



Public Administration and Constitutional Affairs Committee

Oral evidence: [Civil Service Leadership and Reform, HC 201](#)

Tuesday 23 January 2024

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Members present: Mr William Wragg (Chair); Ronnie Cowan; Jo Gideon; Mr David Jones; John McDonnell; Damien Moore; Tom Randall; Lloyd Russell-Moyle; John Stevenson.

Questions 51 - 101

Witnesses

I: The Rt Hon Lord Maude of Horsham, former Minister for the Cabinet Office and Paymaster General (May 2010 - May 2015), Member of the House of Lords.

Examination of witness

Witness: Rt Hon Lord Maude of Horsham.

Q51 **Chair:** Good morning and welcome to the Public Administration and Constitutional Affairs Committee. Today the Committee is holding its second oral evidence session into our Civil Service leadership and reform inquiry. We will hear from Lord Maude of Horsham, who was Minister for the Cabinet Office during the coalition Government, who led on wide-ranging reforms to the Civil Service and whose recently published independent review of governance and accountability in the Civil Service picks up on a number of areas that are pertinent to our inquiry.

Lord Maude, good morning. Thank you for coming. Might you introduce yourself for the record, please?

Lord Maude of Horsham: Good morning. I am Francis Maude. As you say, I am former Cabinet Office Minister and author of this review.

Q52 **Chair:** Thank you. As a former Cabinet Office Minister, do you regard this report as finishing unfinished business?

Lord Maude of Horsham: No. This business will never be finished. Any aspiration to achieve a perfect steady state will always be shown to be



flawed. One failing in government generally is an attempt to find perfection when, actually, what you need is continuous improvement and moving things along as flaws are discovered.

My concern when I started on this was finding how repetitive some of the critiques of the Civil Service have been over decades, going back to Fulton 55 years ago and well beyond. The question I set myself was: why, despite the best efforts of many well-meaning, capable, serious people, both in the Civil Service and among Ministers, do those same criticisms still get made?

Q53 Chair: What, if any, discussions did you have with the Government about any expectations they had about, perhaps, the terms of reference, or indeed possible findings, before accepting the commission to conduct the review?

Lord Maude of Horsham: No, I had no discussions about the terms of reference, and I understand there was a fairly lengthy process of internal discussion and negotiation before the terms of reference were finalised.

Q54 Damien Moore: Good morning, Lord Maude. Are you satisfied that you have remained within your terms of reference?

Lord Maude of Horsham: I interpreted them probably in a reasonably liberal way. For example, I have a chapter about Ministers and civil servants, which I suppose is technically outside the terms of reference, but it seemed to me that without addressing some of those issues, the tenor of the report might look like I assumed that everything that is wrong about the way we govern in this country is due to the Civil Service, which I do not believe.

Q55 Damien Moore: Thank you. We will go on to discuss your recommendations more widely in reforming the head of the Civil Service role and breaking up the Treasury. To what extent should we regard your package of recommendations as inextricably linked, or can they be cherry-picked and some taken forward and some ignored?

Lord Maude of Horsham: Absolutely. This is not a totally cohesive package of measures. The ones that seem to me to be most important are the ones contained in chapters one and two on the stewardship obligation and on the centre of government. Those are pretty closely linked together and, for me, are the key to unlocking the possibility for change. They do not make change happen in rectifying the long-established and uncontroversial deficiencies, but they would make it possible. At the moment, it is simply not possible for these changes, reforms and improvements to be made and sustained. The sustainment is as important as making the changes. I was able to make some changes in the unusual five years that I was in office with these responsibilities, but a lot of them have not been sustained.

Q56 Damien Moore: I am sure many people were waiting for the release of your report, but is there anything to read into the fact that it was



released mid-reshuffle?

Lord Maude of Horsham: You might draw a conclusion from that. I couldn't possibly comment.

Q57 **Damien Moore:** Thank you. You have noted the need for bipartisan support for addressing Civil Service governance. What, if any, engagement have you had with the official Opposition or any non-governing parties and what reception have you had from your recommendations?

Lord Maude of Horsham: I certainly consulted widely, both testing ideas and drawing on people's experience and insights. That included other UK parties. I stayed a bit clear of the whole devolution area because there are so many complexities that it would have been a big distraction. It is not that they are not important issues, but it would have been a big diversion of effort. I widely consulted and had a good deal of interest from other parties.

Q58 **John Stevenson:** You have suggested that at times the Civil Service has ignored or not carried out Government policy. On the flipside, you could have a Civil Service that is overly responsive to Ministers and policy direction. How do you guard against them both?

Lord Maude of Horsham: At the end of it, there are no absolute safeguards that prevent that. The role of the Civil Service is to give robust, well-informed and dispassionate advice to Ministers, and then, having ensured that that advice is heard—the ministerial code does not require Ministers to take the advice but it does require them to listen to advice—faithfully to implement the Minister's decisions.

Part of the problem is that there is no organised external scrutiny of the Civil Service. The Civil Service Commission, which might look like it is that regulator, is in fact not set up like that. Its independence is truncated, and in my view it is hugely underpowered in the sense that its obligation is to guard the perimeter, to defend the ramparts and to oversee external recruitment into the Civil Service, so the vast bulk of appointments in the Civil Service escape any organised scrutiny.

Q59 **John Stevenson:** On the point about decision making and the Civil Service carrying out and implementing Government policy, can anything be done to ensure that what you have said is carried out and maintained?

Lord Maude of Horsham: One recommendation I make in chapter three, maybe, is on the appointment of civil servants. We are way out of line with comparable jurisdictions in that the expectation is that the principal private secretary to a Minister who runs the office will always be a career civil servant.

I recommend that, as well as reintroducing extended ministerial offices, which had a brief existence before they were dispensed with after my time, Ministers should be able to make a direct appointment of the head



of their office, a chief of staff, like a chef de cabinet in many other systems. That person would be politically restricted and obliged to behave in a politically impartial way but would, as a civil servant, have authority to direct other civil servants. They would be the Minister's personal choice and principal loyalty would be to the Minister.

I have had brilliant private secretaries in my long and chequered career as a Minister, but anyone who has been a Minister knows that any private secretary has to have in their mind that their next job after being the private secretary is in the hands not of the Minister but of the Permanent Secretary. If you are driving a programme that is countercultural to the system, it is an uncomfortable place to be.

Q60 John Stevenson: Following on from that, you have said you have tried to avoid making recommendations requiring primary legislation, but you have already alluded to the fact that you introduced a system that, after your departure, was changed back. Isn't legislation the only way to ensure change there?

Lord Maude of Horsham: It is not essential. I gave a lot of consideration to the recommendation of the Institute for Government that a Civil Service board should be put on a statutory basis. I rejected that for two reasons. First, recommending anything that requires primary legislation is a guarantee of the long grass and an excuse to put it off forever. Secondly, it would create a changed constitutional position, which would be uncomfortable.

The ability to drive and sustain change and improvement can be achieved without that by using existing statutory powers, the Prime Minister's existing statutory power, and transparency. I believe that what is needed would be achieved by having a single, dedicated head of the Civil Service with real authority, which currently the head of the Civil Service simply does not have, held accountable for delivery of the stewardship obligation by an enhanced and empowered Civil Service Commission, which itself would report to Parliament annually on the delivery of the stewardship obligation. It does not guarantee that it will be sustained, but it will guarantee that the loss of the sustainment is not done by stealth, because it creates transparency.

Q61 John Stevenson: You also mentioned other jurisdictions, such as some similar to ours—Australia, New Zealand and so on. Which ones can we learn the most from?

Lord Maude of Horsham: You learn different things from all of them and they are all different, but they have a number of things in common. With the possible exception of New Zealand, which is a bit unusual, they all have in common that none of them has a single finance ministry—they all have a separate budget ministry—and all are better at controlling public expenditure than we are, as measured by the very broad proxy of the debt to GDP ratio, which tests over time how good you are at fiscal management. We are not good at it here. You learn different things from



different ones. I was looking for the things that they have in common that are different from us—where we are out of line with them.

Q62 **John Stevenson:** Primarily, do you think the Treasury is a good example?

Lord Maude of Horsham: The Treasury, yes. They all have some kind of commissioner. It is generally a commissioner, rather than a broad commission in the way we have, but with a much more proactive role of overseeing not only appointments but the capability. The Civil Service has no organised external scrutiny of capability.

Q63 **Mr David Jones:** Lord Maude, you recommended splitting the roles of Cabinet Secretary and head of the Civil Service. This of course was tried previously with Jeremy Heywood and Bob Kerslake, and it was not regarded as successful. What makes you think it would work better in future?

Lord Maude of Horsham: You characterise it as splitting the role. I characterise it as creating a dedicated full-time role as head of the Civil Service. Bob Kerslake was not that; he carried on as Permanent Secretary in what was then CLG. The argument was that, without being a departmental Permanent Secretary, he would lack the authority. I wish I had challenged that more. I encouraged him to become full-time, but he was reluctant to do that. At that stage, because there was so much going on, I had not got my head around the lack of formal delegation of the power to manage, which is an extraordinary lack in our system. If he had been a full-time head of the Civil Service, with his background outside central Government as an effective local government chief executive of a big local authority, and he had been given clear authority delegated from the Prime Minister to drive these kinds of changes, it could have worked. There is no guarantee that it would have worked, but it was not set up right. That is very much on me.

Q64 **Mr David Jones:** One criticism was, as I recall, that he lacked sufficient proximity to the Prime Minister. Do you agree with that? If so, how would you remedy that?

Lord Maude of Horsham: You are describing the problem as much as the solution. When we say that the only way a head of the Civil Service can get things done is by being in and out of the Prime Minister's office all the time—as the Cabinet Secretary is—it is another way of stating the problem that there is no one in charge with clear authority delegated by the Prime Minister. Someone should not need to be in and out of the Prime Minister's office to get things done. That is why it is key to have a dedicated head of the Civil Service, full time, with the right track record and the right skills—very different skills from those required in a successful Cabinet Secretary—with clear authority, transparently given.

I discovered that the only delegations you can find—it took a long time to dig this out—of the Prime Minister's statutory power to manage the Civil Service had been made not to civil servants but to Ministers in



charge of Departments, and I absolutely guarantee that no Minister has ever seen that letter of delegation, which does not issue from the Prime Minister. I bet that when you were a Cabinet Minister, you never saw that letter. The last iteration of it is alleged to have been sent out in November 2010 on the commencement of the Constitutional Reform and Governance Act, CRAG. It is alleged to have been sent out then from a deputy director in the Cabinet Office to deputy directors in the line ministries, but all anyone has been able to show me—I certainly never saw that as the Minister for the Cabinet Office at the time—was the Word document template. No one has been able to show me that the letters were actually sent, although I have seen copies of the previous iteration, which I think went out in 2004.

It is perfectly possible for there to be a clear letter—in fact, to be as helpful as I can, I include in an annex a draft of such a letter of delegation from the Prime Minister to a dedicated full-time head of the Civil Service—which would give that head of the Civil Service all the authority he or she needed to get things done.

Q65 Mr David Jones: You mentioned the need for the head of the Civil Service to have the right track record. You recommend that he or she should be an external appointment?

Lord Maude of Horsham: Not quite right, actually. That is not what I said. I said that for the next period the person appointed to this role should have spent a significant amount—I have said more than half—of their time outside the Civil Service.

Mr David Jones: It could still be an internal appointment, but you would want that individual to have had relevant external experience?

Lord Maude of Horsham: Sure. Exactly.

Q66 Jo Gideon: Lord Maude, good candidates for the head of the Civil Service role are likely to earn considerably more in the private sector. Would you pay them the market rate or how would you attract such individuals into such roles?

Lord Maude of Horsham: Pay is not the critical issue. I do not get into the issue of pay, except obliquely in the annex, where I talk about the issue around interchange and how people have gone on about this forever. I have a longish annex describing all the problems that make it hard to crack interchange, just to illustrate the need for somebody fully empowered to drive change and to be held separately accountable, other than to Ministers, for delivering on it.

For me, pay is not the most crucial issue. Somebody with a successful track record might well be attracted to this kind of role, as Sir John Manzoni was. We paid him way less than what he could command in the private sector. When we hired people to run the central cross-cutting functions, they came in at a fraction of what they could command in the private sector. What attracts them is the ability to make a difference.



Most people have some kind of public service gene lurking somewhere. The opportunity to be involved in driving change on a historic scale is appealing.

You do not need to be—in fact, you cannot possibly be—competitive with the private sector. You need not to take the mickey, if I can put it like that, and not to take people for granted, but you do not need to pay the squillions that very capable people can command in the private sector.

Q67 Jo Gideon: How would the head of the Civil Service be appointed? Given the importance of the role that you envisage, would it warrant greater pre-appointment scrutiny than a regular Permanent Secretary appointment?

Lord Maude of Horsham: Possibly. I have not given that consideration, but I do not exclude that at all.

Q68 Jo Gideon: Would they be accountable to Parliament as accounting officer for the new Department?

Lord Maude of Horsham: Yes, because the head of the Civil Service would be Permanent Secretary of what I have described as the office of budget and management. It is problematic—I have said this before—for the person holding the current role of what was CEO of the Civil Service and now COO also to be Permanent Secretary of the Cabinet Office, because the Cabinet Office is so diverse with so many diverse activities; it is so complicated that it is completely distracting for the person holding that role also to be Permanent Secretary. Indeed, when we set it up in the first place, I changed what was originally planned by Jeremy Heywood to ensure a separate Permanent Secretary continued in his role as Permanent Secretary of the Cabinet Office, while John Manzoni had a dedicated role and a much more senior role as the Civil Service CEO.

Q69 Jo Gideon: The focus on Civil Service stewardship that you would like to see would be ongoing and not confined to a single Government. Would the head of the Civil Service's responsibility for this outweigh Ministers' responsibility for their own Department's resources, and how would that tension be resolved?

Lord Maude of Horsham: There could be tension. I recognise that. These tensions exist all the time anyway, and sophisticated people in sophisticated organisations find ways of resolving them.

I do envisage one specific tension. It is unlikely that you will have conflict in direction when the head of the Civil Service requires Permanent Secretaries to deliver part of a bipartisan agreed programme of reforms and improvement. It is hard to see that anything ordained to happen would be in conflict with what Ministers are trying to do. The competition will be for bandwidth and resource. It is possible to envisage a situation where a Permanent Secretary says to his or her Minister, "I am required by the head of the Civil Service to do this as part of the stewardship obligation, but I do not have time or bandwidth to make this happen, or if



I do it, your pet project and programme will suffer as a result.” It is possible then that a Minister might believe that and go to the Prime Minister to overset what the head of the Civil Service has done.

I am clear that in those circumstances the will of Ministers must prevail. The constitutional norm requires that. In the statutory approach of the IFG, you create a real constitutional conflict at that stage, which is one of the reasons I do not favour it.

The remedy, if that tension or the conflict arises, is that the head of the Civil Service reports to the enhanced Civil Service Commission, which holds the head of the Civil Service to account for delivering on the stewardship obligation, reports back to the Civil Service Commission, which in turn reports to Parliament. Instead of a statutory remedy, you have a transparency remedy. Parliament can then hold the Government to account for failing on the agreed stewardship obligation. Does that make sense?

Jo Gideon: Yes, it does.

Q70 **Chair:** Lord Maude, you have looked to Australia and New Zealand as examples of how the Civil Service Commission might be reformed. The Public Service Commissioner in both those jurisdictions has usually been a former civil servant. Should that be the case here and, if not, why not?

Lord Maude of Horsham: I would not rule it out for all time but, given that our starting point is one where there has been no organised external scrutiny of the internal workings of the Civil Service, it would be important for the people holding those roles in the Civil Service Commission not to be former civil servants. It is important to have that external perspective.

As you know, I have recommended that the membership of this enhanced Civil Service Commission should include two former Ministers, one from each of the two major parties, to do three things. First, bringing a ministerial perspective is kind of important—it is interesting that Baroness Stuart is the first former Minister ever to be a member of the Civil Service Commission. Secondly, it will give the best possible change to bipartisan agreement about this stewardship agenda, which has to transcend the electoral cycle. Thirdly, it will provide additional safeguards against partisan politicisation of the Civil Service, which I can see some might think is a risk of some of what I recommend on Civil Service appointments.

Q71 **Chair:** You mentioned there specifically ministerial experience. Does any other source of experience lend itself to this role beyond ministerial experience?

Lord Maude of Horsham: What tends to be looked for at the moment is HR experience, because the role of commissioner is focused on external recruitment. That is fine and we have some good people, but if you are enhancing the role of the commission to be much more concerned with



overall capability, you will want people with serious executive experience in large organisations who are well capable of knowing what good looks like, spotting what is not good and suggesting remedies.

Q72 Chair: Will that enhanced role require an enhanced appointment process and what might that look like?

Lord Maude of Horsham: It might do. I do not have a strong view on that.

Q73 Chair: Further to that, you have recommended requiring a number of the commissioners to be former Ministers. In addition to the other responsibilities you have in mind for commissioners, would those former Ministers be involved in the appointments process for senior officials in the same way that commissioners are currently?

Lord Maude of Horsham: It is a good question and I do not have a quick answer. I can see the difficulty with that. You would probably want not to have the former Minister commissioner from the governing party doing that. That could raise eyebrows.

Q74 Chair: Not to dwell on the point, but do you envisage those former Ministers still being sitting Members of Parliament, MPs or peers?

Lord Maude of Horsham: They could be peers, probably not Members of the House of Commons. Anyway, I think House of Commons rules prevent MPs being members of public bodies, which this would be. Certainly, peers would be possible. You would want people of the kind of seniority who are likely to be in the House of Lords.

Q75 John McDonnell: Can we talk about the centre of government now, Francis? You really had a go here, didn't you? Do I have it right? Let us look at what has been reported to us. Your model would be to consolidate the Cabinet Office as secretariat, the Whips' Office and the offices of the leaders of the Commons and Lords and combine that into a Prime Minister's office. Then, having done that, you then propose the new office of budget and management through taking on a number of Departments and the Treasury.

The Government have indicated that they will not adopt your recommendations for reconstituting the centre of government in that way. Why? To what extent does this undermine the impact of the changes that you recommended overall?

Lord Maude of Horsham: I am confident that at some stage something along the lines of what I have recommended will come into place. I do not claim that what I have written is of the same sort of stature as the Northcote-Trevelyan report, but it was 16 years between the publication of Northcote-Trevelyan and its principal recommendation being adopted. The implementation of Civil Service reform has a very stately rhythm. I include this splendid quote from the Fulton Committee report, "We have found no instance where reform has run ahead too rapidly".



Q76 **John McDonnell:** The Chair is a fan of Bagehot. I think you need to sit down and have a conversation.

Departments are responsible for how they are run, and they are held to account for that. How will the establishment of an office of budget and management impact how those Departments are held to account? How would that be strengthened?

Lord Maude of Horsham: It would create real-time accountability. The coalition Government introduced some elements of what we then called functional leadership and what I now call the functional model. The cross-cutting functions—procurement, commercial, IT and digital, property, HR, project leadership and so on—were more strongly led from the centre with quite a strong mandate to provide real-time visibility into what was happening in the Departments at the implementation point.

The Treasury hated this. It runs absolutely counter to its theology, which is that you give a Department a budget and it is done by negotiation, broadly, and as long as a bit of spending is covered by a budget line, it is fine—go ahead and do it. Sometime afterwards, the National Audit Office might look at it and say, “This was not good,” and the Public Accounts Committee might fulminate about it, but it is all in arrears and there is no real-time accountability for the quality of public spending. That seems to me a pity. It is not how any big organisation in the private sector would operate.

I have noted that the Labour Party are talking about—if they win the next election—operating with broad missions, which inevitably cut across departmental silos. They will not be able under the current arrangements to create cross-departmental budgets because the Treasury theology forbids it. I am told—I heard this only after I had, finally, thank God, finished this review and handed it in—that Gordon Brown, who was one of the most politically powerful Chancellors in recent history, had tried to create cross-departmental budgets and thought it was happening, but it wasn't. The Treasury just killed it.

I am not saying that doing what I recommend institutionally will remedy it, but it is a hell of a lot easier if you have an office of budget and management that combines the oversight of public spending with the central functions, with a mandate to look across the Government at how money is spent. It would be a lot easier to create some kind of rational approach to broad programmes.

Otherwise, you get what has been happening with the current Government, which is constantly redrawing the boundaries between Departments to find some combination that fits a broader programme. You create a Department of Energy and Net Zero because net zero is big and important, but you will never combine in one Department everything needed to deliver net zero. That needs numerous Departments. It is a vain attempt to create order. When you rearrange departmental boundaries, you just give people an alibi for not doing anything because



they are still moving the deckchairs around and are unable to create proper task-based budgets and project leadership.

New Zealand has done some interesting work on this. New Zealand is a bit different. It is small and compact and Ministers all work together in this Beehive building. It is easier for all those reasons.

I did not come up with remedies on this because that was literally outside my terms of reference, which were put in by the Treasury, which takes the view that no one should be allowed to look at arrangements that the Treasury is responsible for except the Treasury. I found it strange that a review of governance and accountability should exclude from the terms of reference the governance and accountability for the spending of public money, which is a reasonably large part of what a Government does.

Q77 John McDonnell: Well, you tried. I have a couple of points of detail for debate. How would the office of budget and management be held to account to the Department?

Lord Maude of Horsham: There would be a Minister, who would be answerable to Parliament. The Minister would be a combination of what I did—the Minister for the Cabinet Office and the Chief Secretary—and be held to account by Parliament in the normal way.

Subsequently—and it took a long time for this penny to drop—one reason we got as much done as we did in the coalition Government was precisely that it was a coalition Government. The Chief Secretary worked closely with me and understood the agenda and was committed to it. As a senior Liberal Democrat, he had his own personal and political authority and was able to operate much more like an independent budget Minister than would be the case in a single-party Government, where the Chief Secretary is very much the subordinate of the Chancellor.

I know what happens because many years ago I was Financial Secretary to the Treasury. If the Treasury does not like what you are doing as a junior Minister—as the Chief Secretary is—it will go behind your back to the Chancellor, who has a million and one other things going on, and say, “What Francis Maude is trying to do will create Exchequer risk,” which is the phrase they always use, and it gets stopped. Danny Alexander was willing, when necessary, to override his officials in a way that would have been much harder in a single-party Government and, of course, officials knowing that were much less willing to disrupt and frustrate what we tried to do.

It still baffles me why the Treasury was so resistant to our programme, which saved the taxpayer cumulatively £52 billion from the running costs of the Government.

John McDonnell: He lost his seat, didn't he?



Lord Maude of Horsham: He did, and he was not alone in that. We have all suffered that. Well, not all of us, but I have certainly suffered that fate.

Q78 **John McDonnell:** On the issue of probity and the role of the accounting officer, you did not go as far as recommending that Ministers be given the authority to relieve their Permanent Secretaries of their accounting officer role. Is the accounting officer role, as currently constituted, an impediment to a stronger centre of government?

Lord Maude of Horsham: It need not be—only if it is used as a protective mechanism to defend the silo, but it needn't. For example, the Scottish Government operates a full functional model and, effectively, the head of the Civil Service is an accounting officer, and the heads of the individual Departments are sub-accounting officers. I am not sure exactly how it works, but they have solved that problem perfectly satisfactorily.

Q79 **John McDonnell:** Are there any risks about probity if it is not the responsibility of the head of the Department?

Lord Maude of Horsham: I wrote a piece in which I do not make recommendations, but it was a slightly discursive and reflective piece thinking about what you need in the leadership of organisations. You need a combination of dynamism and caution. The accounting officer is not required to be the Permanent Secretary, but it does have to be a senior official. It is worth exploring whether, when a Minister has a particular programme of reform that requires big change to be taken through, the official head of the Department—the Permanent Secretary—should represent the dynamism and the accounting officer, as the caution, should be secondary. That would be not at all uncommon in the corporate sector.

John McDonnell: A long stop?

Lord Maude of Horsham: Yes. If you go down this path, you want to enhance the role of the deputy. I was reasonably specific about how you might enhance the role. If you have an enhanced and empowered Civil Service Commission, there is ultimately a safeguard.

I have always said that the right to ask for a written direction from a Minister is underused. It is treated as nuclear and relationship-destroying. It should be much more routine. We should be much more open about these things. Ministers should be much more confident about saying why they think that, despite the advice given, this is the right thing to do.

Q80 **Tom Randall:** Lord Maude, you have recommended more stringent processes for internal Civil Service appointments. Could you outline your concerns about the way these are currently conducted?

Lord Maude of Horsham: There is no transparency at all. There are a number of things. First, it is quite extraordinary that people are free to



apply for any job anywhere in the Civil Service regardless of business need. Obviously you cannot prevent people from applying for and taking a job outside the Civil Service and that can be inconvenient, but business need is the most important thing. What are our requirements? No other organisation would tolerate somebody in charge of an absolutely crucial role being free to take a job in another part of the same broad organisation. That would not happen. Of course, you want people to have interesting and varied careers and to develop in the right way, but it should be much more managed. This idea that people are free to apply for whatever job takes their fancy is eccentric. It has changed since I was first a Minister in the 1980s.

Q81 Tom Randall: Why should Civil Service involvement in the appointment of function heads be limited when it is the civil servants who have to work with them?

Lord Maude of Horsham: This need not always be the case, but all these functions need capability built up across the system. You are relatively unlikely to find the ability to gauge the technical credibility and technical authority that someone coming in requires.

I will be blunt—and I was reasonably blunt about this in the review—and say that when recruiting from outside, there is too strong a tendency to recruit for conformity. When you appoint someone to be, say, chief digital officer, chief commercial officer or whatever, you want them to be capable of disrupting constructively. Too often, if the recruitment process is dominated by career Whitehall civil servants they tend, probably unconsciously, to exclude the disrupters. That is a problem. You do not want everyone to be a disrupter, but you want some.

Q82 Tom Randall: If you want change in the Civil Service, is bringing in disrupters the only way to achieve that?

Lord Maude of Horsham: No, it is not the only way. It is necessary but not sufficient.

Q83 Tom Randall: Are externally appointed disruptors the only way to get that necessary disruption in?

Lord Maude of Horsham: Again, it is not the only way. When I came back into government, after an extended sabbatical of 18 years, I found that the Civil Service was blander than it had been. There was more obvious diversity, and that is good and I support that, but there was less cognitive and personality diversity. There were fewer a bit quirky, eccentric and maverick people. Again, you do not want them all to be like that, but you want enough of that. That has been a problem.

Too much of the recruitment of people is outsourced. Senior leaders in the Civil Service do not give it nearly enough attention. I was struck when I visited Singapore years ago as Minister and talked to the then public services commissioner, which was a part-time job. In Singapore, they select 80 school leavers every year and put them through top



universities around the world. The payback is that they guarantee to do eight years in the Civil Service. The public services commissioner told me that he personally interviews the 300 top candidates to select 80. That is dedication to an understanding of how important it is to find the right people in the right way to get the right overall mix. Here, recruitment into the fast stream was outsourced. We know that a lot of these processes can far too easily end up excluding. You want to reduce the field by excluding outliers rather than look for the right overall blend. You want some outliers. You want that very broad diversity.

Q84 Tom Randall: You have recommended allowing Ministers, subject to certain criteria, to make direct appointments to critical posts. What limits should there be on posts that are deemed to be critical? How would you define that?

Lord Maude of Horsham: I do not get into that level of detail. I am conscious that this is quite a controversial area, and I will get attacked for wanting to politicise. I do not want to politicise. No capable Minister wants to politicise the Civil Service. You want people who are good.

This would be pretty limited, but again I stress that the safeguard here is the involvement of the Civil Service Commission. When overseeing recruitment, it sees its job as ensuring that the best candidate is selected, but that assumes that there is some objective way of working out who the best candidate is. The view of a Minister on who is the best candidate may not be the same as the view of a civil servant on who is the best candidate, which is why, in those circumstances, the merit role of the Civil Service Commission should be to ensure that this person is genuinely capable of acting politically impartially, capable of doing the job to the level and capable of operating effectively in the Civil Service environment, which does not mean conforming to every eccentricity and every foible of the Civil Service.

When we make public appointments, the role of the interviewing panel is to decide whether a candidate is appointable. It is then for the Minister to choose. I envisage something a bit similar here, but with the Minister much more able to put forward their own candidates, to be part of the interviewing process—only at the most senior level is that considered possible—and to have their own personal representative oversee a selection process.

Q85 Tom Randall: Even if the concerns about politicisation can be overridden, do these proposals risk a personalisation of the Civil Service, with ministerial patronage overriding merit? Should that be a concern and how would you deal with that possible criticism of it?

Lord Maude of Horsham: It is a possible criticism, but your phrase was “personal choice overriding merit”. I envisage the commission ensuring that the candidate is of sufficient merit. It is a bit of a fiction that you can objectively decide the best candidate. These are all human judgments.



My point is that in some roles the critical human judgment is the Minister's.

This interlinks with what I say about Ministers as well, which is that there should be much less churn among Ministers. Ministers have little credibility complaining about churn in the Civil Service when there is so much churn among Ministers.

Chair: A moot point. Ronnie Cowan?

Q86 **Ronnie Cowan:** Thank you, Chair. You have recommended reintroducing extended ministerial offices. There was not a great uptake last time you did this. Is your new offering different?

Lord Maude of Horsham: A bit different. It was very much a compromise. No. 10 was not 100% enthused by what we proposed last time, so we had a requirement that someone in an extended ministerial office was required to have a link to No. 10 to create some visibility on implementation. That was a compromise. The other compromise was, in negotiation with the Civil Service Commission at that time, the First Civil Service Commissioner being a career Whitehall civil servant. It was not the perfect environment in which to launch this idea. The principal difference is my recommendation that Ministers should be free to make a direct appointment of a chef de cabinet type of chief of staff.

Q87 **Ronnie Cowan:** The criticism in the past has been that creating these offices might inflate the number of SpAds. Have you addressed that?

Lord Maude of Horsham: Already ministers are able, which is welcome, more or less directly to appoint policy advisers, which have to operate politically impartially, in their offices. A lot of this has been achieved.

I do not have a problem with SpAds, but SpAds have proliferated because Ministers are so unable to build around them teams of their choice. Inevitably, the role of SpAds is limited because they cannot give instructions. They can task civil servants with producing pieces of work, but they cannot give direction on behalf of a Minister, in the way that a principal private secretary can because they are a civil servant.

I suggest that Ministers should be able to bring in, with the involvement of the Commission to oversee, someone who is their personal choice as the head of their office, appointed as a civil servant and therefore politically restrained—as such a person would not be in Australia, New Zealand or Canada; I am not sure about Ireland—and able to direct civil servants.

Q88 **Ronnie Cowan:** You previously introduced a five-year fixed term for permanent secretaries. You now recommend that the entire senior Civil Service be placed on four-year fixed-term contracts.

When I read this, my immediate reaction was: why? You have people working in the Civil Service, working hard, keeping their noses clean,



being impartial and getting promoted. They will get to a level where they will be put on four-year fixed-term contracts, which will make their lives more precarious for getting loans and long-term planning. What is the incentive for someone in the Civil Service to get to that stage?

Lord Maude of Horsham: People want to do public service. That is why they go into the Civil Service.

This was a decision. It looks like a new recommendation, but it is not. This was a decision made by Tony Blair in 2004. I imagine it was agreed by the head of the Civil Service at the time and it was announced in a big speech he gave that all senior civil servants in future would be appointed for four-year fixed terms. It never happened.

I am not suggesting anything revolutionary. I am suggesting simply that a decision made by a former Prime Minister should, some 20 years later, be implemented.

Q89 **Ronnie Cowan:** Presumably, it did not happen for some reason.

Lord Maude of Horsham: It did not happen because the Civil Service did not want it to happen. That is perfectly obvious.

Q90 **Ronnie Cowan:** If they have worked that hard to get to that point—I remember previous examples when people working in technical roles would get to the point of being promoted into managerial positions and would not take them on because, in technical roles, they would get paid for their overtime; in managerial roles, which looked good, they would lose out. It is not just an overtime issue. A civil servant, not just a senior civil servant, will have worked all those years to get to where they are, and you are now saying that you will put them on a four-year fixed-term contract. Can you see how that disincentivises them?

Lord Maude of Horsham: I see all that. I assume that all these matters were dealt with when the decision was made 20 years ago. I am simply recommending that a 20-year overdue decision might now be implemented.

Q91 **Ronnie Cowan:** What is the problem with trying to resolve that rather than putting in a four-year fixed-term contract?

Lord Maude of Horsham: More accountability was the essential thing. Most civil servants do not stay in their roles for as long as four years. It would be good if they did. I do not suggest for a second that that cannot be extended, and in many cases it would be.

Also, I know the concern that someone might be a bit coy about giving robust advice to Ministers if they are coming toward the end of their term. In a strong, confident Civil Service, if someone in that position rubbed up a Minister the wrong way and the Minister decided they should not remain in that role, you would imagine that the Civil Service managers would say, "This person absolutely exhibits the values and



capabilities we want in good civil servants,” and make sure they are looked after and put into another job where they can be effective.

Honestly, some of the concerns about this are a bit lacking in confidence. What we want are strong, confident, well-informed civil servants who are able to give robust advice and are better supported to deliver advice that may not be what the Minister wants to hear. Ministers need to be better trained—and I have some reflections on this—and better supported, partly to be more self-aware and partly to be better at hearing what they may not want to hear. These are, potentially, difficult relationships and people on both sides need to get better support in managing those relationships because they are important.

Q92 **Ronnie Cowan:** You have answered my next question. If I slightly backtrack, is there still a danger here because of the disparity in private and public sector pay? It being a four-year contract, somebody might want to jump to a better paid job with a permanent contract.

Lord Maude of Horsham: Yes, I do see that. I absolutely see that. I deliberately did not get into all the issues around pay. I merely observe in passing that we have a completely absurd situation in this country—it goes back to what I was saying about the centre of government—where effective, holistic workforce planning is impossible because pay is dealt with in the Treasury, but the size, shape, composition and capability of the Civil Service is dealt with somewhere else. Exactly the kinds of issues you are talking about that need to be dealt with holistically.

You might want to say that if people move on to a fixed term, there is some compensation for the possible insecurity, but to run these things completely separately makes effective planning impossible.

Q93 **Lloyd Russell-Moyle:** Following up on that point, Lord Maude, I want to push a bit on Ronnie’s argument. You said earlier on that pay was often not the main motivator for people to come to or work in the Civil Service, but other sets of packages become motivating factors. Permanency is one. I want to push Ronnie’s point a bit more on this. Is there a danger that you might make some of the elements more fragile and so, as Ronnie said, people will start looking away? Have you calculated that risk, or do you think it is worth a punt to see?

Lord Maude of Horsham: I assume that these matters were all carefully considered in 2004.

Lloyd Russell-Moyle: Assumptions are sometimes dangerous, though.

Lord Maude of Horsham: I recognise the point. You would not want to do it in isolation. You would want to do it as part of a different approach to improving capability in a whole lot of ways.

Q94 **Lloyd Russell-Moyle:** I know that unions have talked about wanting to have better harmonisation across the Civil Service of pay structures and contracts. That might be a win-win.



In your recommendation, you do not say that officials' advice should be published. It is in New Zealand, and it is in other areas. However, you have said here today that you think civil servants should use written directions more often, which tend to end up—while not publishing the advice—highlighting in public that there has been a disagreement. The problem with a written direction is it makes it look like there has been some huge fundamental argument if the advice is not published alongside it, so that the public can see it was actually quite a trivial thing, but the civil servant required a written direction on it. How do you square not publishing advice but wanting more written directions?

Lord Maude of Horsham: I did not say I want more. I want it to be less dramatic. That is how I put it. I was quite tempted to recommend publishing advice and I think we will probably eventually get there, but it is a big leap to get from where we are to there.

When I was in the Cabinet Office, I tried to get through a requirement that, when a decision is announced, the data and the evidence on which the decision is based should routinely be published. The coalition Government ran an aggressive open data programme. We released huge amounts of data, which was recognised—international bodies said at that stage that the British Government was the most open in the world. But we tapped into a rich vein of creative people across the Government finding reasons why it should not happen: national security, commercial confidentiality, legal reasons. The last resort was always. "Well, Minister, the quality of the data isn't very good. We need time to put it right," to which the answer is, "Publish it. You will find it gets better quite quickly." A good first step is to require the data and evidence to be published routinely as a matter of course for scrutiny. I recommend also that the quality of advice should be externally audited.

Q95 **Lloyd Russell-Moyle:** This is equivalent to a research excellence framework in a university, where periodically you do an assessment.

Lord Maude of Horsham: Yes, something similar.

Q96 **Lloyd Russell-Moyle:** It is bureaucratic. I have been in universities when we have done the research excellence framework and the predecessor. It is quite a bureaucratic exercise. People end up siloing into what the REF looks like and requesting, particularly in silos in university departments: universities have an international development strand, and they make sure their research fits into that strand so that it can be assessed properly, for example.

Is there a danger that you have these assessments and, as with all things, you teach to the test and end up creating civil servants who think about how they will perform on the excellence framework rather than how they will provide the best advice here and now?

Lord Maude of Horsham: I imagine, at the end when this review happens, the reviewer would request some examples of policy advice from Ministers as well as the policy heads in the Civil Service. I am



thinking of something reasonably quick and dirty that looks at the quality of the data and the evidence you have used and the quality of the analysis. I have heard Ministers complain about the quality of some of the advice they have been given. To scrutinise the quality of the work other than just by a Minister is a discipline.

Q97 **Lloyd Russell-Moyle:** That is interesting. Every year the arms control unit publishes a selection of its decisions—the rationale, the country focus and the outcome. It does not publish the data. The data is published somewhere along the line, but it produces a report about the arms control unit and the advice it has taken. Are you suggesting something like that, periodically publishing highlights?

Lord Maude of Horsham: Yes. I have not thought all this through, but it feels like there will be examples of an approach that is not overengineered or bureaucratic, as you suggest, with reduced opportunities to game it—something fairly light touch but nonetheless real, not taking up every flagstone to examine what goes on everywhere.

Q98 **Lloyd Russell-Moyle:** That makes sense. You have said that you think in time we probably will get to the stage—as in New Zealand—where advice or some parts of the advice are published. In the meantime, without that transparency and without the transparency beyond a written direction, is there a continued danger that Ministers blame officials for things that are their fault or vice versa, even?

Lord Maude of Horsham: Sure. That is a risk, and it happens at the moment. A better way to address it is to give Ministers more ability to influence appointments. Their lack of control or truncated control over who their civil servants are gives Ministers carte blanche to criticise civil servants. However, if they are able to put in place the people for the roles that they regard as critical who reflect their choices, their moral ability to blame them is probably not excluded but reduced.

Q99 **Lloyd Russell-Moyle:** Yes. We have a semi-system of appointments around Ministers. We have the SpAd system, which is not uncontroversial sometimes in how it plays out. Your recommendations about Ministers and special advisers seem to implore behavioural change rather than requiring it or formalising that relationship.

How far is this a reflection of the lack of importance attached to the way that Ministers need to work and us trying to change the Civil Service rather than changing the quality of our Ministers?

Lord Maude of Horsham: It is a review into the governance and accountability of the Civil Service. Ministers and special advisers are outside my scope. Given that some of what I say can be read as being critical of the Civil Service, I want it to be clear that I do not regard all the problems with how we are governed as the fault of the Civil Service and the way the Civil Service is set up. The Civil Service's setup and governance have fundamental problems, but I address other issues as well in those reflections and observations.



Q100 **Lloyd Russell-Moyle:** If Ministers potentially appoint to their private office and other key posts, does the role of the special adviser reduce or disappear, or does it become more accountable within a framework of the private office?

Lord Maude of Horsham: It does not disappear or particularly reduce. Other government systems similar to ours regard the small number of people solely appointed by Ministers as eccentric. It is 100 or so across the Government. They think that is weird. My recommendations reduce the need.

The system is far too established for it to be worth trying to change it. Having people on the public payroll who are not politically restricted is essential to a Minister's efficient operation. You can make Ministers more effective by, in this controlled way I have outlined, making them able to appoint people directly into their private offices.

Q101 **Lloyd Russell-Moyle:** They do not rely on the SpAd to do all their trusted heavy lifting. Their private office can do some of it. Then the SpAd can do what they are meant to do, politically advise, rather than doing political dog's work or political fixing.

Lord Maude of Horsham: Some around here—from an even older vintage than me—believe that a SpAd should provide specialist advice. We have slightly addressed that by the policy advice provider. My approach on critical posts and so on would start to address that as well. Special advisers certainly are not there just to give political advice, but they need to give advice politically and to do media handling, which is of a different order of magnitude than it used to be.

Chair: Thank you, Lord Maude. That concludes our questions this morning. We are grateful to you for coming and for your review, indeed, which we have read as a Committee. It forms a valuable part of our own inquiry, which we are conducting. Once again, thank you very much indeed.