

Civil Service Reform

Reshaping the State

“Civil service reform” are possibly the worst three words with which to start an opening sentence unless, of course, it is your active intention to ensure that the reader never moves on to the second. However, this process is central to this Government’s agenda and its ability to reshape the state in a manner able to deliver the promises made to the electorate.

It is entirely reasonable to treat the announcement of Sir Mark Sedwill’s departure as the Cabinet Secretary, the Head of the Home Civil Service and National Security Adviser in September and the suggestion that it might signify a more fundamental Whitehall revolution with considerable scepticism. While there have probably been hundreds of examples of reorganisation within the UK Civil Service over the past few decades, there has not been a root-and-branch reform of its culture and structure since the Northcote-Trevelyan Report of 1854. This recommended political neutrality and entry by competitive examination as opposed to the contemporary norm of younger sons of large and wealthy families simply buying their way into a plum position. This took William Galdstone, first as Chancellor of the Exchequer, then Prime Minister, almost twenty years to implement, largely against the opposition of Queen Victoria.

The appointment of David Frost as Sedwill’s successor is indicative of the Government’s intent and desire to send a message to civil servants. His appointment as chief Brexit negotiator last year was in itself unusual and made many uncomfortable. An adviser moving beyond advice into decision-taking, speech-making and appearing before select committees is, to say the least, unconventional. This could just about be explained away by the exceptional circumstances surrounding Brexit and the finite nature of the task at hand. However, his appointment as National Security Adviser is of a different magnitude. The role is roughly equivalent to a Permanent Secretary and oversees a significant portfolio.

Michael Gove’s Ditchley Park Speech

Despite previous attempts failing there are indications that it will be different this time. The clue lies in a speech delivered at Ditchley Park on Saturday by Michael Gove, Chancellor of the Duchy of Lancaster, entitled “The Privilege of Public Service”. This was a remarkable speech in at least three respects.

“There are many brilliant people in our civil service...but, nevertheless, there are a limited number, even in the Senior Civil Service, who have qualifications or expertise in mathematical, statistical and probability questions – and these are essential to public policy decisions”.

The first is that it was a masterclass in how to flatter something that you intend to upend in its entirety. Mr Gove was so gushing about civil servants and the Civil Service that the head of their trade union – the First Division Association – tweeted his approval of a “thoughtful” address without noticing the implications for his members – there is clearly a reason why it is not called “the Premier League Association”.

The second was that it was a superb example of how to write a radical speech that the media will barely notice because of the intentional absence of a headline or soundbite. The best that most of the press could come up with was that Mr Gove had implied that the British Civil Service was too “metropolitan” and vulnerable to “group-think”. The final element is the extent to which it demonstrated that historic ideological identities – “Left” and “Right” – are being superseded by new divisions built in large part, but

not entirely, around the electoral coalitions exposed by the EU referendum, a process accelerated by the COVID-19 pandemic.

Changes Afoot

Mr Gove began by approvingly quoting Antonio Gramsci, the Italian Marxist, then moved on to Bjorn Weigel, a Swedish economist and entrepreneur, who is more anarcho-libertarian than orthodox conservative, and then focused mostly on Franklin D. Roosevelt, the iconic former US president who once described ‘a conservative’ as “a man who likes to sit and think, mostly sit”. This is, in many ways, one of the most pure expressions of the Gove/Cummings critique on modern government.

There were five pillars to his argument. The first was that far too much of the Civil Service is still based in London and when sections of departments were transferred out of the capital it tended to be to places such as Bristol or the wealthier enclaves of Sheffield. These areas tend to supply the Civil Service with people from backgrounds closer to the average Londoner than most parts of the country.

The second was that the Civil Service, while superficially diverse in terms of gender and ethnicity, is overwhelmingly drawn from those who have done very similar degrees in the social sciences and not those who have a pure mathematical, scientific or technical heritage. Gove argued that the higher up the Civil Service ladder one traverses the truer this observation was.

“There are so many barriers to doing things differently in Government, and so many incentives to play safe that it is difficult to know where to start. It is a cliché to say of Government that no-one ever lost their job for recommending the contract go to IBM”.

The third was that there is far too much internal churn and far too much weight placed on launching policies and not sustaining them. This is a valid criticism. When I was Director General of the BVCA I worked with three outstanding young civil servants on the Patient Capital Review, all of whom were moved on to new projects within three months of the Review to be replaced by

perfectly decent (but not as impressive) people who had not been involved with the initial review at all.

His fourth observation was that just as there is a lack of scientific prowess there is an absence of commercial skills. As a result, ministers receive policy submissions that are, in Mr Gove’s words, “formulaic, over-long, jargon-heavy and back covering”.

His final observation was that there is an absence of proper independent review, or an analysis of any kind, into how well policies are actually working. As Mr Gove noted, there are 108 designated “major programmes” in Whitehall. Just 8% have been assessed on their record of delivery. Whilst it is far easier to diagnose the problem than find the cure, the amount of thought that has gone into Gove’s analysis – and his proven ability to drive transformation in the face of stern opposition – suggest that changes are coming.

Wider Importance

Although these kind of procedural changes may seem remote to many there are three reasons why this process is of huge importance to the business community. Firstly, the UK Government is likely to be a much larger player in our economy and society in the 2020s than it was in the 2010s. This is due to the all-encompassing nature of the COVID-19 pandemic and the fact that the Johnson Government is less ideologically wedded to the idea of a smaller state than many of its predecessors. The second, related, reason is the huge capacity of public administration to act in a fashion that has profound consequences – good and bad – for those in the private realm who otherwise have no formal relationship with it.

Finally, there is the vast sum of money that is spent on public sector procurement. Mr Gove was scathing in his attack on a “nobody every got fired for hiring IBM” mentality and a risk-averse instinct which meant that start-ups and insurgent companies, no matter how fantastic their ideas, were almost doomed to failure if they wanted to engage the State as a key customer. If even incremental change could be made in Whitehall, it would have a huge impact on how billions of pounds of public money is spent.

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