



# Smarter government

## Assessing the Commission for Smart Government's 'four steps' for reform

Alex Thomas

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### Introduction

The Commission for Smart Government is right to say in its report on 'smarter government'<sup>\*</sup> that this is an important moment for government renewal. Change often comes after moments of trauma. Wars and crises have inspired reform in the past, partly from a search for fresh beginnings but also because moments of extreme tension show what works and what needs to change in a country's major institutions.

The Covid-19 aftermath is clearly such a moment. The UK government's ability to manage risks, and respond to shocks; the way decisions are made, executed and communicated; the way different levels of government interact; and the accountability of ministers and senior officials have all been found lacking in the [pandemic response](#).

The proposals – many of which echo a decade of [Institute for Government work](#) – include good ideas, like modernising the centre of government, improving the skills of civil servants and being clearer about accountability for ministerial and civil service performance. The commission also rightly recognises that these are problems for ministers too – not ones that can be blamed solely on other public servants. It is time to treat ministers, civil servants and officials across the public sector less as separate tribes and more as fellow professionals who have different roles in serving the public.

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\* The Commission for Smarter Government, *Strategic, Capable, Innovative, Accountable: Four Steps to Smarter Government*, July 2021, [www.governsmarter.org/four-steps-to-smarter-government](http://www.governsmarter.org/four-steps-to-smarter-government)

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However despite the commission's welcome emphasis on improving the ability of the prime minister to set a strategic direction and get things done, it does not deal enough with some of the really big questions of government reform. These include how to establish the separate accountability of ministers and officials and putting the civil service and government oversight mechanisms on a more secure footing. There are also some suggestions that will be counter-productive, like stripping the prime minister of his responsibilities for the civil service and physically separating ministers from their departmental teams.

Nick Herbert, the chair of the commission, and his fellow commissioners have set out four steps to make government more strategic, capable, innovative and accountable.

## **Step one: improving strategic government**

The report recommends much-needed improvements to the central strategic function of the government. The prime minister should have more support to set direction and to deal with the most important government policy objectives, all of which span multiple departments. The recommendation to create a dedicated 'prime minister's department' grabbed media attention but the name is less important than the officials who support a prime minister at the heart of government – such as their political chief of staff and cabinet secretary – having the authority to press the PM's objectives on ministers and their departments.

Most cabinet committees would be scrapped and replaced with ministerial boards to oversee the strategy and delivery of top priorities. But more radical is the idea to take detailed public spending planning out of the Treasury and move it into the prime minister's department under a 'Treasury board' headed by the chief secretary to the Treasury and with a remit to agree and direct a single plan for government. Under that board would be a series of sub-boards managing the biggest cross-cutting government issues. Whether called boards or committees this would be a big change, especially if the Treasury board had control of all Treasury spending teams, as the report suggests.

Another innovation is linking policy decisions with their implementation – which Boris Johnson, after several false starts, introduced to manage the Covid-19 response – and giving such boards the power to allocate money to defined, cross departmental priorities. Few would mourn the loss of cabinet committees if they were to be replaced with a more effective oversight, co-ordination and implementation group.

Governments need to agree and resource their priorities and develop their central organisation to make departments work together to implement cross-cutting goals and counter the centrifugal force of individual departments. And a **stronger centre** should not mean more centralisation of day-to-day work: that would take decisions further away from citizens and the frontline delivery systems in departments. Better strategic capability means setting direction, letting departments do their job, and holding them to account when they do not.

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But these proposals hit directly on the powerful vested interests in the Treasury and the big spending departments that are used to running their own budgets. No chancellor or senior secretary of state will want their room to manoeuvre constrained by an official-sounding board chaired by the chief secretary to the Treasury – normally one of the most junior members of the cabinet. The old tensions between the Treasury, No.10 and departments will soon re-emerge. Better management structures will do little to resolve core political tensions. The machinery of government cannot be separated from the politics of government.

That is not a reason to give up. A similar system works fairly well in Canada and a forum where the prime minister and chancellor can personally thrash out their differences and present a united front to other departments would be a powerful tool to improve the strategic centre of government.

## **Step two: making government more capable**

The commission has described a wide range of ways of improving capability, recommending everything from setting up a new training centre to moving ministerial desks closer together.

There are good ideas here, like linking the civil service more closely to the wider public sector and setting up a unit to develop insights about the future of government. The emphasis on finding and building talent is particularly important. The suggestion to expand the role of the Civil Service Commission from procedural oversight of senior appointments to include a remit to bring in and oversee [talent development](#) is welcome, while creating a 'crown headhunter' and doing more to open government to new recruits from the private and wider public sector builds intelligently on previous reforms, as does the commission's endorsement of more shared civil service capacity in places outside London.

However some assertions are hard to stand up – there is not much guidance on how to reduce the number of civil servants and increase their pay, let alone exactly how that will "raise talent density". Civil service leaders have been attempting that for many years, but problems remain. There is also a risk of conflicting governance; boards within departments are made more powerful, while new central cross-cutting ministerial boards are set up in place of cabinet committees. Too messy a system of governance will dilute rather than improve accountability.

Other ideas would be counter-productive. The commission proposes giving the prime minister's responsibilities as minister for the civil service to another secretary of state. But the premier's oversight of the civil service, even if sometimes a formality, is a strength of the current system. Side-lining the job by giving it to a separate minister is more likely to create a low-status backwater department, however much importance is attached to government reform.

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Similarly, while bringing ministers together more often is a good thing, locating them permanently away from their departments will mean they and their offices will be less connected with what is actually happening. Permanent secretaries (to be newly named under these proposals as chief executives) and directors general will compete to sit with ministers, creating an unhealthy culture about who gets to be 'in the room' with the most important decision makers, and excluding the officials who are immersed in their subjects and know what is happening on the ground. Australia and Canada have seen special advisers build protective walls around ministers that leave civil servants more distant and their advice diluted.

Broadening the pool of ministerial talent by allowing appointments from outside parliament, and giving secretaries of state the ability to appoint a council of advisers in their department, are potentially useful. A new class of temporary peers might regularise some of the problems of unclear roles and remits seen with recent quasi-ministerial appointments like those of Dido Harding and David Frost. But such appointments would need to be carefully overseen and transparent, with clear termination dates; the temptation to ignore the commission's careful arguments about time limits and oversight will be strong. Secretaries of state would need to be prevented from extending contracts or abusing their power by significantly increasing the numbers of appointments, adding extra ministers rather than filling existing jobs, or hiring under-qualified friends and allies.

### **Step three: more innovative government**

The commission urges the government to go further in its work to transform the digital operation of public services, use more open consultations with better ways of getting citizens to participate, and investing in more personalised online access and data sharing across government.

One of the most appealing suggestions is to do more to bring people from different sectors and levels of government (from local to central) together to work on problems and to experiment about how services should be delivered. And an end to the ministerial red box and endless email chains can be welcomed – providing their replacements work and do not undermine record keeping or [\(already lacking\) freedom of information requirements](#). Innovative office tools can be excellent for some communication, but formal decision points and official papers need to be properly identified and recorded.

### **Step four: accountable government**

Suggestions to make ministerial objectives clearer, to safeguard the integrity of appointments by expanding the remit of oversight bodies, and to make spending and performance data more transparent are welcome. But the recommendations fall short of solving this old problem, a key target of [Institute for Government proposals](#).

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The two most novel recommendations here are to create an Ofsted inspectorate for government departments and for parliament to set up new Public Accounts Committee-style hearings to scrutinise metro mayors and council leaders. The second of those reflects an implicit failing in local or regional accountability to hold elected representatives outside Westminster to account. More attention and airtime for local scrutiny is a good thing, and it will be important that these hearings operate as part of the local democratic environment rather than substituting Westminster for the town hall.

The departmental assessments are welcome in principle but need to have licence to look at ministerial as well as civil service leadership. That means audits will be contentious and contested. The criteria by which assessments are made will be hard fought, and anything published is likely to be stymied by ministers and officials wary of the embarrassment it might bring. In the short term, rather than setting up a new body a strengthened role for the National Audit Office in working on capability assessments and feeding into permanent secretary performance measures might be more fruitful.

## **The biggest questions of accountability are unanswered**

The commission is right to point to the radicalism of some of its ideas. This is a moment for significant reform, and if implemented the proposals would lead to important changes. Many suggestions would be useful reforms, though others seem to run counter to its own objectives to improve government and strengthen accountability.

But, like the government's own [Declaration of Government Reform](#) a few weeks ago, some of the most significant questions about how the UK government works are unanswered. More work is needed – including from us at the Institute for Government – on the fundamental role and status of ministers and the civil service, and how parliament holds them to account. Defining the spheres of ministerial and civil service responsibility is a problem raised by both the government and the commission but is not resolved. Nor is the question of from where the civil service draws its authority, how it might be strengthened not just to deliver policy better for ministers but to more effectively speak truth to power.

As the government implements its own reform plans those are the questions to occupy ministers and their advisers over the coming months.

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