THE POLITICS INTERVIEW
JOHN HEALEY AND NICK HERBERT

Non-partisan partisans

MPs John Healey and Nick Herbert sit on opposite sides of the House – but they’ve come together to battle for further Whitehall reform in their new think tank, GovernUp. Interview by Winnie Agbonlahor; pictures by Niklas Halle’n

In an office tucked high up in Portcullis House, two men are discussing civil service reform. Both in their 40s, they wear shirt sleeves and ties; both went to private schools; both are former ministers; and both agree that there are serious issues to be addressed in the government machinery. But here, the similarities end. One is Conservative MP Nick Herbert: fast-speaking and relatively fresh out of government, having left his cross-departmental role at the Home Office and Ministry of Justice in 2012. The other is Labour MP John Healey: more deliberate in his speech, with a ministerial career spanning 11 years in two departments – and helpfully wearing a red tie to make his political allegiance clear.

The partnership between these men – which Healey describes as “an unlikely alliance in many ways” – began 18 months ago when Herbert was “struck” by Healey’s contributions to a debate on civil service reform. Discussing the issue further, they found they “had a common experience,” says Herbert. “Setting aside party politics and differences, [we agree] that there are systemic issues. And that’s how we got together.” To address those systemic issues, the pair have set up GovernUp: a think tank which aims to produce a range of radical ideas to reform government, scheduled for publication just before the general election. When it comes to implementing those ideas, Healey believes that their unlikely alliance will be a strength: “We believe we can help forge a cross-party consensus behind some of the must-make changes.”

What can GovernUp bring to a table crowded with other think tanks – such as the IfG, Reform and the IPPR – which work on how government should best operate? “We can bring a freshness to this,” Healey says. “Some of the established think tanks – certainly 18 months ago – had got really rather stale in some of their [work] and lost in some of the specific detail.” Moreover, GovernUp seeks to “challenge and question the role of politicians within the reform we require – something that is very hard for the Institute for Government, impossible for the civil service, and hard for many of the established voices.”

GovernUp, Healey says, also benefits from the “extraordinary experience and expertise” of its 20-strong advisory board, which includes Public Accounts Committee chair Margaret Hodge; former permanent secretary and IfG director Lord Bichard; the government’s lead non-executive director, Lord Browne; and Baroness Lane-Fox, who was the UK’s ‘digital champion’ from 2010 until 2013.

Both Healey and Herbert also have that experience as government ministers under their belts. So what did their ministerial careers teach them about the civil service’s problems? Herbert, who’s keen to emphasise that he has “worked with
Cross-bench comrades John Healey (left) and Nick Herbert seek consensus

“Some fantastic civil servants”, both in the Home Office and the Ministry of Justice, says the problems are “well-known”.

During his time in office, he says, he found many “ongoing problems relating to the structure and organisation of the various different delivery agencies for securing our borders to do with accountability and management”. Take the allocation of staff working in border control, he says: when Herbert compared a graph showing the “time of peak demand at airports for people coming in to go through immigration” to another showing the deployment of staff, he found that the latter “was almost an exact inverse” of the first.

“Successive governments had problems in managing the borders,” he adds, “and they were obviously issues that weren’t just about policy, but also implementation and how the policy was being delivered.”

It’s a strong example of weak resource management, but just an example: what are the systemic issues that, GovernUp says, keep leading to failure? There’s already consensus on many of them, Herbert replies: his “reading of the current debate is that there is a lot of common ground about what the problems are. There are skills gaps; there are commissioning problems; there is a live debate about accountability, and so on.” He adds that “you can look back and analyse endlessly what the problems were, but the real challenge is to look forward.”

GovernUp, Herbert adds, “is saying that there needs to be a rather more radical overhaul of our Whitehall machinery than has been contemplated so far.” The think tank is running six research projects that will “come up with evidence[-based] suggestions” as to what that radical overhaul will look like, he explains. The projects, which will try to “come up with evidence suggestions,” cover localism; repurposing Whitehall; the role of politicians; tackling the skills gap; digital future; and world class government.

The think tank’s website argues that the government is overly centralised; that it can learn from other government models around the world; that there are problems with accountability; and that there are skills and talent gaps. But what direction would Healey and Herbert ideally like to see...
Whitehall move in? The pair are reluctant to give too much away. “You’re inviting us to try and pre-judge the outcome of our research,” Herbert says. Healey adds: “There are too many people who set up prescriptions that are based entirely and only on their own experience and their particular sorts of prejudice – we’re not prepared to do that. Part of the reason we work hard to put money in place and set an organisation up is that we want this to be done in a thoroughly worked way that allows us to be confident that the conclusions we draw are based on good analysis and good evidence.”

Both politicians are more open about their analysis of the problems, discussing an article they wrote jointly for *The Times* when launching GovernUp in April this year. The article, entitled *Let’s reform our antiquated way of governing*, starts off by comparing the job of a government minister to that of chairman in a private sector company, calling on readers to “imagine being asked to chair a big organisation with a multibillion-pound turnover” but which has “no corporate centre.”

Surely government has a corporate centre, made up of the Cabinet Office, Treasury and Number 10? Herbert replies that this is not one, but three corporate centres, adding that these are “not effective” and generally powerless in trying to get departments to work together: they “essentially remain fiefdoms” and often “act like magnets pushing away from each other”, he says. He adds that “there’s remarkably little financial information [on departmental spending] or control by the Treasury”: HMT “controls public spending by different means – by setting spending limits.” He adds that the Treasury “is a department that has shown itself very uninterested in reform.”

Healey, who was a Treasury minister from 2002-2007, is quick to intervene: “I’m not sure that’s entirely fair,” he says. “The Treasury was behind the professionalisation of the finance function and making sure that we had a qualified finance director in every department.” Herbert counters that “only recently have we had that” – but Healey rapidly returns to the characteristics of government’s corporate centre. In his experience, he says, there have been a few examples where “there was a really effective functioning corporate centre” – including the government’s efforts to deal with the aftermath of the devastating floods which swept many parts of the country in 2007.

At the time, he was a minister of state in the communities department, and he believes that government worked well then because “the ‘business as usual’ was set aside, the tolerance for departmental interests in any sort of policy debate or decisions was swept away, [revealing that] government can make rapid decisions and galvanise delivery and response very effectively.” Herbert adds that the government’s “response to the [2011] riots was similar”.

Government is hoping to strengthen its corporate centre by appointing a chief executive of the civil service: a newly created, permanent secretary-level role dedicated to pursuing civil service reform. The new chief exec, according to the job spec published late last month, is required to have a private
sector background, and will report directly to cabinet secretary Sir Jeremy Heywood.

Herbert welcomes the move, describing it as a “huge opportunity to bring in someone with real commercial acumen, which is what Whitehall needs.” He argues that the civil service’s “corporate function has always been downgraded and undervalued,” and says that the CEO’s success will rest on the powers and influence granted them: “There is a question about making sure that that person has real authority in Whitehall.”

Healey says he’s “more sceptical” about whether creating a “freshly-designated post will make a sufficient difference.” It will be hard to find both “the skills to know how you can make big organisations that are disparate in their functions and structure perform, report and deliver better,” and the authority to create substantial change. At this level, he adds, real authority means “reporting directly to the prime minister: it doesn’t mean reporting to some other civil servant.”

Even Cabinet Office minister Francis Maude, says Healey, has struggled to exert influence across Whitehall: “It is very difficult for any single person [to work across Whitehall without] the direct authority of the prime minister, and without – on certain issues – the strength of the Treasury behind them.”

We return to the pair’s Times article, whose opening paragraph suggests that in the civil service “good performance cannot be rewarded and pay cannot be varied.” Are they planning proposals for big reforms to civil service pay? One of the issues the Government skills project is going to look at, Herbert replies, “is the issue of pay [and the] potential variation of pay. There are plenty of other who are saying that there may be a need to have greater pay variation, particularly when it comes to issues like procurement – where the pay gap between the current Whitehall and beyond is too great.”

Healey notes that “it’s not just about the tip of the iceberg, or chief executive posts”, but that “for me there is also a question of whether some of the frontline delivery civil servants are properly rewarded.” He adds, smiling: “Then, I am a Labour MP. But that’s part of [our] strength – we can bring different perspectives and the test for us and others is to what extent we can get common cross-party ground so that any future changes don’t become dragged into the party-political wrangle.”

The Times article also describes government as an organisation where “you cannot recruit talent from outside”. But, especially considering the requirement for the new chief exec to have extensive external experience, this looks like a substantial exaggeration. “For us,” Herbert says, “the question is about making the barrier more porous. And there is a bigger question about whether we can make it easier to bring people in and out of Whitehall – by way of secondments, for instance.” Healey adds that “none of this is new” – indeed, these aims lie at the heart of the existing Civil Service Reform Plan – but asks: “Can we do it better? Can we also do it as part of a better long-term career progression for people who make that career commitment to being civil servants?”

Perhaps the most controversial statement the pair made in their joint article, which compares the job of government minister to that of the chairman of a big company, is that “you find that while you as chairman will be accountable for everything, your chief executive will be accountable for almost nothing, has little management experience, cannot be removed”. Permanent secretaries, I say, are accountable – they are the accounting officers of their departments, and are regularly called up in front of select committees.

Herbert responds that “we wrote the piece to make a point,” arguing that the current system – in which “ministers are accountable for everything and civil servants, other than through the permanent secretary being chief accounting officer, are not directly accountable” – doesn’t provide enough accountability around the details of services and operations. “Because ministers can’t in practice be accountable for every small detail, you get the danger that there isn’t accountability in the system, and it’s only when very major things go wrong that ministers can then be arraigned,” he says.

Healey illustrates Herbert’s statement with an example from his 2001-2 stint as the first ever adult skills minister in the then-Department for Education and Skills. Upon his arrival, he says, the Individual Learning Account scheme, which had been introduced in 2000 to help pay for adult training courses, was hailed as a great delivery success. The scheme had, Healey was told, “massively outperformed its targets in the number of trainees who had done these courses”. But, in fact, “a series of fraudulent companies [were] making fraudulent claims about activity which didn’t happen [while] taking public money.”

Eventually, Healey says, he closed down the scheme and spent much of his time in the job “mopping up the problems” created by the programme, whose expenditure amounted to £273.4m against a budget of £199m. He blames the scheme’s failure on a range of problems: “The design and delivery was rushed; the ability to deploy IT in an appropriate way was insufficiently understood and poorly managed; the proper public accountability and fraud checks were not built into the system; and [there was] political culpability – it was not just civil servants.” Politicians were keen to “do things in a rush” he says; and because the programme was regarded as “a political flavour of the month”, he adds, “there was no challenge to that.”

So the mistakes were made by both politicians and officials, says Healey, but he alone “went in front of the various select committees and the media to account for this catastrophic policy failure and fraud”. He adds that “I was ready to do that, I accepted that convention, but in the end, some of the people that had been there at the start were still there at the end – and one or two of them in very senior positions, with no comeback.” In December 2001, the government stopped funding the scheme amid widespread concerns around fraud.

Both Healey and Herbert clearly have some strong views on what is currently going wrong and what should change, but they have been clear that they want to keep their own experiences of government separate from the end results of GovernUp’s research. The heavyweight advisory board will help to achieve this; and there will also be further input from another group of experts. The pair have asked Jeremy Heywood to suggest a “cross-section of grades, functions and departments within the Whitehall core in the senior civil service”; recruits will form an advisory panel to “help contribute and shape the research projects” and “comment on the conclusions without any commitment or association to them.”

Once these conclusions are published, the challenge for this cross-party pairing will be to sell them to politicians and civil servants. They will find allies within both of their own parties, and within both Whitehall and Westminster. But they’re bound also to find opponents across the board – with some calling for more radical reforms, and others warning of the risks. It will be a tough job to find consensus; but at least, in reaching across the party lines, John Healey and Nick Herbert have made a start.