

How to abolish a public body

Ten lessons from previous restructures



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About this report

Public bodies are frequently abolished, but there is little public guidance on how to do this. This report sets out 10 practical lessons to help ministers and civil servants to decide when abolitions should happen and then to manage them well. We conclude that more careful analysis, including a proportionate business case, should be carried out in advance of an abolition decision. And we suggest that ministers and civil servants should prioritise positive communication, sensible deadlines and recruiting an experienced and skilled transition team if they want to maximise the benefits of change.

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Summary

Two thirds of the arm's-length bodies that existed in 2010 no longer exist.¹ While some have simply been recategorised, many of the largest bodies have been merged into their parent department or into another body, or completely abolished.

Public body abolitions can be genuinely transformative processes, saving public money and improving how services are delivered. But these cases are rarer than they should be. Instead, abolitions are often planned, communicated and managed in a way that fails to achieve their potential – damaging staff morale, rushing through change and leading to unforeseen disruptions in the services they deliver.

This report lays out how government can abolish bodies better. Having spoken to policy makers and leaders involved in six abolitions over the course of the past 20 years, we identify 10 key lessons for those considering abolishing a public body. Before they decide to abolish the body, ministers and civil servants should:

1. Set out clear goals for the abolition
2. Understand what the body does and why it is constituted as it is
3. Examine any underpinning legislation
4. Consider the wider ecosystem
5. Assess the long- and short-term costs of abolition.

These steps should ensure that the right decision is made – to abolish or not. If ministers and civil servants decide to abolish a body after going through these steps, they should:

6. Announce the abolition sensitively
7. Motivate leaders and staff to make abolition a success
8. Set realistic timelines
9. Ensure accountability is clear throughout the transition
10. Recruit an experienced and skilled transition team.

There are many examples of occasions when ministers and civil servants have not taken these steps. Our aim in setting them out here is to ensure future public body abolitions achieve their objectives, maximise value for money and avoid unnecessary disruption.

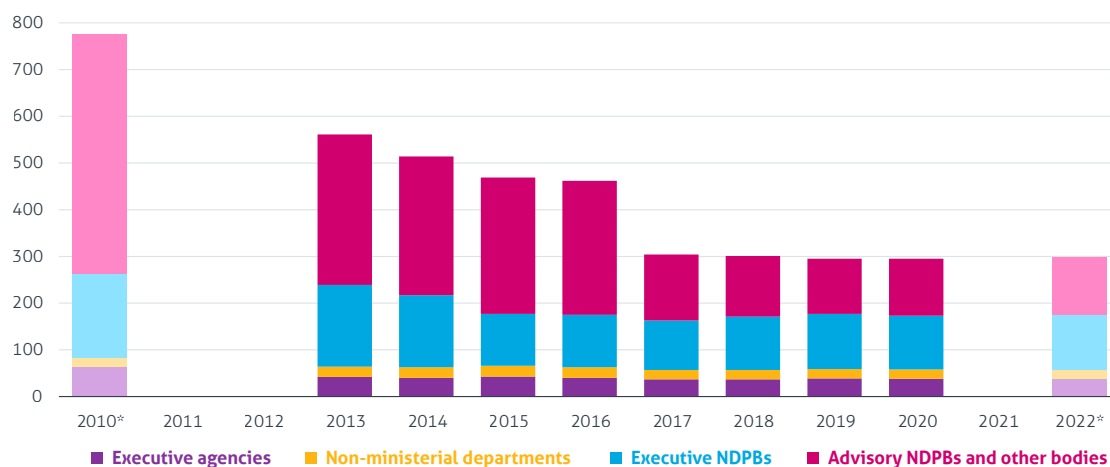
Introduction

Public bodies are frequently abolished

Public bodies, the organisations at arm's length from government that deliver public services, regulation and advice to ministers,² are often abolished. Overall, the number of such bodies classified as arm's-length bodies (ALBs) has been cut by more than half since 2010 (see Figure 1). Many of these abolitions have either been part of a drive to reduce the number of ALBs – the so-called 'bonfire of the quangos', which mainly burned between 2010 and 2015³ – or have been in response to crises of confidence in the performance of a specific body. While abolitions have been less frequent of late, recent governments have renewed their focus on reforming the public body landscape.⁴

Abolitions have been concentrated in non-departmental public bodies (NDPBs), the most common form of ALB, which have fallen consistently in number since data was first collected in 1979.⁵ The number of advisory NDPBs has fallen particularly steeply, from 500 in 2010 to just over 100 in 2022, reflecting the fact that these are relatively easy to abolish or convert into departmental advisory committees. However, there has also been a significant fall in the number of executive agencies and executive NDPBs, which deliver more substantial services.

Figure 1 **Number of arm's-length bodies as of 31 March, 2010–22**



Source: Institute for Government analysis of Cabinet Office, public bodies datasets, 2013–2020. Notes: Government is yet to publish this data for 2010–2012 or 2021–2022. * 2010 data is calculated from analysis of departmental annual reports and 2022 data from public announcements. They are therefore not completely consistent with other data.

These abolitions have happened in different ways for different types of public body. Executive agencies have generally been merged into their parent department – as was the case with the UK Border Agency (UKBA), Jobcentre Plus and part of Public Health England (PHE) – while NDPBs have more commonly been merged into other organisations, or had their functions abolished completely.⁶ But all abolitions involve complex transfers of responsibilities and upheaval in leadership, institutional structure and often service delivery. It is vital that these transitions are managed well – especially because they happen so often – and are undertaken only when there is a clear case for change that outweighs the considerable costs involved.

Public body abolitions present unique challenges

The abolition of a public body is not like closing a private company. Public bodies often have functions that continue to be delivered even as the organisation disappears. This may be because the public expects government to perform the service, for instance, or because it is required in statute. In the words of John Kaufmann's 1976 report, many public bodies appear "immortal" – that is, their functions and structures may live on even after they have been abolished or merged.⁷ This concept will be familiar to the border guards who have been employees of the Immigration and Nationality Directorate, the Border and Immigration Agency, UK Border Agency and UK Border Force over the past 20 years, while still performing largely the same role.

This means that, although they are not usually conducted under the immediate threat of insolvency, public body abolitions present some unique challenges. Most obviously, many of the people employed in the abolished body are likely to remain public servants afterwards, often doing essentially the same role – so the need to retain the best staff and keep them motivated is much clearer than in a private sector equivalent. The difficulties of grappling with legislation, the degree of media interest and public pressure, the strictures of public sector systems of accountability, and the relationships between ministers, civil servants and public body officials are all distinctive to the world of public body abolition.

On the other hand, some of the lessons we have identified – for instance, about how to communicate change, win over staff, and set deadlines while abolishing public bodies – would also apply to an organisation being shut down outside the public sector. There is a lot of private sector, as well as public sector, expertise in change management, and our paper does not claim to cover this comprehensively. But we do include some lessons that also apply to managing organisational transitions outside the public sector because they were emphasised to us by interviewees and because they have not always been adhered to by government in the past. For those who want to learn more about the discipline of change management and how it might be applied to public bodies, there is a short overview in Annex B.

There is little guidance on how to abolish a public body

While public body abolitions are frequent, they are not simple to manage successfully. Many public body staff will experience an abolition or restructure at some point in their careers. Many ministers and senior civil servants will likewise consider a case for abolition during their leadership. But while there is guidance forthcoming, there is currently very little information on how ministers, public body staff and civil servants should think practically about the abolition process. This is in contrast to the more extensive Cabinet Office guidance on deciding whether to establish a public body.⁸

Public body abolitions can be a force for good in the public sector, improving the quality of services at lower cost and improving the lives of people across the UK. The abolition of Jobcentre Plus, for example, achieved some savings by eliminating duplicate jobs and bringing Jobcentre Plus wages into line with the rest of the department,⁹ and was one factor behind the subsequent rise in staff engagement scores across the Department for Work and Pensions (DWP).¹⁰ But machinery

of government changes – including in relation to public bodies – are costly and disruptive.¹¹ Decisions are often made and announced too hastily. Ministers and civil servants do not always do their homework before announcing an abolition and often fail properly to understand the legislative basis of a body, what it does or why it was originally created. Haste can be mistaken for effectiveness, resulting in chaotic transitions and damaging staff morale along the way.

This report aims to help fix this. First, it gives ministers and civil servants advice on what they should consider before deciding whether or not to abolish a body. It then goes on to provide some lessons on how to manage a transition well.

A guide to abolition

Alongside desk-based research, this work draws on interviews with around 25 people involved in six previous abolitions – those of the Hearing Aid Council (HAC), Jobcentre Plus, UKBA, the Audit Commission, the General Teaching Council for England (GTCE) and PHE. We chose these examples to capture a range of types of abolition – in size of body, time period, degree of success, and what happened to the functions delivered – and because they seemed to offer particularly interesting lessons.

The report is intended as a repository of knowledge about how to approach abolitions as a minister or civil servant. We have included boxes stating the facts of each case throughout the report, but each lesson draws on multiple case studies. The lessons are widely applicable and will help guide ministers and civil servants through the difficult decisions required before and during future abolitions.

Lessons on making the right decision

Policy makers and ministers considering an abolition will be motivated by the policy and politics involved. This is inevitable and proper in a democracy. But to ensure they are abolishing for the right reasons, and that abolition is the best way to achieve their goals, they should first take a number of steps. A decision making process that has considered fully the short- and long-term consequences of abolition, as well as the effort and costs involved, will also make implementation easier if the abolition goes ahead. Leaders will have strong reasons for abolition with which to motivate staff, a clear understanding of where functions that are retained should go, and an awareness of possible legislative hurdles.

This section sets out the approach decision makers should take to working out when, and how, to abolish public bodies. Who those decision makers are, and the context of their decision, varies significantly. In some cases we heard the minister was the main instigator of an abolition; in others, senior civil servants in the department made the decision, though with ministerial approval; and in others still, the staff or board of the body itself drove an abolition that they saw to be in the public interest. Some decisions seem to have been made quite suddenly, while others were the result of long negotiations or consultations.

The heterogeneity of the decision making process is understandable – every public body is different and no two situations identical. But this variability does not seem always to lead to good outcomes, and there is no cross-government requirement to produce a business case for the decision to abolish. As we argue in the conclusion, more consistent use of business cases to assess public body abolitions would help government to make better decisions.

1. Set out clear goals for the abolition

Ministers should start with a clear idea of what they want to achieve through abolition. It should rarely be an end in itself – unless government is prepared to stop performing the functions a body carries out. But abolition can be an effective catalyst for change, offering an opportunity to integrate functions that are overly siloed or achieve radical efficiencies. We asked a number of interviewees whether positive change could have been achieved without abolition, and at least for some – Jobcentre Plus and the HAC, for instance – they felt very strongly that it could not.

Some goals came up repeatedly in interviews. These included better cohesion with other parts of government (PHE, Jobcentre Plus and UKBA); cutting costs, especially administrative costs (Jobcentre Plus, GTCE and HAC); improving service delivery (HAC and UKBA); simplifying the administrative landscape and avoiding government 'overreach' (GTCE, HAC and the Audit Commission); increasing direct ministerial control (UKBA); and changing the leadership of the body (PHE and UKBA).

Some of these goals are sensible reasons for abolition. Structural changes, such as a desire to alter or simplify the landscape of public bodies under a minister's control, may be hard to achieve without abolition. Improving service delivery, especially for bodies where ministers or civil servants may perceive there is a systematic or cultural problem holding a body back from fully delivering, can also require structural change. Cost savings can be easier to achieve through abolitions, which offer an opportunity to comprehensively review the functions of a body and trim any excess, as well as opportunities to achieve efficiencies through mergers of functions with other government bodies. The abolitions of the HAC and Jobcentre Plus resulted in substantial financial savings.¹²

But other reasons for abolition should be treated more cautiously. In particular, ministers should avoid abolishing a public body as a means of removing its leadership. Several interviewees suggested this was a key motivating factor for the abolitions of both PHE and the Border Force element of UKBA, as ministerial trust in their chief executives had eroded after perceived poor performance. Getting the right leadership is vital to making an organisation work effectively. But if leadership is the main problem with a body it should be addressed separately: abolishing a body is a very costly way to achieve leadership change. Ministers can change the leadership of almost all public bodies if they so desire without abolition – especially true in these cases as both were executive agencies – and abolitions generally impose far greater disruptions than just sacking one executive. Our interviewees also expressed scepticism about abolitions as a means of increasing ministerial control over functions. Ministers already have very wide powers to direct public bodies, formally or informally, especially executive agencies, and they should explore these powers fully before embarking on an abolition for reasons of control. In short, as one staff member involved in the PHE abolition put it, decision makers should ask themselves: "What are you trying to achieve, and could you achieve it by not abolishing the public body?"

Setting clear goals for what change can achieve will help ministers and civil servants make the right decisions about whether to abolish and how services should be delivered in future. This positive vision is vital: as someone involved in the abolition of the GTCE put it, the "rationale for improvement has to come first". A lack of clear goals can undermine the success of an abolition. As home secretary, Theresa May strongly articulated her aim of greater ministerial control over UKBA, but we were told that "clear objectives of the change for staff [were] never communicated". A year after abolition, the National Audit Office (NAO) found that it "was not apparent" that the new structure would increase operational performance.¹³ Abolition was seen too much as an end in itself, without clarity as to how greater ministerial control could be used as an opportunity to improve outcomes.

Box 1 **UK Border Agency**

UKBA was formed from the merger of the Border and Immigration Agency, UK Visas and certain functions of HM Revenue and Customs in 2008 as an executive agency to deliver border security, immigration enforcement and visas for the UK government.

UKBA was abolished in two stages. First, its border security function was brought under more direct ministerial control in the Home Office in March 2012. Concerns over the effectiveness of UKBA had reached crisis point in summer 2011 due to identity checks at the border being relaxed to cut waiting times during busy hours.¹⁴ This decision had been initially agreed by the Home Office, but the then home secretary, Theresa May, said she was unaware of its extension to non-EU citizens. Brodie Clark, head of Border Force, was suspended in November 2011.¹⁵ A report conducted by the independent chief inspector of borders and immigration, John Vine, in February 2012 found further breaches of procedure, such as some foreign students being allowed to enter the UK without necessary clearance at Heathrow.¹⁶ This led May to announce the separation of Border Force from UKBA in February 2012,¹⁷ and implement it the following month.

Following a further critical report from Vine¹⁸ and a Home Affairs Select Committee report on the agency's handling of legacy asylum claims,¹⁹ May announced the abolition of the remainder of UKBA in March 2013.²⁰ The abolition took effect on 1 April 2013, following which visas, immigration enforcement and border security were all handled by different directorates within the Home Office. A year after abolition, the NAO found a "lack of organisational identity, low workforce morale and limited use of technology" in the Border Force part of the Home Office.²¹

As well as guiding the initial decision, clear aims can help to inform decision making during the course of an abolition. For instance, abolitions motivated by cost savings should focus on the cost benefit analysis of each decision to keep, move or abolish functions. This could have made the Audit Commission abolition, for instance, more effective. This abolition was primarily motivated by a desire to save money and reduce unnecessary government activities. By 2014, the vast majority of costs and functions of the commission had been abolished or privatised, including the most interventionist inspection functions that took up much of the commission's budget. A few residual functions remained, relating to the local government financial audit market. According to senior figures in the Audit Commission, an impact assessment suggested that abolishing these functions and moving them into other organisations would result in a net cost to the exchequer in the long run, as other organisations would have to absorb the functions, learn how to perform them and might do so less efficiently. But we heard the decision was made to proceed with the final abolition regardless, to 'finish the job'. A greater focus on the goals of abolition, rather than purely on the abolition itself, might have led to better value for money – particularly since, as explained in Box 2, the government now plans to recreate many of the Audit Commission's abolished functions.

Unclear goals for abolition can lead to poor decisions during the process. Conversely, abolitions achieve the best outcomes when they are clearly focused, with each decision evaluated according to whether it achieves the underlying goals. The business case for each abolition should show how abolition will achieve the government's aims, as compared to alternative courses of action.

Lesson 1: Clearly state your goals and work out whether abolition is the best way to achieve them.

Box 2 The Audit Commission

The Audit Commission was a statutory corporation, established under the Local Government Finance Act 1982 but with predecessor bodies stretching back to the 19th century. Its main functions were to appoint and regulate auditors for local government and NHS bodies in England, to conduct research and to run the National Fraud Initiative. In its later years it also performed inspections and investigations into the effectiveness of local authorities, through the Comprehensive Area Assessment (CAA) programme.

The Audit Commission was heavily criticised by shadow Conservative ministers in the lead up to the 2010 election. When the party came into power in May 2010 ministers swiftly abolished the CAA programme, and in August the then communities minister, Eric Pickles, unexpectedly announced the abolition of the Audit Commission itself.²² He suggested that the abolition would save money, and that the commission “had lost its way” and “become a creature of the Whitehall state”.²³ It was formally abolished by the Local Audit and Accountability Act 2014 and ceased to operate on 31 March 2015.²⁴

The commission's functions were transferred to a range of bodies and sectors. Its financial audit practice was transferred to the private sector while the National Audit Office took over functions such as maintaining the Code of Audit Practice and value for money studies.²⁵ Public Sector Audit Appointments was created to appoint auditors for local authorities, the Financial Reporting Council (FRC) became the regulator of local government audit practice and the Institute of Chartered Accountants in England and Wales (ICAEW) was made responsible for registering public auditors and audit quality.

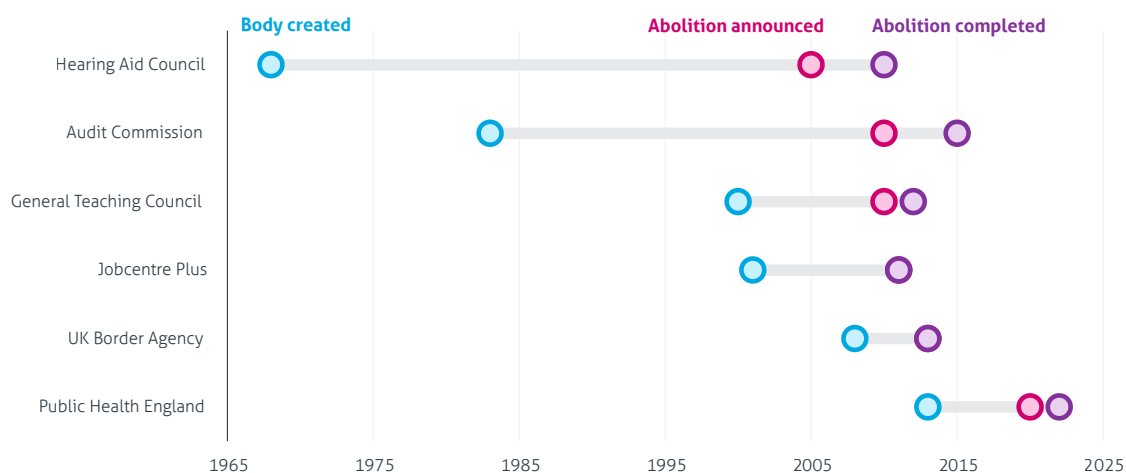
The prices local authorities pay for auditors have increased significantly since the abolition, and there have also been difficulties procuring auditors in sufficient quantities to cover all local public bodies.²⁶ In the past few years, government has committed to recreating some of the Audit Commission's former functions, including through a new local government data collation and analysis body, the Office for Local Government,²⁷ and a new Audit, Reporting and Governance Authority to replace the FRC and improve audit regulation.^{*,28}

* The Institute for Government wrote in more detail about the abolition of the Audit Commission and other improvement agencies in 2014. See Timmins N and Gash T, *Dying to Improve*, Institute for Government, 11 March 2014, retrieved 21 February 2023, www.instituteforgovernment.org.uk/publication/report/dying-improve

2. Understand what the body does and why it is constituted as it is

As outlined in the introduction, public body reorganisations are not infrequent, especially in some high-profile policy areas. UK Border Force, which was abolished in 2013, had been formed as recently as 2008; Jobcentre Plus existed for only nine years as an executive agency before being merged into the department; and the abolition of PHE in 2022 reversed the 2013 merger of health protection and health improvement functions, which had originally created it.

Figure 2 Lifespan of our case study bodies



Source: Institute for Government analysis of legislation and public announcements on GOV.UK. Notes: Where an announcement year is not shown, it was the same year as completion.

This is unsurprising, especially in areas like borders and immigration where there is consistent public pressure due to perceived underperformance. In fact, academic evidence shows that younger bodies are more likely to be abolished than more established ones.²⁹ But the frequency of abolitions makes it especially important that decision makers considering an abolition understand what the body does and how those functions ended up in that organisation, to ensure they don't return to a flawed prior structure.

This may seem obvious but it is harder to achieve in practice. Decisions on an abolition may be largely made in opposition, for example, where shadow ministers do not have access to the resources they have in government (as in case of the GTCE); or ministers may be cautious about consulting with too many people before their decision to avoid potential leaks (as with the Audit Commission). But it is crucial that decision makers understand the functions and organisation that they are proposing to abolish before they do so.

It is not apparent that, in the past, decision makers have always based decisions on such understanding. For instance, Andy McKeon, the former head of health for the Audit Commission, suggested that the Department for Communities and Local Government "simply did not... understand the regulatory system for audit" when it abolished the Audit Commission.³⁰ Multiple interviewees suggested that the Audit Commission's abolition started with a commitment to get rid of the organisation, and then an understanding of what it did, and how its functions could be reformed, was backfilled afterwards. Marcine Waterman, the former controller of audit at the Audit

Commission, told us that ministers “didn’t understand enough” about the commission to make the decision to abolish it when they did.

Similar issues seem to have surfaced in the case of PHE. Originally created to bring together health protection and health improvement functions in one organisation, PHE had functions spanning from dealing with pandemics to reducing obesity. However, the decision to abolish PHE seems to have been justified with reference to its leadership and perceived failures during the pandemic, along with a desire to bring health protection functions together with testing and biosecurity. Health improvement appears to have been an afterthought. It merited only a few sentences in Matt Hancock’s speech announcing the abolition of PHE, which simply promised to “consult” on how these functions could be delivered post-PHE. This suggests there was no clear plan for how to deliver health improvement, which accounted for the vast majority of PHE’s pre-pandemic budget, when the decision was made – or even much awareness of the consequences of separating it from health protection.³¹

Box 3 **Public Health England**

PHE was an executive agency created in 2013. It brought together functions previously undertaken by the Health Protection Agency and more than 70 other bodies into a single centre for public health. In particular, it combined health protection, including actions to counter the spread of infectious diseases and other threats to public health, with health improvement functions including responsibility for designing screening and anti-obesity programmes.

The health secretary, Matt Hancock, decided to abolish PHE in August 2020.³² This decision was briefed to *The Sunday Telegraph* before being officially announced three days afterwards.³³ PHE was abolished in response to perceived poor performance in tackling the pandemic. It was hoped the abolition would lead to better integration with NHS Test and Trace and the Joint Biosecurity Centre, with which its health protection activities would merge.³⁴

PHE’s chief executive, Duncan Selbie, who had been in place since its creation, stepped down with immediate effect. The decision to abolish was received negatively by members of the health community, including the director of the Wellcome Trust, Sir Jeremy Farrar, who described it as “ill thought through, short-term [and] reactive”.³⁵

Initially, the health secretary planned for PHE to be fully abolished by 1 April 2021 but this was delayed due to the operational difficulty of splitting its functions between multiple successor bodies. In the end, the UK Health Security Agency (UKHSA) was created in April 2021 but the closure of PHE, and transfer of staff, did not happen until 1 October 2021. Its core functions moved to NHS England (for example, screening), UKHSA (health protection) and a new unit within the Department of Health and Social Care (DHSC), to be called the Office for Health Improvement and Disparities (health improvement).³⁶

Ministers and senior civil servants can get to know the full complexities of a body in a few ways. The first option is to speak to trusted senior staff of the body, or civil servants who know it very well. Marcine Waterman had some simple advice for future policy makers: "If you really want to abolish a body, the best thing to do is engage the body quickly, and ask 'what are all the functions, and what do we need to think about?'" Then you can engage with the "complexities of actually achieving that". Research suggests that bodies like the National Institute for Health and Care Excellence have survived over the past 20 years largely because civil servants have a clear idea of why they are at arm's length in the first place, and have communicated this to ministers considering abolition.³⁷ Policy makers should also speak to the boards of organisations they are considering abolishing, as boards can be important repositories of strategic direction and institutional memory. One former board member for an abolished body complained that "no one thought to understand what the board added before they abolished it". The value that non-executive boards can add should be weighed up as part of the decision whether or not to abolish a body.

Second, ministers should consider conducting a mapping exercise of the staff, costs and functions of a body. For instance, we heard that senior civil servants invested time to understand in detail the functions and operations of Jobcentre Plus in advance of abolishing it, to ensure they were making the decision with full knowledge of what it did and how the abolition might take effect. This helped make the transition smooth and ensured no core functions were 'lost' along the way. Similarly, staff we spoke to involved in the PHE and HAC abolitions emphasised the work they put into collecting proper data on staff and costs, so that they could clearly understand where people and costs would move to and adjust future budgets accordingly.

Finally, especially for the most complicated bodies, policy makers may want to consider not only the current functions and structure of the public body but also its history, to avoid repeating mistakes of the past. By understanding the body's previous incarnations, policy makers may better understand potential problems that could arise in abolition. For instance, reading a review of the history of UKBA might have helped ministers understand the original aim of its creation: to bring together borders, immigration and customs into one body. They may then still have decided this aim was less important than increasing ministerial control over border security, but the decision would have been made with a full understanding of why UKBA had been created the way it was, and perhaps with better information on how to mitigate potential problems

caused by separating these functions. A report by the NAO concluded that there remained problems with co-ordination between borders, immigration and customs a year after abolition in 2014, including some repetition of functions.³⁸

Lesson 2: Understand what a body does before abolition, by speaking to senior leaders, mapping the functions it delivers and examining why it exists in that form.

3. Examine any underpinning legislation

Armed with a proper understanding of the functions and purpose of a public body, decision makers should then consider its legislative basis. Many public bodies are directly named in statute and even very small bodies can have a foundation in law. For instance, the HAC, with an annual budget of just £1.3 million,³⁹ was created by primary legislation and could be abolished only by further legislation in the form of the Health and Social Care Act 2008.

It may not immediately be obvious what a body's basis in legislation is, or what sort of parliamentary consent is needed for abolition. Organisations often perform statutory duties when they are not statutory bodies themselves. Bodies or functions may appear in primary or secondary legislation, or not at all. Understanding the legislation involved and how that will affect the costs, timings and feasibility of abolition can be challenging in itself, but is crucial to making the right decision. One interviewee involved in the HAC abolition told us that "you need your team of [legislative] experts around you quickly" when considering an abolition. They described their approach:

"I'd take my lawyers in with me and there would be an almighty battle between the lawyers interpreting legislation. We'd have three lawyers in the room and six opinions. It was then my job to filter out those opinions."

Understanding a body's legislative basis doesn't always mean slowing down an abolition but can make it easier. Dominic Cummings, adviser to the prime minister when the decision to abolish PHE was made, told colleagues in a leaked email in June 2020: "I was told repeatedly we needed a bill. I'm pleased to learn I was told total rubbish and we don't need it. Tell MH [Matt Hancock] the whole thing is scrapped."⁴⁰ Learning that PHE was not a statutory body reduced the costs and complexities of abolishing it, and made it easier to achieve.

But policy makers shouldn't underestimate how long it can take to change or adapt legislation. Even PHE wasn't as easy to abolish as expected, as some of its statutory functions – officially undertaken by the health secretary – were transferred to NHS England, which unlike PHE is legally separate from DHSC. Eventually a solution was found for this by specifying those duties in the health secretary's mandate letter to the NHS England chief executive.

The challenges posed by legislation are also illustrated by the case of the HAC, which faced a long and difficult legislative process before it could be abolished. It was established in statute but was not large enough to merit parliamentary time solely for its abolition. Staff struggled to persuade departmental and parliamentary staff that the issue was important enough to work on at all. In the end, they managed to insert the two sections needed to abolish the HAC into a much larger bill that was already some way into the legislative process – something one staff member described as a "lucky break". But legislative hurdles still meant the abolition took five years from start to finish.

Box 4 **The Hearing Aid Council**

The abolition of the HAC, an NDPB that regulated hearing aid dispensers, was first proposed in the Hampton report in 2005 to achieve efficiency savings and cut the “regulatory burden”.⁴¹ This recommendation was accepted by the chancellor in the 2005 budget, but was dropped in the same year.⁴²

The HAC’s leadership believed that the agency’s powers were outdated, leading to both poor protection of hearing aid users and high fees for dispensers. They therefore campaigned for the transfer of functions to the Health Professions Council (HPC), now called the Health and Care Professions Council. They did this through regular meetings with civil servants, politicians and consumer groups to make their case.⁴³

The abolition was complicated by the fact that it required primary legislation, and by the HAC being sponsored by the Department for Business, Innovation and Skills, while the HPC was sponsored by the Department of Health. Eventually, abolition of the HAC was included in the Health and Social Care Act 2008⁴⁴ and then implemented in the Health Professions (Hearing Aid Dispensers) Order 2010.⁴⁵ Its functions passed to the HPC on 31 March 2010 and the HAC was officially abolished on 31 July 2010. The cost savings from abolition were estimated at £1m annually.⁴⁶

Even for larger bodies, legislation can take much longer than expected. The first reading of legislation to abolish the Audit Commission took place three years after its abolition was announced. Interviewees suggested this was in part because ministers didn’t fully understand the complexities of the legislation underpinning the body. One interviewee even suggested that initially “the government didn’t appear to understand they had to legislate”, although others we spoke to disagreed. Public audit functions had existed since the 19th century and were underpinned by several different bills, making it a fiendishly complicated task to achieve the necessary changes. It certainly seems that ministers and civil servants involved didn’t fully understand this, or factor in how long the abolition would take, when it was announced.

The difficulty of legislating to abolish a public body will inevitably be a factor in considering the strength of the case for abolition. Abolishing a public body may remain worthwhile, but it is important to make this judgment with full information at the outset.

Lesson 3: Examine the legislative context before deciding if abolition is a worthwhile use of ministerial and civil service capacity.

4. Consider the wider ecosystem

Public bodies are not isolated organisations. They exist within an ecosystem of departments, other public bodies and organisations representing consumer groups or industry. Abolitions often change the balance of this ecosystem, and ministers and policy makers should be aware of this when making changes.

The most obvious impact of a potential abolition is that functions will often move to other organisations, changing the way they work. This might lead to other bodies growing in size and losing their previous clarity of focus on one policy or delivery area, or it might lead to better synergies between activities subsequently performed within the same organisation. It is not always obvious whether the benefit to one body outweighs the difficulties created for another. For instance, by merging health improvement functions into DHSC in the Office for Health Improvement and Disparities (OHID), rather than including them in the UK Health Security Agency (UKHSA) after PHE was abolished, DHSC ministers more closely integrated health improvement functions into the department and Whitehall but distanced those functions more from local government and health protection. This was a legitimate choice to make but illustrates the importance of ministers being aware of this type of ecosystem effect when making an abolition decision.

Unintended consequences can also manifest in service delivery. We were told that separating out PHE's functions meant there were now multiple organisations competing for the same pool of public health professionals, making it more difficult and expensive to hire staff. In the case of the Audit Commission, staff told us that not enough consideration was given to the effect of the commission's "gravitational pull" on the audit landscape, and its role as a "force multiplier" through its reputation and combined functions. For instance, on abolition, the research functions of the body focused on value for money in local government were moved to the National Audit Office. This made sense because the NAO already had a large research function, but those former Audit Commission functions lost much of the evidence base they had relied upon because they were no longer integrated with the commission's local audit practice. Previous Institute for Government work has suggested that, overall, splitting up the Audit Commission's functions led to previously co-ordinated policy areas being "scattered, probably less effectively – and more expensively – around the place".⁴⁷

Many of those we spoke to emphasised the benefits of a simplified landscape when discussing the consolidation of smaller bodies. Abolitions can help ministers and civil servants better understand and keep track of the bodies that remain. But the more subtle impacts of abolitions on connected organisations should also be considered, and these can be unexpected. For instance, in the case of the GTCE, we were told that the abolition meant that the Department for Education (DfE) lost an intermediary between itself and teachers and became itself more focused on delivery. In the context of other abolitions at the same time, such as that of the National College for Leadership of Schools and Children's Services, the DfE took over greater responsibility for various functions that had been previously performed by public bodies.

This also changed the nature of the ministerial role, which became more focused on operational decisions and less on high-level policy making. Those we spoke to suggested that the effects on how the department functioned were not considered in advance.

Lesson 4: Consider the potential impact of abolition on the ecosystem of bodies and departments in each policy space.

Box 5 The General Teaching Council for England (GTCE)

The GTCE, an executive NDPB, was the professional body for teaching in England between 2000 and its abolition in 2012.⁴⁸ Established by the Teaching and Higher Education Act 1998, it had three main functions: providing advice on and to the teaching profession; maintaining a mandatory register of all state teachers; and regulating the teaching profession.⁴⁹ The GTCE consisted of 64 elected members representing teachers, unions and other related organisations, supported by a small full-time staff.

The GTCE's abolition was announced in June 2010 by the then education secretary, Michael Gove.⁵⁰ Stated reasons for abolition included the unpopularity of the mandatory fee paid by teachers and scepticism of its ability to raise teaching standards.⁵¹ The body was formally abolished by the Education Act 2011,⁵² which took effect from 1 April 2012.

The GTCE's advisory and research functions were largely discontinued. Its regulatory functions were taken on by the Teaching Agency, now the Teaching Regulation Agency, and were funded publicly rather than by teachers themselves.

5. Assess the long- and short-term costs of abolition

Almost any abolition will cost the government money and staff time. If the body's functions are to continue, transferring them will also involve some degree of service disruption. These costs may be elevated if the abolition happens when the service is in crisis, or dealing with backlogs.

This was striking in the case of the abolition of Public Health England. As the Institute has argued before, abolishing PHE in the middle of the pandemic made it harder to achieve the benefits of the abolition, and distracted the body's leadership from tackling the crisis. One interviewee told us that around 20% of the working hours of senior managerial PHE staff throughout late 2020 and early 2021, some of the worst months of the pandemic, were spent managing the abolition. Senior leaders being less able to focus on service delivery can have a significant opportunity cost when services are under strain.

Ministers, too, may spend significant time making operational decisions during an abolition. Given the scarcity of ministerial time, this should be understood as a high cost of abolition and one that rises if there are problems in implementation. Ministers should consider the downsides that come with the transition period, as well as the benefits that will arrive when the change is completed – especially since, in some areas, experience suggests that new structures are likely to last only a few years before being reorganised again. There is, in the words of one interviewee involved in the Audit Commission abolition, a strong need for “an open and honest impact assessment about what the real true ramifications of a policy decision closing any public body are”.

Abolitions cost not just time but money, at least in the short term. Administrative disruption may not be visible from the outside but nevertheless can be costly and frustrating. Transfers of property, contracts and personal data, as well as ensuring other data and records are properly retained, can all be difficult and time-consuming. For example, it was a number of thorny administrative issues that led to the final abolition of PHE being delayed from April to October 2022. Reorganisation costs can also extend beyond the transition period: for instance, staff who had worked at HMRC prior to the creation of UKBA and then moved to the Home Office after its abolition remain on legacy contracts with different terms and conditions to other Home Office staff, making HR functions more difficult.⁵³ One staff member involved in the transition from PHE to OHID and UKHSA told us the final stage of the process, sorting out stubborn issues around IT, payroll and organisational integration, was the hardest:

“You have to settle down these organisations and that takes a long, long time. We only sorted the IT out for OHID a year after the transfer. If you talk to UKHSA, they'll probably say we still [January 2023] haven't fully settled our organisation... [Abolition] is just the start of the next phase of the journey and that is always underestimated, never planned for properly, and never resourced properly. Decision makers just assume that [things are okay because] we haven't broken anything.”

Decision makers should also take a long-term view of the potential costs of abolition, considering for instance whether functions deemed unnecessary now might be needed in different circumstances in future. This applies particularly to types of expertise that might be helpful in a crisis. Matt Hancock evidently regretted not having a specialist health protection body like the Health Protection Agency (abolished in 2013) when the pandemic came along, because he largely recreated it in UKHSA. The Treasury and BEIS, on the other hand, were fortunate to have the British Business Bank, which had not existed a decade before, in place to support small business lending.

This is not to say that ministers shouldn't abolish, or should believe all they are told about the risks of abolition. One former special adviser involved in the 'bonfire of the quangos' after 2010 saw lots of public body chief executives, and PR firms hired by the bodies, try to plead their case with ministers to avoid abolition. His advice was to take this with a pinch of salt. "Don't get drawn in by special pleading. Everyone will try and make a case for why their thing is important and special. But the fact is that we abolished most of these things and no one is calling for [most of] them to be brought back."

Ministers, then, should not always take the path of least resistance, or be cowed by negativity from public body leaders. But they need to be realistic about the costs of abolishing bodies and transferring functions, and weigh up the risk that these might outweigh the benefits. Civil servants should clearly explain the operational consequences and longer-term risks of an abolition: this is a key moment at which they must not simply tell ministers what they want to hear. One former civil servant involved in the DfE abolitions in the early 2010s told us he felt civil servants had erred too much on the side of showing ministers they were on board with their agenda, rather than having honest conversations about the consequences of abolitions. The same interviewee told us: "Civil servants need to explain to ministers what they're changing away from, and ministers need to explain to civil servants what they're changing to." Decisions must consider the full cost of transition, both within the body and the wider ecosystem, and also take a realistic view of how long the end state is likely to last before another change is instigated.

Lesson 5: Dispassionately assess the likely long- and short-term costs of abolition, and associated risks, both to arrive at the correct decision and then to implement well.

Lessons on implementing the decision

If the decision to abolish has been properly thought through, the implementation stage of the process will have been made far easier. Policy makers will have a clear goal, an understanding of how abolition achieves that goal, an awareness of the legislative hurdles, a plan for how to move functions and manage the impact on related organisations, and knowledge of the potential costs and risks.

But making the right decision is only half the work – even a sensible abolition can go wrong if communicated and implemented poorly. This section lays out what ministers and policy makers should do to make a success of each abolition.

6. Announce the abolition sensitively

An abolition should be a positive change to the structure of government. But policy makers often fail to talk about change in these terms. In particular, they too often announce abolitions to staff and the public in a way that appears reactive or punitive.

In half of our case studies, staff found out about the abolition through a leak or announcement to the media, and we heard that this had significant negative impact on staff morale. Rushed communications can go badly wrong: for instance, we were told that the DfE had not realised that one senior leader of the GTCE was on holiday before the internal deadline for publicly announcing the body's abolition. As a result the leader first heard of the abolition through the media. Similarly, Audit Commission staff were informed that the organisation would be abolished in a rushed fashion one Friday in August, while many staff were on holiday. The abolition was announced that evening, and the following day the communities secretary, Eric Pickles, gave a critical interview in *The Daily Telegraph*, which described the Audit Commission as “push[ing] an agenda”.⁵⁴ This came after a run of negative stories in the press.^{55,56}

The decision to abolish PHE was briefed to *The Sunday Telegraph* before staff were informed. One interviewee described the impact this had in the organisation:

“We got an announcement in the Sunday papers and then a whole weekend of people, who were still working on the pandemic, being completely shocked by [the abolition]. This also meant there was a gap of a few days before we could make any kind of announcement so people were panicking.”

The tone of announcement matters as well as the timing. Even if ministers and civil servants may feel they are abolishing a body due to its failings, they should be careful how they communicate this, especially as the staff working at the body are likely to be the ones required to manage the abolition. Staff at public bodies can feel a strong sense of personal identification with their organisation, and a great deal of hurt if it is abolished summarily or heavily criticised. The Audit Commission is a particularly striking case of this – interviewees told us of the level of “hurt”, “pain” and “hardship” caused by the abolition and the way it was communicated. In fact, there remain

associations of former employees of the Audit Commission who mark the anniversary of its abolition every year. Employees are often hugely personally invested, even in organisations perceived as failing, and ministers should recognise this in the way they talk about change rather than treating staff as “objects to be flung on the bonfire of the quangos”, in the words of one interviewee.

Wherever possible, abolitions should be communicated positively. This is easier if the aims of abolition are clear and go beyond a simple desire to get rid of the organisation. We were told that the senior team in the HAC maintained a holistic view: “Abolition is not an end goal in and of itself. It is something to do in order to achieve another objective. [In our case] there was a potential to really improve how the profession was regulated and how service users were protected”. The HAC leadership took the window of opportunity provided by abolition to change a number of “ridiculous, cumbersome [and] prescriptive” regulations before transferring their functions to the HPC. This could then be explained to staff as a positive change – as one staff member told us, they had a clear vision of “this is what it’s going to look like on the day after abolition, and this is what we need to do to put it in place”. Such a vision can motivate staff to help push the change through.

If abolition is tied to a wider plan for improving services, it is possible to create momentum and motivate staff to achieve these goals. The Jobcentre Plus abolition was part of a larger plan to generate savings and efficiencies through more streamlined cross-departmental functions. Although operational staff were largely unaffected, the abolition decision was nevertheless preceded by significant, face-to-face discussions with senior leaders within Jobcentre Plus, especially those whose roles would be reconfigured. One senior leader involved described how:

“We travelled around the country for three months talking to senior staff whose roles would change, testing and amending ideas, before making and then announcing the decision. I would stress the importance of such consistent communication and engagement, both to get the right outcome, and to take people with you.”

DWP senior staff found it was important to ‘tell a story’ about what the department was doing. A senior DWP leader told us: “You have to be able to say: ‘I know why I am doing this.’” In this way, abolition of the public body became an aid to larger organisational and cultural change as the function was integrated into the department, including subsequently through the ‘One DWP’ campaign to build a united and positive culture in the department.⁵⁷ The department’s engagement scores increased in the years following the abolition.

It is important to be straightforward about the reasons for abolition, whatever they may be. If this is not done, staff may draw their own conclusions with subsequent consequences for their morale and behaviour. In the case of PHE, the abolition seems to have been perceived as a way to get rid of individual senior staff. Publicly, the abolition had a goal – to better integrate the pandemic response – but many staff felt that there was a hidden agenda. Poor communication of the aims of abolition can lead to staff working at cross purposes to ministers, or can simply cause staff to stop caring.

As someone who worked on the UKBA abolition told us, ministers and civil servants need to “communicate a positive objective rather than say that everything is so awful that we have to do this”.

Lesson 6: Announce the abolition positively and directly, rather than via the media, and explain how it will improve outcomes.

Box 6 Jobcentre Plus

Jobcentre Plus was an executive agency formed from the merger of the Employment Service and some parts of the Benefits Agency in April 2001. It was merged into its sponsor department, the Department for Work and Pensions (DWP), in 2011.⁵⁸ While it retained the same functions, brand name and initially the same staff and buildings, it ceased to be an executive agency.

The abolition aimed to reduce costs and unite functions that the DWP leadership felt there was no operational reason to keep separate. Merging Jobcentre Plus into DWP, and in parallel the abolition of the Pensions, Disability and Carers Service, was part of an overall plan to reduce central costs of the department by 40% over three years, while making only much smaller reductions in front-line staffing. It also brought Jobcentre Plus wages into line with the rest of the department.⁵⁹ By 2018, DWP had cut its overall workforce and office space by a third even as its employee engagement score, as measured by the Civil Service People Survey, has increased from 44% in 2011 to 60% in 2017.⁶⁰

While the cuts at Jobcentre Plus might have been possible even as an executive agency, the abolition process allowed for a refocus on the core aims of Jobcentre Plus, which helped improve the engagement score.

7. Motivate leaders and staff to make abolition a success

Those we spoke to repeatedly emphasised the importance of getting staff on board to effectively deliver an abolition. Public body staff have vested interests in defending their organisation, and may be seen as blockers to change. Ministers also may not feel that protecting the feelings of staff is a priority in an abolition.

But careful management of staff, and particularly the senior leadership of the body being abolished, is vital. It can help motivate staff to successfully deliver the abolition, or keep services running during the transition. One interviewee described the difficulties of continuing the work of the Audit Commission following the leaked announcement of abolition as follows: “It felt like things were being done to you in the abolition, instead of that you were doing them yourselves... I had to work with a lot of people on internal incentives to continue working on projects and how to get out with a semblance of positive legacy.”

Staff respond well to a positive and well communicated case for change – especially when they can see the positives for themselves. This can be as simple as explaining benefits such as more potential for interesting career moves within a larger organisation, or an opportunity to build career capital by being involved in a successful abolition. When staff can be incentivised with personal opportunities as a result of abolition, it is likely that they will be more positive and supportive during the process. In the case of the HAC, employees were reminded that abolition was an opportunity to demonstrate their skills. As one member of staff put it, abolition “would look good on my CV and... I would make some pretty good contacts for my future career”. In a similar vein, one interviewee involved in the abolition of the Competition Commission, which was merged to create the larger Competition and Markets Authority (CMA), described the importance of career development as a way to persuade staff to support the change: “There was scope for broader advancement in the larger organisation and so [it] was easier to sell to staff.”

As well as personal or career advancement, many may also be motivated by achieving the best possible outcomes in a policy area they care about. Even when staff are being made redundant, achieving value for money for the taxpayer from the redundancies will require the remaining staff to make good decisions, for instance around redundancy terms or the order in which staff should be let go. This is where a positive case for change is vital. As one member of staff involved in the PHE abolition told us:

“You have to make the positive case. You have to have a narrative that says: ‘The thing that we’re doing might not please most of you. But... bringing health improvement functions into the Department of Health, where they’re close to ministers and can more impact on health policy, is a good thing.’ You have to stand up and say that again and again because you have to have a positive rationale for change. If you don’t, your change programme will not work.”

This is not unique to the public sector. Indeed, many guides to organisational change produced for the private sector emphasise the importance of leadership in convincing staff of the need for change and creating a positive organisational culture in the process (see Annex B).⁶¹ But there are also particular challenges with public body abolitions, including the risks posed by different leaders (civil servants, ministers and public body chairs and chief executives) communicating differently. These were exposed in the case of UKBA, when Mark Sedwill, the Home Office permanent secretary, was criticised in a select committee hearing for reportedly telling UKBA employees they would continue to be “doing the same job, in the same place with the same colleagues and the same boss” – undermining the narrative of change that the home secretary was trying to communicate, even if he was correct regarding what changes meant practically for staff.⁶² Consistent communication to staff is also vital for building a clear identity and sense of purpose for new organisations, which the recent Downer review suggests is still lacking for Border Force.⁶³

Poor communications, uncertainty or a lack of incentives to stay can lead to capable staff leaving, undermining both the transition and any ‘successor’ organisation. This was something PHE staff we spoke to were very worried about, and told us they

worked hard to avoid – especially as, in an area with a small, specialist workforce like public health, staff who left wouldn't be easy to replace. One former PHE staff member described the need to "sell the idea of a new organisation to staff" to avoid widespread departures. Keeping staff was a problem with the abolition of UKBA, too. UKBA administered customs as well as borders and immigration, and so had a specialist cadre of staff with customs experience. But amid the border security crises of 2012 and 2013 many of these staff were reprioritised to work on immigration desks. As a result, many of them lost their skills or left, undermining the organisation's ability to deliver customs effectively in future. This could have been avoided if more care had been taken to look after and incentivise this group of staff, for instance by communicating that their change in role was only temporary.

Lesson 7: Motivate staff to make abolition a success, by explaining the positives of abolition and emphasising their opportunities for positive impact and career development.

8. Set realistic timelines

Abolitions can be complex processes requiring detailed planning and sequencing – especially when legislation is involved. This is less true for executive agencies that are simply being merged into the department, as for UKBA and Jobcentre Plus for instance, as these are not legally separate bodies and their abolition often does not require legislation. But for most abolitions, one project manager we spoke to suggested anything significant involving IT "will take at least a year". Complex projects may take much longer.

These facts are not always reflected in the timelines set, especially at the point that abolitions are announced. It is important to ensure that timelines for abolition are realistic, and allow adequate time to transfer functions. Where possible, timings should be based on operational realities rather than political pressures. While ministers may be tempted to use short deadlines to incentivise rapid change, arbitrary deadlines can be more trouble than they are worth, or limit how much change can realistically be achieved. Interviewees emphasised the trade-off between achieving more difficult or long-lasting change as part of an abolition, and getting it done quickly. Change often falls short of what is desired,⁶⁴ and overly optimistic deadlines can make this more likely. As outlined in lesson one, a focus on the desired outcomes stemming from an abolition, rather than purely on abolition itself, can help guide ministers and civil servants to set appropriate deadlines.

A telling example of this is the abolition of probation trusts in 2014. To deliver abolition before the 2015 election, the Ministry of Justice proceeded without conducting a pilot programme or properly evaluating prior trials. As a critical Public Accounts Committee report found, this "lack of properly considered planning" and "delivering at breakneck pace" led to additional unexpected costs of £467m and a deterioration in service quality.⁶⁵ The ministry admitted that a key lesson from the programme was the danger of "heroic timetables".⁶⁶

There are other examples. For instance, the then home secretary decided to bring Border Force into the Home Office over the space of just a month, from February to March 2012. One interviewee told us that this meant that Border Force had to continue to rely on HR, commercial and estates services it shared with the rest of UKBA, but the head of Border Force no longer had any control over how those services were run, leading to disputes between the two organisations. "It was a case of get the change done, then fix it afterwards." A more considered transition, which planned for the splitting or communal management of these functions in advance of the change, might have led to a more amicable outcome.

By contrast, making realistic timelines public when an abolition is announced can help to concentrate efforts. In the case of Jobcentre Plus, while the length of time between the announcement and formal abolition was less than a month, this was part of a restructuring process that had been planned and consulted on over a longer time frame, allowing sufficient time for reorganisation. Those involved in the PHE and HAC abolitions emphasised the importance of detailed timetables for abolition, including the transfer of functions from 'sender' to 'receiver' organisations. The need to defend these publicly created an external prompt for change to happen on time. One HAC leader told us:

"[The crucial thing was that] everything was documented. All my paperwork was transparent and it was shared. So if a minister said 'we're really getting some stick on X, Y and Z [delays]', we could produce the papers to say: 'Everything is on track. We've hit some problems regarding the parliamentary timetable but these are the reasons why.'"

A steady drumbeat of deadlines can help to push change forward. The same interviewee emphasised the importance of deadlines in creating urgency for those involved in drafting legislation or finding parliamentary time.

While clear deadlines and detailed planning is important, they must be adjustable if needed. For instance, the HAC's abolition was pushed back when plans for its future changed from a merger into a new consumer standards body to integration into the HPC, meaning a more complex but (in the eyes of those involved) more cost-effective change. Similarly, the abolition of PHE was moved back six months when the operational complexity of the change became apparent. While frustrating for ministers, this was a necessary decision to improve outcomes. We heard that showing ministers how the delay would help achieve their underlying objectives was helpful in securing their agreement to an extension.

Lesson 8: Set realistic timelines and use them to drive change forward.

9. Ensure accountability is clear throughout the transition

Accountability for success or failure in public bodies is complex. Ministers, chief executives, chairs and permanent secretaries all have specific roles in decision making and varying degrees of accountability for those decisions.⁶⁷ This complexity is increased when functions are transferring from one body to another, or even one sponsor department to another (as with the HAC, whose functions moved on abolition from the business secretary's to the health secretary's portfolio). Civil servants and ministers need to ensure such transitions of accountability and leadership are carefully planned, managed and documented.

Our case study bodies offer some good examples of how to do this. PHE's transition team mapped out in detail where each function was going, and when official accounting officer responsibilities would move over. This proved useful when details of the Immensa lab failure, which reported incorrect Covid test results, emerged.⁶⁸ NHS Test and Trace suspended its contract with Immensa just two weeks after UKHSA became operational, but accounting officer responsibilities remained with the second permanent secretary at DHSC until March 2022. As the transition team had clearly recorded who was responsible for each function on each date, this made the chain of command and lines of accountability much easier to assess. Still, accountability and governance in the early days of UKHSA have not been straightforward. The NAO stated in a recent report that it was unable to properly form an opinion on UKHSA's annual accounts for 2021/22, partly due to an "absence of formal governance arrangements [which has] exposed UKHSA to a high level of risk", failures to appoint board members for UKHSA promptly, as well as "fundamental weaknesses in the framework of governance" of UKHSA, as identified by the Government Internal Audit Agency.⁶⁹

Formal collaboration between leadership teams of the 'sender' and 'receiver' organisations during a transition can also help. Examples highlighted to us included regular joint board meetings and shared legal and HR advice between the HAC and its successor the HPC; and the decision to put the former chair of Jobcentre Plus on the board of DWP following its abolition.

When a receiver organisation is being set up from scratch, as with UKHSA, civil servants and ministers need to think carefully about how long to run the leadership in parallel, and how much the leadership of the new organisation should overlap with the old one. We heard that with the merger of the Competition Commission and the Office of Fair Trading into the CMA, for instance, senior jobs were advertised to candidates from either organisation as well as externally, to allow the best talent from each as well as external hires to be recruited. But leadership transitions should be handled with care, both because they risk creating rancour in the organisation and because they can result in gaps or overlaps in accountability, increasing the risk that things might go wrong.

Lesson 9: Clarify in advance where accountability will sit for every part of a public body at every stage of the transition.

10. Recruit an experienced and skilled transition team

A high quality and experienced transition team is vital to managing an abolition well, as they will be able to concentrate on anticipating and managing the practicalities involved in the change. In particular, it can be useful to engage people who have been through abolitions before. Multiple interviewees told us that staff with experience of previous abolitions had a specific and useful set of knowledge and skills. Leaders managing an abolition may find it helpful to ask for their advice or recruit them to their transition teams. For instance, someone involved in the HAC abolition told us their experience of being involved in previous local government reorganisations had been vital. Similarly, the senior leadership team of PHE brought in external hires with experience of NHS reorganisations. One interviewee, for instance, told us that their experience of being in the NHS during the Lansley reforms meant that they were able to copy over useful processes for managing the transfer of functions and staff.

Others emphasised the importance of using proper project management methods, and recruiting the necessary expertise either to the department or the body itself. As one interviewee put it:

“We need to be better at taking seriously project, programme and change management for this type of thing... If you’re transforming an organisation, having a bit of experience, having done something like it before, you’re more likely to spot the pitfalls. You’re more likely to work out what you might do wrong... You need to bring in people with specialist skills to help you deliver it well.”

Those in charge of an abolition shouldn’t underestimate the scale of work involved, especially in transferring contracts and IT systems between organisations. It was repeatedly emphasised to us that such fundamentals had to be nailed if any change was to lead to improvement. Professional project managers, and in general staff with prior experience of abolitions, can be a huge help. A number of our interviewees mentioned that the lack of such skills and experience is a common failing in the public sector. In this context, it is important to bring the necessary people in: even though costly, we heard that hiring a consultant to assist with change management was necessary and effective in the case of PHE, for example. Project managers can also help to create business cases for individual decisions along the road to abolition, ensuring that decisions are made with a clear view of the costs and benefits involved.

Lesson 10: Project and change management specialists, and others with experience of restructures, should be recruited into a transition team to help manage the abolition process.

Conclusion

Abolitions have not always gone smoothly, but there are positive cases to learn from

Public body abolitions have been a frequent aspect of public sector reform over the past decades. From New Labour's attempts to reform the fragmented regulatory landscape in the 2000s, to the 'bonfire of the quangos' after the 2010 election, which saw bodies like Jobcentre Plus and the GTCE abolished or rolled into their departments, there have been repeated efforts to clarify or reduce the scope of public bodies, resulting in waves of attempted abolitions. More reactive abolitions in response to perceived poor performance, of UKBA in 2012–13 or PHE a decade later, have been frequent too.

Public body abolitions can be genuinely positive transformations. They can save the exchequer or regulated industries money and improve service delivery. For instance, the abolition of the HAC reduced the fees paid for hearing aid regulation by a factor of nine⁷⁰ and the abolition of Jobcentre Plus, alongside a broader cost-saving campaign, delivered a 32% reduction in staffing in DWP's corporate centre.⁷¹ As our case studies have highlighted, abolitions work best when they form part of a positive vision for a better public sector – one that regulates more judiciously, makes decisions with more democratic accountability or spends public money more efficiently.

But abolitions do not always work out this way. Reactive abolitions, which respond to negative press or poor relationships between ministers and public body leaders rather than being motivated by a vision of how to improve the public sector, can be harmful, as elements of the Audit Commission and PHE abolitions show. The difference between a well and a poorly managed abolition can be huge, both in terms of how services are delivered in transition and the abolition's impact on the wider public sector ecosystem in the long term.

The lessons we have set out should help key actors in government to make better decisions about whether to abolish public bodies and how to perform abolitions well. A common theme across them is the importance of making fully informed decisions. The worst abolition decisions we looked at appeared to have been made in haste and on the basis of flimsy evidence, with details filled in afterwards. The best decisions, by contrast, were more considered, taking the downsides as well as the upsides into account, and therefore being better able to address potential implementation risks. This makes it vital that ministers ask their civil servants some searching questions before any abolition is planned, and that civil servants answer openly, even if the answers are inconvenient. Annex A lays out some questions ministers should ask before making a final decision.

Government should develop guidance on abolitions

But asking the right questions is not enough. There is a great deal of knowledge and expertise on how to manage abolitions and restructures available in government from people who have been through similar processes before, or have concrete skills and experience in project management, for example. But these resources are often not properly used by teams managing abolitions, partly because there is no single centre of expertise on abolitions in government, and very little advice available on how to carry them out. There is limited public guidance available from the Cabinet Office on abolitions, although there are plans to publish a short guide to abolitions in the near future, focusing on the legal and HR considerations sponsor teams should take into account when closing a body. *Managing Public Money* does devote four paragraphs to the topic of how to reform public bodies, but these are mainly focused on fulfilling accounting officer duties – ensuring final accounts are produced and employment rights are respected. They give little guidance on how to achieve the objectives of, and minimise the disruption resulting from, abolition.⁷²

The Cabinet Office should work with other stakeholders with relevant expertise – like the National Audit Office – to fill this gap. They should set out authoritative guidance on how to plan and execute an abolition, building on previous experience across government. This could include guidance on some of the specific issues raised in this report, including how to manage leadership transitions and map the senders and receivers of each function. Departments should make more use of the Cabinet Office’s expertise on abolitions when considering abolishing one of their bodies.

The Cabinet Office should also make clear that any decision to abolish a public body should be based on a proportionate business case. We heard that business cases are not currently required across government for abolition decisions, although they may be used in some departments. Creating a business case should act as a prompt for decision makers to gather the necessary evidence on how a body operates, what the costs of change will be and what benefits they hope will result from its abolition, as suggested in our first five lessons. A requirement for a business case should result in greater accountability for the decision, better mitigation of the risks involved, and clearer thinking in advance about how the change should be communicated and planned for.

Ministers should be clear on their goals for any future wave of abolitions

While reductions in the number of UK public bodies have slowed in the years since the Brexit referendum, government has begun to consider another wave of abolitions. The Truss government promised another ‘bonfire of the quangos’, in an echo of the coalition government’s abolition programme.⁷³ Prime Minister Rishi Sunak and the Cabinet Office minister Oliver Dowden have struck a less strident tone but have maintained the public body review programme initiated in spring 2022. This requires reviewers to “consider whether decisions would be best taken by ministers in the department” rather than by public bodies, suggesting a presumption in favour of further abolitions where they can be achieved.⁷⁴

A clearer vision from the centre of government regarding the role public bodies are intended to play, as distinct from a desire to reduce – or even to increase – their number for its own sake, would help ministers make abolition decisions in a more consistent way. As we will argue in a forthcoming paper, government should reform the current tests used to determine whether or not functions should be delivered by a public body. But alongside this, the lessons set out in this paper should help ministers and civil servants ensure they are making the right decision when they decide to abolish a specific body. Decision makers who are fully informed about the long- and short-term costs of abolition, the legislative hurdles (or possibly the lack of legislative hurdles) involved and the variety of functions delivered by the body will be much better equipped to assess the case for abolition. And those with a clear view of the outcomes they want to achieve will be able to more accurately assess how abolition might, or might not, help them do so.

Where abolitions are pursued, the lessons set out in this report should also help civil servants and ministers maximise the benefits of the change – by communicating it sensitively and positively, persuading staff to support the change and setting sensible timelines, for example. This will make it easier to achieve underlying policy goals – such as cost savings, a clearer institutional landscape, more direct ministerial input or performance improvement – with fewer unforeseen consequences, operational problems or significant reductions in morale. More carefully chosen and better executed abolitions could make a huge difference to public sector performance, resulting in less service disruption and more streamlined and better co-ordinated public services.

Annex A: Questions ministers should ask before an abolition

	Lesson	Questions to ask
Decision making	1) Set out clear goals for the abolition	<ul style="list-style-type: none"> • Do I know what I want to achieve with abolition? • Are my goals consistent with the government's public bodies strategy? • Is abolition the best way to achieve my goals?
	2) Understand what the body does and why it is constituted as it is	<ul style="list-style-type: none"> • What does this public body do? • Has the full range of its functions been mapped, not only its most high-profile ones? • Have staff and the board been consulted to fully understand the range of functions? • Why is the body currently constituted as it is? In particular: <ul style="list-style-type: none"> • What policy issues was it created to solve? • Why was its current form chosen? • Why would that decision be different now? • Was the body reviewed recently, and what did the review say? • Where could the body's functions move to? • If functions are to cease, what will be the consequences?
	3) Examine any underpinning legislation	<ul style="list-style-type: none"> • Is legislation required to abolish the body? • Is there a likely opportunity to pass the necessary legislation? How long will that take? • Are there statutory functions that must be transferred elsewhere?
	4) Consider the wider ecosystem	<ul style="list-style-type: none"> • What impact will abolition have on the wider ecosystem, including adjacent organisations and the population served? • Will abolition change the focus or workload of the responsible government department?
	5) Assess the long- and short-term costs of abolition	<ul style="list-style-type: none"> • How much ministerial and senior leadership time and focus will be required by the abolition, and with what consequences? • What are the expected costs of abolition, including the wider impact on the organisational ecosystem? • How will the abolition affect delivery while the transition takes place? • What would it cost to reinstate the current functions? How likely is this to be required?

Implementation	6) Announce the abolition sensitively	<ul style="list-style-type: none"> • Is there a communication plan in place? • Have staff been told before the media? • Can a positive case for change be communicated, internally and externally, in a straightforward way?
	7) Motivate leaders and staff to make abolition a success	<ul style="list-style-type: none"> • Are staff being properly consulted during the abolition to involve them in the process? • How are staff being incentivised, or otherwise encouraged, to successfully carry out the abolition?
	8) Set realistic timelines	<ul style="list-style-type: none"> • Are detailed timelines in place? • Are the deadlines they contain operationally realistic? • What flexibility is there to adjust them if needed?
	9) Ensure accountability is clear throughout the transition	<ul style="list-style-type: none"> • Is it clear where accountability sits for each part of the body at every point of the transition? Are roles and responsibilities in transition clearly defined? • If functions are being transferred, have the sending and receiving organisations agreed how and when this will be done?
	10) Recruit an experienced and skilled transition team	<ul style="list-style-type: none"> • What experience and skills are required to manage the transition successfully? • Are these already in place in the transition team? • If not, how can experienced people be brought in?

Annex B: Overview of the change management literature

This report sets out lessons from recent public sector abolitions that will help ministers and senior civil servants to make good strategic decisions and to plan for their successful implementation. But a good abolition needs to be managed well at all levels throughout, which will require a range of operational expertise, most notably in managing change.

The study of organisational change is a “large and somewhat contradictory” field,⁷⁵ and practitioners and academics alike have generally refrained from offering concrete recommendations. But there are a few major theories, commonly divided into ‘planned’ and ‘emergent’ theories. The former hold that change is driven by rational actors within organisations that proceed according to a plan, typically broken down into stages.⁷⁶ By contrast, emergent approaches view organisations as so complex and change so rapid that it cannot be directed by top-down initiatives but instead is driven by adaptation.⁷⁷

Where a major change like an abolition is imposed top down, planning is clearly required. Those from the planned school present a series of models to understand the various stages of creating organisational change, which often include stages for conception, planning, implementation and review. The first, and most influential, of these is Lewin’s classic three-step model: the unfreezing of a current set of arrangements, the moving to a new set and then the refreezing of the new approach.⁷⁸ The key point for our target audience is that the change process itself is only part of the project: an abolition also needs to be prepared for in advance, and then successfully embedded afterwards.

Building on Lewin, a wide range of other models have since been suggested, such as those of Kotter,⁷⁹ Mento and others,⁸⁰ and Cummings and Worley.⁸¹ These are presented in Table 1.

Table 1 **A comparison of steps in prominent theories of planned change management**

Lewin	Kotter	Mento and others	Cummings and Worley
Unfreezing	Step 1: establish a sense of urgency	Step 1: determine the idea and its context	Step 1: motivating change
	Step 2: create a guiding coalition	Step 2: define the change initiative	Step 2: creating a vision
	Step 3: develop a vision and strategy	Step 3: evaluate the climate for change	Step 3: developing political support
	Step 4: communicate the change vision	Step 4: develop a change plan Step 5: identify a sponsor	
Moving (transition)	Step 5: empower broad-based action	Step 6: prepare the recipients of change	Step 4: managing the transition
	Step 6: generate short-term wins	Step 7: create the cultural fit	
	Step 7: consolidate gains and produce more change	Step 8: develop and choose a change leader team	
		Step 9: create small wins for motivation	
		Step 10: constantly and strategically communicate the change	
Step 11: measure progress of the change effort			
Refreezing	Step 8: anchor new approaches in the corporate culture	Step 12: integrate lessons learned	Step 5: sustaining momentum

Source: Errida and Lotfi.⁸²

Emergent approaches to organisational change have typically focused on identifying forces conducive to positive change and encouraging them.⁸³ Change is viewed as incremental rather than systematic and is best pursued through small, bottom-up and persistent tweaks.⁸⁴ It is seen as a work in progress rather than a fixed plan.⁸⁵

There are also other theories relevant to understanding organisational change. These include theories that emphasise resistance to change – how staff may push back against change and how this can be mitigated – and diffusion theory, which seeks to explain how ideas spread through a group.⁸⁶

Despite the range of approaches, their proponents all emphasise the importance of a shared vision of change.⁸⁷ They also agree that organisational change is difficult and often fails to meet its objectives,⁸⁸ with some estimating failure rates of up to 80%.⁸⁹ The guides produced by consultancies also emphasise leadership as being fundamental. Deloitte argues that “leaders need to be on a personal journey”⁹⁰ and PwC that “the success of any transformation effort can depend on how leaders engage their culture”.⁹¹

The theories described above seek to describe all organisational change. But there is a broad consensus that public sector organisational change is different. There are clear differences of culture and incentives: civil servants are seen as more intrinsically motivated but also more risk averse, with associated challenges for driving through organisational change. Similarly, public sector organisational change must grapple not only with democratic and legislative hurdles but also with political scandals.⁹² They also tend to involve a more complex range of stakeholders than private organisations.⁹³ It is therefore helpful for public sector leaders to be familiar with the wider literature regarding change management, but also to understand that the individual circumstances of each organisation and the wider public sector context mean that they will need to tailor their approach carefully to the abolition at hand.

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