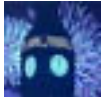


Independent Review of Governance and Accountability in the Civil Service



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[Lord \(Francis\) Maude's Report](#), published yesterday, is very much better than I expected. It could have a major impact on the future of the Civil Service and is therefore well worth reading in full. I have identified the following key points from within its 140 pages.

Lord Maude proceeds on the basis that the UK's current system of a permanent and politically impartial Civil Service will be maintained. See **Section 2** below for further detail.

He argues that the arrangements for governance and accountability of the Civil Service are unclear, opaque and incomplete. See **Section 3** below for further detail.

He notes that there has been a failure over decades to implement or sustain agreed and uncontroversial reforms and improvements. The public interest in having a permanent politically impartial Civil Service, able to serve any democratically-elected government effectively and to give ministers well-informed and robust advice, is not well assured due to the absence of systematic external scrutiny. See **Section 4** below for further detail.

More controversially....

He recommends that the centre of government should be reorganised to create an Office of Prime Minister and Cabinet, which would be the strategic centre. See **Section 5** below for further detail.

And he recommends that the arrangements for the appointment of civil servants should be revisited to allow ministers a greater role in some

appointments while strengthening the public interest in maintaining a permanent politically impartial service able to give robust and objective advice to ministers. See **Section 6** below for further detail.

[Most of the rest of this blog consists of direct quotes from the report.]

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Section 2

Many will be relieved to find that ...

The review proceed[ed] on the basis that the UK's current system of a permanent and politically impartial Civil Service will be maintained. For around 150 years there has been a broad consensus that the UK is best served by a permanent Civil Service that is politically impartial, in the sense of being capable of serving governments of any political persuasion with the same high level of capacity and commitment.

However, some dissent from this consensus. They hanker after something closer to the US system, where the top echelons of appointments in the public service are in the gift of the incoming administration. They argue that only when the senior managers are deeply immersed in, and committed to, the government's policy agenda will it be possible to drive through policy reform with real effectiveness. In support of this, they argue that it creates crisp accountability - for those making these appointments authority and accountability are precisely aligned.

I have concluded that these advantages are outweighed by the disadvantages of delay and discontinuity that are evident in the US system.

Section 3.

The arrangements for governance and accountability of the Civil Service are unclear, opaque and incomplete:

1. The power to manage the Civil Service is by statute vested in the Prime Minister as Minister for the Civil Service. However there is no overall scheme of delegation for how this power is to be exercised in practice, whether by ministers and/or by civil servants.
2. Other than the accountability of civil servants to ministers, there is little external scrutiny of the Civil Service as an institution. The powers of the Civil Service Commission are limited to oversight of external recruitment to the Service, and in any event the Commission operationally is heavily dependent on the Civil Service. Its independence is accordingly truncated.
3. The demands placed upon the centre of government - Prime Minister's Office, Cabinet Office and HM Treasury - have expanded massively in the last 100 years, yet its basic shape and division of functions has remained broadly unchanged. The centre is now unwieldy, with confusion about where responsibilities lie and a lack of clear lines of accountability. Other jurisdictions with similar systems provide signposts to improved arrangements.
4. The nearly complete accountability that ministers have for their departments' activities is out of alignment with their assumed authority to direct resources.

Section 4.

The effects of the above are:

1. There has been a failure over decades to implement or sustain agreed and uncontroversial reforms and improvements - the "stewardship obligation". Failings identified by the Fulton Committee in 1968, for example the dominance of "generalists", "churn" whereby officials move from post to post in an apparently unplanned and uncontrolled manner, and an excessively closed culture and lack of interchange with external sectors, all constantly recur in reviews of and commentaries on the Civil Service.
2. The public interest in having a permanent politically impartial Civil Service, able to serve any democratically-elected government effectively and

to give ministers well-informed and robust advice, is not well assured due to the absence of systematic external scrutiny.

3. There is an avoidable level of tension and frustration between ministers and civil servants.

My principal recommendations therefore are:

... The role of Head of the Civil Service (HoCS) should be dedicated and full time, with a mandate from the Prime Minister to drive through an agreed programme of Civil Service reforms and improvements, supported by a single Civil Service Board with transparent membership and mandate.

HoCS should be an individual with a proven capacity for system leadership and experience in driving demanding change management programmes across a large and complex organisation.

The role of the Civil Service Commission should be expanded to include: a. Holding HoCS to account for the implementation of an agreed programme of Civil Service reforms and improvements; and reporting annually to Parliament on progress. b. Overseeing internal Civil Service appointments to ensure that they are made on merit.

The First Civil Service Commissioner should be a near full-time appointment, paid at the same rate as the leaders of major regulators; the Commission should always include a former minister from each of the two major UK parties; and the Commission staff should be independent of the Civil Service and include at most a small minority of civil servants.

Section 5.

The centre of government should be reorganised to create: an Office of Prime Minister and Cabinet, which would be the strategic centre; an Office of Budget and Management (OBM), which by bringing together the leadership of the cross-cutting implementation functions with the management of public expenditure would create strong real time accountability for the spending of public money; and HM Treasury should retain responsibility for economic and fiscal policy, including the overall expenditure envelope, taxation and

financial services regulation. This arrangement would align the UK much more closely with other governments with Westminster-style parliamentary democracies, such as Australia, Canada, Ireland and New Zealand.

Comment

I am not well qualified to comment on this solution to a question which has been discussed many times before. But one obvious problem is that it gathers power to the Centre and weakens Cabinet government - and the Treasury. One of the strengths of [the current Westminster Model](#) of government is that it distributes power and encourages inter-departmental debate, refereed as necessary by the Cabinet Secretariat. The Prime Minister, or the full Cabinet, get involved only when absolutely necessary.

But the weaknesses of the current arrangements are all too obvious. Those interested should certainly read the full discussion in Lord Maude's report.

Section 6.

The arrangements for the appointment of civil servants should be revisited to allow ministers a greater role in some appointments while strengthening the public interest in maintaining a permanent politically impartial service able to give robust and objective advice to ministers.

The report contains this fascinating discussion in support of this recommendation.

There are good arguments for limiting the involvement of ministers and their representatives in the appointment of officials. The first is the need to preserve impartiality and continuity. If ministers had unfettered power to impose their own choices, there is a danger that the Civil Service could too easily become so partisan in support of the incumbent government that its ability to effectively serve an incoming government of a different complexion would be impaired. This is a genuine concern, and any changes must provide convincing safeguards against this .

There is a second argument, rarely advanced in public, and of which we are only occasionally vouchsafed a glimpse. This argument runs as follows:

- ministers are transitory;
- they are often appointed for reasons unrelated to their skills or abilities;
- because of their need to secure public support and votes, they will often be tempted to make rash and ill thought out decisions, which will subsequently need to be changed, and perhaps reversed, by another government.

The existence of a permanent Civil Service, it can be argued, with its composition safe from the interference of ministers, is an important element in the “checks and balances” that protect the national interest from being damaged. Allowing ministers too much ability to impose their own chosen people into Civil Service posts, it is said, would weaken these checks and balances and thereby imperil the national interest.

This argument is rarely advanced openly and publicly. It lies behind the sense that there is a core of the Civil Service with “administrative skills”, the “profession” described elegantly by Sir Edward Bridges in [his 1952 Rede Lecture](#), something of a closed caste with its own customs and mystique, which outsiders, whether ministers or those brought in from outside, must not be allowed to imperil. These are the “generalists”, whose dominance of the Civil Service has consistently attracted criticism going back to the Fulton Report of 1968 and indeed beyond.

The shape of this argument has sometimes fleetingly become visible through the veil. A document created by consultants in 2008 at the direction of the then leadership of the Civil Service identified among the necessary qualities of candidates to be permanent secretary “knowing when to ‘serve’ the political agenda and manage ministers’ expectations versus leading their department” and “tolerating irrational political demands”. This was an uncharacteristically explicit statement that officials have permission - and sometimes an obligation - to ignore what ministers have instructed.

There is an obvious tension between this proposition and the obligation to respect the democratic mandate that ministers carry, so it is understandable that the argument is seldom explicitly made. This is a pity, as it carries some weight, and deserves to be clearly articulated and openly debated. The danger

with a proposition which exists only in the shadows is that it can too easily be perverted to improper ends. It is too easy to suggest that the unwise decision of a minister who does not command respect or who is believed to have a short tenure can be ignored because to implement it would be “against the national interest”. It is too easy for the belief that the preservation of the permanent Civil Service is essential for the national interest to slide into passive or indeed active resistance to attempts at Civil Service reform - especially to reforms that would make it more open to new blood and different experiences.

The existence of a robust permanent Civil Service, with sufficient independence from the government of the day to enable officials to give honest, questioning and challenging advice to ministers, is genuinely an important safeguard of the national interest. The ability and willingness of the senior civil servant who is the accounting officer to call out a decision that improperly or unwisely ignores that advice by requiring a written ministerial direction is the ultimate safeguard.

So who should be responsible for ensuring that the Civil Service has these qualities? By definition it cannot be ministers, and for the reasons set out above the CSC is currently neither empowered nor equipped for it. The unspoken assumption has really been that these institutional qualities of permanence and resilience in the service of the national interest are so rare and precious that their maintenance can only be safely entrusted to the institution itself. This has created a sense that the Civil Service has had some of the characteristics of a self-perpetuating oligarchy with a built-in resistance to change.

This is no longer sustainable in a world that expects high levels of transparency and accountability. The arrangements for the governance and accountability of the Civil Service have been shrouded in layers of obscurity, ambiguity and unwritten assumption. The recommendations contained in this report are intended to put in place arrangements that are clear and unambiguous. Some may be uncomfortable for ministers; others for civil servants. But change is long overdue, and now is the time to embrace it.

Section 7.

Amongst the other recommendations, I noticed that:-

The landscape of Arm's Length Bodies (ALBs) is confused and confusing. Ministers often have limited information about the ALBs that they have responsibility for, and little visibility into their operation. The sponsorship arrangements in departments vary greatly, and too often suffer from a lack of senior attention. There should be a sustained programme to map the landscape of ALBs accurately and on a consistent basis; categorise them on the basis of the appropriate governance and accountability arrangements (the "length of the arm"); and introduce a consistent approach across government for reporting in to the sponsoring department and the way in which appointments to their boards are made.

More care should be taken with the preparation, selection and appointment of ministers and Special Advisers, with a particular focus on training.

How Ministers are prepared for high office, and the way in which they are appointed and operate, also needs substantial improvement. It is little use complaining about lack of authority and the difficulty of holding officials to account, if ministers do not know how to exercise the authority they have, or how to hold others accountable.

And finally ...

I was struck by the open-minded and non-confrontational approach taken by Lord Maude and summarised in the following quotes. He and his team deserve huge credit for writing a very well argued and well written report which deserves to be taken very seriously.

Some of the findings overturn assumptions casually made by many, including myself.

I am conscious that some of what I say sounds critical of the Civil Service. During my many years in Government as a Minister and as an external adviser, I have been supported by many highly talented and capable civil servants. The Civil Service as an institution needs to be arranged and managed in such a way that great civil servants can deliver the outstanding public service that is what attracted them in the first place. My criticism is of

the Civil Service as an institution, not of civil servants. Indeed, I have found that much of the strongest criticism of the institution comes from civil servants themselves.