

Paul Holmes MP
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The Civil Service: Alternative Visions for the Future

The Liberal Democrats believe that the Civil Service must be politically impartial at every level, from the highest rank of Whitehall mandarins to the staff at the front desk who deal with policy implementation and service delivery.

This has been a fundamental principle of the British Civil Service since the Northcote-Trevelyan Report of 1854. Giving evidence to the Select Committee on Public Administration in 2004, Paul Tyler – then a Lib Dem MP and now a peer, argued that it is “essential that civil servants should be responsible ultimately to Parliament, not merely to the government of the day. This should guarantee accountability – through elected representatives – to the public, and also ensure equality of access for those representatives. The UK local government tradition of accountability and access is a much better model than the US emphasis of politicalisation, with major changes in each change of administration.”¹

Sir Robin Mountfield, formerly Permanent Secretary at the Cabinet Office, told the Government in response to its consultation, that Civil Service principles “have been under increasing pressure for some years” from governments of both main parties. He gave a number of examples, including allegations that in the early 1990s there was Ministerial influence on senior Home Office appointments, and says that there are “strong and disturbing signs” that “civil servants are increasingly excluded by Ministers and special advisers from the crucial stages of the policy formulation process” which reduces “the extent to which policy proposals are subjected to rigorous analysis and impartial challenge”.

According to Sir Robin, the conclusions of the Butler Inquiry show that civil servants were drawn into “prejudicial relationships with Ministers and political advisers” in the months before the war with Iraq.

The Liberal Democrats fully supported the Civil Service Bill drafted by the Public Administration Select Committee in 2004. In the same year the Liberal Democrat Lord Lester of Herne Hill introduced a Private Member’s Bill that put forward similar proposals, including reform of the royal prerogative. In our General Election manifesto we committed ourselves to introducing a Civil Service Act to act as a barrier to politicization, and protect the independence and integrity of the Civil Service. We then cemented this commitment at our Federal Conference in September. Such legislation is vital to “protect and enhance the independence of the professional civil servant – as a public rather than a political servant – in the face of the unprecedented party pressure currently experienced.”²

¹ Memorandum by Paul Tyler CBE MP, to Select Committee on Public Administration, 2004

² Memorandum by Paul Tyler CBE MP, to Select Committee on Public Administration, 2004

Maintaining the impartiality of the Civil Servant is one major issue. Other fundamental issues however are the size, efficiency, quality of service delivery and value for money offered by the Civil Service. There cannot be any case for standing still and saying this is how it must always remain.

In looking at Civil Service reform we have to ask *firstly* are there some functions which must be delivered by public servants for reasons such as impartiality, accountability, equity of service delivery, or state and public security? In short, are there areas which require a public service ethos rather than a profit motive - in the way that the police or armed forces clearly do? Where there are such services we must constantly review how effectively they are being delivered – taxpayers' money is in short supply and there are many other good uses to which it can be put. Where there are better ways of delivering the service – such as relocation from London or using outside expertise and providers - these moves must be evidence based and with regard to the principles I have already laid out. First let's look at:

1. Real value for money and not spurious efficiency savings based on macho headcount cuts and spurious reliance on call centres and flawed software - that either don't work, or deliver a worse service in reality.
- Liberal Democrat Shadow Chancellor Vince Cable argued in a recent pamphlet that "the headcount target approach to public services reform is crass and probably counter-productive. Numerous private corporation managers have tried to impress their shareholders in this way. However, the experience has often been that useful but humble frontline staff get the sack while top management remains insulated from cuts or rewards itself for leading the process. The fundamental flaw in the 'headcount' approach is that it puts the cart before the horse; downsizing government while avoiding the question of what government should do less of. At best, such reforms can cut inefficiency and raise productivity but they can also diminish the quality of service as is currently happened in the DWP."³
- My local Citizen's Advice Bureau contacted me just this week to tell me how developments in the delivery of public services are worsening problems both for local people and advice workers. For example:
 - o Saying "we have seen severe financial hardship resulting from communications difficulties and mistakes" resulting from dealing with distant telephone call centres.
 - o Or -"The Child Support Agency, which for Chesterfield is administered in Belfast, continues to cause serious problems for many people."
- The use of the private company EDS to provide the information technology systems for the Child Support Agency, at a cost of £1/2

³ *Public Services: Reform with a Purpose*, Vincent Cable MP, Centre for Reform, 2005

billion to the taxpayer, has proved disastrous. New figures obtained by Liberal Democrat Shadow Work and Pensions Secretary, David Laws MP show that the CSA have made 35,558 payments for maladministration, some worth between £10,000 and £50,000, since December 2001.

Despite this abominable track record the DWP has renewed EDS's contract saying that, in line with Gershon efficiency recommendations, they will be saving money.

- The Government's technological efficiency 'improvements' at Jobcentre Plus have resulted in the installation of a new computerised call system to which one in three callers are unable to get through. People are also waiting for up to six weeks to get benefits because processing centres, who are suffering as a result of efficiency staffing cuts, cannot keep up with the workload.⁴ And while meeting Rethink in Chesterfield a constituent with mental health problems told me how she ended up smashing the free-phone at Jobcentre Plus on the desk in frustration at trying to cope with talking to a remote call centre instead of to a real person face to face.
- Frontline cuts to the Pensions Service staff would mean fewer Pensioners accessing Pension Credit and remaining in the one and a half million who currently live in poverty as a result.
- Earlier this year Atos Origin, the private company contracted by the Government to conduct medical examinations for benefits claimants, announced the imminent closure of 24 Medical Examining Centres across the country, including both of those in Derbyshire – in Derby and Chesterfield. Anne McGuire explained that these closures were being made to achieve "improved standards of service and better value for money for the taxpayer".⁵ The closure of Derbyshire's centres would have forced those claiming benefits to travel as far as Sheffield, Nottingham or Manchester if they required a medical assessment. Being unable to work due to illness or incapacity is difficult and traumatic enough without having to travel long distances to remote assessment centres. Following intensive lobbying by MPs, union representatives and the local interest groups, the decision to close Derbyshire's examining centres has been reversed. However, the effect of the Government's efficiency savings will still be felt deeply by vulnerable people across the country who attend the 11 centres that are still being closed.

2. Accountability

- I recently wrote to Health Minister Rosie Winterton regarding the closure of a wing at a day hospital in my constituency. By way of reply she stated that "NHS Foundation Trusts are now directly accountable to their local communities and to Parliament. Ministers and Department of Health officials are no longer involved in the day to day

⁴ BBC research

⁵ Letter to Paul Holmes from Anne McGuire MP, 12 June 2005

management of Foundation Trusts, which have independent status within the NHS.”⁶ So accountability in fact gets lost as Ministers no longer give answers and relevant organisations plead commercial confidentiality.

- The same was apparent during my 4 year battle to hold the Learning and Skills Council to account while on the Education and Skills Select Committee.
- To cut 50 jobs the DTI considered privatizing its export control organization –a move that was thankfully abandoned following an effective campaign by the PCS. Hiving off the unit would have affected the accountability of the export licensing process, hindered confidential information sharing between states on arms transfers and given rise to potential conflicts of interest. A report by ASE management consultants, commissioned by the government and released under the Freedom of Information Act, warned that a decision to place the organisation in private hands may have even required a change in the law.⁷
- In December the Government published its plans for introducing contestability to the Probation Service⁸. The Government’s plans will fragment the Probation Service, leading to less co-operation within the criminal justice system and, as Charles Clarke has acknowledged, resulting in the ending of a national and local Probation Service.⁹ The Liberal Democrat Shadow Home Secretary, Mark Oaten, is a key supporter of an EDM – also supported by John McDonnell - that “urges the Government not to franchise or privatise all or part of the tasks of the National Probation Service.”¹⁰ The Government fails to provide evidence to substantiate its claim that these proposals will reduce the current appalling 60% re-offending rate. Meanwhile Private Prisons have to reveal only a fraction of the information that Home Office run prisons are required to produce.

3. Impartiality in delivery of service

Could also be a problem with more outsourcing and privatisation. For example various Faith Groups have some beliefs which would discriminate against sectors of the population (women, gays, single mothers, those seeking pregnancy and contraceptive advice and services). How can this be squared with the need for providing impartial services to all if Faith Groups take on more of a role in, for example, delivering DWP or Health services?

⁶ Letter from Rosie Winterton to Paul Holmes, 29 October 2005

⁷ <http://www.guardian.co.uk/armstrade/story/0,10674,1508479,00.html>

⁸ *Restructuring Probation to Reduce Re-offending – NOMS consultation document*, October 2005
<http://www.probation.homeoffice.gov.uk/output/Page308.asp>

⁹ Judy McKnight, General Secretary, NAPO, <http://www.poptel.org.uk/scgn/articles/0511/p9a.htm>

¹⁰ EDM 1090 ‘National Probation Service’

In conclusion, the Government has determined that contestability and the introduction of competition between public, private and voluntary sector providers, through market based mechanisms, is the principle that should underpin public sector reform in its third term. It is driving forward its principle of competition and contestability, without evidence that it will improve performance, without consultation and without paying due attention to the success or otherwise of the wholesale outsourcing of public service contracts to the private sector.

Liberal Democrat vision for the future of the Civil Service

The Liberal Democrats want to see a Civil Service that operates efficiently, productively and to the highest standard, and whose impartiality is valued and protected. We do believe that the Civil Service and its functions cannot be a fossilised entity – frozen in time – because ‘this is how it has always been.’

The pursuit of value for money, such as relocation out of expensive London locations where possible, makes sense. Making more use of effective and proven organisations like the Shaw Trust to help disabled people into work is a major plank of the Liberal Democrat Welfare to Work policy that I wrote as Shadow Minister for Work and Pensions. Lib Dem policy is to close down much of the DTI because we think many of its functions are unnecessary and the money can be better spent elsewhere.

But, reform of the Civil Service should go hand in hand with a Civil Service Act. We need to maintain a Civil Service that is not only efficient but democratically accountable and impartial.

And we must not go down the Government road of random 20% staff cuts and reliance on distant call centres and failing computer software, which make service delivery much worse rather than improving it. Any change must be justified, evidence based and proved to work. Not based upon an electoral contest to outbid the Tories and please the Daily Mail.