



Will Theresa May be brave enough to reform the Treasury?

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There is no shortage of issues facing our new Prime Minister. But if she ever wants to feel secure there is one Government department that needs profound reform. **HM Treasury.**

The Treasury has always believed itself to be Westminster's most important ministry, not least because it hands out taxpayers' money to the other departments.

At one time it was proud to be seen as being fiercely non-political. It regarded itself as the responsible adult in a government full of children. But all that changed when Gordon Brown came to office. He demanded that his civil servants were loyal to him personally. If a Treasury official wanted promotion, being one of Brown's boys was essential. When Osborne came to office, he inherited that allegiance.

Yesterday, Mrs May appointed Philip Hammond as Chancellor and, by so doing, has already indicated that she is going to move the power away from the political class and run a listening government drawing her ministers from those with practical life experience. Unlike Brown and Osborne, Hammond has had a real job before coming into Parliament.

This route matches her practical nature and reflects the sentiment behind the Brexit vote, which was as much a vote against the way we were ruled as a vote against the EU.

But if the government is to fully regain its reputation, accountability must become its watchword. But accountability is not just for politicians and regulators, it must also apply to everyone in the financial services sector.

Project Fear has effectively destroyed the Treasury's reputation. After all, who is going to believe its forecasts now? The same can also be said of a number of attached bodies, including the Bank of England whose claim of "independence" is now in shreds.

Many leaders believe the moral compass of their company resides in their compliance department and refuse to take personal responsibility for the leadership they meant to be giving. Indeed, it provides a handy get-out clause when things go wrong.

The reputation of UK financial services was not built by regulators, but by the leaders of the City's firms. If we want to see less regulation, we must see more accountability from ourselves. That way, we will begin to make the current regime unnecessary.

For advisers, change brings opportunity. This week, the Treasury Select Committee questioned the Bank of England's "Independence". We, at Libertatem, hope to encourage it to do the same for the FCA very soon. The "Independence" of both is a mirage, but allows ministers to take decisions whilst avoiding responsibility. In a democracy that cannot be allowed to continue.

We entering an era of great possibilities. Positivity, along with a real desire for change, has provided us with an opportunity to take control of our future. Don't leave it to chance.

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