

## II. WHITEHALL AND MANAGEMENT: A RETROSPECT

by

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delivered to the Society on Monday 30th January 1984,  
with Martin Moss, CBE, Chairman of Council of the Society, in the Chair*

THE CHAIRMAN: Lord Bancroft is the recently retired Head of the Home Civil Service and has had a working lifetime in many senior branches of the Service, including the posts of Permanent Secretary, Department of the Environment, Deputy Chairman, Her Majesty's Customs and Excise and twenty-one years in HM Treasury, the Cabinet Office and the

Lord Privy Seal's Office. We talk of the private sector and the public sector, yet for many of us there is rather more privacy and mystery about the latter than the former. Management in the Civil Service must be very complex, and motivation often difficult, but I feel sure that Lord Bancroft will give us a much deeper insight.

*The following lecture was then delivered.*

### ADVERTISEMENT

1984 SEEMS a long way from 1649. But there is a short cut. After this lecture walk to Trafalgar Square. It is only a few hundred yards. Stop at the statue of King Charles I and look south down Whitehall. Halfway along on the left, opposite the Horseguards, stands a part of the old Whitehall Palace. Out of it 335 years ago to-day Charles I stepped to face the block, the axe and his Maker.

I was a civil servant of the Crown in and around Whitehall for 36 years. So I look back at it tonight, having mislaid half a stomach and half the standard kit of kidneys somewhere on the route. And I realize that, like so many elderly buffers, I have in return acquired a King Charles's head or so. I invite you tonight to join me in looking them over. I hope you will enjoy, or at least endure, the act of quiet contemplation. This lecture is truly called a retrospect. The wise official reads the records: they may help him to handle the present and fathom the future.

### INTRODUCTION

A suitably evasive start to this lecture would be to spend five minutes or so defining management in Whitehall. The 1961 Plowden Report on the Control of Public Expenditure analysed

it every which way. So did the 1968 Fulton Report on the Civil Service. So too did Keeling's 1972 book on *Management in Government*: I will refer later to this remarkable volume. Each lustre continues to bring its own definition.

For the purpose of this lecture only, since it suits me, I adopt the agreeably wide and meaningless Fulton definition 'Management, as we understand it, consists of the formulation and operation of the policy of the enterprise'.

While on semantics, some members of the audience may care to send me, after the lecture (well after), their definitions of 'efficiency', 'effectiveness' and 'economy'; and also, for the masochistic, their definitions of 'responsibility', 'answerability' and 'accountability'. I note in passing that the once useful word 'accountability' is now, alas, a slogan of the football fan section of our political life.

### HISTORY

The briefest possible account of management in Whitehall, on a narrow definition, would include the pioneering work of the Post Office surveyors well over a century ago. It would touch on the McDonnell Royal Commission of 1912-14 which recommended the setting up of a 'special section for the general supervision and control of the

Civil Service with a view to its effectiveness and economical employment'. It warms the heart to note that the then Permanent Secretary to the Treasury said in his evidence that a large body of information on office methods and organization already existed in the Treasury. The technique of 'we got there long before you' murmured to an investigating body has a respectable provenance.

Then came the Haldane Committee of 1917-18. Apart from its well-known recommendations on the principles which should govern the organization of the machinery of government, it made recommendations on management. Here are one or two: 'Attention has to be paid to the selection of staff, their classification, their assignment to appropriate duties . . . . In addition, there are various mechanical arrangements to be considered such as the . . . use of forms and statistical returns . . . and labour-saving appliances. . . . In all Departments . . . there should be an office charged with the special duty of studying all such questions.'

1919 saw the Bradbury Committee, saying that ' . . . the Treasury Establishments Division should have attached to it two or three specialists with expert knowledge who could advise Departments on these aspects of their office organization'.

Also in 1919 came the Treasury Investigating Section charged with advising generally on office machinery, on the employment of labour-saving machines in the public service and conducting special investigations as required into methods, output, etc.

And so it rolls on, through the Tomlin and the May Commissions, both of 1931, to the setting up of the Treasury Organization and Methods Division in the Second World War.

Post-war there has been no stop. It would be tedious to list the fairly continuous bursts of fire from assorted Departmental Committees, Royal Commissions and Parliamentary Select Committees, as well as the kamikaze dives from Whitehall itself. Each dive usually carries the laconic label 'Initiative'. It is a useful working rule to beware of governments bearing initiatives. The rule is not of course always apt.

Those who think that management in the Civil Service began in 1968 or 1970 or 1979 would do well to ponder what I have already said.

They should remember the management improvisations, and the pre-planning, of two world wars and their aftermaths; mobilization, demob-

ilization, rationing, derationing; the wholesale introduction and administration of new taxes and benefits.

They should also note that Bridges wrote to his fellow Permanent Secretaries just before his retirement in October 1956. His letter was headed 'Standards of efficiency in the Civil Service'. It ended with the sentence 'I hope you will regard my own interest in this subject as sufficient excuse for my sending this last circular letter to Permanent Secretaries'. And in June 1957 his successor, Brook, was writing to Permanent Secretaries on the same subject and issuing a Treasury circular. This said 'I am sure that members of the administrative class are not sufficiently alive to the great responsibility which they should carry in management matters . . . . They alone can insist upon – and personally secure – maximum efficiency at every level, cost-consciousness all along the line, and effective communication within the organization and with those we serve.'

#### MILITARY INTRUSION

This, I remind you, is a retrospect. So when I am being gently critical, I am being critical of myself among others.

It is the privilege of age to look back and the penalty of youth to have to listen.

Within a year or two, I suppose that every Permanent Secretary and senior official who saw action in the Second World War will have retired. This is a good result of retirement at age 60. The old buffers collide with the buffers and the young take over. But, and this goes wider than Whitehall, these people had a bench-mark against which to measure crisis, danger and worry; an instinct to look after their staff; and an expectation that reasonable orders, properly explained, would be complied with. Finally, they began their official lives believing that virtually everything was achievable.

I offer no conclusions from these points. But future social historians will have them tucked into the backs of their minds.

The succeeding generation has had to acquire these attributes without the benefit, thank goodness, of a crash course in the school of war. Most have done so, and done so very well. But it needs to be kept in mind that this item of equipment no longer arrives already built-in.

## NAMING OF PARTS

I have named elsewhere the six parts of good management. I make no apology for repeating and embellishing them here.

*One*, staff with defined objectives, measured performance (so far as possible), properly encouraged and fairly paid. That one sentence asks, answers and begs pretty well all the real questions. Roll it around the tongue. As the wine-writers say, it is both long and deep. It also lacks a clean finish.

*Two*, a management line with more powers to control their own operations and their own staff. There was a slow improvement in this area. I wish it had been faster. Rougher justice to both clients and staff must be risked and defended; but bear in mind that civil servants are rarely free to defend anything. Ministers must be ready to do it, and if they are not, their civil servants should not be blamed for lack of enterprise.

*Three*, good management audit systems, drawing on well-tested staff inspection experience. There is much excellent work to draw on here, in conjunction with the enlarged remit of the Comptroller and Auditor General and his staff.

*Four*, centres of excellence, keeping abreast – preferably ahead – of developments in new technology around the world. These centres of excellence need not all be concentrated in the Treasury, the Management & Personnel Office and the Efficiency Unit. Indeed they should not be. Some should be in the individual lead Departments. A proper course should be steered between the pop-eyed evangelicals of the new technology and the self-interested rump of the Luddites.

*Five*, more flexible personnel management and career development. Experience says that a lot of work needs to be put into this, especially in large formations. In a small unit the formal organization chart is a tidy irrelevance: the family runs itself informally. In a large unit the formal chart should correspond as far as may be to the informal organization: tidiness comes second to reality: rest well content with dotted, even crossed, lines. The family is too big to run itself. But with a lot of hard work and a reasonable slice of luck it can be fashioned into a humanized management system.

*Six*, maintenance of recruitment standards through open competition. This requires no elaboration. The Service continues to need its share (in fact it is a very small share) of the first-

class as well as the merely good. The selection process should therefore continue to show a bias towards excellence, but not uniformity. The Service benefits from its eccentrics provided the material is high class. People are still needed, too, who are neither hot for certainties nor happy with a handful of dusty answers.

Sensible and determined development from these six bases would, I think, bring answers to other questions like performance-related pay and unified grading. It would be a pity to pursue these as if they existed in their own right. What does exist – or perhaps fails to exist – in its own right is Whitehall woman. Nearly half the non-industrial Civil Service is made up of women; but the proportion declines as the rank advances. There isn't nowadays one woman Permanent Secretary. There hasn't been one for over ten years.

This is not due, so far as I know, to unequal pay, anti-feminism, male chauvinism or whatever. The record shows that of those women who have been Permanent Secretaries none has been a mother. Can that begin to be an answer? Ought it to be?

## ACTION AND REACTION

During my time the Service was not always as well-managed as it could have been. Nothing new in that, you will say. But it wasn't the result of a dogged resistance to change: precisely the reverse.

We were a bit too nervous and defensive. As a result we tended to pick up every management nostrum, normally a few years too late just when it was going out of fashion. Our hem-line was always shifting and often at the wrong height.

We planned, we programmed, we budgeted: we managed by objectives: we analysed programmatically: we policy planned by units. We mucked about. What we should have done was to stick solidly to basic principles, dressing them only with proved garnishes from elsewhere. By all means call the basic principles by a variety of names. In sum, they can be called disaggregated incrementalism, partisan mutual adjustment, practical experience, suck it and see, or whatever. Tenacity and not taxonomy is what matters.

Whatever our other faults we were stunningly good at re-inventing the wheel. We put too much effort into devising new systems and new initiatives in response to passing fads and fancies. We should have devoted more of our efforts to

collecting, recording and disseminating good and bad lessons painfully learned by individual Departments. We should have regarded ourselves rather more as editors and anthologists and less as creative artists.

But the climate of the times would not have tolerated this prescription. How woeful a response to the Fulton report it would have seemed. But the management experiences of the last two decades have been well worthwhile for three reasons.

First, they have demonstrated the importance, and the difficulty, of getting an organization as big, diverse and scattered as the Civil Service to change its working ways. Changes in pay are purely mechanical and dead easy. Changes in structure are also dead easy in their mechanical part; but in their attitudinal part they can be immensely difficult and costly to carry through. Changes in working practices relate even more to attitude and are more difficult still. They need time, they need resources – job satisfaction reviews, job appraisal reviews – and they need leadership.

And leadership is my second point, already mentioned in my naming of parts. Experience must have taught the need to give managers more direct control over resources and staff: it is difficult, risky and in some areas of work scarcely possible. But this more than anything else creates real incentives to improve efficiency, effectiveness and economy. It builds up the authority, standing and confidence of the managers, that is, the leaders. A warning: I am not here talking about artificial accountable management, charging out, playing at shops; unless the resources are real and the control over them is real, the caper remains a caper and is a waste of time.

Third, the Service has demonstrated its immense resilience; its capacity to adapt while keeping the show on the road. 'Business as usual while alterations are in progress' is not an idle boast. Few major enterprises have had to live, and trade, through four take-overs with wholesale policy change each time, all within the space of two decades.

#### PRIVATE SECTOR

Over these many years, and especially in management matters, Whitehall has turned to the private sector for example, advice and execution. I have said elsewhere that the movement into Whitehall cannot be a wholesale one. There

aren't enough people of the right quality to spare; and if there were, every lamp post in Westminster and Whitehall would soon be equipped with its dangling corpse. Similarly, a wholesale invasion of boardrooms by public servants would soon have the roads to Carey Street jammed.

Let me amplify. Governing in a parliamentary democracy and running a business are not mirror-images of each other. The main differences are that in one you have the 'effective service' motive; in the other the 'maximum profit' motive. In one you have fine-tuned equality of treatment over-riding cost; in the other cost-consciousness tolerating and encouraging rough justice. In one you have at best a partial or surrogate market; in the other a real and bustling market place. In one you have questioning and testing (of varying quality) at nearly every stage; in the other the final and acid test of the bottom line.

Having said that, there is an immense amount for the public service to learn from the private sector (and something the other way too). It is therefore no surprise to see how frequently businessmen have been called into the public service, how selflessly and effectively they have contributed, and how frequently their stay has been temporary. Individuals must obey the imperatives of their career aspirations and their personal bottom lines.

It is of course in wartime that the partnership between the private sector and the public service has been strongest. But in more recent years we have seen, in the middle 1960s, the infusion of industrial advisers into the Department of Economic Affairs, known semi-affectionately by those of us in the Treasury as the Department of Extraordinary Aggression. These advisers, seconded for a couple of years at a go from the private sector, were very effective. The system has been carried on during the dotty changes of shape, size and name of the Department of Trade and Industry.

Then in the late 1960s Sir Robert Bellinger and his team of businessmen were called in to help promote efficiency in Departments. Some of them were still on the premises when Sir Richard Meyjes and his team of businessmen arrived in 1970.

Amongst more recent arrivals and departures have been Lord Rothschild, Lord Rayner, Sir Robin Ibbs and Sir John Sparrow. All have put strong shoulders to the wheel. And, of course,

there are the normal working relationships between private sector and public service; lessons being learned or spurned. These are the daily traffic. There is, too, an impressive list of enterprises which have had short-term exchanges of staff with the Service. The sharp differences in the cultures mean that successful transplants require patience and skill to arrange, but the effort is overwhelmingly worthwhile. What is needed here from both sides – Service and private sector – is persistence in good work.

#### RETROSPECTIVE MISCELLANY

I shall shortly push the frontiers of management quite a long way out, in accordance with the definition I used at the beginning of this lecture. But, before this, I want to hold up one or two items against the sunset.

First, there is the continuing importance of training on the job as well as the, rightly, more noticed courses and seminars. I was trained in the Treasury for good or ill by a man who still ferociously pursues the public good. Those were the golden days when 'monitor' was still a noun. He showed me how to negotiate, how to draw breath in midsentence so as to discourage interruption, how to draft, and why the Service belongs neither to politicians nor to officials but to the Crown and to the nation. It is an odd irony that this intensely private man should have given railway language a new word. His name is Serpell. He has been a life-long friend and will not thank me for mentioning him.

Second, I assert that a management's deeds and words should approximate to each other. It is all very well to tell staff that management will strike a bargain; that in return for efficiency, effectiveness and economy it will encourage and care for its employees. Both sides must keep to any implicit or explicit bargain. It is no good if staff rat on one or other of their undertakings. It is equally no good if management suddenly, for example, puts up the rents paid by one of the staff's approved welfare bodies by 2,200 per cent. This is all part of what I have called the bloody fool approach to management.

Third, it is the case that the Service cuts no ice in many quarters however fancily it skates. In my time we made some mistakes and we came under indiscriminate fire. The latter at any rate still goes on. There should be scope for the Service itself, quietly and decorously, to look at its deficiencies and defences. This needs reflection.

#### WHITEHALL AND MANAGEMENT: A RETROSPECT

In my later years we were becoming too obsessed with movement and action, and confusing the two in the process. You can move your legs like fun, without the body taking any action. It is called running on the spot and is very tiring.

Reflection is important. Some of you may know that years ago I had in my portfolio the job of running a brain-storming team. We were pretty innocent and called our gatherings 'thinking sessions'. We felt that brain-storming was a touch pretentious and mid-Atlantic. We were told to stop the sessions. A colleague of mine sent round a spoof notice to mark the occasion. The intervening years have shown that it wasn't so spoof after all. It ran:

Thinking sessions are to be discontinued. This notice is being circulated not only to inform staff of the thinking behind the decision, but also to give a general account of the future arrangements for thinking in the Department.

The general principle approved by management is that thinking is acceptable if it is secondary to, and takes place at the same time as, some activity directly approved in the course of the planning priorities exercise. But in other circumstances it is hoped that any thinking that is found necessary will be done in staff's spare time or at weekends.

For a trial period monthly returns should be made of any inadvertent thinking that takes place during working hours, showing the approximate duration and depth. These should be submitted along with the returns of sick leave and security breaches for the period. Supervising officers should keep an eye open for any undue incidence in this as in other fields, and consider whether any warning or – in serious cases – reprimand may be called for. But management emphasize that there should be no victimization: they fully acknowledge that persons who happen to have acquired the habit of thinking may in other ways be productive and useful members of the staff.

In the face of more demanding programmes than ever the Department's priorities clearly require more emphasis on outputs and less on inputs: in other words more action and less reflection. Since staff resources do not permit of both it follows that the latter must be sacrificed.

Next, in the last few weeks Sir Douglas Wass has delivered a distinguished series of Reith lectures. They should be read, preferably at a sitting. If you do that, then what I take to be his main theme emerges clearly: the need to diffuse some power away from the centre of the Executive. Each of his lectures suggests how this might be done. I do not agree with the detail of some of his suggestions: but I entirely agree with his central theme. It comes aptly when the Central

Policy Review Staff has been abolished: when no Royal Commission has been appointed since the last General Election but one: when the Commons Select Committees have been out of action for six months with well-advertised press signs saying 'Beware ramp: whips at work': and when the opposition parties have shown no sign of being over-endowed with resources to fund their advisory support.

I have a parenthetical comment on the last point. It is this. Good government would be powerfully helped by pushing a bit more of the taxpayers' money to the opposition parties. (I favour money, Sir Douglas Wass prefers civil servants.) Lacking funds, these parties fall prey to zealots who offer them free advice. It is frequently taken. So the community now suffers the often impractical manifesto, written in indelible ink, with someone romantically called its guardian. The function of the guardian is to defend the sanctity of the manifesto and to count up the redeemed pledges with the glow of an ink-monitor ticking off full ink-wells.

Fifth, I wonder whether we do not invest the process of government with too much importance. Do my friends in Cleveland or Cumbria, well away from the south-eastern hot-house, brood greatly about the forms of government? I sometimes think, subversively, that there is a peacetime analogy for a wartime cliché, a true cliché. The Army HQ's planning must be as good as it can possibly be. But the course of the action turns on the wit and resource of the individual platoon-commander and his soldiers. So, nowadays, a small minority of us endlessly discuss forms of government, supranational, national and local. How useful do these discussions seem to the unemployed, indeed to the employed, man and woman in Skinningrove or Millom? How influential are they on that man's and that woman's happiness and wellbeing? Not very, I fancy. Or at any rate not as much as we might like to think.

Sixth, let us pause for a moment on other forms of influence, including chance.

All of us at various times have been asked who or what have been the pivotal influences on our lives. I was first asked it age nineteen when undergoing a War Office Selection Board. The psychologist put the question to me. I replied firmly and factually, 'I was born in 1922 in Barrow-in-Furness.' He interrupted me, 'No, no, I don't want facts, I want influences.' I stuck

doggedly to 'I was born in 1922 . . .'. This taught me the virtue of tenacity. Poor WOSB psychologist. A fellow-rifleman came out of an hour-long interview with him saying 'Such a sweet man. He asked me to tell him everything. So I did and at the end he looked quite frightened.' My fellow-soldier failed.

I shall remain reticent to-day, except to say that the late Desmond Keeling was a significant semi-academic influence on the thinking of many of us. I have always found his book, *Management in Government*, both rewarding and in its way enchanting. The acknowledgements and preface alone are a monument to Keeling's intellectual elegance. Few would have dedicated such a book to three fictional characters, one having a tenuous connection with the public service through a tour of Army duty in the wartime Cabinet Offices and the other two being career civil servants. I refer to Widmerpool, Short and Blackhead from Anthony Powell's *A Dance to the Music of Time*.

The much-lamented Keeling illustrates another facet of life in the public service. Chance.

In 1962-3 I was doing establishments work in the Treasury. This sent me, amongst other things, nipping round London by taxi looking at possible sites for the new training facility, the Centre for Administrative Studies. My fellow taxicab rider was the Director of Home Estate Management in the Ministry of Works, that is, in general charge of the many government properties in the UK. We had known each other on the private secretary net. He mentioned idly, in answer to an equally idle question from me, that he had read economics at Cambridge and had even done some postgraduate work at the LSE. At the time economics was all the rage, and we were short not only of a site for the Centre, but also of its first Director: the academics we had approached hadn't been available for one reason or another. That was the start of how Keeling became the first and very successful Director. Quite a lot happens in taxis.

#### FREEDOM OF INFORMATION

In broadening the theme of management I cannot deny myself a minute or so on freedom of information.

Like many former, and serving, civil servants I am pretty relaxed about it; as indeed are the vast majority of the electorate. There is no rush to the barricades. It is, however, a subject which

causes convulsions amongst the more partisan of its supporters and opponents. I have quoted Burke at both sides – 'It is no excuse for presumptuous ignorance that it is directed by insolent passion'.

My position remains that Parliament and public should know more clearly and more timeously *what* the decisions are about and *why* they are being reached. Much has been done; but much more remains to be done. I see no advantage and considerable disadvantage in immediately making public *how* the decisions are reached, disclosing confidential exchanges between Minister and Minister, and between Minister and adviser. It must have been an eerie business sitting in Cabinet alongside Mr. Crossman and Mrs. Castle, knowing that their pens were flying. And flying in their personal interest rather than that of posterity. Kilts serve a purpose.

The onus in the debate is on those who want this type of disclosure. Let them demonstrate that the claimed benefits – a more effective and respected system of public administration and a more contented electorate – would in fact be achieved. The penalties, in the shape of inefficiencies, muddles and costs, seem clear enough. I am not aware of a noticeably higher tone in, say, US public administration. But I am aware of a talent to bemuse amongst the louder supporters of freedom of information in this country.

If there are government resources available they would be usefully employed in ensuring that the records are sorted and preserved better, so as to be a more adequate national memory for historians and posterity. And some of the column inches devoted to the cause of a Sunshine Act would read better if they argued the need for reinforcing existing Departmental Records Sections. This seems to me an important factor in deciding whether or not to trim the present thirty-year chastity belt. This apart, like Sir Douglas Wass, I see no compelling reason why a few years should not be taken off it. What will endanger the objectivity of exchanges and advice within government is not the knowledge that it will be released in 20, 25 or 30 years time, but that it may be leaked in 24 hours.

The Association of First Division Civil Servants has recently produced a discussion paper on this subject. It seems to me an admirable, indeed magisterial, statement on which to build an informed debate. I have only two reservations: first, on the possibility of a 'specially appointed

ombudsman' to investigate non-observance of a voluntary code of conduct; and, second, on the alternative or additional possibility of an 'experimental and nonstatutory' scheme of disclosure. I doubt whether either would work in practice.

I have much the same reservation about Sir Douglas Wass's suggested information auditor. But I warmly support his analysis up to that point. The will to publish even more analytical material (and much is available already) should in my view come from within government, pushed, prodded, injured and insulted as need be by parliamentary and public opinion. It must be matched by better maps to the labyrinth of stuff which is put out.

Meanwhile, I am relieved that a leaker has been dismissed.

#### ORGANIZATION AT THE CENTRE

Much ink has been spilt, and air spent, on how best government should be organized at the centre. This may beg the question whether there is in fact a central point in government where the power lies. Does it perhaps lie not in the centre but in a connected nodule, a sort of blister on the fuselage of government like the gun-turret on a war-time Flying Fortress; or perhaps at the apex of a pyramidal hierarchy; or even perhaps in a series of dispersed areas like the pockets of a snooker table? These are not just fanciful conceits. They illustrate a practical question in a parliamentary democracy: where are the levers of power, and who controls them?

Let us suppose for the present purpose that they lie ultimately in the Cabinet with its elected majority in Parliament and its elected leader as Prime Minister in Downing Street. Some of us believe that this is a fact, not just a supposition; and that too many of the levers have been hauled into the centre of the Executive. Anyway, if they lie there and are controlled from there, do they operate both effectively and sensitively enough? Enough for what? You could go on pursuing these fascinating interrogatives for ever.

Both Sir Douglas Wass and Lord Hunt of Tanworth have recently discussed the hole in the centre of government. There *is* a hole. And like them I don't see that it calls for the formal establishment of a Prime Minister's Department. An institution already exists with a wide and relevant portfolio of tasks and a staff of superlative quality. Its name is the Cabinet Office. It has shown itself to be infinitely adapt-

able to the policies, personalities and methods of working of different administrations. At the same time it remains firmly embedded in Whitehall, in the permanent Civil Service of the State, and does not form a mucous membrane through which Ministers and Departments have to approach the Prime Minister of the day, or vice versa.

Consider for a moment the range of its main, published portfolio. It embraces within its muscular but little-noticed arms:

- *The Secretariat*, that is, servicing Cabinet committees, both Ministerial and official, with all that this entails:

- briefing the chairmen of Cabinet and Cabinet Committees;

- coordinating governmental policies towards, and relationships within, the European Community;

- coordinating policy on science and technology under the Chief Scientific Adviser.

- It embraces the *Intelligence Assessments Staff*, which is self-descriptive.

- It embraces the *Historical Section*, responsible for managing the programme of Official Histories and thereby contributing vitally to the national memory.

- It embraces the *Central Statistical Office*, responsible for collecting and advising on government economic and financial statistics. It is in the nature of things that the Director of the CSO should also be Head of the Government Statistical Service.

- It embraces the *Management & Personnel Office*, concerned with across-the-board Civil Service personnel management, recruitment, training, conduct, discipline, security, management and efficiency. The MPO also houses the Public Appointments Unit.

In addition to this, the Cabinet Secretary has of course his rôle both as an intimate adviser of the Prime Minister of the day and as a well-waterproofed shoulder on which other Ministers sporadically shed a bitter tear. He is also the Prime Minister's Personal Representative for the preparation of Economic Summit Conferences of the seven industrialized countries, i.e. a well-practised and much travelled sherpa. He is the accounting officer for the Secret Vote. Finally, as Head of the Home Civil Service, he has special responsibilities in relation to the public service and advises the Prime Minister on senior appointments in it; he advises, too, on questions of machinery of government.

The size and spread of the Cabinet Office speak for themselves from the above bald list. Some might argue that, given the need for it to be nimble-footed and limber, it could profitably shed, say, the Central Statistical Office and the Management and Personnel Office. Both of these are manpower-intensive. But to argue for this is not my purpose to-day.

The Cabinet Office is, of course, complemented by the staff at No. 10 Downing Street, especially the Private Office.

Despite all that I have said about size and spread and despite my disbelief in the notion of a Prime Minister's Department, I continue to stand with the proposition that there is a hole in the centre of government. The hole has four segments.

We need a capacity, *first*, to provide fresh non-departmental thinking for Ministers on major policy issues – thinking which, as it were, peers round dark corners and is illumined by an impact from people from outside Whitehall; *second*, to deliver collective briefing to Cabinet Ministers as a corrective to their bespoke departmental and party political suitings; *third*, to help Ministers to review regularly the continuing validity of, and deviations from, the government's overall strategy; and, *fourth*, to provide a point of reference outside the Treasury to survey broad economic policy.

There had been few real attempts to provide the first three until the creation of the Central Policy Review Staff, except perhaps for occasional efforts from the Research Departments of the two biggest political parties. Which prompts me to ask, improperly and in a parenthesis, when these Research Departments are going to be revived; because to an extent, and certainly sub-consciously, there is a degree of mutual cross-feeding between them and a central non-partisan Whitehall capability of the sort I have described. The strategic envelope of a Government's major policies is, rightly, inspired and animated from political sources. Committees whether of Ministers or officials meeting in Whitehall can, should and do *shape* policies. In my experience they are rarely good at *creating* them. That ends my improper parenthesis.

You will say that what I have described is a re-created CPRS. And to a very large extent you would be right. Almost as right as a gifted former colleague who, some years before the creation of the CPRS, invented Sir Hector Brain of the



Foresight Office. He appeared in a short one-act play called *The Foresight Saga*.

But the issue I am on now is this. The fourth segment of my hole in the centre, you will recall, was the missing capacity to survey broad economic policy from outside the Treasury but from within government.

Unlike the other three segments, this one has been plugged with sturdy unsuccess on several occasions since the early 1940s. There was the Economic Section in the Cabinet office; the short-lived Ministry of Economic Affairs and the Economic Planning Staff; the Department of Economic Affairs (at whose birth I assisted, at whose death I did likewise, and so on whose grave, alas, I danced); the economic component of the CPRS. The interesting points I ask you to note here are, first, that these various plugs for the gap were all thought to be necessary over a period of forty years; and, second, that they all ended in pretty well the same way, incorporation in the Treasury. My old department has a mighty metabolism.

I am far from alone in thinking that it is time we fashioned another and more durable plug. The management of the economy is too important to be left to the Treasury and the Bank of England. And the other functions of a central capability of the sort I have described are too heretical to be left to a miniscule policy unit whose sole patron is the Prime Minister of the day.

#### LAMENT FOR THE MAKERS

This is perhaps the right point at which to expand a bit on the abolition of the CPRS, a unit which helped to make things happen. It was a sad blow by prejudice against enlightenment. The lament is the stronger for the absence of any proper funeral oration, particularly since the birth had been celebrated in a White Paper. A former member of the CPRS wrote presciently two or three years ago: 'If the Prime Minister so wished, it could be abolished overnight.' And it was. Its life was a year shorter than that of the Civil Service Department, which at any rate had the benefit of a death of awful symmetry, dying as it did on a Friday the 13th, thirteen years and thirteen days after its birth.

Much has been written about the CPRS, and there is more to come. So I will add only a brief voice. In its earlier years the CPRS seemed to me to be achieving precisely the tasks which it had been set up to do. It remained small, some

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15-20 staff, split roughly half and half between Whitehall and outside. The staff were and remained of excellent quality: and it was a brownie point, a cub's badge, to have served in this élite corps. In order to influence quick-moving events it had to be, and was, exceptionally light-footed, able to intervene fast and briefly whether on paper or in speech. Timing and drafting were of special importance. It was often self-starting, and nearly always self-selecting, self-perpetuating and self-answerable. It played a special and individual rôle in public expenditure matters, in particular with the three jolly animals which performed in the public expenditure circus ring for a time: PESCy PERCy and PARCy (Public Expenditure Survey Committee, Public Expenditure Review Committee and Programme Analysis Review Committee).

In rugby football terms, many Civil Service units swerve past problems like a wing three-quarter. In its best days the CPRS burst through them like a back-row forward.

Some still doubt whether it turned out to be sensible in the long run to publish a fairly haphazard selection of its reports; and most people believe that it suffered badly from abuse. Just as there is wife-abuse and child-abuse, so there is tank-abuse. This takes two forms. One is to give a think-tank inappropriate tasks to do: a classic example was the inquiry into overseas representation which was a gross abuse of its abundant talents and meagre staff resources. The second is to subject a think-tank to a period of benign, I will not say malign, Ministerial neglect. But I repeat my view that the rough beast's hour will come round again at the last.

#### THE PRIVATE OFFICE

A word about a feature of Whitehall life and working patterns which has changed very little since I joined. It is still not well understood outside Whitehall, though it is vital to management in its broader sense. Oddly, it is becoming more widely known through a splendid TV comedy series, *Yes, Minister*. This series has provided one of the most profound proverbs for Whitehall, namely 'The ship of state is the only craft which leaks from the top.' But more importantly it has also given a certain wry publicity to the institution known as the Private Office, more particularly the Private Secretary.

For many years now, each Minister and each Permanent Secretary has been furnished with a

private secretary and supporting staff. These provide their chief with a confidential staff who act as a series of extra pairs of hands. They keep his diary, cope with the telephone, answer queries, see people, draft letters, invent jokes and relay Test match scores. What is perhaps unusual is that the private secretary himself sits in on nearly all meetings and conversations, writes notes of them, acts as ambassador to and from the department and other organizations, keeps ears and eyes discreetly sharp on the private secretary net, provides ideas or a wall against which ideas can be bounced, and records in impeccable prose his chief's disordered thoughts and debriefings. The private secretary provides a service which the Minister or official probably does not appreciate fully until he is left, unprotected, to cope with a cold raw world. I had quite a number of private secretaries in my time and my debt to them is incalculable. I will not easily forget their loyalty, discretion and willingness to work appallingly long hours. My official colleagues would, I know, say the same, as would Ministers.

It is of course essential that the Minister or official and the private secretary should have the right chemical bond. There is an occasional hiccup if the chief is changed in the middle of a private secretary's tour. But this is usually coped with by each taking the other on a month's approval. In the particular case of Ministers, private secretaries are covered by a proverb: 'Ministers should take a special interest in the appointment of their private secretary, their driver, their press secretary and their permanent secretary: the order of importance is descending.'

I know of course that outside Whitehall, a number of senior people have high-powered personal assistants to help them. But I don't think that this has taken as wide and as firm root as the private secretary system. Of course, it has its dangers: too much knowledge and power going to the heads of the young, the risk of indiscretions, the danger of the chief getting walled off. But these have in practice proved to be slight, far outweighed by the increase in productivity and the invaluable training given to the young Turks

as they make their own way to the palace. Each generation forms its own private secretary net which marches collectively onwards in terms of personal and official friendships for twenty or thirty years or more.

## THE END

I recognize that this lecture provides no remedy, whether sovereign, easy or otherwise.

As I write these words I am reminded of lines written by a friend killed forty years ago almost to the month:

No remedy, my retrospective friend,  
We've found no remedy . . . we blind  
Or vexed must be,  
No remedy for our split mind.

But management in Whitehall, interpret it as widely or as narrowly as you like, *needs* no remedy. What it needs is constant attention and consideration, touches of imagination, humility and humanity; and self-confidence enough to resist the schizophrenic lure of the merely modish.

It would be prudent for me to end on a narrow, though not a mean, note. Using the narrower sense of management I recommend a glance at *Civil Servants and Change*. It was published nine years ago. No doubt its fairly unattractive covers gathers dust on many shelves. But if you blow the dust off you will find some rewarding sentences, such as, 'Ministers can help the Civil Service by recognizing their responsibility as employers . . . they can avoid discrimination against the public service . . . they should in their desire to get things done consider what . . . it is possible for the staff to do, and to do properly'. Such as, 'Civil servants feel they have been mucked about a lot'. Such as, 'It will take a great effort from the management of the Service at all levels to adapt it fast enough to meet the challenge of fast-moving and more demanding times. The going will be uphill and the gradient is getting steeper all the time.'

I chaired the steering group which produced this document. So you will see that my King Charles's heads are respectably antique, public and still unexorcised.

## DISCUSSION

DR. A. C. OSMAN (The Business School, Polytechnic of North London): I missed out on some 'in' jokes made by the Lecturer, but that draws attention to the Whitehall management situations such as the Ferranti affair,

the cost overrun on the Concorde and the decision to give money to De Lorean. I should like to ask about the rôle the Civil Service plays in such situations, and how decision-making in those areas could be improved.

THE LECTURER: As it happens I was in the Treasury dealing with both the Ferranti case and Concorde. On the basis of there being a chastity belt of  $x$  number of years – at the moment thirty – I am not going to tell you what my advice was, sorely though I am tempted. Where you had, as in the Ferranti case, a very expensive contract, which with hindsight turned out to be not particularly good from the point of view of the taxpayer; where you had in the case of Concorde an initial estimate of a sale of something over four hundred aircraft and a total cost of development of £160 million, and it turned out that you had a total sale of nine aircraft, all nine to the national airlines of two countries, and a total development cost certainly well over £1,000 million; and where in the case of De Lorean you had an extremely odd-shaped car which failed to live up to its imagined capabilities – it seems natural to ask, what on earth were the civil servants doing? I think the answer must be that they gave such advice to Ministers as seemed to them right on the facts then available. You are talking here not only about the so-called sponsoring department, but also about the Treasury, which seeks to keep a check on what the sponsoring department approves in terms of public expenditure, particularly so in cases where the expenditure is of a fairly novel kind or has a political edge to it. There was an international political edge to Concorde and in the case of De Lorean there was obviously a Northern Ireland political edge.

It is up to Ministers, in the light of the advice that they are given, to decide whether or not to authorize such and such a project at such and such an estimate. One is back to the old problem of the slippery slope. Once you have launched something, starting friction always being more difficult than sliding friction, it is very difficult for civil servants and Ministers to say this particular project has gone so badly astray that it must now be stopped. It needs a very clear assessment of the facts. It needs a very confident assertion of what the outcome will be. When things go wrong in a minor or major way in which Ministers and civil servants are involved, I do hope that the immediate reaction of the media, which is 'Oh, it's a cover up', is not necessarily the immediate reaction of everyone in this audience. There are such things as honest mistakes. Sometimes they have colossal consequences.

DAME ELIZABETH ACKROYD: Is Lord Bancroft concerned about the public's perception of management in the Civil Service? I am thinking of people who experience the Social Security and Income Tax Offices, where muddle, to many of us, reigns supreme. Those (like many of us here tonight, I expect) who are cradled in the civilized arms of PD7 (Public Departments) in Cardiff simply do not know the muddle that goes on in income tax and social security. I suppose that the thinking which Lord Bancroft has described so eloquently that goes on in Whitehall simply does not extend to the grass roots.

THE LECTURER: Dame Elizabeth, I only wish I could have enticed you along to a lecture I gave at LSE a month ago where I dealt particularly with this point, which is very important. When one talks about management in the Civil Service the tendency is to equate the Civil Service with Whitehall. What you are talking about in Whitehall is 2,500 policy thinkers, so called; when you talk about the Civil Service you are really talking about the image which always haunts me, that of the typical civil servant in the 1980s. She is aged about twenty, a clerical officer in the Social Security Benefit Office in Merseyside. She has thousands of instructions of the most detailed sort to master in the name of equitable treatment as between Mrs. Bloggs in South Shields and Mrs. Coggs in Merseyside. She has to master all the amendments that come out every year. She has a grill running from the counter to the ceiling to protect her from the more violent clients. I am all too conscious of the fact that she is the typical civil servant and I know that all my colleagues who are still practitioners are all too conscious of it as well.

What can we do? There are a variety of possibilities. The easy answer is more staff, but that I do not think is possible. What must be possible, I would have thought, is some simplification of the rules that she has to operate.

MR. STEPHEN BRAGG (Chairman, Cambridge Health Authority): In a working life of forty years I have worked for two different types of boss, those who thought that their job was to do mine and those who thought that my job was to help them do theirs. In the National Health Service the work is actually done by nurses and medics, and our job as a health authority is to try and help them. The thing that worries me is that the DHSS does not feel that its job is to try and help us do ours. I can give you lots of examples; perhaps the most recent is a circular which asked us to charge all the opticians who supply spectacles on hospital prescriptions another 7p for VAT unpaid in the second half of 1979. I have actually written to the Secretary of State and asked him to supply someone from Headquarters to sort this out. How can we get civil servants to feel that their job is actually to help agents in the field and not that agents in the field are there to carry out the rules that the central authority has set?

THE LECTURER: I have the deepest sympathy with the problem which you so eloquently expressed. It is what my children call 'a situation and no mistake'. It is the other half of the point which Dame Elizabeth posed; in your case you are doing your level best to carry out the instructions, call it what you will, the wishes, the policies, of central government. You are the man in charge of your Regional Health Authority who is trying to put into practice the rules which have been laid down. Those rules are themselves the trans-

lation of policies laid down by Parliament through the Government and they are translated through the DHSS. One is back with the problem, can those policies be put into practice with rather fewer, simpler rules? I am quite sure that those of my former colleagues who inhabit the salubrious environs of the Elephant & Castle are all too well aware of the problem and I am pretty confident that you have put it to them just as eloquently. I am sure they will do their level best within the constraints they have, but there are constraints and there is no point in getting away from it.

SIR GEOFFREY CHANDLER, CBE: Some forty-two years ago Lord Bancroft and I shared a barrack room with a score of others learning the martial arts and skills. It is nice to know that he has not changed. Because of that relationship, if the two points that I have to make appear critical, I hope that he will accept that they are made in a friendly fashion. First, I believe that the worst result of the secrecy pervading Whitehall is the absence or emasculation of serious public discussion about many crucial matters, for example, the future of the Health Service. My second point arises from the posthumous contributions of the mandarins, and the strength of those contributions, in criticizing the system. We have a system which appears not to be susceptible to such criticisms while the protagonists are still within it. It should be possible to stimulate a broad public debate on these issues without accusations of disloyalty being aimed at people such as Peter Carey or Douglas Wass or Ian Bancroft while they are still members of the Civil Service.

THE LECTURER: We get serious discussion from time to time. Great numbers of Green Papers, White Papers, striped papers are put out, and in my view quite rightly. For example, the whole way in which the Budget is now treated as compared with how it used to be even fifteen years ago, is absolutely extraordinary. I should like to see more discussion papers put out, and I think one way to begin to get that would be a sort of resurrected CPRS, with a policy about publication, instead of a rather haphazard 'shall we publish this or not?'. This, I think, is what lay behind Douglas Wass's suggestion of a standing Royal Commission, with which actually I do not agree. Why invent something new if you want serious debates about serious issues when you have a perfectly good body already there in the shape of the working peers of the House of Lords?

As to posthumous onslaughts by dead mandarins, this corpse is not conscious of the fact that he made an onslaught. I thought I tried to make some of the points which had been made in the paper that I referred to when I said that my King Charles's heads were public and antique. I think that if you were too polite (which I suspect you are not) to ask why on earth

didn't you do something about it, Bancroft, while you were there in terms of management in Whitehall, the answer is of course we all did and of course we all do. In my case I will be, like Dr. Johnson, absolutely candid, and say 'infirmity of purpose, my dear Sir; too easily distracted'. There was an awful lot else going on.

MISS L. J. CECIL: Would you agree, Lord Bancroft, that the management objectives you mentioned – economy, efficiency, cost effectiveness – are incapable of being fully attained in the Civil Service while man management, particularly among the senior ranks, continues to be so neglected?

THE LECTURER: You say man management in the senior ranks of the Civil Service is neglected. I don't agree, and I am now looking back over the whole span of my time. I never cease to wonder how Permanent Secretaries, many of whom had had very little direct experience of managing a large organization, made such a good fist of it. The great achievement of the second half of my service, and I had nothing to do with it, was the way in which senior grades in the Service came to recognize the importance of management. In that extract I quoted from Norman Brook of 1957, all the buzz words were there. There was consciousness of the need for the administrative class, as it then used to be called, to play its part in man management, efficient management of resources and in communication both within and without the service. There was a tremendous improvement in my time and I have no doubt whatsoever that that improvement is going ahead at a much greater rate than before. Can the Civil Service ever be cost effective, efficient and so on? The answer is, yes, and in many areas it jolly well is. I see no reason why the Service should be forced on the defensive about this.

THE CHAIRMAN: Can you give us your views about what is obviously a very controversial question, the banning of unions in the security-sensitive centre?

THE LECTURER: Yes, I have got a view. With my usual impeccable timing, I wrote to *The Times* about it.

THE CHAIRMAN: It is not collusion, there being no *Times* published at present.

THE LECTURER: That is what I meant about the timing! I thought I would give you the gist of my letter: 'I do not know enough about the harm done by the selective strikes in GCHQ in 1979 and 1981 to comment on the merits of the Government's action, But like many others I dislike limiting civil liberties, and the evidence publicly available in this case seems to be conflicting. What is beyond dispute is that the handling

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has been breathtakingly inept, a further exploration of the "bloody fool" branch of management science. Public opinion is deeply hostile to trade unions on the one hand and to civil servants on the other, so action against both should have been widely seen as popular, bold and decisive. In fact it has been seen as none of these things and will further damage a bruised and still dedicated Service. Nor by ignoring them will the Government help the more responsible Civil Service union leaders. They will be the more exposed to attack by the handful of deliberate wreckers. Civil servants would do well to take a sceptical look at the credentials and motives of some of those who will rush to defend them. Altogether it is a sad and serious turn of events for Crown Service.'

LORD CROHAM, GCB: Lord Bancroft said that

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economic policy was too serious a matter to be left to the Treasury. I should like to hear where he would put the responsibility for economic policy?

THE LECTURER: I should like to see the Permanent Secretaries of departments outside the central departments having more of a rôle in economic policy.

THE CHAIRMAN: After this fascinating lecture we have certainly learnt more about the Service and can recognize how incredibly difficult it must be to manage it. Really the thought of four takeovers in a decade would send most of us in the private sector into a mental home. Lord Bancroft has shown that with eloquence, humour and calm he would appear to have had little difficulty in steering the Service through many a force eight gale.