

An all-party strategic plan

to improve public services, to increase productivity,
to reduce costs by £billions.

The UK's system of government is failing

- Irrespective of which political party is in power, the UK's system of government does not allow new policies to be implemented quickly or managed effectively.
- Most departments don't deliver adequate levels of service – health, housing, immigration, driving licences, potholes to name a few.
- Public services are also expensive for taxpayers as a result of low productivity in the public sector. Between 1997 and 2019, state sector productivity increased by just 3.7% compared to 24.1% for the service side of the private sector.

Failure is not the fault of Ministers or senior civil servants
but with the system of government, which has given both impossible jobs.

Voters know this

A Savanta poll of 2,275 UK adults between 31 March and 2 April 2023 – [here](#) – showed that:

- 63% of people think that they do not get good value for money for public services.
- 62% would like to see more power devolved to a local level, away from Westminster.
- 58% do not trust national politicians to keep their promises and only 20% expect them to tell the truth.
- Only 21% are confident that national politicians can meet the challenges that face the UK.

58% agreed that 'The management of public services (e.g. schools, hospitals)
does not improve regardless of which party is in power'.

The two main causes of failure

- Almost every Prime Minister since Harold Wilson has recognised this and has instigated reports or investigations. But the 13 major attempts to do this since Fulton in the 1960s have not diagnosed the basic causes of dysfunctionality. As a result, they petered out or were shut down. The same is true of recent reports from outside government and academia.
- The two basic causes are the mismatch of experience to roles and centralisation.

The mismatch of skills and experience

- A Minister has two different roles, being both the Chair and the de facto Chief Executive of a Department. Their departments are larger than all but a few private sector organisations. This combination of roles is recognised as unsatisfactory in business.
- Too often Ministers also lack the expertise needed by an effective CEO – management experience, in-depth knowledge of their area of activity and longevity: ministers only stay in a post for an average two years.

Would Tesco hire a CEO who had little management experience, no knowledge of retailing and whose record showed that they changed jobs every two years?

- A Permanent Secretary also has two roles: first, to advise the Minister on policy, and how to handle relations with Parliament and the media. And second, to manage a huge department. They are also in post for short periods.
- Our recommendation is to simplify and streamline the roles of both the Minister and the Permanent Secretary. See below.

Centralisation

- The UK is the most centralised, large democratic countries in the world. Central government has taken so many responsibilities from local government and civil society that it now controls 51% of GDP compared to 12% in 1912.
- This overload on Ministers and senior civil servants leaves them with no time or mental energy to tackle the vital challenges that face the UK – [here](#).

The urgent always takes priority over the important.
General Eisenhower

- Political parties have different views on the role of government and policies, but all parties in their most recent manifestos supported the need for decentralisation – [here](#).

Recommendation 1: implement effective management

- The Northcote-Trevelyan Report of 1854 introduced meritocracy and professionalism into the Civil Service. Over the last 170 years the role of government has changed significantly but the system of managing government has barely changed since then.
- The EGF report, [The Effective Management of Government](#), sets out a strategic solution to how effective public sector management should be implemented.

It is based on introducing the principles of modern management practice into government which would transform the way in which government in the UK is organised and its outputs.

Strategic Solution

- Government must do what a company, charity, or football club does when it realises that its organisation is failing:
 - It appoints experienced objective professional top management from outside the organisation who are not imbued with its culture.
 - It decides what its core business is and gets rid of the rest.

Align experience and skills to roles

- Ministers should have only one role: the Chair of their departments, the most powerful position in any organisation. They should set strategic policy, bring objectivity, and advise and hold the Chief Executive accountable.
- A new role of Chief Executive Officer should be introduced. Their role would be to achieve the objectives of the department as agreed with the minister.
- The CEO should have wide change management experience. Initially, they should come from outside the Civil Service so they can bring objectivity and are not imbued with the existing culture.

The culture of the Civil Service is 'cautious and slow-moving, focused on process not outcomes, bureaucratic, hierarchical and resistant to change.'
The Civil Service Reform Plan 2012

- Similarly, the role of the Permanent Secretary should be simplified: to advise the Minister on Parliament and the media and to manage the policy unit. The CEO, and not the Permanent Secretary, would manage the department.
- To achieve stability of vision and ethos, and to retain staff's knowledge and experience, Departments should become independent entities, ending the rapid inter-departmental rotation of civil servants. This works successfully for government departments in Australia.

Recommendation 2: radical and lasting decentralisation

- A second EGF report, [The Effective Decentralisation of Government](#), sets out how councils, not central government, should be responsible for the prosperity and wellbeing of their local communities.
- The size of councils should be substantially reduced so that people can identify with them as 'my local council'.
- Responsibilities and authority should be devolved to the lowest practicable level.
- Councils should have full control of, and responsibility for public services, budgets, and the types and rates of taxes. They should raise most of their funds from the local community but with an Equalisation Fund to ensure that all councils can provide adequate services.
- Adequate controls, such as Recall and Council Law, should be introduced to prevent the abuse or overreaching of powers.
- The core business of national government would then be defence, foreign affairs, immigration, climate change, energy, and the economy.

The benefits

- The Chief Executive would bring experienced professional management and stability of ethos and vision to the department.
- Ministers, freed from the detail, would be able to focus on strategic policy and providing objective advice to the CEO.
- A reduction in costs of at least £80 billion would be achieved through increased productivity while the quality of public services would be significantly improved – [here](#).

Decentralising responsibilities & powers

- People will feel in control when decisions about aspects which most affect their lives – health, education, housing, transport, pot holes – are made at community level and they can hold their local councils accountable.
- The local knowledge, energy and ingenuity of thousands of councillors will be harnessed, instead of those of a handful of over-worked Ministers and civil servants, to provide services which meet the needs of their local community.
- The quality and costs of public services would then improve significantly.

The first party to announce their intention to implement these reforms will have significant ‘first mover advantage’.

Detailed proposals

Detailed proposals, how they can be implemented and their evidence base are covered in two EGF reports:

- The Effective Management of Government, 15 pages – [here](#)
- The Effective Decentralisation of Government, 18 pages – [here](#)

Both reports enjoy high-level cross-party support and have been widely credited in the media – [here](#).

The analysis and recommendations in these reports are supported by several further EGF papers, including:

- A Comparison of the UK system of Governance with 10 peer countries, 31 pages – [here](#)
- Increases in Productivity should show savings of at least £80 billion, 4 pages – [here](#)
- Polling results showing the level of public dissatisfaction with government – [here](#) – and the public’s desire for real decentralisation – [here](#)

All the supporting research be found on the EGF web site: egforum.org.uk

The Effective Governance Forum

The role and complexity of government has changed substantially since the Northcote-Trevelyan Report was published in 1854 but the mechanics of managing government have remained virtually unchanged.

The objective of the Effective Governance Forum is to demonstrate how UK government should be structured, using modern management practice and radical decentralisation, to significantly improve public services at substantially reduced cost.

Authors

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