

**RECORD OF AN EVENT ARRANGED BY THE
BETTER GOVERNMENT INITIATIVE
TO DISCUSS “THE NEXT GOVERNMENT”**

Principal speakers:

***Lord Butler
Sir Richard Mottram
Lord Falconer
Dominic Grieve M.P.***

Lord Butler, introducing the event, explained that the members of the Better Government Initiative (BGI) were mostly retired senior civil servants, some very recently retired, who were able to offer advice drawing on their practical experience of government in a way that was not available to those still working as civil servants.

“The Next Government” offered some suggestions for limiting the risk of errors in policy or operations – a risk that was all the more acute when the government’s programme was settled with absurd haste by politicians still exhausted in the aftermath of a hard-fought election.

Sir Richard Mottram said that the term “omnishambles” had been coined by the television programme “The Thick of It” in relation to a particular style of government. Was this the style of government we want? Was the preoccupation with relatively minor issues consistent with the scale of the challenges we faced?

Much of the discussion about government failed to appreciate its complexity and enormous scale. It was not realistic to imagine that a small group of people sitting at the centre could successfully control such a vast organisation. Were we drawing the right lessons from our experience of past failures? There was too much group-think in government, too little integration of policy development and implementation, too many politically-driven unrealistic timetables, a lack of expertise among ministers, civil servants and special advisers, and too little continuity in appointments. Large private-sector organisations were characteristically clear about who was responsible for what, had high levels of trust and respect among employees, with an understanding at all levels about the goals to be achieved, and a sharp focus on talent management. Was this how we saw British government?

Some of the issues the BGI wanted to highlight were as follows. Success in government depends on a team effort both inside and across departments. There must be the right relationship between the centre and departments, with the centre providing strategic leadership but not attempting to micro-manage. Nearly all major issues in government are interconnected and we should build on the techniques developed here and abroad for handling them on a coordinated basis. We should focus on effective evidence-based policymaking. Machinery of government changes should only be made where there is a driving purpose that relates to the quality of service. We should take the processes of decision-making seriously: there should be a clearly defined structure professionally managed by impartial civil servants with a functional Cabinet providing strategic oversight,

The civil service had a key role to play in supporting the processes of decision making, in providing policy advice (albeit not as a monopoly provider) and ensuring the integration of policy and delivery. But it had a number of weaknesses in relation to policy skills and delivery skills that in part arose from the deployment of civil servants through a quasi-market system which suffered from market failures that led to turbulence and a lack of continuity. It was up to the civil service to put this right. The recent fraught relationship between ministers and the civil service, which had a damaging effect on morale, also had to be corrected. There needed to be a new compact which continued to seek improvements in performance but within a context of mutual trust.

Proposals for improving the present arrangements often envisaged the creation of new organisations under the direct control of Secretaries of State and operating in parallel with the civil service. This was a recipe for confused accountability and a lack of legitimacy in government that would marginalise junior ministers. It would fundamentally weaken the relationship between ministers and their civil servants and as ministers moved around with their coterie of advisers the aim of securing greater continuity would be further undermined. The use of the term “Extended Ministerial Office” concealed the fact that this was essentially the French “*cabinet*” system which operated within a very different, and not obviously superior, structure of government.

The BGI’s recommendations were essentially to think about the nature of the problems, consider what actions would help to avoid mistakes, and refrain from creating a system of government that was prone to omnishambles. “The Next Government” suggested how a new government could make a good start by keeping things simple, prioritising a limited number of objectives and preparing carefully.

Lord Falconer said that any incoming government would find itself in a political landscape where there was disenchantment with politics, fragmentation in political structures and a sense that coalition equals betrayal; the economic position had been poor for seven years; the international situation was troubled; domestic security would be affected by the return of people from ISIS; and the two major public services of education and health were politically contested. Faced with these difficulties the key message for the transition must be to keep the things you were doing simple. The work the BGI had done in relation to the transition was of high quality and he agreed with much of it, but it was perhaps over-elaborate.

In his view the focus of attention should be on, first, the relationship of the centre to departments. The centre must provide the strategic direction of government, avoiding micro-management but identifying the five or six policies on which the government would be judged, explaining those policies to the outside world, driving through their implementation and ensuring that they remained on track over time. That meant that the centre would need to have the capacity to evaluate the formulation of policy and to monitor its subsequent implementation and intervene if necessary. It also needed to have the political and administrative strength required to ensure that interconnected policies were properly coordinated. An example was the group of Labour policies concerned with upskilling the economy, reducing the low-wage element and developing the infrastructure. These involved a number of departments; they should be free to manage their own areas, but the overall direction must come from the centre.

The second priority should be to ensure that there were institutional arrangements to ensure that No. 10 and the Treasury worked closely together. That would require transparency of advice between both participants so that there could be a genuinely shared view about the development of the economy.

The next priority should be the relationship with the civil service. Success completely depended upon genuine partnership between civil servants and politicians and the key element was trust between the two. Politicians must be clear about what they wish to do, civil servants must advise on operational and economic considerations, and a direction of travel must then be agreed which the politicians would trust the civil service to deliver. Contrary to the "Yes Minister" caricature, the civil service was keen to do so. Problems could arise when there was political disagreement within a government leading to the development of factions with civil servants working against one another on behalf of their respective political masters or when there was lack of clarity about the course to be followed. But the civil service, taken as a whole, was an institution of outstanding quality and it would be important for an incoming Labour government to send a clear message of its willingness to work in partnership.

Lord Falconer disagreed with the proposition that the development of Extended Ministerial Offices would be undesirable. Secretaries of State needed to be supported by people who could bring something to their political projects or had particular expertise in a relevant field. Junior ministers were appointed on the basis of a range of different considerations and would not necessarily provide a balanced team. Additional support to the Secretary of State need not damage the relationship with the Permanent Secretary; there could be difficulties if a Secretary of State came to rely excessively on one or more special advisers, but that was not an argument against the concept of the extended office. Nor would the extended office undermine the position of junior ministers so long as it was clearly confined to supporting the work of the Secretary of State.

The key priorities for an incoming government in his view were therefore a strong centre to give the government direction; institutional arrangements to support a good relationship between No. 10 and the Treasury; a mutually trusting relationship between civil servants and politicians; and an acceptance that Secretaries of State could be supported by an extended office in ways that did not affect their relationship with the Permanent Secretary and junior ministers.

He agreed with Sir Richard Mottram that success depended on a team effort, that the right relationship between the centre and departments with the centre defining the strategy and not micro-managing was essential, that we should recognise interconnections between policies, that policy should be evidence-based, that machinery of government changes should be confined to those that would improve delivery of government services, and that we should have a proper process of decision-making. He was not persuaded that the size of attendance at the weekly Cabinet meeting was crucial; more important factors were the relationship between the centre and departments and the linking of departments with inter-related policies. A good start, focusing on three or four things, would be critical.

Dominic Grieve said that as a Cabinet minister he had been in charge of a department (the Ministry of Justice) that, unusually, had no special advisers and was rigorously non-political. The relationship with civil servants had been one of loyalty and trust, with a ready willingness to seek specialist outside advice where required. This might, however, be untypical of government as a whole and many of his colleagues had expressed frustration at the difficulty of getting their policies delivered (sometimes blaming civil servants for failures which, he suspected, were due to their own lack of clarity).

Government by coalition, requiring agreement between the parties, had resulted for a period at least in a reinvigoration of Cabinet debates which suggested that active Cabinet government was still a possibility. However this had begun to change after the first two years

as the parties established separate caucuses and more of the decision-making took place within the Prime Minister's office.

The recommendations for making a good start were important. The establishment of the coalition had been moderately successful, but a more limited coalition agreement confined to major issues would have been preferable.

He disagreed with Lord Falconer about the value of ministerial *cabinets*. It was of course necessary for Secretaries of State to be able to discuss issues outside a formal civil service setting – the ability to “bounce” ideas off other people was important. But if this became a structure that, as seemed inevitable, excluded the permanent civil servants there would be trouble. This had been at the root of many of the major problems he had encountered as Attorney General when colleagues had embarked on unsustainable policies based on flawed advice.

He fully agreed with Lord Falconer that faith in the political system was at an unprecedentedly low ebb. It was evident that a form of politics concerned primarily with the marketing of policies, which had been the norm for around twenty years, was failing. But the leaders of all political parties seemed to have no idea of how to break loose from it. Until someone discovered how to break the mould, all the factors that militated against the implementation of the excellent recommendations in “The Next Government” would persist, with growing intensity. Whoever did break the mould would reap the benefits and British government would be markedly improved.

The main issues arising in the question and answer session were as follows.

Lord Falconer said that a key question in considering the division of responsibility between departmental civil servants and the **Extended Ministerial Offices** was: what could a Secretary of State expect from his Permanent Secretary? Their key interests were not always aligned and the Secretary of State might need additional support. Permanent Secretaries should give a clear indication to their ministers about the extent to which they were their main advisers rather than merely the most senior civil servants. **Sir Richard Mottram** commented that the role of the Permanent Secretary should not always be to act as a personal adviser but to ensure that the department as a whole supported the Secretary of State's objectives. A key question was whether the appointments to Extended Ministerial Offices would be merit based rather than a form of patronage.

Lord Falconer said that **recruitment of ministerial advisers** intended to provide political support on the basis of open competition would clearly be problematical. It was however essential to ensure that those in positions of influence complied with proper standards. **Sir Richard Mottram** observed that most of the appointments to Extended Ministerial Offices should be capable of being made under normal Civil Service Commission rules.

Dominic Grieve said that the implementation of **machinery of government changes** should be undertaken in a speedy and structured way bearing in mind the problems that occurred, including damage to morale, during the transition.

Dominic Grieve agreed with the questioner that **constructive engagement with Parliament** was an important element in good government. It could provide a valuable reality check, but on the whole it took effect after problems had already occurred. **Lord Falconer** commented

that all of the recommendations for good government were ultimately directed at securing the confidence of Parliament.

Sir Richard Mottram said that **excessive churn among civil servants** could be reduced by more aggressive talent management of those in the more senior grades, by rules about the duration of appointments, by rules about continuity in project management etc. All of these were practicable once we abandoned the policy of allowing civil servants to self-manage their careers. There needed to be a careful trade-off between the wishes of individuals and the needs of the organisation. That would require the reinstatement of active HR functions, which would inevitably involve costs.

Lord Butler closed the meeting by thanking the speakers, thanking the Institute for Government for providing the accommodation, and thanking Nat Le Roux and the Constitution Society for their continuing financial and administrative support.

An audio recording of the event is available at
http://www.bettergovernmentinitiative.co.uk/?attachment_id=1587