<u>Working with the civil service- my</u> <u>Conservative Home article</u>

I do not think the present government is getting the best out of the Civil Service. The Prime Minister has a new opportunity to construct a Downing Street structure and appoint staff he trusts to help him deliver his vision.

The Levelling Up Secretary has just unveiled a wide ranging set of proposals to spread prosperity, better jobs and ownership more widely around the UK. He will need the help of the Prime Minister to mobilise the various Whitehall departments that have crucial roles to play. He needs many actions from Education and Transport, from Treasury and Health, from Trade and from Business and from several others.

Inspired by the good response to <u>my article</u> on how Downing Street worked under Margaret Thatcher, I think it might be helpful to set out how the Thatcher team worked with Whitehall to put through bold new policies that were designed to improve the prosperity and freedoms of citizens. We were able to make substantial and timely changes without major constitutional upheavals or Civil Service reform.

I was struck by a recent article by Daniel Hannan which was critical of the Civil Service. He pointed out that officials make many errors and design bad policies which Ministers get blamed for. He felt Ministers now cower before Civil Service political correctness, and are told much of what they want to do is impossible owing to the views of independent quangos, the body of law and the results of arranged polls and one-sided consultations. He argued that the Civil Service has specialised in improving its diversity of recruits, whilst ensuring there is no diversity of outlook or view.

He contrasted the successful pursuit of working vaccines by an individual brought in from outside to lead a specialist small unit to solve the problem, and the difficulties with the rest of the pandemic response that mainly relied on more traditional Civil Service people and procedures. He sees the Civil Service as internationalist, pining for Remain and in favour of a larger but not necessarily a more effective state. Ministers he concluded are there to take the blame and to be in the wrong, but often have insufficient engagement or leverage over the large staffs that work in their departments and quangos.

I know what he means, but I think many of the answers lie in the hands of good Ministers. Ministers with a large majority have the crucial power to change the law if the old laws get in their way. They can command huge resources of people, money and message. They can abolish quangos, appoint new Heads, issue clear new public instructions to them which Parliament may debate. They can ask their departments to do more of this and less of that. They have the power of the purse and of the pulpit.

When I helped Thatcher there was of course a Civil Service culture and a

controlling set of ideas within the Civil Service machine that was not the same as the collective views of the government. The official Civil Service government was not proposing Union reform or privatisation or lower taxes. It would have preferred to live with a larger public sector and older comfortable ways. It seemed to find the wind of change we wanted as abrasive. Some probably wanted it to fail to be able to say quietly it had warned us of its imperfections. Aware of this I decided on a careful course of action to implement the big idea of wider ownership, of everyone an owner. It was a popular idea that embraced many of the actions and policies that the Civil Service and Unions found challenging.

I did not suggest to the PM that she held a Cabinet, flagged up the big policy aim and challenged the Civil Service to create and use the conventional architecture to deliver it. The last thing I wanted was an overarching Cabinet Committee for wider ownership. That would doubtless have slowed and diluted what we wanted to do. It would have given critics of the whole idea a forum to debate the philosophy and sow doubts. Cabinet Ministers would have been less willing to accept individual responsibility. Instead the PM and Cabinet colleagues introduced the main ideas split by department, with the PM discussing with each of the relevant colleagues how they could pursue the key parts as stand alone ideas within their areas.

The Treasury was to lead on privatisation with John Moore, a Minister, to work bilaterally with the other sponsor departments on the relevant industries. The Treasury would mastermind the timetable and offer central resource on the preparation and sale process. The Social Security department was to lead on pensions reform, introducing personal portable pensions for the first time so people could control their own retirement savings more directly. They did so via a general welfare review to gauge demand, to seek outside views, and to reform other features of what they were doing. Norman Fowler did a great job, with no leaks as he prepared the ground for radical changes.

The Business department led on making it easier for people to set up and grow their own businesses and worked with the Treasury on tax incentives. The energy department worked on radical proposals to get more cheaper energy to fuel our businesses, introducing pro competitive policies, as well as preparing gas and electricity for privatisation. The Housing department was to hone and improve the Right to buy policies to give more people a chance to own, and to develop homesteading, shared ownership and sales of redundant public sector land to boost wider home ownership at affordable prices. The Transport department offered National Freight for sale to its employees in an exciting experiment with employee ownership as well as selling BA and bringing in more private capital to buses.

It was only when I was confident that each Cabinet member had found policies they liked and were willing to see through, and was sure the Departments would assist them, that I proposed to the PM she set out the overarching vision and tied it all together. As there was already buy in by the main departments the vision then helped. The Civil Service ensured each major privatisation we did needed individual legislation, resisting enabling powers. I decided not to fight this as we needed a measured pace of privatisations and Parliamentary process allowed a public debate and consideration of all the detail in each major case.

Today there needs to be similar commitment to levelling up department by department. Education will doubtless take responsibility for challenging targets for literacy, numeracy and qualifications. Health will need to think through how it achieves the bold aims on eradicating health inequalities by region. Transport has a major task to clear the jams and improve the trains in many places. Business and the Treasury need to give more thought to improving the UK's competitiveness so more businesses start up and more investment is attracted.

The Government's enthusiasm for more devolved power to Mayors and Councils will cut across some of the national targets and programmes and will provide a complication more than an impetus, save in the minority of places that find and back a Mayor or Council that does know how to do it and how to work with central government.

The new structures at 10 Downing Street risk being top heavy. They will need the Chief of Staff to work well with the Cabinet Secretary, the Permanent Secretary of the Cabinet Office and the Permanent Secretary of Downing Street. This weeks failure of the government machine to deliver an NHS plan in time for the PM and Secretary of State to announce it on Monday is a sign of how things need to be improved sharply.