

The Strategic, Enabling State: A Case Study of the UK, 1997–2007

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Abstract

While several countries have introduced strategic planning and management into the work of government and the civil service, there has been some international interest in the British Government's development of strategic management in the period from 1997 to 2007. This paper begins by setting out the characteristics of the development of strategic management, which included a phase of producing departmental strategic plans during 2003–04. It shows that the government's strategic planning was politically owned. The plans were not formulated by civil servants and rubber stamped by ministers. An analysis of key planning documents for the National Health Service, including the one produced in 2004 as a strategic plan, shows that strategic thinking was emergent. The paper concludes with an observation on the limitations of ministerial-led strategic planning in a government seeking to realise a state model of being strategic and enabling.

Key words

government; strategic plans; prime minister; strategy unit

Introduction

During the 1990s, several national governments experimented with the use of strategic management. In the early years of the decade, for example, the United States passed the Government Performance and Results Act which required federal agencies to produce strategic plans, Ireland's Taoiseach introduced the Strategic Management Initiative which was applied in central government departments, and the Trinidad and Tobago Government initiated strategic planning. By the end of the decade the Organisation for Economic Co-operation and Development (OECD) was identifying international trends in government in which strategic functions were displacing service delivery ones and

strategic management as such was instigating government reforms. At the beginning of the 1990s, there were calls to improve governance in both the United States (Osborne & Gaebler, 1992) and in Europe (Kooiman, 1993). This is interesting because strategic planning and management may be interwoven with new forms of governance. For example, elected politicians may work with community and business leaders to develop strategic visions and plans, and use partnerships and volunteers to deliver them (Osborne & Gaebler, 1992: 28).

But it may be a mistake to assume that strategic management in government is now leading to

strategic policy-making or that well-embedded strategic management processes are now the norm in governments. Despite the passing of the Government Performance and Results Act of 1993, some commentators on the United States question the extent of real strategic planning in federal government. Arterton (2007: 159) suggests that

‘what might seem to be an important move to require agencies of the federal government to undertake strategic planning seriously has devolved into a rather routine exercise of measurement of ongoing effectiveness rather than a forward-looking pursuit of public policy’.

In the case of at least one European country, Germany, it has been claimed that the political leaders may have the ability to think strategically but there are no long-term strategic processes or strategy units at national level (Glaab, 2007). In the absence of a formal strategic planning process and a strategic plan, it has been claimed that the agreement negotiated to form a coalition government may serve as the strategic road map (Glaab, 2007: 79).

A recent survey of strategic management in four countries has suggested that Britain may have been the most successful pioneer of strategic management in government. Fischer *et al* (2007: 195) offered this assessment of the success achieved by the Blair administration, although it should be noted that it was seen as partial success:

‘The United Kingdom suggests a successful model. It has shown that there are ways to institutionalise strategic expertise and thereby at least partly overcome political resistance to advice. The British have succeeded in

employing strategic instruments and planning methods that the political class regarded as suspect only a few years ago. Another important factor in the (partial) success of this model is that it has never lost sight of the links between power and substance in the political realm.’

They indicate the importance of the nature of political leadership to this outcome, suggesting that top leaders who think strategically and expect others to also think strategically help to unite political leadership and strategy. In view of their positive assessment of the achievements of the British Government we can use a British case study to explore not only the characteristics of strategic planning in government departments but also the link between strategic planning processes and strategic thinking.

Ten characteristics of the development of strategic planning in British Government departments from 2001 to 2007

Characteristic 1: The strategic priorities were based on the top concerns of the public. This can be demonstrated through the following narrative of events which began prior to the 1997 General Election

The Labour Party while in opposition set itself national performance indicators in the form of five key pledges made to the public in 1996. These were developed for the election campaign of the following year and included pledges on health, education and crime.

- **Health:** cut National Health Service (NHS) waiting lists by treating an extra 100,000

patients as a first step, by releasing £100 million saved from cutting NHS red tape.

- **Education:** cut class sizes to 30 or under for five, six, and seven year olds by using savings from cutting the assisted places scheme.
- **Home Office (crime):** fast-track punishment for persistent young offenders, by halving the time taken from arrest to sentencing.
- **Welfare:** get 250,000 under 25 year olds off benefits and into work by using revenue generated from a windfall levy on the privatised utilities.
- **Tax and the economy:** for fairer tax burden, cut Value Added Tax on heating to five per cent, no rise in income tax rates and keep inflation and interest rates as low as possible.

There is a view that the Labour Government elected in 1997 and led by Tony Blair initially made little progress with its domestic agenda. It appears that Blair was made aware of this in 1999 by Philip Gould, who made regular reports to the Prime Minister on the results of focus groups made up of members of the public. The Labour Government was not making change happen quickly. According to a political diary, the Prime Minister *'was getting more and more frustrated about delivery... he said "What do I have to do to translate what we say into action?"'* (Campbell & Stott, 2007: 424). He appears to have begun to answer his own question when, in 2000, the Prime Minister talked about the strategic direction of his government:

'You may have heard me and my colleagues talking... about the need to keep focused on the long term – warning of the need not to get blown about by day-to-day events... what's important is to stay focused on what really matters, on the fundamentals – on economy and jobs, welfare

reform, on health, education, crime and transport' (Prime Minister's Office, 2000).

The policy fundamentals in 2000 included health, education and crime, like the election pledges formulated in 1996, and these were elaborated as part of a set of government priorities in 2001.

- **Health:** heart disease mortality, cancer mortality, waiting lists, waiting times, and accident and emergency.
- **Education:** literacy and numeracy at 11, maths and English at 14, five A–C GCSEs, and truancy.
- **Home Office:** overall crime and breakdowns of crime, likelihood of being a victim, and offenders brought to justice.
- **Transport:** road congestion and rail punctuality.

Two of these priorities – health and education – were clearly demonstrated by opinion polls to be the top concerns of the British public at this time.

Characteristic 2: Attention was paid to creating a consensus on the top strategic priorities in the heart of government.

Blair's set of government priorities was developed into a set of performance targets, drawing on Public Service Agreement targets set in the previous year, departmental 10-year strategies, and manifesto pledges from the 2001 election. These performance targets were then the basis of Public Service Agreement targets for 2002. The Prime Minister's Delivery Unit (PMDU) played a key role in developing cohesiveness in the centre of government. Michael Barber, who headed up the PMDU, described how careful the Unit was to make HM Treasury an ally and not an enemy: *'The centre of government was doing something it was not famed for – singing from a single song sheet.'* (Barber, 2007: 57)

Despite frequent reports of tension between the Treasury and the Cabinet Office reflecting the alleged tension between the Chancellor and the Prime Minister, Barber was confident that the PMDU had managed to bridge the two focal areas of the British Government: *'With the Treasury as an ally, we seemed to speak not just for the Prime Minister, but also for the Chancellor.'* (Barber, 2007: 58)

Characteristic 3: Capability was created in the centre of government to monitor progress on the strategic priorities, to help departments deliver the priorities, and to report progress to the public

In 2001 the Prime Minister's official spokesman announced three new central units:

'the establishment of a Delivery Unit...; the establishment of an Office of Public Service Reform, which would be based at the Cabinet Office; the establishment of a Forward Strategy Unit, which would also be based at the Cabinet Office. The new offices were all designed to help achieve the modernisation and reform in public services which the Government had pledged in its Manifesto...' (Prime Minister's Office, 2001).

Characteristic 4: The government created capability in strategic policy-making by setting up the Prime Minister's Strategy Unit in 2002

The role of the Prime Minister's Strategy Unit was later justified by its director as being important partly because of the way cross-cutting issues impinge on multiple policy areas (such as health, education, and labour markets). He gave evidence to the House of Commons Public Administration Select Committee (2007) in which

he claimed that the Prime Minister's Strategy Unit helped to address the cross-cutting issues. Its work was strongly endorsed in 2006 by Lord Birt in evidence to the same Public Administration Select Committee. He claimed it supported the cabinet committee system and was valued by the Prime Minister and by other government ministers. He rated it as having a central role in the formulation of government policy.

Characteristic 5: The strategic planning process used by British government departments was politically owned

The evidence is to be found in the way in which five-year departmental strategies were produced in the period 2003–04. In the summer of 2003 Lord Birt (a special adviser to the Prime Minister) and Peter Mandelson produced a report for the Prime Minister in which they recommended five-year strategic plans. In September 2003 the idea of five-year plans was discussed and it was decided that they should cover education, health, the Home Office, and pensions. It was later decided that all departments would produce them. It was also decided to involve the Cabinet fully in the plans (Seldon *et al*, 2007: 224, 225 & 287).

In 2004 the strategic plans were debated in the Cabinet. Blair, as Prime Minister, was a key voice in debating the plans (Barber, 2007). When they were published in the summer of 2004 there was no doubt that they were politically owned by the cabinet – they were not simply rubber stamped by ministers in the cabinet. This makes the British experience very different from those models of strategic planning in government departments that are championed by civil servants and in which strategic planning is seen as a public management tool used almost exclusively by a professional civil service cadre.

Characteristic 6: The strategic plans contained in the five-year departmental strategies of 2004 were tools to reform public services systems

Strategic planning was seen as instigating quite different reform pressures from those that had been employed immediately after the 1997 election. These strategic plans endorsed public empowerment and the use of competition between providers rather than simple reliance on top-down pressures created by targets, audits, inspections and interventions to deal with failing public services organisations. The Prime Minister had come to the conclusion that the benefits of top-down pressures were being exhausted and that it was now necessary to move the reform process on so that it not only created increased efficiency but also innovation led by professionals in local public services.

The language used in the forewords to the key strategic plans for health, education and criminal justice was noteworthy. They referred to the need to bring systems up to date. In May 2004, according to Barber (2007: 216 emphasis added), *'Blair's focus was on the culmination of the five-year strategy process. Increasingly confident of delivery in the short term, he was now looking forward to irreversibly changing the public services so that, as he would put it, they could become self-sustaining, self-improving systems.'*

Lord Birt, who left government in December 2005, having worked as a strategy adviser to the Prime Minister, claimed that the government's strategy work was pioneering. In his evidence to the Public Administration Select Committee (2007) on the future of governance, he argued that Blair's Government was concerned with whole system strategies and he claimed that this was without precedent.

Characteristic 7: Strategic plans were combined with a form of performance budgeting, which had been introduced by the Treasury shortly after the 1997 General Election, so that the five-year strategies developed by the Cabinet linked to performance targets and budgets agreed with the Treasury

The form of performance budgeting used by the Treasury was based on comprehensive spending reviews. These set the departmental expenditure limits and allocated resources. The first was in 1998. It was repeated in 2000, 2002 and 2004. public service agreements accompanied the comprehensive spending reviews and were national targets agreed by departments and the Treasury. The aim of the national targets was to make sure that measurable outcomes were delivered in return for resources. The Chancellor had a lot of control of policy through the public service agreements and the comprehensive spending reviews.

There was potential for the strategic planning and the work of the Treasury to be at cross-purposes. The Chancellor presented the 2004 Comprehensive Spending Review to the House of Commons on 12 July 2004, which was shortly after the publication of the strategic plans for health (on 24 June 2004) and education (on 8 July 2004). It would have seemed likely to any outside observer that this could have been difficult for the Prime Minister, who had shaped the five-year strategies of the three main areas (health, education, and Home Office) and the Chancellor, who presided over the separate process of the public service agreements and the comprehensive spending reviews. Would these dovetail, having been undertaken separately? In fact, the budget for health was not an issue because there was already a commitment to invest in the NHS. There was some indication that the strategic plan for the Home Office had led to some last minute

negotiations over the budget. But mostly the strategic plans and budgets were not at odds.

Characteristic 8: Departments were helped to build up their strategic capacity

The Prime Minister's Strategy Unit played a role in this by helping to develop strategic policy-making capacity in the departments with which they co-operated. Stephen Aldridge, the Director of the Strategy Unit, told the Public Administration Select Committee in January 2006 that they did this in two ways: by seconding people and by working jointly with departments on projects (House of Commons Public Administration Select Committee, 2007). An appreciation of the Prime Minister's Strategy Unit's work in supporting strategy work in individual departments was provided by the Director of Strategy in the Department for Environment, Food and Rural Affairs, when giving evidence to the Public Administration Select Committee. She described the formation of the Prime Minister's Strategy Unit as a good idea and illustrated the benefit for her department in relation to thinking about the future of the fishing industry. She concluded that it had really helped with finding interesting and different solutions. She did not think her department would have found these solutions without its help.

Once there is a strategic plan, there is a need to ensure there is the organisational capability to deliver it. One aspect of this is the generic organisational capability of a government department.

Characteristic 9: There was an explicit concern about the civil service leadership capability to develop and execute ministerial strategies

Capability reviews were carried out for all departments in 2006 and 2007 and they were focused on assessing the leadership, strategy and delivery skills of the senior civil service. They were

followed up by plans to develop departmental capability. The process was seen as being part of the wider reform of the civil service. It was to instigate a step change in the capability of departments and to help the civil service to be ready for future challenges. But crucially, as already noted, the capability reviews were to reassure the ministers as the political management of British Government that the civil service could deliver ministerial strategies.

The Policy Review process began in late 2006 and continued in early 2007 identifying the importance of the model of the strategic and enabling state, which has important implications for the roles of central agencies in the reform process.

Characteristic 10: The way in which developments in strategic planning and public services reforms could be conceptualised as leading to a new and modernised role for the state

The underpinning idea was to establish a strategic and enabling state. This was outlined in a policy discussion paper produced by the Prime Minister's Strategy Unit (2007). The strategic and enabling state was presented as being a response to global and domestic trends. There is some hint of a Third Way analysis in the suggestion that this idea was neither in favour of a big state nor a small state. The following quote illustrates the affinity of this idea of the role of the state with new thinking on governance (PMSU, 2007: 4):

'Enabling citizens to take power is both right in itself and also indispensable to meeting the objectives of government that cannot be met in any other way. The modern state used to work in a new way – less about command and control and more



about collaboration and partnership. This reflects the kind of citizen we have today: inquiring, less deferential, demanding, informed.'

Evaluation

The strategic plans of 2004 were instigated and shaped by the Prime Minister (Barber, 2007). But the strategic plans were also informed by concerns of the Chancellor as articulated through the Comprehensive Spending Review process. The strategic planning had somehow managed to be based on a cohesive view of priorities at the heart of government. These were ministerial strategies, and not civil service strategic plans. Ministers were key actors in the formulation of the strategies – most particularly the Prime Minister. There was a successful attempt to ensure the plans were Cabinet 'owned'.

The importance of these 2004 strategic plans was achieved despite weaknesses in organisation and process. Most notably, there was a potential issue because the Comprehensive Spending Review was a separate process. Barber (2007: 217) has commented: *'It was a personal achievement for him [the Prime Minister], and one was left to wonder how much more he might have achieved had we put in place a coherently organised centre of government and developed an approach to strategy which was better integrated with the Treasury.'*

It should also be noted that this process had its roots in the electoral process leading to the 1997 General Election and then constituted a major influence on the Labour Party's campaigns in the 2005 General Election. *'A process which had begun in September 2003 and which was at first not taken seriously in several departments had resulted in an agenda for the public services which*

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would dominate the next parliament...' (Barber, 2007: 217). This dialectical link between election campaigns and strategic planning in the case of the Blair Government can be distinguished from a simple linear model of political manifestos being turned into policy and then being turned into strategies by civil servants.

To sum up, the application of strategic planning and management in Britain over the period from 2000 to 2007 can be linked to:

- the modernisation of policy-making – the development of strategic policy-making (supported by, among others, the Prime Minister's Strategy Unit)
- the development of strategies owned by ministers and, in 2003–04, 'owned' by the Cabinet
- the implementation of a capability review throughout all the British civil service departments to ensure, in part, that the civil service will have the capability needed to deliver the strategies of ministers
- the experimentation with strategies (published in 2004) that were aimed at the transformation of the public services (especially health, education and criminal justice)
- the re-conceptualisation of the state as a strategic and enabling state, with major organisational implications.

National Health Service Plans and Strategies

The overall conclusions of the previous section provide a convincing set of arguments in favour of the idea that strategic planning in the British Government has been a very serious development. But how exactly have strategic planning as a formal practice and the use of strategic thinking been related to each other? If it is possible to have

strategic thinking even in cases where there is no formal strategic planning process (which is the suggested position of Germany), what happened in the case of Britain?

We can explore this by examining the 2004 strategic plan for the NHS and two earlier NHS documents that were published in 2000 and 2002. If formal strategic planning processes were critical for strategic thinking, we should expect that the Blair Government's instigation of strategic planning in September 2003 would have been reflected in a 2004 strategic plan that was significantly different from its predecessor plans. Was it?

In July 2000, Parliament was presented with a 10-year plan for the NHS by the Secretary of State for Health. It contained ideas on performance improvement akin to those in the Blair Government's attempts to modernise local government. There were to be clear national performance targets; there were to be inspections of all local health bodies by the Commission for Health Improvement; local bodies were to be classified as 'red', 'green' or 'yellow' according to their delivery of core national targets; those classified as red organisations (rated as poor performers) were to be on the receiving end of special measures (advice, support and intervention). In other words, performance improvement in the NHS was to be driven by top-down pressures.

At the same time, the plan contained intimations of concepts and reform strategies that were to become much clearer in the years that followed (see PMSU, 2006). We can identify five points to illustrate these intimations.

- The intended approach to modernising the NHS was described as combining both pressure and support. *'In future the Department of Health's role will involve championing the interests of*

patients by applying both pressure and support' (Department of Health, 2000: 58). This essential combination was implicit in a 2006 model of British public services reform publicised by the Prime Minister's Strategy Unit. The 2006 model was described as a self-improving system *'which combines government and citizen pressure for improvement, competitive provision and measures to improve the capability and capacity of civil and public servants and central and local government'* (PMSU, 2006: 6). Competitive provision, of course, also created pressures for improvement, alongside government and citizen pressure, and help with capability and capacity could be equated to support.

- The willingness and ability of the people who worked in the NHS was not seen as the main problem – the issue was the 'system'. The staff of the NHS were working in a 1940s system and the system needed to be changed to make it fit for the 21st century.
- The patients were to be treated as individuals and NHS services were to be centred on their needs. The end point was presented as personalised services. *'It will take time to realise this vision. Step by step over the next ten years the NHS must be redesigned to be patient centred – to offer a personalised service'* (Department of Health, 2000: 17). The plan contained references to both patients and citizens having more of a say in the NHS and this was to be achieved through patient surveys and forums. The plan declared that there would be a patient forum in every NHS trust and primary care trust. These mechanisms were clearly about boosting the responsiveness of the NHS to patients and citizens. A clear statement was made (Department of Health, 2000: 89) that patient choice would be strengthened. Patients already had a right to

choose their general medical practitioner. But the most significant indication of future developments was the plan's remarks about the choices exercised by general medical practitioners on behalf of patients when they made referrals for hospital treatment. It was noted that most patients felt that they were given appropriate choice when their general medical practitioner referred them to a hospital but the plan clearly implied it wanted to see this as a universal state of affairs. Of course, in the case of hospital referrals the formal right of choice belonged to the general medical practitioner at this time.

- While the plan made a reference to the 1999 Health Act along with decisions to move away from the internal market introduced by the previous Conservative Government and to replace competition by co-operation, the hints of later developments were to be found in the plan's statement that the internal market had been a false market plus the assertion that it was now important that the NHS engaged constructively with the private sector. The plan wanted the NHS to harness the capacity of the private and voluntary sectors to treat NHS patients. There was to be a concordat with private sector providers which would allow the NHS to make better use of private sector hospital facilities, providing this offered value for money.
- While the plan made clear that the NHS would be funded nationally from taxation, as in the past, at the same time there was an intimation of a major change in the funding mechanism. The plan stated that funding received by local NHS organisations would be based, in part, on the findings of patient surveys: '*For the first time financial rewards for trusts will be linked to the results of the annual National Patients Survey, a methodologically robust measure of patients' views about local NHS services*' (Department of

Health, 2000: 95). What was being announced was a payment-by-results system for funding hospital trusts.

At this stage the references to patient choice, engaging more constructively with the private sector, and linking the funding of trusts to their results, seemed to be just scattered ideas in a document full of proposals to invest and reform the NHS. At this stage they were not an interlocking set of concepts for a new delivery system for NHS hospital treatment.

The Department of Health's *Delivering the NHS Plan* (2002) contained three interlocking proposals that in effect redefined the hospital health service system.

- **Patient choice:** patients would, one day, have a choice of general medical practitioners, a choice of hospitals, and a choice of consultants (see Department of Health, 2002: 20). As the 10-year plan had stated, patients already had a choice of general medical practitioners, so it was the idea of the addition of the other two choices – of hospital and consultant – that was breaking new ground. Two further comments are warranted on the explanation of the development of patient choice. The Department of Health's *Delivering the NHS Plan* (2002) presented the development as making patient choice explicit – presumably implying that patients might implicitly have a choice in the current situation if general medical practitioners (who actually had a choice when making a hospital referral) consulted the patient on their wishes. Also, the development of explicit patient choice was presented as a way of making sure health services were responsive to patients (see Department of Health, 2002: 12).
- **Provider competition:** primary care trusts would be free to purchase care from public,

private or voluntary providers. The inclusion of private providers was justified as expanding choice and promoting diversity in supply. There was an estimate that there might be up to 150,000 operations per year bought from the private sector (Department of Health, 2002: 26). The commissioning would not only include commissioning of private-sector providers but would also be informed by the choices of patients. This meant that providers would be competing for patient choices so that they were commissioned by primary care trusts. Price competition was ruled out (Department of Health, 2002: 21): *'Experience of the internal market taught us that price competition did not work... In the medium term we propose to move to a system where all activity is commissioned against a standard tariff... Local commissioning would focus on volume, appropriateness and quality, not price...'*

- **Payment by results:** hospitals were to be paid for their elective activity; the more they did, the more they would be paid. At one point the Department of Health's *Delivering the NHS Plan* (2002) explained this as being a system in which cash for treatment goes with patients. The payment-by-results system was justified as providing incentives to deliver improvements, supporting choice, and supporting movement between providers (Department of Health, 2002: 11 & 19). The conclusion drawn was that payment by results would have positive outcomes for patients with extra patients being treated and with shorter waiting times (Department of Health, 2002: 44).

These three elements were, as we have seen, to be interlinked. Hospitals had to compete for more patient choices if they wanted more funding based on payment by results. This system would mean that patient choices really mattered to hospitals, thereby delivering the responsiveness government wanted.

The NHS Improvement Plan of 2004, while it provided more information in terms of the organisational arrangements, developed, again, the key ideas in the Department of Health's *Delivering the NHS Plan* (2002). It stated that patients would be given the right to choose between four to five providers and that this would come into effect the following year during the last part of 2005. It declared an intention to involve independent sector providers, and indicated that these providers would carry out as much as 15% of NHS procedures. *The NHS Improvement Plan* (2004) endorsed competition between providers as a way of making the NHS better. What was to make the choices of patients important, and create competition between providers to be chosen, was a new system of payment by results. *'Under this system, hospitals and other providers of care will be paid a fixed price for each patient treated'* (Department of Health, 2004: 70). Financial incentives were to be evolved further for general medical practitioners and their teams, so that both primary care and hospital treatment were to be spurred on by a system of incentives. In the case of hospitals, the payment by results would not only make patient choice really matter, it would also reduce waiting times and increase efficiency. Furthermore, *The NHS Improvement Plan* (2004) claimed that a spirit of innovation was emerging in the NHS and that it was focused on the personal experiences of patients. Achieving the personalisation of services was a key theme of this set of proposals. Taken together, the linked set of proposals were seen as *'The introduction of greater choice for patients, the flow of funding through commissioners and the extension of the range of providers... designed to support more responsive, innovative and efficient provision of service.'* (Department of Health, 2004: 72). As this suggests, the reforms of the system not only involved competition between providers but also

competition between providers from other sectors. The new system was to be in place by 2008.

The organisational arrangements to enable this new system to function required substantial reshaping of the existing ones. *The NHS Improvement Plan* (2004) envisaged the new arrangements as much more decentralised. There would be decentralisation to primary care trusts that would do the commissioning, and money would flow through them to providers. This was to be accompanied by a significant change in performance management, with fewer national targets and with local targets being set to reflect local circumstances. *'Performance management arrangements will be aligned with this new system, giving the incentive of greater freedom from central regulation and inspection to NHS organisations that serve patients and their communities well.'* (Department of Health, 2004: 11).

For primary care trusts that did not do a good job for their local communities, there was the possibility that strategic health authorities, positioned between the national and local levels of the NHS, would intervene. These new arrangements were still to be subject to public service agreements with the Treasury that set out national priorities and the corresponding resource allocation, which, as stated earlier, might be seen as a national system of performance budgeting.

We can observe that *The NHS Improvement Plan* (2004) was foreshadowed by *Delivering the NHS Plan* (2002) and traces of it could even be seen in the ten-year plan of 2000. The strategic thinking was emergent through the three documents – it did not commence with the 2004 document. So we can conclude that plans and strategies can capture strategic thinking and this series of documents displays the evolution of strategic thinking.

Strategy documents may provide a focus for strategic thinking and help it emerge, but the emergence of strategic thinking, presumably, is helped by the continuity of leadership, as in the case of a prime minister who champions strategic thinking over more than one period of office (1997–2001, 2001–05). It has been claimed that *'When leaders come and go it is impossible to create fundamental change.'* (Osborne & Gaebler, 1992: 326). We might adapt this proposition as follows: when leaders come and go it is (arguably) difficult to develop coherent strategies through an incremental and emergent process of learning.

To sum up, the process of developing departmental strategies in 2003–04, in the case of the NHS, was confirming emerging ideas rather than introducing new ideas. Of course, this is not an argument for the uselessness of decisions to prepare written strategic plans. For a start, writing strategic plans down may improve the quality of strategic thinking. Moreover, in the case of the 2003–04 strategic planning process in Britain, the decision to prepare strategic plans was coupled with a decision to develop them through the cabinet, with important implications for their political ownership.

Discussion and conclusions

The British Government explicitly decided to carry out strategic planning in 2003–04, using the cabinet as the key strategic forum. As we have seen, strategic thinking does not wait on the formal decision to carry out strategic planning, but strategic plans can be very effective embodiments of strategic thinking in a process that may aim at ownership of the plans as well as technical quality. Had strategic management become institutionalised as a result of the experiment in 2003–04? In one sense yes it had, because strategy units were

created that lodged strategic capability, as in the case of the Prime Minister's Strategy Unit. However, it is less clear cut whether strategic planning has been institutionalised in a cycle of strategy formulation and delivery. This is a topic for a future paper, as is the question of how successful the 2004 strategic plans were in instigating durable reforms in public services systems.

Arguably, under Blair's strategic leadership, a whole series of developments from 1996 onwards were woven together to form a credible version of the strategic and enabling state. He tested out the idea that a government that had a strategic focus on a small number of priorities could have more impact than a government that had a wide range of priorities and targets. He created central units that then enabled the performance targets and budgets to be combined with government priorities and ideas for reforming systems to produce strategic plans that were to be delivered by ministers who felt some sense of ownership of them. He used the strategic plans to point the way to government based on departments with smaller strategic centres and more decentralised delivery organisations. He presided over an exercise to develop civil service leaders more able to implement the strategies of ministers. And throughout all this, he kept the government focused on top priorities that were aligned with public concerns revealed by large scale surveys and paying attention to impact as revealed by focus groups. And he managed to lead his government to three general election victories. Through the surveys of public concern, focus groups and election results, the strategic priorities and impact were grounded in public perceptions and aspirations. To some extent we can say that Blair pioneered populist strategic planning, which arguably is another way of saying he pioneered a strategic and enabling state.

Such means of interacting with the public – surveys of public concern, focus groups, and general elections – can be contrasted with formal methods of public consultation on strategic plans.

This paper has neglected at least one aspect of the British experience of strategic planning in government. This is the question of its limitations. Obviously populist strategic planning by government does have limitations. A very interesting limitation is that of public opinion. Government may identify a priority as being very important and then find that radical solutions are generally unacceptable to the public.

For the Blair Government the best example of this would be transport, which was identified by the Prime Minister as a fundamental issue in 2000. It appears that in 2003–04, the transport strategic plan did not get the same close attention from the Prime Minister as health, education and criminal justice. There were strategic ideas that could be applied to the major problems of road congestion, such as road pricing and using taxes to make travelling by car less attractive. In the British case, such radical measures would be difficult to sell to a British public that likes to travel by car. In a way, this example underlines the degree to which the Blair Government was pursuing the implementation of the concept of a strategic and enabling state – the government was stalled on transport because the public was not ready to support such radical measures. In a strategic and enabling state the government would have to engage the public in a dialogue and convince the public that it was in the interest of individuals to accept radical strategic measures to solve the problems of transport.

This is not likely to be a problem in Britain only. The OECD suggested: '*One of the consequences of*

increased diversity for public policy-making is that governments are finding it increasingly difficult to operate by consensus.' (OECD, 2000: 18). While they blame diversity, there are other factors that may impede consensus. For example, an empowered public – empowered by a strategic and enabling state – may demonstrate, on occasion, that the government being both strategic and enabling may contradict itself. It takes a skilful government to bring its strategic function and its enabling function into harmony.

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