

'ALAS! SIR HUMPHREY. I KNEW HIM WELL'

SIR GEOFFREY HOLLAND KCB
Vice-Chancellor, University of Exeter

*Delivered to the Society on Wednesday 3 May 1995 with Richard Martineau,
Chairman of Council, in the Chair*

THE CHAIRMAN: Sir Geoffrey Holland commands great respect for having run what almost amounts to a campaign against youth unemployment. In 1977 he published the Government report 'Young people and work' and in 1982 he was the main author of 'A new training initiative' which led to the Youth Training Scheme and various other initiatives. In that year, he became the Director of the Manpower Services Commission. The Youth Training Scheme revolutionised the approach of many large businesses to some of the less privileged members of the community and to training in particular – and brought the two together. It was an early example of what we at the RSA are advocating in our work on *Tomorrow's Company* – the inclusive company.

Geoffrey thought of it long before we did. He was also responsible for TVEI (the Technical and Vocational Education Initiative), one of the outstanding successes in education which is now drawing to an end. His ability to make things happen when you would have thought all was ranged against him has made him outstanding in his field.

In 1988 he was made Permanent Secretary at the Department of Employment where his innovative work continued: COMPACTS (where perhaps I could claim to have been marginally ahead of him) and TECs were invaluable contributions. Sadly, after moving to the Department of Education, he left all too soon but continues his good work as Vice Chancellor of Exeter University.

You know the reference, of course: *Hamlet*, Act V. The scene – a graveyard. Two gravediggers are preparing Ophelia's grave. Hamlet and his friend Horatio pass by. The first gravedigger produces a skull. It is that of Yorick, the King's jester. Hamlet reflects: 'Alas! poor Yorick. I knew him, Horatio: a fellow of infinite jest, of most excellent fancy, he hath borne me on his back a thousand times; and now, how abhorred in my imagination it is! my gorge rises at it. Where be your gibes now? your gambols? your songs? your flashes of merriment that were wont to set the table on a roat?'

Do not, however, take fright. Three groups of people will be disappointed in this lecture: those who hope for further revelations, scandal and sleaze; those who hope for a further learned contribution to the public debate about governance, conduct or ethics; and any who hope that I might say that all the things that have been happening in the Civil Service over these past years have destroyed the finest Civil Service and that all is doom, gloom and disaster.

I chose my title because, as many have pointed out, of

all the voices heard in the current, healthy, debate and discussion about the public service, it is only a rare voice that talks about what it is really like, what has really been happening seen from the inside, by one who is no longer part of it. So what I intend to do is to share my thoughts and reflections from a perspective of 32 years in the Civil Service, eight at Permanent Secretary level, and to tell it as it was experienced by me. I intend to talk about Ministers, about the nature of the job of the senior public servant, about the so called 'reforms' of the Civil Service, and about the revolution of institutions, notably the establishment of so many significant quangos. I shall then list some serious issues where, looking back on those 32 years, I feel strongly we could have done much better – to the benefit of the country. I shall end with a few words of encouragement to anyone who might be contemplating a job in the Civil Service.

Where am I coming from? I served for by far the greatest part of my career in the Employment Department Group. I never worked in the Cabinet Office, nor in the Treasury. I never expected to become a Perma-

ment Secretary - I was clear I was far too much of a risk. The two Departments I had the privilege of heading are very different from each other. The Employment Department is one of the four biggest employers in the Civil Service after the Ministry of Defence. (The others are Social Security, the Inland Revenue and Customs and Excise.) It is a Department which is about people - people (individuals) at work, people out of work. It is a Department which has over 30,000 staff deployed throughout Great Britain (England, Wales and Scotland) in every town and city.

The Department for Education, by contrast, has a head office only. It has 2,000 staff. It has no local offices, no regional offices. Its domain is that of legislation. In the past, the eyes and ears of Her Majesty's Inspectors were on hand in the same building; now even those eyes and ears are removed to OFSTED. Finally, DFE is a Department for England only.

Those are the contexts in which I worked for 32 years, times of dramatic change in our economy, in our society and in the Civil Service itself. I want to start by paying tribute to the Civil Service. Much of the comment in the media is about those relatively few civil servants who are the day to day interface between the machinery of government and Ministers, mostly in Whitehall. But out there all over our country are half a million others who, day in and day out, are doing vital jobs. At every level of recruitment they represent some of the best educated and qualified members of our society. At every level they are in the jobs they are doing because they want to be there, want to serve the public. They care about their jobs, they are immensely committed to them. Day in and day out, whether dealing at first hand with those who are venting their anger and frustration at being unemployed, or arriving pretty well first on the scene at some gruesome factory accident, or sitting negotiating for hours in Brussels on some vital point in employment legislation, the quality of their performance is immensely striking. We owe them a huge debt. We rarely say thank you. And we are in grave danger, through sensationalising issues which concern but a few of them, of damaging their commitment, professionalism, morale and goodwill. We need to be very careful about what we are doing.

MINISTERS

I turn now to the first of my major sections, to talk about Ministers. What I have to say may seem very simple but I say it here for two reasons. First, many



Sir Geoffrey Holland

years leading sessions at the Civil Service College and elsewhere have led me to suppose that many civil servants even do not think about Ministers in the way I shall describe. Secondly, in my career I rarely saw a group or organisation which wanted to enter into serious discussion with any Minister on any topic which showed it had thought through what I am about to say and worked to present its case in a way likely to succeed.

So, 'the hats that Ministers wear': one fundamentally misunderstands Ministers unless one realises that each and every one of them is simultaneously wearing several hats. She or he is constantly taking one hat off and putting another on as she or he engages in any discussion and weighs any particular advice or proposal. The change is imperceptible. There can be many changes inside a very short period of time. Those hats are at least six in number.

First, every Minister is an individual. She or he was brought up in a particular family background in a particular part of the country. She or he has likes and dislikes, interests, things that switch her or him on and

things that leave her or him cold. She or he has jealousies, fears, bruises, successes and, above all, hopes and ambitions for now or later. Every Minister sees every ministerial circumstance through the eyes of that individual. The son of a former Prime Minister, a former regular officer in the army, a former air line pilot, a teacher and local politician from East Anglia, are all very different individuals. It is vital to know them.

The individual belongs to a party and has probably belonged to it for some time. Every party is a broad church, but the mere fact of belonging to a party means something about ideology, attitudes and priorities and even, dare one say, prejudices. The party has an office and its own staff there, briefing away in the background. The party has an annual conference when the faithful appear to pass judgement on the Minister and his achievements or otherwise. Above all the party has a manifesto on which the last election was fought. A lot of work goes into manifestos. Of course part of every manifesto consists of lures for the electorate. Of course it would be rather surprising if each and every sentence in the manifesto was observed or carried through to the letter. But the manifesto is the reference point for any Minister (as it is for the administration). It will dictate priorities. It will shut off some options. It will be the framework of aims and objectives against which any Minister is judged by the party.

Most Ministers are (or have been) Members of the House of Commons. They were elected to serve a particular constituency. They were not part of a central list (as are the members in some of our nearby European neighbours which have proportional representation). The constituency is a specific part of the country; it has its character, its problems, its history, its customs, its personalities. In the constituency is an agent for the party and a committee. In the constituency each Minister must regularly and frequently appear, to open this or that, to speak at various events, to sit on platforms, to hold 'surgeries'. So any Minister will see any issue at least in part through the eyes of that constituency. Any course of action proposed will be judged, at least in part, by its impact on constituents and on the chances of re-election in that constituency.

Because the Minister is a Member of the House of Commons, she or he is part of the parliamentary party. Civil servants – perhaps all of us – can easily forget how much time Ministers spend in the hothouse, gossipy, clubhouse atmosphere of the House of Commons, sitting through Questions to the Prime Minister, sitting

through major or minor debates, in hour after hour of committees, passing through the lobbies, often until the small hours of the morning. In the margins of all that, in the corridors, in the bars, the restaurants and cafeterias, Ministers are endlessly hearing the views of parliamentary party members, the fears, anxieties, hopes and interests of the party as a whole, not to mention the random problems or issues individual constituents or others may bring to the central Lobby.

Fifthly, the Minister is a Minister in a particular Department, immersed in the Department's business and affairs. There is a whole departmental agenda additional to that of the constituency, the party or the parliamentary party. And Ministers come and go with great frequency – in 32 years I worked for 23 successive Secretaries of State and there are those in other Departments who probably worked for more in a similar period of time. So the Department, though temporarily the vehicle of ambition and success, is, in part, a transitional interest or concern.

And then the Minister may be a member of the Cabinet, one of Her Majesty's Secretaries of State. Secretaries of State get to sit round the Cabinet table. All (or nearly all) Ministers whatever their rank or title get to sit around some Cabinet committee table or other. They may spend hours doing so. In those settings, effect is given to the 'collective responsibility' which weighs so much with Ministers. Individually, Ministers can and do fight their corner but, when the chips are down, they hang together or hang separately.

Those, then, are the hats that any Minister is wearing – all of them, all at once. If we look at them, some key facts stand out which condition what life is like for Sir Humphrey, and, for that matter, for Ministers as well. First, it is a constant source of wonder that any Minister fits it all in. It is easy to give intellectual assent to the fact that time pressures are endless and constant. At first-hand it means that Ministers are, mentally at least, switching from one world to another, from one topic to another, constantly, every day of the week for the whole of their career as Ministers. There is no let up. They are constantly on call, constantly expected to be accessible by the Cabinet Office, the Department, the party, the constituency. It is tiring; it is exhausting; it is a wonder that most Ministers do so well. And woe betide the Sir Humphrey or the Department who do not, at the interface with Ministers, recognise those pressures, allow for them, and allow simple humanity to break through. All Ministers need a break from time to time.

All need a chance to let their hair down, to let off steam, to enjoy a drink, to have a laugh, to watch the rugby, to go and have their hair done.

The next feature that stands out is that the constant throughout it all is not the Department in which any Minister may temporarily be lodged. It is the party, its ideologies and its values. Thirdly, Ministers may not want to be where they are posted. They may not have the slightest interest in the Department or its works or the particular portfolio responsibility they have been given. The Minister who wanted to be in a particular Department and found himself there was the exception in my career. Moreover, if I think back to all the hopes expressed to me by Ministers about which Department they would like to find themselves in next, the strike rate of success was minimal.

Because the average tenure of a Minister is so short, all want to make their mark. As one once said to me: 'You are running a marathon; I am in a 100 metre sprint'. So they must introduce – and introduce very quickly – something new, their own initiative, the development for which, if and when they come to write their memoirs, they will claim personal credit and a significant influence on the nation's affairs. This leads to Ministers often ignoring previous Ministers' 'things' (whilst paying lip service to them), to the all too evident tendency to pull up tender plants before they have begun to take root, to lack of interest in anything other than 'my thing' and, not least, to an obsession with the short term. Further, it leads to a confusion between 'presentation' and 'announcements' and action and real effect. It is touching to see Ministers' faith that when they have announced something at the Dispatch Box, it has happened. Of course it has not. The job is only just beginning for Sir Humphrey and the civil servants.

Then there is the matter of collective responsibility. It is a fine principle and can prevent all kinds of folly. But it can lead to the lowest common denominator becoming the norm, not the highest common factor. It leads to greyness; to fudging of issues; to a premium being set on elegant drafting which obscures rather than clarifies; in the extreme, it can lead to an excuse for avoiding taking responsibility or being willing to be fully accountable for decisions and actions.

As a final comment, looking at the complexity and all those pressures and the very small amount of time Ministers have to get up to speed, take decisions, get on with the job, it is surprising that there is hardly any systematic induction or development training for

Ministers or would-be Ministers. Departments which provide such training are still the exception, rather than the rule. Of course, there is plenty of briefing about detailed issues. On first entry into the Department, the Minister will be presented immediately with a fearsome tome full of the most elegant prose and detailed facts and figures about everything under the sun – except how to be a Minister, how things work in Government, how to organise time, how to chair meetings and all the basic core and transferable skills of the Ministerial career.

DEFINING MOMENTS

So much for Ministers. Now what of the Civil Service life? I have chosen to describe this by reference to what I call 'defining moments' of my career – those events which were 'learning experiences' which I realise, and hope I realised at the time, to have been profoundly illuminating of the true nature of the Civil Service job and the job of the Sir Humphrey of any day or any Department. I have clustered these moments into two groups of four.

My first group begins with the induction programme which any new graduate entrant to what was then called the Ministry of Labour followed in 1961 and for years before and some time after. After a month at Head Office, that new graduate entrant spent a week in the London region visiting every kind of local front line office of the Department. After nine months, the new entrant spent a month in a particular part of Great Britain visiting and working in local offices, but also visiting, at first hand, organisations in the world of work with which the Department dealt. I spent my month in Wales and, in addition to working in several employment exchanges (as they were then called) and at least one Training Centre, I visited a steelworks, went more than 2,000 feet underground in a coalmine and crawled along a seam, saw the workings of an important docks, and experienced at first hand the community life of the Welsh valleys.

After a further nine months' posting at Head Office, the new graduate recruit spent three months in another part of Great Britain, again working in local offices and visiting outside establishments. In my case, I spent those three months in Scotland. I paid unemployment benefit in days when one collected money from the bank and counted out cash over the counter, in Springburn and Southside, Glasgow; I went with a Careers Officer to give careers advice on remote crofts in Caithness; I

climbed building site scaffolds with Factory Inspectors and visited hazardous tenement factories in the back streets of Edinburgh and Dundee.

All that has gone now, sacrificed to central training for new graduates at the Civil Service College and to the perceived necessity to ensure that graduate entrants understand something of economics, government, management. All highly desirable, no doubt, but something very important has been lost - first hand experience of the impact of government programmes and policies and first hand experience of what staff for whom one is responsible are living through day in and day out. Lost above all is the realisation that policy is not a matter of words, but of deeds; not what is said in skilfully crafted phrases in papers circulated to the Cabinet or in White Papers but what happens on the ground to ordinary people day in and day out.

My second defining moment was when the then Permanent Secretary of the Department said to a group of young civil servants, of whom I was one, that he never lost a night's sleep over policy matters or the advice to give to Ministers but that he had lain awake for many hours mulling over decisions about people and, in particular, whom to promote. Promotions, he said, will determine the performance of the Department for 20 years ahead. And that, in my experience, is exactly true. That is why the Civil Service (and it does not often get credit for this) takes so much care with people. It is still way ahead of most organisations in this country in its appraisal systems, its open promotion procedures, and in the effective and positive action it takes to promote equal opportunities.

My third defining moment occurred when I was first in our Private Office as a junior Private Secretary. We private secretaries were regularly summoned to the Permanent Secretary of the day to give an account of ourselves, but more particularly, to give an account of what the Minister was doing. On one such occasion, after I had given a description of what the Minister had been doing for the last 48 hours or so, I was asked whether that Minister was a pleasant person to deal with. I answered (of course) in the affirmative. I was then rather astonished to hear the Permanent Secretary ask: 'Yes, but does he have any ideas?'. There followed a brief lecture on how Permanent Secretaries need Ministers with ideas.

That again in my experience is indeed so. To some it might seem like heaven on earth to have a Minister who

has no ideas and is endlessly open to the suggestions or recommendations of officials. But that is not the case. Officials need Ministers with ideas. The burden of responsibility becomes too great if the traffic in ideas is all one way. Officials need stimulus; need leadership; need, on occasion, conflict. No Department will do well unless that flow of ideas comes, day in and day out.

My fourth defining moment occurred when I was working for Charles Sisson, then an Under Secretary in charge of the Safety, Health and Welfare Division of the Department of Employment, and now one of our country's leading poets and a Companion of Honour. Every year, on the occasion of the publication of the Report of the Chief Inspector of Factories, James Tye, who was then Director of the British Safety Council, used to send a telegram to the Prime Minister drawing attention to the accident record, the deaths and the injuries and saying that the situation warranted the establishment of a Royal Commission. Each year the telegram was passed faithfully from Downing Street to the Secretary of State for Employment's office, then downwards until it ended on the desk of a Higher Executive Officer in the Safety, Health and Welfare Division, who each year sent a bland reply to Mr Tye, the gist of which was that the Prime Minister had asked this Higher Executive Officer to thank Mr Tye for his telegram, the contents of which had been noted.

On this particular occasion, the messenger delivering the mail for the day somehow got the telegram envelope into the wrong in-tray. It ended up in Charles Sisson's mail. He opened the envelope, saw the telegram and forthwith penned a historic Minute, to the effect that Mr Tye was correct, the situation was serious, was worthy of fundamental Enquiry and that the need was urgent. Some weeks later the Robens Committee was established. Out of that Committee came the 'Health and Safety At Work Act' which is still there today, an Act which extended, for the first time, legislative protection at work to every employee everywhere and modernised our whole approach to health and safety at work.

From that passage I learned that individual civil servants can count, that their actions, what they say and what they write, can change the course of history, sometimes in very important ways, often in much smaller ways. There are, of course, in any Department stock replies to stock enquiries and comments. Individuals can and do influence the course of history and public affairs.

My second set of four defining moments is different. It begins with another Permanent Secretary remarking to me and others that discussion of policy options with Ministers was like a horse sale. Ministers, he explained, should be thought of as potential buyers sitting round the ring waiting to inspect the goods, namely policy options. The civil servant's role was to produce a horse from out of the stable and to walk it round the ring to see if there was any interest in it, any bid. If there was, he might walk the horse round the ring again. From time to time, there would be so much interest that a sale would be made. But on many occasions there would be no flicker of interest and then the horse should be taken back into the stable. It should not, however, be sent to the knackers yard. It should be kept carefully and in a fit state to parade around the ring again on an appropriate future occasion. Ideas and proposals had their time and their purchasers. Just because a particular course of action was not appropriate to, nor bought by, today's buyers, it did not mean that it would never be bought. The moral is obvious.

Next, time and again in my career, I found myself encountering the dangers of politicians becoming attached to the inexorable force of logic. One such occasion was the first miners' strike of modern times – not the Scargill episodes, but the Daly and Gormley first episode when Sir Derek Ezra was Chairman of the National Coal Board. At that time, the Government was operating a pay policy for the public services. In an attempt to reduce inflationary settlements, as it went through the public sector pay round, it was using every weapon it had to force each settlement at half a percentage point lower than the one before. We reached the miners late in the round when the last settlement had been, I think, at 8 per cent. The miners wanted more: they had seen others get more, they believed they had a good case, and an element in the union simply wanted to snub the Government and set back its pay policy.

Every piece of intelligence we in the Department had available to us suggested that a settlement could be reached at half or even a quarter of a percentage point above the previous settlement and we said so. But all the miners' points would have been made and Ministers perceived the cost to Government and to the country to be too great. So they stuck out for their policy and the inexorable logic of half a per cent less, nothing more. The result was a damaging strike lasting several weeks, the Wilberforce Inquiry, a cliff-hanging evening of

beer and sandwiches at Number Ten and a settlement at over 20 per cent.

Many times I saw Ministers caught up in the inexorable logic of their policies or their actions. I myself was, in my day, a modern linguist and I have carried with me throughout my career Pascal's immortal dictum that 'the heart has its reasons which reason cannot know'. Inexorable logic can lead to catastrophe. There is something about the hothouse enclosed atmosphere of Departments, Whitehall and even Number Ten which can lead Ministers and, let it be added, sometime officials too, to lose touch with the reasons of the heart with the realities of life, the emotions and common-sense reactions of ordinary women and men.

The third of my second set of defining moments is this: late in the day, some time after I was appointed, Permanent Secretary, came the realisation that in the annual public expenditure round the whole public façade of rational argument about priorities and merits was in part a nonsense. One Department and only one really concerned the Treasury – the Social Security Department. There might be a pretence that other Departments were bidding for funds, were discussing their bids seriously with Treasury officials and Treasury Ministers, but the fact was otherwise. Unless and until the Treasury had tied down the Social Security budget, they simply did not know how much money was left over for the other Department to fight over. And so it will remain until this country becomes more competitive internationally and does indeed create more wealth, a larger total public purse. Education, housing, health, transport, defence even and all the other good causes to which public expenditure can be devoted, take second place to Social Security. The rest of us were fighting over the scrap that fell from the Social Security table.

Finally, in any Permanent Secretary's defining moments must be her or his first Public Accounts Committee appearance. Mine was, as I recall, on the accuracy of payment of unemployment benefit. Picture the scene. A large committee room in the House of Commons. Twenty or so MPs. All have before them printed Report from the National Audit Office, which has had access, by law, to every paper anywhere in the Department on the subject in question. A Report furthermore, which the Permanent Secretary has had to agree factually. Every word uttered is taken down and recorded and subsequently published. Sometime for good measure, the session is broadcast too.

The Permanent Secretary is, generally, the sole witness. Flanking support is possible, but the Committee, in my view rightly, asks its questions of the Accounting Officer, the Permanent Secretary, and expects him to reply. The session lasts two and a half hours or more. Just about everyone present asks questions. Some are general, some particular. Some are motivated by genuine enquiry after the facts. Some are motivated only by the desire to score party political points or to achieve a sound bite.

PAC appearances are events not to be underestimated. In no way are they enjoyable for the Permanent Secretary. They are exhausting. They require a huge amount of effort in study and briefing beforehand. Sometimes one wonders if the effort is worth while, but if one stands back even for a moment one knows that it is. I would not have had it otherwise. This is true public accountability – an exposure which those in the private sector never have to confront in the same way. It is the public accountability, as I shall say in a moment, which is often disturbingly missing from the operations of some at least of the non-Departmental public bodies that have sprung up.

CIVIL SERVICE REFORMS

I turn now to the so-called Civil Service 'reforms'. The first thing to say is that they have been going on for most of my career. Pretty early on – I had been in the Civil Service less than 10 years – came the thrust towards what was called 'hiving off' of what were believed to be self-contained executive operations. With that thrust to hiving off came the belief that businessmen from the private sector could run things rather more efficiently than civil servants.

At first, this thrust moved forward relatively slowly but there were some very significant developments. For example, it is easy to forget that the Manpower Services Commission was announced in August 1972 and came into operation on 1 January 1974. That was well before the Next Steps Report and Agencies had been dreamed of, well before privatisation or market testing. I like to think that it is not simply personal pride that leads me to say that the Manpower Services Commission experience was a decisive one for the Next Steps Initiative which recommended the widespread creation of Agencies – self-contained managerial groups of operations, removed from day-to-day Ministerial intervention, operating with framework agreements setting out responsibilities, working to

business plans approved by Ministers and reporting regularly on performance. I applauded this development from the beginning. My MSC experience, of which more anon, had led to me to see how much could be achieved through such structures in terms of customer service, efficiency, effectiveness and innovation.

Into this scene was dropped the programme of privatisation. Activities deemed by Ministers to be not necessary parts of the public service were to be offered for sale to the private sector. In the Department of Employment field we had two: Professional and Executive Recruitment (PER) and the Skills Training Agency (STA). In the event, both of these privatisations proved disastrous, but for different reasons. PER was sold to an offshoot of the Maxwell empire. Some of its assets and activities continue to this day (I believe) but the jobs of all the staff have, I think, disappeared. The STA was, in the event, a management buy-out – the first example, I believe, of Government paying money to a private company (the management buy-out) to take the organisation out of the public service. It, too, failed.

When I look back on my career, this is the passage of which I am least proud and about which I feel saddest. The STA was, always, going to be a difficult organisation to manage and to bring to prosper. It carried with it too many physical assets from the past, was locked too much into training for sectors of employment in decline. But it might have overcome all that had it not been for the recession through which we have just passed. This led just about every sector with which the STA dealt to retrench, not to be looking for new trainee recruits, not to be doing anything like as much training as before.

Inside Departments, civil servants understandably watch what is happening to their former colleagues very closely. Nothing that happened from within the Department of Employment led civil servants in that Department to be enthusiastic about the privatisation programme. Not for them the share options and boardroom salaries of which we have heard so much. For them change without purpose introduced for ideological reasons by a group of people few of whom had great managerial experience or seemed to care much about the fate of individual employees concerned. And of course the Sir Humphrey of the day and his senior colleagues were the agents of Ministers: trust in us was damaged badly. Suspicion of the whole Civil Service reform programme grew.

Next followed market testing and the policy that just about every part of every Department should be market tested, in turn. Suddenly, a programme which many civil servants supported and did not regard as threatening (the Agency programme), together with one in which in their best moments civil servants were prepared to suspend disbelief (privatisation) were joined by one which threatened each and every job of every civil servant in every Department. In the course of my career I never met any civil servant who did not believe that the public service could do better, that efficiency could be improved, that customer service could be enhanced. There was never any latent opposition – and precious little explicit opposition – to the programme of development and 'reform'. But as the programme unfolded, so its credibility (and with that credibility, the support it enjoyed) began to change markedly.

To begin with, different initiatives were being taken by different Ministers from different Departmental bases. OPSS, as it is now called, was pursuing the Agency programme with enthusiasm. The Treasury was pursuing privatisation and market testing. It did not look as though the left hand and the right hand were working together. People asked what exactly they were supposed to be doing. What were the priorities? Did Ministers, many of whom had very little experience of management in large-scale organisations, really know what they were doing?

This feeling was compounded by close examination of what people were going through. For example, to become an Agency, a systematic questionnaire had to be answered. One of the issues addressed was whether or not the activity in question belonged in the public service. Only if the answer were 'no' did the Agency process continue. Various blocks of government work, for example the Employment Service, went through this. The Agency was established and launched with a fanfare. Yet soon afterwards, the comprehensive market-testing programme was announced and everything seemed in the air again. So it did, too, when a renewed commitment to privatisation followed.

It has been the programme of market testing that has done the real damage. Up until that point, the great majority of the half million civil servants in the country carried on, day to day, almost regardless of Ministers. The reason is not hard to find: they were working in that 90 per cent of public programmes and services which continue irrespective of changes of Minister or

administration. All the toing and froing, all the policies were taking place a very long way from the Job Centres, the Health and Safety Executive Offices, up and down the land. Yet suddenly, with market testing, the jobs of individuals in the Job Centre, in the High Street, were under threat – and just when the future appeared to be much more settled.

This is the true 'politicisation' of the Civil Service that has taken place and it has been and remains damaging. Usually, the debate about 'politicisation' in the Civil Service surrounds senior appointments, senior policy advisers, and suggests that they will not easily be able to give enthusiastic support to any change of administration. That, in my view, is nonsense. I am quite sure that any new administration would find, from day one, the same high quality intellectual and other commitment that any previous administration has found. But catching up and threatening your most junior clerk or front line officer in and with the ideology of any particular administration is something else. It will take a lot of care, a lot of concern, a lot of morale boosting to put right. Meantime, in my view, performance in that front line has been put at risk just when the needs of the country, economically and socially, are as great as they have ever been.

QUANGOS

I turn now to what Michael Dynes and David Walker in their book *The New British State* term 'the peripheral state: non-Departmental public bodies'. All kinds of figures are bandied about for the numbers of such bodies. But no one denies, I think, that the past few years have seen a most significant development in the creation of a wide range of new intermediary bodies, often with significant executive responsibilities, which lie, as it were, between Whitehall and the private sector, between the centre and front line delivery.

The significance of these bodies is not in doubt. Take, for example, education policies and programmes in England: – there are: Funding Councils for schools, further education and higher education; the School Curriculum and Assessment Authority; the Teacher Training Agency; OFSTED (a Department in its own right but not headed by a Minister); and there are other significant, if less noticed, bodies such as the Education Assets Board. What are we to think of this kind of development?

I want to try to answer that question by looking at the one quango which was, in many senses, a fore-

runner of them all - the Manpower Services Commission. It lasted 15 years. The Manpower Services Commission got its share of criticism in its day but I believe many people think that in those 15 years many significant developments in programmes and policies took place and many exciting innovations were seen. For example, those 15 years saw: the first serious effort to modernise the Employment Service; the most significant developments in youth training; the Technical and Vocational Education Initiative in the secondary schools and Enterprise in Higher Education in the universities; the Open Tech Programme, which gave this country a world lead in distance learning; highly innovative programmes such as the Community Programme and Voluntary Projects Programme which made a real difference to the lives of many unemployed people and the quality of life in many parts of our inner cities; and they saw far-reaching developments such as the new National Vocational Qualification system. What were the key features of that quango which allowed so much to take place so swiftly?

The first was, of course, that it had the resource in terms of finances. Rapidly rising unemployment brought a large budget. Money speaks and many people and organisations were prepared to tailor their pet projects to what the MSC wanted in order to get their hands on some of the money. But I do not believe that availability of money alone was the key to success. For that I look elsewhere.

First, the membership of the Manpower Services Commission was stipulated in the Statute. Members were required to come from and represent various customer interest groups. All members had behind them offices and staff to provide briefing and information. The offices available to the employers and the trade unionists are obvious - the CBI and TUC - but the local authority members had high calibre offices too and those representing the education service formed consultative groups drawing on all the interests in the field they represented. So all members of the MSC knew what they were talking about on any agenda item. They were well-briefed, knew what was at stake and the significance and consequences of decisions taken. They were not at the mercy of the officers of the Commission. So debates and discussions were real, well-founded, well-informed and well-prepared.

Next, the membership of the Commission represented a deliberate effort to create a partnership: of employers, trade unionists, local authorities and the

education service. That partnership took ownership of what was decided. Often there was protracted debate and discussion before it was agreed what was to be done. TVEI was the most extreme example, where it took a year of debate or discussion before anything moved. But the very nature of the discussion and of the partnership ensured that once a decision was reached, that decision could be implemented swiftly because a metaphorical (indeed tangible) space had been opened up by the process of discussion and agreement - a space in which action could take place, and programmes could be implemented.

Thirdly, because of its composition, because of the back-up, because of the partnership, the Commission felt confident enough to develop and publish long-term strategies. It was also professional enough to do so. The New Training Initiative was a prime example: three highly significant objectives were set out to be reached within a decade - a period of time stretching beyond two general elections, well beyond the problems of today and the immediate future, whether those problems were in terms of resource, constraints or current practice. Attempts were made by Government to second guess the Commission and Ministers did not always like the long-term strategy, but the fact of its existence meant that many different interests, political groups and organisations large and small could and did work together because they were able to understand and share the long-term strategic aims.

This was helped by the fact that the Department of Employment contrived a forum - the Manpower Group - which enabled the Commission, through its officers, to sit down round a table as an equal partner with the Departments of Whitehall, including the Treasury. Thus the Commission was drawn into and played an active part in policy making, formulating advice to Ministers and, in turn, being part of Ministerial decision making at a high level.

Next, the Commission was, in all its works, open. The very composition of the Commission meant that no paper could be confidential. All were available to anyone, through some channel or other, and often direct. There was no secret about who was meeting, when, to decide what, nor how the discussion had gone nor what the decision had been. Moreover, Commission members and Commission officials were endlessly on platforms in all parts of the country, or in meetings, discussing what was happening, open to question and comment.

Finally, through it all, public accountability in the narrowest (but very significant) Parliamentary sense was preserved. The Chairman was full-time and thus the Accounting Officer. The books were fully open to the National Audit Office. Members of Parliament had no difficulty getting hold of reports, getting copies of Commission papers, or getting access to officials, both through Select Committees and individually, at any time. Moreover, the membership of the Commission also ensured a wider public accountability to customer interest groups, communities and the general public throughout the land.

Those seem the tests for a successful quango:

* Is it a random collection of individuals without access to back-up or briefing and who are therefore captured by officers of the quango or are the members fully briefed by professional officers from sectors of activity or organisations those quangos' decisions affect?

* Do Ministers allow the quango the space and therefore give it the confidence to put together and publish its own long-term strategy stretching beyond the short term and the time horizons of day to day Whitehall and Westminster?

* Is the quango allowed a regular seat at the table in circles where major policy developments are formulated and discussed?

* Are the doings and deliberations of the quango open, can members of the public access papers, do they know when various topics are being discussed and what the decision of the quango was?

* Is there real Parliamentary accountability for public money: is the Chairman the Accounting Officer, can Members of Parliament get access to papers and to people, are the members and staff of the quango encouraged to appear before Select Committees? Is there a wider sense of accountability to the general public and are there channels that enable that to happen so that all concerned are really involved?

To put it mildly, some of the 'new quangos' would fail one or more of those tests, yet all seem to me to be vitally important. On the other side of the argument, however, I have only limited patience with some Members of Parliament and others who talk about lack of public accountability but do not themselves take the trouble to gain access to framework documents, business plans, published reports, etc., which are all available now in considerable profusion. Some of the comments from these quarters about lack of account-

ability of quangos are, in reality, comments on the lack of staffing resource to enable Members of Parliament and Select Committees to digest, analyse and use the documentation that is available and the opportunities there are for cross-questioning individuals about it.

CONCLUSIONS

First, the great debate and discussion about governance in this country and about Ministers, the Civil Service, relationships and structures, seems to me far too narrow. Ethics are important. I do not deny it. Values are critically important. Codes of conduct are needed. But, I believe, ethics, values, conduct are all in remarkably good shape in the Civil Service of this country.

However there are some real and serious issues which, as I look back and as I look forward, I think we ignore at our peril in this great debate. All deserve more attention. The first is that I believe that Ministers and civil servants have done the country no service by continuing, over the years, to behave, to speak and to act as if Britain was still a Great Power. For historical reasons we are a country with great influence in terms of our values. But we do not have the wealth and the resources to carry on as a Great Power and as if money is no object. And we are simply not competing adequately in a highly competitive world. Indeed, we have slipped a long way down the international league. In consequence, all things are not possible to this country - we cannot afford them. We cannot go on adding initiative to initiative, project to project. We cannot afford to keep pulling up tender plants just as they are taking root.

The reality is that, as I have said, the Social Security budget dominates and unless and until we create a larger public purse then we are all going to be in difficulty. The woman and man in the street know it. Straight talking is called for. Being honest, being realistic, bringing home some of the facts of life of not being a Great Power seem to me to be important responsibilities resting on the shoulders of the Sir Humphreys and of Ministers alike. Too often that sense of reality is not there as policies are discussed, announcements and speeches are made.

A particular aspect of this is that I believe far too little straight talking has taken place about unemployment, the future of work, and the state in which our inner cities now find themselves, with their emerging disadvantaged, impoverished, underclass. We have not focused sufficiently our programmes, policies, efforts to

tackle those problems which are real and experienced by, and feared by, so many in our country. Too often the Whitehall discussion is in terms of whether these conditions exist when we know they do or how much we have done when we know that only the surface has been scratched.

Thirdly, I believe that both Ministers and civil servants alike have consistently under-estimated the impact of new technologies on our lives. That may seem a strange thing to say given that some of the most far-reaching information technology projects have been in the public service and public sector — one thinks of some of the defence applications or Inland Revenue projects. But I do not think that we have sufficiently or imaginatively addressed what is and will be increasingly possible in the new technologies: the dramatic transformation of the workplace; the dramatic possibilities in our schools, colleges and universities; the equally dramatic possibilities for healthcare and health administration or housing; the way in which the new technologies and the capacity of optical fibre, in particular, have made so many different instantaneous channels of communication possible, with little thought given to the content of what is being communicated and of all those television channels that we are being promised. In consequence, we proceed little by little, always behind the game, in what is often the most expensive way possible, when our children are even now pointing the way to a quite new world where we could lead.

Fourthly, we should be seriously concerned about the breakdown of partnership in this country and about the way in which our changing structures and particularly the new quangos have led to a fudging of accountability with everyone able to pass off responsibility on to someone else. Too often now in education, for example, or in health there is an endless game of 'pass the parcel' between Ministers, quangos, local bodies, individual institutions.

We should also all be deeply concerned by the way the obsession of the politicians (perhaps understandable) with short-term announcements rather than long-term consistent investment programmes, with presentation rather than reality, rubs off on civil servants who, in turn, focus on words, spoken or written, rather than actions and deeds and prize analysis and criticism rather than enterprise and imagination.

Finally, as you would expect from me, I believe that we have not devoted nearly enough thought or

resource to investing in those people who are bearing the brunt of the necessity for change in all our public services today. Whether in the Civil Service itself or the Health Service, or education, or any other aspect of public service, profound changes of role, of system, of funding, have been announced. Those changes will never be successful without a sufficient investment in the education and training of the people concerned. Our neglect of that investment will come back to haunt us in the years to come.

Let me conclude, however, with words addressed to anyone contemplating a career in the Civil Service today. First, there is everything to be said for pushing on with modernising the Civil Service. It needs to be fit for the purpose tomorrow, not today or yesterday. But let the process of reform be coherent, let those concerned, Ministers or Sir Humphreys, realise that this is not a quick fix but a long-term development programme. What has happened so far and the way it has happened have made modernisation more difficult to achieve, not less difficult.

Next, there is nothing intrinsically wrong with new structures in Government and, in particular, non-Departmental public bodies. But let them not be captured by officials. Appoint members with clout and an external briefing base and constituency. Let the quangos be open. Let Ministers involve them in policy-making and have the confidence to allow those bodies to develop their own long-term strategies and publish them. Let Ministers not engage in back seat driving.

We are not likely to see changes in the hats Ministers wear because those are the hats they have to wear. Therefore it falls to all of us, civil servants and public alike, to seek to understand that complex, difficult and highly pressurised life, to help aspirants to Ministerial posts understand and prepare for the job, and to help our cause (and theirs too) by relating professionally to them and presenting our arguments and cases in terms they will understand, manage and decide.

Do not divorce policy from execution — in the Next Steps agency programme there was too much talk about that, but it can be disastrous. Those in the front line, often junior but always capable of contributing, often know far better than their seniors what needs to be done and how best to improve the quality and efficiency of services. And policy is not fine words at the Dispatch Box or on public platforms but what happens in Moss Side, in Stirling or in Bangor.

Two final words of encouragement. Remember the horse sale. Do not give up because your proposal does not find favour now. Keep it carefully and look after it. A time may well come when someone will want to buy your horse. Make sure you are ready to enter the ring with it at that time and that it is in good shape to follow you. And to not fall into the trap of thinking that you as

an individual do not count. You do. What you do and how you do it can and will influence matters small and large. Life is not a rehearsal. An opportunity can be made out of every problem. The individual civil servant is not a faceless bureaucrat, but a human being, committed and caring, passionate and professional. Long may she or he remain so.

DISCUSSION

RICHARD THRELFALL (Civil Servant, Department of Transport): Will the concept of a Civil Service career exist in five or 10 years' time? What is your view of the moves towards people being brought from the private sector into the Civil Service and vice versa?

THE LECTURER: There will still be a Civil Service, but not quite the same as it has been. There will be a trend towards people moving out of it earlier, and the way the Civil Service is currently reviewing its management structure and delayering. I think we will start seeing that pretty quickly. The world outside could profit greatly from the experience and skills of people who have been in the Civil Service. As a corollary of that, there may be people moving in. The Permanent Secretary post at the Department of Employment was the first to be advertised publicly and the job eventually went to the head of an executive agency.

I would like to see more of the approach the French have in their Ecole Nationale d'Administration, where high fliers from the public service and the private sector learn and train together so that people can move with the greatest of ease between private and public sectors.

For the majority of people there is still a worthwhile career in the Civil Service, but not necessarily a lifelong one. I hope they will think about options and moving out to other fields.

CHRIS WATERMAN (Education Officer, Association of London Government): How many Sir Humphreys get the department they want? How many current members of quangos had been captured by pressure groups, which had led to their appointment?

THE LECTURER: The Civil Service now asks people what departments they might be interested in, and the great majority of Sir Humphreys are in departments on their shortlist. If we go on advertising Permanent Secretary posts, we must assume that successful candidates are in jobs of their choice.

On your second question, I have been present at quango meetings in various capacities and I have been appalled not so much by the pressure-group capture of members as by their ignorance. In consequence, meetings are run by officers, and I

doubt whether many members understand the issues or the consequences of their decisions. Pressure groups do suggest members of quangos. I would like ministers, when choosing members, to ask what back-up they would have, and whether the back-up would be informed and professional. I would also like to continue to ask what may be an unfashionable question who, precisely, does this person represent?

CHARLES REGAN (former Under Secretary, Department of Social Security): You said that we should not divorce policy from execution, but that seems an almost inevitable consequence of the growing number of executive agencies and the division between policy at the centre and what takes place at the coalface, where the action really happens. Do you agree? If so, what is the answer to this dilemma?

THE LECTURER: I do agree. It worried me that the Next Step Agency report tried to make out that there was a policy core and there was execution, and that there could be a discontinuity between the two. To me the whole thing is a continuum. It needs two-way flow of information, ideas, and experience, with no institutional barriers.

The device I described of the Department of Employment and the Manpower Group was one way of getting round the problem. I and my senior line managers were involved in an executive agency. This drew us right into the policy debate; it allowed us to put in papers and comment, and other people could ask us questions.

It was a very dispersed and diverse group. When I was Permanent Secretary I tried hard, slightly against the odds, to keep a departmental group-wide career structure so people got experience in all parts of it. Mobility has been an increasing problem, particularly when house prices in London were so high compared with other parts of the country that it was very difficult to get people to come into a policy job and go out again.

JOHN SWALLOW (Consultant, National Association of Head Teachers): In a television programme you made clear your view that the influence of the Oxbridge sector of higher education on the Civil Service was almost wholly malign. How does that statement sit with the highly academic

education experienced by the great majority of our senior civil servants, and with your initial statement about their high quality?

THE LECTURER: I was careful to talk specifically about the induction programme for new graduate entrants to the head office of what was then the Ministry of Labour. During the first two years there were three periods - six months in total - in local offices, working alongside staff and going out and getting their hands dirty. I greatly regret the non-existence of programmes of that kind in other departments, and its disappearance in the Department of Employment. In my own case that period was critical, and without it I should have been tainted by the Oxbridge exclusive brush, as others have been.

If you discuss anything at all at a Whitehall table you can clearly see the differences between departments which have roots, branches, and local offices and those which are head-office only. The Oxbridge thing is not particularly relevant because you can be equally sheltered as a non-Oxbridge graduate. I would go on arguing for getting graduate entrants into the front line to experience life as the most junior member of the staff experiences it.

FRED JARVIS: Would it not help in the public debate you have urged if we had ministers who did not regard civil servants as bureaucrats who were a burden on society, to be reduced in number wherever possible? Can you recall any minister speaking of the Civil Service in anything remotely like the terms you used?

THE LECTURER: The answer to the second question is that I can, but it was a rare event. It is debilitating and irritating - inducing, to put it at its lowest, for politicians to make constant remarks to the effect that somehow the private sector is superior to the public, that private-sector management is more effective and efficient, that anything the civil servants can do the private sector can do better, and that we need to lose 100,000 of these civil servants.

Part of the problem is that in the modern system of politics and this applies to any party - relatively few MPs have had any kind of managerial experience in private or public sector. In any Cabinet that I can remember in the whole of 30 years, I cannot recall many people who have been in charge of multi-million pound businesses with tens of thousands of staff, and who have had to embark on change programmes and lead those people. It is serious that you can become something called a full-time politician. You are suddenly put in charge of a department, and what is the experience behind your appointment? I would like to see a lot more effort by industry,

commerce, and public-sector management to get MPs and ministers more familiar with management in the broadest sense.

JOYCE AURAM: As the Civil Service becomes franchised and privatised, what guarantee do we have that the integrity and confidentiality we have come to expect will continue? A lot of us are concerned about the immediacy of ministers' appointments. What do you feel about the possibility of an easing in, so that a new minister can get some training before he takes over the reins of his new position?

THE LECTURER: The second question is easier than the first. I do not like the prospect of an equivalent of the American handover period and period of notice, because when it is known that a change is going to be made, the outgoing person is a dead duck. That is true of Sir Humphreys as well. I liked the notion of a new minister walking in. It is enormously refreshing to have a fresh face and individual, and it must be refreshing for ministers the other way round.

When anything is franchised or contracted out there is a real problem, particularly in any area which involves personal records. It is not easily resolved, and it is one of the reasons why, although successive Secretaries of State were enthusiasts for contracting out, we always jibbed at contracting out the employment service.

DR K.B. EVERARD: What advice would you give on the most effective ways to forecast or influence the course of events?

THE LECTURER: If you want to influence events, write to your MP. If you write to the Secretary of State the letter will be passed to a higher executive officer - if you are lucky. If you write to an MP you will get a reply which is drafted at principal level and will pass through a Minister or the Secretary of State. You need to know how to get into the machine, who people are, and what will happen to anything you do. The best way to do this is to ask civil servants. They will, in general, be pleased to tell you what's what and who's who and to give you their views on the best approach on any particular topic or issue - though the reply may not be explicitly in the rather crude terms in which I presented it.

When you are trying to influence events or get something done by a Minister, think 'Have I appealed to the individual? Who is this person I am speaking to or trying to persuade?' and all the way through that to the Party and the various other influences. If you do that and consciously structure approaches, you will make a great deal more headway a great deal more quickly. Frankly, a terribly basic point is the attention span of the person you are talking to; it varies considerably.