Beyond the Binary: Multi-level Governance and the Sponsorship of Public Bodies

Matthew Flinders and Katherine Tonkiss

m.flinders@sheffield.ac.uk; k.e.tonkiss@bham.ac.uk

The concept of 'multi-level governance' has evolved in the decade since the millennium as something of an über-concept within social and political analysis. In this field the notion of two distinct types, or 'contrasting visions of governance', has become central to established understandings. Type I covers a relatively small number of general purpose governing levels found particularly in federal and quasi-federal political systems and the European Union. Type II, by contrast, captures the broader spectrum of autonomy beyond the central state on which a vast plethora of agencies, boards, commissions and public-private partnerships can be placed. The architecture of Type II multi-level governance can be found at the local, regional, national and supra-national levels and therefore exists in parallel to but also somewhat independent of (while at the same time dependent upon) Type I structures. The central argument of this paper is that our understanding of contemporary multi-level governance would be enhanced through a focus not simply on types or structures but on the nexus or relationship *between* types of governance. This emphasis on linkage is dissected through a detailed empirical analysis of recent reforms to the sponsorship arrangements between ministerial departments and non-departmental public bodies in the United Kingdom.

Introduction

The structure of the modern state has altered dramatically in recent decades. The implicit assumptions and explicit recommendations of managerialist reform strategies led to the rapid 'unbundling' or 'unravelling' of the state across both the developed and developing world (Hooghe and Marks, 2003; Pollitt and Talbot, 2004; Verhoest et al, 2011). The large-scale 'balkanisation', 'quangocratisation', 'decoupling' or 'autonomisation' of large multi-purpose hierarchical public bureaucracies into larger numbers of single-purpose arm's length bodies (ALBs) as part of a new 'smaller, leaner and more streamlined' approach to the business of government not only formed a core component of the dominant public management paradigm but also posed new challenges in terms of navigating multiple relationships and steering complex networks. Placed within the contours of Francis Fukuyama's recent commentary on 'What is Governance?' (2013) the delegation of powers, roles and responsibilities away from

elected politicians posed a distinctive challenge in terms of *control capacity*. How and through what mechanisms do politicians and their senior officials attempt to control ALBs, let alone how they might seek to coordinate complex networks, were rarely considered prior to the implementation of major reform and delegation initiatives (Verhoest, 2012).

At the same time, the capacity of the social and political sciences to offer theoretically informed but policy relevant responses to this governing dilemma has arguably been hampered by a scholarly *over* emphasis on external control dimensions (parliamentary accountability, democratic anchorage or the regulation of patronage, for example), and an *under* emphasis on internal control dimensions such as sponsorship, shadowing or bridging mechanisms – the paradox being that major policy failures, and the inevitable blame games that tend to follow, generally reflect the collapse of internal control mechanisms.[1]

It is in this context that this paper focuses on what might be termed the *politics of sponsorship*. 'Sponsorship' here means the range of formal and informal mechanisms through which the relationship between an arm's length body and its parent department is mediated and controlled; 'the politics of' adjective pointing to the existence of complex resource dependencies, competing institutional logics and significant information asymmetries that may challenge simple principal-agent assumptions. As such this paper engages with three questions across three analytical levels (see Table 1, below).

Level	Focus	Core Question	Paper Part
Macro	Conceptual/ Theoretical	How can a focus on sponsorship develop the analytical traction and leverage of multi-level governance?	I/V
Mid	Patterns/ Direction	What does a focus on sponsorship tell us about the business of government and governance?	II/III/IV
Micro	Institutions/ Relationships	How do Type I bodies actually manage their relationships with Type II organizations?	III/IV

Table 1: A Multi-level Approach to the Relevance of Sponsorship

The paper is therefore attempting to make a contribution in relation to both the *theory* and *practice* of governance. From a theoretical perspective it argues for a focus on the boundary or inter-section between types of governance; and then adds empirical weight and practical relevance to this argument by outlining the results of a detailed study of the sponsorship of arm's length bodies in the UK. Since it came to power in 2010, the UK coalition government has implemented a large-scale public bodies reform programme, which has led to the abolition, merger or reform of 495 ALBs. At the same time, this reform agenda has been accompanied by attempts to overhaul the sponsorship of ALBs

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[1] Empirical case studies that support this argument abound. See, for example, HC Deb 840.

in order to increase government control and the efficiency of sponsorship arrangements at a time of economic recession and austerity.

The paper is divided into five sections. The first section provides the conceptual foundation for this paper by exploring the concept of MLG, in general, and Hooghe and Marks' influential 'binary visions' approach, in particular. This section suggests that a focus on the nexus between different forms of governance provides a valuable way of deepening and refining this important seam of scholarship. The second section develops this argument by reviewing the existing literature on sponsorship relationships between Type I and Type II MLG forms. Eight critical themes are highlighted and then used to inform a conceptual map of sponsorship which describes the intersection between two key spectrums (Strategic Control and Operational Control). The third section then examines recent reforms that have sought to transform the sponsorship relationship between departments and Non-Departmental Public Bodies (NDPBs) – a dominant form of ALB found in the UK – through the lens of this conceptual map. This suggests a stark shift from 'poor parenting' to 'micro-management' of NDPBs. In order to drill down into this general shift in more detail the fourth section examines the specific nature of the change in sponsorship relationships in three departments (Ministry of Justice, Department of Culture, Media and Sport, and Home Office). The final section then reflects upon the broader significance of this research from a comparative, theoretical perspective.

The Binary Divide

Multi-level governance highlights the increasing fragmentation, fluidity and interdependence within and between modern governance structures (Bache and Flinders, 2004). It therefore has both vertical and horizontal dimensions and resonates with broader debates concerning network or polycentric governance (Sorensen and Torfing, 2008). The explosion of research and writing on this concept is both remarkable and impressive.[2] But what is arguably equally remarkable is the significance of one contribution within this field – Liesbet Hooghe and Gary Marks' article 'Unravelling the Central State. But How?' (2003; see also Hooghe and Marks, 2010), in which they identify two contrasting visions of MLG and reflect upon the assumptions and logics that underpin each vision (see Table 2, below). Type I covers a relatively small number of general-purpose governing levels found particularly in federal and quasi-federal systems and the EU. Type II covers the myriad public, public-private and private governing organisations undertaking a wide range of specific tasks at many different levels of national, sub-national, cross-national and international society.

This binary typology arose from critiques of early formulations of MLG in the EU in the 1990s that focused primarily on the increasing importance of multiple tiers of government, notably sub-national authorities, and implicitly held a hierarchical view of governmental tiers. Critics of the idea of the EU as a system of MLG argued that it was

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[2] See, for example, Enderlein et al 2010.

unclear what distinguished multi-level *governance* from multi-level *government* and that while there were some instances of multi-level sectoral governance the whole system could not be depicted as MLG (Jordan, 2001). The binary typology addresses this discussion by enabling system variety to be understood by firstly distinguishing the role of non-state actors from state actors semi-detached from the central state, and secondly by addressing the non-hierarchical (i.e. horizontal) aspects of multi-tiered government.

	Type 1	Type 2
Features	General-purpose	Task specific
	Non-intersecting membership	Intersecting membership
	Durable, system wide design	Flexible, changeable design
	Limited levels	Unlimited levels
	Elected leadership	Appointed leadership
	Marble cake	Layer cake

Table 2: The Type I/Type II Binary Divide
Adapted from Hooghe and Marks, 2003; Bache and Flinders, 2004

The distinction between two types of MLG has been widely cited and frequently utilised to frame studies in a number of policy fields. From research on cities and climate change in Europe (Betshill and Bulkeley, 2006) through to cross-boundary governance in East Asia (Yang, 2005), through to regional science policy (Crespy et al, 2007), clinical appraisal systems (Milewa and Barry, 2005), the development of renewable energy (Smith, 2007) and transnational industrial relations (Keune and Marginson, 2012) it would appear that, just as the structures of MLG are oft said to exist 'in the shadow of hierarchy', a great deal of MLG research and writing has taken place in the shadow of Hooghe and Marks' two visions approach.

To date the concept of MLG has generally been criticised for its failure to grasp the complexities of modern governance in terms of institutional variety and hybridity, In their analysis of transport governance, for example, Marsden and Rye (2010) uncover a vast range of bodies that appear resistant to any form of binary classification. Whereas Olsen's broader review of the existing research (2009) leads him to warn against simple dichotomies and instead to emphasise 'the interconnected complexity of governance'. It is exactly this interconnected nature of governance that this paper seeks to emphasise through a focus on 'meta-governance' in the form of government-governance sponsorship. This is a critical point. The 'two types' or 'binary divisions' approach risks creating a zero-sum or divided conceptualisation of governance that underplays the nested, inter-related and arguably even mutually parasitical elements of MLG regimes *in toto*. 'Type I and Type II governance arise – under different guises and with different labels', Hooghe and Marks suggest in a manner that emphasises separation *'as fundamental alternatives'* (Hooghe and Marks, 2003, p.241, emphasis added). Olsen argues that the realities of modern governance are unlikely to be captured by 'providing exclusive alternatives' and Gualini similarly warns that the binary typology 'is at risk of unduly simplifying the complex reality of state-centred modes of regulation and steering' (Gualini, 2006, p.890). In a similar vein Chris Skelcher captures the central

argument of this section with his emphasis on 'the reality of an interlinked duality between 'traditional' Type I and 'emergent' Type II governance'. Milewa and Barry's research into health policy using Hooghe and Marks' approach (2005) leaves them emphasising 'the need for some consideration of how the two forms are melded' (p.507).

What a large number of the studies mentioned tend to either implicitly or explicitly conclude is that the type types of MLG tend to be intertwined rather than separate and, as a result, there is a need to focus on the linkages through which relationships are mediated. However, very few scholars have actually examined the nexus or interface between Type I and Type II bodies as a central analytical focus. Even fewer have attempted to trace, track or expose government-governance sponsorship in any detail, let alone how such frameworks might affect or underpin a broader approach to meta-governance.

Sponsorship: A Thematic Review

So far, we have highlighted an urgent need to focus not on mapping the topography of various policy sectors but on focusing on the interaction *between* types of MLG. The sharing of resources and the independency between actors have, since the first major work on MLG, been central features of this concept, and yet as we have noted, this seam of scholarship has arguably paid little attention to horizontal linkages between Type I and Type II bodies. Given that the OECD (2002) estimates that somewhere between a half and two-thirds of all public expenditure and public employment is channelled through or based within ALBs, the need for a focus on government-governance, Type I-Type II sponsorship is arguably significant. The aim of this section is therefore to review the existing research base on this topic in order to tease out not only what is known about sponsorship relationships but also where gaps in our knowledge exist. Table 3 highlights eight core themes that can be derived from the relatively small pool of existing scholarship.

The first theme focuses on the dilemma that James Rosenau (1997) sought to capture in the term 'fragmegration' (T1, Table 3); that is a Janus-faced dynamic in which centrifugal managerial reforms generate a demand for new forms of (centripetal) control capacities. It is not therefore that executives are *either* centralising *or* decentralising, because modern governance is frequently characterised by elements of both policy streams being implemented concurrently. This flows into the issue of complexity (T2) and the manner in which recent studies have demonstrated that the concepts of autonomy and control should not be interpreted as necessarily forming part of a zero-sum game in which an increase in organisational autonomy for an ALB automatically equates to a reduction in control for the parent department. The research of Verhoest and his colleagues, for example, has identified six dimensions of the sponsorship relationship – managerial, policy, structural, financial, legal and interventional – and have shown that levels of autonomy and control vary significantly

not just between specific dimensions, but that they also vary *within* specific organisational forms that are supposed to broadly enjoy similarly levels of discretion (Verhoest et al, 2004). Drilling down still further, the existing research base reveals that control mechanisms between Type I and Type II bodies can take both *ex ante* and *ex-post* forms (T3). These can be 'hard', in the form of written contracts or reporting mechanisms, or 'soft' in the form of inter-personal relationships, cultural bonds or a shared public ethos. Bertelli's research (2006) focuses on the manner in which ALBs tend to be subject to both types of mechanisms but with a general emphasis on *ex-post* controls (for example, audits, annual reports, etc.) in order to maximise organisational flexibility.

THEME	ESSENCE	RESEARCH REFERENCE
T1. Fragmegration	The evolution of the modern state is complex with *centrifugal* and *centripetal* reform dynamics unfolding concurrently.	James Rosenau. 2000. *The Governance of Fragmegration*
T2. Complexity	Autonomy and control should not be viewed as a zero-sum game in which departments and agencies either 'win' or 'lose' but as a more complex positive-sum game.	Koen Verhoest. 2012 *Government Agencies in 30 Countries*
T3. Controls	Control mechanisms can be either '*ex ante*' or '*ex post*' and are generally blended	Anthony Bertelli. 2006. *Delegating to the Quango*
T4. Skills	Managing sponsorship relationships demands skills and support structures that are commonly absent within sponsor departments.	Institute for Govt. 2010. *Read Before Burning*
T5. Proportionality	Paradox of autonomisation	Francis Fukayama, 2013. *What is Governance?*
T6. Reality	Variations in *de facto* independence reflect a range of variables that serve to complicate the nature of relationships, and may mean that bodies have far more or far less autonomy than is constitutionally determined.	Christopher Pollitt & Christopher Talbot, 2003. *Unbundled Government*

Table 3: Sponsorship Research Insights

The fourth theme of the existing research base is that managing ALBs demands a sophisticated skill set amongst those individuals or teams charged with brokering the sponsorship relationship on a day-to-day basis (T4). One of the key findings of Pollitt and Talbot's critical analysis of 'the global trend towards agencies' was therefore the absence of the organisational and personal skills necessary to 'manage at a distance' (Van Thiel, 2003). This dilemma is particularly pronounced in those polities, like the United Kingdom, where the public service ethos amongst senior civil servants generally views direct managerial experience as a second-class skill. The theme of skills therefore flows into the issue of proportionality (T5) in the sense that in the absence of mutual understanding and requisite skills departments are likely to either 'over-steer' in the sense of imposing a disproportionate controls framework (i.e. political risk reduction measures that actually undermine the logic of delegation) or 'under-steer' in the sense of allowing their ALBs to assume 'orphan status'.

Whether recent reforms in the UK have managed to arrive at a proportionate balance between control capacity and operational autonomy provides the empirical focus of this paper and the topic of the next section. However, the existing research base also emphasises that *de jure* autonomy can very different to *de facto* autonomy (T6). As the research of Maghetti has illustrated (2007; see also Landers, 1999; Gash and Rutter, 2011; van Thiel and van der Wal, 2010), variations in *de facto* independence reflect a range of variables (organisational lifecycles, political salience, value congruence, veto players, European networks, etc.) that serve to complicate the nature of relationships. In many ways this acknowledgement that an agency may have far more (or far less) autonomy than it was constitutionally intended to have highlights the importance of high-trust interpersonal relationships (T7). As studies have shown[3], whether an ALB enjoys an effective relationship with its sponsor department is frequently tied to the existence of high-trust, low cost personal relationships between the Chair (or Chief Executive) of the ALB on the one hand, and the minister or senior departmental official on the other. A 'no surprises rule', for example, that is generally included in framework documents and other memorandums of understanding between departments and ALBs is in many ways an explicit recognition of the importance of both interpersonal and interorganisational trust that, in turn, serves to provide what could be termed a form of institutional glue or social capital that underpins and lubricates the manner in which more formal or 'hard' control levers operate.

Finally, and taking the relevance of trust one step further, studies have revealed the utility of interpreting the relationship between Type I and Type II bodies as analogous to that of a parent and adolescent (T8). The latter will seek to distance themselves from the former, will attempt to assert their independence, will berate the parent for lacking flexibility and for being outdated, and will generally resent the imposition of controls (Van Thiel and Yesilkagit, 2011). At the same time, the parent may suffer from 'empty nest syndrome' and seek to reassert their involvement with the child through increased controls and monitoring (Van Thiel, 2011).

Taken together what these eight themes emphasise is not simply that sponsorship relationships between Type I and Type II bodies are complex and multifaceted but – at a more basic level – scholars have revealed very little about how these relationships are actually mediated. Studies have tended to operate within a distinct paradigm which revolves around deductive inquiry, a foundationalist ontology, a realist epistemology and an emphasis on survey-based data in an attempt to quantify complex relationships. Yet whether such quantitative methods can capture the subtleties and dynamics of sponsorship relationships is questionable (Van Thiel and Yesilkagit have voiced their concerns over the use of 'coarse measures for subtle concepts'). The remainder of this paper therefore seeks to add to this research base by exploring sponsorship relationships through the analysis of rich qualitative data, and in doing so enabling an analysis across not only dimensions of autonomy and control, but also across *time*.

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[3] See, for example, Flinders (2008), ch.5.

The paper offers a conceptual map of autonomy and control, building upon themes T1-T8 (Figure 1, below), which provides a proto-theory, or 'organising perspective' – that is, a schema for organising complex issues in a manner that facilitates further research and therefore analytical refinement). 'Strategic control', as represented in Figure 1 (X-axis) relates to the policy framework within which ALBs operate (targets, funding, etc.); 'Operational Control' (Y-axis) concerns the more operational or administrative aspects of delegation (appointments, management, etc.). This enables us to position the nature of specific sets of relationships between Type I and Type II bodies and then to track their movement over time as the nature and structure of their sponsorship relationship evolves – exactly that dynamic, relational and temporal perspective that Verhoest and Maggetti (forthcoming) identify as an 'unexplored aspect of bureaucratic autonomy'.

Strategic Control	*Tight*	Tight-Loose	Tight-Tight
	Loose	Loose-Loose	Loose-Tight
		Loose	*Tight*
		Operational Control	

Figure 1: Conceptual Map of Sponsorship

It is the purpose of the next section to use this conceptual map of sponsorship to explore exactly how Type I–Type II relationships have developed in the UK, and how they have changed over time – specifically how they have altered since the formation of the Conservative-Liberal Democrat coalition government in May 2010. Pollitt's earlier analysis of the relationship between departments and their sponsor bodies (2002) led him to identify what he termed the 'poor parenting model'. This applied to the situation in which the link between Type I and Type II bodies was tenuous to the point at which departments generally only intervened when serious problems occurred. The Cabinet Office commissioned the Alexander Report in 2002 – *Better Public Services in the 21st Century* – which found the poor parenting model almost endemic across British government and suggested that many NDPBs had even assumed what it called 'orphan status'. In the run up to the 2010 General Election a report by the Institute for Government – *Read Before Burning* – provided a detailed critique of sponsorship arrangements in Whitehall and exposed (*inter alia*) poor or non-existent performance management structures, a lack of clarity over organisational boundaries and a lack of adequate training and support for the development of sponsorship skills within departments. On entering Government in 2010, the Coalition Government implemented a programme of public bodies reform, which simultaneously involved the abolition and reform of over 500 NDPBs and the overhaul of sponsorship relationships for those that remained.

To explore the nature of changing sponsorship relationships in the UK, the paper draws on 110 semi-structured elite interviews with ministers, senior officials and sponsor

teams within departments as well as with the core executive (specifically HM Treasury and the Cabinet Office), and with Chief Executives and Chairs from a range of NDPBs which were conducted between May 2010 and July 2013. Documentary analysis and observation of internal meetings, workshops and conferences in Whitehall and elsewhere also inform this study. This data was collected with the support of the Cabinet Office and the Public Chairs' Forum and then further developed through a series of practitioner focus groups. The findings were subjected to further analysis, review and reflection through engagement with Select Committee inquiries in both the House of Commons and the House of Lords. A comparative case study approach allowed the research to examine how the relationship between NDPBs and departments has altered since 2010, and here we detail three specific departmental case studies, drawing specifically on 21 elite in-department interviews undertaken in the Ministry of Justice (MoJ), Department of Culture, Media and Sport (DCMS), and Home Office (HO).

From 'Tight-Tight' to 'Loose-Loose': ALB Sponsorship in the UK

Even the most cursory analysis of British administrative history reveals that the sponsorship and management of ALBs has never been a priority for ministers or their departmental officials and the twentieth century ended with the House of Commons describing the first two years of New Labour's approach to the governance of ALBs as 'unambitious, piecemeal and *ad hoc*', and Peter Hennessy telling the House of Lords that 'We [the UK] are deeply ingrained as a back-of-the-envelope nation, certainly in the organisation of the central state' (HC 209: para. 59). In 1999, the Public Administration Select Committee criticised sponsorship relationships for either being of a 'command and control' style or more commonly to be almost non-existent (PASC, 1999). The starkest illustration of the need to reform internal control relationships came in November 2004 with the publication of *The Corporate Governance of Sponsored Bodies* by the Nation Audit Office. Not only did this offer a damning critique of the existing situation but it also made a significant number of reform proposals. These included the creation of 'sponsorship groups' that would bridge the department-agency relationship between officials assuming collective responsibility for the delivery of policy objectives, and sharing risk between them as appropriate. The report also identified an exaggerated perception of autonomy on the part of bodies with a strong sense of independent identity but a weak sense of forming one element of a partnership relationship with their parent department.

Although the findings were robust, their actual impact in terms of reforms or changes to sponsorship relationships were weak and in March 2010 a report by HM Treasury – *Reforming Arm's Length Bodies* – similarly identified a lack of clarity in terms of the respective responsibilities of departments and their sponsor bodies, a lack of central departmental capacity to manage this relationship and – more interestingly – the existence of 'agency-shadowing teams' that had been established in order to try and bolster the control capacity of departments (but with the obvious consequences in terms of duplication, inefficiency and accusations of attempted micro-management of

ALB affairs). As a result the Treasury produced a revised internal controls framework for the management of ALBs by sponsor departments as part of a wider attempt to reduce spending and increase public sector efficiency in response to the global financial crisis and forthcoming General Election of 2010. The manifestoes of all three main political parties committed them to reducing the number of public bodies but one particularly significant aspect of the election campaign was the manner in which the leader of the Conservative Party, David Cameron, refused to commit his party to wholesale 'quangocide': 'it would be far too simplistic for me to stand here and announce some kind of 'bonfire of the quangos'... we need a more sophisticated approach' (Cameron, 2009). The central argument of this section is that in office this 'more sophisticated approach' has – at the broadest level – focused on strengthening internal control capacity and limiting the discretion of ALBs. As one senior agency official (interview, May 2013) noted, 'it's gone from an arm's length relationship to more like an arm's lock'.

The tightening of the relationship between Type I and Type II bodies forms one element of a wider reform agenda that has been examined in detail elsewhere (Skelcher et al, 2013) but what is particularly significant for the focus of this paper is the introduction of a new internal controls framework since September 2010 (Table 4, below). A key feature of this new framework is that it puts in place a graded range of *relationships*. Sponsorship relationships are no longer the preserve of parent departments as the core executive (notably HM Treasury and the Cabinet Office) has a far stronger role in managing ALBs. Indeed, what is interesting about this agenda if the clear strengthening of the Cabinet Office's capacity to place a proactive and strategic role within and beyond departments, a capacity that reflects not only the increase in the size of the Public Bodies team from 1.5 (fte) staff in 2010 to 17 in 2013, but also its location within the broader Efficiency and Reform Group (900 staff) in the Cabinet Office (National Audit Office, 2013).

Added to the internal controls framework are a number of transparency rules that are intended to impose external control pressures. Details of how much officials are paid, every line of government spending above £25k, ever contract worth over £10k (plus the actual contract in full) plus other measures, are all monitored by a new Public Sector Transparency Board. At a broader level the introduction of 'Whole of Government Accounts', a consolidated set of financial statements for around 1500 organisations across the public sector, will provide new levels of transparency, delivering comparable accounts by which to assess government organisations (see HM Treasury, 2011). More specifically, as part of the 'Clear Line of Sight (Alignment)' project the expenditure of NDPBs is now incorporated into the Estimates and Resource Accounts of the sponsoring departments (House of Commons Library, 2010). Beyond this financial and administrative tightening of relationships a new Triennial Review procedure has been introduced that questions not only the governance of each public body ever three years but also asks if the functions still needs to be provided at arm's length (Cabinet Office, 2011, pp.7-8).

AREA	SCOPE	CONTROL
Advertising, Marketing and Communications	Advertising and marketing, including digital activity; consultation activities; communication strategy; market research, events and public relations activities.	Level 1 – as set by departments Level 2 – advertising, marketing or communications of £100k or above.
Strategic Supplier Management	Expenditure and dealings with any strategic supplier. In particular, any new expenditure, contract negotiation or extension.	Level 1 – as set by departments Level 2 – £5m for new expenditure; any contract extension or material changes to services valued at over £5m.
Commercial Models	All disposals of business; outsourcing contracts, the creation of any new organisation regardless of its organisational form or notional value.	Level 1 – as set by departments Level 2 – £5m for out-sourcing decisions otherwise no lower limit.
ICT	All ICT expenditure (contracts, licences, pilots, etc.); common infrastructure solutions.	Level 1 – as set by departments Level 2 – ICT Expenditure over £5m (full lifetime costs); £1m on back office reforms; £100K on common infrastructure solutions.
Digital Default	All departmental expenditure on digital services and activity.	Level 1 – as set by departments Level 2 – all digital services (no lower limit.
External Recruitment	Any new permanent recruitment; any new direct temporary recruitment; indirect temporary (agency) staff; inward secondments or loans, extensions to existing recruitment.	Level 1 – as set by departments Level 2 – Departments are required to submit quarterly recruitment forecasts.
Consultancy	Any central governmental consultancy expenditure over £20k.	Level 1 – all consultancy above £20k Level 2 – all consultancy above £20k where contracts are expected to exceed nine months or contracts are expected to be extended beyond nine months.
Redundancy and Compensation	All redundancy schemes.	Level 1 – as set by departments Level 2 – all schemes must be approved by the Cabinet Office.

Table 4: Post-2010 Controls Framework

The implementation of these controls has also been accompanied by the creation of a Sponsorship Peer Network, a group which meets generally on a monthly basis and is led by the Ministry of Justice with support from the Cabinet Office. It is the purpose of this group to bring together sponsors from across Whitehall to share examples of best practice and discuss principles of good sponsorship. This group has also been central to the development of a Civil Service Learning pathway for sponsorship skills, a reflection of both the professionalization of sponsorship within the civil service, and the need to develop effective sponsorship skills if relationships are to be effective and controls are to be successfully implemented.

Research in the UK therefore reveals a stark shift in sponsorship relationships from a historical emphasis on what the Public Administration Select Committee labelled 'benign neglect' (PASC, 2011, pp.24-6) through to a tightening of the relationship towards the end of the previous Labour government, to a further (significant) tightening under the Coalition Government since May 2010. This is mapped onto our conceptual map in Figure 2, below. The initial belief that the tighter controls framework would be a temporary measure proved incorrect as the Government announced in 2013 that 'the controls have been extended permanently as they support a new more business-like

way of working across government' (Cabinet Office, 2013, p.6). 'Tight-tight is', as one senior Cabinet Office official put it, 'here to stay', and as such, the appropriate balance between autonomy and control *vis-a-vis* Type I and Type II bodies – a governing dilemma to be found across all advanced liberal democracies – remains a salient issue in the UK. And yet to identify a general shift from 'loose-loose' to 'tight-tight' risks overlooking the existence of more subtle changes in the relationship between Type I and Type II bodies. It is for exactly this reason that the next section examines the sponsorship relationship in three case study departments.
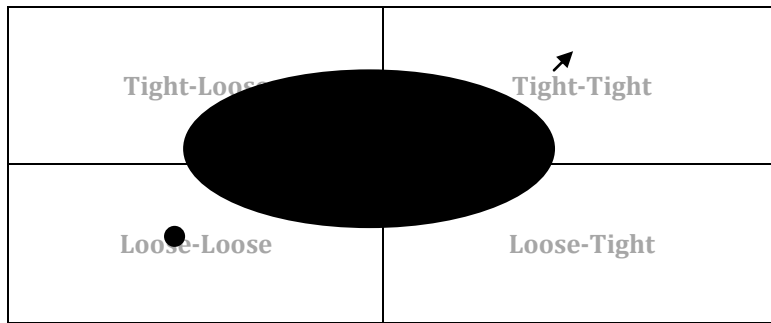

Figure 2: Governance by the Core Executive, 2010-2013

<u>**It Takes Two**</u>

The theory of multi-level governance highlights the existence of increasingly fragmented institutional structures (both vertically and horizontally) and frames a set of questions concerning the management of what Hooghe and Marks label 'the co-ordination dilemma'. This refers not simply to the existence of multiple and overlapping jurisdictional boundaries that must be managed by a central coordinating hub (i.e. generally the Type I organisation) but also to the existence of information asymmetries between actors. Centrifugal bureaucratic *autonomy* – to return to Fukuyama's work – must be offset by centripetal organisational *capacity* in order to offset sub-optimal or even pathological outcomes. The central argument of the previous section was that in the UK the coalition government has since May 2010 sought to strengthen the internal control capacity of not only sponsor departments but also of the core executive. The aim of this section is to refine this central research finding and the starting point for this is the March 2012 report – *It Takes Two* – by the Institute for Government which suggested that the relationship between autonomy and control had shifted too far in the direction of control. The reported highlighted the introduction of a top-down internal controls system since May 2010 which brought with it not only greater demands on ALBs in terms of *upwards reporting* to departments, HM Treasury and the Cabinet Office but also greater expectations on the *downwards oversight* capacity of sponsor departments at a time when central staffing and resource levels were being reduced. The report therefore argued in favour of a more proportionate and risk-based framework.

The aim of this section is therefore to examine the impact of the new controls system in three departments that had all (*inter alia*) experienced significant and documented

sponsorship problems in the past, were all subject to the Public Bodies Review and subsequent reforms in 2010 and were then required to implement a new internal controls system. At the same time the three cases (see Table 5, below) all exhibit important differences: many of the Ministry of Justice's ALBs fulfil quasi-judicial roles, DCMS created a new central sponsorship unit in 1999, and the Home Office is institutionally more centralised than the other two cases.

	Advisory NDPBs	Executive NDPBs	'Other' NDPBs	Tribunal NDPBs	Total	NDPB Staff	Core Dept. Staff (1)	NDPB Funding Govt./ Total (2)	Dept. Annual Budget (4)
Ministry of Justice	82	43	144 (3)	-	269	19,091	4,553	£3,940m/ £3,883m	£8,084m
DCMS	5	32	-	1	38	13,217	488	£2,211m/ £3,453m	£2,540m
Home Office	7	6	-	4	17	6,163	12,456	£852m/ £911m	£9,144m
Sample Totals	94	81	144	5	324	38,471	17,497	7,003m/ 8,247m	£19,768m
Cross-Govt. Totals	215	185	145	15	560	104,794	354,250	£25,755m/ £31,200m	£683,400m

Table 5: Statistics on Case Study Departments (2012)

Source: Cabinet Office (2012)

Notes:

1. Not including civil servants based in 'hived-in' executive agencies.
2. Additional income made up by fees, charges, rental income, etc. Annual figures.
3. Includes Independent Monitoring Boards of Prisons, Immigration Removal Centres and Short-Term Holding Rooms.
4. Figures taken from HM Treasury. 2012. Public Expenditure Statistical Analyses.

Case Study 1: Ministry of Justice

The Ministry of Justice (MoJ) is responsible for the sponsorship of one of the largest NDPB portfolios in Whitehall (see Table 5, above). Prior to the Coalition Government's reform agenda, MoJ followed what one official described as a 'piecemeal approach' (interview, September 2012) in which sponsorship was undertaken by specific policy teams. The outcome, according to research, was a disjointed approach bereft of underlying strategy in which sponsorship arrangements differed significantly across the department. 'There was nothing in place as a sponsor', as one official stated '[to say] this is what you need to do. It was just "here are the key issues!"' (interview, April 2013). This failure to take sponsorship seriously was highlighted in January 2011 by the Public Accounts Committee,

> By its own admission, the Ministry has exercised insufficient control over
> its arm's-length bodies, including the Legal Services Commission. We do

not share the Ministry's view that there is little scope to influence the behaviour of arm's-length bodies. The Ministry needs to be clearer in its funding arrangements with these bodies about what its expectation of them is, setting out, for example, clear rules of engagement and management information requirements. It should also tailor the depth and frequency of its oversight arrangements to reflect the real risks different bodies pose (PAC, 2011).

Internal reforms followed, with a dedicated 'Arm's-length Bodies Governance Division' (ALBGD) being established in April 2011. The role of this new division was to up-skill the department's internal governance of ALBs, notably in light of the demands of the new HM Treasury/Cabinet Office internal controls framework (Table 4, above). With seventeen full-time staff the new division developed best practice guidance and provided strategic support for MoJ sponsorship teams as well as acting as the gatekeeper between these teams and the Cabinet Office's Public Bodies Team. Within the MoJ staff are generally clear that the pre-2010 situation was unsustainable and that a more coordinated and professional approach was necessary. 'We needed to make sure we were getting effective economic relationships with our bodies', one official noted, 'in terms of the budgets and how they work' (interview, April 2013). Following the Public Accounts Committee's advice, the ALBGD has also implemented a new 'risk-based' model of sponsorship that tailors departmental controls requirements and the regularity of communication with ALBs to the nature of each individual ALB (MoJ, 2013a). An assessment of the nature of each body (size, salience, role, etc.) is undertaken as a joint exercise between MoJ and each sponsored body in order to arrive at a risk score. The higher the risk the closer the sponsorship relationship, with the benefit that even just undertaking this assessment has 'led to a more sophisticated knowledge of the work of our ALBs' (interview, September 2012). Risk assessments are reviewed on an annual basis but can be reviewed on an *ad hoc* basis should circumstances change.

The ALBGD has also undertaken a broader review of MoJ's approach to sponsorship, with the intention of allowing NDPBs to participate more fully in the policy-making process (i.e. to transcend an overly simplistic policy-operations divide). This review led to a January 2013 internal report that underlines several of the thematic issues discussed above regarding *the politics of* sponsorship. The review warned that there was 'a perceived misunderstanding around the principle of independence and the roles and responsibilities of the different teams within the department' (MoJ, 2013b). Independence is a particularly important issue in MoJ, given that large numbers of its NDPBs perform quasi-judicial functions that require statutory independence from ministers. The Inspectorate of Prisons and the Inspectorate of Probation, together with the Probation Ombudsman, drew on such concerns in their evidence to the Justice Select Committee in 2012:

> There is confusion in the MoJ about our independent status and we are concerned that moves to apply MoJ appraisal processes to us, move our offices to the main MoJ building, stop our independent websites, restrict our ability to recruit diverse staff we require and prolonged budget uncertainty risks damaging our actual or perceived independence (Justice Committee, 2012, ev.164).

The idea of including ALBs that are formally independent of their sponsor department within policy discussions and representing their work as departmental 'business' (as required by the 'Clear Lines of Sight' project) was perceived by many of the department's bodies and by the Justice Select Committee in the House of Commons as politically and administratively problematic because imposing a tighter *internal* controls framework risks undermining the *external* perception of independence. This in itself raises a broader issue about the compatibility of *arm's-length* management relationships for functions that actually demand a more robust model of independence.[4]

If the existence of large numbers of quasi-judicial ALBs within the MoJ provides a complicating factor then the manner in which research underlines the importance of high-trust inter-personal relationships provides a rather more straightforward finding. Effective sponsorship is, as the MoJ internal review and participants in this study agreed, as much about having individuals in key positions that know, trust and understand each other as it is about formalised governance frameworks. One member of a sponsorship team described her role as 'the filling in the sandwich if you like… You have your formal arrangements but what makes everything tick over is effectively the more informal stuff that you do, how you can work with each other, sharing stuff so you can get the 'heads-up' if something's going wrong' (interview, April 2013). The importance of these informal relationships led several interviewees to suggest that the whole concept of 'sponsorship' was inappropriate and unhelpful due to the manner in which it imposed a false hierarchy on a relationship that was generally far more equal and interdependent than external observers realised. The impact of recent reductions in the size of core departments was also highlighted as a critical factor in maintaining effective relationships. 'I used to be able to pick up the phone and speak to a minister, or at least a senior official', the chairman of one body stressed. 'Now I just get the junior person – and a different one every time I phone!' (roundtable discussion, 2013).

In many ways, MoJ provides the starkest example of a shift in terms of recalibrating Type I – Type II body relationships. From a position that arguably represented the epitome of the 'poor parenting' model the MoJ has emerged as a beacon for best practice within Whitehall – promoted by both HM Treasury and the Cabinet Office – to the extent that it was the lead department for the cross-government Sponsorship Peer Network. In

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[4] It was for exactly this reason that the Electoral commission and the Independent Parliamentary Standards Authority were established as parliamentary and no governmental bodies.

terms of positioning the MoJ on the conceptual map of sponsorship (see Fig 3, below) the starting point appears to be in the 'loose-loose' position, but the current position is perceived differently by different participants in the research. While ministers and departmental officials emphasise their commitment to balancing independence and control through a risk-based approach to sponsorship, the dominant message emanating from ALBs is one of micro-management and insufficient flexibility. This may reflect both the quasi-judicial functions of many of the department's ALBs alongside the reduced discretion and increased audit demands of the post-2010 controls framework.
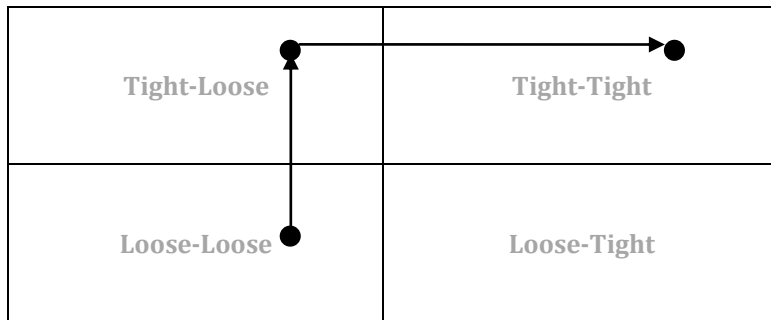

Tight-Loose	Tight-Tight
Loose-Loose	Loose-Tight

Figure 3: Ministry of Justice sponsorship transition 2010-2013

Case Study 2: DCMS

Despite the abolition of nineteen ALBs as a result of the review of public bodies in 2010, the Department of Culture, Media and Sport remains a classic 'hub-model' department in the sense that a relatively small department sits at the centre of a network of public bodies. Around 85 percent of departmental expenditure is channelled to ALBs and the sponsorship of these bodies has been the topic of almost constant review and reform since the creation of the Department of National Heritage in 1992 (Taylor, 1997). In July 1999 the Select Committee on Culture, Media and sport in the House of Commons published a detailed critique of sponsorship arrangements and this led to the establishment of a new Quality, Efficiency and Standards Team (QUEST) to develop and support the sponsorship of ALBs across the department (HC Deb 505, para.18). The role of QUEST was very similar to the remit of the recently established ALBGD in the MoJ but its existence was short-lived as it struggled to build an effective relationship with ALBs and DCMS implemented a system of 'Fraser figures' for each body (i.e. a senior official responsible for managing the department-agent relationship; a model of sponsorship recommended by and implemented after the Fraser Report in 1983). The imposition of a 24 percent reduction in DCMS' budget under the 2010 Comprehensive Spending Review led to a restructuring of the department's sponsorship arrangements. 'It was straightforwardly – if you're going to be 50% smaller the way you interact with your public bodies is going to have to be radically different' (interview, November 2012). The sponsorship model therefore shifted from a comprehensive structure of Fraser figures to a risk-based model of sponsorship.

Although this mirrors developments in MoJ the system in DCMS is quite different with a 'hub-model' of sponsorship being used to oversee a hub-model of governance. The 'ALB

Team' therefore operates as a relatively small cross-departmental unit that manages all ALB relationships and operates a three-star risk assessment framework. Individual bodies are assessed every quarter and those eight to ten bodies deemed 'high risk' enjoy a closer and more frequent sponsorship relationship with the department. Unlike MoJ, risk assessments are not undertaken in partnership with the actual ALB as this process was seen as too resource intensive. As one senior DCMS official noted, 'that has been though about before and it took... you know... 59 people most of their lives to keep it up to date. This [risk register] is an internal document' (interview, November 2012). Just as the establishment of QUEST was met with intense criticism by many of DCMS' ALBs – 'another layer of regulatory bureaucracy', 'a complete waste of time' (HC Deb 505, para.18) – due to concerns about threats to independence, what is interesting about the findings of this research is that a high degree of residual resentment continues and the risk-based approach has led to some bodies feeling quite neglected by the department:

> They don't really have the sort of close ongoing relationship. And... they feel a bit cut adrift, really. And however much you say that's because, actually you're a very well run organisation in which we have a lot of confidence, they still go, 'Oh, but you're going to come and see us regularly, aren't you?' (interview, November 2012).

At one level the resentment created by the replacement of dedicated Fraser figures with a risk-based system would appear to represent the antithesis of van Thiel's 'empty nest syndrome' but in reality the resentment is less about wanting to be closer to the department (i.e. back in the nest) and more about having clear lines of communication and trusted inter-personal relationships to utilise as and when it might be necessary. Fraser figures may not have been the most efficient model of sponsorship in strictly financial terms, but in terms of building effective relationships the model was seen as effective. Moreover the impact of recent personnel reductions and reforms in DCMS were (as with MoJ) seen as hampering sponsorship due to the existence of high levels of 'institutional churn'. 'People who have had relationships with... knew... etc. either left or moved or were doing much bigger jobs or whatever', one official noted, 'so, that's what impact [upon sponsorship relationships]' (interview, October 2012). Put slightly differently, although able to acknowledge the logic of a more risk-based approach one civil servant noted that, 'sponsorship is very much an art, not a science' (interview, December 2012).

Arguably the most important finding, however, from research conducted with DCMS and its associated bodies was the existence of a twin-track tension *vis-a-vis* sponsorship in which, on the one hand, several bodies felt their sponsorship model under the new risk-based framework had become more distant while, on the other hand, complaining that in many ways the reporting and audit expectations placed upon them had become too excessive. This is a critical point. While the focus of DCMS may have shifted towards a more strategic approach, the new internal controls framework that is imposed and monitored by the Cabinet Office was generally viewed as disproportionate and

cumbersome. As one senior official put it, 'the "arm" in the arm's length relationship has shrunk to about the length of my thumb' (interview, May 2013). An official compared the two sponsorship levels:

> We can manage the relationship at a senior level and in a strategic way. But because of the Cabinet Office requests for management information on a whole range of things, the low level day-to-day operation contacts continue, because they have to feed the machine (interview, November 2012).

Research in DCMS arguably highlights a broader tension that one departmental official captured when she noted 'we have a mismatch between the lack of resources and the stuff that is coming out of the Cabinet Office' (interview, October 2012). The coalition's tightening of internal control over ALBs has occurred when the resource capacity of departments is shrinking financially and in terms of personnel (a 19% average cut in departmental budgets between 2010 and 2015 amounting to £83bn and a 12% reduction in the size of the civil service since May 2010). Many departments, and particularly those sponsoring a large 'family' of ALBs, therefore complained that they were being asked to operate a more demanding model of sponsorship with a significant reduction in resources. This was a particular source of tension in relation to the introduction of triennial reviews. The Cabinet Office's expectation that all ALBs be reviewed every three years was widely viewed as 'unrealistic' in terms of the available resources. The idea of a regularly fundamental review was not only deemed problematic and actually a 'hugely useful... really, really, really sensible thing to do – occasionally' (interview, DATE), but the rolling three-year cycle was viewed as disproportionate for most bodies. Furthermore, irrespective of their specific 'star rating' in terms of risk, ALBs complained that the limited post-2010 discretions imposed by the new internal controls framework plus the associated monitoring and audit requirements have effectively created what in our typology would be a 'tight-tight' relationship. 'I can't do anything within departmental sign-off. It's ridiculous!', as one NDPB Chair suggested, 'it's like micro-management by remote control' (roundtable discussion, 2013). Fig 4 (below) demonstrates the development of DCMS sponsorship arrangements as per our conceptual map.
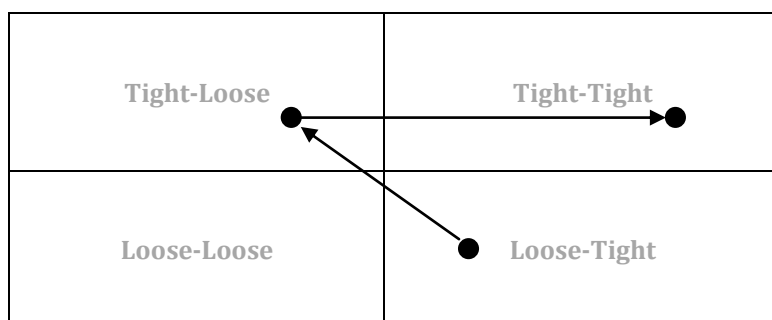

Figure 4: DCMS sponsorship transition 2010-2013

Case Study 3: The Home Office

The Home Office (HO) provides a useful comparative case as it is not a highly delegated department like MoJ or DCMS. It has sixteen ALBs (six executive, seven advisory and five tribunal), most of which are very small apart from two – the National Police Improvement Agency (1,619 staff and £352m budget) and the Serious Organised Crime Agency (3,652 staff and £448m budget) – that collectively account for ten percent of departmental expenditure. As with DCMS, however, HO has a troubled history when it comes to managing its ALBs. In particular an internal review in 2008 found a complete lack of clarity or consistency across the department in terms of how sponsorship was managed, 'there were different sponsor teams across the whole Home Office' one senior official noted, 'and no real coordination of what we did' (interview, April 2013). In fact, the report highlighted that just one official was responsible for sponsorship across the whole department and NDPBs. Not only did this lead to significant variations in terms of the style and quality of sponsorship, but interviewees also suggested that policy teams tended to operate as 'lobbyists' for 'their quangos [ALBs]' rather than acting as a strategic mediator of relationships. 'It was acknowledged that there had to be more coordination and more consistency' (interview, April 2013) and a new central team was created to coordinate sponsorship activities within HO from 2009.

With responsibility for improving the sponsorship capacity of policy teams, disseminating good practice and acting as a point of contact for the Cabinet Office Public Bodies Team, the HO team facilitated a much closer relationship with ALBs. Quarterly meetings chaired by a Director General, for example, were held with all executive NDPB Chairs and Chief Executives in order to 'unpick dysfunctional relationships' as one senior official put it (interview, October 2012). The focus of these meetings was not, however, on operational issues but on common challenges and strategic concerns and were viewed as vital in terms of venting frustrations and building inter-organisational understanding and relationships – 'to build up a healthy, mature dialogue between departments and bodies' (interview, October 2012). One additional innovation was the use of an annual self-assessment exercise (questionnaire-based) in which both the department and the ALB reflect on the effectiveness of the current sponsorship relationship (with subsequent measures taken where necessary). This pre-2010 work on improving sponsorship meant that HO 'moved from red to green in the audit of sponsorship' (interview, October 2012).

However, these improvements were swiftly followed by the public bodies reform programme which, according to one interviewee, 'flushed good relationships down the toilet' (interview, October 2012). The review of public bodies provided the HO ALB team with just three weeks to review all of the ALBs and provide the Cabinet Office with a list of options in terms of abolitions and mergers. The bodies themselves were not consulted and this led to come resentment and a breakdown in relationships, particularly when decisions were leaked to the press before they were formally

announced, and sponsors were still unable to discuss the future of bodies with Chairs and Chief Executives.

Although measures were taken to rebuild good relationships, the impact of core departmental cutbacks has undermined the capacity of HO to maintain a strategic sponsorship competence. The ALB team has been reduced from five members of staff (fte) to just one person (i.e. the same institutional capacity as in 2008) and this has led to a shifting of responsibility back onto delivery teams. Officials within those teams suggested that the role of the central unit was predominantly one of 'firefighting' when difficult situations occur while also 'servicing Cabinet Office bureaucracy' (interview, October 2012). Seen through the lens of our conceptual map, research in the Home Office suggests a situation of 'loose-loose' prior to 2008, followed by a set of reforms that are perceived to have shifted sponsorship towards a more effective 'tight-loose' relations, but which have now shifted to a more dysfunctional 'loose-tight' relationship due to the imposition of much tighter operational control without the capacity for strategic oversight (see Fig 5, below). 'The problems were a relationship thing, they weren't about whether we had enough control – they [ALBs] certainly weren't getting away with anything, they were doing what they were supposed to do', one senior HO official noted, 'so I think sponsorship was working but the feeling of control I think was more... if it was brought in to rectify a perceived problem then I think that perception was wrong' (interview, April 2013). This left the sense within the department that the delivery teams were now rebuilding relationships and trying to rebuild the confidence of Chairs and Chief Executives who 'generally felt pretty bruised and battered' after the public bodies review process of 2010. As one official in a sponsorship role put it, 'I think we have to respect each other and trust each other. My team's role is actually to help... and we are often their ally and working with them. We also need to have an open and trusting relationships so that we can share potential problems' (interview, April 2013).
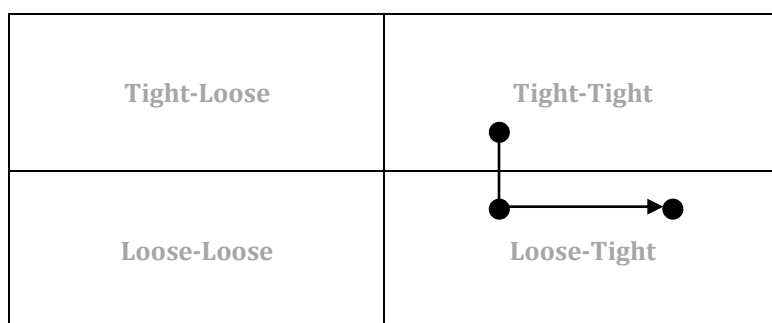

Figure 5: Home Office transformation of sponsorship 2010-2013

One interesting outcome of research within HO was a sense that the sponsorship relationship had evolved into what one official defined as a 'them and us' governance model, focused still on closing bodies rather than working productively with them to deliver policy outcomes. A sense that the Cabinet Office was constantly seeking to identify candidates for abolition, the imposition of triennial reviews plus what were seen as excessive and ongoing data requests were a source of resentment. The issue of inter-organisational trust therefore emerged as a key issue within interviews, meetings

and seminars as the Home Office and its ALBs perceived themselves as no longer being trusted by the core executive. Moreover there was a clear sense that the increased formal controls were not adding value but were in fact damaging the far more important but less tangible informal relationships – 'I think the Chairs are feeling pretty bruised and battered at the moment' (interview, October 2012). This concern reintroduces a set of themes (complexity, controls, skills, proportionality, trust, parenting, etc.) that were harvested from the wider literature (Table 3, above) and as such provides a fitting point of departure for a far broader reflection on the comparative and theoretical implications of this research.

Sponsorship Relationships and Multi-Level Governance

The central argument of this paper is that our understanding of the emerging architecture of multi-level governance could be significantly enhanced by looking '*beyond* the binary' in two specific ways. The first is in acknowledging the existence of a great variety of types of beyond traditional governance structures, and the second is in highlighting the diversity of relationships *between* Type I and Type II bodies. In order to support this argument the paper has presented findings from research into the sponsorship of ALBs in the UK. Five core insights emerge from the discussion:

1. At the heart of the coalition government's approach in the UK has been a focus on tightening the internal control capacity of Type I bodies over Type II organisations based on an explicit awareness of the perils of poor sponsorship.
2. The dynamics of sponsorship dovetail with the notions of 'interactive' or 'matrix' governance in the sense that relationships increasingly criss-cross levels vertically and horizontally.
3. 'Hard' command-and-control structures must be underpinned by less tangible but arguably more important 'soft' institutional structures (shared, understandings, trust, embedded independence, loyalty, etc.).
4. In the UK, an overemphasis on the introduction of 'hard' structures has led to wide-ranging concerns about disproportionality, micro-management and the waning of 'softer' institutional relationships.
5. The variety of sponsorship relationships, together with the ways in which they are impacted upon by outside factors such as policy context and resource constraints, points to some limitations in research which proposes a 'principal-agent' model of the relationship between Type I and Type II bodies.

From a theoretical position, this paper has therefore added support to those scholars who have warned against 'simple dichotomies', and have instead encouraged a focus on the 'interlinked duality *between* "traditional" Type I and "emergent" Type II governance' (Skelcher, 2005, p.95). This is not a critique of Hooghe and Marks as they freely acknowledge 'specialists will surely wish to make finer distinctions than the ones we

draw', but by pulling together two islands of theorising, this paper has contributed to the achievement of those finer distinctions. The main empirical finding, however, can only be described as fairly crude in the sense of revealing a pendulum swing in the UK from a systematic case of 'poor parenting' of ALBs to the imposition of an internal governance system in which discretion and autonomy has been curtailed across a range of dimensions. This was acknowledged by a senior civil servant in November 2012, who suggested the new sponsorship arrangements might be labelled 'the tourniquet model' to reflect the manner in which previous managerial freedoms and financial discretions had been cut off. 'The problem is', he went on to note, 'we all know what happens to a limb if a tourniquet is too right or is left on for too long – it drops off' (observed meeting, November 2012).

It would at this point be possible to interweave the eight themes – fragmegration, complexity, proportionality, etc. – that were harvested from the literature on sponsorship to illustrate how each of them can be deployed to tie the empirical focus of this paper to a broader account of the evolving architecture of multi-level governance. But as these themes have provided implicit and explicit thematic reference points throughout the course of the paper, it is more productive to focus on two more original and inter-related issues: meta-governance and 'multiple accountabilities disorder'.

The first issue is meta-governance and the comparative relevance of this paper. To what extent are the findings of this paper distinctive? The answer depends on the perspective from which this question is posed. From the perspective of British constitutional history it is possible to argue that the approach of the coalition government to what Jill Rutter and Tom Gash (2011) call the 'quango conundrum' *is* actually highly distinctive. Distinctive in the sense that the *ad hoc* 'back-of-an-envelope' approach to the design and management of central government that dominated throughout the twentieth century has been replaced with an explicit, comprehensive, systemic and centrally dictated set of procedures. The 'war on Whitehall' and complaints about senior civil servants clashing with ministers over departmental autonomy is therefore arguably related to an attempt to impose a new style of government (i.e. a new system of meta-governance). From a comparative perspective, however, the research findings look less distinctive and generally fit a broader international 'post-New Public Management' trend that has problematised and responded to the fragmentation dilemma through tighter control and 'whole-of-government' initiatives. Post-NPM measures therefore seek to respond to Hooghe and Marks' coordination dilemma by redefining relationships, limiting discretion, increasing controls, reasserting the position of the principal and shifting back towards a hierarchy-based model of agency governance (almost pre-NPM). This has led to the absorption of Type II bodies back into Type I organisations and the emergence of the 'hived in' executive agency model as the default organisational form[5]. This is reflected in the review of the status of ALBs and the reintegration of many bodies into departmental structures in the UK, Ireland and New Zealand; the creation of super-

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[5] For an international account of this process, see Verhoest et al, 2012.

departments in the US and Australia; and the preference for departmental forms of agencies over legally autonomous agencies in the Netherlands and Belgium.[6]

The second issue relates to the implementation of post-NPM reforms – and therefore to grander notions of meta-governance – by highlighting that the relationship between Type I and Type II bodies is generally far more complex than traditional principal-agent theoretic approaches acknowledge. The emergence of a twin-track sponsorship model, for example, is therefore evident in the UK. This involves the imposition of a comprehensive one-size-fits-all controls framework by the Cabinet Office and moves by sponsor departments, as revealed in the case studies, to implement a more proportionate and efficient risk-based model. Research suggests a certain degree of grating or tension between these models particularly within sponsor departments who are effectively being asked to monitor their ALBs far more closely and far more professionally at a time of diminishing resources. The tension on the part of ALBs relates to what has been termed 'multiple accountabilities disorder' (Koppell, 2005) in the sense of the organisational impact of having senior staff constantly distracted by the upward accountability demands of other bodies and not able to focus downwards on their organisation's core tasks. The policy-relevant implication of this paper's focus on the UK is that – as the comment on the tourniquet model reveals – a proportional balance between control and autonomy remains elusive.

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[6] See, for example, OECD (2008).

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