

Independent bodies and democracy

There is a disjointed contradiction at the heart of UK politics. The major parties claim to believe in the supremacy of Parliament. In Commons exchanges Opposition parties hold the government to blame for everything that happens in the public sector, and for much in the private on grounds they could have regulated it. Ministers rarely deny collective responsibility.

Yet the major parties this century have also created and empowered more and more so called independent bodies, arguing that panels and boards of independent experts should be much better at deciding things and at spending tax money than politicians without specialist knowledge and with public opinion to please or appease. The independent bodies who often get things wrong, make mistakes and annoy people usually escape blame and shelter behind the Minister who was not allowed to interfere with the mistakes when they were making them.

One of the most prominent examples of this confusion is the Bank of England. Most MPs believe Gordon Brown made it independent. Most believe the Bank has one overriding aim, to keep inflation down. This is embodied in one simple and memorable target to keep inflation at 2%. Recently inflation hit 11%, more than five times target and more than five times the Bank's forecast a year or so earlier. Opposition politicians blame the government for the inflation. The government blames the Russian invasion of Ukraine, glossing over inflation already at 5.5% before the tanks rolled. No one seems to blame the Bank that owns the target, sets interest rates, and printed £895 bn of extra money which must have had some impact.

Take the Environment Agency. It is charged with many tasks which include both keeping us free from flooding and ensuring we have enough water. Some years ago it allowed systems to keep the Somerset levels dry to silt up with fewer working pumps. The inevitable flooding took place. Ministers had to intervene to get some order restored. The Agency was expressing a political preference for salt marsh over farms which did not reflect tradition or local residents needs.

The reassuring truth is we are still sufficiently a democracy so when an independent body annoys enough people or makes a big enough mistake politicians do usually intervene. They impose new measures or new men and women on the agency or change the way the whole thing is done. The frustration is the need to often go through a long period when a quango is visibly failing pretending not to notice, or blaming someone else with

Opposition and Ministers united in the view politicians should not interfere.

The reason our traditional constitutional theory gave power to Ministers was twofold. Often it needs a common sense decision taker to sift the professional advice, challenge the experts and decide what to follow. It also does need a specialist at what the public will accept and at what the public wants, which is what good politicians know.

Today the NHS is at the centre of political rows. It is ironic it is so, as both main parties believe in the NHS, both support its values, both give more money to it, both want the waiting lists down. The rows are mainly about results. Sometime ago Parliament set up NHS England with its own CEO, Board and well paid senior executives. All agreed the politicians should stay out of running the NHS. So who is to blame for the current high waiting lists for non urgent assessment and operations, poor labour relations, the shortage of beds and long waits for urgent treatment? The Opposition will blame Ministers and Ministers blame the epidemic, the unusually high seasonal pressures and global trends. Few ask whether the executives could have spent money better, raised staff morale, used considerable powers over grading, promotions and increments to look after staff better. The quangos seem untouchable.

If the UK wants to persist with its model of independent bodies it needs to make their CEOs, Chairmen and Governors more directly accountable. Their tenure and remuneration should vary depending on performance. Their responsibilities need to be more tightly defined. If Ministers have to run these things that is probably best done by taking them back into direct departmental control.

Jerome Powell the Head of the Fed, America's Central Bank, recently argued strongly for narrow limits being placed on how much independent power a body like the Fed should have. He sees the political imperative to keep main policies under democratic control through the Congress. He said the Fed should not be set aims to promote the net zero journey or other social objectives, as these are contentious matters that need political judgement and leadership. The Fed should stick to its economic objectives which are cross party and relate to the direct tools and expertise the body has. He is very conscious that the Fed has to earn the right to have such powers by doing a good job and avoiding straying into more disputed policy areas.

This is all good advice. It is time for the UK to review how much power these bodies wield, and to assess how well they have performed. Ministers who fail to do this stand in danger of taking the blame for the errors they have not themselves committed.