THE OFFICIAL HISTORY OF
THE BRITISH CIVIL SERVICE

Rodney Lowe

Reforming the Civil Service, Volume 1:
The Fulton years, 1966–81

ROUTLEDGE

THE OFFICIAL HISTORY OF THE BRITISH CIVIL SERVICE

This first volume of the Official History of the UK Civil Service covers its evolution from the Northcote-Trevelyan Report of 1854 to the first years of Mrs Thatcher's government in 1981.

Despite current concerns with good governance and policy delivery, little serious attention has been paid to the institution vital to both: the Civil Service. This Official History is designed to remedy this by placing present problems in historical context and by providing a helpful structure in which others, and particularly former officials, may contribute to the debate. Starting with the seminal 1854 Northcote-Trevelyan Report, it covers the 'lost opportunity' of the 1940s when the Service failed to adapt to the needs of 'big government' as advocated by Beveridge and Keynes. It then examines, in greater detail, the belated attempts at modernisation in the 1960s, the Service's vilification in the 1970s and the final destruction of the 'old order' during the first years of Mrs Thatcher's government.

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- the role of special advisers;
- the need for a Prime Minister's Department;
- the evolution of Parliamentary Select Committees to resolve the potential tension between bureaucracy and Parliamentary democracy.

This Official History is based on extensive research into both recently released and unreleased papers as well as interviews with leading participants. It has important lessons to offer all those, both inside and outside the UK, seeking to improve the quality of democratic government.

This book will be of great interest to all students of British history, British government and politics, and of public administration in general.

Rodney Lowe is Emeritus Professor of Contemporary History at the University of Bristol. He has published widely on comparative history, and especially on UK government and welfare policy.

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THE OFFICIAL HISTORY OF THE BRITISH CIVIL SERVICE

Reforming the Civil Service, Volume 1: The Fulton years, 1966–81

Rodney Lowe

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ABBREVIATIONS

ACAS	Advisory, Conciliation and Arbitration Service
AGSRO	Association of Government Supervisors and Radio Staff
AIT	Association of HM Inspectors of Taxes
AT	Administration Trainee
BIA	British Insurance Association
BNOC	British National Oil Corporation
BP	British Petroleum
CA	Clerical Assistant
CAA	Civil Aviation Authority
C&AG	Comptroller and Auditor-General
CAS	Centre of Administrative Studies
CBI	Confederation of British Industry
CCA	Central Computer Agency (within the CSD)
CCSU	Council of Civil Service Unions (formerly NSS)
CCU	Civil Contingencies Unit
CID	Committee of Imperial Defence (1904–46)
CND	Campaign for Nuclear Disarmament
CO	Clerical Officer
CPRS	Central Policy Review Staff
CPSA	Civil and Public Services Association (formerly CSCA, 1969–98)
CSC	Civil Service Commission *or* (Chapter 9) Civil Service College
CSCA	Civil Service Clerical Association (1922–69, then CPSA)
CSD	Civil Service Department
CSO	Central Statistical Office
CSSB	Civil Service Selection Board
CSU	Civil Service Union
DE	Department of Employment
DEA	Department of Economic Affairs
DES	Department of Education and Science
DHSS	Department of Health and Social Security
DI	Department of Industry (1974–9)
DoE	Department of the Environment)

DSIR	Department of Scientific and Industrial Research (1915–65)
DTI	Department of Trade and Industry (1970–4)
DTO	Departmental Training Officers
DVLA	Driver and Vehicle Licensing Agency, Swansea
E	Ministerial Committee on Economic Strategy (1979–81)
EEC	European Economic Community
EIU	European Interdepartmental Unit (within Cabinet Office)
ENA	Ecole Nationale d'Administration
EO	Executive Officer
FCO	Foreign and Commonwealth Office
FDA	Association of First Division Civil Servants
FIS	Financial Information Systems (1976–)
FMI	Financial Management Initiative
FOI	Freedom of Information
GCHQ	Government Communications Headquarters
GDP	Gross Domestic Product
GKN	Guest, Keen and Nettlefolds
GNP	Gross National Product
GOC	Government Organisation Committee (1947–53)
GP	General Practitioner (within National Health Service)
HEO	Higher Executive Officer
HMSO	Her Majesty's Stationery Office
IBM	International Business Machines (USA)
ICI	Imperial Chemical Industries
ICL	International Computers Ltd (UK)
IEA	Institute of Economic Affairs
IMF	International Monetary Fund
IPCS	Institution of Professional Civil Servants
IRSF	Inland Revenue Staff Federation
JAR	Job Appraisal Review
LSE	London School of Economics
MAFF	Ministry of Agriculture, Fisheries and Food
MCA	Ministerial Committee on the Central Capability (1970–4)
MCG	Management Consultancy Group (of the Fulton Committee)
MG	Machinery of Government (Division of the Treasury/CSD)
MINIS	Management Information System (within DoE)
MinTech	Ministry of Technology
MOD	Ministry of Defence
MP	Member of Parliament
MPC	Management Projects Cabinet Committee (1970–1, merged with MCA) *or* (Chapter 10) Major Policy Committee (of the CCSU, 1980–)
MPO	Management and Personnel Office
MSC	Manpower Services Commission

NAO	National Audit Office
NATO	North Atlantic Treaty Organisation
NDPB	Non-Departmental Public Bodies ('quangos')
NEC	National Executive Committee (of the Labour Party)
NEDC	National Economic Development Council
NEDO	National Economic Development Office
NHS	National Health Service
NIESR	National Institute of Economic and Social Research
NSS	National Staff Side (of the National Whitley Council, 1920–80, then CCSU)
NWC	National Whitley Council
NWCJC	National Whitley Council Joint Committee (for implementing Fulton)
O&M	Organisation and Methods
OECD	Organisation for Economic Co-operation and Development
OSA	Official Secrets Act
PAC	Public Accounts Committee (of the House of Commons)
PAR	Programme Analysis and Review
PAU	Public Appointments Unit (within the CSD)
PPBS	Planning, Programming and Budgeting System (USA)
PCA	Parliamentary Commissioner for Administration ('ombudsman')
PCC	Policy Coordinating Committee (within the Treasury)
PEO	Principal Establishment Officer
PEP	Political and Economic Planning (1931–78, then Policy Studies Institute)
PESC	Public Expenditure Survey Committee
PFO	Principal Finance Officer
PGO	Paymaster General's Office
PIP	Prices and Incomes Policy
PMD	Prime Minister's Department
PMO	Prime Minister's Office
PRU	Pay Research Unit
PRUB	Pay Research Unit Board
PSA	Property Services Agency
PSBR	Public Sector Borrowing Requirement
PSRU	Public Sector Research Unit (within the Conservative Party, 1966–1970)
RAF	Royal Air Force
SCPS	Society of Civil and Public Servants (formerly SCS, 1976–1988)
SCS	Society of Civil Servants (1930–1976, then SCPS)
SDP	Social Democratic Party
SNP	Scottish National Party
TNA	The National Archives, Kew
TOC	Treasury Organisation Committee (1961–2)
TSU	Technical Support Unit (of MinTech)

TUC	Trades Union Congress
V&G	Vehicle and General Company
VAT	Value Added Tax
VED	Vehicle Excise Duty
WNC	Women's National Council

INTRODUCTION

This Official History was commissioned in 2002 at a time when the British Civil Service was the subject of some controversy. Over the preceding decade, both its traditional unity and its future as a career Service had seemingly been jeopardised. The former was as a consequence of the introduction in 1988 of *Next Steps* agencies, in which three-quarters of officials rapidly became employed. Not everyone was convinced by the reassurance that the Service remained 'unified but not uniform'. The phrase, remarked one leading political scientist, was a 'typical piece of "mandarinese" nonsense'.[1] The latter was seen to be threatened by the increasing emphasis on individual employment contracts, performance-related pay and the advertisement of senior posts following the 1994 white paper, *The Civil Service: Continuity and Change*. The values of the private sector, lauded by successive Conservative Governments since 1979, appeared about to trump traditional notions of 'public service'.

The election of a Labour Government in 1997 offered little respite. The granting of executive power over officials to certain unelected special advisers was a major constitutional change and provoked a sustained public campaign for the enactment of a Civil Service Code to protect the Service's traditional virtues of 'integrity, honesty, impartiality and objectivity'.[2] Simultaneously Sir Richard Wilson, on his appointment as Cabinet Secretary and Head of the Home Civil Service, was instructed to concentrate on policy delivery. To many this marked the culmination of the long-frustrated administrative revolution promised by the 1968 Fulton Report: the transmutation of senior officials from 'generalist' policy advisers into 'professional' managers. Fulton had been a self-conscious attempt to adapt the Service to the demands of the twentieth century, as the 1854 Northcote-Treveleyan Report had been seen to adapt it to the demands of the nineteenth century. At the start of the twenty-first century, radical reform was again in the air.

'If you want to reform a great institution', remarked Wilson, 'you must understand it; and if you want to understand it, you need to understand its past.'[3] Hence the commissioning of this History and its primary objective of *directly* enhancing the 'collective memory' of government. Such an objective accords with the original purpose of the Official History Programme, which was established in 1908 to record and learn lessons from the Boer and Russo-Japanese Wars. It also accords

with the objective of a lesser known initiative in 1957 by the then Cabinet Secretary (Sir Norman Brook), who urged all departments to write historical accounts of key policy decisions in order to 'fund experience for Government use'.[4] 'It is a feature of our administrative system', he wrote, 'that we make many forecasts but few retrospects. More post-mortems would be salutary.' Greater efficiency and economy would result, it was claimed, from the placing in historical perspective of the original assumptions and nature of policy decisions and their subsequent modification. Currently, given the commitment to 'evidence-based' policy, the need for such a perspective is as great as ever.

Brook's initiative was not a noted success. Senior officials, so they claimed, were too busy making history to read, let alone write, it. The same might well be said today. Consequently a second, but by no means secondary, objective of this History is *indirectly* to enhance the Government's 'collective memory' through the encouragement of more informed public and academic debate. This objective accords well with the original aspirations of the first general editor of the Civil Series, Official History's first venture into non-military subjects, which was commissioned somewhat courageously in 1941 to learn lessons from the War which was to be won, it was assumed, as much on the home as the military front. Its first editor (the Australian historian, Keith Hancock) was committed to giving 'truth a quick start' by providing others with a quarry of information to which they would otherwise be denied access (indefinitely in his day and then, after legislation in 1958 and 1967, for 50 and then 30 years).[5] It was, in addition, his ambition to enhance this information through a 'new kind of hands-on contemporary history' – the interviewing of officials whilst the ink was still wet on their minutes. Like Brook's later initiative, this ambition proved somewhat unrealistic. Senior officials had more urgent calls on their time. Moreover, there were certain constitutional conventions concerning confidentiality. The importance of oral testimony, however, was acknowledged and when the Civil Series evolved into the permanent Peacetime Programme of Official Histories in 1966, it was supported with conviction by at least one senior official on the grounds that

> an historian working on recent material will be able to fill the gaps, explain discrepancies and produce a continuity of thought and narrative which may be literally impossible in fifty years time when so many of the characters in the drama have disappeared.[6]

Despite – or perhaps as a consequence of – the passage of the Freedom of Information Act in 2000, the need to provide and enrich such a quarry of information remains as great today; and this History will have failed if it does not stimulate informed and independent debate. Its own major contribution to oral testimony is the transcripts of three 'witness' seminars on administrative reform in the 1980s, available since 2007 at http://www.ccbh.ac.uk/witness_civilservicereforms_index.php.

The stimulation of informed debate is all the more important because of current academic neglect of the recent administrative past. Such neglect is surprising given

the growing postwar importance of Government and thus of the Civil Service, as the 'black box' through which policy decisions are taken, implemented, and recorded. Government in the UK has typically consumed or redistributed some 40 per cent of GDP and, despite later claims to have 'rolled back the state', greater regulation has further increased its power. Yet the Civil Service's recent history remains a no man's (and no woman's) land between the two disciplines most obviously concerned: history and political science. Historians appear reluctant to enter the adventure playground, which the wealth of records (as left by any bureaucracy) represents despite their ready accessibility at The National Archives. The heyday of administrative history was in the 1960s and 1970s and, even then, the principal focus was on the nineteenth century. Political scientists, for their part, fight equally shy of detailed engagement, despite the predominance of 'historical institutionalism' – a methodology which acknowledges the importance to an understanding of the present of the shaping and reshaping of past institutions by both external shocks and internal dynamics.[7] Why the neglect? The answer is partly chronological. Historians, as a profession, would appear reluctant to advance beyond 1945 whilst even 'historical institutionalists' hesitate to retreat beyond certain stereotypical 'critical junctures' such as 1997 or 1979. It is, however, also methodological; and again this History will have failed if it does not help to bridge the disciplinary gap by, on the one hand, making archival evidence accessible to non-historians and, on the other, by selecting and structuring this evidence in the light of competing theoretical insights.

Of what then should a History of the contemporary Civil Service consist? The nature of both the Civil Service as a whole and of the overall argument used in the book will be discussed later; but some explanation is first required of how so unmanageable a task was made manageable. A history of the Civil Service had been long contemplated but then, perhaps wisely, never commissioned. 'The collection and assimilation of material for a book on a modern Government Department is an immense task', minuted Sir Edward Bridges (the progenitor, as War Cabinet Secretary in 1941, of the Civil Series) of one early proposal – before adding percipiently that 'few if any people . . . would be prepared to undertake such a labour single-handed'.[8] One obvious problem was the sheer volume of documentation which, even after it has been reduced to one per cent for permanent preservation, amounts for the Civil Service as a whole (as opposed to Bridges' single department) to a mile for every year. Moreover, official historians have the right, and duty, to consult the records before the final cull. Even Hancock blanched at the 'devotion that must amount to fanaticism if the historian is not to falter'.

Equally daunting is the size and complexity of the Service itself. This was moderated, to a certain extent, by an early decision to confine coverage to the Home Civil Service. This excluded the Diplomatic Service (as defined after the merger of the Foreign and Colonial Offices in 1966) and the staff of the related Ministry of Overseas Development (merged itself with the FCO in 1979). Excluded also are the Intelligence Agencies (leading to the taunt that this History has been written without Intelligence); the Northern Ireland Civil Service (traditionally omitted even from statistical counts); and industrial Civil servants (who, despite a

constant postwar decline, still numbered some 140,000 in 1982).[9] It was also decided that reference should be made to individuals only when developments would otherwise be inexplicable. A complementary text already exists in Peter Hennessy's *Whitehall* (first published in 1989) and neither its style nor popularity, it was agreed, could be rivalled.[10] A further, more contestable, decision was to focus on the reform of the Service rather than the effectiveness of its overall record. To have attempted the latter would have involved the near impossible task of establishing objective criteria against which to measure the relative success of a wide range of policies over an equally wide period of time during which public, political and academic expectation greatly varied. Moreover, despite Northcote-Trevelyan's aspirations and later assurances about its unity, the Service is pre-eminently a federal organisation. Any analysis of its effectiveness would therefore have required the equal treatment of some sixty (or at least fifteen major) departments and, for the 1990s, some hundred agencies.

A concentration on attempts to reform the Service as a whole, by contrast, not only simplified the writing of the History but also enabled its division into two volumes, each centring on what have been commonly regarded as seminal blueprints for reform: the 1968 Fulton and the 1988 *Next Steps* Reports. For reasons given below, the chronological divide was determined at 1981; and this freed space in the first volume for some analysis of the perceived 'golden age' prior to 1966 ushered in by an even more seminal report, against which both Fulton and *Next Steps* were consciously reacting – the Northcote-Trevelyan Report of 1854.

Concentration on reform has many recognised disadvantages. Once again, the central departments (principally the Cabinet Office, the Treasury and, between 1968 and 1981, the Civil Service Department) are to be privileged. So too is activity within Whitehall, to the exclusion of the majority of officials who work outside Inner London and thereby shape the public's perception of the Service, if not that of political commentators or academics. Even the discussion of industrial relations within this volume will concentrate on the national leaders rather than the militant activists who were actually driving change. The silent majority will also remain characteristically silent (see Chapter 8). Moreover a wide range of managerial and political issues, which merit far fuller treatment, have been clustered together in Chapters 9 and 10. In short, the History – despite possible appearances to the contrary – often does little more than scratch the surface, although hopefully it will provide a valuable context for the more detailed case studies which are undoubtedly needed. Once again it will have failed if it fails in this fourth objective: the stimulation and assistance of individual case studies, particularly by former practitioners – whose understanding and experience is much needed, not least as an antidote to the written record, which can be designed to deceive as well as to illuminate.

The nature of the Home Civil Service

There are two ways of conceptualising the Home Civil Service: the popular and the constitutional. The popular, which drove political demands for the modernisation

and contraction of the Service throughout the period covered by this volume, typically concentrates on its size and the power of a small, geographically concentrated elite (hence the common equation of the Service with one street in London, Whitehall). The Service at this time was indeed an exceptionally large organisation, dwarfing the biggest private sector companies (such as ICI, which employed less than one-third the number of staff). This underlines the magnitude of the managerial challenge it faced. It also questions the validity of the private sector solutions proffered. On the other hand, the significance of its size should not be exaggerated – as arguably it was in the mid-1970s when many of the country's economic ills were accredited to an overlarge bureaucracy.[11] It admittedly peaked in 1976 and aggregate figures disguise a relentless increase in 'non-productive' at the expense of industrial workers (Table 0.1, columns a and b). Nevertheless, even at the height of its demonisation during the 1979 'winter of discontent', the Service accounted for less than ten per cent of employment in the public sector and three per cent of the national labour force.[12] On this simple statistical basis, its malign economic influence was somewhat exaggerated.

Equally questionable are popular conceptions of the power concentrated in a small elite. The Service, despite frequent protests about its unity, remained essentially a federal body with the 'central' coordinating departments being relatively compact in comparison to such giant departments as the Ministry of Defence (Table 0.1, columns c and d).[13] In short, the Service was not – and did not act as – a monolithic body. The 'open structure', by which the top three grades of officials – Permanent, Deputy and Under Secretary – came to be known after 1971, was similarly compact (Table 0.2, column a, and see Chapter 5.2.1). These grades were, in essence, the elite which were dubbed over-powerful in the 1960s and 1970s. They also became popularly equated with the term 'Civil Service'. Their number was simply too small, particularly in management terms and over the full range of policy, to exert the power attributed to them. The latter allusion was also clearly an illusion.

Two further popular perceptions, however, had greater validity: the Service's geographical and gender bias (Table 0.2 columns b–d). Despite sustained attempts to relocate staff throughout the 1970s, some two–fifths of officials were typically employed throughout the period in the South East of England, a quarter in Greater London and a fifth in Inner London. Given the disproportionate percentage of the population living in the South East, there was some justification for such an imbalance. A crude majority of officials was also employed elsewhere – and many of those working in the South East, it might be argued, were internal migrants. Nevertheless, some Southern bias undoubtedly did persist (see Chapter 9.3).[14] As for gender, the Service as a whole may have provided a relatively plentiful and rewarding source of employment for women; but, once again obscured by aggregate statistics, it was typically concentrated in junior posts. This was particularly well illustrated by the relative absence of women from the 'open structure' (Table 0.2 columns a and b, and see Chapter 9.5). In consequence, of the popular conception of the Service as over-large, over-powerful, over-concentrated and over-male, only the last was incontrovertibly correct.

Table 0.1 The size of the Home Civil Service, 1966–82

	a	*b*	*c*	*d*	*e*
	Home Civil Service	*Non-industrial*	*Central Depts*	*Ministry of Defence*	*DHSS*
1966	646 600	430 000	2138	276 000	–
1967	661 000	451 000	2232	275 100	–
1968	677 600	471 000	2319	275 200	–
1969	674 400	470 000	3054	267 400	69 600
1970	689 000	490 000	3860	261 250	70 400
1971	689 800	498 000	4044	255 700	71 816
1972	688 900	496 000	4045	279 300	74 549
1973	679 900	571 000	4976	270 225	76 537
1974	682 000	512 000	4905	267 900	80 940
1975	681 400	524 000	5229	266 500	86 700
1976	732 200	569 000	5567	268 200	91 600
1977	733 800	563 000	5237	261 200	94 500
1978	725 900	560 000	4875	253 300	96 900
1979	721 100	559 000	4966	248 500	97 600
1980	696 000	541 600	4919	241 700	95 400
1981	693 919	536 200	4794	232 800	98 300
1982	665 200	526 400	4474	221 600	96 800

Figures are mainly for 1 January each year and for staff in post. They exclude the Northern Ireland Civil Service and treat part-time staff as 0.5, whilst ignoring casual workers. All, other than column (b), include industrial civil servants where appropriate.

Col (a): Home Civil Service exclude staff in the Diplomatic Service/ FCO (typically 10–11,000) and Ministry of Overseas Development prior to 1980 (typically 2100–2400)

Col (c): Central Departments include the Cabinet Office (whose numbers rose from 408 in 1966 to 554 in 1982, peaking at 685 in 1976), the Treasury (whose numbers rose from 1730 in 1966 to 2582 in 1982, peaking without its CSD responsibilities at 1144 in 1976) and the Civil Service Department between 1969 and 1981 (some 1627 in its first year and 3197 in its last, peaking again in 1976 at 3738).

Source: Annual editions of *Civil Service Statistics*, from 1970.

Constitutionally, the definition of a civil servant on which all statistical series are historically based is that originally provided by the Tomlin Commission on the Civil Service in 1931: 'servants of the Crown, other than holders of political and judicial offices, who are employed in a civil capacity and whose remuneration is paid wholly or directly out of moneys voted by Parliament'.[15] The differentiation from Ministers, judges and the armed forces was uncontroversial; but, as even Tomlin admitted, it was otherwise only a 'working definition' that was neither 'authoritative' nor 'exhaustive'. Its fallibility was confirmed by a major attempt to regularise the position in 1974, occasioned in part by Fulton's call for more accountable management and in part by the computerisation of personnel records (see Chapters 5.3.3c and 9.6 respectively). 'Computers', minuted one frustrated statistician, 'won't stand for . . . the accumulated consequences of years of woolly thinking.'[16] He was, however, destined to remain frustrated as the review concluded that it was

Table 0.2 The Nature of the Non-Industrial Civil Service, 1966–82

	a	*b*	*c*	*d*
	Open structure	*Women*	*South-East*	*Greater London*
1966	–	–	–	–
1967	–	–	–	–
1968	–	–	–	–
1969	–	–	–	–
1970	–	194 655 (40%)	226 700	150 000
1971	500 (3)	200 600	231 900	151 600
1972	718 (13)	–	–	–
1973	771 (22)	–	–	–
1974	817 (24)	216 630	–	–
1975	843 (29)	237 125	228 700	–
1976	774 (29)	–	242 500	–
1977	838 (26)	–	236 000 (42%)	144 000 (26%)
1978	813 (27)	–	234 900	–
1979	814 (28)	–	230 600	–
1980	813 (31)	249 123	222 400	136 300
1981	770 (31)	249 908	217 100	136 800
1982	738 (31)	247 250	211 600	127 700

Gaps in the coverage of officially published statistics before 1980 have been deliberately left in order to illustrate changes over time in the perceived importance, or arguably sensitivity, of each subject.

Col (a): the figures in parentheses are for women.

Source: Annual editions of *Civil Service Statistics* from 1970.

> not possible to offer satisfactory definitions of the terms 'Civil Service', 'Home Civil Service' or 'civil servant' . . . The fact that these terms are in common use can lead to the mistaken presumption that they have some clear meaning in their own right; while in practice an exact meaning can only be given to them in a specified context.

Such specified contexts, moreover, frequently produced contradictory results.

Controversy centred on the two terms 'the Crown' and 'remuneration'. Civil Servants had only been separated from the Royal Family's personal staff in the 1830s; and the key legal test for the Service's continuing 'Crown' immunity from taxes (such as rates) and much new employment legislation (such as the 1965 Redundancy Payments Act) was that its officials were 'acting on behalf of the Crown'.[17] Appointment to the Service, moreover, continued to be made by royal prerogative thereby making individuals Civil Servants by virtue of the posts they held rather than, as in continental Europe, as members of a formally defined service. Such legal niceties were matters of considerable import for many during the strikes of the 1970s and the perceived politicisation of the Service.[18] In short, within Britain's unwritten constitution, reference to the 'Crown' was – as one

classic constitutional text confessed – a 'convenient cover for ignorance' and the source of much obscurity.[19]

This made Tomlin's other qualification about 'remuneration' all the more important. The hallmark of Civil Servants was that they were paid 'wholly or directly out of moneys voted by Parliament'. This was intended to distinguish them from others paid indirectly from public funds via other organisations (such as National Health Service staff paid via health authorities) or by grants-in aid (such as the museum and gallery staff). Such a distinction was put to the test in the early 1970s when, in the aftermath of Fulton, various attempts were made to 'hive off' executive responsibilities from central government (see Chapter 5.3.3c). In the past when, for instance, the Post Office had become a public corporation, its staff had ceased to be Civil Servants. The same, it was assumed, would be true when, for instance, Civil Servants within the Department of Employment were 'hived off' through their new agencies to the Manpower Services Commission (which principally consisted of representatives of the TUC, and the CBI). 'The presumption must be', concluded CSD officials, 'that when a Commission or other managing body is interpolated between the Minister and executive staff, such a body is not acting on behalf of the Crown unless it is expressly stated in the Statute.'[20] This presumption was based on English case law; but it had been subsequently contradicted by Scottish case law and also by the Treasury Solicitor. In reality, therefore, the situation was as fluid as that concerning the definition of the 'Crown' – as was demonstrated by the withdrawal of civil service status from MSC staff in 1974 and its hurried reinstatement in the following year.

Such fluidity illustrates the fact that the definition of a Civil Servant, and thus of the Home Civil Service, was not a subject of disinterested legal or constitutional deliberation but rather a highly contested political issue, fought out between ministers (publicly committed to reduce the size of the 'Civil Service') and Civil Service staff associations (determined to retain their members and, on their behalf, national negotiating rights over pay and conditions, see Chapter 8). Hence the continuing confusion and the lack of consistency in all historical statistical series relating to the Service. At its core, it is known who are Civil Servants; but at the fringes, some are Civil Servants in certain 'specified contexts' and not in others.

The nature of the argument

Official histories have been criticised in the past for using their privileged access to records to establish 'explanatory frameworks' from which future generations of writers find it hard to escape.[21] This History is no exception in seeking to advance new chronological and explanatory 'frameworks'. Its purpose once again, however, is not to stifle but to stimulate informed and independent debate – by liberating others from the tyranny of existing 'frameworks'. These, such as accounts of the 'implementation' of the Northcote-Trevelyan Report between 1854 and 1870, tend to stress the revolutionary as opposed to evolutionary nature of administrative change (thus creating false norms of rapid change). They also

tend to exaggerate the significance of 'critical junctures' in the past such as 1945 and 1979 (thereby creating artificial barriers to understanding).

Three alternative chronological and one thematic 'frameworks' are proposed. The first concerns the existence of a 'golden age' – the period following the Northcote-Trevelyan Report (and ending variously in 1939, 1968 or 1979) when the 'public service ethos' was reputedly predominant and officials had not only the strength but also the political and public respect to enable them to 'speak truth unto power'. The concept of a 'public service ethos' has a distinguished pedigree, based on the work of a range of philosophers from Plato to T.H. Green and of Edwardian political writers. All agreed that it was the moral and – given their role as one of the checks and balances in Britain's unwritten constitution – the constitutional duty of Civil Servants to define and defend their own perception of the 'public interest'. Such an ideal may have been more honoured in the breach, but it was no less powerful for that.[22]

Did such a 'golden age' exist? Before 1914, this was unlikely because, as will be argued in Chapter 1, much of the mystique of Northcote-Trevelyan is founded on myth. Both its recommendations and immediate impact on government were in fact limited. It was, for instance, silent on such core principles as the impartiality and anonymity of officials. Given Trevelyan's own personality, it would have been surprising – and somewhat hypocritical – had it been otherwise. The implications of its actual recommendations, such as the social exclusivity of recruits to senior posts (under the guise of 'open competition') and the oversimplification of management (separating 'intellectual' from 'mechanical' work), also led it to be largely ignored when government started to expand after 1870, in response to a more demanding and democratic electorate. For instance, as will be demonstrated in Chapter 2, the initial pillars of state welfare (the Edwardian innovations of national insurance and labour exchanges) were constructed in defiance of, rather than in accordance with, its recommendations.

Consequently the Report's continuing mystique derives from its implementation not before but after the First World War, and particularly during the period when Sir Warren Fisher (1919–1938) and Sir Edward Bridges (1945–1956) were Head of the Civil Service.[23] Even then, however, its implementation was partial. The final elimination of political patronage may, for example, have consolidated the principle of promotion on merit; but how much was this appreciated in the interwar period by the many women replaced (as in all combatant countries) by returning veterans or by those Keynesians whose careers were blighted by challenging the 'Treasury view' and thus deemed not to be (in the fashionable later phrase) 'one of us'?[24] In addition, several reforms which Northcote-Trevelyan implicitly favoured and could have helped the adjustment of the Service to its rapidly evolving political and administrative role (such as the appointment of outsiders and post-entry training) were quietly buried. There was also a continuing equation of efficiency with economy. Such partial implementation thus effectively betrayed not only the spirit but also the actual letter of the Report.

Such a betrayal, together with the barrage of criticism to which the interwar Service was subjected (first from those who wanted to 'roll back' the state and then

from those, such as Keynes, who wanted it expanded), does not, however, preclude the existence of a 'golden age' for four good reasons. First, after 1919 the Service responded more effectively than its counterparts elsewhere to the pressure each experienced internally from democracy and externally from international rivalries. In consequence it was entrusted, by international standards, with exceptional power during the Second World War and repaid this trust by discharging it with relative efficiency. Second, by any standard, it remained financially and politically incorrupt. Third, in comparison to the private sector at that time, it pioneered technological change and good employment practice (see Chapter 2.3.3). Finally, it delivered complex administrative change (such as national insurance before 1914 and the creation of the welfare state after 1945) with an assurance which few later, more explicitly managerial, ages could have rivalled.

Collectively, such achievements incontrovertibly justified the soubriquet 'golden age' and so the British Civil Service could then with some justice regard itself – and be regarded – as the 'best in the world'. Its reputation, however, noticeably depended on *practical* achievements and not the predominance of a 'public service ethos'. For that ethos to flourish in an increasingly democratic and bureaucratic world, as Edwardian commentators had forewarned, a clearer distinction was needed between political and administrative responsibility. Instead, however, an increasingly mystical doctrine of 'ministerial responsibility' was employed by Fisher and Bridges to cloak that distinction. Such evasion could not long survive in an increasingly collectivist and decreasingly deferential postwar world. Thus the 'golden age', which had commenced belatedly around 1919, came to an abrupt halt not in 1945, let alone 1979, but in 1956 with the retirement of Bridges, the invasion of Suez and the advent of more aggressive political reportage as pioneered by commercial television.

The second alternative framework concerns the campaign to 'modernise' the Civil Service after 1956, of which the 1968 Fulton Report has been conventionally perceived as the epitome. As Chapters 3–5 will document, however, there were three simultaneous modernisation initiatives: an internal one, following the 1961 Plowden Report on the control of public expenditure; Fulton; and an alternative Conservative Party programme, fashioned in opposition under Edward Heath, to inject greater business acumen into both the determination and delivery of government policy. Of the three, somewhat ironically given the grounds on which it pilloried senior officials, Fulton was the most amateur. This was true of the quality of both its research and its recommendations. It patently lacked the business expertise of the 1960–2 Glassco Commission in Canada and the gravitas of the 1974–6 Coombs Committee in Australia. Thus the loss of Britain's reputation for administrative excellence at this time owed as much to the failings Fulton displayed as to those it perceived in others (see also Chapter 4). Attempts to implement its recommendations between 1968 and 1972 also consumed, to little effect, an inordinate amount of high-level political and administrative time. Consequently, rather than inspiring much-needed change, it impeded it in two major ways. It halted the momentum of more practicable internal reforms; and confounded with its Fabian

assumptions the prescience of Conservative plans which foresaw that, in Britain as elsewhere, efficiency would soon be equated with small government. In other words, Fulton failed not because of a premeditated bureaucratic conspiracy (as asserted by some far from disinterested commentators) but because of its own shortcomings. Allied to this, there was a lack of sustained political support and, perhaps most significant of all, continuing confusion both within Parliament and amongst the public about the proper role – and thus size – of government.

The third alternative framework concerns the managerial revolution, conventionally equated with 'Thatcherism', which was finally effected within Whitehall. As Chapters 6 and 7 will demonstrate, however, the roots of this revolution stretched back long before 1979. To Fulton's frustration, the size of the Civil Service had first been effectively capped in 1968. Simultaneously, under the influence of practice in the USA (as reflected by both Conservative planning and an influx of management consultants into Whitehall) the prevailing assumptions of the 'golden age' had started to crumble and been replaced by the conviction that 'business was best'. Then in 1976, as press and public opinion hardened against the 'privileged' public sector, cash limits were introduced to inject some monetary discipline into the planning of public expenditure (itself a concept, and a system, developed during the first wave of modernisation following the 1961 Plowden Report). They in turn confounded the principle of pay comparability, which determined the overall cost of the Service and underpinned its system of industrial relations – and thus management.

Given the relentlessness of such pressure, it was of little wonder that – contrary to conventional opinion – the election of the Conservatives in 1979 was as much welcomed within Whitehall as viewed with apprehension. As, for example, Robert Armstrong (the politically astute Cabinet Secretary and Heath's former principal private secretary) reaffirmed to Mrs Thatcher in 1980:

> the change of Government last year was felt as a relief from pressures built up under the last Administration and as an opportunity for an improvement in relations between staff and management in the Civil Service.[25]

For its part, the Conservatives' election victory may have presaged a new determination to achieve managerial efficiency with the immediate appointment of Sir Derek Rayner (of Marks and Spencer) to a special unit within No.10. The creation of an 'Efficiency Unit', however, had been first conceived within the Service in 1977 and Rayner himself had previously been a member not just of Heath's Business Team but also of the Pay Research Board, charged with ensuring the integrity of wage negotiations under Labour. Consequently it was not until both sides had fought themselves to the brink of mutual exhaustion during a 21-week national strike and the subsequent closure of the Civil Service Department (created, at the suggestion of Fulton, to drive through the second wave of modernisation) that the 'old order' came to a distinct end. Hence the logic of completing this volume in 1981 rather than 1979.

The final 'framework' is thematic rather than chronological. It is that, important though the Civil Service may be in its own right, it should always be seen – and can only ever be fully understood – as an exemplar of wider forces. Britain was never unique. After the mid-1960s, for example, each Western country was racked by the problem of how – in an increasingly frenzied and then a decreasingly consensual world – political direction could be sustained at the centre of government. Simultaneously, each was striving to determine how, in the absence of the profit motive, managerial efficiency could be sustained in organisations that dwarfed the largest company in the private sector. The need for, and course of, modernisation in the 1960s and 1970s should thus be regarded not as a peculiar cause for national mortification but as a universal challenge. Within Britain, moreover, reform was heavily influenced by changing management fashion within the private sector; changing concepts about the proper role of the state amongst politicians, taxpayers and 'experts' (notably economists); and increasing militancy throughout the whole workforce. The Civil Service is best seen as a reflection of, and not as a scapegoat for the failure swiftly to resolve, these wider challenges.

Bias

Official history in the past has been accused of bias – 'official but not history', in Basil Liddell Hart's tart phrase – and, given the circumstances under which it was commissioned, this History might well be perceived as a pre-emptive case for the defence. To deny the potential for bias would be as foolish as to defend, in the past, the 'value-free' nature of the 'national interest' as conceived by senior officials.[26] This is not least because all official historians are trusted to work within the Official Secrets Act. Moreover, they are guided by a synopsis approved by an official Cabinet Committee, their progress is monitored by an official Project Board and their final manuscript is vetted before publication. More subtly, but arguably of even greater importance, they also work almost exclusively on government records and are thus exposed to the risk of being 'captured' by the assumptions permeating those records.

Suspicions of bias, however, are somewhat exaggerated. 'Capture', for example, is an occupational hazard not unique to official historians, but common to any researcher working on a single large body of material. This was demonstrated, in relation to official records, in 1967 when there was a sudden reduction from 50 to 30 years in the embargo on their release. The quality of scholarship, it is widely acknowledged, temporarily declined because, confronted by this mass of new documentation, it became all too easy to conclude that 'government did all that could be reasonably have been expected of it within the constraints of the time'.[27] To the benefit of the profession as a whole, official history could and should preempt such problems by ensuring, as Hancock wished, the early release of a 'quarry of information' and thereby permitting a more gradual acclimatisation. Moreover, particularly in relation to this History, the dual risk of bias and 'capture' is reduced,

by the pre-existence of first and second 'drafts of history' composed by investigative journalists and social scientists.[28] They provide an effective check on the validity of its findings. In any case, if this History was intended to be a pre-emptive strike, on whose behalf would this first volume be launched: the pre-1981 generation of officials or their successors, who are amongst its foremost critics? Traditional charges of bias are, therefore, largely outdated. The real challenge to an official historian's integrity lies rather in the location of the most relevant data amongst so large an accumulation of files.

The prime objective of this History, it therefore bears repeating, is not to stifle but to stimulate informed and independent debate. It is also to provide an historical context which will encourage and assist others (particularly past officials, with their inside knowledge) to write more detailed case studies which will either refine or refute its generalities. No historian should rest easy until his or her work has become not the 'last word' but the source of its own obsolescence.

Part 1

THE LEGACY

1

THE NORTHCOTE-TREVELYAN REPORT AND THE EVOLUTION OF THE CIVIL SERVICE, 1854–1916

1.1 Introduction

The reform of the Civil Service in the last third of the twentieth century was dominated by two reports: the Report of the Fulton Committee, published in 1968, and *Improving Management in Government: the Next Steps*, published in 1988. A third report, however, casts a long shadow over this period: the Northcote-Trevelyan Report (or more fully the *Report on the Organisation of the Permanent Civil Service*) published in 1854. The perceived administrative inadequacies of the 1960s were widely accredited to its malign influence. The opening paragraph of the Fulton Report, for example, notoriously asserted:

> The Home Civil Service today is still fundamentally the product of the nineteenth-century philosophy of the Northcote-Trevelyan Report. The tasks it faces are those of the second half of the twentieth century. This is what we have found; it is what we want to remedy.[1]

In direct contrast, the Report was simultaneously perceived – not least by Lord Simey in his formal reservation to Fulton – to have laid the foundations for the high international standing which the Service had long enjoyed. Just as being 'one of us' became the test used by Mrs Thatcher to judge political soundness, so being a 'Northcote-Trevelyan man' [sic] was, and continues to be, the measure of administrative integrity and impartiality.

This chapter briefly looks at the gestation and nature of the Northcote-Trevelyan Report, and its implementation up to 1916. Its popular and academic reputation is mixed. For some it remains 'one of the great state papers of the nineteenth century'; and its 'vision in the middle of the nineteenth century of the sort of civil Service' needed in the twentieth was 'one of the most fortunate things in the history of British government'. Detailed historical research, however, has injected an element of caution. As has been argued, for instance, the Report

> was not a blueprint for reform. The rhetorical reference to it in the Fulton Report . . . proves on closer examination to be wholly misleading (unless we detach the 'philosophy' of Northcote and Trevelyan entirely from their actual proposals). The Civil Service in the 1960s was the product of many things, but very little of it can be traced clearly and directly back to the report of 1854.[2]

What is myth and what reality? Historically, how far was the Report moulded by the peculiar social and political pressures of its times? How did other countries respond to similar pressures? How were the Report's recommendations, to the extent that they were implemented, reconciled with issues which it did not explicitly address, such as ministerial accountability to Parliament? More generally, as an initiative internal to the Civil Service (like *Next Steps*), does the Report provide any insight into how to effect administrative reform? These questions will be addressed by looking at the implementation of the Report's specific recommendations first in detail, then in their historical and comparative context, and finally in the light of the evolution of the Service as a whole.

1.2 The Northcote-Trevelyan Report and its implementation

The Northcote-Trevelyan Report was brief and blunt. It ran, in its original, to only 23 quarto pages and like Fulton it was gratuitously offensive. Just as officials were caricatured in the 1960s for being wedded to the 'obsolete cult' of the 'amateur' before belated reference was made to the 'Service's very considerable strengths', so in the 1850s the Civil Service was condemned as a magnet for the 'unambitious, and the indolent or incapable' before any acknowledgement was made of 'numerous honourable exceptions'. The litany of failings would not have appeared wholly out of place in the populist campaign against the Service in the 1970s:

> Those whose abilities do not warrant an expectation that they will succeed in the open professions, where they must encounter the competition of their contemporaries, and those whom indolence of temperament, or physical infirmities unfit for active exertions, are placed in the Civil Service, where they obtain an honourable livelihood with little labour, and with no risk; where their success depends on their avoiding any flagrant misconduct, and attending with moderate regularity to routine duties; and in which they are secured against the ordinary consequences of old age, or failing health.[3]

The object of the Report was to remedy this situation by identifying 'the best method of providing [the Service] with a supply of good men, and of making the most of them after they had been admitted'. Currently 'no pains' were taken to appoint

'good men', or to train and motivate them. Indeed, perverse incentives were rife. Promotion was determined by seniority and discipline was lax, so officials knew that 'if they work hard, it will not advance them – if they waste their time in idleness, it will not keep them back'. Hence the Report sought to establish the principle that:

> the public Service should be carried on by admission into its lowest ranks of a carefully selected body of young men, who should be employed from the first on work suited to their capabilities and their education, and should be made constantly to feel that their promotion and future prospects depend entirely on the industry and ability with which they discharge their duties, that with average abilities and reasonable application they may look forward confidently to a certain provision for their lives, that with superior powers they may rationally hope to attain to the highest prizes in the Service, while if they prove decidedly incompetent, or incurably indolent, they must expect to be removed from it.[4]

To realise this ideal, three explicit recommendations were advanced: recruitment by a 'proper system of examination', promotion by merit and the greater unification of the Service. Implicit in the first recommendation was a fourth: a clear distinction should be made between 'intellectual' and 'mechanical' labour.

The examination system should recognise this distinction by generally examining candidates for the 'superior situations' typically between the ages of 19 and 25, and those for the 'inferior offices' between 17 and 21.

What was remarkable about this analysis was not so much its boldness as its narrowness. Wholly unaddressed, for example, were issues such as the political role of officials in relation to both Ministers and the public – or, in other words, the key constitutional issues of ministerial responsibility and official anonymity. These were not just critical for the future. They had already been raised in acute form by, for example, the transformation in 1847 of the Poor Law Commission into the Poor Law Board (to reassert Parliamentary control over policy) and in 1854 by the dismissal of the outspoken Edwin Chadwick from the General Health Board. Equally remarkable for a report widely held to mark an historic watershed in the public administration of Britain, and of the Western world, was its tardy and incomplete implementation. There was, as recommended, no Act of Parliament to implement its proposals and little progress was made until 1870. Even then reform was disjointed and largely surreptitious. It was impelled by undebated Orders in Council, Treasury minutes and a series of public enquiries held not so much to honour the Northcote-Trevelyan ideal but in response to current political pressures: demands for greater economy, discontent within the Service and the relentless growth of government. Indeed, as late as the 1912–14 MacDonnell Royal Commission on the Civil Service, the ideal of 'unity' remained as unwelcome a prospect as ever for many senior officials. Even more seriously, the major expansion of government resulting from new welfare legislation had brought into question the very principle of open competition.

The narrowness of the Report will be examined in Chapter1.3. This section concentrates on the substance and partial implementation of Northcote-Trevelyan's four principal proposals.

1.2.1 Open competition

The most effective way to end 'the evils of patronage' and thus administrative inefficiency was identified by the Report to be competitive literary examinations, overseen by a Central Board and held at fixed times. For entry into 'superior positions', which required 'intellectual' labour, there was to be a national examination reflecting the highest academic levels. However, it should *not* necessarily 'exclude some exercises directly bearing on official duties'. Subjects such as history, jurisprudence, political economy and geography should be included as well as the 'staples of classics and mathematics'. This would ensure that width and not just depth of knowledge was tested so that 'the greatest and *most varied* amount of talent' would be attracted to the Service. For entry into the 'lower class of appointment', which only required 'mechanical' labour, there was to be a series of district examinations. Their nature was unspecified.[5]

A central board, in the form of the Civil Service Commission, was almost immediately established. It was not, however, established in the spirit intended. Political opposition thwarted the drafting, let alone the passage, of the proposed Civil Service Act to implement the Report. It also contributed to a change in government. Reform was therefore effectively stalled until further evidence of maladministration during the Crimean war led to the formation of the Administrative Reform Association which demanded *inter alia* that, in the appointment of officials, patronage should be replaced by a test of practical, not literary, skills. It was to forestall just such a calamity that the Commission was established in 1855.

The Commission was charged, as the Report wished, with the certification of the age, health, moral character and 'requisite knowledge' of all entrants to the Service. No-one could be employed without such a certificate. There was to be, however, no distinction between recruitment to 'intellectual' and 'mechanical' work, no national or district examinations and no open competition. Candidates could still be nominated by senior politicians or officials and their 'knowledge' tested by an examination jointly set for the occasion by the Commission and the relevant department. There need only be a single candidate although a limited competition between three or so nominees increasingly became the norm. Even this, however, represented little progress since the favoured candidate was often pitched against two of Hayter's 'idiots' (candidates of somewhat limited ability of whom one chief whip, Sir William Hayter, appeared to have a bottomless supply). The initial impact of the Commission was therefore limited. Of the 9826 recruits to the Service between 1855 and 1868, 70 per cent were appointed after no competition, 2763 after limited competition and only 28 as the result of open competition.[6]

The situation finally changed in 1870 when Gladstone as Prime Minister, and more importantly Robert Lowe as Chancellor of the Exchequer, secured by Order

in Council the establishment of a national open competition. It was divided into two 'schemes', respectively for graduates and school leavers, and so appeared to consummate the Northcote-Trevelyan ideal. Accordingly 1870 has been conventionally acclaimed as the 'crucial year for enduring Civil Service reform'.[7] The first series of examinations was held in 1871–2, when there were 142 candidates for 10 Class I vacancies and 732 candidates for 95 Class II posts.[8] Appearances, however, can be deceptive. Open competition in fact continued to remain so limited that the MacDonnell Commission on the Civil Service found that only one-third of the 60,000 appointments made before 1910, which fell within its remit, had been so recruited.[9] Why was this?

The majority of exempted posts had no policy implications, although they did reveal the continued existence of widespread patronage. They were either peripheral or very junior posts. Hence until 1885 favoured local MPs were invited to nominate sub-postmasters when a vacancy occurred within the 17,000 strong national network; and until 1912 the Treasury reserved the right to appoint its own nominees as messengers, porters and cleaners within all the revenue departments and national galleries.[10] However, a significant number of appointments to senior posts were also exempted from open competition. This did not necessarily offend Northcote-Trevelyan principles. The Report itself had accepted that senior policy advisers to Ministers (then termed 'staff appointments') should be so exempt, as should posts which required 'special talents and attainments' (such as factory and school inspectors) – although its implicit hope, particularly in relation to 'staff appointments', was that fewer 'strangers' would be appointed. Acts of pure political patronage did duly cease in the 1880s – with, ironically, two of the last practitioners being Northcote himself (who secured a post for his son) and Gladstone (who nominated two of his private secretaries as heads of departments).[11] Nevertheless an increasing number of senior advisers continued to be recruited under various dispensations which exempted from open competition those whose qualifications were 'wholly or in part professional or otherwise peculiar and not ordinarily to be acquired in the Civil Service'.[12] The principal reason for this was a further rapid expansion of government after 1880, particularly into new areas of social policy.

The Board of Trade provides a prime example. It acted as a magnet for social reform after 1880 culminating after 1908, initially under the presidency of Winston Churchill, with the introduction *inter alia* of labour exchanges, unemployment insurance and minimum wages. During this time it established such a tradition of appointing mature experts to senior posts that, of the 13 senior officials advising Churchill on labour policy, none had been recruited by open competition.[13] This tradition was maintained, and typified by, the recruitment of William Beveridge in 1908. He had an unparalleled academic knowledge of, and practice in running, labour exchanges. He had accordingly given detailed evidence to the Royal Commission on the Poor Law and expert advice to the Board on the establishment of a national system. When such a system became a serious possibility Churchill was advised by Sidney and Beatrice Webb (who had already introduced the two) that 'if you are going to deal with unemployment you must have the boy

Beveridge'. A conference was duly held at the Board and Churchill immediately decided to take the Webbs' advice. Beveridge was summoned to the Board to name his terms and the appointment made the following day.[14]

When the first complement of exchange staff was recruited, open competition based on literary exams was similarly waived – with the result, to the disgust of Civil Service staff associations, that three times as many manual workers as serving officials were recruited as exchange managers. The foremost method was a competitive interview with, as a guard against charges of patronage, the First Civil Service Commissioner overseeing the whole process. Churchill, however, decided to preside himself over the appointment of the twelve most senior executive officials (the divisional officers). The safeguard against accusations of patronage was now the requirement, devised by Beveridge in two hours, that each candidate draft a reply to an irate employer. The successful candidates included two trade unionists, two soldiers and a former American gold speculator who claimed to have 'run a labour exchange in Chicago, with a revolver provided as part of the office equipment'. The star, however, was J. B. Adams, Shackleton's second in command in the expedition to the South Pole. He provided the winning answer to Beveridge's test, by inviting the employer to lunch. He also held Churchill in thrall during the interview by tales of his naval exploits. This was adjudged to compensate for his somewhat modest specialist knowledge. When asked his opinion of the Labour Exchange Act, for example, he reputedly replied : 'couldn't understand a word, mate'; and when further asked about what had impressed him most about Beveridge's recently published book on unemployment, he replied 'the price'.[15] Although largely vindicated by its results, this selection process was hardly more rigorous than those pilloried in the 1850s.

Why was there such resistance to open competition both before and after 1870? There were three principal reasons. The first, as with the overall rejection of the Report, was personal: Trevelyan's abrasiveness and the anger generated by his caricature of the existing Service.[16] More substantially, patronage had – and was widely seen at the time to have – many virtues. It was an integral part of the social and political system. Open competition, for instance, could reasonably be described to Queen Victoria as 'republican' because it threatened the traditional means by which the Crown and the aristocracy exercised power. More commonly, electoral and parliamentary politics were both heavily dependent upon the distribution of salaried posts as indeed was family welfare. Could parliamentary government be continued, Sir James Graham asked Gladstone 'on such principles of purity'?[17] Graham was himself a progressive minister and his objection raised the additional point that patronage could actually promote administrative efficiency. It was flexible and could, and had, enabled many talented people speedily to reach influential positions. Trevelyan himself, after all, had been nominated for a place at Haileybury, where he received the necessary training for his early career in India. He had then been appointed as administrative head of the Treasury in 1840, at the age of 32, through the patronage of the Chancellor of the Exchequer and seemingly his brother-in-law, Thomas Macaulay, who was in the Cabinet. Finally, it was argued rather more

contentiously that, because of the need to sustain family honour, patronage assured the good moral character and ability of the vast majority of recruits. The refusal by the Civil Service Commission in its first year to certify 309 of 1078 nominations suggests that, at certain levels within the Service at least, such faith was unfounded.[18]

The third reason for resistance to open competition was the proposed examination system and in particular its literary nature. Cramming and pedantry, it was commonly feared in the 1850s, would replace 'character' and the 'moral qualifications' which were 'more important than the intellectual ones'.[19] Placing graduates in government was also as inappropriate as 'putting racehorses to the plough'. Their 'gifts', as Sir James Stephen the highly efficient head of the Colonial Office argued, would be 'ill-suited and even inconvenient to one who is entombed for life as a clerk in a Public Office'. It was here that arguably the prescience of the Northcote-Trevelyan Report was demonstrated because, despite the reservations of contemporaries, the later growth of government undoubtedly did require officials of such intellectual capacity.

What, however, of the nature of the proposed examinations? Edwin Chadwick immediately challenged their predominantly literary nature on the grounds that it would admit 'the gentleman who is, par excellence, an instructor in the abstract sciences and who [has written] articles in the Reviews to show the impracticality of steam navigation across the Atlantic' whilst 'it would . . . exclude those who accomplished the feat'. A similar concern pervaded the Edwardian Board of Trade.[20] It clearly favoured those who wrote learned articles, but the knowledge displayed had to be 'useful' and to be tempered with practical experience. In short, it sought to appoint officials who would be 'problem' rather then 'career' orientated. The latter was an occupational hazard of an exclusive graduate entry – and one realised, for example, in the Victorian Home Office where, as admitted by its historian, 'many clerks viewed their bureaucratic role as a means of securing professional status, a gentlemanly life-style and an entree to the London season'. The Board of Trade did not despise such collegiality but it had to be in a good cause. As its Permanent Secretary, Llewellyn Smith, informed the MacDonnell Commission:

> key posts should not be filled by open competition but be retained for exceptional men attracted by a definite prospect of congenial work of sufficient scope, but not attracted by so nebulous a thing as the Civil Service as a whole.[21]

Llewellyn Smith's evidence to the MacDonnell Commission was not wholly inimical to the Northcote-Trevelyan ideal. Whether through conviction or circumspection, he stressed the need for 'all-round' men (or generalists) in most senior posts. Like the Report, he also considered their recruitment would be discouraged were too many of such posts filled other than by open competition.[22] Nevertheless, historic practice within his department – and the enervation common to its fellow social Service departments – directly challenged both the implementation and, more importantly, the underlying rationale of the Report.

1.2.2 The division of labour

A division between 'intellectual' and 'mechanical' labour was Trevelyan's own principal objective.[23] He had advocated it before the House of Commons' Select Committee on Miscellaneous Expenditure, which started the reform process in 1848. He also pressed for it with rather more success during the Treasury's ensuing *ad hoc* investigations into individual departments.

Trevelyan's goals were twofold: greater efficiency and economy. At the time, all clerks entered departments at the same level and spent their early years, copying, dispatching and filing letters or memoranda from the fair copies passed down to them by their superiors. On the retirement of a senior clerk, a junior one might aspire to make these fair copies himself. Then, on further promotion, he might actually minute the senior 'staff' officials who alone took decisions with Ministers. Such 'staff' officials were typically appointed from outside the Service. The separation of copying ('mechanical') from minuting ('intellectual' labour), so Trevelyan reasoned, would increase *efficiency* in two ways. It would both attract to the Service 'the most promising young men of their day' and ensure that they were not demoralised, and their talent thereby wasted, by stupefying routine. Simultaneously it would be *economic* as departments could be more systematically structured and work allocated to the lowest, and cheapest, level appropriate.

Such a division was not practicable until the introduction of two distinct entry examinations in 1870. Thereafter, it was warmly embraced by successive public enquiries. The Playfair Commission, reporting in 1875, recommended a higher and lower division underpinned by a subsidiary class of temporary boy copyist. A Service-wide 'lower' division was duly established in 1876. Then the Ridley Commission, reporting in 1890, proposed a clearer distinction between a 'first' and 'second' division again underpinned by a temporary class of copyists. Standardised rates of pay and working conditions were immediately announced for the 'second' division; and those whose salaries were 'in excess of those of the second division' were increasingly subject to standardisation, although they resisted incorporation into a 'first' division until after the First World War.[24] Despite such reports and reforms, however, an uncontroversial distinction between 'intellectual' and 'mechanical' labour still remained elusive. Accordingly, the 1912–15 MacDonnell Commission sought yet another restructuring of officials into three permanent classes: the administrative, senior clerical and junior clerical, recruited respectively after university graduation and at the ages of 18 and 16. Why did an effective division of labour prove so elusive?

There were both short-term and long-term reasons. In the short run, as with the attempt to end patronage, it represented too revolutionary a change. Departments depended on the expertise of long-serving clerks who had started at the bottom – not just to remember precedents but also to locate relevant files. Career prospects for existing staff were also based on the principle of seniority, which could not be arbitrarily rescinded. Change, therefore, could be depicted as

both injurious and unjust.[25] More fundamentally, there was also found to be no logical division – except at the extremes – between 'intellectual' and 'mechanical' labour. The ideal scheme introduced in the Treasury by Trevelyan in 1853, for example, was soon abandoned; and the distinction became even more blurred after 1870 when, to economise, the Treasury strove to drive responsibility as far as possible down the departmental hierarchy. The Treasury's action was in defiance of Northcote-Trevelyan. It had warned that any division of labour depended for success 'more upon the discretion and management of the chiefs of offices . . . than upon any general regulations that could be made by a central authority'. Confidence was also later expressed that those chiefs would 'take care not to throw upon the supplementary clerks such duties as are likely to make them the most efficient members of the office and, at the same time, debar them from promotion'.[26] Both caveats were ignored. Under Treasury pressure, departments allocated work to both second division and temporary 'assistant' clerks which resulted in their undertaking, on poorer pay and conditions, work remarkably similar to that of their supposed superiors.[27]

The resulting discontent, rather than any positive drive to implement Northcote-Trevelyan, was the direct reason for the successive appointment of the Playfair, Ridley and MacDonnell Commissions. It also illustrated a perverse consequence of attempted reform after 1870: the creation of a unified 'second' division and an assistant clerks grade both of whose members used their collective strength, especially in the increasing militancy of the Edwardian period, to vent common grievances. These included not just deteriorating pay and conditions but also the hypocrisy behind the claim that the Service had become 'open' and 'united'. As the Second Division Clerks' Association argued, for instance, the two-tier examination system – reinforced by the convention that promotion from the second division should be exceptional (see section 1.2.3) – imposed a rigid horizontal barrier throughout the Service. Where was 'unity'? Moreover, when appointments were made to Class I posts, why should practical departmental experience gained by school-leavers after 18 not be equated to the purely academic learning acquired by graduates? How was competition genuinely 'open'? Older assistant clerks were also angered that access to permanent appointments was through an examination system which, on grounds of age, largely precluded them.

The cause of these grievances, of course, was that a clear educational and social divide *was* being deliberately manufactured between the two, or rather three, levels – as Northcote-Trevelyan had intended. Before MacDonnell, the Civil Service Commission advocated 'the broad principle of gathering the natural fruits of the educational system of the country in its various stages as they mature'; and MacDonnell duly constructed its proposed classes around the three principal ages at which education was completed.[28] This made a certain social sense, with the structure of classes in the Service coming to reflect Britain's class structure. It made rather less sense to the rational organisation and efficiency of government departments.

1.2.3 Promotion by merit

Once Civil Servants had been scientifically recruited and organised, Northcote-Trevelyan sought to 'encourage industry and foster merit'. This could be achieved by 'teaching all public servants to look forward to promotion according to their deserts, and to expect the highest prizes in the Service if they can qualify themselves for them'.[29]

In the lower divisions, in particular, the right to automatic salary increments and promotion by seniority was to be qualified. Increments were to be made subject to annual reports; and promotion was to depend on a report to the minister detailing the qualities of all potential candidates. Duplicates of such reports were to be held by the Central Examination Board. Such transparency was required because (as with performance-related pay after 1990) the fear was that such promotion by 'merit' would foster favouritism. Further spurs to 'industry and merit' were identified to be 'good Service pensions and honorary distinctions' as well as promotion between, as well as within, departments.

Many of these proposals were realised, at least in principle. Personnel reports were supplied to the Civil Service Commission – although how far the practice of either automatic increments or promotion by seniority was actually modified is debatable.[30] The 1859 Superannuation Act introduced consistent and non-contributory pensions. Permanent Secretaries also started to be knighted in the 1860s, whilst other ranks received lesser honours after the 1880s.

Promotion between departments and divisions, however, remained limited. Northcote-Trevelyan had waxed lyrical about the promotion of career officials in 'superior situations' to 'staff appointments' (such as the post of Permanent Secretary) conventionally reserved for outsiders. The Report, for example, expressed the hope 'that in future, if any staff appointment falls vacant in an office in which there is a deserving clerk well qualified to fill it, his claims will not be passed over in favour of a stranger'. Such a clerk might even be from another department who could then be replaced, on promotion, by a more junior clerk from a third department. This would have the double advantage of 'encouraging public servants, and at the same time introducing fresh blood into an office'.[31]

The number of career officials reaching the top did duly increase although, as the example of the Edwardian Board of Trade demonstrates, this was – with good reason – not universal. Sir Edward Troup, for instance, was the first 'open competition' entrant (and non-barrister) to become Permanent Under Secretary of the highly conservative Home Office in 1908. His, however, was an internal appointment; and this was consistent with the fact that promotion between departments at the highest level did not occur before the First World War. At other levels it was also rare. Equally rare, as the Second Division Clerks' Association rightly noted, was promotion between divisions. Between 1902 and 1911, for example, only eighteen per cent of the 248 recruits into 'Class 1' posts were from the Second Division.[32] This was *prime facie* evidence that the principle of promotion by merit was far from being genuinely accepted.

If merit was not fully fostered, neither apparently was industry. The lax habits of the unreformed Civil Service were immortalised by Trollope's Department of Internal Navigation. As late as the 1890s, however, habits seem to have changed little. According to one witness, for example, staff at the modernised Home Office registry 'used to leave the Office in mid-morning and go for a drink in the "Red Lion". The practice grew to such proportions that on occasion [the superintendent] had to send a messenger to the "Red Lion" to request the gentlemen of the Home Office registry to be kind enough to return and do some work'. The exodus was eventually halted, but only on the understanding that drink could be brought in from the 'Red Lion'.[33]

1.2.4 Unification of the Service

Northcote-Trevelyan's final objective was to end the 'fragmentary character of the Service'. Disunity, it was argued, reduced efficiency in three ways. It encouraged 'the growth of narrow views and departmental prejudices'. It discouraged ambition by limiting an individual's promotion prospects to one department. It also impeded the transfer of resources from overmanned to overstretched departments. The remedies were uniform entry qualifications; the promotion of those engaged in intellectual work to any 'staff' position within the Service; and the transferability of 'lower ranks' between departments.[34]

The establishment of the Civil Service Commission laid the basis for unification. Indeed, it has even been claimed that 'the British civil service dates from 1855'.[35] It gradually introduced more uniform entrance requirements. After 1876 it also oversaw the transfer between departments of an increasing number of 'lower' or 'second division' clerks – amounting to some 489 in 1893. Most importantly, perhaps, its very name gave substance to Trevelyan's aspiration that unity would be advanced by the establishment of an explicit distinction between those paid by the state who had to resign on a change of government and those who did not – or, in the contemporary phrase, between the 'parliamentary and permanent Civil Service'.[36] The use of the term 'permanent Civil Service' by Northcote-Trevelyan (and later of the term 'Civil Service' by Playfair) was indeed in many ways provocative. Far more common at the time were the terms 'public services' or, as employed as late as the 1886–90 Ridley Commission, 'civil establishments'. Both presumed far less unity; and before the MacDonnell Commission a senior official could even object that 'there was no such single thing as the Civil Service'.[37] The Civil Service Commission, by its institutional presence and name, nevertheless marked a genuine watershed in British public administration because it embodied the *belief* that a unified Service was both desirable and practical.

The reality of unity, however, took much longer to materialise – as is apparent from the continuing intensity of departmentalism and the relative absence before 1916 of transferability among more senior officials. The principal impediment was the Treasury, which ironically had the power and seemingly the motive to realise it. Before 1850 it had been made answerable to Parliament for the level of departmental

estimates and so it had acquired the right to be consulted on any proposed increase in expenditure. In consequence, Gladstone in the minute setting up Northcote-Trevelyan could describe it as 'the central office for the revision of public establishments'; and in 1872 Lowe had further and, more controversially, alluded to its Permanent Secretary as being 'at the head of the Civil Service'.[38] Each of the three public commissions advocated greater Treasury control over establishment issues; and, after Ridley, a Permanent Consultative Committee was even established briefly to facilitate such control in the same way as the Comptroller and Auditor-General helped to control expenditure. Finally, a flow of Treasury minutes, eventually consolidated by an Order in Council in 1910, confirmed the Treasury to be the effective authority for promulgating and monitoring a common code of practice for all Civil Servants.

However, despite the odd flirtation, Treasury officials declined actively to pursue unity. It was dismissed as both 'undesirable and unattainable in practice'.[39] It was undesirable because the Treasury's first concern was economy. Greater unity, so officials feared, would lead to a levelling-up of pay and conditions, and hence greater expense. Their alternative strategy for restraining expenditure was one of divide and rule, embellished by delay and obscurantism; and this would also be jeopardised by clear principles and uniform procedures. Unification was equally deemed unattainable because of the Treasury's lack of formal powers, particularly over such long-established departments as the Home Office and War Office which both openly regarded the Treasury as no more than *primus inter pares*. As the Treasury's Permanent Secretary minuted in 1884:

> The only mode at present by which uniformity can be introduced into any of the details of the Civil Service is by Order in Council, and even after such an Order has been agreed by the Cabinet (which is necessary if it is to bind Ministers and others at the head of Departments) there is no security for its observance, unless it involves some payment which must be audited by the Comptroller and Auditor General. Probably there are many details connected with the organization of the Civil Service which the Treasury might usefully be empowered to regulate. But at present the Treasury has no such authority and its *advice* has a very limited operation against departmental interest or amour propre.[40]

Such reasoning, however, was disingenuous. There was no reason why, supported by three public commissions, the Treasury should not have sought greater powers. More importantly, existing ones could have been exercised in a manner designed to foster, and not destroy, mutual trust and understanding. The precedent existed in the departmental committees of inquiry, extensively used by Trevelyan between 1848 and 1859, which had channelled even his notorious abrasiveness into constructive collaboration.[41] The consequence of Treasury action, or rather inaction, was the absence of a genuine and generous vision that could have tempered vested interests at the highest level. Indeed it was the departmental interest of the Treasury itself which impeded unification.

There was, however, one area other than the Civil Service Commission where unification proceeded apace, not least because it was consistent with vested interest. This was within the 'lower' or 'second' division. In the 1850s it was not just Trevelyan who had used the term 'Civil Service' for aspirational purposes. It was also junior clerks. They founded the *Civil Service Gazette* in January 1853, which quickly acquired a circulation of almost 75,000. It was but one expression of an increasing sense of mutuality, which also took the form of sports and social clubs, a volunteer corps and a co-operative society. Their explicit objective was to transform 'a concourse of atoms' into a 'living mass with a giant's power' so that the public would 'know and properly estimate their servants'.[42] Hence they favoured Service-wide classes, transferability between departments and uniform rates of pay and conditions.

At the same time, however, they actively opposed two other means by which Northcote-Trevelyan had hoped to attain unification: promotion by merit and competitive literary examinations. The former was rejected because (unlike automatic promotion by seniority) it raised the danger of favouritism. The latter was opposed because in practice such exams restricted promotion for those recruited at 18. This particular objection in fact exposed an unwitting – or perhaps witting – flaw in the Report's logic. Departmentalism (which it decried) may well have raised *vertical* barriers to unification but, as suggested earlier, examinations and division of labour (which it championed) erected equally powerful *horizontal* barriers.

1.3 The historical and comparative context

The nature of both the Northcote-Trevelyan Report and its implementation can be fully understood only in its broad historical and comparative context. Equally it is only in this context that balanced conclusions can be reached about the long-term significance of the Report's proposals (as opposed to those retrospectively ascribed to it). Three issues of particular importance will be examined here. First, the Report was the product of a period of exceptional political interest in administrative reform, unequalled in peacetime until the 1960s. Second, its implementation was shaped by changes in fundamental attitudes towards the role of government, which underpinned two major bursts of government expansion in the 1840s and after the 1880s. Finally, both the Report and its implementation were – and were seen to be – of great international significance because Britain was the first country to confront the political and social, and thus administrative, consequences of 'modernisation' or, more prosaically, industrialisation and mass urbanisation. Uniquely, it did so at a time when the conventions of absolutism, common to all European states, had been replaced by those of Parliamentary government.

1.3.1 The political imperative of administrative reform

The exceptional interest in administrative reform was personified by the Chancellors of the Exchequer who commissioned the Report and introduced open competition: Gladstone and Robert Lowe.[43] Both were passionately

committed to the purification and thereby the legitimisation of government. Since Burke's speech in 1780 on 'economical reform' (inspired by the mismanagement of the American colonies) central government had been persistently attacked for being corrupt, inefficient and expensive; and both were impatient to complete the subsequent, attenuated process of reform. In consequence, the Report's drive finally to eliminate patronage was designed to silence three particular sets of critics: those who wanted to end corrupt aristocratic influence (such as the Chartists), those who sought enhanced efficiency (such as the Benthamites) and those who desired greater economy (such as entrepreneurs). Principled disinterest and a public service ethos were to become the accepted and approved hallmarks of public administration.

However, there were two other major objectives. As admitted at the time and frequently noted since, administrative reform was designed not just to legitimise government but also 'as a means of extending, confirming, cleansing and legimitizing' the current ruling elite.[44] Hence the Report's recommendation that recruitment to 'superior positions' should be almost exclusively by literary examination at the age of 21. This deliberately privileged those classes whose sons traditionally attended university. Equally it deliberately excluded both late entrants with business experience (as championed by the Administrative Reform Association) and those who could not aspire to a university education. Gladstone explicitly confirmed that his aim was 'to strengthen and multiply the ties between the higher classes and the possession of administrative power'.[45] Trevelyan concurred; and he also retrospectively admitted an open class bias by revealing that 'the revolutionary period of 1848 gave us a shake, and created a disposition to put our house in order'. Equally, in 1870 Lowe – despite his professed commitment to meritocracy – vehemently defended an 'open' examination system and a strict division of labour which, taken together, effectively excluded non-graduates from Class I posts. As his biographer has concluded by so 'integrating the university-trained, intellectual elite within the Civil Service, Lowe created a safeguard against egalitarianism. It was to prove far more durable than any fancy franchise or constitutional barrier'. Reform, in brief, was deliberately designed to be socially exclusive not inclusive.

The second underlying objective was reform of the education system. After 1850 written examinations were introduced into universities and elementary schools to ensure greater scholastic rigour; and it became an article of faith that such examinations would ensure the best recruits, in terms of ability and personality, for both 'intellectual' and 'mechanical' work. For the graduate, for instance, intellectual attainment was adjudged the best 'moral test' on the grounds that 'the perseverance and self-discipline necessary for the acquirement of any considerable knowledge are a great security that a young man has not led a dissolute life'. Equally, for the school-leaver, competitive entry examinations were seen as an ideal means to test and reinforce character. Successful candidates, so it was argued, would know that they had prevailed 'in an independent manner through their own merits. The sense of this cannot but induce self-respect, and diffuse a wholesome spirit among the lower no less than the higher classes of official men'.[46]

However, competitive entry examinations – especially ones of a literary nature as proposed by Northcote-Trevelyan – were designed to validate not just the choice of recruit but also the new system of liberal education. Northcote-Trevelyan, for example, recommended examination over a wide field of subjects on the grounds *inter alia* that it would 'do more to quicken the progress of our Universities . . . than any legislative measure that could be adopted'.[47] Of even greater potential importance was the impact of Class II examinations (and thus entry into a relatively well-paid and secure profession) on the syllabus of elementary schools. Lowe hoped, in addition, that parents would be encouraged to keep their children at school longer as education came to be as valued in England as it was in Scotland. In other words, the exceptional interest in administrative reform between 1853 and 1870 was concerned not just with the welfare of government but also with that of the ruling elite and the educational system. When both ceased to be a political priority, as they quickly did, so too did administrative reform.

1.3.2 The changing role of government

A more persistent influence, particularly on the implementation of reform, was the growing responsibilities of central government. Before1850 increasing *parliamentary* pressure on Ministers, which required more regular attendance in the House of Commons, had led to an explicit distinction between the work of the 'parliamentary and permanent civil service'. After 1850 the increasing pressure of *departmental* work meant that neither Ministers nor Permanent Secretaries could any longer handle all correspondence personally. Work had increasingly to be delegated and systems devised for its discharge. Britain was becoming bureaucratic in the dual sense that more decisions had to be taken by officials and an increasingly complex administrative machine was evolving with its own particular internal tensions. The number of non-industrial Civil Servants indeed almost trebled between 1851 and 1901 from approximately 40,000 to 116,000 and, as a result of the Liberal welfare reforms, more than doubled again to some 281,000 by 1914. So rapid an expansion, as has been seen, frustrated Northcote-Trevelyan's plan for a clear division of labour (illustrated by the growth of 'intermediary' classes) and the eradication of temporary employment. It also led to the Playfair, Ridley and MacDonnell inquiries turning inward to examine the organisation of the Service rather than broader constitutional issues.

To an extent administrative expansion was self-generating, as suggested by the famous MacDonagh model of government growth which identified five discrete stages: the enactment of a law to prohibit an 'intolerable evil'; the appointment of inspectors and then a central agency to enforce it; the refinement of the law in the light of accumulated expertise; and finally the provision to officials of discretionary powers to ensure more effective enforcement.[48] Not all administrative growth, however, conformed to this pattern. The model also cannot explain the lull in government growth in the mid-nineteenth century and its rapid expansion after the 1880s. There were in fact equally powerful influences, such as the relative

power of outside vested interests and the broad philosophical principles (or at least variants of them) which shaped popular attitudes to state intervention.

In economic policy, the prevailing assumption through the nineteenth century was laissez-faire. This inevitably restricted government growth, not least because Treasury officials remained zealously committed to it and, in particular, the principles underlying Gladstone's iconic 1854 budget: the minimisation of government expenditure (to promote *inter alia* the moral virtue of thrift) and the equal sharing of the tax burden (to prevent the political manipulation of competing class interests). This continuing commitment largely explains, and justifies, their innate hostility to any increase in administrative costs particularly when, after 1880, they were incurred to meet particular needs of new working-class voters.

In social policy, the situation was more complex. Before 1854, a combination of administrative reform and innovation could satisfy the conflicting demands of both the entrepreneurial fraction of the emerging middle class (which demanded economy) and its professional fraction (which championed efficiency). The prevailing utilitarian, or Benthamite, philosophy was equally nuanced. State intervention in general was to be abhorred but, as was famously recognised, 'whenever, by the evil thus produced, greater evil is excluded, the balance takes the nature, shape and name of good and government is justified in the production of it'. This was the moral justification for the appointment during the 1840s of a rash of highly interventionist and outspoken officials, such as Horner, Chadwick and Kay-Shuttleworth, to correct proven market failures in such areas as factory working conditions, public health and education. As their ultimately frustrated ambitions demonstrated, however, such officials were soon perceived to pose a practical threat to traditional English liberty and to such 'independent' institutions as local government and voluntary organisation. Hence the rapid inculcation even into each inspectorate of the principle (still engrained in senior Civil Servants after the Second World War) that the role of central government was not to supplant but to support local and voluntary effort.

After 1880, however, such a principle had itself to be qualified. There were many reasons: further evidence of market and voluntary failure (particularly in relation to urban living conditions and destitution);[49] the growing philosophical justification of positive state action by writers such as T.H. Green and Alfred Marshall; the political imperative to satisfy current, and anticipate future, needs of working-class voters (as expressed, particularly in relation to administrative reform, by the Fabian Society); and above all the realisation that, with the intensification of international economic and military rivalry, economy did not automatically equate to efficiency – and in particular to national efficiency. Given such swings in dominant popular assumptions about state intervention, the pace of administrative reform – regardless of the straitjacket the Treasury tried to impose – was inevitably uneven. The ultimate need to expand rapidly into new areas of expertise also exposed, as has been seen in the case of the Edwardian Board of Trade, the limitations of Northcote-Trevelyan as a blueprint for long-term reform.

1.3.3 The comparative context

The mid-nineteenth century reaction within Britain against state intervention was a unique 'liberal' response to the problems of modern society which later, somewhat ironically, underpinned the high international regard enjoyed by the Northcote-Trevelyan Report. The reaction was well summarised by a senior politician in 1850. He deplored the increasing emulation of 'Continental countries, where the government is responsible for everything [and] for whatever goes wrong the government is blamed'. Far better, he argued, was the continued decentralisation of power – and genuine decentralisation because, were independent bodies to be left in practice with little discretion, they would lose interest and 'you will have then to administer the counties by *prefets* and *sous-prefets* and the bureaucratic [machinery] which prevails abroad'.[50] His particular target was France, where the machinery of absolutist government (specifically designed to neutralise aristocratic and other sources of local power) had been adapted to post-Revolutionary society by Napoleon. Under an advisory *Conseil d'Etat* (which was the final authority on administrative law) effective power was directly transferred by Ministers to centrally appointed *prefets, sous-prefets* and finally mayors. Prussia had an equally centralised system of government, with the additional embellishments that the state bureaucracy was clearly regulated (by the General Code passed in 1794) and that all senior recruits were expected to have a university degree in 'cameralistics'. Indeed one of the most damning insults to be hurled at Chadwick prior to his resignation was that he was 'Prussian'.[51]

The fundamental difference in the approach to government, which these institutional differences embodied, was that typically in continental Europe the state was conceived as the ultimate expression of the national interest, in which individual rights were subsumed. In Britain, on the contrary, central government was simply seen as the provider of a constitutional and legal framework within which 'free born Englishmen' (and occasionally women) could exercise their rights. The distinction was well summarised by Jose Harris when she wrote of Victorian society:

> In contradistinction to much continental thought, it saw 'civil society' . . . as the highest sphere of human existence and the arena in which men enjoyed some form of absolute rights. 'The State', by contrast, was an institution of secondary importance and dubious linguistic status (Englishmen generally preferred the concept 'government') which existed mainly to serve the convenience and protect the rights of individuals in private life. . . . The corporate life of society was seen as expressed through voluntary association and the local community, rather than through the persona of the state. More extensive government was widely viewed as not merely undesirable but unnecessary, in the sense that most of the functions performed by government in other societies were in Britain performed by coteries of citizens governing themselves.[52]

The difference was due in large measure to a unique lack of tension in Britain after the seventeenth century between the exercise of power at the centre and in the locality. It was effectively enjoyed at both levels by the aristocracy. There was, therefore, no need for central *experts* to impose their authority on behalf of a king upon the '*gentleman amateur*' who was overseeing local self-government. It was this tradition which Northcote-Trevelyan, by privileging generalist graduates over specialists, was consciously designed to sustain – and did sustain even after the decline in landed wealth after the 1880s.

Legal differences were also important. The British Privy Council had a similar provenance to, for example, the French *Conseil d'Etat*; and an increasing number of outside appointments to 'staff' posts until the 1880s were barristers. The preconditions existed, therefore, for the rigorous development of administrative law and codes, as in continental Europe. Such a development was indeed championed by many Benthamites.[53] The superior status in Britain of common law, however, presented a formidable barrier against such a development. Instead, state intervention grew incrementally through such mundane devices as regulation, licences and Exchequer grants. These gave officials considerable discretion and enabled – and indeed even encouraged – them to exceed their strict statutory authority, so long as their actions were publicly acceptable. 'Confronted with a situation requiring action', as Parris has written, 'an administrator could not plead as a valid excuse for doing nothing that the law did not tell him precisely what he should do. Within the limits . . . of what the law said he must *not* do, he was expected to suggest the course which, in the light of his experience, was most conducive to the general welfare.'[54] As a result, the British official uniquely enjoyed the freedom – and personal responsibility – of being simultaneously above and beneath the law.

Within Whitehall, the regulation of official conduct was similarly entrusted to spasmodic Treasury minutes rather than a General Code, as in Prussia, because they permitted greater latitude and thus the exercise of common sense. A justification typically used in the 1850s was the hypothetical case of passive disobedience by an official. Treasury minutes, so it was argued, would give a minister the effective power (which 'opinion would support him in using') to dismiss such an official 'for misconduct, which it might be impossible for any law to define beforehand, and of which there might be no legal evidence, though there was a moral certainty'.[55] Such pragmatism, as has been seen in relation to Treasury inaction over the unification of the Civil Service, could be enervating because it created a labyrinthine set of precedents (which *might* defy common sense). Its positive purpose, however, was to maximise the autonomy and self-regulation of non-state bodies, such as local government and industry, and even of individual departments within Whitehall.

One final foreign practice which was abjured was the 'spoils system' of the USA. Again, until the final ending of political patronage, there was the potential on a change of government for the replacement of senior officials by those more sympathetic to the new ministry. Such potential, however, was never realised. In part this was because, in eighteenth-century Britain, permanent office came to be regarded

as something akin to 'freehold property'. It could not lightly be taken away from the holder. Wholesale change was also less practical than in the USA because there, *inter alia,* appointees were guaranteed a fixed four or eight year term of office. By contrast a government in Britain could fall at any time.[56] The possibility of such a change, however, was only finally removed by the evolution of the conventions of political neutrality and anonymity which accompanied the implementation of the Northcote-Trevelyan Report.

1.4 The evolution of the Victorian and Edwardian Civil Service

The conventions of neutrality and anonymity were but two of the features of the British Civil Service, as it evolved between 1854 and 1916, on which the Northcote-Trevelyan Report remained largely silent. Others included the conventions of permanence and ministerial responsibility, and the practices of Treasury control and training. Any assessment of the Report as a blueprint for the nineteenth, let alone the twentieth, century must take account of such silence.

1.4.1 Conventions

The constitutional conventions of permanence, neutrality, anonymity and ministerial responsibility are interrelated. 'Permanence', as has been seen, historically had a dual meaning. It referred equally to those members of the 'parliamentary civil service' (or, in modern terminology, junior Ministers) who did not resign on a change of government and to the increasing number of 'permanent secretaries' after the 1750s who committed their whole careers to government.[57] By 1854 an effective division had been established between the two, which the Report did little to formalise. Political and administrative careers continued to an extent to be blurred. In the Home Office, for example, successive permanent under-secretaries between 1867 and 1895 had previously stood for Parliament, and a serving MP was actually selected as chief legal adviser in 1885.[58] Similarly Ministers' Private Secretaries remained exclusively political appointments until 1870 and frequently so thereafter, being seen (like special advisers later) as a natural stepping stone to a parliamentary career.

As its title suggested, however, the Report sought to mould the character of the new *permanent* Service. It was to achieve this indirectly by the appointment through open competition of young men with, as has been written, 'their milk teeth hardly shed and the ink hardly dry on their last university papers'.[59] Such recruits would by definition neither have, nor typically have the opportunity to develop, alternative political or business skills – and thus alternative careers. However, the specific measures by which officials were ultimately persuaded to devote their time permanently to the Service, both during the day and over time, were achieved by other means. The principal ones were Treasury minutes, which were usually given the force of Orders in Council, and the 1859 Superannuation Act. The former

gradually regulated conduct and most importantly banned, as late as 1890, officials from participating in any other venture requiring attendance outside their office between 10 a.m. and 6 p.m. The latter stipulated that an official should forfeit his pension should he retire early from the Service. Neither the existence nor nature of a permanent Civil Service, in its modern meaning, was therefore ultimately dependent on the Report.

As more officials became permanent and governments came to represent conflicting party policies, rather than factional interest, so the issue of neutrality – or equal commitment to whichever party was in power – arose. This was another issue which the Report evaded and, as Kitson Clark observed, even intensified.[60] Overt support for a political *party* was not encouraged, although officials were only formally forbidden to act as party agents and required to resign on publicly intimating their Parliamentary candidature by Orders in Council in 1883 and 1884. The real issue was rather one of political *influence* or what Sir James Stephen, in his response to the Report, described as officials acting as 'statesmen in disguise'.[61] It was understandable, and inevitable, that specialists (such as early Victorian inspectors or Edwardian labour administrators) recruited *outside* open competition would zealously pursue their own individual policies within Whitehall. They were mature experts, called into government to resolve new and frequently ill-defined problems, and were typically known to be committed to a particular definition of the public interest. The Report, however, effectively encouraged 'generalists' to act in a similar way. Academically gifted, and freed from routine, new recruits would inevitably acquire over time an expertise which, as accepted even by Max Weber, would make politicians look like 'dilettantes'.[62] Moreover their expertise (and their definition of the 'public interest') could not be neutral given their deliberately exclusive social background. With the increasing pluralism of society (as reflected by successive extensions of the franchise), their 'neutrality' became ever more suspect. This was true of both their advice to Ministers and their despatch of particular items of business on which, whether for lack of time or other reasons, Ministers expressed no views.[63] It is here that the Report arguably exacerbated the situation and provided some substance for Fulton's later critique.

Given the reality that officials' views could not be 'neutral', should they be made public? Alternatively, should Civil Servants remain anonymous? As early as 1859, when it was ironically Northcote whom he reproved for disclosing official advice, Gladstone's judgement was that a convention of anonymity existed.[64] Total anonymity, however, was an impossibility. Officials had regularly to appear, then as now, before public inquiries. Revelation of individual assumptions, let alone the occasional outburst, could not be precluded. Moreover there was the question of personality. In particular, zealous social reformers in the mid-nineteenth century felt compelled – and morally justified – to use all means possible to advance the wider public interest, as they saw it. As has been said of Chadwick, for example, 'neutrality would have been meaningless . . . anonymity impossible'. Nevertheless, some restriction and even a measure of self-regulation had been accepted by mid-century – so that even Chadwick himself could claim

somewhat unchivalrously that, because they could not effectively respond, attacking an official publicly was equivalent to hitting a woman. Later a Treasury minute of 1875 formally sought to halt deliberate leaks to the press; and even the traditional independence of the factory inspectorate was reigned in. From the privileged position of being required to issue independent reports, they were forbidden from 1879 and 1909 respectively to either publish or deliver papers without prior ministerial consent.

Nevertheless, despite both self-regulation and formal regulation, the convention of anonymity was never fully observed. Such Edwardian 'pro-consuls' as Sir Robert Morant, in the field of education, and Sir George Askwith, in industrial relations, continued to attract public notoriety.[65] This, however, offended no Northcote-Trevelyan ideal. It would indeed have been perverse had it done so because, in his career both in India and the Treasury, Trevelyan himself behaved in a highly political way and was 'the master of the strategic leak'. This was never less so than with the promotion of the Report itself where he orchestrated support and briefed the press in order to neutralise known opposition within Cabinet. As his immediate subordinate (George Arbuthnot) vituperatively wrote, 'the Officer who undertakes the work of reforming the Civil Service sets the example of violating the first duty of a Servant of the Crown – obedience'.[66]

The keystone holding together the concepts of a permanent, neutral and anonymous Civil Service was – as it remains – the convention of ministerial responsibility. It evolved in mid-century principally to fortify the sovereignty of Parliament by making the executive more directly responsible to the legislature. Hence Boards, which had been the pre-eminent agency for effecting social reform, had all been abolished by 1867. They had not typically come under ministerial control and, like later executive agencies, had to some extent shielded Ministers from responsibility for operational policy. After 1867, Ministers became answerable directly to Parliament for all policy formulation and implementation. Moreover, following the successive resignations in 1864 and 1873 of the Chancellor who introduced open competition, Robert Lowe, departmental Ministers appeared to become directly answerable to Parliament for all the actions of their officials, whether they knew of them or not. The corollary of this 'vicarious accountability' was that Civil Servants had no legal or constitutional personality separate from that of the minister. There was, for example, no dissent in 1873 to a backbench assertion that an erring official was of no interest to the House of Commons because

> he is not responsible to us. We ought to look to heads of departments; for if we are to shuffle off these questions by saying a clerk . . . however distinguished and disinterested he may be, is to take the burden and the blame on his shoulders, there is an end to parliamentary government.[67]

The convention of ministerial responsibility had two perverse consequences. It frustrated the unification of the Service as desired by Northcote-Trevelyan. This was because it so strengthened the answerability of individual Ministers to

Parliament that, as has been seen, Treasury officials feared to transgress the 'constitutional' responsibility of individual Ministers for the management of their departments. Conversely the development of a proper personnel policy was frustrated by the accountability of Treasury Ministers to Parliament for the Civil Service Commission. They duly had, and exerted, the right to determine policy which reduced the Commission (unlike, for example, its counterpart in Australia) to a mere operational body.[68] The second perverse consequence was that the convention of ministerial responsibility was acknowledged almost immediately to be a constitutional fiction. The growing complexity of government made it in reality impossible for Ministers to oversee all departmental business. Moreover it was unenforceable. Its ultimate test was ministerial resignation enforced by Parliament. Party discipline after the 1870s, however, undermined the independence of the Commons and the evolving concept of collective responsibility shielded Ministers from individual responsibility for specific policy failures. Consequently on departmental, as opposed to personal matters, therefore, Ministers could be – and historically were – only forced to resign on *political* grounds: were they, for example, to lose the confidence of their party or Prime Minister or the government risked losing a vote of confidence. In other words, ministerial responsibility was, in essence, not a *constitutional* convention but an issue of *real politique*. It was thus a very weak keystone to support the concepts of a permanent, neutral and anonymous Service which (although equally unmentioned in the Report) came to be regarded as defining features of the Trevelyan-Northcote ideal.

1.4.2 Treasury control and training

The fate of the Report together with the efficiency of the Civil Service depended on two further practical issues: 'machinery of government' reform and training. Unification, as desired by the Report, required not just the introduction of common practices and transferability but also the rationalisation of, and the cauterising of jealousies between, existing departments. As seen in section 1.2.4, there was general agreement at the time that the Treasury alone could achieve this task. Equally it has been agreed in retrospect that the Treasury proved unequal to it. As even its historian has concluded:

> Treasury control was imperfect, both in theory and practice . . . An undermanned establishment, strenuously administering a negative principle, seemed well designed to impede, with the maximum of friction, and poorly equipped to collaborate in purposeful government. It was at the same time an over-privileged and over-paid elite, thoroughly permeated by the prejudices of one political party.[69]

The principal theoretical imperfections concerned the lack of political authority to enforce decisions (particularly given the evolving perception of ministerial responsibility) and the essential negativity of the Treasury's administrative power (which

permitted the questioning only of increased, and not existing levels of, expenditure and staff). Practical imperfections were largely a consequence of the zealous pursuit by Treasury officials of Gladstonian liberalism. This may not have affected their own salary levels, which were high but it did result in undermanning. Officials consequently lacked not just the inclination but also the time and the expertise to respond purposefully to the immensely complex administrative problems posed not just by reform but also the growth of government in an increasingly pluralistic society.[70]

In such circumstances, the optimum strategy would seemingly have been constructive collaboration and above all the encouragement of trust and self-regulation. This is what Trevelyan himself attempted by holding further departmental committees of inquiry. However because of its predilection for delay and obfuscation, Treasury policy in practice only served to maximise friction. Self-regulation, for instance, was formally advanced by the increasing appointment of Permanent Secretaries as departmental accounting officers; but such an 'advance' was welcomed only when it reaffirmed, rather than contested, Treasury policy. All departments remained closely monitored by a number of central agencies, such as the Exchequer and Audit Department (formally working for the Public Accounts Committee of the House of Commons) and Parliamentary Counsel (which had advance notice of any new legislation that would incur increased expenditure). Each was seemingly independent but each was in fact closely linked to the Treasury. 'We are', as one Permanent Secretary to the Edwardian Treasury bluntly admitted 'branches of the same police force.'[71]

The consequences of Treasury control were duly perverse. Overmanning in long-established departments, such as the War and Home Office, was not effectively addressed. This was because only expanding establishments could be challenged. Moreover, any reduction in the number particularly of Class 1 posts would have offended their *amour propre*, and they had Ministers of sufficient political weight to outface the Chancellor.[72] Meanwhile, new social service departments – established to tackle the most serious social and political tensions of the day – were starved of resources. Their expenditure and establishments were, by definition, expanding and so could be controlled. More seriously, the very rationale for their existence continued to be officially questioned. Hence the Local Government Board, despite its dual responsibility for poor relief and health policy, was denied any Class 1 posts in 1870 because its work was deemed 'mechanical' not 'intellectual'. Its salary levels were also held below the Civil Service norm. In 1890 permission was finally granted to raise them so long as numbers, regardless of new legislation, were cut and expenditure on staff thereby held constant; and in 1904 even this agreement was reneged upon because the Chancellor and his officials concurred that staff were 'not charged with the main responsibility for the decision of great questions of policy'.[73] In short Treasury control failed after 1860 because it ignored Trevelyan's maxim that 'there can be no real economy which is not combined with efficiency and . . . the highest efficiency is generally the best economy'.[74] Greater unification and uniformity may have been slowly achieved, but only in a desultory way. Administrative, let alone national, efficiency suffered.

The final challenge which the Treasury 'failed' was training; and this led subsequently to the denigration of the Northcote-Trevelyan Report on the grounds that it favoured amateurism.[75] Such a charge was unwarranted. The Report, as has been seen did not preclude pre-entry tests 'directly bearing on official business'. Moreover, the presumption behind 'generalist' examinations was that it was 'decidedly best to *train* young men'.[76] The contemporary proposals of Trevelyan's collaborators, Jowett and Macaulay, provide further elaboration of the Report's thinking. Jowett, in a letter which was submitted and published with the Report, recommended four pre-entry examination 'schools' (or sets of examination subjects) to test 'special requirements' and thereby qualify entrants for particular departments. Aspiring entrants for the Treasury and Board of Trade, for example, would have to demonstrate proficiency in commerce, tax and political economy whilst those for the Foreign Office would have to excel in the 'modern languages and history school'. 'Whether immediately wanted for the daily work of the office or not', Jowett wrote, 'all such attainments tend to give an official a higher interest in his employment and fit him for superior positions'.

Macaulay in his Report on the Indian Civil Service, published also in 1854, was less concerned than Jowett about pre-entry qualifications. He supported generalist examinations, deliberately drawn wide to attract genuine all-rounders (rather than narrow specialists in individual arts subjects, which was to be Fulton's *bete noire*). He viewed them positively as a test of character and general intelligence, which in turn provided the best grounding for the post-entry training in specialist subjects (such as jurisprudence, and both Indian language and culture) which future employment would require. After the first examination, he wrote, candidates should be 'considered as having finished their general education . . . Their serious studies must henceforth be such as have a special tendency to fit them for their calling'.[77] In short, coincidental to the Northcote-Trevelyan Report, detailed blueprints for pre-entry and post-entry specialism were published; and the Report itself, unlike Treasury policy, was compatible to both. Indeed, taken in historical context, the Report's recommendations – contrary to Fulton's assertions – were consistent with that Committee's predilection for 'relevant' degrees and the establishment of a Civil Service College.

1.5 Conclusion

The Northcote-Trevelyan Report was the product of an exceptional period in British history. Government had to expand rapidly to counteract widespread 'market failure' in the face of rapid industrialisation and urbanisation; the ruling elite sought legitimisation; higher and popular education were being radically reformed; and administrative reform had to be contained within, and advance, the 'liberal' conventions of parliamentary government. The Report's recommendations were naturally shaped by such concerns; and, in the short term, proved too radical. Patronage and promotion by seniority, for instance, were still adjudged essential for the respective working of the political and administrative system.