

Objections to the proposals for the Effective Management of UK Government

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It might work for business but government is different

Government has a moral dimension which businesses do not always have.

Ethical behavior is a result of the actions of individuals. There is no more or less immoral behavior found in government than in in businesses or charities.

Recent examples of moral failings in government and its agencies include the Post Office scandal, the deaths in the maternity unit at Shropshire and Telford Hospital, the infected blood transfusion scandal, the algorithm which automatically downgraded the GCSE and A level results of children from poorer parts of the country, the closure of schools because of crumbling concrete, the numerous moral failings of the police forces epitomized by Sarah Everard case and the recent dismissal of 18 prison officers for having sexual relations with prisoners.

The proposed structure may work well in the private sector but HMG is not a business.

Yes, the public sector is different, just as every charity, hospital, business and prison are different, but the basic principles of good management practice apply to any organisation.

The 17 major attempts to improve the system since 1968 have not worked so what makes this proposal different?

The 17 major reports since Fulton in 1968 – [here](#) – have identified many of the problems and the urgent need for reform. However, their diagnoses of the causes of the failure do not take into account the fundamental cause, namely the lack of professional experienced management:

- Skills and expertise, particularly of ministers and permanent secretaries, are not matched to the needs of roles.

- The system makes it impossible to hold people accountable or to retain departmental knowledge.

Business is not that efficient

There are plenty of examples of inefficient businesses. But the private sector is more efficient because it applies effective management practices. If it does not, it goes out of business. Government does not have the same pressures: hence it is all the more important to apply good management practice.

The utilities have a similar structure to this proposal. Are they being held up as successful role models?

Yes. Most still suffer from being virtual monopolies but when professional management was introduced to the denationalised companies on average they doubled productivity within five years.

Utilities, like all monopolies, need a strong regulator who sets the standards that must be achieved over say a 5 year and enforces these with harsh penalties. It should not specify how they will be achieved as this stifles initiative, a desire for continual and reduces accountability.

Where is this structure used?

This structure is used in most UK local government authorities. They have an elected council leader (Chair) and council (Board) who set strategic policy and a permanent Chief Executive who executes it.

However, local government is severely limited in working effectively because of the lack of local control and the diktats imposed by central government.

No country operates an exact match to the proposals. However, many other countries use parts. For example, Francis Maude recently reported that "Ministers from similar jurisdictions – Australia, New Zealand, Canada – are bemused when they hear that the official head of a UK minister's office can only ever be a career Whitehall civil servant."

A Minister as Departmental Chair

A Minister is accountable to Parliament. When something goes wrong, might they try to evade responsibility by blaming the Chief Executive?

No more than today. Ministers should admit mistakes and tell parliament what is being done to put it right. Under professional management this should happen far less frequently.

A Minister is accountable to Parliament for everything that happens in the Department. Would this change under the proposed system?

No, a Chair holds the greatest power in an organisation and is therefore accountable for all its activities.

A Chief Executive

Why is an outsider needed as Chief Executive?

Initially, the Chief Executive should come from outside the civil service so they are not imbued with the culture. Once the culture has change, the role of Chief Executive should also be open to insiders as happens in charities and business.

Who will be in charge of the appointment and contractual terms of the Chief Executives and how can one ensure that decisions are made on merit not political convenience?

A Chief Executive should be appointed by the Chairman and the board with oversight by the relevant select committee. It is not a political appointment and should not change when a new minister or government changes.

What happens if the wrong person is appointed as Chief Executive?

As happens in business, charities or football clubs the Chief Executive should be replaced by a new one appointed.

If Chief Executives are recruited from the private sector, will their salaries have to be significantly higher?

The Chief Executive should be paid the rate for the role and there should be a substantial bonus for them for achieving measurable objectives.

Is there a danger that Chief Executives will focus solely on meeting objectives to secure their bonus?

The Chief Executive and the department should focus on achieving their objectives. The key is ensuring the right objectives are set and for ministers not to introduce new policies during the year unless absolutely necessary.

What would this do to salaries in the rest of the department?

Salaries should not change but there should be a substantial bonus for the management team and as far down the department as possible for achieving measurable objectives.

How will the Chief Executive instigate real change in culture in a department with tens of thousands of civil servants?

By implementing the principles of good management – [here](#). These include setting a clear vision and measurable objectives and plans so people have responsibility and can be held accountable and cutting rules and bureaucracy to the minimum.

The reaction of many senior civil servants to the arrival of a new Chief Executive is likely to be hostile.

It is one of the skills of a professional change manager to get the team working together to achieve its objectives.

Won't divisional Chief Executives and boards within a department just create more bureaucracy?

Most departments are large. The Department for Education, for example, employs almost 10,000 administrative staff making it one of the UK's largest employers. Over 250 of its staff have a title of Director General, Director or Deputy Director.² The divisions are large organisations and need their own Chief Executives and Boards.

Departments as independent units

What is the point of making departments independent units?

It is impossible to hold Chief Executives and others responsible for achieving their objectives if they do not control all aspects of their organisation, such as the pay of staff and movement.

For instance, the Mayor of London blames insufficient funds from central government for the poor quality of the transport system, whereas central government blames the mayor for waste and incompetent management. Thus no one can be held accountable.

Won't this cause chaos with departments having different pay scales and terms?

No, this is essential. Departments are responsible for providing very different services – health, justice, policing – and therefore require different reward schemes to attract and retain staff who have very different skills and experience.

Won't the proposals simply reinforce the 'silo' nature of departments?

A project requiring two or more departments needs its own project leader and team which should report to one of the Chief Executives.