dolowitz (2001). In his paper he illustrates how he sees the incomplete, selective and misinterpreted policy transfer from the US's equivalent child support body to the new British Child Support Agency in 1993 as being a contributory factor in producing the initial problems the CSA faced<sup>2</sup>.

Another factor is that despite a policy of controlled delegation, the Audit of Accountability (Hogwood et al) found that *"agency status does not prevent ministerial involvement in day-to-day operational matters, nor does it ensure regular involvement in overviews of the work of the agency."* ([www.childsupportanalysis.co.uk](http://www.childsupportanalysis.co.uk)). This means that the line of distinction becomes blurred allowing people to hide from their responsibility by blaming the other party. *"M.R. [Ministerial Responsibility] is a ruling fiction whereby ministers shelter behind civil servants and vice versa,"* (Lewis and Longley 1996: 503). The CSA is a good example here as it had problems with both policy and operational issues, *"The CSA became implicated not only in a policy that was controversial and far from straightforward but also in some highly publicised errors of execution."* (Barberis, 1998:457)

One could argue that part of the CSA's problem was the interference from the minister and changes to policy that were to constantly harass the agency. *"There were Sixty Two changes in the basis for child support assessment in about 4 year,"* (Harlow 1999: 173) whilst Harlow (1999:173) also states that she believes that *"Government was pushed by unfavourable publicity into changes which made the CSA more error-prone, building longer backlogs and more delay."* Can you blame civil servants for operational failure when such changes to policy are so frequent and detrimental?

Blame was apportioned to both government and the agency yet it was only the executive that resigned. The minister, whom doctrine dictates is ultimately accountable, never saw that accountability come to bear. Surely this is an

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<sup>2</sup> Dolowitz outlines how the Thatcher government turned to the American system as a model for the new CSA body they were setting up. Problems occurred because information was insufficient on how the American system worked, the information available was subject to highly selective interpretation, several elements off the American system were dropped, and cultural and ideological difference weren't taken into account. (Dolowitz, 2001:384)

unacceptable situation and warrants the reassessing of the nature of such an accountability divide.

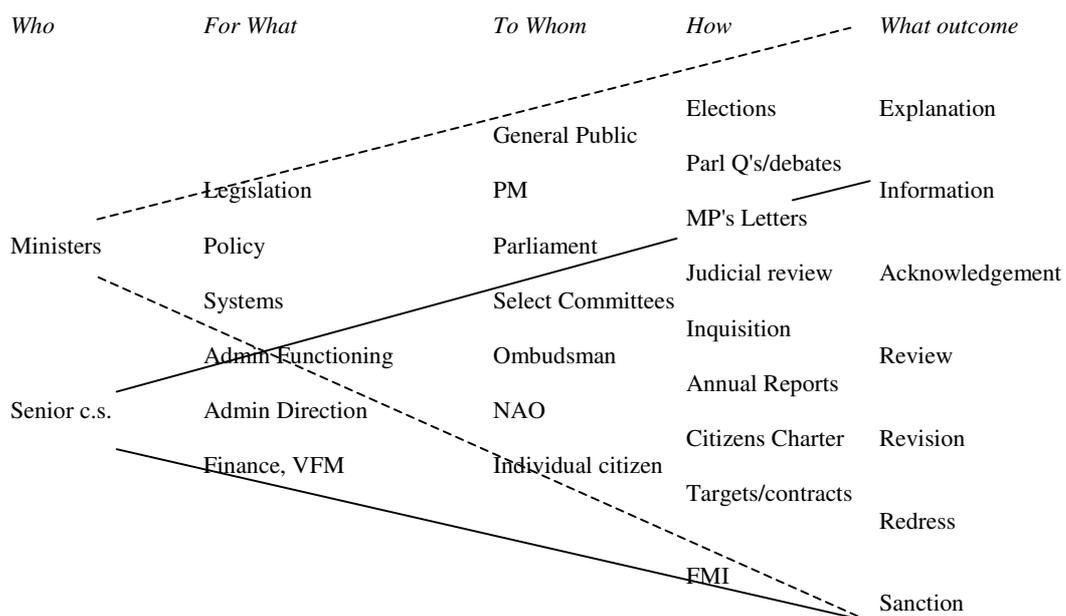
*The Solution: A New Accountability?*

The case for a more contemporary system of accountability, which is able to withstand the new organisational structures within the public sector, has been stated in several recent papers. (Lewis and Longley 1996; Barberis 1998; Harlow 1999).

Lewis and Longley (1996: 503) believe that *"the contribution of officials towards the decision-making process should be made more visible, including their advice on policy options which are rejected."* By allowing access to the policy making process, especially detailing civil servants inputs, it could help to 'pin' responsibility to a minister. If policy can be found to be the cause of problems, especially policy, which has gone against civil servants advice, then the minister, *must* be held accountable. Likewise civil servants cannot dodge responsibility if they agree or supported the policy.

Lewis and Longley (1996: 505) give the benchmark example of the New Zealand system where *"[the] policy papers prepared by civil servants were entering the public domain once relevant policy decisions had been reached."* Whilst they also suggest that *"the U.S. practice of creating a policy 'record' needs to be adopted,"* Lewis and Longley, 1996:506). Certainly there is a clearly justifiable argument that visibility of the policy making process can help to clarify who is responsible for decisions that are reached and implemented, and that the UK is significantly behind other developed countries in executing this. Barberis (1998) also recognises the inadequacies of the traditional doctrine of accountability. Following a comprehensive analysis of the current problems Barberis introduces a new model of what public sector accountability could evolve into; see fig 1 below.

**FIGURE 1** *Synopsis of public accountability, reproduced from Barberis (1998:466).*



Barberis' intention for this model is that it is not taken on face value and rather becomes a way of stimulating debate around the topic. He clearly states that it is not a 'finite prescription'. *"The most important principles lie in the notion of disaggregating different dimensions of accountability and the idea that civil servants rather than ministers assume a direct, first line responsibility for certain of these dimensions."* (Barberis, 1998:466). The solid lines for civil servants denote a more bounded accountability whereas the dotted lines can be taken to represent less clear cut extremities of accountability. Such a model can certainly help one to consider the elements of the accountability problem and further development and theorisation along these lines may help to bring concrete changes to the British public accountability system.

### **Conclusions - the CSA Case Study.**

The purpose of this paper was to examine and expose the elements contributing to the problems the British Child Support Agency has faced during its decade of existence. As the evidence disclosed within the content of this paper has shown, the identification of the exact problem the Agency faced is complicated in nature and it would appear that several key factors united to reduce the CSA to the 'Next Step' nightmare that it became.

To commence the catalogue of errors from the beginning sees an agency rushed into existence with little time for consultation or trial running. Basing policy upon a selective and perhaps misinterpreted knowledge of the pre-existing US system did not help this. Thus the policy in place was inappropriate from the start and it is not unsurprising that there were numerous attempts to revise said policy through legislative reform.

Considering the internal management of the agency, we have clearly pointed out that the CSA, whilst being based upon New Public Management, omitted market forces from their operational plan and thus rejected one of the guiding principles of such a system: that the most effective method of allocation is through giving the public freedom of choice. Clearly here the British public had no alternative to the deficient service offered by the CSA, if competition in some form had existed one could argue that it might have been sufficient a catalyst to motivate change and improvement.

The other key principles of NPM, decentralisation and performance measurement were adopted extensively but seem to be ineffective in enabling the CSA to deliver upon its charter. A review of this issue, in relation to the CSA, seems to point to an inherent relationship between operational issues and policy making. As such the success of one relies heavily upon the other. The Policy/Provider divide is less of a separation and rather an entanglement of the two parts. The reason for this problem: an inappropriate and outdated accountability doctrine.

Several recent studies have indicated that the traditional British doctrine for ministerial accountability for their departments is inadequate to enable the service bodies to function effectively. The CSA has simply been a high profile example of this. The current approach doesn't sufficiently clarify the borders of accountability and responsibility for both the minister and the agency executives and thus the situation occurs where the rules of the traditional doctrine are ignored. In the case of

CSA this was evident when the first chief executive accepted the blame for the failure of the agency whilst the minister hide behind the apparently blurred accountability system.

This blurring of the lines of accountability has also lead to problems of interference. The Chief executive of the agency in theory has had power to run the agency devolved to her, yet finds that the minister changes the policy upon which they are supposed to function whilst also setting unrealistic targets. It would also appear that much of the interference was as much to placate the media and public as it was about reform and improvement. *"At the policy making stage, the unwisdom of rapid political action in response to and reliance upon public opinion emerges rather clearly,"* says Harlow (1999: 170).

Barberis (1998:468) concludes that whilst NPM is not responsible for the difference between the traditional accountability principles and reality, it has *"nevertheless further exposed the accountability gap."*

So where does the CSA go from here? The paper has referred to the work of Barberis 1998 as an example of theorisation trying to help determine a new more appropriate system of accountability. Could the CSA work through its problems without such changes? Well whilst one could argue that the use of New Public Management as a basis for the CSA has failed, evidence would seem to indicate that, with the only other notable exception of the prison service, 'Next-Step' agencies have functioned adequately using the NPM model. There may yet be redemption for the CSA; perhaps it has just taken a longer period of adjustment for this particular agency. Then again on a more sceptical note one could say that without *serious* changes in the accountability framework and the policy provision the CSA will never escape it's reputation for deficiency.

***Word Count: 5960***

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