



The Institute for Government at 10

Speech by Bronwen Maddox

[Check against delivery]

Good morning.

The Institute for Government (IfG) was founded to make government more effective, the inspiration coming from David Sainsbury's time in government. Our focus is on UK government, but we draw on experience from other countries and share our conclusions with them.

We have seen a lot of success in 10 years – though I'm not offering the current state of UK government as evidence of that.

I want to do two things very briefly at the opening of this conference. The first is to tell you what we do. The second, drawing on that work, is to offer the next prime minister of the UK – who'll be in place within five weeks – some advice.

The main pillars of our work are across the top in dark blue. In our policy making work, we urge governments to use evidence and test what works before leaping into action. There are too many examples of failure to do this. The rushed privatisation of the prison service. The sudden announcement in March of the tariffs that the UK would impose on imports in the event of No Deal – based on no apparent analysis.

The civil service has got much more formal about this – although the rapid rotation of staff, which we've criticised – does nothing to help institutional memory. Some ministers are good at this; some are not.

Public finances covers the management of public spending and the design of tax policy. These are among the greatest challenges in modern government.

On the line below are projects of special attention at the moment. Brexit is the noisiest part of our work right now.

Outsourcing covers the topical and controversial area of how government deals with the private sector.

Accountability and clarity of responsibility goes to the heart of what we write about, giving government an incentive to improve.

Last, professional development is something that distinguishes us from many think tanks. We provide private advice to ministers, civil servants and MPs about how they might be more effective and advise the Opposition on preparing for government.

You will have a copy of the book by my predecessor, Peter Riddell, to be published on Thursday, which captures some of that advice on How to be a minister. No job resembles it in the scale of what is demanded and the lack of instruction or preparation. We are happy to fill that gap.

Let me turn to the question of what, drawing on this work, we might say to the next PM.

First, on Brexit. The chances of No Deal have risen because of the nature of the competition for the next leader of the Conservative party. The party membership is inclined to pick someone more comfortable with the notion of No Deal than Theresa May has been.

The Institute stands by our warnings about the risk of disruption and economic damage that leaving with No Deal presents to the UK. As well as the constitutional strains, to the Government's relationship with Parliament, and to the neutrality of the monarchy.

It would also increase pressures for Scottish independence and a border poll in Northern Ireland, raising the chances of a break-up of the Union. The Conservative candidates who seem to be happy with a no deal Brexit – Boris Johnson, Jeremy Hunt, Andrea Leadsom and Dominic Raab – need to be clear what this means.

To take just a few of our main concerns. The civil service has said no further primary legislation is essential, but leaving without a deal will create considerable legal uncertainty that will need to be resolved rapidly.

Given the sheer volume of traffic through the "short straits" crossings such as Calais to Dover, there is almost certain to be disruption to supply chains.

There is not yet a credible solution to the Irish border problem in the event of no deal. Brexit will create a border, which needs to fall somewhere. Republic of Ireland agricultural products would continue to flow north if the UK chose to keep the border open, but Northern Irish goods would face immediate new checks if the EU follows

through its stated plans to treat the UK immediately as a “third country”. There are concerns that those on the losing side of this trade – people in Northern Ireland – might seek to block farming goods coming north. An impromptu border could be thrown up in hours, those close to the discussions have warned us.

Beyond that, as Donald Trump reminded us last week, the UK will face tough choices in trade deals it seeks to do with other countries. There is going to be a binary choice between remaining close to EU standards or moving towards those of the US.

And the backlash last week when Dominic Raab suggested proroguing Parliament if it tried to prevent the UK leaving without a deal should be warning to any candidate thinking of this route. MPs might, as we have said, struggle to find technical ways to stop a PM intent on no deal. But any prime minister would find it very hard to govern having shut Parliament out of the biggest decision in generations.

That is not the end of the constitutional problems. Our second piece of advice to the new prime minister relates to devolution. He or she ignores the strains on the Union caused by Brexit at his or her peril. We have done a lot of work this year on devolution of powers to Scotland, Wales and Northern Ireland 20 years ago, one of the biggest experiments that the UK has performed on itself. It is fair to say that devolution overall has been a success in increasing people’s sense of being governed at a local level. It is harder to show that it has helped the economies and public services. But no one would want to turn the clock back.

The biggest question, though, is whether devolution has made the UK stronger as a union, as Tony Blair hoped when he set the UK on this path – or laid the ground for its breakup. Of itself, it would perhaps have been neutral – but Brexit has clearly weakened the union. Scotland and Northern Ireland were very firmly for Remain; Wales, where an independence movement is not strong, still feels neglected in money and powers. The next prime minister needs to pay attention quickly to these concerns if he or she is not to find that the question of whether parts of the UK break away dominates the coming years.

Our third piece of advice concerns public services. The challenge of meeting people’s expectations is not going to go away. The economic consequences of Brexit may make it worse. Our widely praised Performance Tracker annual report shows how much prisons, courts and social care for the elderly have deteriorated during recent cuts.

The new prime minister needs to be straight with the public about the choices that will follow – on tax as well as spending. If nothing changes then current trends will make the UK, as some have put it, a health service with a small country attached.

In trying to tackle these pressures on public services, it would be a mistake to recoil – as the Labour opposition has done - from the fact that many are delivered privately. Even the NHS buys in a lot of its services and medicines from private companies, as

we've pointed out, despite the uproar caused by Trump's comments on access for US firms. It is no solution to cost or quality to seek to bring those services back into government as a matter of principle. Some have worked very well for the public's benefit. Others – probation again – less so.

But procurement from the private sector is a third of government spending as we've shown. It's too big to abolish – and indeed, has sometimes yielded important benefits. It needs to be run better, and the right services and construction outsourced. We are going to publish a clear guide for government on how and when to commission work from the private sector, to bring some evidence and principles to this heated area.

You can see in the front hall and on the landing the work we do. Suggestions for what we should work on or collaborations always welcome.

I'm now going to introduce the keynote speaker to open our conference.