



www.taxpayersalliance.com

Structure of Government No. 2

The Failure of Government Management

The performance of any organisation should be judged on the quality of its output. Judged on this basis the management of public services by politicians and civil servants has been extremely poor. Although the UK is the fifth richest country in the world:

- Standardised tests conducted by the OECD show that, since 2000, British 15-year-olds have fallen from 8th to 24th place in maths; from 7th to 17th in reading; and in science – an area in which the UK as a whole excels – from 4th to 14th;¹
- The standard of care provided by the National Health Service is now ranked 16 in a comparison of 19 peer countries;²
- Crime levels in England and Wales are the third highest of 39 peer countries;³
- Even worse is the fact that the poor and disadvantaged get the worst education and the worst healthcare and suffer the highest rates of crime.

This paper, the second in our 'Structure of Government' series, examines why the management of UK government is failing. To get a better understanding of the role of the leader of a large organisation, we asked the chief executives of the FTSE 100 companies what experience they would expect of their successors and the minimum time they would want them to stay in office. (See Appendix D for a copy of the letter we sent to each Chief Executive.) 32 CEOs responded, of which 13 provided full answers. Their companies have a combined turnover of £370 billion and staff of 1.8 million. We then compared their experience to what happens in government.

Table 1: The government of the UK, as at March 2007⁴

	Staff	Spending, £ million
Departments	5,686,257	552,788
<i>of which central funding for</i>		
Quangos and Agencies	714,430	63,518
Local Authorities	2,297,000	115,569

¹ OECD Programme for International Student Assessment 2006, December 2007

² Nolte, Ellen, 2008, *Measuring the Health of Nations*, Commonwealth Fund

³ Home Office, October 2003, *International comparisons of criminal justice statistics*

⁴ Figures for quangos and agencies reflect totals for the UK, which includes those associated with the devolved administrations. Local authorities are included as they are effectively controlled by national government, which provides around 70 per cent of the funding.

Key findings of the report

- The **FTSE 100 Chief Executives who responded to our survey** highlighted three essential qualities that they would look for in their successor:
 - **Sector experience** i.e. knowledge of the company's market, customers and processes.
 - **Experience of managing large organisations**, with one calling for at least 20 years of experience of managing medium to large companies.
 - At least **5 years' tenure**, with an absolute minimum of 3 years.
- Government management falls short in each of the three areas:
 - **Sector experience:** government departments have become so diverse that **no-one could have the knowledge to manage so many different sectors**. The Department for Culture, Media and Sport, for example, has 63 subsidiaries ranging from historical sites to delivery of the 2012 Olympics (see Appendix B).
 - **Management experience:** none of the current cabinet has any experience of managing large businesses, and **only 1 in 7 MPs has any management experience at all**, let alone of giant organisations such as government departments.
 - **Tenure:** the **average appointment for a Secretary of State is 2 years**, for a senior civil servant 2 years and 8 months, and for a minister just 1 year and 8 months.
- The current system of government has two additional failings:
 - It is a **monopoly, which removes the basic tools of management and kills the need to innovate, improve and reduce costs**.
 - It encourages **Ministers to take a more 'hands on' role in the day-to-day management of their department**, undermining existing management structures and **creating a constantly changing set of objectives**.
- Five factors therefore make the current system impossible to manage effectively – **diversity, lack of management experience, lack of time in office, the protection of monopolies, and increased Ministerial involvement in day-to-day management**.
- The five appendices give further details:
 - A – snapshot of the structure of UK government;
 - B – subsidiary bodies of the Department for Culture, Media and Sport;
 - C – Secretaries of State and Ministers in each department since 1997;
 - D – reproduction of the letter we sent to each FTSE 100 Chief Executive;
 - E – staff and turnover for the FTSE 100 companies.



Ben Farrugia, Policy Analyst at the TaxPayers' Alliance, said:

"Comparison with the most successful business leaders in the country reveals that the people running public services lack appropriate experience, have near impossible tasks to do and are never in their job for long enough to engage properly with their departments. Whitehall is malfunctioning in a way that no business could ever contemplate, and it is ordinary families who have to foot the bill and suffer the consequence of struggling services."

Diversity makes the UK government impossible for anyone to manage

All the FTSE 100 CEOs said that 'sector experience' i.e. knowledge of the companies' market, customers, processes was vital. Yet how could anyone have sufficient *sector experience* of, for example, the Department of Culture, Media and Sport, with its huge, diverse range of activities? It is responsible for 46,041 people, 63 quangos and agencies and £6.1 billion of spending a year. The activities it manages include art and heritage, historical sites and buildings, libraries, lotteries, the tote, museums, cultural development media including the BBC, tourism and the construction of the 2012 Olympic sites. (See Appendix B for further details of the subsidiary bodies of the DCMS.)

Overall, there are more than 2,063 subsidiary bodies carrying out government functions and spending £257 billion of taxpayers' money. It is impossible for anyone to have sufficient knowledge of this very diverse range of activities to agree for each their visions, objectives, plans and budgets. The result is that there is no management control and therefore no democratic control over these subsidiary bodies.

Table 2 below shows Britain's largest public companies in comparison to the largest government departments. Staff numbers for the departments include all those employed in the relevant public service (schools, policing etc) and over whose performance the Secretary of State is responsible. (See Appendix E for a full list of the FTSE 100 companies, also ranked by staff numbers.)

Table 2: The largest organisations in the UK, ranked by staff numbers

	Organisation	Staff
1	Department of Health (including NHS)	1,343,839
2	Department for Education and Skills (including school workforce)	763,189
3	Group 4 Securicor	440,128
4	Compass Group	361,327
5	HSBC Holdings	322,282
6	Tesco	318,283
7	Home Office (including police workforce)	315,308
8	Ministry of Defence (including armed forces)	287,261
9	Department of Trade and Industry	247,997
10	Unilever	189,000
11	Anglo American	162,000
12	Sainsbury's	148,000
13	Royal Bank of Scotland	142,600
14	Barclays	134,900
15	Department for Work and Pensions	124,134
16	Royal Dutch Shell	108,000
17	BT Group	106,200
18	HM Treasury (including HM Revenue and Customs)	106,038
19	Glaxosmithkline	103,401
20	British American Tobacco	97,431

Politicians and civil servants lack management experience

The FTSE 100 chief executives said that their replacement should have experience of managing a large organisation and of its functions – marketing, finance, human resources, processes. One CEO stated: *"[anyone] would need more than twenty years experience in medium to large plcs, and be able to give clear direction [... in] all key functions."*⁵

Yet politicians and civil servants lack experience of managing. Not one of the current ministerial team has any experience of managing large businesses, let alone experience in the sectors which their portfolios cover, and only 1 in 7 MPs has any management experience at all, let alone of giant organisations such as government departments.⁶ Few people enter politics to manage, but the demands of modern politics inevitably forces ministers into management roles for which they are not equipped.

This would matter less if the senior civil service – the executive officers of government – were focused on management. It remains, however,

⁵ CEO Survey, April 2008, Response 23

⁶ Financial Times, 2/4/ 2008, *Politicians' lack of Commercial Experience*

orientated towards 'policy' rather than 'delivery' and few permanent secretaries have ever worked outside the civil service in management roles.

Table 3: Management experience of key politicians

Cabinet Position, Name Non-Parliamentary Career	Sector Experience for Portfolio	Management Experience
Prime Minister, Gordon Brown MP University / College Lecturer. Entered Parliament in 1983.	None	None
Chancellor of the Exchequer, Alastair Darling MP Solicitor / Barrister; West Lothian Council. Elected to Parliament in 1987.	None	None
Secretary of State for Justice, Jack Straw MP Unions; Law; Political special advisor. Entered parliament 1977.	Some	None
Home Secretary, Jacqui Smith MP Teacher. Entered Parliament in 1997.	None	None
Secretary of State for Health, Alan Johnson MP Post Office; Unions. Entered Parliament in 1997.	None	None
Secretary of State for Business, Enterprise and Regulatory Reform, John Hutton MP University Lecturer. Entered Parliament in 1992.	None	None
Secretary of State for Children, Schools and Families, Ed Balls MP University Lecturer; writer; political advisor. Elected to Parliament in 2005.	None	None
Leader of the Opposition, David Cameron MP Conservative Party; Carlton Media; Political advisor. Entered Parliament in 2001.	Some	Some
Shadow Chancellor, George Osborne MP Conservative Party. Entered Parliament in 2001.	None	None
Shadow Foreign Secretary, William Hague MP Shell UK; McKinsey; Journalist. Entered Parliament in 1989.	None	Some
Shadow Secretary of State for Business, Enterprise and Regulatory Reform, Alan Duncan MP Shell UK, Commodity Trader. Entered Parliament in 1992.	Extensive	Extensive
Leader of the Liberal Democrats, Nick Clegg MP Political Advisor; MEP. Entered Parliament in 2005.	None	None
Economic Spokesman for Liberal Democrats, Vince Cable MP Lecturer; Kenyan Government; Shell UK. Entered Parliament in 1997.	Extensive	Some

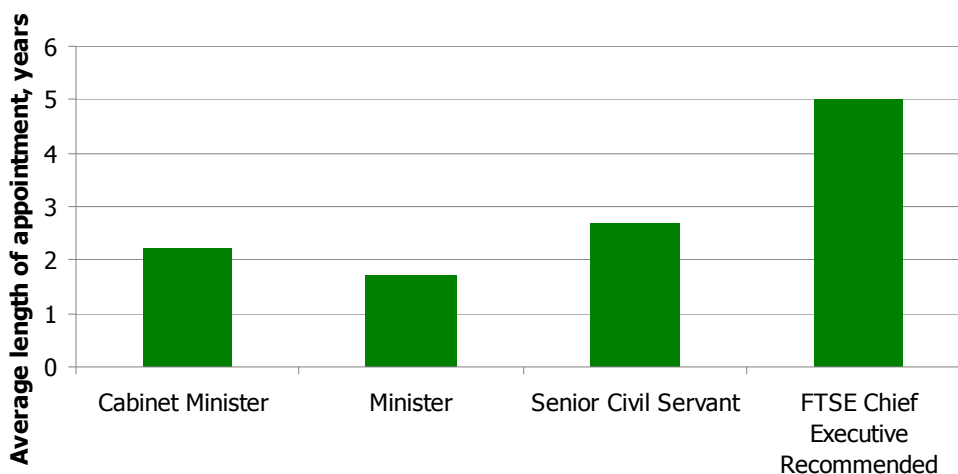
Politicians and civil servants lack the time in office

Most of the FTSE 100 chief executives expected their replacement to spend an absolute minimum of 5 years in office, the lowest was 3 years.

Compare this to the current system of government, where the average appointment for a Secretary of State is 2 years, for a senior civil servant (such as a departmental Permanent Secretary, effectively its CEO) 2 years and 8 months, and for a Minister just 1 year and 8 months.⁷ John Reid, for example, served in seven roles in seven years, many of which were vital offices of state (Defence, Home Office and Health). (See Appendix C for a list of the UK government Secretaries of State and Ministers since 1997 in each department.)

Continuity of leadership provides stability of vision, management style and time for the build-up of knowledge and experience. It is easy to think of successful organisations with long-serving leaders – Microsoft, Tesco, Dixons, British Land – but very difficult to find a successful one where the leadership changes frequently.

Figure 1: Average length of appointment of government Ministers



⁷ Public Administration Select Committee, *Ninth Report of Session 2006-07, Skills for Government*, p.38

Other failings: monopolies and 'hands-on' management from Ministers

The current system of government suffers from two additional failings: monopolies and over-involvement of Ministers in day-to-day management:

- Free from the threat of customer loss or bankruptcy, monopolies remove the basic tools of management – the need to innovate, improve and reduce costs. The services government provides – education and health in particular – exist as monopolies, presenting the majority of taxpayers with little choice and ever sinking standards.
- Ministers are the visible side of a department; but while accountable for its actions in Parliament (and elections) they are not 'responsible' for the activities of the department in the same way a corporate chief executive is for their company. A minister should not 'manage' the department, but rather make sure that the department is run by the best people. However, beset by 'management failures', ministers have increasingly taken to involving themselves directly in the management of their departments. Such 'hands-on' political management from on high undermines existing management structures and makes running the department impossible, as objectives constantly shift with the volatility of politics.

The way forward and the principles of restructuring

The quality of public services and the effectiveness of both national and local government will not improve under the current structure, regardless of which party is in power. Radical restructuring is needed:

- National government should only do those things that civil society and local government cannot do, for example, defence of the realm, foreign relations, a system of law.
- Politicians, with a small team of civil servants, should set high level policy and provide funding from taxation.
- Execution of policy should be by people who have sector knowledge and management experience.
- Monopolies should be broken up wherever possible.

How this can be achieved with greater democratic control will be the subject of future papers.



Sources and Methodology

The Failure of Government Management is based on three distinct research projects:

Survey of FTSE 100 Chief Executives: Building on research carried out by the Industry and Parliament Trust⁸ – which revealed that only 1 in 7 MPs possessed management experience – the TaxPayers' Alliance contacted the Chief Executives of the FTSE 100, looking to establish exactly what successful managers expect to see in their successors (see Appendix D). Thirty two Chief Executives responded, of which 13 provided full answers. For reasons of privacy names and organisations have been withheld, but they include Chief Executives of the some of the UK household names.

Government of the UK diagram (Appendix A): This represents a snapshot of UK government spending and staff numbers at March 2007, before both Gordon Brown's Cabinet reshuffle and the Comprehensive Spending Review. We will update when new data becomes available.

Spending and Staff figures have been taken from the Departmental Annual Reports and Resource Accounts for 2006-07 and the PESA 2006. Additional civil service staff information is taken from the civil service website.⁹

Ministers and responsibilities information has been compiled from Resource Accounts 2006-07 and the Cabinet Office website.¹⁰

For the Non-Ministerial Departments (for which the Secretary of State has responsibility), spending is shown as " – " in the diagram. This is because funding for these departments comes directly from Parliament and not through the responsible ministerial department.

Subsidiary bodies data has been taken from the TaxPayers' Alliance's paper 'Structure of Government 1: Unseen Government'.¹¹

Variations between figures shown here and those in 'Structure of Government 1: Unseen Government' reflect the availability of new data since its publication. The data used in this report represents the best available data at the time of publication.

The total central government funding of quangos and agencies in Table 1 differs from that in Appendix A because Table 1 refers to all the quangos and agencies in the UK, including those associated with the devolved administration, whereas Appendix A only shows those associated with Whitehall departments.

⁸ Financial Times, 2/4/2008, *Politicians' lack of Commercial Experience*

⁹ www.civilservice.gov.uk

¹⁰ http://www.cabinetoffice.gov.uk/ministerial_responsibilities/

¹¹ http://tpa.typepad.com/bettergovernment/files/080515_structure_of_government_1_unseen_government_immediate_release.pdf



Local authorities are included in this paper, as central government provides over 70 per cent of their income. Differences between local government figures in Table 1 and Appendix A reflect the complex nature of local government financing. Central government provides a block grant of £92.5 billion and the Department of Communities and Local Government gives a further £23 billion to local authorities in pursuit of the department's aims and objectives. Hence the £115.6 billion for Local Authorities in Table 1 is a sum of the block grant and additional spending by the Department of Communities and Local Government. In Appendix A the £122.6 billion shown as spent by local authorities is the total amount spent by local authorities of £145.6 billion minus the £23 billion awarded by the Department of Communities and Local Government, which is recorded in the central department spending line. We recognise that this is extremely complicated, and feel as frustrated as the reader at the obscurity of government funding arrangements.

Due to the complexity and lack of clarity in Government documents, it is not possible to generate a perfect figure for departmental spending, nor for the number of employees in the central departments and their core constituent parts. For instance there may be a small element of double-counting given that quango employees (those in 'subsidiary bodies') may sometimes be included in the staff numbers for the central department.

It is a shame that a proper government organogram is not produced officially, which would allow taxpayers to see who is responsible for what, how much money and how many staff. In its absence, this diagram represents another part of the TaxPayers Alliance's effort to provide the public with the information it deserves.

UK Government Secretaries of State and Ministers since 1997 (Appendix C): Information was obtained from Dod's Parliamentary Companion, for the years 1997 – 2008. Positions are correct as of 12/10/2007. Departmental re-structuring is shown wherever possible.

All other sources referenced are shown in the footnotes.

Any errors in this paper are our responsibility. However errors are not necessarily our own; available data on government budget, spending and staff is unnecessarily complicated and frequently contradictory. It is not uncommon to find three or four conflicting figures for the same item. The only way to avoid errors in the future is for government to produce a clear and detailed organogram of government, with an attendant financial and staff breakdown. If this is too complicated to do then government has become too complicated and in need of reform.



To discuss the research, please contact:

Ben Farrugia

Policy Analyst, The TaxPayers' Alliance

ben.farrugia@taxpayersalliance.com, 07980 589 905

To arrange broadcast interviews, please contact:

Mark Wallace

Campaign Director, The TaxPayers' Alliance

mark.wallace@taxpayersalliance.com; 07736 009 548

Appendix A

The Government of the United Kingdom, as at March 2007

	Staff	Spending £ million
Law Officers Department	9,917	14
<i>Attorney General</i>		
<i>Solicitor General</i>		
Treasury Solicitor's Department	900	14
Non-Ministerial Departments x 3	9,017	-
Cabinet Office	3,377	6,496
<i>Minister of State for the Cabinet Office</i>		
<i>Minister of State for the Third Sector</i>		
<i>Parliamentary Secretary (Social Exclusion)</i>		
<i>Minister without Portfolio</i>		
Central Department	1,479	6,460
Executive Agencies x 1	701	0
Subsidiary Bodies x 13	42	35
Non-Ministerial Departments x 3	1,155	-
Communities and Local Government	9,402	33,183
<i>Secretary of State</i>		
<i>Minister of State for Housing and Planning</i>		
<i>Minister of State for Local Government</i>		
<i>Parliamentary Under Secretary (Women & Equality)</i>		
<i>Parliamentary Under Secretary</i>		
<i>Parliamentary Under Secretary</i>		
Central Department	2,802	30,726
Executive Agencies x 4	2,560	
Subsidiary Bodies x 24	3,680	2,457
Local Authorities	2,297,000	122,569
Constitutional Affairs	35,005	3,601
<i>Secretary of State and Lord Chancellor</i>		
<i>Minister of State for Criminal Justice</i>		
<i>Parliamentary Under Secretary (Human Rights)</i>		
<i>Parliamentary Under Secretary</i>		
<i>Parliamentary Under Secretary</i>		
Central Department	2,711	2,145
Executive Agencies x 5	31,808	1,321
Subsidiary Bodies x 573	486	135

Prime
Minister

	Staff	Spending £ million
Culture, Media and Sport	46,041	6,103
<i>Secretary of State</i>		
<i>Minister of State for Creative Industries and Tourism</i>		
<i>Minister of State for Sport</i>		
<i>Minister of State for Culture</i>		
Central Department	535	4,447
Executive Agencies x 1	101	20
Subsidiary Bodies x 62	45,405	1,636
Defence	287,261	38,858
<i>Secretary of State</i>		
<i>Minister of State for the Armed Forces</i>		
<i>Minister of State for Defence Equipment and Support</i>		
<i>Parliamentary Under Secretary (Veterans)</i>		
Central Department	68,374	29,596
Executive Agencies x 12	29,676	9,182
Subsidiary Bodies x 36	11,441	80
Armed Forces personnel	177,770	
Education and Skills	763,189	70,999
<i>Secretary of State</i>		
<i>Minister of State for Children, Young People, Families</i>		
<i>Minister of State for Schools and Young Learners</i>		
<i>Minister of State for Lifelong Learning</i>		
<i>Parliamentary Under Secretary (Schools)</i>		
<i>Parliamentary Under Secretary (Children and Families)</i>		
<i>Parliamentary Under Secretary (Skills)</i>		
Central Department	3,281	52,305
Subsidiary Bodies x 21	10,170	18,694
Non-Ministerial Departments x 1	2,238	-
School workforce in England	747,500	
Environment, Food and Rural Affairs	33,396	4,026
<i>Secretary of State</i>		
<i>Minister of State for Climate Change & Environment</i>		
<i>Minister of State for Sustainable Farming and Food</i>		
<i>Parliamentary Under Secretary (Biodiversity, Landscape)</i>		
<i>Parliamentary Under Secretary (Marine, Animal Welfare)</i>		
<i>Parliamentary Under Secretary (Farming and Food)</i>		
Central Department	2,829	1,668
Executive Agencies x 9	9,482	2,303
Subsidiary Bodies x 96	20,140	55
Non-Ministerial Departments x 2	945	-

Prime
Minister

	Staff	Spending £ million
Foreign and Commonwealth Office	26,826	1,985
<i>Secretary of State</i>		
<i>Minister of State for Europe</i>		
<i>Minister of State for the Middle East</i>		
<i>Minister of State for Trade</i>		
<i>Parliamentary Under Secretary (Trade)</i>		
Central Department	15,859	1,518
Executive Agencies x 2	1,248	25
Subsidiary Bodies x 10	9,719	442
Health	1,343,839	94,194
<i>Secretary of State</i>		
<i>Minister of State for Health Services</i>		
<i>Minister of State for Public Health</i>		
<i>Parliamentary Under Secretary (Care Services)</i>		
<i>Parliamentary Under Secretary (Health Services)</i>		
<i>Parliamentary Under Secretary</i>		
Central Department	2,315	11,775
Executive Agencies x 2	582	39
Subsidiary Bodies x 56	7,460	780
Non-Ministerial Departments x 1	2,373	-
NHS England	1,331,109	81,600
Home Office	315,308	14,390
<i>Secretary of State</i>		
<i>Minister of State for Policing</i>		
<i>Minister of State for Criminal Justice</i>		
<i>Minister of State for Immigration</i>		
<i>Parliamentary Under Secretary (Immigration)</i>		
<i>Parliamentary Under Secretary (Criminal Justice)</i>		
<i>Parliamentary Under Secretary (Policing)</i>		
Central Department	24,077	10,868
Executive Agencies x 3	51,006	2,382
Subsidiary Bodies x 29	8,184	1,140
Non-Ministerial Departments x 1	219	-
Police workforce	231,822	
International Development	8,504	5,408
<i>Secretary of State</i>		
<i>Parliamentary Under Secretary</i>		
Central Department	1,719	5,389
Subsidiary Bodies x 4	6,785	16

**Prime
Minister**

	Staff	Spending £ million
Northern Ireland Office	4,881	1,449
<i>Secretary of State</i>		
<i>Minister of State</i>		
<i>Parliamentary Under Secretary</i>		
<i>Parliamentary Under Secretary</i>		
<i>Parliamentary Under Secretary</i>		
Central Department	1,297	1,206
Executive Agencies x 4	2,830	197
Subsidiary Bodies x 17	754	45
Privy Council Office	90	7
<i>Leader of the House of Commons</i>		
<i>Leader of the Lords</i>		
Privy Council Office	33	-
Office of the Leader of the Commons	57	-
Scotland Office	82	6
<i>Secretary of State</i>		
<i>Minister of State</i>		
<i>Advocate General for Scotland</i>		
Central Department	49	4
Office of the Advocate General	33	2
Trade and Industry	247,997	6,277
<i>Secretary of State</i>		
<i>Minister of State for Industry and the Regions</i>		
<i>Minister of State for Trade, Investment, Foreign Affairs</i>		
<i>Minister of State for Science and Innovation</i>		
<i>Parliamentary Under Secretary (Employment)</i>		
<i>Parliamentary Under Secretary (Energy)</i>		
Central Department	3,387	290
Executive Agencies x 3	2,246	0
Subsidiary Bodies x 60	241,044	5,987
Non-Ministerial Departments x 5	1,320	-
Transport	23,913	15,882
<i>Secretary of State</i>		
<i>Minister of State</i>		
<i>Parliamentary Under Secretary</i>		
<i>Parliamentary Under Secretary</i>		
Central Department	1,883	13,424
Executive Agencies x 7	16,848	2,449
Subsidiary Bodies x 18	4,803	8
Non-Ministerial Departments x 1	379	-

Prime
Minister

	Staff	Spending £ million
HM Treasury	106,038	224
<i>Chancellor of the Exchequer</i>		
<i>Chief Secretary to the Treasury</i>		
<i>Paymaster General</i>		
<i>Financial Secretary</i>		
<i>Economic Secretary</i>		
Central Department	1,127	182
Office of Government Commerce	375	33
Debt Management Office	85	7
HM Revenue and Customs	96,604	-
Executive Agencies x 2	1,004	0
Subsidiary Bodies x 2	2,670	1
Non-Ministerial Departments x 3	4,173	-
Wales Office	57	4
<i>Secretary of State</i>		
<i>Parliamentary Under Secretary</i>		
Central Department	57	4
Work and Pensions	124,134	127,113
<i>Secretary of State</i>		
<i>Minister of State for Pensions Reform</i>		
<i>Minister of State for Work</i>		
<i>Parliamentary Under Secretary (Disabled People)</i>		
<i>Parliamentary Under Secretary (Lords)</i>		
<i>Parliamentary Under Secretary (Commons)</i>		
Central Department	8,681	121,430
Executive Agencies x 6	103,595	5,027
Subsidiary Bodies x 17	11,858	656
Total	5,686,257	552,788

Prime
Minister

Appendix B

The diversity of government departments: Subsidiary bodies of the Department of Culture, Media and Sport, as at March 2007

	Bodies	Staff	Funding £ million	Expenditure £ million
Culture, Media and Sport	63	45,545	1,657.8	8,412.8
Art		1,215	483.6	999.7
Arts Council England		872	426.5	602.3
Heritage Lottery Fund		266	0.0	339.7
National Heritage Memorial Fund		1	5.0	6.3
Export of Works of Art, Reviewing Committee on the *		2	0.0	0.0
Treasure Valuation Committee *		3	0.1	0.0
Government Art Collection, Advisory Committee on the		0	0.0	0.0
Museums', Libraries and Archives Council		71	52.0	51.4
Spoilation Advisory Panel		~	~	~
Historic Sites and Buildings		2,836	175.8	268.5
Historic Wreck Sites, Advisory Committee on		0	~	~
National Historic Ships, Advisory Committee on		0	~	~
Churches Conservation Trust		35	4.3	5.9
Architecture and the Built Environment, Commission for		102	10.1	11.9
English Heritage		1,937	141.3	175.3
Historic Royal Palaces		654	0.0	46.0
Theatres Trust & Theatres Charitable Trust		7	0.0	0.4
Royal Parks Agency		101	20.0	29.0
Libraries		2,024	110.3	127.5
Libraries, Advisory Council on		0	~	~
British Library		2,011	102.6	119.8
Legal Deposit Advisory Panel		~	~	~
Public Lending Right and Public Lending Right Advisory Committee		13	7.7	7.6
Lottery		1,148	9.2	88.4
Big Lottery Fund (BIG)		1,103	~	76.9
National Lottery Commission		45	9.2	11.4

Bodies	Staff	Funding £ million	Expenditure £ million
Museums	8,197	308.5	545.6
British Museum	1,034	38.7	62.3
Geffrye Museum *	35	1.5	1.9
Horniman Public Museum and Public Park Trust	97	3.9	5.0
Imperial War Museum	665	20.6	42.1
Museum of London	405	7.9	24.5
Museum of Science and Industry in Manchester	116	3.9	6.2
National Gallery	453	24.0	30.4
National Maritime Museum	407	17.0	20.6
National Museum Liverpool	593	21.2	30.0
National Museum of Science and Industry	829	36.7	69.4
National Portrait Gallery	212	7.0	14.2
Natural History Museum *	932	41.5	74.8
Royal Armouries Museums	189	7.8	10.5
Sir John Soane's Museum	25	~	~
Tate Gallery	1,150	34.1	87.4
Victoria and Albert Museum	960	39.1	61.2
Wallace Collection	95	3.5	5.3
Olympics	154	52.7	347.9
Olympic Delivery Authority	152	52.7	192.9
Olympic Lottery Distributor	2	0.0	155.0
Regional Development	41	0.9	1.3
Culture East Midlands	4	0.2	0.3
Culture North East	4	0.2	0.3
Culture South East	20	0.2	0.3
Culture South West	~	~	~
Culture West Midlands	~	~	~
Culture North West	~	~	~
Living East	4	0.2	0.3
Yorkshire Cultural	9	~	~
Sport	5,306	174.3	606.7
Gambling Commission	175	18.7	14.4
Horserace Betting Levy Board	158	~	111.0
Horserace Betting Levy Tribunal	2	~	~
Horserace Totalisator Board (TOTE)	4,775	~	134.5
Sport England	113	102.5	257.1
UK Sport	83	53.1	89.7
Media	24,044	291.0	5,334.2
BBC	23,037	264.1	4,353.4
Channel 4	917	~	922.9
Sianel Pedwar Cymra (S4C) - Welsh	~	~	~
Fourth Channel Authority			
UK Film Council	90	26.9	57.9



	Bodies	Staff	Funding £ million	Expenditure £ million
Tourism		463	49.9	70.9
England Marketing Advisory Board		0	~	~
VisitBritain		463	49.9	70.9
Other		117	1.6	22.1
Football Licensing Authority		15	1.6	1.6
Science, Technology and the Arts, National Endowment for		102	~	20.5

Appendix C

UK Government Secretaries of State and Ministers since 1997

Department (names since 1997)	Secretaries of State/Ministers since 1997
Prime Minister's Office	The Rt Hon Tony Blair MP (1997- 2007) The Rt Hon Gordon Brown MP (2007 -)
Attorney General's Office	The Rt Hon John Morris QC MP (1997 - 2000) The Lord Williams QC (2000 - 2002) The Lord Goldsmith QC (2002 - 2007) The Baroness Scotland of Asthel QC (2007 -)
Cabinet Office	The Rt Hon Dr Jack Cunningham (1999 - 2000) The Rt Hon Mo Mowlam (2000 - 2003) The Lord MacDonald (2003 - 2004) The Rt Hon Douglas Alexander (2004 - 2005) The Rt Hon Alan Milburn (2005 - 2006) The Rt Hon John Hutton (2006 - 2007) The Rt Hon Hillary Armstrong (2007 - 2007) The Rt Hon Edward Miliband (2007 -)
Communities and Local Government	The Rt Hon Ruth Kelly MP (2007 - 2007) The Rt Hon Hazel Blears MP (2007 -)
Constitutional Affairs; Justice	The Lord Falconer QC (2004 - 2007) The Rt Hon Jack Straw (2007 -)
Culture, Media and Sport	The Rt Hon Chris Smith MP (1997 - 2002) The Rt Hon Tessa Jowell MP (2002 - 2007) The Rt Hon James Purnell MP (2007 - 2008) The Rt Hon Andy Burnham MP (2008 -)
Defence	The Rt Hon George Robertson MP (1997 - 2000) The Rt Hon Geoffrey Hoon MP (2000 - 2006) The Rt Hon Dr John Reid MP (2006 - 2007) The Rt Hon Des Browne MP (2007 -)
Education and Employment; Education and Skills; Children, Schools and Families; Innovation, Universities and Skills	The Rt Hon David Blunkett MP (1997 - 2002) The Rt Hon Estelle Morris MP (2002 - 2004) The Rt Hon Charles Clarke MP (2004 - 2006) The Rt Hon Ruth Kelly MP (2006 - 2007) The Rt Hon Alan Johnson MP (2007 - 2007) The Rt Hon Edward Balls (2007 -) The Rt Hon John Denham MP (2007 -)
Agriculture, Fisheries and Food; Environment, Food and Rural Affairs	The Rt Hon Dr Jack Cunningham MP (1997 - 1999) The Rt Hon Nick Brown MP (1999 - 2002) The Rt Hon Margret Beckett MP (2002 - 2007) The Rt Hon David Miliband MP (2007 - 2007) The Rt Hon Hillary Benn MP (2007 -)
Foreign and Commonwealth Office	The Rt Hon Robin Cook MP (1997 - 2002) The Rt Hon Jack Straw MP (2002 - 2007) The Rt Hon Margret Beckett MP (2007 - 2007) The Rt Hon David Miliband MP (2007 -)

Department (names since 1997)	Secretaries of State/Ministers since 1997
Health	The Rt Hon Frank Dobson MP (1997 – 2000) The Rt Hon Alan Milburn MP (2000 – 2004) The Rt Hon John Reid MP (2004 – 2005) The Rt Hon Patricia Hewitt MP (2005 – 2007) The Rt Hon Alan Johnson MP (2007 –)
Home Office	The Rt Hon Jack Straw MP (1997 – 2002) The Rt Hon David Blunkett MP (2002 – 2006) The Rt Hon Charles Clarke MP (2006 - 2007) The Rt Hon John Reid MP (2007 – 2007) The Rt Hon Jacqui Smith MP (2007 –)
International Development	The Rt Hon Clare Short MP (1997 – 2004) The Rt Hon Hillary Benn MP (2004 – 2007) The Rt Hon Douglas Alexander MP (2007 –)
Northern Ireland Office	The Rt Hon Marjorie Mowlam MP (1997 - 2000) The Rt Hon Peter Mandleson MP (2000 – 2002) The Rt Hon Dr John Reid MP (2002 – 2004) The Rt Hon Paul Murphy MP (2004 – 2006) The Rt Hon Peter Hain MP (2006 – 2007) The Rt Hon Shaun Woodward (2007 -)
Office of the Advocate General for Scotland	The Baroness Clark (1999 – 2006) The Lord Davidson (2006 –)
Office of the Deputy Prime Minister (& Environment, Transport and the Regions)	The Rt Hon John Prescott MP (1997 – 2007) (1997 – 2002)
Office of the Leader of the House of Commons	The Rt Hon Ann Taylor MP (1997 – 1999) The Rt Hon Margret Beckett MP (1999 – 2002) The Rt Hon Robin Cook MP (2002 – 2004) The Rt Hon Peter Hain MP (2004 – 2006) The Rt Hon Geoffrey Hoon MP (2006 – 2007) The Rt Hon Jack Straw MP (2007 – 2007) The Rt Hon Harriet Harman (2007 –)
Scotland Office	The Rt Hon Donald Dewar MP (1997 – 2000) The Rt Hon Dr John Reid MP (2000 – 2002) The Rt Hon Helen Liddell MP (2002 – 2004) The Rt Hon Alistair Darling MP (2004 - 2007) The Rt Hon Douglas Alexander MP (2007 – 2007) The Rt Hon Des Browne MP (2007 –)
Trade and Industry; Business, Enterprise and Regulatory Reform	The Rt Hon Stephen Byers MP (1999 – 2002) The Rt Hon Patricia Hewitt MP (2002 - 2006) The Rt Hon Alan Johnson MP (2006 – 2007) The Rt Hon Alistair Darling MP (2007 – 2007) The Rt Hon John Hutton MP (2007 –)
Transport; Transport, Local Government and the Regions; Transport	The Rt Hon Gavin Strong MP (1997 – 2002) The Rt Hon Stephen Byers MP (2002 – 2003) The Rt Hon Alistair Darling MP (2003 – 2007) The Rt Hon Ruth Kelly MP (2007 –)
HM Treasury	The Rt Hon Gordon Brown MP (1997 – 2007) The Rt Hon Alistair Darling MP (2007 –)

Department (names since 1997)	Secretaries of State/Ministers since 1997
Wales Office	The Rt Hon Ron Davies MP (1997 – 1999) The Rt Hon Alun Michael (1999 – 2000) The Rt Hon Paul Murphy (2000 – 2005) The Rt Hon Peter Hain MP (2005 – 2007) The Rt Hon Paul Murphy (2008 –)
Social Security; Work and Pensions	The Rt Hon Margret Beckett MP (1997 – 1999) The Rt Hon Alastair Darling MP (1999 – 2003) The Rt Hon Andrew Smith MP (2003 – 05) The Rt Hon Alan Johnson (2005 – 2006) The Rt Hon David Blunkett (2006 – 2007) The Rt Hon John Hutton (2007 – 2007) The Rt Hon Peter Hain (2007 – 2008) The Rt Hon James Purnell MP (2008 –)



Appendix D

Letter sent to FTSE 100 Chief Executives

Ben Farrugia
43 Old Queen St
London SW1H 9JA

26 March 2008

Dear Mr [...],

I am writing to you, as the Chief Executive of [...] seeking advice. I am doing a research project into what experience Chief Executives of large companies would expect to see in their successors. I would be most grateful if you could take five minutes to answer two questions:

- 1 What are the five most important areas of experience that you would look for in your successor? For example, experience of managing a similar sized company, experience of your industry, of your company, or in a specific area such as finance or marketing.
- 2 What is the minimum time you would expect your successor to remain in the role of Chief Executive, if the appointment was:
 - a an internal candidate;
 - b an external candidate?

I would very much appreciate your help.

Kind regards,

Ben Farrugia

Appendix E

FTSE 100 companies, ranked by staff numbers, at March 2008

FTSE 100 company	Staff	Turnover, £million
Group 4 Securicor	440,128	4,490
Compass Group	361,327	9,895
HSBC Holdings	322,282	137,892
Tesco	318,283	42,641
Unilever	189,000	40,187
Anglo American	162,000	25,470
Sainsbury's	148,000	17,151
Royal Bank of Scotland	142,600	49,526
Barclays	134,900	39,668
Royal Dutch Shell	108,000	355,782
BT Group	106,200	20,223
Glaxosmithkline	103,401	22,716
British American Tobacco	97,431	10,018
BP	97,000	284,365
Associated British Foods	84,636	6,800
WPP Group	79,352	6,186
BAE Systems	79,000	14,309
Wolseley	78,948	16,221
Marks & Spencer	75,871	8,588
FirstGroup	74,233	3,709
Camellia	73,059	161
Rentokil Initial	70,834	2,203
Astrazeneca	67,900	29,559
SabMiller	66,949	14,862
Vodafone	66,343	31,104
Next	62,314	3,284
Standard Chartered	59,205	21,506
Aviva	59,000	40,900
Lloyds TSB Group	58,078	22,081
HBOS	57,884	42,373
Old Mutual	53,152	14,630
Wm Morrison Supermarkets	51,502	12,969
British Airways	48,070	8,492
MITIE Group	44,866	1,229
Mitchells & Butlers	42,741	1,894
Logica	40,483	3,073
Serco	40,086	2,811
DSG International	38,596	7,930
Rolls-Royce	37,300	7,435
GKN PLC	36,117	3,616

FTSE 100 company	Staff	Turnover, £million
Rio Tinto	35,245	29,700
Mondi	34,000	5,751
Centrica	33,933	16,342
BHP Billiton	33,861	39,498
Arriva	32,435	2,001
Whitbread	31,703	1,411
Carillion	31,576	3,331
Woolworths	30,209	2,737
Kesa	29,581	4,501
Home Retail Group	29,468	5,607
Pearson	29,283	4,162
Smiths Group	29,068	2,161
Balfour Beatty	28,862	6,466
Xstrata	28,198	28,542
Invensys	27,793	2,562
Wincanton	27,270	1,933
Debenhams	26,490	1,774
Capita Group	25,584	2,073
Punch Taverns	24,939	1,705
Go-Ahead Group	24,378	1,827
Rexam	24,200	3,611
Lonmin	24,122	1,941
Southern Cross Healthcare	22,361	732
Thomas Cook	22,101	9,439
Diageo	22,086	7,481
AMEC	21,479	2,356
Carphone Warehouse	19,810	3,991
National Grid	19,712	8,695
Rank Group	19,002	534
Greggs	18,974	586
Interserve	18,386	1,738
United Utilities	16,868	2,323
Daily Mail / General Trust	16,839	2,235
Signet Group	16,836	3,519
Northern Foods	16,721	889
Reuters	16,302	2,605
WH Smith	16,227	1,299
Pendragon	16,192	5,060
Savills	15,844	651
The Davis Service Group	15,618	822
Atkins	14,891	1,264
Travis Perkins	14,866	3,187
IMI	14,738	1,599
Taylor Nelson Sofres	14,542	1,068

FTSE 100 company	Staff	Turnover, £million
Imperial Tobacco	14,221	3,280
Ladbrokes	14,083	1,235
John Menzies	13,978	1,541
Yell Group	13,898	2,075
Cable & Wireless	13,851	3,348
Scottish & Newcastle	13,652	2,988
Aegis Group	13,566	8,230
Sage Group	13,531	1,158
Cookson Group	13,357	1,620
British Sky Broadcasting	13,087	4,551
William Hill	13,000	940
HMV Group	12,977	1,895
Millennium & Copthorne Hotels	12,862	670
Experian Group	12,628	3,481
Scottish and Southern Energy	12,472	11,867
Severn Trent	12,461	1,480
Total	5,523,288	£1,670,015