



House of Commons
Public Administration Select
Committee

Smaller Government: What do Ministers do? Further Report

**with the Government
Response to the
Committee's Seventh Report
of Session 2010–12**

Fifteenth Report of Session 2010–12

*Report and appendix, together with formal
minutes*

*Ordered by the House of Commons
to be printed 25 October 2011*

HC 1540
Published on 31 October 2011
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

The Public Administration Select Committee (PASC)

The Public Administration Select Committee is appointed by the House of Commons to examine the reports of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England, which are laid before this House, and matters in connection therewith, and to consider matters relating to the quality and standards of administration provided by civil service departments, and other matters relating to the civil service.

Current membership

Mr Bernard Jenkin MP (*Conservative, Harwich and North Essex*) (*Chair*)
Nick de Bois MP (*Conservative, Enfield North*)
Alun Cairns MP (*Conservative, Vale of Glamorgan*)
Michael Dugher MP (*Labour, Barnsley East*)
Charlie Elphicke MP (*Conservative, Dover*)
Paul Flynn MP (*Labour, Newport West*)
Robert Halfon MP (*Conservative, Harlow*)
David Heyes MP (*Labour, Ashton under Lyne*)
Kelvin Hopkins MP (*Labour, Luton North*)
Greg Mulholland MP (*Liberal Democrat, Leeds North West*)
Lindsay Roy MP (*Labour, Glenrothes*)

Powers

The powers of the Committee are set out in House of Commons Standing Orders, principally in SO No 146. These are available on the Internet via www.parliament.uk

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pasc>.

Committee staff

The current staff of the Committee are Martyn Atkins (Clerk), Charlotte Pochin (Second Clerk), Alexandra Meakin (Committee Specialist), Paul Simpkin (Senior Committee Assistant) and Su Panchanathan (Committee Assistant).

Contacts

All correspondence should be addressed to the Clerk of the Public Administration Select Committee, Committee Office, First Floor, 7 Millbank, House of Commons, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5730; the Committee's email address is pasc@parliament.uk.

Contents

Report	<i>Page</i>
Smaller Government: What do Ministers Do? Further Report	3
Conclusions and recommendations	6
Appendix: Government Response	7
Formal Minutes	14
List of Reports from the Committee during the current Parliament	15

Smaller Government: What do Ministers do? Further Report

1. We reported to the House on *Smaller Government: What do Ministers Do?* in our Seventh Report of Session 2010-12, published on 10 March 2011 as HC 530. We have now received the Government response to that report, which we find disappointing.¹

2. In our initial report we found that many Ministerial activities were unnecessary and could properly cease, giving Ministers more time to focus on the key strategic decisions required to be taken in their Department: a reduction in the overall number of Ministers could help in this process of prioritisation. We considered the merits of establishing a principle of “redirectory responsibility” to indicate that Ministers were no longer directly responsible for functions of government over which they exercised no direct control. We found that the smaller centre of government inherent in proposals for the “post-bureaucratic age” would require fewer Ministers, and therefore recommended that a review of Ministerial numbers be undertaken by no later than midway through this Parliament. All Departments, including the territorial departments of state, ought to be subject to structural review at Ministerial as well as official level. We also reinforced the recommendations of our predecessor Committee on the value of specific training for Ministers.

3. We considered that the circumstances of the Coalition government did not create any increased workload which could be used to justify any increase in Ministerial posts. We recommended an amendment to the House of Commons Disqualification Act 1975 to reduce the upper limit of the number of Ministers in the House of Commons in line with the reduction in the size of the House of Commons when that reduction takes effect in 2015. We also considered that the Ministerial and Other Salaries Act 1975 (MOSA) should be treated as imposing an absolute cap on the number of Ministers, and that the practice of appointing unpaid Ministers over the MOSA cap should cease. We recommended greater use of the Whips to undertake Parliamentary business in the Commons, and found that the Government did not need as many Parliamentary Private Secretaries (PPSs) as it has at present: the present number of PPSs in the House reduces the effectiveness of the House in its role in calling the Government to account.

4. The Government has set its response to our Report in the context of the action which it claims already to have taken on Ministerial costs, namely a five per cent reduction in pay for all Ministers and agreement to the reform of Ministerial pensions. The Government agrees with our argument that Ministers should re-evaluate their working methods in the face of pressures to reduce public expenditure, and accepts that “activity does not always equate to achievement, nor is effectiveness the same as efficiency”.

5. We welcome the Government’s recognition that unnecessary reshuffles which have a detrimental effect on Ministerial effectiveness should be avoided. We note with approval that the vast majority of Ministers have been left to settle into their responsibilities. We also

¹ The Government’s response is printed as an Appendix to this Report.

welcome the positive response of the Government to our recommendation – reinforcing the recommendation of our predecessors in the 2005 Parliament – that there should be more systematic training, mentoring, coaching and assessment of Ministers.

6. We are nevertheless disappointed with the Government’s response on the substantive issues. While promising careful consideration of our recommendations and constant review of Ministerial numbers and functions, there is little to indicate the Government intends to change anything.

7. We are particularly concerned that the response has failed to engage with the central challenge of our proposals: that, since the Government has increasingly sought to decentralise and reduce the direct responsibility of Whitehall for service delivery, there must be a fundamental review of the role and tasks of Ministers in relation to these responsibilities.

8. We commented on the issue of Ministerial and Civil Service responsibility in our recent report on Civil Service reform, *Change in Government: the agenda for leadership*, where we concluded:

The convention of ministerial accountability and the Whitehall departmental structures derived from the Haldane Report at the beginning of the last century have, on the whole, stood the test of time. However, in light of the radical devolution of power and functions proposed by the Government, it is timely to consider the development of a new Haldane model to codify the changing accountabilities and organisation of Government. We invite the Government in their response to this report to explain how they will take forward this work or how the existing model remains relevant in these changed circumstances.²

9. We expect the Government, in its response to our report on *Change in Government: the agenda for leadership*, to demonstrate that it has given greater consideration to the questions of Ministerial responsibility raised by its programme for change in the public services than it appears to have done in the response we consider here.

10. We fundamentally disagree with the Government’s response on the role of Parliamentary Private Secretaries and their effect on the function of the House of Commons as a check on the Executive. An increase in the proportion of members on the Government side of the House who are bound, by convention, to support Government policy in the lobbies and elsewhere or to resign reduces the number of backbenchers who are willing and able, as a matter of routine, to examine Government policy in an objective way. The Government’s view of the benefits of Parliamentary Private Secretaries to the Parliamentary process is not one we recognise. We are not persuaded that in practice many PPSs actively seek to bring a backbench perspective to bear on the development of Government policy: their true purpose is to provide additional support for the Government in the House, in pursuit of their own Ministerial careers in most cases.

² Public Administration Select Committee, Thirteenth Report of Session 2010-12, *Change in Government: the agenda for leadership*, HC 714, para 93

11. We maintain our recommendation to the Government to undertake a specific, fresh review of Ministerial numbers by the mid-point of the present Parliament. Only through undertaking such a review can the Government genuinely claim to be reshaping the role of government at all levels.

Conclusions and recommendations

1. We expect the Government, in its response to our report on *Change in Government: the agenda for leadership*, to demonstrate that it has given greater consideration to the questions of Ministerial responsibility raised by its programme for change in the public services than it appears to have done in the response we consider here. (Paragraph 9)
2. We maintain our recommendation to the Government to undertake a specific, fresh review of Ministerial numbers by the mid-point of the present Parliament. Only through undertaking such a review can the Government genuinely claim to be reshaping the role of government at all levels. (Paragraph 11)

Appendix: Government Response

What do Ministers do?

The Government welcomes the Committee's interest in the role and appointment of Ministers, continuing that of their predecessor Committee whose report 'Too Many Ministers' (Ninth Report of Session 2009-10 HC 457) gave this Government considerable food for thought when making appointments in May 2010. The Government currently has 121 Ministers, including 95 in the Commons, and is keen that they perform their roles effectively and flexibly, rising to the challenges of the day particularly in the light of the necessary impetus to reduce the deficit.

As soon as it was elected, this Government acted decisively to reduce the costs of Ministers by agreeing a five per cent pay cut for all Ministers, and agreeing to reform Ministerial pensions. This demonstrates the Government's commitment to reduce the cost of the Ministerial payroll, and sets the context for the response to the Committee's recommendations.

Responses to the Committee's recommendations are set out below, grouped together where this is helpful. The Government will continue to keep this issue under review as the Minister for Political and Constitutional Reform, Mark Harper MP, set out in his evidence to the Lords Constitution Committee on 3 November 2010.

1. The Government's drive to reduce public expenditure is forcing all public servants to re-evaluate the way they work; ministers should be no exception. Like the rest of the public service ministers will have to find ways to do more with less. Currently ministers engage in unnecessary activities and take too many low level decisions. Some activities ministers engage in gain little from having a minister conduct them and they could cease. This would provide ministers with more capacity to focus on the important tasks and provide them with the time necessary to give them proper detailed consideration. Ministers must focus on the key strategic decisions that need to be made in their department. Having fewer ministers, so that they have to prioritise on their core responsibilities, could help bring about this change in culture. (Paragraph 31)

Ministers in a 'Post-Bureaucratic Age'

4. The Government has set out a radical agenda for the reform of public services which focuses on decentralisation and moving responsibility for service delivery to a local level. While ministers will be required to implement these changes, a smaller centre that is not directly responsible for delivery will require fewer ministers. (Paragraph 55)

5. To realise the Government's aspiration to reduce the number of ministers we recommend that, following the introduction of these reforms, the Government conduct a fresh review of ministerial numbers by midway through this Parliament. We expect this review to identify scope for significant reductions. If this does not happen we will interpret this as a sign that the Government has failed in its ambition to devolve real power and responsibility to local communities; a central tenet of its Big Society agenda. (Paragraph 56)

Ministers and departmental structures

6. We recommend that as departments adapt to meet the requirement for a reduction of a third in their administration budgets, the continuing existence of ministerial posts as well as those of officials should be within scope of the restructuring plans. This should include examining which departments could be merged together to reflect their decreased responsibilities. Similarly, the Government's review of ministerial numbers should focus on functions rather than posts. It is essential to identify those tasks of Government which need to be fulfilled and then allocate ministerial posts as appropriate to carry them out. What must be avoided is the patronage-driven route of creating posts and then allocating tasks to keep the officeholder occupied. (Paragraph 64)

The Government agrees with the Committee that the drive to reduce public expenditure is forcing all public servants to re-evaluate the way they work, and that ministers should be no exception to this.

The Government agrees that activity does not always equate to achievement, nor is effectiveness the same as efficiency. As the Committee acknowledges there are a vast number of demands upon a Minister's time and a range of expectations about how they should spend it. A Minister will need to constantly juggle the demands of Parliament, constituents, the Department and stakeholders and each part of this balancing act will have a different assessment of where a Minister should be most successfully devoting their time.

As the Government made clear in its response to the Committee's previous report on this issue, the Government agrees that the number of Ministers should be dictated by need, and that this was, and continues to be, carefully considered in making ministerial appointments.

As the Committee recognises, this Government has set out a radical agenda for the reform of public services, and Ministers will be required to implement these changes. The Government will continue to keep under review the size of Government, and will carefully consider the Committee's recommendations as it does so.

Accountability

2. This inquiry has not identified a perfect solution to these questions around ministerial accountability but one possibility would be for the Ministerial Code to make explicit reference to "redirectory responsibility" as a legitimate aspect of ministerial accountability in the context of a more decentralised state. This would militate against the contemporary practice in governments from all parties to remain answerable for many functions for which departments no longer exercise direct control. (Paragraph 42)

The Government notes the Committee's recommendation but is not persuaded that the Ministerial Code needs to be amended to make explicit reference to "redirectory responsibility". It believes it is right that Ministers remain ultimately accountable to Parliament for the decisions and actions of their Departments as set out in the Ministerial Code. Since the Committee's report, the Government has published the *Open Public Services* White Paper (CM 8145) which sets out the Government's commitment to

decentralise power to the lowest appropriate level. The Government believes this approach – which seeks to be clear about the circumstances in which Ministers have a direct responsibility from the matters for which they remain obliged to give an account – strikes the right balance and provides Parliament and the public with reassurance that Ministers remain properly accountable.

Parliamentary Scrutiny

3. Following the implementation of the Government’s proposals to devolve responsibility for public service delivery to local communities we would invite the Procedure Committee to re-examine the rules surrounding the content of Parliamentary Questions to ensure that they reflect new realities about responsibility and accountability for service delivery. (Paragraph 48)

The Government notes the Committee’s recommendation, which is for the Procedure Committee to consider and take forward.

Ministers and departmental structures

7. We also recommend a serious look at the Whitehall Departments of State for Scotland, Wales and Northern Ireland (subject to the special circumstances of the security consideration in Northern Ireland) in particular to ensure that political structures in Whitehall reflect and reinforce Parliament’s clear intentions, expressed in legislation, to devolve power and responsibility. (Paragraph 65)

The number and functions of Ministers and Departments is kept under review by the Prime Minister in order to reflect changing priorities and circumstances. The Secretaries of State and Ministers for Scotland, Wales and Northern Ireland do an important job representing their countries’ interests in the UK Cabinet and wider Government, and promoting the UK Government’s interests in Scotland, Wales and Northern Ireland. The number of Whitehall Departments is generally consequent upon the Prime Minister’s decision as to what Secretary of State roles he considers should be appointed. The Government is committed to working with the devolved institutions on the basis of mutual respect and there are currently no plans to change the roles of the three territorial Secretaries of State.

Ministerial effectiveness

8. The UK Government is thus distinctive not only for having a relatively large number of ministers, but also ministers who are unspecialised in the areas for which they are responsible and for which they may have responsibility for only a short space of time. This lack of continuity in government departments can only serve to undermine ministerial effectiveness. Prime Ministers should resist the temptation to hold regular, extensive reshuffles. (Paragraph 70)

The Government agrees with the Committee that a lack of continuity in government departments can impact on ministerial effectiveness, and the Prime Minister is keen to avoid unnecessary reshuffles. Many of the skills necessary to be an effective Departmental Minister do not hinge upon specialist subject knowledge. As the Committee flagged earlier in their report a Minister’s time is limited and needs generally to focus on the key strategic

issues rather than the minutiae of decision-making. Also important in the Government's view is the availability to Ministers of expert advice through the civil service and other channels where appropriate, and Ministers' ability to take decisions based on this evidence.

Training and Guidance

9. We endorse the recommendation of PASC in the last Parliament that there should be more systematic training, mentoring, coaching and assessment of ministers. While we concur with the scepticism expressed that it is impossible for any training or induction to prepare a minister for all the challenges that he will facing during his time in office, this does not mean that such training is useless, merely that its limitations should be understood. The purpose should be to help them identify areas of their performance where they can improve. This should not be seen as criticism of current ministers' performance, merely an acknowledgement that everyone, including ministers, can always find ways to be better at their job. (Paragraph 79)

The Government welcomes the Committee's views on this issue, and their conclusion that the purpose of training should be to help Ministers identify areas of their performance where they can improve rather than being seen as a criticism of their performance. Ministers are encouraged to undertake relevant training, which starts with induction with more specific training to follow as necessary. The Government expects Departments to consider individual Ministers' induction needs on their appointment, and that this should include, as well as background briefing on policy issues, expectations of being a Minister. Departments should be open to discussion about the Minister's expectations of the Department and the Minister's own assessment of what further guidance and support he or she may need.

Ministers in a coalition

10. We are not persuaded by the argument that coalition government requires additional members. All parties are coalitions of different viewpoints so there will always be a need to reconcile different positions within Government when formulating policy. The normal mechanisms for cabinet government should be sufficient to deal with these challenges. The existence of the Coalition should therefore not provide any justification to increase ministerial numbers on the grounds of increased workload. (Paragraph 87)

11. Even if the Coalition does create additional work, this is not work that would justify the appointment of additional ministers. As studies of other countries with experience of coalitions has shown, Special Advisers and senior civil servants can perfectly adequately perform the consultation and co-ordination tasks created by a coalition. (Paragraph 90)

The Government agrees that the number of Ministers should be dictated by need and on this basis has carefully considered all appointments made. Managing the Coalition is one extra criteria alongside the many considerations which a Prime Minister would take into account. Each appointment is carefully considered to ensure the total number is appropriate to meet the demands of Government business. As this response will outline in more detail below the Government will keep under review the number and functions of Ministers.

Although coalition government does necessitate some different ways of working, it has not resulted in an increase in ministerial numbers as compared to the previous Administration.

Parliamentary Voting System and Constituencies Act

12. It is important to understand not only how the number of ministers in the House of Commons is set but also why they are set at their current level. Prime Ministers and their Chief Whips have every incentive to increase their patronage over those who determine the progress of legislation. The temptation to create more and more ‘jobs for the boys’ (and girls) is not conducive either to better government or better scrutiny of legislation. A further increase in the proportion of MPs who are ministers does not reflect the Coalition’s stated objective of “strengthening Parliament.” (Paragraph 98)

13. We agree with our predecessor Committee that the Ministerial and Other Salaries Act 1975 should be regarded as setting an absolute limit on the number of ministers. Government should not appoint unpaid ministers if this results in them having more ministers than envisaged by the Ministerial and Other Salaries Act. (Paragraph 99)

14. Furthermore, in line with the Prime Minister’s desire to reduce the cost of politics, and following the decision to reduce the number of MPs, the Government needs to legislate for a corresponding reduction in the upper limit for the number of ministers. This should be done by reducing the upper limit for the number of ministers who can sit in the Commons as set out in the House of Commons Disqualification Act 1975. These changes should take effect in 2015, when the reduction in the number of MPs also comes into force. (Paragraph 100)

Further Reductions

15. We believe that adherence to the MOSA and modest reduction in the limit set by HCDA should only be the start of the process. For the reasons we adduce in this Report, we believe there is scope for much greater reductions. Therefore we repeat the recommendation made in our original Report that, over the course of this Parliament, the total number of ministers should be reduced to 80 shared between the Commons and Lords. (Paragraph 103)

The Government is grateful for the Committee’s views on these issues. As the Committee knows, the Government has been clear that it wants to strengthen Parliament, and to look at the issue of the size of Government and the balance between the two Houses in the round. It would not for example be appropriate to only consider the limits in the Ministerial and Other Salaries Act 1975. To this end, the Government will keep the number of Ministers under review particularly in the light of its proposals on House of Lords reform and changes to the number of Parliamentary constituencies.

However, the Government believes that a reduction to 80 ministers shared between the Commons and the Lords over the course of this Parliament as suggested by the Committee is unlikely to be a realistic aspiration.

Using the Whips

16. There is scope for greater use to be made of Whips in the performance of some Parliamentary duties, such as responding to adjournment debates. This would be a better use of resources and provide scope for ministers to focus on their other tasks. (Paragraph 108)

The Government agrees that Whips make an important contribution in the performance of Parliamentary duties, and departments will consider this in light of their individual circumstances. As evidence to the Committee noted, there are more examples of Commons Whips responding to adjournment debates on behalf of their Departments. This practice has some benefits but the Government's strong preference remains that the key accountability to Parliament should be through departmental Ministers.

Ministers outside the Commons

17. It is important that ministers who are not Members of the elected House can be answerable to the Commons. This would allay any concerns that Secretaries of State [who] have been appointed from the House of Lords can avoid legitimate scrutiny by the elected Chamber. We believe that the pilot of having Lords ministers answer questions in Westminster Hall, as previously recommended by the Procedure Committee, should be conducted as soon as possible. While there is no urgency, as no Secretary of State currently sits in the Lords, this provides an opportunity to try out new arrangements in a less politically charged environment. (Paragraph 112)

The Government agrees with the Committee that it is important for Members of the Upper House to be answerable to the Commons. Previous Secretaries of State who have been appointed from the House of Lords have agreed to give regular evidence to House of Commons Select Committees, and the Government would expect to support this commitment if this were at any point to become relevant again.

Proceedings in Westminster Hall are a matter for the House itself, and for the Backbench Business Committee.

18. The issue of Lords ministers cannot be considered without acknowledging the likelihood of future reforms. If the Government proposes, and Parliament agrees, to create a wholly or partially elected Upper House it will have to think both about how it distributes its ministers between its two Chambers, and how democratically elected representatives can hold ministers to account, regardless of which Chamber they were elected to. We encourage the Government to consider all these issues as it develops its policy on Lords reform. (Paragraph 114)

The Government notes this conclusion, and agrees with the Committee that the role of Ministers in the Lords is a relevant issue. The Government published its proposals in a White Paper and draft Bill on 17 May. Parliament has now set up a Joint Committee to provide pre-legislative scrutiny of the Government's proposals.

Parliamentary Private Secretaries

19. We do not believe that the Government needs as many PPSs as it currently has. They perform few functions of real value; the few they do could easily be performed by others, notably the Whips. We recommend that only Secretaries of State should be allowed to appoint Parliamentary Private Secretaries and that the Ministerial Code be amended to limit PPSs to one for each department. (Paragraph 125)

The Government notes the Committee's recommendation, but does not agree that the appointment of Parliamentary Private Secretaries to both Secretaries of State and Ministers of State means that Parliament is less able to hold the Government to account. The Government will continue to keep under review the number of Parliamentary Private Secretaries. However, the Government believes that Parliamentary Private Secretaries perform an important role in the parliamentary process which in many ways is beneficial to Parliament as they are able to bring the backbenchers' perspective to bear on the development of Government policy and contribute to the smooth running of the House. Parliamentary Private Secretaries are not on the Government payroll, and there are limitations on what they can and cannot do within a department. Cabinet Ministers and Ministers of State may currently appoint Parliamentary Private Secretaries, but they provide support to all the Department's Ministers.

Formal Minutes

Tuesday 25 October 2011

Members present:

Mr Bernard Jenkin, in the Chair

Charlie Elphicke
Paul Flynn
Robert Halfon
David Heyes

Kelvin Hopkins
Greg Mulholland
Lindsay Roy

Draft Report (*Smaller Government: What do Ministers do? Further Report with the Government's Response to the Committee's Seventh Report of Session 2010-12*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 11 read and agreed to.

Summary agreed to.

A Paper was appended to the Report as an Appendix.

Resolved, That the Report be the Fifteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 1 November at 10.00 am

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2010–12

First Report	Who does UK National Strategy?	HC 435 (HC 713)
Second Report	Government Responses to the Committee's Eighth and Ninth reports of Session 2009-10	HC 150
Third Report	Equitable Life	HC 485 (Cm 7960)
Fourth Report	Pre-appointment hearing for the dual post of First Civil Service Commissioner and Commissioner for Public Appointments	HC 601
Fifth Report	Smaller Government: Shrinking the Quango State	HC 537 (Cm 8044)
Sixth Report	Who Does UK National Strategy? Further Report with the Government Response to the Committee's First Report of Session 2010-11	HC 713
Seventh Report	Smaller Government: What do Ministers do?	HC 530
Eighth Report	Cabinet Manual	HC 900 (Cm 8213)
First Special Report	Cabinet Manual: Government Interim Response to the Committee's Eighth Report of Session 2010-12	HC 1127
Ninth Report	Pre-appointment hearing for the post of Parliamentary and Health Service Ombudsman	HC 1220-I
Tenth Report	Remuneration of the Parliamentary and Health Service Ombudsman	HC 1350
Eleventh Report	Good Governance and Civil Service Reform: 'End of Term' report on Whitehall plans for structural reform	HC 901
Twelfth Report	Government and IT — "a recipe for rip-offs": time for a new approach	HC 715-I
Thirteenth Report	Change in Government: the agenda for leadership	HC 714
Fourteenth Report	Public Appointments: regulation, recruitment and pay	HC 1389