

## The Maude report: institutional fixes for political problems

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*Cat Little today takes over as Cabinet Office permanent secretary at a time when how the centre of government operates is the subject of much debate. One recent report, overseen by former minister Francis Maude, was commissioned by the government and then shelved as soon as it was published. **Max Emmett** argues that it largely suggested institutional fixes to political problems and that successful reform will require strong ministerial support.*

### Introduction

[The Independent Review of Governance and Accountability in the Civil Service](#) is not a plan for civil service reform. The report's author, former Cabinet Office Minister, Lord (Francis) Maude of Horsham, was explicit at a [event hosted by the Institute for Government](#) that the report should not be understood as an attempt to fix the problems of the civil service, but contains recommendations for the preconditions needed for effective and long lasting change. Whilst Maude outlines a number of critiques of the civil service – its closed culture, reliance on generalists, churn and emphasis on policy over implementation, among others – his recommendations generally do not focus on solving these specific problems.

What the Maude report aims to do is to provide both diagnosis and solutions to why these problems, well known and longstanding as they are, have not been effectively dealt with in government. The report highlights ineffective leadership and accountability for the civil service, in particular for the reform agenda, and an institutional centre ill-equipped to manage it. The proposed solutions include major reforms to the centre of government. Many of the functions of the Cabinet Office and the Treasury would be merged into a new Office of Management and Budget with the remaining cabinet support functions folded into an expanded Prime Minister's department and the Treasury's economic policy and tax raising functions remaining in a smaller more economy-focused department. The new Office of Management and Budget would be led by a permanent secretary-level civil servant who would act as the Head of the Civil Service and be responsible for driving forward the reform agenda. The Cabinet Secretary would lose their Head of the Civil Service role and retain their position as the most senior civil service advisor to the Prime Minister.

Maude's report was commissioned by the government on the back of the [Declaration on Government Reform](#) in June 2021. It draws on significant engagement with civil servants and politicians in shaping its recommendations. It is also clearly shaped by Maude's own experience in reforming the civil service. From 2010 to 2015 Lord Maude led on civil service reform as Minister for the Cabinet Office. The period saw significant reforms including the development of cross-cutting government 'functions' that aimed to improve civil service expertise in essential areas such as commercial, property, digital and project management. These provided new avenues for career progression and were given central leadership and standards based in the Cabinet Office. These were

significant successes at the time, but Maude is clearly concerned with what he sees as the failure to continue to push for further reform in these areas and, in some cases, areas of backsliding, including on transparency and efficiency savings.

Maude's frustration with the pace and lack of sustained engagement with reform is understandable. However, the proposals in his report fail to reflect sufficiently on the successes of his reform agenda and attempt to provide institutional solutions when what is fundamentally lacking is the political leadership on civil service reform in the post-Maude era.

### **Who is needed to lead civil service reform?**

One of Maude's key recommendations is that the role of the Head of the Civil Service be split from the role of Cabinet Secretary and that the former should be in charge of an Office of Budget and Management, from which they would oversee the long-term civil service reform agenda and influence both public expenditure and cross-cutting government functions. Maude also suggests that, for at least the next 10 years, the Head of the Civil Service should be recruited externally to bring in best practice from outside government. The report is right to argue that under the current model the Cabinet Secretary cannot effectively manage the reform agenda in addition to their other duties. Similarly, the Prime Minister, as nominal Minister for the Civil Service, cannot engage in civil service reform in a sustained manner, and clear and explicit delegation of that role is needed.

Maude errs in thinking that this reform agenda can be effectively led by a civil servant without significant political weight from a reforming minister behind them. It will likely require significant pressure for ministers to allocate time and resources to departmental reform rather than protecting their operational budgets and pet policies. It is hard to see ministers and permanent secretaries swallowing this argument if it comes from an unelected bureaucrat, rather than a senior Cabinet colleague. Since Maude's five-year stint at the Cabinet Office there have been 12 ministers for the Cabinet Office, with several having the EU exit negotiations as their primary focus, or the job of effectively deputising for the Prime Minister across a range of responsibilities. It is unclear how a moderately enhanced role for the civil servant leading on reform would resolve the problem of a lack of sustained political focus.

The lesson that future governments should learn from Maude's reforms during his time in government is that a minister with significant stature should be put in the Cabinet Office early with an eye to a continuous improvement agenda for civil service reform. Labour currently has a number of senior figures in the shadow Cabinet Office team and should plan to have one of them take the lead on its reform agenda, for at least the next parliament. They should be supported in this role by a permanent secretary level appointment (although not a head of department) who acts as a lead for the functions and an advocate for the reform agenda within government. This role (along with the heads of specific functions) could be filled with someone from outside the civil service who can bring a fresh perspective. However, Maude underrates the distinctive function of the civil service and it is important that the ultimate leadership of the civil service is

provided by someone with significant experience of working there, and an understanding of its style of leadership.

Splitting the Head of the Civil Service function from the role of Cabinet Secretary risks critically weakening the Cabinet Secretary's role. Whilst the Cabinet Secretary cannot provide close leadership for the reform agenda, they should have the authority to oversee key changes, particularly where these relate to critical government priorities. They also need to maintain first-amongst-equals status with other permanent secretaries so that they can provide leadership and a brokering role on cross-cutting policy agendas and inter-departmental disputes. Leaving them as only the lead official in the Office of the Prime Minister risks them becoming seen as an ambassador for the Prime Minister without distinctive authority of their own. They should also retain their line management function of other permanent secretaries (although may continue to delegate where necessary) to ensure they retain responsibility for ensuring the current policy agenda is delivered effectively across government. Permanent secretaries should also be held to account for their operational and internal reform programmes, both internally by the functional leadership (including the proposed permanent secretary leader) and externally by parliamentary committees, the National Audit Office and the Civil Service Commission, the last of which Maude would also like to see reformed.

### **Splitting the Treasury**

Similarly, the splitting of the Treasury's budget management functions from its economic and taxation role is a solution without an entirely clear mechanism for success. The level of control exercised across government by the Treasury, often on the basis of short term or somewhat superficial analysis, is clearly a problem. A split Treasury has been [advocated by a number of people from across the political spectrum](#), but how this will solve the problem is often unsaid, as is why improvements cannot be successfully implemented within existing Treasury structures. This is not to say that a divided Treasury could not be successful; as Maude notes in the report, it is the norm in many Westminster-style systems. But a divided Treasury will not in and of itself solve the problems of short-term decision making. Given that such a move would cause significant disruption within central government, a stronger and more complete case needs to be made for such a major piece of institutional reform.

Harold Wilson's government split the Treasury in the 1960s, creating a Department for Economic Affairs, but the new department was short-lived, and suffered from a lack of political clout after its inaugural Secretary of State, George Brown, left the role. This demonstrates the risk of an institutional arrangement that fails to achieve political buy-in. Maude's proposals talk relatively little about the role of his proposed Minister for Budget and Management, but this would have to be a figure of significant stature, both to negotiate budget settlements with departments and to secure funding from the Chancellor. The current essentially hierarchical structure between Chief Secretary, Chancellor and Prime Minister should, when working effectively, allow the government to balance budgetary, economic and wider governmental priorities. Recent experiences of the New Labour and coalition years suggest that this relationship can be very effective and, whilst many would disagree with the choices those governments made,

the Treasury was an effective part of achieving government objectives. A fragmented institutional setup would require significant coordination and good interpersonal relationships between the Budget Minister, Chancellor, and Prime Minister. Whilst not directly proposed in the report, Maude's focus on reducing public expenditure means he is perhaps more sympathetic to the results of fiscal gridlock than is perhaps generally agreed on. The institutional changes proposed by Maude do not move us past this problem and indeed empower a third player in this relationship. The proposed Treasury split should not be dismissed out of hand, but the government needs to have a clear idea of how such a split would support its overall political agenda and decide who would be responsible for driving this change. To do so without such a plan risks significant upheaval and bitter turf wars between the new departments.

## **Conclusion**

The report is a significant piece of work that both government and opposition would do well to read closely. It contains sensible recommendations about departmental boards, collective decision-making and ministerial and Special Adviser training and accountability. The principal recommendations on reform of the centre come out of an entirely legitimate and understandable frustration with past failures of the civil service reform agenda. However, the proposed reforms attempt to provide institutional solutions for what are essentially political problems. It is unclear whether they could overcome the inertia of the civil service when it comes to reforms without significant political weight behind them. When in office, Maude provided the necessary leadership to make progress. The job is certainly far from finished, but this is a task that needs to be taken up by the next generation of ministers. The key lesson the next government should learn from the report is the value of having an experienced minister with a long-term interest in reform continually pushing to create a government that can best serve the public good.

## **About the author**

**[Max Emmett](#)** is a PhD researcher in Political Theory at UCL. Their research focuses on the functions civil servants perform in policymaking in a democratic system.