

Top Public sector management could do better

I am always disappointed though not surprised by the very different approaches taken by Private sector company Chief Executives and public sector ones when being interviewed about their organisations.

The company CEO s go on to explain how well their business is doing. They explain their passion to serve their customers better, to keep prices down and to innovate. They can manage whatever circumstances throws at them. If they are being interviewed because something has gone wrong, they apologise and tell us how it is now being put right and will not happen again. They do not blame their shareholders for not supplying them enough money or giving them the wrong instructions. They do not say the Bank manager was to blame for being too mean.

In contrast public sector CEOs often come on to tell us their service cannot manage, to say the increases in the cash they are sent are insufficient, to say they are unable to recruit the people they been asked to employ. They are rarely asked why they cannot run the service better or even what they are doing to try to improve it.

We need to encourage a can do approach amongst high paid public sector CEOs who need to grab the quality and cost problems which bedevil too many public services.

Why does government cost so much?

The costs of running government have escalated whilst the crucial outputs of more and better service have not risen as we would like. I will look at why in a number of articles.

One of the reasons is the escalation of the overhead, with more and more management and administration being recruited. Two trends this century that have spurred this process are the moves to so called independent bodies to carry out what remain as government functions, and the overlay of an increasing number of additional objectives to meeting service needs from net zero targets through diversity targets to behavioural requirements. These may be desirable in themselves but can become a conflicting overload or impediment to service delivery if not well managed. Carbon reduction targets for example can conflict with the policy need to maintain national energy security and to have more contract gas and electricity at affordable prices from reliable domestic suppliers. Wanting more legal migrants to fill jobs with a more diverse workforce can lead to greater pressures on social housing

and NHS services as the population grows.

The danger of the new models of government are that you can end up with three different managements all running the same bit of service. If we take the case of NHS England, the Ministers and officials in the Department of Health have a large paybill as if they were running the service, yet they are merely monitoring and supplying resource to the large management cadres of NHS England and the other national Health quangos. These in turn seek to influence or control the management teams of the NHS Hospital and GP trusts that actually run the service day to day. So there are three public sector layers of senior management. The NHS then contracts in a lot of its needs from the private sector, so taxpayers also end up paying for the management of drug companies, staffing agencies, private care and pharmacies who provide some of the service.

I have no issue with sensible buying in and contracting out for drugs, catering services, cleaning and other matters that are well established under Labour and Conservative governments and where the result is better quality and value. I do have an issue with three or four layers of management within the public sector and the contractors, increasing the costs of dealing with each other and increasing the likelihood of blurred accountability.

The idea that a quango like NHS England is an independent body free of Ministerial involvement is not even accepted by its advocates. As soon as anything goes wrong the Minister is called in and is usually blamed. The Minister is rightly held to account in Parliament for the scale of resource, the aims of the service and the success or failure in using the resource well. Rarely does Parliament summon the CEO of the quango and hold her to blame for failure to use resources well, failure to manage staff well or failure to deliver sufficient quality and quantity of care. It is so much easier for all concerned to blame the Minister and blame a lack of money, which of course suits the Opposition in Parliament. As a result we do not get the alleged advantages of independent management, but we do get plenty of extra cost from pretending some of the time that we have this independence and that it is better than the people in the department doing the job.

[The Immigration Minister's Replies to my Written Parliamentary Questions](#)

I find it bizarre that the government does not have an answer to this question which it can share with the rest of us. Given the high numbers of migrants welcomed into our country in recent years, it has taken considerable investment in social housing, primary and secondary schools, new surgeries and other capacity to accommodate them. The EU last decade suggested a figure of around 250,000 Euro for the set up and capital support costs for new

arrivals, given the need for homes and good quality public services.

The Home Office has provided the following answer to your written parliamentary question (92052):

Question:

To ask the Secretary of State for the Home Department, if she will make an estimate of the average capital cost of providing (a) housing, (b) school places, (c) health services and (d) transport capacity for a new migrant family. (92052)

Tabled on: 21 November 2022

This question was grouped with the following question(s) for answer:

1. To ask the Secretary of State for the Home Department, if she will make an estimate of the average cost to the public purse of providing (a) housing, (b) benefits and (c) public service capacity for a new migrant who takes a job below the average wage in their first year in the UK. (92051)

Tabled on: 21 November 2022

Answer:

Robert Jenrick:

The Home Office does not hold this information.

The answer was submitted on 29 Nov 2022 at 15:46.

[Meeting with Citizens Advice Bureau](#)

I met the Chief of the local CAB today.

He briefed me on a survey they have done about the cost of living issues.

I explained I had done a lot on this. The decisions to uprate benefits and pensions by the full high inflation rate would help people, as did the direct cash support to deal with the immediate problem

I pointed out the Welfare Secretary of State is currently consulting on how more people with no job can be helped to take one of the 1.3 million jobs still available. I offered to bring any proposals they might have to the Minister's attention .

Meeting with Chancellor of Reading University

The new Chancellor of Reading University invited me in for talks about the future of the University and his plans as Chancellor. I will not presume to summarise his thoughts as he is still consulting on the best approach.

In response to his ideas I made the following points

1. As a past entrepreneur he should play to his strengths. He could encourage more spin out businesses from Reading research. He could work in partnership with more local companies. Business can bring money, practical challenges and experience to add to University research equipment and staff insights. He could build on Reading's strengths in food science, land management and meteorology. The theme of encouraging more film and entertainment businesses to locate here could be reinforced.
2. He could increase University engagement in the local area with more joint use of facilities, more open lectures, more courses tailored to local skills needed.
3. He could fund raise especially through stronger past alumni groups to build a larger Endowment fund.

I also pointed out that as a specialist academy for farming and land management the University should not sell off all its farms for housing development.