



Independent Review
of Governance and
Accountability in the
Civil Service

The Rt Hon Lord Maude of Horsham

Contents

Foreword and Acknowledgements	3
Executive Summary	5
Introduction	9
The Stewardship Obligation	18
Key Recommendations	33
The Centre of Government	37
Key Recommendations	44
Appointment of Civil Servants	46
Key Recommendations	57
Accountability in Departments	59
Key Recommendations	66
Collective Decisions and Cross-Departmental Programmes	69
Key Recommendations	72
Ministers and Special Advisers	74
Key Recommendations	77
Arm's Length Bodies (ALBs)	79
Key Recommendations	85
Annex 1 – Review Terms of Reference	88
Annex 2 – Description of Civil Service	92
Annex 3 – Critiques and History	95
Annex 4 – Tackling Interchange – A Case Study	112
Annex 5 – Delegation of the Prime Minister's Power under the Constitutional Reform and Governance Act (CRAG)	123
Annex 6 – Impartiality and Politicisation	131
Annex 7 – Civil Service Governance Framework (2021)	134

Foreword and Acknowledgements

1.1 I was appointed to conduct this review, of Civil Service governance and accountability, in July 2022, pursuant to the commitment in the Declaration on Government Reform of June 2021. My broad Terms of Reference for the review are set out in **Annex 1**.

1.2 The initial expectation was that the review would take no more than a few months. That it has taken a full year reflects the breadth and complexity of the issues involved, and the time needed to uncover the current arrangements for governance and accountability, both in theory and in practice. Some of the findings overturn assumptions casually made by many, including myself, and so it has been necessary to check and recheck to be sure that the shape that has emerged, so far as is possible, is reasonably accurate.

1.3 The Review has been informed by numerous interviews, conversations and submissions. I have spoken with Civil Service leaders both past and present; serving and former ministers from all major UK parties, including Prime Ministers; numerous civil servants both former and current; and a multitude of students of and commentators on the Civil Service. This has created a strong factual basis, provided many insights and ideas, and enabled me to test findings and ideas extensively. I am enormously grateful to them all for speaking openly and frankly.

1.4 In particular, I would like to thank: Sapana Agrawal, Sir Michael Barber, Dame Kate Bingham, Lord Birt, Simon Case, Rt Hon Sir Tony Blair, Sir Alex Chisholm, Rt Hon Thérèse Coffey MP, Janette Durbin, Tamara Finkelstein, David Foley, Dr Laura Gilbert, Catherine Haddon, Rt Hon John Healey MP, Rt Hon the Lord Herbert of South Downs, Rt Hon Dame Margaret Hodge MP, Dame Patricia Hodgson, Michael Jary, Sir Bernard Jenkin MP, Lord Johnson of Lainston, Nick Joicey, the late Lord Kerslake, Sir John Kingman, Tony van Kralingen, Dame Emily Lawson, Megan Lee Devlin, Sir John Manzoni, Rt Hon the Lord O'Donnell, Rt Hon the Lord Pickles, Rt Hon Jeremy Quin MP, Rt Hon Angela Rayner MP, Tom Read, Gareth Rhys Williams, Sir Olly Robbins, Antonia Romeo, Fiona Ryland, Rt Hon the Lord Sainsbury of Turville, Rt Hon the Lord Sedwill, Nick Smallwood, Rt Hon the Baroness Stuart of Edgbaston, Mark Sweeney, Simon Tse, Sir Patrick Vallance, Sir Chris Wormald, and William Wragg MP.

1.5 The topic of governance has been much studied in recent years by a variety of think tanks and other bodies. I mention especially the Institute for Government, which has over the last few years published a number of penetrating and well-informed studies making recommendations that bear directly on this review. The Commission on Smart Government has also been an invaluable source of information, ideas and insights.

1.6 No one can write about the Civil Service without owing a huge debt to Lord Hennessy's magisterial "*Whitehall*". I am enormously grateful to him for this, for many conversations over the years, and for his permission to quote from the book.

1.7 Finally, my thanks to the Review Secretariat, ably led by Sharmin Joarder and supported by Anita Bhalla and David Kirkham. They have undertaken diligent research, sourced and checked numerous facts and documents, reported back from a great many seminars and other events relevant to the Review, and arranged a vast array of meetings and interviews. I could not have completed this Review without them.

Executive Summary

Findings

2.1 The arrangements for governance and accountability of the Civil Service are unclear, opaque and incomplete:

1. The power to manage the Civil Service is by statute vested in the Prime Minister as Minister for the Civil Service. However there is no overall scheme of delegation for how this power is to be exercised in practice, whether by ministers and/or by civil servants.
2. Other than the accountability of civil servants to ministers, there is little external scrutiny of the Civil Service as an institution. The powers of the Civil Service Commission are limited to oversight of external recruitment to the Service, and in any event the Commission operationally is heavily dependent on the Civil Service. Its independence is accordingly truncated.
3. The demands placed upon the centre of government – Prime Minister’s Office, Cabinet Office and HM Treasury – have expanded massively in the last 100 years, yet its basic shape and division of functions has remained broadly unchanged. The centre is now unwieldy, with confusion about where responsibilities lie and a lack of clear lines of accountability. Other jurisdictions with similar systems provide signposts to improved arrangements.
4. The nearly complete accountability that ministers have for their departments’ activities is out of alignment with their assumed authority to direct resources.

Effects

2.2 The effects of this are:

1. There has been a failure over decades to implement or sustain agreed and uncontroversial reforms and improvements – the “stewardship obligation”. Failings identified by the Fulton Committee in 1968, for example the dominance of “generalists”, “churn” whereby officials move from post to post in an apparently unplanned and uncontrolled manner, and an excessively closed culture and lack of interchange with external sectors, all constantly recur in reviews of and commentaries on the Civil Service.

2. The public interest in having a permanent politically impartial Civil Service, able to serve any democratically-elected government effectively and to give ministers well-informed and robust advice, is not well assured due to the absence of systematic external scrutiny.
3. There is an avoidable level of tension and frustration between ministers and civil servants.

Principal recommendations

2.3 My principal recommendations therefore are:

1. There should be a comprehensive and transparent scheme of delegation of the Prime Minister's statutory power to manage the Civil Service.
2. The role of Head of the Civil Service (HoCS) should be dedicated and full time, with a mandate from the Prime Minister to drive through an agreed programme of Civil Service reforms and improvements, supported by a single Civil Service Board with transparent membership and mandate. HoCS should be an individual with a proven capacity for system leadership and experience in driving demanding change management programmes across a large and complex organisation.
3. The role of the Civil Service Commission should be expanded to include:
 - a. Holding HoCS to account for the implementation of an agreed programme of Civil Service reforms and improvements; and reporting annually to Parliament on progress.
 - b. Overseeing internal Civil Service appointments to ensure that they are made on merit.

The First Civil Service Commissioner should be a near full-time appointment, paid at the same rate as the leaders of major regulators; the Commission should always include a former minister from each of the two major UK parties; and the Commission staff should be independent of the Civil Service and include at most a small minority of civil servants.

4. The centre of government should be reorganised to create: an Office of Prime Minister and Cabinet, which would be the strategic centre; an

Office of Budget and Management (OBM), which by bringing together the leadership of the cross-cutting implementation functions with the management of public expenditure would create strong real time accountability for the spending of public money; and HM Treasury should retain responsibility for economic and fiscal policy, including the overall expenditure envelope, taxation and financial services regulation. This arrangement would align the UK much more closely with other governments with Westminster-style parliamentary democracies, such as Australia, Canada, Ireland and New Zealand.

5. The arrangements for the appointment of civil servants should be revisited to allow ministers a greater role in some appointments while strengthening the public interest in maintaining a permanent politically impartial service able to give robust and objective advice to ministers.

Subsidiary recommendations

2.4 Further, I additionally recommend that:

1. Departmental boards should be retained and their role strengthened, especially in relation to transparency, data and management information.
2. The customs surrounding collective decision-making, including Cabinet Committees and Sub-Committees, are archaic, and should be modernised to narrow the gap between “crisis mode” and business as usual.
3. A specific review should be commissioned into the governance of and accountability for the implementation of cross-departmental programmes, with no restrictions on scope. In particular the review must be able to consider changes to the role of departmental accounting officers, which has been explicitly and unaccountably excluded from the remit of the current review.
4. More care should be taken with the preparation, selection and appointment of ministers and Special Advisers, with a particular focus on training.
5. The landscape of Arm’s Length Bodies (ALBs) is confused and confusing. Ministers often have limited information about the ALBs that they have responsibility for, and little visibility into their

operation. The sponsorship arrangements in departments vary greatly, and too often suffer from a lack of senior attention. There should be a sustained programme to map the landscape of ALBs accurately and on a consistent basis; categorise them on the basis of the appropriate governance and accountability arrangements (the “length of the arm”); and introduce a consistent approach across government for reporting in to the sponsoring department and the way in which appointments to their boards are made.

Introduction

3.1 The Government made a commitment to review the Civil Service's Governance and Accountability in the 2021 Declaration on Government Reform, and I was asked to undertake this review. The Government's commitment is very welcome. It is in the interest of everyone in the country, not least civil servants themselves, that governance and accountability are arranged in a way that will enable the British Civil Service once again to be "the best Civil Service in the world".

3.2 Six initial points:

- I do not attempt here to set out a plan for Civil Service Reform. That is well-trodden ground. However, in order to illustrate the need for changes in governance and accountability it has been necessary to describe some of the substantive critiques of the Service that have consistently been made over the decades by successive reviewers, commentators, governments, and former officials and ministers. Any future governance and accountability arrangements should meet the test of enabling the implementation of the agreed reforms.
- Second, I am conscious that some of what I say sounds critical of the Civil Service. During my many years in Government as a Minister and as an external adviser, I have been supported by many highly talented and capable civil servants. The Civil Service as an institution needs to be arranged and managed in such a way that great civil servants can deliver the outstanding public service that is what attracted them in the first place. My criticism is of the Civil Service *as an institution*, not of civil servants. Indeed, I have found that much of the strongest criticism of the institution comes from civil servants themselves.¹
- Third, as the Declaration on Government Reform set out, how Ministers are prepared for high office, and the way in which they are appointed and operate, also needs substantial improvement. It is little use complaining about lack of authority and the difficulty of holding officials to account, if ministers do not know how to exercise the authority they have, or how to hold others accountable. I make some

¹ "...one of the strongest arguments in favour of the reform of our Civil Service is that it signally fails to make the best use of the excellent material at its disposal.", Stephen Demetriadi, *A Reform for the Civil Service*, 1921.

observations and recommendations in relation to ministers and Special Advisers.

- Fourth, I have sought to avoid recommendations that either require primary legislation or challenge established constitutional norms. My focus has been on practical changes that can be set in train quickly. Some recommendations will doubtless be contested. But all are capable of being implemented at pace within the existing legislative framework.
- Fifth, in line with my Terms of Reference, which exclude consideration of “*any issues relating to...the public expenditure accountability framework or governance processes...*”, my recommendations leave this framework and these processes untouched. These are stated to be “*the responsibility of the Chancellor of the Exchequer and continue to be reviewed and updated as required through existing processes*”. I merely comment on the oddity of an approach which ordains that for just one government institution the only body deemed fit to review its governance of and accountability for something so central as public expenditure is that institution itself.

In considering the current shape of the centre of government, I do however make a recommendation on where these “governance processes” should be located.

- Sixth, this review was commissioned by, and reports to, the current government. It is however also addressed to the wider community of those not in government at present but who may aspire to office in the future. They have an interest in governance and accountability arrangements that enable the Civil Service to operate at the highest peak of effectiveness and efficiency, and to be capable of the continuous improvement that all great organisations should pursue.

3.3 The central principle of this review is that *good governance requires authority and accountability to be aligned*: that those charged with responsibilities should have sufficient authority to be able to discharge those responsibilities; and have a clear line of accountability for whether and how they are discharging them. I have framed my recommendations to reflect this principle.

3.4 The review proceeds on the basis that the UK’s current system of a permanent and politically impartial Civil Service will be maintained. For

around 150 years there has been a broad consensus that the UK is best served by a permanent Civil Service that is politically impartial, in the sense of being capable of serving governments of any political persuasion with the same high level of capacity and commitment.

3.5 However, some dissent from this consensus. They hanker after something closer to the US system, where the top echelons of appointments in the public service are in the gift of the incoming administration. They argue that only when the senior managers are deeply immersed in, and committed to, the government's policy agenda will it be possible to drive through policy reform with real effectiveness. In support of this, they argue that it creates crisp accountability – for those making these appointments authority and accountability are precisely aligned.

3.6 I have concluded that these advantages are outweighed by the disadvantages of delay and discontinuity that are evident in the US system.

3.7 The question then poses itself: are the current arrangements for the *scrutiny* of the Civil Service fit for purpose? It is hard to escape the conclusion that – almost alone among state institutions – there is no organised scrutiny of the way the Civil Service is managed.

3.8 The Civil Service is a people organisation and the most important task of its leadership is the appointment and management of its people. The most significant of the Civil Service reforms advocated over the decades are ultimately about people and the way in which they are selected, appointed and managed. Measures to address the dominance of generalists, churn, imperviousness – all these eventually come down to the appointment and management of people. The organisational health of the Civil Service is overwhelmingly dependent on its people: who they are, and how they are appointed and managed.

3.9 The *Constitutional Reform and Governance Act 2010 (CRAG)* vests the power to “manage” the Civil Service in the Minister for the Civil Service – in practice, always the Prime Minister of the day. It is obvious that no Prime Minister can expect to exercise this power personally – for nearly all purposes that power would be expected to be delegated. However, it has been exceptionally difficult to piece together how (and in many cases whether) such formal delegation has occurred, and through what instruments of delegation. No comprehensive scheme exists, and the picture can only be loosely sketched out by examining a variety of documents – in

particular letters delegating powers directly to ministers (never made public or revealed to ministers themselves) and the published *Civil Service Management Code (CSMC)*. There are inconsistencies and gaps in the picture, described in **Annex 5**, and it is essential that a single comprehensive scheme of delegation should emerge from the consideration of this review.

3.10 However, the power to manage the (internal) appointment, promotion and lateral moves of civil servants has been left, in ways that are mostly unseen and certainly unregulated, to civil servants themselves. There is nothing in law that requires this power to be vested only with civil servants, and there are no formal and explicit delegation instruments to allow it (the Civil Service Management Code simply assumes it).

3.11 This essential management activity is carried out behind a veil which is hard for anyone outside the Civil Service to penetrate. Yes, the Civil Service Commission (CSC) has a statutory duty to oversee appointments *into* the Civil Service, but no power to oversee or investigate internal moves and promotions. Furthermore, the CSC is set up in such a way that its independence from the Civil Service hierarchy is limited. It is viewed as a Cabinet Office “arm’s length body”; but its budget is set by the Cabinet Office; its chief executive is a career civil servant line managed by the head of propriety and ethics; its staff are all civil servants; and its last two First Commissioners before the current incumbent were both former Civil Service permanent secretaries. It has historically seen its role as the *protector* of the Civil Service, guarding its perimeter, not as its scrutineer.

3.12 It is especially hard for ministers to penetrate this veil. Of course, ministers have little bandwidth to be involved personally, but most would value more visibility into how these decisions are made. Often they do not even know that changes are being made. Ministers’ sole direct appointees – the handful of Special Advisers – are denied any direct line of sight into the appointment process, although nothing in the law prevents this. Any attempt for ministers or their direct appointees to be present – again, even as passive observers – in any structure connected at all with the leadership and management of the Civil Service have consistently failed. These structures include the Civil Service Board, the Senior Leadership Committee and “Wednesday Morning Colleagues” – the weekly meeting chaired by the Cabinet Secretary and attended by Permanent Secretaries. It is notable that the CSMC places a responsibility on ministers to ensure that the conditions set out in the *Code* for lateral moves and promotions are being met, although it is highly unlikely that any minister has ever been told this.

3.13 There are good arguments for limiting the involvement of ministers and their representatives in the appointment of officials. The first is the need to preserve impartiality and continuity². If ministers had unfettered power to impose their own choices, there is a danger that the Civil Service could too easily become so partisan in support of the incumbent government that its ability to effectively serve an incoming government of a different complexion would be impaired. This is a genuine concern, and any changes must provide convincing safeguards against this (see the chapter on *Appointment of Civil Servants*).

3.14 There is a second argument, rarely advanced in public, and of which we are only occasionally vouchsafed a glimpse. This argument runs as follows:

- ministers are transitory;
- they are often appointed for reasons unrelated to their skills or abilities;
- because of their need to secure public support and votes, they will often be tempted to make rash and ill thought out decisions, which will subsequently need to be changed, and perhaps reversed, by another government.

3.15 The existence of a permanent Civil Service, it can be argued, with its composition safe from the interference of ministers, is an important element in the “checks and balances” that protect the national interest from being damaged. Allowing ministers too much ability to impose their own chosen people into Civil Service posts, it is said, would weaken these checks and balances and thereby imperil the national interest.

3.16 This argument is rarely advanced openly and publicly. It lies behind the sense that there is a core of the Civil Service with “administrative skills”, the “profession” described elegantly by Sir Edward Bridges in his 1952 Rede Lecture, something of a closed caste with its own customs and mystique, which outsiders, whether ministers or those brought in from outside, must not be allowed to imperil. These are the “generalists”, whose dominance of the Civil Service has consistently attracted criticism going back to the Fulton Report of 1968 and indeed beyond.

3.17 The shape of this argument has sometimes fleetingly become visible through the veil. A document created by consultants in 2008 at the direction

² As noted elsewhere, a loss of continuity and institutional memory has been the price paid for the uncontrolled “churn” in the movement of Whitehall civil servants from post to post.

of the then leadership of the Civil Service identified among the necessary qualities of candidates to be permanent secretary “*knowing when to ‘serve’ the political agenda and manage ministers’ expectations versus leading their department*” and “*tolerating irrational political demands*”. This was an uncharacteristically explicit statement that officials have permission – and sometimes an obligation – to ignore what ministers have instructed.

3.18 There is an obvious tension between this proposition and the obligation to respect the democratic mandate that ministers carry, so it is understandable that the argument is seldom explicitly made. This is a pity, as it carries some weight, and deserves to be clearly articulated and openly debated. The danger with a proposition which exists only in the shadows is that it can too easily be perverted to improper ends. It is too easy to suggest that the unwise decision of a minister who does not command respect or who is believed to have a short tenure can be ignored because to implement it would be “against the national interest”. It is too easy for the belief that the preservation of the permanent Civil Service is essential for the national interest to slide into passive or indeed active resistance to attempts at Civil Service reform – especially to reforms that would make it more open to new blood and different experiences.

3.19 The existence of a robust permanent Civil Service, with sufficient independence from the government of the day to enable officials to give honest, questioning and challenging advice to ministers, is genuinely an important safeguard of the national interest. The ability and willingness of the senior civil servant who is the accounting officer to call out a decision that improperly or unwisely ignores that advice by requiring a written ministerial direction is the ultimate safeguard.

3.20 So who should be responsible for ensuring that the Civil Service has these qualities? By definition it cannot be ministers, and for the reasons set out above the CSC is currently neither empowered nor equipped for it. The unspoken assumption has really been that these institutional qualities of permanence and resilience in the service of the national interest are so rare and precious that their maintenance can only be safely entrusted to the institution itself. This has created a sense that the Civil Service has had some of the characteristics of a self-perpetuating oligarchy with a built-in resistance to change³.

³ Some of these characteristics are illustrated in the description of the arrangements through which incumbent permanent secretaries decide which directors-general are suitable candidates for promotion to permanent secretary in *Leadership* (2022) written by the former PUS at FCDO, now Lord McDonald.

3.21 This is no longer sustainable in a world that expects high levels of transparency and accountability. The arrangements for the governance and accountability of the Civil Service have been shrouded in layers of obscurity, ambiguity and unwritten assumption. The recommendations contained in this report are intended to put in place arrangements that are clear and unambiguous. Some may be uncomfortable for ministers; others for civil servants. But change is long overdue, and now is the time to embrace it.

3.22 My report is divided into seven chapters:

1. **The Stewardship Obligation:** In my reading of previous reviews and other commentary on the Civil Service, I have been struck by the number of critiques that constantly recur over the decades. These critiques are generally uncontested and uncontroversial. Yet too often the changes and reforms needed to remedy these failings are not attempted, or if attempted, are abandoned before completion, or if completed regress after those implementing them move on. Remedying these failings requires *systemic change*, over a timescale that transcends the timespan of any individual administration. This requires a distinction to be made between *the business of the government of the day* on one hand and the “*stewardship obligation*” on the other.

It is impossible not to conclude that the current arrangements for governance and accountability are seriously inadequate, especially for the discharge of the stewardship obligation. There is no individual – or body – with the authority to drive reform through the whole Service; and even if there were, the current accountability arrangements for the implementation of reform are gravely deficient.⁴ **Annexes 3 and 4** illustrate the need for change.

2. **The Centre of Government:** With the introduction of the functional model, where the cross-cutting functions – commercial procurement,

⁴ “Nobody, including the prime minister or the head of the Civil Service, has the necessary authority and available time required to lead and manage the Civil Service. Instead, often conflicting responsibilities are distributed between ministers, senior civil servants at the centre of government and departmental permanent secretaries. Policy coordination and implementation suffer because of inconsistencies between departments. The Cabinet Office and Treasury cannot accurately track the delivery of key priorities. The long-term capability and resources of the state are not well managed and the constitution is poorly interpreted. Risk management is poor with personal responsibilities for owning risks too diffuse. And ill-defined accountability within the Civil Service, and between ministers and officials, leads to unnecessary mistakes followed by blame games, preventing important lessons from being learned.” IfG, March 2022.

digital, financial management, etc – are strongly led from the centre, the role of the Cabinet Office has burgeoned in a way never foreseen, and which has led to blurred responsibilities and extremely confused lines of accountability. Furthermore, the structure of the centre of government and the relationships between its components – PM’s Office, HM Treasury and Cabinet Office – are now way out of line with other similar governments. Bringing the UK closer into line with others will simplify and clarify governance and accountability.

3. **Appointment of Civil Servants:** While ministers are accountable for all that occurs within their department, their authority over the disposition of human resources – civil servants – in practice is severely truncated. Such powers are vested by statute in the Minister for the Civil Service – the Prime Minister. This chapter reviews how these powers are exercised and whether changes can be made that protect and enhance the principle of a permanent impartial Civil Service, and which help to reinstate the benefits of continuity.
4. **Accountability in Departments:** This chapter covers the role of departmental boards, transparency, data and management information.
5. **Collective Decisions and Cross-Departmental Programmes:** This chapter examines the processes by which ministerial decisions are informed, recorded, transmitted and implemented. I examine whether there can be greater accountability for the quality and accuracy of civil servants’ advice to ministers; and whether changes can be made to the operation of cabinet and cabinet committees to provide for greater accountability for the implementation of collective decisions.
6. **Ministers and Special Advisers:** This chapter contains some reflections on the preparation, appointment, training and accountability of ministers and Special Advisers.
7. **Arm’s Length Bodies (ALBs):** There are hundreds of ALBs of widely differing types that can affect the life of the nation and indeed directly impact the lives of individual citizens. As this chapter shows, there is little consistency in the way government departments delegate their functions to public bodies. I offer some reflections and suggest some general principles on how accountability for the operation of ALBs might be assessed and improved.

3.23 Finally, a word on what we mean by governance and accountability. Governance is defined variously as “the exercise of authority or control”; “a method or system of government or management”; “the action, manner or power of governing”. Accountability is clearer: it is essentially how people and organisations are to be held to account for their actions and results.

3.24 These are well used and familiar words. In the government context they have tended to be used in a limiting sense. So governance tends to be spoken of in terms of setting boundaries to power, and accountability in terms of holding people and organisations to account when things go wrong. The British constitution famously depends upon “checks and balances” and I do not in any sense downplay the importance of this more negative lens on governance and accountability. It is clearly important to have governance and accountability arrangements that reduce the likelihood of “bad things” being done.

3.25 However, governance and accountability arrangements also need to enable “good things” to be done and positive decisions to be implemented effectively. My focus in this review is unapologetically less on how to prevent things getting worse than on how to enable things to get better and support the British Civil Service once again to be “the best Civil Service in the world.”

The Stewardship Obligation

“...there is no...controlling body in the Civil Service...which today secures the efficient control of the undertaking.”

A Reform for the Civil Service (1921)

“We have found no instance where reform has run ahead too rapidly”

The Fulton Committee (1968)

Background

4.1 As outlined above, I do not recommend moving away from the long-established system of a permanent politically impartial Civil Service. The current system can be made to work effectively with some changes in governance that will improve the accountability of the permanent Civil Service for its discharge of the business of the government of the day. In the chapters on *The Centre of Government*, *Appointment of Civil Servants*, and *Accountability in Departments*, I make recommendations to effect these changes.

4.2 However, “permanence” confers a responsibility on the leadership of the Service to look beyond the time horizon of the government of the day; of any single Prime Minister or government. This is the “stewardship obligation” – the obligation to see through to completion reforms to the Civil Service that are uncontroversial. These reforms are required to drive continuous improvement and to maximise organisational health and effectiveness.

4.3 In previous reviews and other commentary on the Civil Service, numerous critiques constantly recur over the decades, generally uncontested and uncontroversial. The Institute for Government has helpfully documented some of these.⁵ These include:

- Imperviousness and a closed culture – the low value attached to experience from outside the Service;
- Excessive reliance on “generalists” who dominate the Whitehall cadre of policy officials;

⁵ [A New Statutory Role for the Civil Service](#), Institute for Government, March 2022.

- Churn – the frequent and unplanned movement of officials from post to post, without regard to business need, at the expense of continuity and of developing and maintaining specialist knowledge and expertise;
- The poor quality and use of data and management information;
- The gap between policy and implementation;
- The disparity of esteem between policy generalists (white collar) on the one hand and those charged with implementation or with specialist and technical expertise (blue collar) on the other;
- Innovation aversion – a culture that discourages innovation for fear of failure; and
- Poor performance management.

4.4 Annex 3 describes these critiques more extensively and shows how they have repeatedly been advanced. No one seriously contests that these criticisms are real, nor does anyone dispute that the failings need to be remedied. Yet the necessary changes have either not been attempted, or been abandoned before completion, or not been sustained after completion. *Remedying these failings requires holistic systemic change, over a timescale that runs well beyond the timespan of any single administration.*

4.5 These problems have been consistently articulated in and since the Fulton Committee’s report in 1968. The reforms and changes needed to remedy these failings together add up to an incredibly demanding change management exercise: a huge transformation programme, requiring systemic and cultural change throughout a vast and complex organisation. Many of the failings are interconnected, and the remedies needed have many interdependencies.

4.6 While support from ministers will be important, the principal responsibility to remedy these longstanding deficiencies lies with the leadership of the Civil Service, as Sir John Kingman, former Second Permanent Secretary in HM Treasury, has said:

“The fact is that most of the items on the reformers’ shopping-list – more expertise; less manic turnover of officials in jobs; more competence in execution and delivery; stronger commercial, IT and project capability; more interchange with the

outside world; better management of underperformance – are wholly in the mandarins’ gift to make happen.”⁶

4.7 Success will require the governance and accountability arrangements to be optimised; the right highly qualified people in the right place with the right mandate; and it will take time – certainly much longer than the 4-5 years of the normal electoral cycle.

4.8 So what must change to enable it to happen?

1. Governance – put the right person in charge, with a mandate to drive change

4.9 The Head of the Civil Service (HoCS) has nearly always been a part-time role, doubling as Cabinet Secretary, head of the Treasury or a departmental Permanent Secretary. Historically, the only full time Head of the Civil Service was Sir Ian Bancroft, who served from 1978 to 1981. Even then, responsibility for the Civil Service was split between the Civil Service Department, of which he was the Permanent Secretary, and the Treasury. Responsibility for the Civil Service is still shared with the Treasury.

“I had naively thought when I became Minister that the HoCS was like the CEO of a company and had the responsibility and authority for managing the Civil Service but I gradually realised that constitutionally HoCS has no authority over Permanent Secretaries. He is therefore more like the senior partner of a law firm responsible for ethics, who has which office and the Christmas party than a CEO of a company responsible for the efficient management of the organisation for which he is head. And the reason the activities of government often appear not to be joined up is that it is not the job of anyone to join it up.”

Lord Sainsbury of Turville, IfG, July 2022⁷

4.10 The right person to be Cabinet Secretary will be a brilliant policy official, able to provide sophisticated policy and handling advice to the Prime Minister, and to lead the coordination of the government’s policy agenda. The right person to lead a massive change management programme will be an experienced operational system leader with a sophisticated understanding of the levers and interdependencies that can drive change of the required scale across a huge and complex organisation. It is highly unlikely that these qualities will be found in the same individual; and even if

⁶Sir John Kingman, *Why is Civil Service reform so hard?*, Institute for Government, December 2020.

⁷ Lord Sainsbury of Turville, Institute for Government Annual Conference, July 2022.

they were it is simply not possible for the leader of a transformation programme of this scale and complexity to fulfil it on a part-time basis. So, first and foremost, the Head of the Civil Service must be a separate and full-time position (**Recommendation 1**). They should set the annual objectives of departmental permanent secretaries, in agreement with ministers, including for the delivery of cross-cutting Civil Service changes. As now, HoCS would be the line manager of departmental permanent secretaries, but would be able to delegate some of this to the Cabinet Secretary, especially for the heads of policy departments.

4.11 Second, the HoCS' only tools to drive change at present are cajolery and persuasion. These are necessary attributes for any transformation leader, along with inspiration and conviction, but they are not sufficient. The leader must also have a clear mandate, with clear authority, after all the consensus building and cajolery, to lay down what must happen, to support its implementation, and to call out backsliding (**Recommendation 2**). Their mandate should include capability, culture, recruitment, management information and performance evaluation. The mandate should be set out in a formal delegation letter from the Prime Minister. A draft is included at **Annex 5A**.

4.12 Third, the HoCS' mandate must run across the whole Civil Service, including the Diplomatic Service (**Recommendation 3**). The debate over whether there is one Civil Service or a collection of autonomous departments has been fudged for decades. It is sometimes convenient for it to be seen as unitary and at other times departmental autonomy is preferred. This can no longer be fudged. If there is to be any chance of this long overdue modernisation actually happening, the fudge will have to end. Whether it is described as a unitary Civil Service or not, the Head of the Civil Service must have unquestioned authority, through the Prime Minister's letter of delegation, to drive the changes right across the whole Civil Service. Some aspects of this are considered in **Annex 2**.

4.13 However, delivery of the reforms needed to rectify the deficiencies will be really hard and take many years. The dedicated HoCS charged with delivering it will need a different background from the conventional Whitehall leader, as Sir John Kingman suggested in that same lecture:

“...the reformers are – just like the reformers of 50 years ago – asking these same individuals to upend and rethink fundamental aspects of the system in which they flourished and which got them to the top.”⁸

4.14 Whatever their background, the essential qualities for candidates to hold this new dedicated HoCS position will be capability to lead change management across complex organisations, together with readiness to challenge existing assumptions and orthodoxies. For at least the next 10 years, the HoCS should be someone most of whose previous career has been outside the Civil Service, and much has been in the private sector (**Recommendation 4**). This will give the best chance for the individual to be able to bring a breadth of experience of different organisational cultures to bear on this historic task.

4.15 The responsibilities of the HoCS should include:

- a. Capability;
- b. Culture;
- c. Recruitment;
- d. Incentives;
- e. Management Information;
- f. Performance;
- g. Agreeing with ministers the annual objectives for departmental permanent secretaries, including for the delivery of cross-cutting Civil Service changes needed for the delivery of the stewardship obligation; and
- h. Appraisal of permanent secretaries, alongside the First Civil Service Commissioner and the department’s lead Non-Executive Board Member.

4.16 The HoCS should also be responsible for defining and publishing a future operating model of the Civil Service, and the transition plan to get there (**Recommendation 5**). That should include performance targets, investment and budget. This should be agreed through the newly formed Civil Service Board, who will have shared responsibility for delivering it. The HoCS must also, in conjunction with the strengthened Civil Service Commission (CSC), seek the agreement of the main opposition party’s leadership as well as that of the Prime Minister to the proposed operating model and reform programme.

⁸ Sir John Kingman, *Why is Civil Service reform so hard?*, Institute for Government, December 2020.

4.17 The HoCS can be given these powers by the Prime Minister as Minister for the Civil Service through a carefully drafted delegation letter (see **Annex 5** for a description of the current delegation arrangements, and **Annex 5A** for a draft letter of delegation).

2. Streamline the current governance structures

4.18 The current structures are Byzantine and opaque. The web of “governance” bodies at the centre needs to be streamlined and made totally transparent. The lines of authority need simplicity and clarity to minimise the scope for gaming and distraction. Recent organisation charts for the governance of the Civil Service and the Cabinet Office are extremely complex and confusing and demonstrate the urgent need for such reform. An example dating from early 2021 is included at **Annex 7** (while this will certainly have been updated and simplified since, I include it to illustrate the tendency to create complexity and confusion, and the need for transparency and discipline).

4.19 **There should be a single Civil Service Board** to support the HoCS (**Recommendation 6**). It should be chaired by the HoCS and include:

- a. First Civil Service Commissioner;
- b. Government Lead Non-Executive Director;
- c. Prime Minister’s Chief of Staff;
- d. Cabinet Secretary;
- e. Three heads of the five principal cross-cutting functions: commercial, digital, financial management, human resources, project delivery – all of whom should be appointed at Permanent Secretary level. The Chief People Officer should always be one of the three; and
- f. No more than three departmental permanent secretaries, at least one of whom must have been brought into the Civil Service from outside within the last five years, and at least one from a large operational department.

4.20 The Civil Service Board should support the implementation of the government’s programme, as well as supporting the HoCS in discharging the stewardship obligation.

4.21 There are a number of separate committees that currently have a lot of influence, but do not have clear reporting lines. The Senior Leadership Committee is one such committee. Its remit is described in the *Civil Service*

Management Code (CSMC) at 5.2.1 in this way: “The Senior Leadership Committee (SLC) advises the Head of the Home Civil Service on the senior staffing position across the service as well as on individual appointments”. The membership of the SLC has historically been composed entirely of senior officials plus the First Civil Service Commissioner (and recently expanded to include the Government Lead Non-Executive Member). Elsewhere I recommend that the remit of the CSC should be extended to include oversight of internal appointments at Grade 6 and above. If the SLC continues in this new structure, it should accordingly be chaired by the First Civil Service Commissioner.

4.22 Another meeting is “Wednesday Morning Colleagues” chaired by the Cabinet Secretary. This is a weekly informal gathering intended to be a means whereby Whitehall permanent secretaries can be briefed on collective decisions made by Cabinet and Cabinet committees as well as a forum to discuss thematic cross-cutting policy programmes and their progress. In order to ensure that this important purpose is discharged with full understanding of the nuances, the Prime Minister’s Chief of Staff should attend the “Wednesday Morning Colleagues” meeting (**Recommendation 7**). This will also ensure that the gathering does not assume institutional significance and further complicate the governance of the Civil Service⁹.

4.23 Any additional committees or groups bearing on the governance of the Civil Service must have a clear agenda and outcomes to ensure that they align with and inform meetings of the Civil Service Board (**Recommendation 8**). The agreement of the Minister for the Cabinet Office (or equivalent), the First Civil Service Commissioner and the Government Lead Non-Executive Director should be required before they are established, and the governance arrangements for the whole Civil Service must be transparent and published on gov.uk.

3. Create effective accountability for the stewardship agenda

4.24 If the right Civil Service leader is in place, with the right mandate and the right governance structure, who will hold them to account for delivering reform, continuous improvement, high capability and strong organisational health? The textbook answer is clear: civil servants are accountable to ministers, who are accountable to Parliament. For all purposes that are to do

⁹ The need for clarity is illustrated by the description of WMC in *Leadership*, by the former PUS of the FCDO, now Lord McDonald. He describes (pp 95–96) the establishment of sub-committees of WMC, one of which appears to cover some of the same functions as the SLC, and which assesses the suitability of directors-generals for promotion to permanent secretary.

with the discharge of the business of the government of the day, that is correct, and in later chapters I make some recommendations for how that accountability might be sharpened.

4.25 But the task of implementing the transformation needed to address the long-identified failings is certain to transcend the life span of any government. In any event all organisations need continuous improvement and reform as technological and operational innovation opens the door to ever greater efficiency and effectiveness, and this needs to happen irrespective of the electoral cycle. The model of accountability needs to reflect that reality, and even when ministers are willing and able to exercise this accountability it cannot be assumed that this oversight will be carried over from one minister to another, let alone from one government to another.

4.26 Accordingly, it becomes essential to make a distinction between what is the business of the government of the day, and the “*stewardship obligation*”. The former must, of course, be the primary focus of the Civil Service leadership, and its delivery must be pursued with wholehearted dedication. Incumbent ministers will hold the Civil Service to account for that.

4.27 However, I have concluded that it is simply unrealistic to believe that ministers alone can effectively hold the leadership of the Civil Service accountable for the stewardship agenda. I was myself the minister responsible for pursuing a broadly bipartisan Civil Service reform programme and remained in post for the unusually long period of five years. I am therefore well qualified to conclude that the textbook answer will not deliver the radical and lasting transformation that is needed. Former permanent secretaries have commented that Civil Service reforms often falter through a lack of ministerial interest.

4.28 It becomes essential therefore to identify a source of accountability beyond ministers. **A reformed and strengthened CSC should fulfil that role, supported by the Government Lead Non-Executive Director and network of departmental board Non-Executive Board Members , and reporting annually to Parliament (Recommendation 9).**

4.29 The CSC has a statutory duty, under the *Constitutional Reform and Governance Act 2010 (CRAG)*, to uphold the merit principle in external appointments and to investigate potential breaches of the CSMC that are brought to its attention by civil servants. The First Civil Service

Commissioner is a part-time office holder, paid less (albeit pro rata) than a middle-management grade civil servant and dramatically less than other public sector regulators. The Commissioner is supported by a group of fee-paid Commissioners who can devote only limited time to their duties. The CSC has a secretariat of just 13-14 full-time equivalent (FTE) staff, all seconded from the Civil Service. Its chief executive, a civil servant, reports to and is line-managed by the head of propriety and ethics in the Cabinet Office. Its budget is set by the Cabinet Office. Paragraph 3.2 of the Memorandum of Understanding between the Cabinet Office states: “The Commission shall be reviewed on a regular basis to give the Cabinet Office confidence that the Commission is delivering high-quality services, efficiently, and effectively, in accordance with Cabinet Office’s own guidance.”¹⁰ The Civil Service Commissioner has no power to oversee or investigate internal appointments within the Civil Service, and it has no power to annul appointments that have been improperly made.

4.30 So the current institutional arrangements of the CCS militate strongly against its ability to operate as an *independent regulator* of the Civil Service. Indeed, historically it has seen its role less as a regulator of the Civil Service than as its *protector*; and with its sole specified responsibility for overseeing external recruitment it has tended to focus on guarding the perimeter. Its role has largely been a passive one, primarily to prevent “bad things” happening – principally “politicisation” and the dilution of the merit principle. Until the appointment of Baroness Stuart, both First Civil Service Commissioners since the passage of the CRAG have been former Permanent Secretaries, and until her appointment there has never been a Commissioner with ministerial experience.

4.31 Its counterparts in, for example Australia, New Zealand and Singapore, operate with a much stronger bent towards the proactive promotion of “good things”, with a real focus on improving capability and effectiveness.

4.32 If this broader and more proactive role for the CSC is to be created, with a longer time horizon, then changes in its composition and support will be needed (the legislation permits this to be done by agreement with the Minister for the Civil Service). In this model, in addition to its statutory functions, the CSC would become the custodian of an agreed portfolio of reforms, and would be required to hold the HoCS to account for their implementation. Its role would include liaising with opposition parties as

¹⁰ It is as if OfGem was sponsored by British Gas, or Ofwat by the water companies.

well as incumbent ministers to maximise cross-party support for change. At a change of government the First Civil Service Commissioner would seek to secure the commitment of the new Prime Minister to the agreed portfolio of reforms. This is to ensure continuity, and to minimise the chances of inconvenient reforms being quietly dropped.

4.33 To enable it to carry out this enhanced and more active role, some changes will be needed (**Recommendation 10**):

- The First Civil Service Commissioner should be a full or nearly full-time role, paid at a level equivalent to regulators in the utility sectors;
- No civil servants should be involved in any way with the recruitment and selection of Civil Service Commissioners. The selection panel should be appointed by the Prime Minister after taking advice from the First Civil Service Commissioner, and should generally include the Chair of the House of Commons Public Accounts Committee and the Government Lead Non-Executive Director.
- As agreed following the 2014-15 Triennial Review, its staff should not mostly be current or former civil servants. As also recommended in that Review, the CSC should exercise its statutory authority to employ its own staff;
- It should set its own budget, reflecting the need to be adequately resourced to perform this broader and more proactive role. It would recover its costs from departments and other bodies that employ civil servants on a prorata basis;
- In order to obtain maximum bipartisan support for the stewardship agenda, the CSC should include as Commissioners a former minister from each of the major UK political parties. This will have the additional benefit of ensuring that there is a ministerial perspective in the CSC's deliberations, and provide an added safeguard against partisan "politicisation";
- The First Civil Service Commissioner should hold a rolling checklist of agreed reforms and objectives, and support - and hold to account - the HoCS for their implementation;

- In addition to overseeing recruitment competitions, the CSC must ensure that the HoCS has a serious succession plan for the most senior civil servants and that potential leaders are properly trained and prepared;
- As part of its oversight of the organisational health of the Civil Service, alongside its oversight of external recruitment, it should have a power to oversee internal appointments within the Civil Service, and to annul appointments that have been improperly made;
- The First Civil Service Commissioner should take part in Permanent Secretary appraisals, alongside the Head of the Civil Service (or Cabinet Secretary where this is delegated by HoCS) and lead Non-Executive Board Members;
- The First Civil Service Commissioner should report annually to Parliament, alongside the Government Lead Non-Executive Director, who should have unconstrained visibility into all these streams of work.

4.34 These changes would make the CSC a genuinely independent regulator of the Civil Service, with a broad proactive role much closer to that of its equivalents in Australia, Singapore and New Zealand. The involvement of former ministers from both major UK political parties will make it possible to secure maximum cross-party consensus for reform. This will create the reasonable expectation that reforms will be retained should there be a change in Government.

Non-Executive Board Members

4.35 In the chapter on *Accountability in Departments* I review the role of departmental boards and the role of Non-Executive Board Members (NEBMs). This network of around 80 NEBMs should play an important but largely informal role in these enhanced accountability arrangements. They will be able to provide insights into what is actually happening in departments, and can be “eyes and ears” for the enhanced CSC in assessing progress in delivering on the stewardship obligation.

4.36 In particular, the role of the Government Lead Non-Executive Director can be pivotal. With any regulatory authority the danger of regulatory capture is ever-present, and the Government Lead Non-Executive Director, having full visibility into the CSC’s work and reporting to Parliament

alongside the First Civil Service Commissioner, can provide an important safeguard against that.

4.37 Recently, the appointment of NEBMs to ministerial departmental boards has come under the purview of the Commissioner for Public Appointments. PACAC in its recent report into the role of NEBMs recommends that the appointment of the Government Lead Non-Executive Director should be subject to pre-appointment scrutiny by the select committee. There could be advantages in this if it were seen to confer greater authority on the holder of the post.

4. Who marks the homework?

4.38 The previous section describes how accountability for the overall stewardship agenda can be improved. However there is one additional change needed. When external reviewers have made recommendations for changes in the way the Civil Service operates, it is left to the Civil Service itself to assess their implementation. This is fraught with danger. As a former Permanent Secretary recently commented, referring to the implementation of reform: “permanent secretaries are probably the most non-compliant people in the country but they are very clever in the way that they are non-compliant...”¹¹

4.39 It should be standard practice that reviewers should be invited back two years after their reports are delivered to assess, for publication, the state of implementation (**Recommendation 11**). This does not routinely happen. It would have been useful for those conducting the four equality reviews commissioned by the coalition government¹² to have returned to assess progress. Compliance in Whitehall sometimes pays lip service to implementation, where some obeisance is made to the *form* of the recommendations, while the *substantive intention* is bypassed. This is one aspect of the absence of organised scrutiny described in the Prologue to this report.

¹¹Phillip Rycroft, *Whitehall wisdom: Rewiring the Government Machine*, Reform, January 2023.

¹²*Women in Whitehall: culture, leadership, talent* (2014); *Identifying and removing barriers to talented BAME staff progression in the Civil Service* (2015); *Tackling health and disability related barriers to progression within the Civil Service* (2015); *Don't Ask, Don't Tell: Barriers to Career Progression for talented LGB&T individuals in the Civil Service* (2014).

5. Other approaches

4.40 I have had numerous discussions with many current and former ministers and officials – and of course many others – about the recommendations in this chapter. I have found a surprisingly high degree of consensus. However there are two areas in particular where differences have emerged.

4.41 The first area of difference is the proposal to separate the role of the HoCS from the Cabinet Secretary. There has been pushback from some current and former Whitehall officials and their argument runs as follows: “All authority flows from the Prime Minister. The Cabinet Secretary sees the Prime Minister every day, and as HoCS their ability to drive change through the agency of fellow permanent secretaries comes from the sense that they speak with the authority of the Prime Minister. When there are bandwidth constraints the demands made of officials by ministers will always trump the less immediate requirements of delivering on the stewardship agenda. The only person who can have any chance of success in achieving some kind of balance is the individual who sees the Prime Minister every day and speaks with his or her authority.”

4.42 Having worked in or near the centre of government at various points in the last four decades, I understand the force of this argument. However, I believe it can no longer be allowed to stand in the way of progress.

4.43 First, these are the current arrangements, and they have simply not worked. It has not been for want of capable people trying. Some previous incumbents have taken very seriously the stewardship obligation that comes with the leadership of the service, and yet, despite making some progress, it has neither been anywhere near complete, nor has it been sustained.

4.44 Second, the qualities needed for each of these jobs are radically different, and virtually impossible to find contained in one individual.

4.45 Third, it is just ludicrous to suppose that a change management programme of this complexity and magnitude can be undertaken on a part-time basis.

4.46 It has then been urged upon me, if all of the above is accepted, that my objections can be met by appointing a dedicated change manager as deputy to a combined Cabinet Secretary and HoCS. This position could be described as Civil Service CEO or COO. But this also has been tried, without success in

really moving the needle in a sustained way, despite one appointee being a highly experienced and seasoned senior business leader with a successful track record as a change manager.

4.47 My conclusion is that the premise of this argument is the root of the problem. If we accept the premise that improvements will only be implemented if the Cabinet Secretary can carry the immediate authority of the incumbent Prime Minister then we are accepting that these – by common consent essential – changes will be dependent on the incumbent leader being willing to invest authority in them.

4.48 The only real chance that these changes will be executed and sustained in a reliable way is if:

- there is accountability that exists independently of the government of the day; and
- the leadership of the institution to be reformed is not someone who owes their position to a successful career in the unreformed institution.

4.49 Accordingly, I conclude that separation of the roles provides the only credible route to breaking the reform logjam.

4.50 The **second** area of difference comes from the opposite direction, with the proposal that the Civil Service should be placed on a fully statutory basis (CRAG creates a relatively light touch statutory framework). The stewardship obligation would be set out in statutory form and made the responsibility of the HoCS, heading a statutory Civil Service Board, with independent NEBMs from outside government.

4.51 This position has been powerfully urged by the Institute for Government (IfG) and its founder, Lord Sainsbury. They share much of the analysis in this chapter in relation to the failure to implement agreed reforms. They share the conclusion that breaking the logjam requires a different route of accountability for the stewardship obligation, which in their prescription would include preparation for emergencies and diversity and inclusion.

4.52 I have considered carefully whether this could be the solution. I have rejected it for several reasons. The first is that it would fundamentally change the relationship between ministers and the Civil Service. The

definitive statement of the relationship was made by the then Head of the Civil Service, Sir Robert (later Lord) Armstrong in 1985. He said:

“Civil servants are servants of the Crown. For all practical purposes, the Crown in this context means and is represented by the government of the day..... The Civil Service as such has no constitutional personality or responsibility separate from the duly constituted Government of the day.”

4.53 This formulation is not substantially changed by CRAG. However, a statutory basis along the lines of the IfG’s proposal would fundamentally change it, and would represent a major constitutional reform, with all the attendant controversy and delay. It would set up significant potential conflict between the HoCS and the Prime Minister, when, for example, the HoCS felt obliged to disobey a Prime Minister's instruction on the basis that it conflicted with the statutory obligation to pursue reform¹³.

4.54 Of course that conflict can occur with the arrangements proposed in this review. I am clear that if that conflict were to arise, the will of the government of the day must prevail. The remedy lies not in statutory law, but in *transparency*, with the CSC being obliged to report to Parliament any failure to deliver on the stewardship obligation. In those circumstances, the Prime Minister will be answerable to Parliament to account for the failure, and the constitutional position is unchanged.

4.55 It has always been understood that there are activities associated with a permanent Civil Service which go beyond its duty to serve the government of the day. An example is the custom that the Civil Service is briefed by the opposition before an election, and during the election makes preparations for a possible change of government, including understanding in advance how best to serve a new government and implement its programme. But this is by custom, not by right, and the agreement of the incumbent Prime Minister is required on each occasion.

¹³ Note by the Head of the Home Civil Service, Hansard, February 1985.

Key Recommendations

Governance

- **Recommendation 1:** The Head of the Civil Service must be a separate and full-time position. The HoCS should set the annual objectives of departmental permanent secretaries, in agreement with ministers, including for the delivery of cross-cutting Civil Service changes.
- **Recommendation 2:** The Head of the Civil Service must have a clear mandate, with clear authority to lay down what must happen across government for the delivery of reforms, to support its implementation, and to call out backsliding. Their mandate should include capability, culture, recruitment, management information and performance evaluation.
- **Recommendation 3:** The Head of the Civil Service's mandate must run across the whole Civil Service, including the Diplomatic Service.
- **Recommendation 4:** For the next ten years, the Head of the Civil Service should be someone most of whose previous career has been outside the Civil Service, and much has been in the private sector.
- **Recommendation 5:** The Head of the Civil Service should be responsible for defining and publishing a future operating model of the Civil Service, and the transition plan to get there. That should include performance targets, investment and budget.

Streamlining the current governance structures

- **Recommendation 6:** There should be a single Civil Service Board to support the Head of the Civil Service. The Board should include the First Civil Service Commissioner, Government Lead Non-Executive Director, Prime Minister's Chief of Staff, the chief people officer and two of the heads of the other principal cross-cutting functions: commercial, digital, financial management, Infrastructure and Projects Authority; all of whom should be appointed at Permanent Secretary level.

- **Recommendation 7:** The Prime Minister’s Chief of Staff should attend the “Wednesday Morning Colleagues” meeting of permanent secretaries.
- **Recommendation 8:** Any additional Civil Service governance committees or groups must firstly be agreed by ministers and secondly have a clear agenda and outcomes to ensure that they align with and inform meetings of the Civil Service Board.

Accountability

- **Recommendation 9:** The Civil Service Commission should be reformed to play a more proactive role, with focus on improving capability and effectiveness, in line with counterparts in Australia and New Zealand. A reformed and strengthened Civil Service Commission should fulfil that role, with a lead First Civil Service Commissioner supported by the Government Lead Non-Executive Director, network of departmental board Non-Executive Board Members and former ministers.
- **Recommendation 10:** The following changes to the role and composition of the Civil Service Commission should be implemented:
 - The First Civil Service Commissioner should be a full-time position with pay which is commensurate with the gravity and importance of the role, and which is comparable to equivalent positions elsewhere within the UK and other jurisdictions. The leadership and staff should not be current or former civil servants;
 - No civil servants should be involved in any way with the recruitment and selection of Civil Service Commissioners. The selection panel should be appointed by the Prime Minister after taking advice from the First Commissioner, and should generally include the Chair of the House of Commons Public Accounts Committee and the Government Lead Non-Executive Director;
 - The Civil Service Commission should employ its own staff in line with the recommendations of the 2014 Triennial Review, rather than only civil servants as is the case at present;
 - The Civil Service Commission should set its own budget, recovering its costs from departments and other bodies that employ civil servants on a prorata basis;

- The Civil Service Commission should be given the power to oversee and investigate internal appointments at Grade 6 and above and to annul internal appointments improperly made;
 - The Civil Service Commission should always include a former minister from both major UK political parties. This will ensure that there is a ministerial perspective in Commission deliberations and facilitate a cross-party consensus for reforms;
 - The Civil Service Commission's responsibilities should be expanded to include exercising accountability for the stewardship agenda; capability planning and appointments; and a role in performance management of Permanent Secretary appraisals.
- **Recommendation 11:** Anyone invited to conduct a review into any aspect of the Civil Service should be invited back two years after submitting their recommendations to assess progress in implementation. Their follow-up assessment should be published. Ministers should have the opportunity to receive written or oral updates directly from the reviewer.

The Centre of Government

1. Reshaping the centre of government

5.1 The UK is now an outlier in terms of the shape of the centre of government, compared with similar jurisdictions. The Cabinet Office is no longer simply the home of the Cabinet and National Security Secretariats, acting as a central coordination hub across Whitehall. Over the last fifteen years the Cabinet Office has evolved to also become the natural home for most of the horizontal and cross-cutting functions across Government (procurement, IT and digital, major projects, property, human resources) making it a much larger entity, with some of the characteristics of a corporate headquarters. The Prime Minister's Office has increasingly been seen to be underpowered, with frequent unplanned and *ad hoc* changes being made both to 10 Downing Street and the Cabinet Office in the quest to create more effective support structures for the Prime Minister.

5.2 The centres of the cross-cutting functions have a very different purpose from the role of the secretariats, which focuses mostly on policy coordination. In other similar jurisdictions, for example, Australia and New Zealand, the traditional secretariats are brought together with the PM's Office to create a Department of Prime Minister and Cabinet (DPMC) – in Ireland the Office of the Taoiseach. This can create an effective strategic centre, which gives overall direction to the government. The time is now right to bring the UK in line with similar jurisdictions. The centre of government should be reshaped, with the parts of the Cabinet Office that are concerned with coordination and policy advice brought together with the Prime Minister's Office to create a new **Office of Prime Minister and Cabinet (OPMC) (Recommendation 12)**.

5.3 In this model, in addition to the Prime Minister's obvious role, there would be a second cabinet minister, ideally from the House of Lords to avoid the distractions of an MP's constituency duties, who could act as the Prime Minister's Chief of Staff. The Cabinet Secretary (relieved of the burden of being also Head of the Civil Service) would be the Permanent Secretary sitting over the new Office of Prime Minister and Cabinet, which would be the strategic centre of government. Responsibility for major events, constitutional and devolution matters would sit with the secretariats in OPMC, together with the centre of the cross-government communications function. The Cabinet Secretary would continue to exercise the quasi-constitutional functions – such as liaison with the Palace, overseeing

the transfer between one Prime Minister and the next. For administrative purposes, OPMC would be the natural home department for non-departmental ministers, such as a Deputy Prime Minister, the Leaders of the Commons and the Lords, and the Whips' Offices.

5.4 There is another respect in which the UK is an outlier. In all other governments with a similar system, allocation and oversight of public expenditure is separated from the principal financial and economic ministry. The labels of these ministries vary, but broadly this split operates in Australia, New Zealand, Canada, and the Republic of Ireland. If this approach were to be applied in the UK, the Treasury would remain responsible for **economic growth, macro economic policy, macro fiscal policy (including the overall spending envelope), taxation and financial services regulation**. All matters to do with public expenditure, including the allocation of budgets and the Treasury's spending teams, would be brigaded together with the central functions currently housed in the Cabinet Office (except for communications) to create a new **Office of Budget and Management (OBM)**. This would include the cross-cutting functions currently headquartered in the Treasury i.e. financial management and internal audit.

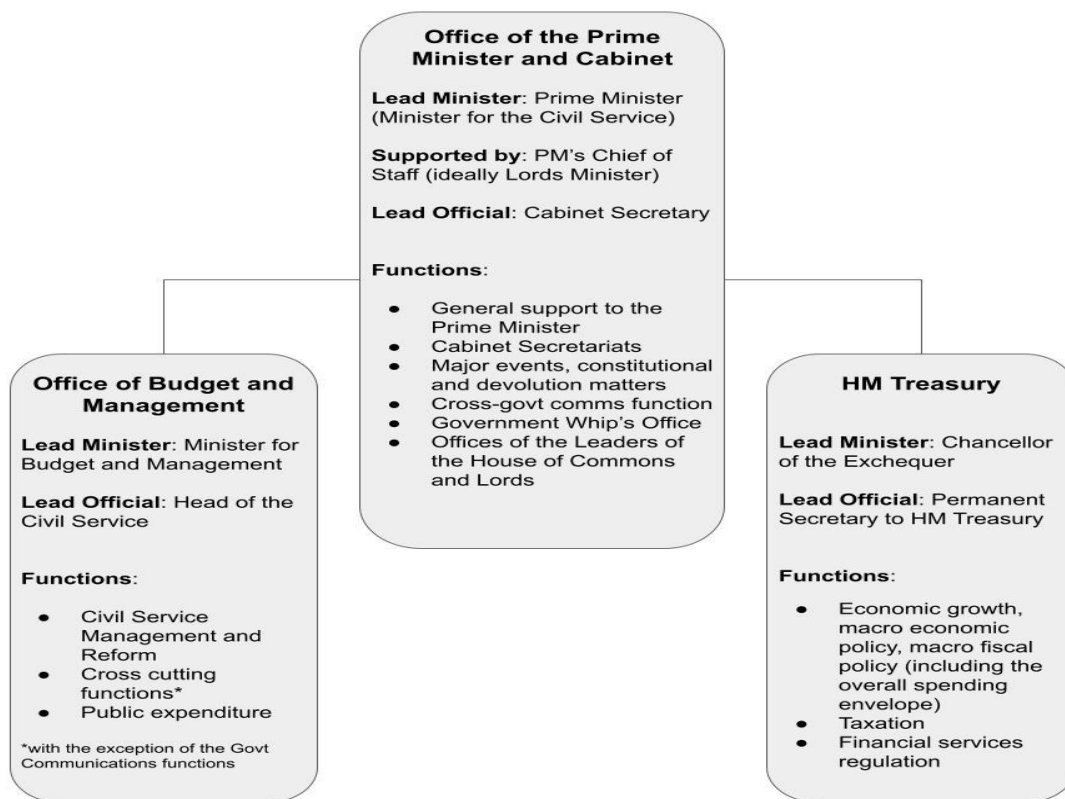
5.5 The Cabinet Minister at the head of the OBM would replace both the Minister for the Cabinet Office and the Chief Secretary to the Treasury. The Head of the Civil Service would be the official head of this new department, with a reporting line to the ministerial head of the department, and to the Prime Minister, for the implementation of the government's policies and programmes. There would also be an additional reporting line to the Civil Service Commission (CSC) for the implementation of the stewardship obligation, as described in the chapter on *The Stewardship Obligation*. The role of the HoCS as the official head of the new Office would endow the holder with clear authority and gravitas.

5.6 Bringing together decisions on the allocation of public expenditure with real time oversight of how the money is spent would enable a much more sophisticated and informed approach to controlling the overall spending envelope. It would make the creation of cross-departmental budgets for the implementation of broad cross-cutting programmes such as net-zero, crime reduction and levelling-up much more straightforward. It would create much stronger governance of and real time accountability for the spending

of taxpayers' money¹⁴. It would bring into one place responsibility for everything to do with management of the Civil Service – HM Treasury's responsibility for Civil Service pay makes workforce planning (which requires managing the sensitive interactions between pay and the shape and size of the workforce) infinitely more cumbersome than it need be. The time is now right to bring the UK closer in line with similar jurisdictions by creating an **Office of Budget and Management (Recommendation 13)**.

5.7 This reconfigured centre of government would, as now, require close collaboration between its three components. Coordination between the Department of Prime Minister and Cabinet and the Office of Budget and Management would ensure that the allocation of expenditure reflects agreed strategic priorities, and provide greater real time reassurance that the priority programmes and projects were being implemented in a timely and efficient way. Coordination between the Treasury and the Office of Budget and Management would be essential to ensure that the overall expenditure envelope was protected and therefore that macro-fiscal policy was supported.

Centre of Government Structure



¹⁴ The “public expenditure accountability framework [and] governance processes”, specifically excluded from my terms of reference, would remain unchanged within this machinery of government change.

2. Other approaches

5.8 That the UK's current model is an outlier among international comparators is indisputable. However others have proposed different configurations. In his 2008 book, "Instruction to Deliver", drawing on his experience at the centre in Tony Blair's government, Sir Michael Barber proposed creating only two departments where there are currently three. In his model both the Cabinet Office and the public expenditure parts of the Treasury would be combined with the Prime Minister's Office. However, his recommendations pre-date the establishment of the functional model, which necessarily involves a greater concentration of headcount at the centre of government. The Commission for Smart Government recommends a similar model, which would also include the centres of the cross-cutting functions.

5.9 These approaches include two elements in common with the recommendations in this report: combining the secretariat functions of the Cabinet Office with the Prime Minister's Office; and hiving off the public expenditure functions of the Treasury. The difference is that they would create an exceptionally powerful Department of Prime Minister and Cabinet, with the allocation and control of public expenditure coming under the direct remit of the Prime Minister.

5.10 There are several reasons for preferring the triangular configuration recommended in this report. First, bringing control of public expenditure directly under the Prime Minister would mark a substantial move towards a much more presidential style of government, and would be likely to be highly controversial. In terms of protecting the "checks and balances" that are so important in the UK's constitutional arrangements, it is desirable to have a degree of separation between these three institutions. In particular, there is a benign tension in having the control of expenditure at one remove from the Prime Minister's Office.

5.11 Second, the Prime Minister by definition is always the most powerful minister in the government, and will often want to make changes in the institutional arrangements closest to them to reflect their personal style and preferences. While incorporating the secretariats and other traditional Cabinet Office activities would lend greater stability, there will always be a higher degree of flux than in other parts of government, and that is unavoidable and manageable. Conversely, for the government headquarters functions – financial, commercial, human resources and so on – there is a

real premium on continuity and consistency in the institutional arrangements, and it is therefore preferable to keep these headquarters functions separate from the OPMC.

5.12 Third, other comparable governments have not gone down this path and it would be strange to move in one step from the least concentration of power in the PM's hands to the greatest.

5.13 Naturally in any of these models the traditional *ex post facto* Parliamentary scrutiny of public expenditure through the National Audit Office (NAO) and Public Accounts Committee (PAC) would remain unchanged, with the addition that officials from the Office of Budget and Management would be able to join their colleagues from the line entities in giving evidence to Departmental Select Committees on specific projects and programmes.

3. Strengthen and streamline the governance of the cross-cutting functions

“...we have...convinced the leadership of Civil Service, I think, of the importance of functional leadership – functional leadership being the basic business idea that in multidivisional organisations it’s essential to have at the centre of the organisation technical experts in areas such as accounting, IT and human resources, who set down the technical standards that all divisions should follow and advise on overall policies for the organisation. And today in all three areas there are technical experts at the centre but fairly predictably it is not totally clear what authority they have to lay down the necessary standards or see that they are properly implemented.”

Lord Sainsbury of Turville, IfG, July 2022¹⁵

5.14 The creation of successful cross-government functions was fundamental to the efficiency and reform agenda of the coalition government. Without clear governance and accountability, they would not have delivered more than £52 billion of savings over the course of that Parliament. They cover a wide variety of activities: financial management, commercial procurement, IT and digital, major projects, property, legal, human resources and internal audit.

5.15 The functions created during the coalition government were designed to be orthogonal to the traditional siloed nature of Whitehall accountability, which flows vertically through departments. They exist in recognition of a

¹⁵ Lord Sainsbury of Turville, Institute for Government Annual Conference, July 2022.

simple fact: many things that government departments do are fundamentally the same. This is true regardless of the policy domain they are responsible for. Departments need to buy some of the same goods, build digital services from many of the same component parts, and work in the same kinds of building. It is clearly inefficient for every department to do such things unilaterally. As well as reducing the government's power as a collective buyer of goods and services, it also reduces the coherence and clarity of both public services and internal processes. This leaves citizens and businesses with a poor experience of the state and creates failure demand as well as additional pressure on the public purse caused by poorly designed services.

5.16 Each government function, as is now the intention, should be expected to carry out six tasks for the Civil Service as a whole (**Recommendation 14**):

1. Develop capability
2. Deliver continuous improvement
3. Set and enforce standards
4. Provide expert advice
5. Set and enforce cross government strategies
6. Develop and deliver services

5.17 The last of these is currently qualified by the words “only as required”, which presumably is intended to limit the ability of the central function to intervene to take over delivery where it judges that its delivery capability is needed.

5.18 In my 2020 review of the cross-cutting functions and the operation of spend controls I provided more detail as to what should be the scope of these six tasks. Three things are needed for the various cross-cutting functions to succeed in driving efficiency and effective implementation across government activity: leadership, capability, and a strong clear mandate.

5.19 In several of the cross-cutting functions, governance and accountability has become fragmented. Where previously each function had a clear and unambiguous leader at the centre who was responsible for driving effectiveness with one voice across Whitehall, the centre is now frequently providing multiple (and mixed) signals. In digital, for example, the split between the Government Digital Service (GDS) and Central Digital and Data Office (CDDO) creates a largely artificial split between functional leadership and delivery. The lack of a unified organisational structure degrades the strength of leadership that can be provided by the centre, and absorbs

significant amounts of officials' time in brokering internal coordination rather than delivery.

5.20 Alongside the dilution of leadership, the functional mandate has been diluted. This is most apparent in the application of real time spend controls operated by the Cabinet Office. 13 years on from the original implementation of spend controls, many departments have become more accustomed to using common services. However, with the weakening of spend controls operated by informed assurance teams in the functions, too many have reverted to old habits.

Two examples illustrate this. The government spends around £42 billion on common goods and services. The Crown Commercial Service (CCS) was set up to purchase these common goods and services for the whole of government (and can purchase for the wider public sector). However only around £17 billion out of the £42 billion is spent through CCS' framework purchasing agreements, and even then not all of it is procured by CCS. This dilutes the government's ability to exploit its buying power to make taxpayers' money go further. CCS now employs 60 "sales people" to persuade central government entities, including Government Departments, to buy CCS' services.

GDS has developed some excellent common services that can quickly and cheaply be deployed by departments and other entities instead of procuring and building their own bespoke applications. These services – for example gov.uk/pay and gov.uk/notify – are more enthusiastically taken up by the wider public sector than by national government entities for whom they were created.

In both cases these capable central delivery entities are having to spend money and employ people to "sell" their services to national government entities, whereas a strong mandate backed by effectively operated spend controls would automatically deliver substantial savings while delivering more "joined up" and holistic services to citizens.

5.21 A diluted mandate makes it harder to retain the high-quality capability that had been carefully built in the functions. Staff with high aptitude in these implementation functions are in high demand across all sectors of the economy. If the Civil Service is unable to provide fulfilling, impactful work for them because they are frustrated by a lack of authority and empowerment, they will take their talents elsewhere.

5.22 A token of the diluted authority and lower status of the leaders of the central functions is that none any longer attends Wednesday Morning Colleagues, the regular informal meetings of Permanent Secretaries. The importance and gravitas of these roles is no longer so widely recognised or respected across Whitehall.

5.23 Accordingly, some changes to improve the governance of the functions are essential. Each major function should be unequivocally led by a single Chief Officer, appointed at Permanent Secretary level (**Recommendation 15**). This senior leader will be accountable for running a single central organisation for the function. In the case of functions currently split between multiple organisational units at the centre (such as digital, with the Government Digital Service and Central Digital and Data Office) these should be unified as a single team. The head of commercial should chair the Crown Commercial Service (CCS) and the two Whitehall property entities should be combined within the OBM.

5.24 Second, it should be expected that functional leaders will be held accountable to Parliament by Select Committees in hearings alongside major programme Senior Responsible Officers (SROs), where those programmes have substantially relied upon cross-government services for delivery (**Recommendation 16**). This is intended to ensure that Parliament is given the full opportunity to receive assurances that ‘horizontal’ (i.e. across departments) accountability is subject to equal scrutiny as ‘vertical’ accountability (i.e. within departments). The same logic of Parliamentary accountability should apply to senior HM Treasury officials (or spending officials in a new Office of Budget and Management) when decisions made centrally about spending materially affect the deliverability of a major programme.

5.25 Third, as recommended in my 2020 review, the mandate for spend controls needs to be restated and strengthened, with a high bar set for any exemptions to agreed spending limits (**Recommendation 17**). Publication of exemptions, alongside numbers for efficiency savings, should be resumed on the same basis as between 2010 and 2015 and figures for the intervening years to 2023 should be published.

5.26 Fourth, senior executives in the functions in the departments should be directly employed by the central function (**Recommendation 18**). This is the employment model that has successfully been deployed in the commercial function since 2016 and should be extended to the other functions. In this model, every professional at Grade 7 or above is an employee of the central function. This creates a much stronger governance model, whereby professional standards can be enforced more rigorously, duplication

eradicated and consistent data and management information reporting improved.¹⁶

5.27 The most essential function for the successful implementation of Civil Service reform, and the discharge of the stewardship obligation, is Human Resources (HR). This should be the first function – after commercial – to adopt the common employment model.

Key Recommendations

Reshaping the centre of government

- **Recommendation 12:** The centre of government should be reshaped to create a new **Office of Prime Minister and Cabinet (OPMC)** containing the Prime Minister’s Office and the Cabinet and National Security (and other) Secretariats.
- **Recommendation 13: A new Office of Budget and Management (OBM)** should be created. This would include HM Treasury’s current responsibilities for the allocation and control of public expenditure, together with the centres of the major cross-cutting functions – financial management, commercial procurement, digital, project delivery, human resources.

Strengthen and streamline the governance of the cross-cutting functions

- **Recommendation 14:** Each government function should be expected to carry out six tasks for the Civil Service as a whole: develop capability, continuous improvement, set and enforce standards, provide expert advice, set and enforce cross government strategies and develop and deliver services.
- **Recommendation 15:** Each major government function should be unequivocally led by a single Chief Officer, appointed at Permanent Secretary level, covering both central delivery capability and the cross government function.

¹⁶ It may be argued that making all these functional professionals into central employees would greatly overburden the centre – it would add some tens of thousands to the central headcount. But without this it will be infinitely harder to drive the necessary improvements in consistency and capability, and to reduce duplication.

- **Recommendation 16:** Functional leaders will be held accountable to Parliament by Select Committees in hearings alongside major programme Senior Responsible Officers (SROs), where those programmes have substantially relied upon common cross-government services for delivery.
- **Recommendation 17:** The mandate for spending controls needs to be restated and strengthened, with a high bar set for any exemptions to agreed spending limits. Publication of exemptions, alongside numbers for efficiency savings, should be resumed on the same basis as between 2010 and 2015 and figures for the intervening years should be published.
- **Recommendation 18:** Senior officials in the functions in the departments should be directly employed by the central function, as is the case with the commercial function already. An immediate start should be made with the HR function.

Appointment of Civil Servants

Background

6.1 The *Constitutional Reform and Governance Act 2010 (CRAG)* states that ‘The Minister for the Civil Service has the power to manage the Civil Service.’ The Minister for the Civil Service by convention is the Prime Minister. The Act goes on to state that the power to manage ‘include[s] (among other things) [the] power to make appointments.’

6.2 Recruitment *into* the Civil Service is directly governed by *CRAG*, which states that any such appointment must be made on merit following a fair and open competition. The Civil Service Commission (CSC) is tasked with upholding this requirement. The CSC is required by *CRAG* to produce a document, known as the *Recruitment Principles*, which governs how external appointments are to be made. The *Recruitment Principles* can be revised by the CSC but only with the Prime Minister’s agreement.

6.3 It is often asserted – for example in the explanatory notes to *CRAG* – that “the power to appoint...individual civil servants [is] delegated to the Head of the Civil Service and the permanent Heads of Departments”. However, this does not appear to be accurate. The only instrument of delegation I am aware of is the document known as the *Civil Service Management Code (CSMC)*. This lengthy document covers a very wide range of matters, among which, crucially, is the internal appointment and promotion of civil servants.¹⁷ Even in the *CSMC*, the delegations are implied rather than made explicit and transparent.

6.4 The *CSMC* states in its preamble that it “is issued under the authority of Part 1 of the Constitutional Reform and Governance Act 2010 under which the Minister for the Civil Service has the power to make regulations and give instructions for the management of the Civil Service.” It goes on to state that it sets out “the delegations which have been made by the Minister for the Civil Service under the Civil Service (Management Functions) Act 1992 to Ministers... in charge of departments.” This position is affirmed later in the *Code*, where it is stated that: “Ministers... in charge of departments... have been given the authority... to determine... the terms and conditions of

¹⁷ Among other things it states that “Ministers...will have a legitimate interest in a small number of posts...for example because the postholder will work directly to them.” It is unlikely that this formulation would pass muster today. Most Ministers would consider that they have a “legitimate interest” in the appointment of every single individual for whose activities they can be held accountable.

employment of civil servants [including] in so far as they relate to... performance and promotion.” (This letter of delegation is included in **Annex 5** as **Annex 5B**). There are other provisions in the CSMS which confer a duty on Ministers to ensure that “the conditions [governing promotions and other internal appointments] are met”.

6.5 The current arrangements are therefore by no means as straightforward as asserted. There is obviously a clear intention for Ministers to have a role, at the very least in overseeing appointments. However, the position is ambiguous and unclear. This review provides an opportunity to revisit the arrangements, making recommendations to clarify and make transparent these appointments which too often take place out of sight and without scrutiny.

Principles

6.6 The starting point should be some agreed broad principles that should underpin any new arrangements. These can provide an uncontroversial framework.

Any new arrangements should:

1. *Retain a critical mass of career civil servants that will ensure:*
 - a. *That there is sufficient capacity to deliver independent and dispassionate advice to incumbent ministers;*
 - b. *That political impartiality will be maintained so that the Civil Service can serve an incoming government of a different complexion equally effectively;*
2. *Subject to 1. above, give ministers sufficient authority to influence appointments that they judge to be critical to delivering their priorities;*
3. *Require internal appointments to be subject to a “merit” test similar to that used for external appointments;*
4. *Recognise that in the assessment of “merit” the judgement of ministers can be as pertinent as the judgement of civil servants;*
5. *Create a genuinely independent regulator covering internal as well as external appointments, empowered to ensure a balance between*

1. and 2. and to swiftly resolve disputes that cannot be resolved by discussion.

Oversight of internal appointments

6.7 At present, the CSC is involved in overseeing only **external** recruitment to the Civil Service, and has historically seen its role as defending the perimeter of the Civil Service. This has contributed to the Service's closed culture. Elsewhere (**Annex 4**) I make suggestions for how the CSC might change its practices to encourage external recruitment and foster greater interchange between the Civil Service and the world outside.

6.8 Seemingly alone among democratic nations, the UK's legislative underpinning for Civil Service appointments is silent on internal appointments, made from within the ranks of existing civil servants. These are not subject to the same requirement to select on merit or on the basis of a fair and open competition, spelled out in *CRAG* for appointments from outside. The *CSMC* imposes a markedly lower requirement: that "all promotions and lateral transfers [must] follow from a considered decision as to the fitness of individuals, on merit, to undertake the duties concerned."

6.9 As noted above, ministers have been given a duty to ensure that this - lesser - requirement is met. At present that is the only scrutiny provided for, and few ministers will be aware even that they have a *right* to scrutinise these appointments, let alone an obligation. This needs to change. I recommend that ministers should retain the *right* to scrutinise appointments to ensure that the requirements are being met; but that the *obligation* should pass to the CSC. The requirement to appoint on merit should be revised to bring it much closer to the *CRAG* requirement for external appointments, and the CSC's remit should be extended to include the oversight and scrutiny of *internal* appointments - at Grade 6 and above - as well as external (**Recommendation 19**). The CSC will need to develop a different operating model to enable it to undertake this wider role; and it is likely that the scrutiny of internal appointments can be undertaken on a lighter touch basis than that for external appointments. This change to the CSC's role can be accomplished by agreement between the Commission and the Prime Minister under s17 of *CRAG*.

Delegation on structure, grading, qualifications etc

6.10 There is an extant and explicit delegation to ministers in charge of departments "to prescribe the qualifications (so far as they relate to age,

knowledge, ability, professional attainment, aptitude, potential, health and coping with the demands of the job) for the appointment of staff (with the exception of the Fast Stream Development Programme)”. This power – already delegated – should be made visible to all ministers and its implications explained. The letter template setting this out is reproduced at **Annex 5B**.

6.11 The same instrument delegates to ministers in charge of departments the power “to determine...the number and grading of posts outside the Senior Civil Service...”. There is no equivalent delegation of this power in relation to the Senior Civil Service. In relation to permanent secretaries and directors-general, this power seems to be exercised by the Senior Leadership Committee.

6.12 Applying the longstanding approach for posts outside the SCS – that this is a power to be delegated to ministers – I recommend that the Prime Minister should make new delegations in relation to the SCS (**Recommendation 20**). For permanent secretaries and director-generals, this power should be delegated to the Minister for the Cabinet Office (or equivalent), on advice from the HoCS, who must have consulted the First Civil Service Commissioner and the Government Lead Non-Executive Director.

6.13 For Directors and Deputy Directors, the power should be delegated to ministers in charge of departments. However, as the centre of government has a clear interest in the shape of the Senior Civil Service as a whole, the delegation should make clear that the HoCS or their nominee should be notified of changes in advance, and be empowered to advise the Minister for the Cabinet Office (or equivalent) to veto any changes.

6.14 These delegations should be set out in formal letters from the Prime Minister personally to Ministers in charge of Departments. A draft is included at **Annex 5A**.

Appointment of Permanent Secretaries

6.15 The appointment of Permanent Secretaries is covered in the CSC’s Recruitment Principles. The final selection is made by the Prime Minister from a shortlist. There is already ample opportunity for the Prime Minister and ministers in charge of departments to frame the candidate specifications, the interviewing panel, be kept abreast of the process at every stage, and to propose names of candidates they believe could be suitable.

However, Ministers are not always made aware of how involved they are able to be. The Recruitment Principles should be revised to establish these elements beyond doubt.

6.16 I recommend: that ministers in charge of departments should be made aware at an early stage of how they can choose to be involved in the selection process (this should happen at present but is inconsistently applied); and that the panel should continue to submit to the Prime Minister the names of all candidates deemed appointable (**Recommendation 21**).

Central function leaders

6.17 I recommend elsewhere that the heads of the principal cross-cutting functions – commercial, digital, financial management, human resources, project delivery – should be appointed at permanent secretary level. It will nearly always make sense for these chief functional officers to be recruited after an external search. It is in the nature of these roles that they will often need to challenge existing customs and practices; in particular, the Chief People Officer and the HR function will be central to the effective delivery of reform and the discharge of the stewardship obligation.

6.18 It is doubly important that for these positions the temptation to hire for “compatibility” – which can often slide into conformity – is avoided. For these posts it should be a rule that the interviewing panel should be restricted to no more than one civil servant, who would normally be the HoCS (**Recommendation 22**). The panel should be chaired by the First Civil Service Commissioner and include the Government Lead Non-Executive Director or their nominee.

An alternative leadership structure for large operational departments?

6.19 At the top of any organisation, there is likely to be a – usually healthy – tension between dynamism and caution. The need for both is obvious and the unchecked dominance of either can be disastrous.

6.20 There is an argument for making explicit the need for this balance in the Civil Service leadership of the larger departments which have heavy operational responsibilities, such as the Home Office, Ministry of Justice and Department of Work and Pensions. In this approach, there would be a department head and a deputy head. One would be devoted primarily to

implementation and operational delivery, representing dynamism. The other, representing caution, would be responsible:

- for financial control as Accounting Officer, with responsibility for calling out decisions that justify requiring a written ministerial direction to proceed;
- for ensuring that ministers are receiving high quality advice **and** that the advice is being seen by ministers, as the Ministerial Code dictates; and
- for ensuring that the department contains a critical mass of permanent civil servants with sufficient independence from the government of the day.

6.21 Both would be employed as civil servants at first and second permanent secretary level, subject to all the obligations and constraints of the CSMC. It would be for the minister in charge of the department, in agreement with the Prime Minister, to decide which of the two should be the head of the department, in overall management command, and which the deputy head.

6.22 The deputy head of department would report to the head, and have a right of access to the minister. If the Accounting Officer is the deputy, their responsibility as Accounting Officer would be exercised as it is at present, with accountability after the event to Parliament for the spending of public money. Any concerns that arise under the second and third responsibilities described above that could not be resolved with the department head and the minister could be raised with the CSC in its expanded role as guardian of the stewardship obligation (recommended in the chapter on *The Stewardship Obligation*). The CSC would be able to intervene – with the Prime Minister if necessary – if it felt that the concern was justified, and of course to include its findings in its annual report to Parliament.

6.23 It might be argued that such an arrangement would build in conflict between two leaders. However, there would be one clear individual in charge, with the deputy head reporting to the head, albeit with a right of access to the minister. This is an arrangement not uncommon in the corporate world, where a CFO reports to the CEO but with independent access to the board chair. The reality is that under the current arrangements there are already tensions between the dynamic impulse to action and innovation on one hand and the instinct for caution and control on the other hand. At

present these tensions are too often played out in the shadows, instead of being openly exposed to the minister.

6.24 This is one way to create much greater clarity, enabling a strong focus on forceful and dynamic implementation, while safeguarding the public interest in careful custody of public money and the maintenance of a robust and impartial permanent Civil Service.

6.25 It has been noted that in recent years many departments have appointed second permanent secretaries. However, these have nearly all been drawn from the policy profession rather than from functional or operational backgrounds.

Appointment of Directors-General

6.26 As with permanent secretaries, the appointment of director-generals is covered in the CSC's Recruitment Principles. The final appointment is made by the Prime Minister, who is asked to approve the candidate who has come top in the merit order. As with permanent secretary appointments, there is already ample opportunity for ministers in charge of departments – and the Prime Minister if they choose – to frame the candidate specifications, the interviewing panel, be kept abreast of the process at every stage, and to propose names of candidates they believe could be suitable. If needed, the Recruitment Principles should be revised to establish these elements beyond doubt, and steps taken to ensure that ministers are aware of how they can be involved.

6.27 Again, it is not obvious that the Prime Minister should be expected to approve the candidate who has been put at the top of the merit order, or indeed that the panel should be obliged to rank the candidates other than to judge that they are of sufficient merit to be appointable. There is no obvious reason why the Prime Minister should not make the final selection having consulted the minister in charge of the relevant department as well as the First Civil Service Commissioner and the HoCS (**Recommendation 23**).

SCS grades 1 and 2, and other posts deemed critical by ministers

6.28 Below permanent secretary level, ministers can ask for personnel changes, and they can exercise some informal influence over appointments. But it is difficult and slow, and in reality they are encouraged to feel that they have limited “capital” for this, which needs to be used sparingly. Sometimes the right person to drive a priority change programme simply isn't available

from inside the Civil Service, and it is necessary to bring someone in from outside. This can be done, but the process is slow and cumbersome, and ministers are told that they are not permitted to manage the recruitment process directly.

6.29 The current arrangements should now be revisited to create a better alignment. If ministers do not have clear authority to put in place the people they believe are necessary for the discharge of their duties, there will always be an incentive for ministers to blame the Civil Service for failures.

6.30 Many ministers will be content to leave these matters to the judgement of the permanent secretary, and of course every minister would be wise to listen carefully to their advice. However, there need to be some changes in the process to allow a closer alignment of authority with accountability. Too often ministers are not informed of planned personnel changes and discover too late that a change in a key role is planned. Ministers should be notified in good time of any planned or expected personnel changes in the Senior Civil Service and in any other posts they deem critical to the delivery of a policy priority (**Recommendation 24**).

6.31 Ministers should be able to choose to manage a Civil Service appointment directly and also have the right to have an official removed from a role they consider to be critical to the delivery of a policy priority. In both these cases the agreement of the CSC should be sought¹⁸.

6.32 Where a Minister chooses to manage an appointment directly, they will agree a process and timetable for the appointment with the HoCS/Permanent Secretary (depending on seniority of the appointment) and the CSC, where oversight by the “opposition former minister” CSC member will be important. If a replacement acceptable to the Minister cannot be sourced within say six weeks then the Minister will have the right to appoint directly.

6.33 The Minister will be able to nominate a personal representative to observe any Civil Service recruitment/appointment process. This representative could be a NEBM and/or Private Secretary or Special Adviser.¹⁹ This will enable the minister to discharge their obligation under the CSMC to ensure that the “conditions” for appointments are being met.

¹⁸ In New Zealand there is a statutory procedure through which a Minister can request the removal of an official.

¹⁹ The Recruitment Principles currently direct that Special Advisers may “*not be involved in the recruitment of civil servants*”, citing S8 of CRAG which states “*Special Advisers may not exercise any power in relation to the management of any part of the Civil Service.*” However, **observing** a recruitment process is very different from “*exercis[ing] any power in relation to the management of the Civil Service*”.

Ministers' Private Offices

6.34 Ministers' authority can be severely depleted by the arrangements for forming their private offices. Ministers from similar jurisdictions – Australia, New Zealand, Canada – are bemused when they hear that the official head of a UK minister's office can only ever be a career Whitehall civil servant, and that anyone in the minister's office deemed to be a political appointment – i.e a Special Adviser – is unable to direct civil servants on behalf of the minister. The Institute for Government has previously examined this:

“Traditional private offices do not provide sufficient support to ministers. They are constrained in terms of how they can support ministers to ensure the delivery of their objectives, and they tend to lack staff with serious experience in the policy area in question.”²⁰

6.35 It would now make sense to align the arrangements in the UK more closely with those in similar jurisdictions where there is also a long-standing commitment to a permanent politically impartial Civil Service.

6.36 Secretaries of State and ministers should be able to make a direct appointment of a Civil Service Chief of Staff, who is head of the Office, and as a civil servant is able to direct other civil servants (**Recommendation 25**). If the minister wants to appoint someone from outside, this can either be after a competition, in which the minister is the principal judge of merit, or as a temporary appointment or specific exemption within the Recruitment Principles. The Chief of Staff would be under the same constraints in relation to party political activity as other civil servants, and would be under an explicit obligation to ensure that official advice is presented to the minister.

6.37 Extended ministerial offices (EMOs) should be reintroduced. These were briefly introduced under the 2013 Civil Service Reform Plan (update), but abolished three years later without any proper evaluation of their merits. The EMO scheme was itself a compromise, delicately negotiated with the then First Civil Service Commissioner²¹ and with the then Prime Minister. It is a route by which ministers can recruit expert policy advisers as temporary non-political civil servants to help design and drive key policy initiatives, working alongside permanent departmental staff. They are not intended as a vehicle for ministers to recruit more Special Advisers or to detract from the

²⁰ [Supporting Ministers to Lead](#), Institute for Government, March 2013.

²¹ A former permanent secretary and career civil servant.

workings of the traditional private office – they are there to provide additional expertise to drive and deliver key policy priorities. There should be a clear and transparent right for each Secretary of State to make direct appointments of a small number of expert advisers outside of ordinary Civil Service recruitment processes to work in the EMO.²²

Implementation of changes

6.38 Making these changes will require:

- Clarification of the delegations of the Minister of the Civil Service’s powers under CRAG; this can be done by issuing fresh delegation letters (some specimen drafts are in **Annex 5A**) and by revisions to the CSMC;
- Amendment of the Recruitment Principles. This can be achieved by agreement between the CSC and the Minister for the Civil Service;
- Extending the role of the CSC by agreement with the Minister for the Civil Service.

Tenure

6.39 One of the long-standing criticisms of the Civil Service is excessive churn of officials – described by Sir John Kingman as the way “[o]fficials can, and do, hop from area to area, without in any way damaging their career.” This can be extremely disruptive, as it takes no account of business need, or the interests of continuity and building of expertise, and nobody disagrees that it should be addressed.

6.40 In the same vein, there can be a problem, damaging to the interests of clear accountability, where officials get “stuck” in a role, and it appears to be impossible to move them on.

6.41 In 2004, the then Prime Minister made a decision, presumably with the agreement of the Head of the Civil Service, that in future “*all senior Civil Service jobs will be four year placements*”. Inexplicably, this decision was not implemented in any recognisable sense. In 2012, as part of CSR, it was decided that in future all permanent secretary appointments should be for a five year fixed term, able to be extended, but with no presumption of

²² “There is already a degree of uncodified flexibility in the UK system for ministers to reshape their private offices. But it takes time and determination to do so and there is a lack of clarity and transparency about how far ministers can go. Taking these points together...private offices should be strengthened by providing ministers with additional sources of expertise to support them to lead their department more effectively” *Supporting Ministers to Lead*, Institute for Government, March 2013.

extension. This has introduced a welcome additional element of accountability.

6.42 The Prime Minister's decision in 2004 should now be implemented. This would mean that all Senior Civil Service appointments, except for permanent secretaries, whether internal or external, would be for a four year fixed tenure, which could be extended. Tenure for permanent secretaries would remain at five years for the time being as this has only been in force for a relatively short time. In addition, it should not be permissible for civil servants to apply for other jobs elsewhere in the Civil Service, or in central government organisations that are technically outside the Civil Service, without the consent of their line manager or other identified senior manager (**Recommendation 26**).

6.43 Some anxiety has been expressed that the introduction of fixed tenure for permanent secretaries – some decades later than Australia, New Zealand and Canada – has led to higher turnover at these most senior levels. The facts tell a different story. The most controversial removals of permanent secretaries have come about in mid-term rather than the end of the fixed tenure, and that has always been possible. Second, there is no presumption that the appointment should not be extended at the end of the fixed tenure, and a choice does not have to be made between termination and reappointment for the same fixed term – it is perfectly possible for the extension to be for a shorter period.

6.44 Of course the decision not to extend – or to request a change in mid-term – should not be made lightly; in these circumstances the HoCS, First Civil Service Commissioner and Government Lead Non-Executive Director should explore the full range of options with the minister in charge of the department and the Prime Minister. Naturally post-holders who are not extended or who are asked to leave their post in mid-term should be treated generously; it is a false economy to penny-pinch on the grounds that “failure should not be rewarded”. Often there has not been a failure; sometimes it is simply desirable that a different approach be taken; and if there is failure it is as likely to be a failure in selection or preparation as it is a personal failure of the incumbent.

Other approaches

6.45 Some may argue that these changes endanger the political impartiality of the Civil Service and might create a back door route to politicisation. This

danger is exaggerated. First, anyone appointed directly by a minister will be under precisely the same constraints around political impartiality that all civil servants are required to follow under the CSMC.

6.46 Second, the changes recommended in the chapter on *The Stewardship Obligation* to the composition and role of the CSC will be an important safeguard. The requirement on the CSC to include a former minister from the main UK opposition party will provide visibility of any appointments that are considered potentially problematic. This will enable a warning flag to be raised if there is seen to be a real risk of politicisation. The provisions against politicisation are intended to prevent the incumbent government putting in place key officials who would be unacceptable to an incoming government of a different political complexion. The changes I propose to the CSC – extending its scope to cover internal appointments, and the inclusion of a former minister from the main opposition party – will be a powerful safeguard against that.

6.47 Ministers in similar jurisdictions to the UK have considerably more ability to manage or influence the appointment of civil servants, as the IPPR report in 2013 makes clear. Some go much further. In Australia, ministers have considerably more influence than the changes recommended here. These are more closely aligned with the arrangements in New Zealand, which are thought to operate successfully.

Key recommendations

Recommendation 19: the Civil Service Commission should be given the responsibility to oversee and scrutinise internal appointments (at Grade 6 and above) as well as external appointments; and the requirement to appoint on merit should be extended to internal as well as external appointments.

Recommendation 20: existing letters of delegation from the Minister for the Civil Service to ministers in charge of departments should be replaced with formal letters clarifying the minister's management powers and responsibilities. A draft is included at **Annex 5A**.

Recommendation 21: in relation to the appointment of permanent secretaries, ministers in charge of departments should be made aware at the outset of how they can choose to be involved in the selection process; and the

panel should submit to the Prime Minister the names of all candidates deemed appointable.

Recommendation 22: in relation to the appointment of the principal chief functional officers, the interview panel should contain no more than one current civil servant, who would normally be HOCS.

Recommendation 23: for the appointment of director-generals, the prime minister should be able to make the final selection from a list of appointable candidates, after consulting the departmental minister, First Civil Service Commissioner, and HOCS.

Recommendation 24: in relation to appointments at SCS grades 1 and 2, and other posts that are deemed critical by the minister, the following should apply:

- The minister should be informed in good time of any changes are planned or expected;
- With the agreement of the Civil Service Commission, the minister should be able to have an official removed from a role they consider to be critical to the delivery of a policy priority;
- With the agreement of the Civil Service Commission, the minister should be able to manage an appointment process directly, agreeing a process and timetable with the Commission and permanent secretary.
- The minister should be able to nominate a personal representative to observe any Civil Service recruitment or appointment process.

Recommendation 25: ministers should be able to make a direct appointment of a chief of staff as a civil servant to manage their office; and extended ministerial offices (EMOs) should be reintroduced.

Recommendation 26: all Senior Civil Service appointments, except at permanent secretary level, should be for a four year fixed tenure; and it should not be permissible for civil servants to apply for other jobs elsewhere in the Civil Service, or in central government organisations that are technically outside the Civil Service, without the consent of their line manager or other identified senior manager.

Accountability in Departments

Departmental Boards

7.1 These were created under Tony Blair's government, and given an enhanced standing in 2010. In the first iteration, the boards were chaired by permanent secretaries, and Non-Executive Board Members (NEBMs) were typically from other parts of the public sector, and not generally of the first order of seniority.

7.2 In the new arrangements from 2010, NEBMs were to be appointed by ministers, with the agreement of the Permanent Secretary, and the majority were to be senior executives from the private sector to bring a focus on operational efficiency and effectiveness. The boards were to be chaired by the minister in charge of the department, and would include other ministers. A position was created for a Government Lead Non-Executive Director, who would play a coordinating role to support the appointments of departmental NEBMs, and to draw together lessons and experiences from across government to support the government machines, overall effectiveness and efficiency, and to drive consistency. The NEBMs need play no role in policy development but there is no bar to them having or having had some political involvement. Conflicts of interest can be and are dealt with according to well established practices.

7.3 While it is certainly the case that some departmental boards have been more successful than others, no one has suggested that the system should be wound back. There are, however, some modest recommendations to improve the way the boards operate. I have been assisted in my consideration of this issue by the helpful recent report of the Public Administration and Constitutional Affairs Committee (PACAC) report *The Role of Non-Executive Directors in Government*.

7.4 The original requirement – stated in the Ministerial Code – that the minister in charge of the department should chair the board should be retained, and as at present may hand over the chair to the lead NEBM for some items on the agenda. In the absence of the minister, the lead NEBM should chair the board, but it is essential that another minister should attend the board (**Recommendation 27**).

7.5 The board agenda should be set by the lead NEBM, with the agreement of the minister (the minister may choose to delegate this entirely to the lead

NEBM). There should be some standing items on every board agenda. These should include key elements of management and financial information. For common areas of activity and spending, the information and data must be provided in a standard agreed form that is common across the government. There is already a requirement to ensure that “*clear, consistent, comparable performance information is used to drive improvements...*”²³; however interviews with NEBMs suggest that compliance with this requirement is variable at best.

7.6 The following should be standing items on every board agenda (**Recommendation 28**):

- Review the department’s business plan through the annual cycle;
- Departmental performance review, driven by a set of metrics which tie to the Outcome Delivery Plan;
- A deep dive into one of: a major programme, an Arm’s Length Body (ALB), people and talent, systems and digital etc;
- A report on the department’s contribution to delivering the agreed programme of overall Civil Service reform;
- A report from the Lead NEBM on the activities of the NEBMs in the previous period and findings to be brought to the attention of the board; and
- Receive any escalations from the committees of the board– especially the Audit Risk and Assurance Committee (ARAC) escalation of any major risks which are out of tolerance.

7.7 If the NEBMs are dissatisfied with the quality or consistency of the management, financial or performance data that is presented to the board, they should seek to resolve their concerns with the Permanent Secretary and the minister. If there is no resolution, they should raise their concerns with the National Audit Office, copying their concerns to the HoCS, the Government Lead Non-Executive Director, and the First Civil Service Commissioner (**Recommendation 29**).

7.8 Once a year the department’s accounting officer should report to the board on the governance and effectiveness of the Arm’s Length Bodies sponsored by the department (the corporate governance good practice code states that “The regular agenda of the departmental board should include scrutiny of the performance of the department’s ALBs, as part of general

²³ Corporate governance in central government departments: code of good practice 2017; para 2.4.

performance management against the department's single departmental plan."²⁴ (see the chapter on *Arm's Length Bodies*).

7.9 It has been urged, not least by PACAC, that there should be more formality around the role of the boards, and especially of the NEBMs. I have considered this carefully, but believe that the best interests of governance and accountability are served by the current reasonably flexible arrangements. It has been agreed that the appointment of NEBMs will come under the purview of the Public Appointments Commissioner, with an interviewing panel submitting a list of "appointable" candidates from which the minister can choose.

7.10 Interview panels should be chaired by the departmental lead NEBM (or the Government Lead Non-Executive Director in the case of a lead NEBM vacancy). The Permanent Secretary should be a member of the panel. The third member should in no circumstances be another civil servant; it should be someone independent under the appointment rules, nominated by the Minister. It might be another NEBM from a different department (**Recommendation 30**).

7.11 The boards currently have no fiduciary function, nor should they, as that would create a competing line of accountability that would simply create confusion and distraction.

7.12 PACAC makes a number of recommendations, many of which are helpful and which I endorse. For example, I refer in the chapter on *Ministers and Special Advisers* to the desirability of ministers in charge of departments receiving some training in the chairing and management of their board, and the recommendations on greater transparency are welcome. I agree that the wholesale replacement of the NEBMs when a new minister takes office should be discouraged.

7.13 PACAC makes a series of recommendations that would introduce much greater uniformity and standardisation into the role of NEBMs. This approach should be treated with caution. There is certainly a need for greater consistency in some areas – for example the provision of consistent and comparable management information, and in the oversight of government-wide and cross-departmental programmes.

²⁴ *Corporate governance in central government departments: code of good practice* 2017; para 6.3.

7.14 However, the boards and the NEBMs operate within a framework where there is a permanent executive, in the form of the Civil Service, and political leadership which is by definition not permanent. As observed in the chapter on *Ministers and Special Advisers*, ministers come into office with widely varying backgrounds and vast differences in experience in leading and managing large organisations and programmes. It is invaluable for ministers to be able to recruit NEBMs who supplement gaps in the minister's own skill set and experience. Without this flexibility in how a NEBM can provide support to the department, there will be a greater tendency for a minister to seek changes in Senior Civil Service personnel.

Transparency, Open Data and Management Information

7.15 It has long been understood that transparency and open data can play a central role in creating greater accountability. The coalition government had an aggressive open data policy, building on what had been started under the previous government, which commanded bipartisan support. The UK was judged to be the most open government in the world by three international organisations in 2015. Since 2016 however, this programme has been gradually, and unofficially, wound down, and data sharing efforts both internally and externally have been disappointingly slow. Lack of transparency within government limits its effectiveness in decision making, in particular when it comes to ensuring value for money of government spending and reducing duplication. External to government, this lack of transparency damages confidence and trust.

7.16 Below I make recommendations that will significantly improve accountability.

7.17 Ministers in charge of departments should publish an annual short statement of their objectives for the year ahead. When a new minister is appointed the statement of objectives must be published within two months of appointment. The minister's Permanent Secretary should publish an accompanying implementation statement setting out how these objectives will be delivered. The current Outcome Delivery Plans (ODPs) can be adapted to serve both purposes. It is essential that the minister has their name attached to the objectives and that the Permanent Secretary is personally committed to the implementation plan. It is understood that unforeseen events can derail the best laid plans, and of course the effect of these can be explained. However these clear statements will make for much greater clarity of accountability for both ministers and permanent secretaries. The

Permanent Secretary's annual objectives – to be agreed with the minister, HoCS and First Civil Service Commissioner – naturally will be expected to reflect the agreed plans (**Recommendation 31**).

7.18 In Canada, a similar objective is aimed to be achieved by a “commission letter” from the Prime Minister to the newly appointed minister setting out what is expected. This approach is also recommended by the Commission for Smart Government. In terms of governance and accountability, it is preferable for ministers themselves to be clearly the owner of the departmental objectives, although these will have been agreed with the Prime Minister.

7.19 When a policy decision is made and announced, the evidence and data that underpin the decision should be published alongside the decision itself (**Recommendation 32**).

7.20 I have considered whether to recommend, as some have proposed, that officials' advice to ministers should be published, possibly with a time lag and redacting officials' recommendations. It is urged that this would improve accountability for the quality of officials' advice. However, I have concluded that for the time being a rigorous insistence on the publication of data and evidence will in itself amount to a major step forward in accountability.

7.21 However, concerns remain that the quality of official advice is inconsistent. These concerns are amplified by the persistence of rapid “churn” of officials, and the consequent lack of institutional memory and subject matter knowledge and expertise.

7.22 The Commission for Smart Government has proposed the creation of an “OFSTED for government departments” which is described as “a structured annual process for assessing departments' effectiveness with published results...”.²⁵ Capability Reviews, introduced by Lord O'Donnell when he was HoCS, had some of these characteristics. There is merit in this approach, and it is worth considering for the longer term future. In the meantime, much of the benefit so far as policy advice is concerned should be achieved by the CSC commissioning annual audits of the quality and accuracy of civil servants' advice, with the results being reported to Parliament (**Recommendation 33**). It would be important that those conducting the audits are not themselves

²⁵ *Strategic, Capable, Innovative, Accountable: Four Steps to Smarter Government*, The Commission for Smart Government, July 2021.

currently serving civil servants, but could be drawn from academia, think tanks and perhaps from NGOs and business. Ministers should be consulted about the scope of the reviews. The introduction of the Research Assessment Exercise in 1992 built on a pioneering initiative in 1986 for the rigorous external assessment of research programmes in universities. This provides an interesting parallel for the introduction of external audits of the quality and accuracy of civil servants' advice.

7.23 There has been for many years a provision that permits a Permanent Secretary in their role as accounting officer to seek a written direction from the minister if they believe:

- The proposed action exceeds the legal or financial powers of the department;
- The proposed action is contrary to the standards of propriety in public life;
- The proposed action does not offer good value for money; and/or
- The proposed action is not feasible.

7.24 Historically this has been seen as a nuclear relationship-destroying act. It should not be, and the arrangements I propose, for a transparent statement of a minister's objectives, accompanied by the permanent secretary's implementation statement, will begin to make it less dramatic. Accordingly, I make only the following modest recommendation, that when an accounting officer has made a request for a written direction, they should notify the department's Audit and Risk Committee (**Recommendation 34**) which will consider whether the necessary controls and mitigations have been - or can be - put in place.

7.25 There are concerns that the paper trail for decisions within departments is often patchy and incomplete. Effective accountability requires the ability to follow decision-making processes, both the submissions on which decisions are based and the record of the decision. The lack of easy access to this information - coupled with the churn of policy officials - means that knowledge of what has been tried, what has worked, and what has failed is lost; in short, the institutional memory is impaired. The recent Boardman Review of supply chain finance found it hard to pin down what had been decided and by whom. Even ministerial submissions are apparently often kept in a disorderly fashion on email systems, some of

which are set to expire with time periods of the order of months. Each department has its own Knowledge and Information Management (KIM) protocol.

7.26 This has to change. There should be a consistent, government-wide standard, appropriate for the digital age, for the maintenance of records, with adherence monitored by the Government Internal Audit Agency (**Recommendation 35**). A technical solution to storing information about the pathways by which choices were taken or discarded is now readily available, and should be implemented on a consistent basis across government.

7.27 Each department produces an annual report. These reports have tended to become lengthy and discursive, where numbers, data and hard information is buried deep, if it appears at all. This should change. Annual reports should follow a much more uniform and factual template (**Recommendation 36**). The focus should be on performance data and management information, with descriptive text kept to a minimum. The annual report should include hard outcomes data linked to spend. The Government Concordat requires publication of evaluations, but this seems to occur by exception rather than routinely. The Government Lead Non-Executive Director, with the Minister for the Cabinet Office and the head of the Civil Service, should agree what this template should contain, and then boards should ensure that it is followed.

7.28 A decision was made in 2010 that every entity in central government should publish online, continuously kept up-to-date, an organisation chart with salary bands attached to individual SCS positions in standard format complying with the government's open data standards. This was part of the then government's commitment to increasing accountability through greater transparency. So far as I am aware, that decision has never been reversed. However, it has, with a few exceptions, fallen into disuse. It should now be reinstated (**Recommendation 37**).

7.29 Good quality and consistent financial and other management information is essential to good governance and accountability. Its quality and consistency in many departments is known to be poor. I set out in **Annex 2** that there is no reliable real time management information available on something as basic as headcount numbers across the Service, and that data on the composition of the Civil Service is impenetrable. In 2012, Sir Martin Read undertook a comprehensive review of management

information across government. His top line finding, at 5.2, was: “*The quality of current internal departmental reporting is variable. Comparison between departments and across common areas of spend and operational performance is difficult*”²⁶. Interviews with NEBMs of departmental boards confirm that this is still the case. Sir Martin should now be invited, together with the Government Lead Non-Executive Director, to revisit his findings, and assess the extent to which his recommendations have been implemented (**Recommendation 38**). This should include the Quarterly Data Summaries, which benchmarked and published expenditure on categories that are common across the government on a quarterly basis. These seem now to have been discontinued.

Key Recommendations

Departmental Boards

- **Recommendation 27:** The minister in charge of the department should chair the departmental board, handing over the chair to the lead NEBM for some items on the agenda. In the absence of the minister, the lead NEBM should chair the board, but it is essential that another minister should attend the board.
- **Recommendation 28:** The board agenda should be set by the lead NEBM, with the agreement of the minister (the minister may choose to delegate this entirely to the lead NEBM). There should be some standing items on every board agenda. These should include some key elements of management and financial information. For common areas of activity and spending, the information and data must be provided in a standard agreed form that is common across the government.
- **Recommendation 29:** If the NEBMs are dissatisfied with the quality or consistency of the management, financial or performance data that is presented to the board, they should seek to resolve their concerns with the Permanent Secretary and the minister. If there is no resolution, they should raise their concerns with the National Audit Office, copying their concerns to the HoCS, the Government Lead Non-Executive Director, and the First Civil Service Commissioner.

²⁶Practical Steps to Improve Management Information in Government, an independent report by Dr Martin Read CBE, 2013.

- **Recommendation 30:** Interview panels should be chaired by the departmental lead NEBM (or the Government Lead Non-Executive Director in the case of a lead NEBM vacancy). The Permanent Secretary should be a member of the panel. The third member should in no circumstances be another civil servant; it should be someone independent under the appointment rules, nominated by the Minister. It might be another NEBM from a different department.

Transparency, Open Data and Management Information

- **Recommendation 31:** Ministers in charge of departments should publish an annual short statement of their objectives for the year ahead. When a new minister is appointed the statement of objectives must be published within two months of appointment. The minister's Permanent Secretary should publish an accompanying implementation statement setting out how these objectives will be delivered. The Permanent Secretary's annual objectives – to be agreed with the minister, HoCS and First Civil Service Commissioner – naturally will be expected to reflect the agreed plans.
- **Recommendation 32:** When a policy decision is made and announced, the evidence and data that underpin the decision should be published.
- **Recommendation 33:** The Civil Service Commission should commission annual audits of the quality and accuracy of civil servants' advice, with the results being reported to Parliament.
- **Recommendation 34:** When an accounting officer has made a request for a written direction, they should notify the department's Audit and Risk Committee.
- **Recommendation 35:** There should be a consistent, government-wide standard, appropriate for the digital age, for the maintenance of records, with adherence monitored by the Government Internal Audit Agency.
- **Recommendation 36:** Annual reports should follow a much more uniform and factual template. The focus should be on performance data and management information, with descriptive text kept to a minimum. The annual report should include hard outcomes data linked to spend.

- **Recommendation 37:** Every entity in central government should publish online, continuously kept up-to-date, an organisation chart with salary bands attached to individual SCS positions.
- **Recommendation 38:** Sir Martin Read should now be invited, together with the Government Lead Non-Executive Director, to revisit his findings, and assess the extent to which his recommendations have been implemented.

Collective Decisions and Cross-Departmental Programmes

8.1 It is often said that Whitehall works at its best in a crisis, under pressure. This is true of times of war, terrorism, natural disasters, and occasionally when ministers decide that government should operate **as if** an external crisis event had occurred. The sense at these times is that “normal” procedures are suspended; shortcuts are taken; an “action this day” culture is introduced; and a sense of urgency and immediacy prevails. Meetings in COBR generally reflect this approach, with action points appearing in real time on screens inside the room, individuals immediately assigned and progress tracked. COVID and the most intensive period of preparations for Brexit were clearly treated as crises, and the extent to which the culture has reverted is not clear.

8.2 We will have to wait for the inquiry into the government’s conduct during the COVID-19 pandemic to reach conclusions on the lessons to be learned from that time. One senior official stated that things only got done as quickly as was needed by ignoring rules and standard procedures. It will be for others to explore which rules and procedures stood in the way of effective executive action and how they should be streamlined or removed.

8.3 This chapter focuses on the governance and accountability that accompanies collective decision taking in government, and explores whether it is possible to build in something much closer to the “emergency” mode into normal times. Typically collective decision making follows a stately process where decisions are taken either by “write round”, where a letter to relevant ministers is circulated for agreement, or by discussion in a Cabinet committee or sub-committee. Some arcane rules, of indeterminate origin, govern these processes, and their guardians are the Cabinet Secretariats. The rules seem to state that cabinet committees are to be attended only by ministers, not Special Advisers, and that officials, if permitted to attend, are not expected to speak. Cabinet committee minutes have a tendency to be opaque and rarely attach timelines and named individuals to action points, in the unusual event of action points appearing. Drafting is in the hands of the secretariats, who check with departments for accuracy before distributing to the committee. No minister or special adviser sees the draft before it is circulated.

8.4 The time is right now for a more businesslike approach to be embedded in normal times as well as in times of crisis. It should be routine for officials to attend cabinet committees and to speak – as is already the case with the National Security Council, and as happened during Covid and Brexit preparations, when “crisis mode” was adopted. It should be routine for the chair of a cabinet committee to approve the attendance of Special Advisers (**Recommendation 39**). The absence or silence of officials has sometimes seemed to give tacit permission for officials to ignore, delay or later seek to reopen decisions (of course ministers also have been known to seek to reopen collective decisions). On one occasion, when questioned on why a cabinet committee decision had not been implemented, an official stated that the decision had not been seen as a “very strong mandate”. What lay behind this was that attendees at the meeting had largely been junior ministers, not necessarily well acquainted with the brief, and therefore officials felt that the decision could safely be ignored. This is exacerbated by the inconsistency of attendance of junior ministers at committees. Attendance is often an accident of whoever happens to be available. This disrupts continuity, and diminishes the gravitas and seriousness which Cabinet Committees should attract.

8.5 I recommend a number of further changes. **First**, every weekly cabinet meeting should have on its agenda a list of all decisions taken in the previous week in cabinet committees. These would be for routine ratification and would as a result carry the unequivocal status of a collective Cabinet decision. Ministers could – by exception – seek to reopen such a decision by giving 48 hours notice of their intention, but this would require the prior agreement of the Prime Minister (**Recommendation 40**). This would introduce much greater discipline into the decision taking in cabinet committees. It would also bring the UK closer in line with similar jurisdictions, for example, New Zealand and Australia.

8.6 **Second**, at any cabinet committee where a policy decision is to be made, the Permanent Secretary from the department proposing it should present the implementation plan and be ready to answer questions on it, together with the official who is the designated Senior Responsible Owner (SRO) charged with its delivery (**Recommendation 41**).

8.7 **Third**, Cabinet committee minutes should record action points, with clear timelines and individuals identified with responsibility for their implementation. The minutes should be circulated **in draft** to all ministers, Special Advisers and officials attending the meeting. Any deviation from the

implementation timeline should be reported immediately to the secretariat, the chair of the committee and their team including Special Advisers, and the Prime Minister's Chief of Staff (**Recommendation 42**).

8.8 Fourth, to help improve consistency and speed of decision making, cabinet committees should be prioritised by nominated ministers and their teams so that there is seamless continuity from meeting to meeting. It should be exceptional for ministers to attend committees as a substitute for the nominated minister (**Recommendation 43**).

Governance and accountability for implementation of cross-departmental policies and programmes

8.9 It is widely recognised that departmental structures and vertical lines of resourcing and accountability in Whitehall impede effective cross-government working. This builds in substantial barriers to achieving cross-cutting policy objectives. Siloed approaches and entrenched ways of working make collaboration towards common purpose arduous, time consuming and fraught with difficulties even in the highest priority public policy areas. Given the extent to which national and global challenges require contributions across government entities in providing solutions, it is imperative that Whitehall embraces new joint-working models to meet the substantial and complex cross-cutting challenges we now face. It is impossible for the old models to serve the nation well in the current context and it is time for change. Examples of the challenges demanding a different approach would include:

- Transition to net zero
- Levelling up
- Rehabilitation of prisoners
- Crime reduction
- Homelessness

8.10 There is much to learn from experience elsewhere. For example, the New Zealand government in facilitating cross-government collaboration are widely heralded. Their *Public Service Act 2020* created a number of legal mechanisms supporting inter-departmental activity. Ministerial Groups work jointly to solve problems and achieve policy objectives with supporting Boards of departmental heads overseeing joint endeavours supported by dedicated resourcing, including – crucially – dedicated budgets.

8.11 The Commission for Smart Government argues the need for the UK to adopt similar arrangements with Ministerial Groups for priority thematic areas such as achieving Net Zero or Levelling Up ambitions underpinned by cross-departmental senior official support. The Prime Minister would appoint a lead Secretary of State, Permanent Secretary and official SRO accountable for progress in each key thematic area.

8.12 The Treasury has disbursed £200 million in each of the last two spending rounds piloting innovative ways of joint working across the public sector across a wide range of projects. The first round of pilots will conclude shortly and it will be important to ensure lessons are captured for effective cross-departmental and cross-agency working. There may also be important lessons from prior collaborative programmes such as the Total Place initiative. This operated during 2009-2010 piloting joint working across the public sector including central and local government to secure specific outcomes in local areas breaking down traditional institutional silos and ring-fenced funding approaches.

8.13 These pilots have been unambitious and suggest a lack of urgency in tackling what are acknowledged to be significant impediments in driving through programmes that cut across multiple departments and agencies. The reality is that the doctrine that dictates that a single accounting officer responsible for a single silo must have an undivided vertical reporting line to Parliament for that silo's budget is an apparently immovable obstacle to the reforms needed to enable success in the complex architecture of a modern government. My terms of reference preclude me from making recommendations that would alter this doctrine. My sole recommendation then is that the Government should commission a separate review solely on this topic without any restriction on what it can consider (**Recommendation 44**).

Key Recommendations

Ministerial Decisions

- **Recommendation 39:** It should be routine for officials to attend cabinet committees and to speak. It should also be routine for the Chair of the cabinet committee to approve the attendance of Special Advisers.

- **Recommendation 40:** Every weekly cabinet meeting should have on its agenda a list of all decisions taken in the previous week in cabinet committees. These would be for routine ratification and would therefore carry the unequivocal status of a collective Cabinet decision.
- **Recommendation 41:** At any cabinet committee where a policy decision is to be made, the Permanent Secretary from the department proposing it should present the implementation plan and be ready to answer questions on it, together with the official who is the designated Senior Responsible Owner (SRO) who is charged with its delivery.
- **Recommendation 42:** Cabinet committee minutes should record action points, with clear timelines and individuals identified with responsibility for their implementation. Any deviation from the timeline should be reported immediately to the secretariat, the chair of the committee and their team including Special Advisers, and the Prime Minister's Chief of Staff. The minutes should be circulated **in draft** to all ministers, Special Advisers and officials attending the meeting.
- **Recommendation 43:** Cabinet committees should be prioritised by nominated ministers and their teams so that there is seamless continuity from meeting to meeting. It should be exceptional for ministers to attend committees as a substitute for the nominated minister.

Cross-Departmental Programmes

- **Recommendation 44:** The government should commission a review of the Governance and accountability for implementation of cross-departmental policies and programmes without any restriction on what reforms can be considered.

Ministers and Special Advisers

Ministers

9.1 In the UK, by convention all ministers must be members of the legislature. In practice, most ministers are members of the House of Commons (MPs), and it is highly unusual for the most senior positions to be occupied other than by an MP. The talent pool of candidates for appointment as ministers is by definition narrow, other than for ministers who can be brought in through appointment to the House of Lords, but these are few.

9.2 Some argue that it should be possible to appoint ministers who are not members of the legislature. This is the case in many jurisdictions; however, practice in the UK is consistent with other jurisdictions with a Westminster-type system of parliamentary democracy. Changing this would have major constitutional implications, raising additional complex issues of accountability. I do not recommend this.

9.3 Instead, I offer here some observations and suggestions on how the current system can be made to work better, focusing on improving the selection, preparation and support of ministers (**Recommendation 45**).

- We have more ministers proportional to the size of our Parliament than similar democracies. If ministers' offices were to be supported in the way recommended in the chapter on *Appointment of Civil Servants*, it might be possible to reduce the number of ministers needed.
- Many ministers are appointed with scant regard to their background, knowledge and skill sets. The requirements of party management will always be a factor in appointments, and there is no point in trying to eradicate it completely. However, far more care should be taken, especially in the appointment of junior ministers, to ensure that there is a good fit between the individual and the role. This is a task for party managers advising the Prime Minister. It is also essential that the minister in charge of a department be consulted on the appointment of junior ministers in that department. This does not always happen.
- Preparation for appointment as ministers should start well in advance. MPs who are interested – and not all are, many having stood for election in order to serve purely as parliamentarians rather than as ministers – can self-identify and offer themselves for training and preparation. It should be exceptional for a minister to be appointed

without having attended such a course. This training should be carefully constructed, and delivered among others by experienced former ministers. It should include some elements of psychometric assessment, with a particular focus on creating awareness of the individual's strengths and weaknesses, including understanding the individual's working style. As recommended by PACAC, the training should include an understanding of the role of the departmental boards and how NEBMs can contribute to the work of the department and provide support and guidance to ministers.

- The best preparation is a period as Parliamentary Private Secretary (PPS) to a busy and diligent minister, and ministers should be expected to treat their PPS as a ministerial apprentice, allowing them to attend internal and other meetings and see official papers as a matter of course.
- Part of the preparation should be clear guidance on what is within a minister's authority. Often ministers are allowed to believe that their powers are much more truncated than is the case.
- Induction of ministers after appointment should be taken much more seriously, and undertaken in a much more consistent and uniform way. Some components will be specific to the department and the portfolio, but others will be more generic, including on chairing the boards, as recommended by PACAC. One component should be a clear description of the minister's powers.
- Ministers should generally stay in post for longer. There is little credibility in ministers complaining about the churn in the Civil Service if it is matched by the churn among ministers. It should be exceptional for any appointment to last less than two years, and at least three years should be the norm.
- There should be an element of continuous professional development (CPD) for all serving ministers. The Major Project Leadership Academy (MPLA) runs a course on project leadership for ministers, which those who have chosen to take part have found invaluable. Participation in courses such as these – and there should be others – should be obligatory.
- It is good practice for people in senior leadership positions to submit themselves to annual 360 review – some ministers do this already on a

voluntary basis. The Ministerial Code should contain a strong recommendation that this should become regular. For the minister in charge of the department this process should be managed and delivered by the lead NEBM, and by other NEBMs for junior ministers. This can prevent the build-up of avoidable tension and conflict, and build a confidential relationship – including mentoring – between NEBMs and ministers.

- It is good governance and accountability practice for ministers in charge of departments to establish a firm rule that with very rare exceptions a submission on a matter within a junior minister's responsibilities should only come to the senior minister after the junior minister has seen it. Without this junior ministers lack authority; there will be a temptation for officials to choose which minister to approach; and accordingly accountability becomes blurred.

Special Advisers

9.4 Special Advisers (SpAds) play a distinct, important, and often undervalued role in the UK government. In government departments, they act as trusted eyes and ears for the minister, but they also communicate the intentions of the minister and provide valuable insight into their thinking. They absorb many important tasks for ministers; scrutinising papers, write-rounds, legislation, communicating with civil servants in departments, Special Advisers in other departments and No.10 to unblock problems, and acting as a political adviser and liaison with MPs. These are activities civil servants aren't able to do.

9.5 In No.10, where they are present in much greater numbers, they provide advice to the Prime Minister, and make key decisions with their authority.

9.6 Special Adviser recruitment is often informal, and because a competitive process is not required, it means ministers often make swift appointments based on previous working relationships. They tend to be focused on one of three areas – communications, policy, or parliamentary liaison. But the pay is relatively low and the hours long, so they tend to be in the younger age range which means they often lack rounded experience, and their relationship with their minister is their most valuable asset.

9.7 There is very little training or preparation for new Special Advisers, both for those in No.10 and those in government departments. In normal times

they would learn their trade together in opposition, but this does not prepare them for government work and Civil Service routine or ways of working.

9.8 I recommend that there should be more support made available to ministers to support Special Adviser external recruitment and that basic training should be provided to Special Advisers prior to starting roles so they can be brought sufficiently up to speed with Civil Service terminology and the mechanics of government (**Recommendation 46**).

9.9 Ultimately political parties need to cultivate talent long-term, but the government should and can help prepare Special Advisers better for their roles and support external recruitment to ensure a smooth transition. This is particularly important when, over time, the pool of talent and institutional memory reduces as people leave roles.

9.10 Ongoing training would also provide parity of opportunity for temporary and permanent civil servants to fulfil the stewardship obligation as well as maximising the effectiveness and professional development for those working closely with ministers and senior civil servants. Given the nature of the work and limited bandwidth, this will be harder to maintain but an effort should be made to ensure those advising ministers are able to carry out their duties to the best of their abilities.

Key Recommendations

Ministers

- **Recommendation 45:** There should be improvements in the selection, preparation and support of ministers including:
 - More care taken, especially in the appointment of junior ministers, to ensure that there is a good fit between the individual and the role;
 - Preparation for appointment as ministers should start well in advance;
 - Induction of ministers after appointment should be taken much more seriously;
 - Ministers should generally stay in post for longer;

- There should be an element of continuous professional development (CPD) for all serving ministers.
- A firm rule that with very rare exceptions a submission on a matter within a junior minister's responsibilities should only come to the senior minister after the junior minister has seen it.

Special Advisers

- **Recommendation 46:** There should be more support made available to ministers to support Special Adviser external recruitment. Basic training should also be provided to Special Advisers prior to starting roles so they can be brought sufficiently up to speed with Civil Service terminology and the mechanics of government.
 - There should be a greater focus from political parties on the need to cultivate talent long-term;
 - There should be an element of continuous professional development (CPD) for all serving Special Advisers.

Arm's Length Bodies (ALBs)

10.1 An Arm's Length Body (ALB) is an organisation that delivers a public service, is not a ministerial government department, and which operates to a greater or lesser extent at a distance from ministers. The landscape of ALBs is confused and confusing. Ministers often have limited information about the ALBs for which they are responsible and limited visibility into their operation. The sponsorship arrangements in departments vary greatly and too often suffer from lack of senior attention. This is not a small issue, the NAO says that in 2018-19 ALBs spent £265 billion and employed around 300,000 people.

10.2 There should be a sustained programme to map the landscape of ALBs accurately and on a consistent basis; categorise them on the basis of the appropriate governance and accountability arrangements; and introduce improvements across government for reporting into the sponsoring department and the way in which appointments to their boards are made.

10.3 In 2021 the NAO produced a critical report on the management of ALBs²⁷, and the government launched the Public Bodies Reform Programme in response. While this is taking helpful steps to improve performance and set common standards, there are pressing concerns which should be addressed without delay.

ALB Landscape

10.4 The taxonomy that classifies ALBs is extremely confusing. The term can include non-departmental public bodies (NDPBs), executive agencies, non-ministerial departments, public corporations, NHS bodies, and inspectorates. There are currently eleven types, and a somewhat random classification for historic ALBs. New ALBs are classified as Executive Agencies, Non-Departmental Public Bodies (NDPBs), or Non Ministerial Departments. This will simplify matters for the flow of new bodies, but there is a stock of existing bodies whose classification defies rational explanation.

²⁷ "Government relies on arm's-length bodies to deliver essential policies and public services, but the inconsistency in the way they are set up and overseen by departments limits the opportunity for lessons to be shared across organisations. The centre of government needs to make considerably more progress in understanding the risks carried by ALBs, and work with departments and ALBs to ensure that guidance and good practice are followed.", Gareth Davies, Head of the NAO in the [Press Release](#) for the report [Central oversight of arm's-length bodies](#), June 2021.

10.5 There should now be a sustained programme to map the landscape of ALBs accurately and consistently, with existing as well as new ALBs classified under the new simplified taxonomy, with a transparent central public register of all ALBs kept rigorously up to date (**Recommendation 47**).

There should be a general principle that the power to set policy rests with ministers accountable to Parliament. Any exception that leaves policy-making powers with an ALB should be identified in the current Public Bodies Reform Programme, and the reasons for the exception outlined to Parliament which should have the opportunity to accept or reject the exception (**Recommendation 48**).

10.6 There is limited published data about ALBs, and the latest dates back to 2020. As noted above, there is not even agreement on what constitutes an ALB. All departments should maintain a complete list of all ALBs sponsored by them. This information should include their purpose, responsibilities, a list of their functions and an up-to-date list of board members including those where appointments are falling due.

10.7 The coalition government introduced a system of triennial reviews for public bodies. These were to provide regular and systematic scrutiny, to gather evidence, challenge the purpose and functions of the body and consider whether there were alternative models for delivery. These appear to have fallen into abeyance. The programme should now be revived²⁸. The *Public Bodies Act 2011* is still in force, although its schedule listing the bodies to which its five powers²⁹ can be applied is dormant. Triennial reviews should also examine the relationship between a public body and its sponsoring department. There should also be an expectation that each triennial review will be overseen by a NEBM of the sponsoring department's board (**Recommendation 49**).

Governance and accountability arrangements

10.8 The governance and accountability of ALBs remains all too often confused and opaque. Most public bodies are accountable to ministers, although some are directly accountable to Parliament. However, Ministers frequently have little visibility over the work and delivery plans of the body

²⁸ Triennial Reviews were replaced in 2015 by “Tailored Reviews”, but there is no clarity on how the bodies for review are selected, their frequency or what use is made of their findings.

²⁹ 1: abolish; 2: merge; 3: modify constitutional arrangements; 4: modify funding arrangements; 5: modify or transfer functions.

or the people who run them. There is no centrally held list of Arm's Length Bodies. There is also a lack of clarity over their functions and performance.

10.9 Accountability also depends heavily on the relationships between the leadership of the public body and officials in the sponsoring department, and too often the management of these important relationships is delegated to officials at too junior a level.

10.10 For executive agencies, which have operational but not policy independence, there should be a presumption that the board chair is also a NEBM of the department's board (**Recommendation 50**). This will usefully increase visibility into the operational effectiveness of the agency. A framework document sets out the relationship between the department and the ALB, whose chair should receive a letter at the start of each year from the Secretary of State which sets out the SoS' objectives for the body. A survey should be undertaken to establish whether these framework documents exist and whether such letters are in practice dispatched on a regular and consistent basis (**Recommendation 51**).

10.11 The Department's board is currently required to ensure that there are robust governance arrangements with each ALB board. The board should scrutinise the performance of the ALBs, and assess the ALB's ability to manage its financial and delivery risks. Once a year the sponsoring department's accounting officer should report to the board on the governance and effectiveness of the Arm's Length Bodies sponsored by the department (the code of practice at 6.3 states that "*The regular agenda of the departmental board should include scrutiny of the performance of the department's ALBs, as part of general performance management against the department's single departmental plan.*") (see the chapter on *Accountability in Departments*) (**Recommendation 52**).

10.12 All incoming ministers should have from the day they are appointed a list of all of the Arm's Length Bodies for which they are accountable to Parliament. This information should include their purpose, responsibilities, a list of their functions, the most recent Triennial Review and an up-to-date list of board members including those where appointments are falling due. Junior ministers with ALBs in their portfolio should receive support and training, with proper briefing upon appointment, and an opportunity for an early meeting with the ALB chair (**Recommendation 53**).

Sponsorship

10.13 A senior departmental official should act as the designated sponsor of an ALB, and be supported by a sponsorship team for day-to-day liaison. Concerns have been raised about the consistency and quality of departmental sponsorship. It is essential that there is consistent senior oversight of the sponsorship team, which is generally composed of more junior officials. Strong professional oversight of ALBs is an undervalued quality and should be an essential skill for promotion to director-general (**Recommendation 54**). External recruits into DG roles should be given rapid induction into this area if they lack equivalent previous experience.

10.14 The management of relationships with senior personnel in the ALBs requires senior attention from the department, with real understanding of the business and purpose of the body, a readiness to measure quality and performance, and a system to ensure that ministers are kept properly informed, with regular engagement with ALB chairs. Ministers should be able to hold ALB leaders to account, and sponsoring teams should facilitate open and honest relationships to enable that.

Public Appointments

10.15 Ministers are typically responsible for appointments, and the Commissioner for Public Appointments regulates the processes by which ministers make these appointments to the majority of boards. The appointments play an important part in the accountability of ALBs. Recruiting the right people into such roles is key to efficiency, effectiveness and strong relationships between Ministers and public bodies.

Process

10.16 There are persistent and justified criticisms of delays in appointment processes. The IfG wrote in a recent report³⁰ that “*ministerial interest seems to be the biggest factor*”. However, ministers are required to take an interest, as these are appointments by ministers, and accordingly they are responsible for the choice made. The appointment process needs to take full account of “ministerial interest” and ensure that time is allowed for ministers to be engaged in good time.

10.17 There is a lack of data on appointments, both within departments and centrally in the Cabinet Office. This position has been partially rectified since

³⁰ *Reforming Public Appointments*, Institute for Government, August 2022.

2021 but the database to track public appointments across government is not complete. This basic data – knowing who sits on the boards of ALBs and when those appointments are likely to expire or come up for renewal – is essential for the management and sponsorship of those bodies. Ministers should have this information in good time to be able to make decisions on new appointments/reappointments 9 to 12 months before they fall due. This allows time for ministers to be consulted at all relevant stages, as well as allowing adequate time for conversations with potential candidates and headhunters before a competition is formally opened. It also factors in time for potential select committee appearances and security clearance, and for candidates to prepare for the role.

10.18 Departments often do not have a comprehensive forward look. There is now a dedicated central unit for appointments in the Cabinet Office. This unit should be led by a chief talent officer, as recommended by the IfG³¹, who should be empowered to put in place a central digital tracking system to allow proper forward planning and ensure consistency across government covering all of the following (**Recommendation 55**):

- All departments should have a dedicated central public appointments team, with the right level of expertise and support, and the authority to secure the attention of senior officials to deal with problems.
- The teams should be able to field senior officials who can deal with senior stakeholders – to approach potential panel members, discuss the board positions with potential candidates, and manage the relationship with headhunters. It is essential to find candidates of high calibre, who may need to be persuaded to apply for a potential role.
- There should be rigorous forward planning on each appointment, for example to ensure that all the panel members can meet on agreed dates for sifting and interviews before a competition opens, to reflect the Commissioner’s recommendation that “dates for sifting and interviews should be agreed with panel members before launch”³².
- The central appointments unit in the Cabinet Office should track all departmental appointments and hold departments to account for delays.

³¹ *Reforming Public Appointments*, Institute for Government, August 2022.

³² *Thematic Review: Concluding competitions within three months of the closing date*, Commissioner for Public Appointments, July 2019.

Candidates

10.19 In the coalition government the Centre for Public Appointments ran an outreach programme to source candidates from a wider range of backgrounds, both socially and regionally, and maintained a central list which could be accessed by departments. This provided access to a high-quality and diverse field of candidates for important roles, making it much simpler both to encourage candidates to apply and support them during the process. The Cabinet Office team currently performs an outreach role, but although there have been some good initiatives such as the board apprentices programme, much can be learned from the previous approach.

10.20 The dismantling of a full-blooded central effort to build a pipeline of future candidates means Departments are more likely to use executive search firms. These should be used for the most important roles in order to expand the search to a wider candidate base. Too often they are used to ease the administrative burden on inadequately-resourced departmental teams, who cannot provide the right level of customer care to candidates and who may not be equipped to persuade the best candidates to apply.

10.21 The IfG recently recommended that a government chief talent officer should be appointed to, among other things, maintain lists of strong potential candidates and work with candidates to encourage them to apply.³³ This would be a sensible step; it would recognise the need to improve the quality of applicants and ensure that there is a strong pipeline of talent for senior leadership positions in ALBs, with a reliable and speedy recruitment process in place. The consent of the Minister for the Cabinet Office, advised by the chief talent officer, would be required before external search agencies are engaged (**Recommendation 56**).

Direct Appointments, “Tsars”, and ad hoc boards and committees

10.22 Many ministerial appointments, including most “tsars” and informal advisers, are not regulated by the Commissioner for Public Appointments and appointments can be made directly by ministers. Ministers have the right – and sometimes the need – to make swift, short-term appointments to advisory roles. Examples include the appointment of Kate Bingham to head the Vaccines Taskforce and Nigel Boardman to carry out reviews into procurement and lobbying. These appointments need to be unencumbered by a lengthy process, while observing general legal principles and managing

³³ *Reforming Public Appointments*, Institute for Government, August 2022.

any conflicts of interest. There is now guidance from the centre which requires clearly minuted Ministerial approval of all such appointments.

10.23 In 2021, the Cabinet Office requested that all departments undertake an audit of all these types of roles to ensure that there was a clear remit, a senior official sponsoring the role, renewed Ministerial approval, and declarations of interests in place. The audit exposed an enormous proliferation of such ad hoc boards in departments, with Ministers seemingly unaware of many.³⁴ These committees and boards take up official time, and many appointments were made under previous regimes. There was a commitment in 2022 to publish all such appointments on gov.uk, but this does not seem to have been done.

10.24 No direct appointments should be made without express and minuted ministerial approval. All such appointments should be published, as should the membership of all ad hoc boards and committees. Appointment terms should be for one year with the possibility of extension if expressly agreed by ministers. Ministers should be provided with a list of all such boards, committees and directly appointed advisers and “tsars” so that they can decide whether they wish them to continue (**Recommendation 57**).

Key Recommendations

ALB Landscape

Recommendation 47: There should now be a sustained programme to map the landscape of ALBs accurately and consistently, with existing as well as new ALBs classified under the new simplified taxonomy, with a transparent central register of all ALBs kept rigorously up to date. Departments should maintain and publish a complete list of all ALBs sponsored by them, including their purpose, responsibilities, functions and an up-to-date list of board members including those where appointments are falling due.

Recommendation 48: There should be a general principle that the power to set policy rests with ministers accountable to Parliament. Any exception that leaves policy-making powers with an ALB should be identified in the current Public Bodies Reform Programme, and the reasons for the exception outlined

³⁴ Indeed, one Minister only discovered the existence of one particular board when a board member sent him a resignation email.

to Parliament which should have the opportunity to accept or reject the exception.

Recommendation 49: The programme of triennial reviews of ALBs should be revived and include an examination of the relationship with its sponsoring department, with an expectation that each triennial review will be overseen by a NEBM of the sponsoring department's board. The schedule to the Public Bodies Act 2011 should be updated.

Accountability and Governance

Recommendation 50: the board chair for executive agencies should normally be a NEBM of the home department's board.

Recommendation 51 : A survey should be undertaken to establish the status of ALB framework documents, and of annual letters from ministers to ALB chairs setting out objectives, which should be published.

Recommendation 52: The departmental accounting officer should report annually to the department board on the governance and effectiveness of the ALBs sponsored by the department

Recommendation 53: All incoming ministers should be provided on the day they are appointed with a list of the ALBs for which they are accountable to Parliament, to include purpose, responsibilities, functions, the most recent triennial review and an up-to-date list of board members including those where appointments are falling due. The sponsor team in each department must be clearly identified and a meeting arranged with the ALB chair and the sponsoring team. Junior ministers with ALBs in their portfolio should receive support and training on managing these relationships.

Recommendation 54: There should be consistent senior oversight of an ALB sponsorship team, and strong professional oversight of ALBs should be an essential skill for promotion to director-general.

Public Appointments

Recommendation 55: The government should appoint a chief talent officer, who would lead the central appointments unit in the Cabinet Office, with responsibility to ensure that there is a comprehensive forward look for appointments, that processes are being managed effectively with officials involved at a sufficiently senior level and that the process allows ministers to be fully involved in good time.

Recommendation 56: The chief talent officer should lead an outreach programme to build, maintain and refresh a strong pipeline of candidates for appointment to ALB chairs and boards, diverse in every way including by social background and geography. The consent of the Minister for the Cabinet Office, advised by the chief talent officer, would be required before external search agencies are engaged for any vacancy.

Direct Appointments, Tsars and Ad Hoc Boards

Recommendation 57: No direct appointments should be made without express and minuted ministerial approval. All such appointments should be published, as should the membership of all ad hoc boards and committees. Appointment terms should be for one year with the possibility of extension if expressly agreed by ministers. Ministers should be provided with a list of all such boards, committees and directly appointed advisers and “tsars” so that they can decide whether they wish them to continue.

Annex 1: Review Terms of Reference

Background

11.1 The functioning of the Civil Service, including its governance and accountability arrangements, is a key enabler for delivering the Government's priorities. The Declaration on Government Reform published by the Prime Minister and Cabinet Secretary in June 2021 set out thirty specific actions that the government would take as part of delivering on this reform.

Purpose

11.2 The Minister for Brexit Opportunities and Government Efficiency has commissioned an independent review to deliver on Actions 29 and 30 from the 2021 Declaration on Government Reform:

Action 29: Complete a review of Civil Service governance, including consideration of the appropriate roles for senior officials, Non-Executive Directors and Ministers.

Action 30: Complete a review of models of accountability for decisions, drawing on international best practice and experiences during the pandemic and taking account of the role and design of ministerial directions.

11.3 The review will consider how governance and accountability structures and processes in the Civil Service can be improved to make decision-making in policy delivery more efficient and effective; the role that transparency can play in public accountability; incentives for successful delivery of policy; and how to ensure that individuals are empowered with appropriate levels of authority.

Leadership

11.4 The Government has appointed the Rt. Hon. Lord Maude of Horsham as review Chair with overall responsibility for the review and its outputs.

Scope

11.5 The review will:

- a. Identify how governance is exercised within the Civil Service, both centrally and within Departments, including:
 - i. The role of the Minister for the Civil Service and the scope of their management powers under the Constitutional Reform and Governance Act 2010;
 - ii. Delegation of powers made by the Minister for the Civil Service under the Civil Service (Management Functions) Act 1992, including those made through the Civil Service Management Code;
 - iii. The role, status, and composition of the Civil Service Board, the Senior Leadership Committee of the Civil Service, Departmental Boards, and any other relevant Committees of interest that exercise functions in relation to the management of the Civil Service or a Department thereof;
 - iv. The balance of responsibility and autonomy between Ministers and Permanent Under-Secretaries of State within Ministerial Departments; and
 - v. The relationship between the Heads of non-Ministerial Departments and Agencies, and Ministers.
- b. Evaluate, by reference to international best practice in both the public and private sectors, the effectiveness of the governance arrangements identified at (a), whilst having regard to:
 - i. Whether the Minister for the Civil Service, or other Ministers to whom such authority has been delegated, are sufficiently able to exercise their management powers under the Constitutional Reform and Governance Act 2010;
 - ii. Whether the extent of, and methods by which, delegations have been made under the Civil Service (Management Functions) Act 1992 are appropriate and sufficiently flexible;
 - iii. The effectiveness of the current arrangements for the participation of Departmental Boards and Non-Executive Directors in Departmental governance, including the provision of sufficiently robust and timely management information to allow Non-Executive Directors to discharge their functions

adequately. The review should also take note of and draw on the activity carried out under Action 13³⁵ of the Declaration on Government Reform;

- iv. The effectiveness of the Civil Service Board, Senior Leadership Committee, and any other Committees exercising management functions in relation to the Civil Service; and
 - v. The relationship between central Civil Service and Departmental governance.
- c. Evaluate, by reference to both international best practice (in both the public and, where appropriate, private sectors) and experience of the Covid-19 pandemic, the effectiveness of the accountability arrangements within the Civil Service, whilst having regard to:
- i. The extent to which the Civil Service Board, Senior Leadership Committee, and other Committees exercising management functions in relation to the Civil Service are effectively accountable to the Minister for the Civil Service and/or their chosen designate(s);
 - ii. The mechanisms by which Cabinet Secretariat teams inform, record, transmit and, working with wider parts of the centre, monitor the implementation of actions from Cabinet and its Committees. The review should also take note of and draw on the activity carried out under Action 27³⁶ of the Declaration on Government Reform;
 - iii. The mechanisms by which Ministers' decisions in relation to their Department and its functions are informed, recorded, transmitted, then implemented by Departmental officials; and
 - iv. Whether the civil servants responsible for implementing the decisions of Cabinet, its Committees, or of Ministers receive sufficient clarity of direction, are suitably empowered, and have adequate levers at their disposal to deliver against expectations.

³⁵ Action 13: "Implement consistent Non-Executive Director challenge of departmental performance, under the leadership of the Government's Lead Non-Executive Director."

³⁶ Action 27: "Revise guidance on Cabinet Committee attendance to ensure relevant senior officials attend and participate where appropriate, and to replicate across all relevant committees best practice on tracking actions and decisions."

11.6 The review will report to the Chancellor of the Duchy of Lancaster and to the Minister for Brexit Opportunities and Government Efficiency. The review will respect the existing rights of and accountabilities to Parliament. It will not consider any issues relating to taxation or the public spending accountability framework or governance processes, which are the responsibility of the Chancellor of the Exchequer and continue to be reviewed and updated as required through existing processes³⁷. Beyond that, it will not duplicate existing activities in this space.

Approach and Process

11.7 The Chair will consider a range of evidence, including but not limited to document analysis and interviews with relevant individuals within and outside government.

11.8 In conducting the review, the Chair is expected to consult widely, including with senior officials, NEDs, current and former ministers, and a diverse range of experts including those with international and private sector perspectives.

Governance

11.9 This is an independent review based in the Cabinet Office and sponsored by the Permanent Secretary of the Ministry of Justice. The Chair is responsible for the delivery of the review and will be accountable to the Chancellor of the Duchy of Lancaster and Minister for Brexit Opportunities and Government Efficiency. The Chair will be supported by a Review Secretariat, based in the Cabinet Office.

Outputs and Reporting

11.10 The review will produce a report including a set of recommendations based on the insights gathered during the review including benchmarks with private sector equivalent practices and with international administrations.

11.11 The report will be submitted to the Minister for Brexit Opportunities and Government Efficiency by the end of September 2022. The Government will publish the review's findings.

³⁷ This includes the spending framework and its relevant governance, including: (Treasury spending consents, including Treasury Approval Points (TAPs) and Major Project Review Group (MPRG) or business case approval points); Managing Public Money including the role of accounting officers, and all taxation matters.

Annex 2: Description of the Civil Service

12.1 “The Civil Service helps the government of the day develop and implement its policies as effectively as possible.”³⁸ Officials working for the governments of the UK, Scotland and Wales are part of the same Civil Service organisation. The Northern Ireland Civil Service is a separate organisation and is bound by its own *Northern Ireland Civil Service Code of Ethics*³⁹, similar to that of the CSMC. The Diplomatic Service is also separate from the Civil Service but for most purposes they operate interchangeably.

12.2 I have considered whether the Diplomatic Service should continue to have a distinct legal framework separate from the Civil Service. The FCDO contains a majority of staff who are not in the Diplomatic Service, and there are numerous officials in many other parts of government whose primary focus is international. In these circumstances retaining separate status does not really make sense. However, while with a blank sheet of paper one would design a wholly unitary service, the disruption and controversy make a merger at this stage an unnecessary distraction. However, the writ of the HoCS should certainly run across the Diplomatic Service as well as the “home” Civil Service; likewise that of the Civil Service Commission. I have recommended elsewhere that for the purposes of the “stewardship obligation” the Diplomatic Service should be treated as part of the Home Civil Service and the Foreign Secretary should be invited to delegate their statutory power to manage the Diplomatic Service to the HoCS on the same terms as the Prime Minister’s delegation.

12.3 In the same vein, it makes little sense for Northern Ireland to have its own separate Civil Service while devolved governments in Wales and Scotland do not. Resolving this disparity one way or another would be sensible and be likely to deliver efficiencies, but that will be for others to decide.

12.4 The Civil Service employs over 519,000 staff across the breadth of the UK and overseas. This is a headcount number rather than full-time equivalent (FTE); it includes the Diplomatic Service but not the Northern Ireland Civil Service. The five largest departments (Ministry of Justice, Department for Work and Pensions, HM Revenue and Customs, Ministry of Defence and Home Office) account for over two-thirds (68%) of the workforce. The regions with the largest number of civil servants are London

³⁸ [About us - Civil Service - GOV.UK](#).

³⁹ [Northern Ireland Civil Service Code of Ethics](#).

(103,735), the North West of England (67,110), and Scotland (53,495). Excluding Northern Ireland and Overseas, the East of England has the fewest civil servants (22,390)⁴⁰.

12.5 It has been impossible to obtain the required insight into the activities and composition of the Civil Service, as there appears to be no centrally held management information on this. The Cabinet Office collects the data from departments through the Annual Civil Service Employment Survey (ACSES) and publishes this data as the official measures for the composition of the Civil Service workforce as Civil Service Statistics. However, this is treated as an interesting statistical series rather than foundation-level management information which would provide live data to inform Civil Service management policies and operations. Responsibility for the collection and publication of the National Statistics 'Civil Service Statistics' transferred to the Cabinet Office from the Office for National Statistics on 1 October 2018.

12.6 It has been interesting to compare the proportion of Senior Civil Service in each of the professions. This discloses that the “policy profession” has 6.1% in the SCS, whereas in the professions most important for implementation the proportions are much lower – 4.0% in commercial, 1.7% in digital, data and technology, 3.2% in finance, 2.0% in HR, 2.7% in project delivery and 1.2% in property. Put another way, “policy” accounts for 30.7% of the SCS, but only 6.7% of the Civil Service⁴¹. This is a stark illustration of the problem noted elsewhere of the lack of parity of esteem between largely Whitehall policy civil servants and those involved in implementation.

12.7 I have been given the following explanation of how ACSES data is collected. It gives an idea of the unresolved problems in providing the leadership of the Civil Service with the most basic management information.

12.8 “ACSES data is provided by individual departments, collated by the Cabinet Office Analysis and Insight team and published through the annual reporting of Civil Service statistics⁴². Each organisation adopts their own systems and processes to provide the data and ease of provision of different data fields will differ between departments (for example some departments may have fields to capture the data built into their HR systems whereas

⁴⁰ [Civil Service Statistics: 2023](#), gov.uk.

⁴¹ All percentages stated are as a percentage of all where the profession or grade level is known and on a headcount basis.

⁴² [Civil Service Statistics: 2023](#), gov.uk.

others may need to collect some information manually from business units or individuals).

12.9 “The professions of civil servants were collected for the first time in 2007 whilst organisations were also required to provide data on the ‘Function’ within which an employee works from 2020. A function delivers a defined and cross-cutting set of services to a department – and the Civil Service as a whole – through a collection of roles, and can contain a mixture of professions. For example, an individual in the Statistics profession could be working in the HR function so would be counted under ‘Statistics’ for the profession data but would appear under ‘HR’ for the function data. Therefore the number of people in a profession will be different to the number of people in a function of the same name – although named the same, the two datasets are measuring a different thing.

12.10 “The ‘other’ category groups any profession outwith the defined categories listed (a catch all category) and the ‘unknown’ category is where no data has been provided. Whilst consistent methodology is used for ACSES, systems and data collection processes differ across departments. Under-coverage can occur for a number of reasons including historically departments not measuring particular metrics so needing to embed new processes; because there is a known lag in recording information in HR systems following someone joining a Civil Service organisation or compliance with self-service systems that require individuals to maintain their own records.

12.11 “There are variable and high non-response rates for professions and functions, (particularly in previous years), for a number of organisations and so caution is advised when drawing conclusions from these statistics or making comparisons over time. Data quality is improving with the reporting rate for professions data at 94.2% for 2023 and the response rate for functions information increased from 84.4% in 2022 to 94.1% in 2023. Those not reported under a profession or reported under a function are captured under the ‘unknown’ category in each dataset.”

Annex 3: Critiques and some history

13.1 This Annex explores the critiques of the Civil Service set out in the chapter on *The Stewardship Function*. It describes the relationship between them, and some of their history.

13.2 These include:

- Imperviousness and a closed culture – the low value attached to experience from outside the Service, and the lower status attached to “outsiders”; and – closely related:
- Excessive reliance on “generalists” who dominate the Whitehall cadre of policy officials; and – also closely related:
- Churn – the frequent and unplanned movement of officials from post to post, without regard to business need, at the expense of continuity and of developing and maintaining specialist knowledge and expertise;
- The poor quality and use of data and management information;
- The gap between policy and implementation;
- The disparity of esteem between policy officials (white collar) on the one hand and those charged with implementation or with specialist and technical expertise (blue collar) on the other;
- Innovation aversion – a culture that discourages innovation for fear of failure;
- Poor performance management.

13.3 The first three in particular are closely interconnected. The closed culture was a feature of the administrative Civil Service from the period when it was crystallised in the Northcote–Trevelyan report. The private comments of those involved illustrates this clearly,⁴³ and while the intention might not have been to make it impervious to outsiders, there was a conscious attempt to create a sense of an elite, recruited straight from

⁴³ “Our people are few compared with the multitudes likely to be arrayed against it, and we must prepare for the trial by cultivating to the utmost **the superior morality and intelligence** which comprise our real strength.” Trevelyan, 1853 private letter, quoted in Briggs, *Victorian People*, and Hennessy, *Whitehall*.

Oxford or Cambridge, with what one proponent described as a “freemasonry” setting them apart from others.⁴⁴

13.4 The originators would not have used the word “generalist”, but there was a clear sense that the qualities needed were general.

Northcote-Trevelyan described the need for:

“an efficient body of permanent officers...possessing **sufficient independence, character, ability and experience** to be able to advise, assist, and to some extent influence [ministers]...”⁴⁵

13.5 Sir John Kingman more recently described it thus:

*“There remains an excessively one-dimensional notion of the qualities needed in any successful senior civil servant. What are those qualities? Intellect, of course. Ability to work well with any and all ministers – which necessarily requires pragmatism and deftness turning on a dime. Ingenuity in finding solutions to tricky problems, if only elegantly drafting over the cracks. Ability to engage skilfully with stakeholders, without putting a foot in it.”*⁴⁶

13.6 These are all important qualities, and they are certainly needed for an effective Civil Service. All organisations need some generalists: those who are able to marshal evidence and expertise in order to solve problems. But they do not need many, and in no other organisation would the generalist be dominant in the way that has characterised the Civil Service.

13.7 The persistence of the third critique – churn – of course perpetuates the cult of the generalist. When Whitehall civil servants are at liberty – and feel incentivised – to apply for jobs and promotions in other parts of government, without any regard to continuity or business need, the effect on building expertise and deep pools of subject matter knowledge must be apparent.

13.8 It is possible to see how the next three critiques flow from this. When the skills that are valued in Whitehall civil servants are those described above, interest and skill in acquiring and using data and management

⁴⁴ “They should have the best education that England affords: the education of public schools, and colleges, and such things, which gives **a sort of freemasonry** among men, which is not very easy to describe, but which everybody feels...” Robert Lowe, 1873. Quoted in Sampson, *Anatomy of Britain*, and Hennessy, *Whitehall*.

⁴⁵ Northcote Trevelyan Report on the *Organisation of the Permanent Civil Service*, 1854.

⁴⁶ Sir John Kingman, *Why is Civil Service reform so hard?*, Institute for Government, December 2020.

information is likely to be limited. The higher status attached to Whitehall based “policy” officials – generalists – as against those charged with implementation – who need to be specialists – has long been noted, and the separation between policy and implementation frequently lamented.

History

13.9 For the first half century after Northcote–Trevelyan was implemented, a small state and limited government meant that the dominance of a very small elite corps of generalists worked satisfactorily. WW1, the first total war, required a rapid expansion in the size of the state and the Civil Service. Lloyd George in particular wanted “men of push and ago”, and vast numbers of “irregulars” were recruited at speed from outside, from academia, business and elsewhere. Lord Hennessy recounts how this was quite disorderly and chaotic. After the war, the return to what was expected to be a smaller state with tight controls on public expenditure led the then Head of the Civil Service, Sir Warren Fisher, to reassert the dominant role of the professional generalist civil servant.

13.10 WW2 again saw the need to draw in a huge influx from outside, this time in a much more orderly manner, drawing on the experience of the previous war. When the war ended, with a new government substantially increasing the size of the state and the scope of government activity, the idea of perpetuating and institutionalising this much more open model was briefly debated. Lord Hennessy brilliantly describes how the idea was seen off, in his chapter headed “The Missed Opportunity”. He recounts how Sir Edward Bridges assessed the possibility, and the way he described it is in itself telling:

*“In this war, **we** have made far better use of the industrialists and others who have come to **our** assistance...”⁴⁷*

13.11 His use of “we” and “our” says it all. He summoned his colleagues to a Saturday morning meeting, which was extensively minuted. One Permanent Secretary had written to Bridges saying: *“the need for special knowledge decreases from the bottom upwards... At the top what is required is judgement and leadership, and the technical knowledge necessary can be quickly absorbed...[It is] in the middle ranks that knowledge, as opposed to judgement or administrative capacity, becomes more important.”* As Hennessy comments:

⁴⁷Sir Edward Bridges, The National Archives, T 273/9, *Civil Service organisation: setting up of ministerial and official committees and papers concerning draft White Paper on Future of Civil Service*, quoted in Hennessey, *Whitehall*.

“It was as if the Second World War, and its brilliant persistent application of scientific and professional skills at all levels had not happened.”

13.12 In that Saturday morning meeting, Oliver, later Lord Franks, one of the wartime irregulars, challenged the orthodoxy. Forty years later, he recalled: *“I thought there was considerable need for change, and that the role of the Civil Service...from now on would be more managerial and less purely administrative. Now some of my colleagues accepted this and others didn’t. They believed the thing would revert to normal and broadly they came from departments which had not been disturbed so much by the war and made to change their ways, so that opinion was mixed.”*⁴⁸

13.13 Had the Franks view prevailed, it is unlikely that the Fulton committee twenty years later would have reached the conclusions that it did – conclusions that find an echo in many of the subsequent commentators:

[The Civil Service] is still too much based on the philosophy of the amateur (or “generalist” or “all-rounder”). This is most evident in the Administrative Class, which holds the dominant position in the Service.

Scientists, engineers and members of other specialist classes are frequently given neither the full responsibilities and opportunities nor the corresponding authority they ought to have.

The Service should develop greater professionalism both among specialists (e.g. scientists and engineers) and administrators [generalists].

“While the Civil Service should remain predominantly a career Service there should be greater mobility between it and other employments. We therefore recommend an expanded late entry, temporary appointments for fixed periods, short term interchanges of staff and freer movement out of the Service”

“..a proportion of places [in a Civil Service College] should be set aside for men and women from private industrial firms, local government and public corporations”

⁴⁸Peter Hennessey, *Whitehall*, pages 122–124.

“Late entry should be considerably expanded. There are people in business, the professions, nationalised industry, local government and the universities whose experience would be most valuable to the Service.”

The need is particularly obvious in the specialist disciplines such as engineering, where men are needed with practical experience of kinds that the Service cannot always provide.

Determined efforts are needed to bring about the temporary interchange of staff with private industry and commerce, nationalised industry and local government on a much larger scale than hitherto.

War-time experience proves beyond doubt the value of such movement in promoting mutual knowledge and understanding.

13.14 There follows a collection of comments and recommendations from the years since Fulton reported in 1968. What is striking is the consistency with which the same critiques are made.

Open Interchange

Fulton Report 1968

13.15 *“..there is not enough contact between the Service and the rest of the community. There is not enough awareness of how the world outside Whitehall works, how government policies will affect it.”*⁴⁹

Tony Blair 2004

13.16 We intend to continue to recruit extensively from outside the Civil Service to senior posts, including at the highest levels. We also need to examine the business rules to make it easier for civil servants to move into the private sector and back again.⁵⁰

Civil Service Reform Plan 2012

13.17 The barriers between the private sector and the Civil Service must be broken down to encourage learning between the two. A greater interchange of people and ideas will help to narrow the cultural gap.

13.18 Action 14: Increase dynamism and flexibility by making it easier for staff at all levels to move between the Civil Service and the private sector.

⁴⁹ Fulton Committee report on the Civil Service, 1968.

⁵⁰ Tony Blair, Speech on Civil Service Reform, February 2004.

13.19 Secondment of the ablest civil servants is sometimes discouraged for fear that they will not return. This is best addressed by ensuring that they have interesting and demanding jobs to return to, and that their careers will be enhanced rather than held back by a spell outside government..⁵¹

Robbins 2019

13.20 Our culture and traditions can encourage uniformity of view, and even subconsciously suppress challenge. Those joining the Civil Service mid-career can still find it a cold house for outside experience and viewpoints.⁵²

Declaration on Government Reform 2021

13.21 ... there is however more we must do to attract a broader range of people to the privilege of public service. It should be natural for people with careers and skills built in business to serve in government for a period, and for those in public service to spend time in organisations which are not dependent on public money ...

13.22 We will develop new entry routes from industry, academia, the third sector and the wider public sector, with flexibility to suit those who want to build a career in government and those who want a shorter tour of duty.

Recommendations:

13.23 Establish new, appropriately and consistently managed, entry routes for professionals from outside government, including for time-limited periods to be attached to specific projects or tasks.

13.24 Develop a pipeline of secondments from the Civil Service into major organisations within the UK and internationally, including other governments, led by professionals and departments, with support from Non-Executive Directors, as a core part of talent development.⁵³

John Kingman

⁵¹ *The Civil Service Reform Plan*, June 2012.

⁵² *Britain's Constitutional Crisis: the Civil Service*, lecture to Hertford College, University of Oxford, November 2019.

⁵³ *Declaration on Government Reform*, June 2021.

13.25 “Still: the reformers are – just like the reformers of 50 years ago – asking these same individuals to upend and rethink fundamental aspects of the system in which they flourished and which got them to the top.”⁵⁴

Gisela Stuart

13.26 ‘That report [Social Mobility Commission Navigating the Labyrinth] and the one that we haven't mentioned by name – the Baxendale Report. You know you get these things where you say– it's not that we don't know what the problem is – and we have some beautiful reports and you go back in the case of Baxendale 10 years later and this one slightly fewer years. And you go and say and what has changed ...and not much. That's why in terms of the Civil Service Commission my mission is to kick doors open in such a way that it will become very difficult to close them again.’⁵⁵

Jonathan Slater 2023

13.27 “How many reform plans have..I seen which commit senior civil servants to going on secondment for a bit. Oh my god. They either do six months at Camden Council or KPMG, or 9 months if you're lucky and then you come back in. I think on the day that Michael Gove's Reform Plan was published a very senior civil servant said to me (and that was the latest commitment to everyone going on secondment) that he had just been in a meeting with a permanent secretary asking for approval to go off on secondment. And this permanent secretary said to him 'You don't want to do that. That will be bad for your career because we'll forget about you.' So if that is the view at the top it doesn't really matter what you put in the plan. You need to change the people at the top.”

13.28 “Are they [civil servants] putting ideas, radical changes in front of ministers who are turning them down? No they are not. Why do the people who run the Service people like Philip [Rycroft] and I – why does it never happen? I guess because typically the majority of people at the top of the Civil Service haven't the faintest idea just how poor it is...And why do the people at the top of the Civil Service have no idea how poor it is – because **they have never done anything else.**”⁵⁶

⁵⁴ Sir John Kingman, *Why is Civil Service reform so hard?*, Institute for Government, December 2020.

⁵⁵ Dame Gisela Stuart, *Opening up the Civil Service: How to improve external recruitment*, Institute for Government event, March 2023.

⁵⁶ Jonathan Slater, *Whitehall Wisdom: Rewiring the Government Machine*, Reform, January 2023.

Generalists

Northcote-Trevelyan 1854

13.29 *“The great and increasing accumulation of public business...could not be carried on without the aid of an efficient body of permanent officers, occupying a position duly subordinate to that of Ministers...yet possessing sufficient independence, character, ability and experience to be able to advise, assist, and some extent to influence those who are from time to time set over them.”*

Fulton Report 1968

13.30 [The Civil Service] is still too much based on the philosophy of the amateur (or “generalist” or “all-rounder”). This is most evident in the Administrative Class, which holds the dominant position in the Service. The ideal administrator is still too often seen as the gifted layman who, moving frequently from job to job within the Service, can take a practical view of any problem, irrespective of its subject-matter, in the light of his knowledge and experience of the government machine.”

13.31 Scientists, engineers and members of other specialist classes are frequently given neither the full responsibilities and opportunities nor the corresponding authority they ought to have.

13.32 The Service should develop greater professionalism both among specialists (e.g. scientists and engineers) and administrators.⁵⁷

John Kingman 2020

13.33 *“There remains an excessively one-dimensional notion of the qualities needed in any successful senior civil servant. What are those qualities? Intellect, of course. Ability to work well with any and all ministers – which necessarily requires pragmatism and deftness turning on a dime. Ingenuity in finding solutions to tricky problems, if only elegantly drafting over the cracks. Ability to engage skilfully with stakeholders, without putting a foot in it.”*

13.34 *“...substantial or deep domain knowledge and experience is still not really particularly valued – at any rate in the higher reaches of the policymaking Civil Service. I am not sure where this disdain for knowledge and expertise comes from, but it is deep-rooted.”*

⁵⁷ Fulton Committee report on the Civil Service, 1968.

13.35 Higher reaches of the Civil Service have always had strong generalist tendencies ...the problem may, if anything, have got worse over the years. ⁵⁸

Jonathan Slater 2022

13.36 So far as I could see, the situation certainly didn't seem to have improved very much at all in the intervening 40 years, at least in this respect...Fulton's "generalist" seems just as visible in Whitehall today as 50 years ago, and provides an excellent description of what it takes to get to the top. ⁵⁹

Lord Sainsbury

13.37 The third systemic problem that I thought the Institute should tackle was civil servants' lack of knowledge about the policy areas about which they advise ministers. ⁶⁰

Kate Bingham

13.38 Seemed to me to be a notable lack of scientific, industrial, commercial and manufacturing skills both among civil servants and politicians.

13.39 Specialist science skills should be valued and rewarded as much as, if not more, than generalist skills. An individual's tempo or pace of activity, and their capacity to focus on and deliver outcomes should be rewarded.

13.40 Officials seemed to use strategic and operational consultants quite freely, and doubtless at great expense. But this has a doubly bad effect: not only does bringing in hired guns from the outside not build real capability within Whitehall itself, it actually reduces the incentive to confront and deal with this problem.

13.41 Less than 10% of the fast-track Civil Service have backgrounds in science, technology, engineering and mathematics (STEM). That is lower than countries like the USA, France and Germany, and the number is dropping. Yes there is a fast-track STEM Civil Service entry stream, but this only recruits a grand total of 20 new civil servants each year – far too small to have any impact.

⁵⁸ Sir John Kingman, *Why is Civil Service reform so hard?*, Institute for Government, December 2020.

⁵⁹ Jonathan Slater, *Fixing Whitehall's broken policy machine*, The Policy Institute, King's College London, March 2022.

⁶⁰ *Lord Sainsbury of Turville*, Institute for Government Annual Conference, July 2022.

13.42 Only been able to identify three permanent secretaries with STEM degrees. This is a group dominated by historians and economists, few of whom, it seems, have ever worked outside Whitehall.

13.43 Officials are not generally rewarded for specialist skills, flair or drive, but for following correct procedures. Individual energizers and doers were outnumbered by officials able to think of reasons not to do something.

13.44 Scientific thinking and specific scientific knowledge should be embedded in policy making. Over the past thirty years, it has become unthinkable for policy not to be deeply informed by economics. The same should be true of science, starting now.

13.45 Recruitment, professional development and incentives of civil servants should be reviewed and overhauled. Science-related competencies, operational experience, problem-solving skills and quantitative analysis should be made essential requirements for officials if we are to be successful in today's data-based and innovation-driven economy.

13.46 This need runs right through the Civil Service, from the top administrators through the officials who commission new policy, to the new entrants at the starting point of their careers. In the short run, the present gap can only be countered with the combination of more ministerial training and super-competency at the top of the Civil Service. That means more scientifically trained permanent secretaries with research and operational experience, as well as economic skills.

13.47 Whitehall should set a target of recruiting 50% STEM graduates at entry, prioritising those with research, analytical and statistical expertise, and these new STEM graduates should also be trained in economics so that they have a breadth of relevant skills⁶¹.

Churn

Fulton Report 1968

13.48 Frequent moves from job to job within the Service or within a department give "generalist" administrators proficiency in operating the government machine, and in serving ministers and Parliament. But many lack the fully developed professionalism that their work now demands. They

⁶¹ Kate Bingham, *Lessons from the Vaccine Taskforce*, Romanes Lecture, Oxford University, November 2021.

do not develop adequate knowledge in depth in any one aspect of the department's work and frequently not even in the general area of activity in which the department operates.

13.49 This has serious consequences. It can lead to bad policy-making; it prevents a fundamental evaluation of the policies being administered; it often leads to the adoption of inefficient methods for implementing these policies-methods which are sometimes baffling to those outside the Service who are affected by them; and it obstructs the establishment of fruitful contacts with sources of expert advice both inside and outside the Service.

Tony Blair 2004

13.50 We will radically extend one of the central principles of Northcote-Trevelyan – that of merit – by applying it to existing posts as well as new ones. We are establishing a new norm that all Senior Civil Service jobs will be four-year placements.⁶²

Civil Service Reform Plan 2012

13.51 SROs: Senior Responsible Owners often move too frequently, leaving mid-way through a project. Sometimes, this can enable skill sets to be aligned with project requirements but more frequently it causes delay and instability and disrupts effective implementation.

13.52 High turnover in critical posts at the centre of Government can lead to a lack of collective corporate memory and a possible tendency towards orthodoxy. To combat this Departments will take steps to identify the key posts that would benefit from a greater stability of tenure and retain a more stable cohort while balancing the needs and priorities of the Department.⁶³

Institute for Government 2019:

13.53 *“In six departments, a new minister will find four in 10 of their senior officials have been in post less than a year ... Such brevity in role compares poorly with other Civil Services around the world and equivalent private sector organisations”*⁶⁴

⁶² Tony Blair, Speech on Civil Service Reform, February 2004.

⁶³ *The Civil Service Reform Plan*, June 2012.

⁶⁴ *Moving On: The cost of high staff turnover in the Civil Service*, Institute for Government, January 2019.

Declaration on Reform 2021

13.54 We will incentivise those with deep subject expertise who stay in areas where they add value and continue to develop.

13.55 Action: Set expected assignment durations on appointment for all SCS posts, taking account of the requirements of the role.⁶⁵

John Kingman 2021

13.56 ...indifference to knowledge and experience is of course then directly linked to what Gove rightly calls the “Civil Service whirligig”. Officials can and do hop from area to area, without in any way damaging their career.⁶⁶

Jonathan Slater 2022

13.57 Hence a problem described in 1968 by Fulton as follows:

“It cannot make for the efficient despatch of public business when key men rarely stay in one job longer than two or three years before being moved to some other post, often in a very different area of government activity”⁶⁷

13.58 Which has actually got significantly worse since then, as the Institute for Government found in 2019:

“In six departments, a new minister will find four in 10 of their senior officials have been in post less than a year ... Such brevity in role compares poorly with other Civil Services around the world and equivalent private sector organisations”

13.59 Critically, they point out that:

“officials think that promotion prospects are ‘enhanced by acquiring generalist policy skills and gaining experience of working in a variety of high profile roles on Ministerial priorities’ ... Mid-ranking policy officials told us that they are strongly encouraged by managers to move on after 18 months in a job and get experience in a range of roles.”⁶⁸

⁶⁵ *Declaration on Government Reform*, June 2021.

⁶⁶ John Kingman, *Why is Civil Service Reform so Hard?*, Institute for Government, December 2020.

⁶⁷ Jonathan Slater, *Fixing Whitehall’s broken policy machine*, The Policy Institute, King’s College London, March 2022.

⁶⁸ *Moving On: The costs of high turnover in the Civil Service*, Institute for Government, January 2019.

Kate Bingham 2021

13.60 Professional development and promotions should downplay the present rapid rotation between roles and departments, and be reoriented towards the development of skills of demonstrable value shown to be important in policy decision-making and operational delivery.

13.61 Slowing down the turnover of posts within the Civil Service would allow time to build embedded expertise. And if promotions, pay and status were based more on actual performance against substantive outcomes, then there would be less incentive to seek regular promotions except on merit.⁶⁹

Parity of esteem

Armstrong 1988

13.62 [Fulton]... gave a signal that the management route to the top should be regarded as no less important than the traditional policy one. We have made some progress in that, but I would not claim that the message has even now been fully taken on board in practice. This is something towards which I hope future management reforms will give greater attention.⁷⁰

Civil Service Reform Plan 2012

13.63 Establish the expectation that Permanent Secretaries appointed to the main delivery departments will have had at least two years experience in a commercial or operational role.

13.64 Move over time towards a position where there is a more equal balance between those departmental Permanent Secretaries who have had a career primarily in operational management and those whose career has been primarily in policy advice and development.⁷¹

Institute for Government 2022

13.65 *“Specialist roles also tend to be less senior. For example, chief scientific advisers are the most senior scientific experts in their department and yet many are directors or below who are not accorded parity of esteem with senior policy professionals, who occupy director-general level posts. This is so even in departments where scientific expertise is crucial to the effective discharge of*

⁶⁹ Kate Bingham, *Lessons from the Vaccine Taskforce*, Romanes Lecture, Oxford University, November 2021.

⁷⁰ Robert Armstrong, *Taking Stock of Our Achievements*, 1988.

⁷¹ *The Civil Service Reform Plan*, June 2012.

duties, like the Foreign, Commonwealth and Development Office (FCDO), where it is integral to development policy among other things, and the Department for Digital, Culture, Media and Sport (DCMS), where it is critical to decisions made on digital infrastructure. There are scientific grades in some departments, but they tend to be disproportionately concentrated at junior levels. Similarly, despite taking on a leadership role comparable with departmental permanent secretaries, many of the cross-government heads of function are directors general, once again reflecting an incongruence between the way generalist and specialist roles are treated.”⁷²

13.66 The proportion of Senior Civil Service is much higher in the policy profession than in the implementation professions – in every case more than double and in some much more⁷³:

- 6.1% in policy
- 4.0% in commercial
- 1.7% in digital, data and technology
- 3.2% in finance
- 2.0% in HR
- 2.7% in project delivery
- 1.2% in property.

13.67 The operation of the honours system reinforces the disparity of esteem. Whitehall civil servants receive awards in the exclusive closed Order of the Bath – CB, KCB, GCB – while others, especially those recruited from outside, receive awards in the open Order of the British Empire, which is the Order to which routine awards are made for members of the general public.

Policy/implementation gap

Henry Taylor 1836

13.68 “The hand, which executes a measure, should belong to the head, which propounds it...; and there will certainly be something infirm and halting about any measure which is devised by one and executed by another; or (for it amounts to nearly the same thing), any measure of which the execution is continually revised and corrected by another than the author.”⁷⁴

Tony Blair 2004

⁷² *Opening up: how to strengthen the Civil Service through external recruitment*, Institute for Government, December 2022.

⁷³ *Civil Service Statistics: 2023*, gov.uk.

⁷⁴ Henry Taylor, *The Statesman*, 1863.

13.69 *“We need increasingly to break down the distinction between the Civil Service at the centre and those on the frontline. The principal challenge is to shift focus from policy advice to delivery. Delivery means outcomes. It means project management. It means adapting to new situations and altering rules and practice accordingly. It means working not in traditional departmental silos. It means working naturally with partners outside of Government. It's not that many individual civil servants aren't capable of this. It is that doing it requires a change of operation and of culture that goes to the core of the Civil Service.”*⁷⁵

Civil Service Reform Plan 2012

13.70 *“Policy and implementation expertise need to be brought together at the design stage if advice is to be effective.*

13.71 *“Action 7: We will ensure that staff have the skills and expertise they need to develop and implement policy, using up to date tools and techniques, and have a clear understanding of what works in practice.*

13.72 *“Too often policy design is considered separately from the practicalities of implementation. The key test of good policy is the feasibility of implementation. Implementing policy should never be separate from making it. Successful outcomes depend on designing policy with clear objectives, creating realistic timetables and professional project planning.*

13.73 *“Government’s past performance on major projects has been poor, with around a third being delivered on time and on budget. Much of this failure has been because policy gets announced before implementation has been fully thought through, and because civil servants have not been given the skills and tools needed for good project management.*

13.74 *“Ministers also need to be aware of the impact of announcing too much detail before implementation has been fully thought through.”*⁷⁶

John Kingman 2020

13.75 *“The Next Steps model of the 1990s was a serious attempt to address some of these problems – to create delivery structures in which operational, not policy skills would predominate even in senior roles. Ministers would set the direction; officials would have both more freedom and more accountability for delivering it. Yet this model has rather atrophied, for no obviously good reason...”*⁷⁷

⁷⁵ Tony Blair, Speech on Civil Service Reform, February 2004.

⁷⁶ *The Civil Service Reform Plan*, June 2012.

⁷⁷ Sir John Kingman, *Why is Civil Service reform so hard?* Institute for Government, December 2020.

Jonathan Slater 2022

13.76 “...the separation of “policy” from “delivery” in the Civil Service actually tends to keep policymakers even further away from the reality on the ground.”⁷⁸

Data/Management Information (MI)

Martin Read 2012

13.77 The quality of current internal departmental reporting is variable. Comparison between departments and across common areas of spend and operational performance is difficult.

13.78 An analysis of just under half of the total number of departmental board reports reveals that:

- a) top level annual budgets are generally set out clearly for the period of the spending review and actual costs are tracked over the year by quarter on a cumulative basis;
- b) most departments provide a top level figure for the full year forecast for the current financial year. However, this is not normally split down by quarter nor is any breakdown normally provided for the main components of the forecast;
- c) where there are major projects or large amounts of managed expenditure (for example, benefits payments), these are generally identified separately;
- d) however, there is little consistency between departments in structure, format, metrics or reporting time periods. It is difficult to compare or identify common themes across departments.
- e) few of the reports analysed identify expenditure on common operations such as corporate services, the estate and IT, or on common transactions such as pay, procurement or grants;
- f) few of the reports consider efficiency or performance metrics on common operations or transactions. The one common exception is

⁷⁸ Jonathan Slater, *Fixing Whitehall's broken policy machine*, The Policy Institute, King's College London, March 2022.

workforce performance metrics (notably sickness absence and staff turnover rates);

g) none of the reports provide comparisons between the current period and the equivalent period in the previous year.⁷⁹

⁷⁹ *Practical Steps to Improve Management Information in Government*, an independent report by Dr Martin Read CBE, 2013.

Annex 4: Interchange with sectors outside the Civil Service – making it more “porous”: a case study

Introduction

14.1 It has long been noted that the Civil Service would be stronger and more effective if there were much greater interchange with other sectors (see **Annex 3**). Every review of the Civil Service, whether officially commissioned, or from outside commentators, has recommended that there should be more and easier interchange, but it is a stubbornly difficult problem to eradicate. The benefits are clear and obvious, and include:

- importing specialist expertise and knowhow;
- importing experience of different operating systems and cultures;
- challenging groupthink.⁸⁰

14.2 In this Annex, by way of illustrating the challenge of implementing Civil Service reform, I describe a number of the things that need to change if this problem is to be resolved. They are many and complex and require sustained and consistent action to be taken by a number of different agencies, both within government itself and in the Civil Service Commission (CSC), the Advisory Committee on Business Appointments (ACOBA) and other entities. **The difficulty and complexity illustrates powerfully the need for a strong authority over the whole Civil Service coupled with a different approach to accountability.** The Annex covers:

- External recruitment
- Secondments
- Alumni
- Training and development
- Culture

⁸⁰ “A large body of research shows that cognitively diverse groups are better able to identify problems and find and operationalise solutions. By relying too heavily on staff who excel at thinking about problems in a particular way, possess a similar set of skills and have relatively little career experience outside Whitehall, the Civil Service does not benefit from the advantages of such diversity. Hiring outsiders with different professional backgrounds will help to introduce different ways of thinking into the service.” **Opening up: How to strengthen the Civil Service through external recruitment**, Institute for Government, November 2022.

External recruitment

14.3 This section draws heavily on two previous studies: the 2014 Baxendale Report⁸¹; and the 2022 IfG paper “Opening up: how to strengthen the Civil Service through external recruitment.” Both were based on extensive interviews, and both make a series of recommendations

“...the Civil Service has committed to being better at external recruitment. But it continues to fall short at attracting, retaining and properly using the knowledge and skills present in wider society. This paper identifies the problems with the Civil Service’s current approach and suggests specific changes to help it open up to external recruits, fulfilling long-held but unmet ambitions. The Civil Service is particularly poor at bringing in specialists, especially into senior roles. More external recruitment of specialists would be especially beneficial for two main reasons. First, it would increase the technical expertise available to the Civil Service, making it better equipped to deliver ministers’ priorities. And second, partly as a result of hiring people with different professional experience, it would increase the cognitive diversity of the Civil Service, which a convincing body of research suggests would improve the way it functions.”⁸²

14.4 First, the approach to recruitment from outside needs to change. All the changes set out below will be needed in order to move the needle.

Process

14.5 At present, candidates for a post are required to go through a protracted application process with numerous formal interviews. The process is based on an assumption that selection on merit requires a completely open advertisement followed by a rigorous exclusion of the least meritorious until the most meritorious candidate is left. For senior posts, this is not how modern private sector organisations operate. These would undertake a targeted search in good time, with a preferred candidate emerging. For recruitment into the Civil Service, the old-fashioned formal process of eliminating applicants is even less appropriate, as the post will generally be

⁸¹ *How to Best Attract, Induct and Retain Talent recruited into the Senior Civil Service*, 2014.

⁸² *Opening up: How to strengthen the Civil Service through external recruitment*, Institute for Government, November 2022.

significantly less well-paid than their private sector equivalents. These circumstances demand an approach which is much more focused on wooing a carefully targeted candidate or candidates with a view to persuading them to accept a significant pay cut in the national interest. The IfG comments⁸³:

“...Civil Service job adverts are not designed with external candidates in mind. They are often filled with jargon, which can be difficult to interpret if candidates are not familiar with the inner workings of government...too many roles are only advertised on GOV.UK...Talented local people [in Darlington]...have been put off applying for jobs because of unintelligible adverts. As one interviewee put it: “The job advert lost me, so I lost interest in the job.”

“...the interview process is poorly constructed. The current system...is highly mechanistic, impersonal and relies on candidates knowing how to answer questions in a way that earns them marks on a set schema – something that gives internal candidates who have previously experienced such interviews a substantial advantage...candidates are fundamentally judged on the eloquence with which they can talk about their previous experiences in a way that shows they possess key ‘behaviours’. Hiring managers rarely verify the examples given in interviews and so sounding convincing is rewarded while genuine expertise is, in practice, not tested for. And the behaviours that the Civil Service wants candidates to describe are based on an analysis of the qualities that successful civil servants demonstrate in their role, which in practice means that applicants are more likely to be able to draw persuasively on past examples showing they possess key behaviours if they have previously done Civil Service work. Third, from start to finish, the application process takes too long. It is not uncommon for the gap between applications closing and a job being offered to be in excess of three months. As one interviewee put it: “For a busy and successful person, investing that much time and energy into a really drawn-out process is very unattractive.”

Fourth, and on a related point, there is no formal avenue through which exceptional external candidates can be ‘poached’ and fast-tracked into a permanent role. Often, private companies have processes that allow for hiring managers to exercise discretion to abridge or even do away with full hiring processes if that is what it

⁸³ Opening up: *How to strengthen the Civil Service through external recruitment*, Institute for Government, November 2022.

takes to hire an outstanding external candidate to a full-time job in the organisation (as long as doing so complies with employment law). The Civil Service has shown itself happy to apply discretion in certain circumstances – such as when it is judged that external advertisement of a role is unnecessary or when recruiting through ‘expressions of interest’. But the CSC’s recruitment principles do not give hiring managers the scope to do so when it comes to getting the best senior external talent into permanent roles in government – unless the candidate has been a civil servant within the past five years and is being brought back at the same grade they left at, or lower. Even in cases where an exceptional external candidate has been informally identified as the right person for the job, hiring managers oversee a Potemkin hiring process that takes months, leads to the initially identified candidate being appointed and wastes everybody’s time. Sometimes the external candidate is unwilling to spend months going through the charade, ultimately meaning they are lost to the Civil Service or have to be brought in for a shorter, fixed-time period instead.

Using secondments and fixed-term contracts to poach external experts does not tend to fare much better. The CSC’s recruitment principles do allow for secondees or entrants on fixed-term contracts to be brought in without a full recruitment process for up to two years (which can be extended with permission from the CSC), although it prevents them from going straight into another job in government after that period has elapsed unless they are appointed through a full recruitment process. But interviewees suggested that it remains an intensely bureaucratic process to arrange these and that it sometimes simply proves impossible – although it can be easier in a crisis or when a senior figure provides personal impetus. Finally, internal applicants’ previous performance appraisals are not accessible to hiring managers when they apply for a new role. As well as being contrary to the principles on which most successful organisations run, where accrued knowledge about internal candidates’ abilities is considered vital to hiring the right person for the job, this combines with the existing application process’s favourability to internal candidates to mean that internal candidates who performed poorly in their last role are more able to get jobs ahead of better external applicants.”

The requirement to appoint on “merit” needs some perspective. It dates back to Northcote Trevelyan, and was explicitly introduced in order to counter appointment and promotion by nepotism or favouritism. There is no reliable objective test of merit – recruitment decisions are made by human beings who are judging other human beings. Of course a successful candidate must pass all the necessary capability tests and qualifications, but the choice of the best is ultimately a human judgement, which is fallible, and a different judgement might easily be made by different human beings. As Sir Peter Riddell said recently, in relation to public appointments: “...there is no absolute measure of merit to assess candidates – it is bound to be relative to what is appropriate at the time and for the role”⁸⁴.

There is arguably nothing in the statutory requirement under CRAG that obliges an interviewing panel to place candidates in a “merit order”. An equally appropriate approach could be, in carefully controlled and possibly limited cases, for the panel to submit more than one qualified candidate, with a considered qualitative assessment of their merits, for a minister to make the final choice.

“Headhunters”

14.6 This much more proactive approach to recruitment would benefit from the creation of an “in-house headhunter”, as recommended by the Commission for Smart Government. This should be overseen by the CSC to avoid capture by the incumbent Civil Service establishment. Its function would be to develop a pool of candidates from outside for future Senior Civil Service posts. This could include some activities in the spectrum between pre-appointment induction and familiarisation, with a view to making any subsequent transition easier and making it more likely that new entrants do so with their eyes open. This would enable potential appointees to become known quantities in anticipation of posts needing to be filled.

14.7 There is a tendency for the same search agencies to be used, normally selected by incumbent civil servants. These agencies can become overly dependent on these same civil servants for repeat business, and so there can be a temptation to skew searches towards the perceived preferences of those incumbent civil servants. In future, the choice of search agencies should be made by the CSC, not by civil servants, with a very careful eye on the danger of this kind of “capture”.

⁸⁴ Professor Peter Riddell, Inaugural Lecture: *Ministers Also Have Rights – Balancing Executive Prerogatives and Executive Scrutiny*, University College London Department of Political Science, April 2023.

Don't recruit for conformity

14.8 Too often candidate specifications spell out that candidates are required to show that they can “fit into the Civil Service culture”. The IfG have commented (text quoted above) that the typical recruitment process favours those who are already cast in the Whitehall mould. When interviewing panels for outside recruitment are themselves largely composed of career civil servants, there is an inevitable tendency, much of it no doubt the result of unconscious bias, to eliminate people who will challenge the culture, with a built-in preference for those who will conform. Therefore it needs to be clear in candidate specifications that genuine diversity in outlook and background is being sought and that the confidence and willingness to challenge existing patterns and culture is required. The most recent (2022) Civil Service People Survey⁸⁵ discloses that only 48% of civil servants feel “safe to challenge the way things are done”.

14.9 A plaque on the wall of the Civil Service College in Singapore, which arguably has the most efficient and effective Civil Service in the world, has this quotation from a former official: “We want all officers to see it as part of their job to question the assumptions and past ways of doing things and suggest ways to improve and innovate.” The mainstream career Civil Service has not been good at engendering this admirable mindset and culture. If this is to change then the influence of recruits from outside will be disproportionately important.

Interview panels

14.10 To further reduce the likelihood of “like recruiting like”, interview panels should always include at least one member who is not a serving or recently retired civil servant.

Advisory Committee on Business Appointments (ACOBA)

14.11 Next, the way that ACOBA operates needs to change. Currently, when a Director General (or equivalent) leaves the Service, they are obliged to request advice from ACOBA on their next career move. This is to manage potential conflicts of interest. However, it creates great uncertainty, and is at odds with good practice elsewhere, where restraints on a career move after leaving the employment will be spelled out at the outset. The same should apply when civil servants are appointed, with any restraints set out in

⁸⁵ [Civil Service People Survey results](#).

the appointment letter, with input from ACOBA, and able to be revised later if the official subsequently moves to a different role within the Civil Service. ACOBA is, I believe, already considering this.

14.12 ACOBA is also currently promoting an approach whereby officials towards the end of their time in the Civil Service can be moved away from areas of work which might give rise to concerns about conflicts of interest. This can enable ACOBA to allow any restricted period to be served partially or wholly while still actively employed. This is a welcome development.

Vetting

14.13 I am told that it currently can take some nine months for external recruits to go through security vetting. For some technical roles that are especially valuable and for which good candidates are extremely scarce, vetting can be essential. But good people will not wait for nine months to be able to start a new job. There is no reason why this time should not be cut dramatically.

Onboarding and induction

14.14 The IfG⁸⁶ make a number of recommendations to improve onboarding and induction for external hires. Some of these are simply to urge that recommendations made in the *Baxendale Report* in 2014 should be fully implemented:

- developing a standard 5-10 day induction that all senior external hires attend;
- formally providing every external hire with an experienced mentor; and
- making it clearer that line managers have a responsibility to ensure new hires' successful transition.

14.15 The IfG also supports the Baxendale recommendation for a formal post-entry feedback session after 4-6 weeks which can help in identifying potential improvements from fresh perspectives and provide insights on the recruitment experience.

⁸⁶ *Opening up: How to strengthen the Civil Service through external recruitment*, Institute for Government, November 2022.

Secondments

14.16 The IfG points to five occasions since 1988, when commitments have been made to increase the number and frequency of secondments. I am aware of at least two other commitments to increase secondment, made in the the eighties and nineties in the context of improving Civil Service knowledge of business and the effect of regulation. Yet despite these repeated commitments, the reality is that secondments have not become a regular feature in civil servants' careers in the way that was intended.

14.17 The principal explanation seems to be that senior leaders discourage it, despite the frequency with which governments have committed to it. This is illustrated most clearly by an anecdote recently recounted by a former permanent secretary:

*"...on the day that Michael Gove's Reform Plan was published a very senior civil servant said to me (and that was the latest commitment to everyone going on secondment) that he had just been in a meeting with a permanent secretary asking for approval to go off on secondment. This permanent secretary said to him 'You don't want to do that. That will be bad for your career because we'll forget about you.' So if that is the view at the top it doesn't really matter what you put in the plan."*⁸⁷

Alumni

14.18 Strong and confident organisations do not see people leaving as a threat. They view it as an opportunity to grow a network of alumni which can be tapped informally from time to time, and from which people can be enticed back bringing greater experience and knowledge from what they have done outside.

14.19 Historically the Civil Service has tended to see people leaving to work in other sectors as some kind of betrayal. The Civil Service should learn from other professional service organisations which make a positive effort to maintain contact with alumni and build such a network.

14.20 There is a wider point. High performing corporates – and most militaries – operate an “up or out” culture, where people who have reached a plateau in their career can be encouraged and supported to seek other avenues and opportunities. The best organisations do this in a

⁸⁷ Jonathan Slater, *Whitehall wisdom: rewiring the government machine*, Reform, January 2023.

non-judgmental, supportive and generous way. This approach recognises that when an individual has exhausted their ability to make a positive contribution it is better for the organisation – and the individual – to move on. There is no stigma attached to it; merely a recognition that the match between business needs and capabilities changes over time.

14.21 Very few Civil Service organisations have adopted this approach. It is worth considering in the context of creating a more open and porous Civil Service. There are likely to be many occasions when someone who has left the service in this way can subsequently return refreshed and reinvigorated, with wider knowledge and experience. An active alumni programme will enable this.

Training and development

14.22 The lack of sustained commitment to training has often been noted. Sir John Kingman referred wryly to “the almost comic lack of serious attention to training”.⁸⁸ It is important for wider reasons of organisational health and effectiveness for this training deficit to be remedied, and the establishment of the Government Skills and Curriculum Unit (GSCU) is a welcome development. But it is also important that it should be delivered in the right way.

14.23 Fulton, in making the case for a Civil Service College, said: “..a proportion of the places will be set aside for men and women from private industrial and commercial firms, local government and the public corporations”⁸⁹. While there is clearly some training that caters for needs that are unique to the Civil Service, the majority of what is needed to equip senior leaders to be effective is of common application, and people on such courses benefit greatly from learning alongside peers from other backgrounds and sectors.

14.24 In 2013 it was agreed, after some resistance from Civil Service leaders, that current and future permanent secretaries should be expected to attend senior leadership programmes at leading business schools. These are typically intensive three month residential courses, where participants learn at least as much from each other as from those leading the programmes. It was believed that this sustained exposure to a peer group with a wide variety of different backgrounds and experiences would better equip this important

⁸⁸ John Kingman, *Why is Civil Service Reform so Hard?* Institute for Government, December 2020.

⁸⁹ Fulton Committee report on the Civil Service, 1968.

group of Civil Service leaders for the huge challenges they would face. It simply never happened, for reasons that have never been explained. If the leadership of the Civil Service is serious about breaking open its stubbornly closed culture and practices, this would be a good place to start.

14.25 In 2022 the Leadership College for Government was established as part of the Government Skills and Curriculum Unit. The Leadership College now offers a range of programmes for CEO and Deputy CEO-level leaders (including Civil Service Permanent Secretaries, Directors General and Directors) across the public sector. This will no doubt be helpful in addressing the skills deficit, but it completely misses the essential “porosity” benefit of exposing Civil Service leaders to an international peer group, including from the private and civil society sectors, in some of the most prestigious business schools in the world.

Culture

14.26 The biggest disincentive for high performing executives to move into the Civil Service is a concern that they will be bogged down in bureaucracy and unable to make a difference. Most people have some kind of public service gene, and are often willing for a period to take a significant cut in pay because they want to “put something back” in public service. This is about a wider change in the culture of the Civil Service, where a perceived bias to inertia is replaced by a bias to action.

14.27 It is also about parity of esteem – white collar/blue collar. Many of those recruited from outside will come into implementation roles where there is still a tendency to see such roles as below the fold. As noted in **Annexes 2 and 3**, the policy profession has a much greater proportion of SCS – more than double – than any of the implementation professions.

14.28 There is a chicken and egg dilemma here. A much more successful approach to external recruitment and open interchange can make a huge contribution to creating a more open and performance oriented culture. Yet it is precisely the existing culture that makes successful external recruitment more difficult. The Baxendale report highlighted the experience of many external hires, with the sense that they became only country members of the Whitehall club. A senior and seasoned businessman who took a Permanent Secretary role some years ago subsequently said this: *“In Whitehall you discover that the real business goes on behind a wall. You spend months trying to*

find a door in the wall. Eventually you find one. But it only opens from the inside.”

14.29 So there needs to be a culture change that genuinely welcomes the broader experience that comes from outside, and values the insights that new recruits bring from their previous experience.

Conclusion

14.30 This Annex is not intended to set out a programme of reform. It is simply intended to illustrate, for one of the most commonly noted critiques of the Civil Service, how complex and challenging it will be to achieve real change. Persisting with the current arrangements for governance and accountability and expecting different results is unlikely to succeed.

Annex 5: Delegation of Power to Manage the Civil Service under Constitutional Reform and Governance Act (CRAG)

15.1 The power to manage the Civil Service is vested by the *Constitutional Reform and Governance Act 2010 (CRAG)* in the Minister for the Civil Service, or Prime Minister. Of course, it is quite impossible for the Prime Minister to exercise this power personally and directly, and so naturally most of the power is delegated. There is very little transparency here. It has long been assumed that the power has been delegated to the Head of the Civil Service and/or to permanent secretaries. However this is not the case. Apart from the *Civil Service Management Code*, the only documentary evidence of delegations that has surfaced is in the form of letters apparently sent in late 2010 from a deputy director in the Cabinet Office to counterparts at the same level in line departments. The template is attached below as **Annex 5A**.⁹⁰

15.2 This template makes clear that the delegation is not to officials, but to ministers in charge of departments. Since 2010 there have been numerous machinery of government changes as well as even more numerous changes of minister. There is no evidence that any minister has ever seen this letter or been made aware of its existence.

15.3 While these are significant management powers, it is notable that there are substantial matters that are not specifically delegated. These include:

- The power to appoint or dismiss civil servants;
- Decisions relating to the SCS where specifically excluded; and
- The Fast Stream Development Programme.

15.4 Given how specific are the delegations in this letter it would be reasonable to assume that similar specific delegations have been made for these other matters. However no one has been able to provide me with any documentary evidence of these, or indeed any accepted formulation for what they contain. The only reference to the power to appoint or dismiss is in the Explanatory Notes to *CRAG* (which are not part of the Act and have no legal

⁹⁰ I have seen no evidence that these letters were actually sent - the template is the only item in the archive. Copies of actual letters are available for the previous iteration - in the same terms but referring to the 1992 Act - which was sent around 2005.

force), which state: “*The power to appoint and dismiss individual civil servants will, as now, continue to be delegated to the Head of the Civil Service and the permanent heads of departments provided for under existing statutory powers in the Civil Service (Management Functions) Act 1992*”, although the 1992 Act is silent on this subject. I have been shown no documentary evidence of any such delegation being made; and even assuming that at some stage it was made there is nothing to prevent an incumbent Prime Minister from issuing a different delegation.

The Civil Service Management Code

15.5 The *Civil Service Management Code (CSMC)* provides a framework of instructions to departments and agencies by which they set civil servants' terms and conditions of service. The first *CSMC* was issued in 1994. Prior to this, it was called the Pay and Conditions of Service Code and issued under an Order in Council 1991 using prerogative power – the authority under which the Minister for the Civil Service had the power to make regulations and give instructions for the management of the Home Civil Service, including the power to prescribe the conditions of service of civil servants.

15.6 The *CSMC* has two references to appointments being made by ministers. At 5.2.1 it states:

The Prime Minister appoints permanent secretaries (on the recommendation of the Head of the Home Civil Service). Other appointments to the top 200 group must be approved by the Prime Minister on the recommendation of the Head of the Home Civil Service. It also states that the Prime Minister has delegated the authority to make senior appointments in the devolved administrations to the Head of the Home Civil Service.

15.7 At 6.4.3 it states:

Ministers...will have a legitimate interest in a small number of posts...for example because the postholder will work directly to them. In filling such posts by promotion or lateral transfer, the head of department...is responsible for recommending to the minister suitable individuals for consideration.

15.8 Of course all appointments **into** the Civil Service must be made on merit, and according to the Recruitment Principles. These are issued by the Civil Service Commission (CSC) under CRAG, and can be revised with the

agreement of the Prime Minister, so long as they conform to the requirements set out in CRAG for appointments into the Civil Service to be made “on merit on the basis of fair and open competition”. There is nothing in law that prevents ministers from being involved in judging merit.

The Role of HM Treasury (HMT)

15.9 HM Treasury (HMT) is responsible for a number of matters concerning the management of the Civil Service but only in so far as they are for other areas of the public sector as well. This includes:

- control of running costs, including paybills;
- expenditure aspects of public service pensions, including the Civil Service.

15.10 There are a number of areas related to the management of the Civil Service where HMT and the Cabinet Office hold a dual role of sorts, but again these are ordinarily areas where HMT has general oversight for either the public sector generally or wider central government beyond the Civil Service. This includes:

- Pay – both in the approval of business cases made by departments that are outside of the remit guidance for delegated grades, pivotal role allowances (including Chief Secretary of the Treasury (CST) approval of those which are in excess of £15k per annum), CST approval of cases where total remuneration will exceed £150k per annum and/or non-consolidated performance related payments to any one individual in one performance year that exceed £17.5k in value, and special severance payments used by departments.
- Pensions – HMT sets the overall policy with respect to public sector pensions with which the Cabinet Office must comply in relation to Civil Service Pensions.

15.11 Of course if the recommendation to create an Office of Budget and Management is accepted, the current confused authorities and accountabilities will be greatly clarified and simplified.

Annex 5A: Draft letters of delegation

TO: Head of the Home Civil Service

FROM: The Prime Minister

DELEGATION OF Civil Service MANAGEMENT TO HEAD OF Civil Service

The *Constitutional Reform and Governance Act 2010 (CRAG)* section 3 vests the authority to manage the Civil Service in me as the Minister for the Civil Service.

By this letter, I delegate primary responsibility to you to ensure the organisational health of the Civil Service as a whole. This responsibility includes the implementation of an agreed programme of Civil Service reform – the “reform programme”. This is the “stewardship obligation”.

In turn you will provide formal delegation and clarity of responsibilities to permanent secretaries (and other relevant roles), in a form to be agreed with the Minister for the Cabinet Office and me, to be accountable to you to deliver the reform programme.

The power to appoint and dismiss individual civil servants will be the subject of a separate comprehensive scheme of delegation to be agreed between the Civil Service Commission and myself.

You will report to the Minister for the Cabinet Office and me. In addition you will report to the Civil Service Commission on the implementation of the reform programme. With your support, the Commission will compile the reform programme in consultation with the Leader of the Opposition and the Minister for the Cabinet Office and me, and the reform programme for which you will be responsible will include the fullest extent of reforms that can be agreed on a bipartisan basis between the government and the official opposition. The reform programme will include a phased implementation plan, with a timeline that may run beyond the lifetime of a single Parliament. The Government Lead Non-Executive Director will support you in developing and delivering the reform programme and you should give him/her full visibility into the progress being made in executing the implementation plan.

You will be supported by a Civil Service Board, which you will chair. It will include the First Civil Service Commissioner, my chief of staff, the Government Lead Non-Executive Director, the Chief People Officer and two further chief functional officers, and not more than three departmental permanent secretaries nominated

by me after advice from you, the First Civil Service Commissioner and the Government Lead Non-Executive Director.

In parallel with this letter of delegation, I am writing to ministers in charge of departments to continue the longstanding delegation to enable them to manage the Civil Service in their departments, with some additions that fill gaps in the previous scheme of delegation.

My Cabinet colleagues have agreed that they will fully support the effective delivery of the reform programme. It is possible but unlikely that what you are instructing a permanent secretary to do in order to contribute to the reform programme may conflict with instructions from the permanent secretary's minister. If the issue cannot be resolved by discussion, including by escalation to the First Civil Service Commissioner, the Government Lead Non-Executive Director, and if necessary myself, the will of the minister must be allowed to prevail. However, you must formally report the outcome to the Civil Service Commission, who will include an account of the issue in its annual report to Parliament.

The Foreign Secretary has agreed to delegate to you his/her statutory power to manage the Diplomatic Service in so far as it applies to the execution of the reform programme, which will include the Diplomatic Service as if it was part of the Home Civil Service.

[Prime Minister]

To: Ministers in charge of departments

From: the Prime Minister

The *Constitutional Reform and Governance Act 2010 (CRAG)* section 3 vests the authority to manage the Civil Service in me as the Minister for the Civil Service.

By this letter I delegate to you the authority in your department:

- A. to prescribe the qualifications (so far as they relate to age, knowledge, ability, professional attainment, aptitude, potential, health and coping with the demands of the job) for the appointment of staff of your department as home civil servants (with the exception of the Fast Stream Development Programme); and
- B. to determine in respect of staff of your department as home civil servants the number and grading of posts, except for permanent secretaries and director-generals, and the terms and conditions of employment in so far as they relate to the following:
 - a. classification of staff, with the exception of the Senior Civil Service
 - b. remuneration, with the exception of the Senior Civil Service
 - c. allowances
 - d. expenses
 - e. holidays, hours of work and attendance
 - f. part-time and other working arrangements
 - g. performance and promotion
 - h. retirement age, with the exception of the Senior Civil Service
 - i. redundancy
 - j. redeployment of staff within the Civil Service

Because the centre of government has a strong interest in the overall shape and size of the Senior Civil Service, the HoCS or their nominee should be notified in advance of any changes intended to be applied to SCS posts (except for permanent secretaries and director-generals). HoCS can advise the Minister for the Cabinet Office (or equivalent) to intervene and in the last resort to veto any changes.

This delegation, which comes into effect from the date of this letter, is made subject to the condition that you will comply with the provisions of the *Civil Service Management Code*, as amended from time to time.

This delegation revokes all previous delegations.

[Prime Minister]

Annex 5B: Current letter of delegation to ministers in charge of departments

From: CO Deputy Director

To: HR Director

Dear xxx,

DELEGATION UNDER THE Civil Service (MANAGEMENT FUNCTIONS) ACT 1992:
DEPARTMENT FOR

1. As authorised by the Minister for the Civil Service, and in accordance with the Civil Service (Management Functions) Act 1992, I hereby delegate to the Secretary of State for [**insert name of department**] the authority to:

(a) to prescribe the qualifications (so far as they relate to age, knowledge, ability, professional attainment, aptitude, potential, health and coping with the demands of the job) for the appointment of staff of the [**insert name of department**] as home civil servants (with the exception of the Fast Stream Development Programme); and

(b) to determine in respect of staff of the [**insert name of department**] as home civil servants the number and grading of posts outside the Senior Civil Service and the terms and conditions of employment in so far as they relate to the following:

- (i) classification of staff, with the exception of the Senior Civil Service;
- (ii) remuneration with the exception of the Senior Civil Service;
- (iii) allowances;
- (iv) expenses;
- (v) holidays, hours of work and attendance;
- (vi) part-time and other working arrangements;
- (vii) performance and promotion;
- (viii) retirement age, with the exception of the Senior Civil Service;
- (ix) redundancy; and
- (x) redeployment of staff within the Civil Service.

2. This delegation, which comes into effect on [**date**], is made subject to the condition that the Secretary of State for [**insert name of department**] will comply

with the provisions of the *Civil Service Management Code*, as amended from time to time.

3. This delegation revokes the delegation under the Civil Service (Management Functions) Act 1992 dated 5 January 2004 to the extent that that latter delegation relates to the First Secretary of State in respect of the Office of the Deputy Prime Minister. The revocation shall not affect the validity of anything done under the previous delegation by the First Secretary of State in respect of the Office of the Deputy Prime Minister prior to the date of revocation.

Yours sincerely,

Insert name of Deputy Director and
Name of team

Annex 6: Impartiality and “Politicisation”

16.1 “Politicisation” is a term often used to beat back any suggestion that ministers might be more involved in making Civil Service appointments. So it is worth examining exactly what is meant by it. In their 2012 study⁹¹, IPPR examined the academic literature, and explored how these matters are dealt with in similar jurisdictions. On the question of “independence” versus “responsiveness”, they say this:

“Opinion is divided about the consequences of pushing too much in favour of responsiveness. ‘Politicisation’ is a term that gets bandied around, but very rarely defined. Those that worry about the threat of ‘politicisation’ argue that attempts to make the Civil Service more responsive to Ministers will diminish the ability of officials to ‘speak truth unto power’, turning bureaucrats into helpless sycophants. On the other side are those who argue that it is a democratic necessity that officials do all that is in their power to prosecute the agenda of an elected Government.”

16.2 They go on to explore the definition of politicisation, and say this:

“...we draw on two definitions identified in the academic literature. The first is ... ‘the substitution of political criteria for merit-based criteria in the selection, retention, promotion, rewards, and disciplining of members of the public service.’ The second is a three-fold typology ...:

- 1. Partisan politicisation: appointing people with well-known partisan connections who will be clearly unacceptable to a future alternative Government.*
- 2. Policy-related politicisation: appointing people with well-known commitments to particular policy directions that may render them unacceptable to a future alternative Government.*
- 3. Managerial politicisation: replacing incumbent public servants, particularly on a change of Government, when there is no good reason to question their competence and loyalty but simply in order to facilitate imposition of the Government's*

⁹¹ *Accountability and Responsiveness in the Senior Civil Service: Lessons from Overseas*, Institute for Public Policy Research, 2013.

authority (particularly if the incumbents are dismissed rather than retained with similar status and remuneration).

“...we find evidence of a form of ‘policy-related politicisation’ in some countries where officials are known to be personally committed to particular policy directions, but where this has not rendered them unacceptable to other parties. It is also worth stressing that demonstrating ‘politicisation’ is not easy. As Peters and Pierre note in their major academic cross-national study, the evidence used to support the claims of politicisation tends to be anecdotal, not empirical, which reflects the subtlety of the issue.

“Finally, having reviewed the experience of other countries we would make the distinction between ‘politicisation’ and what might be termed ‘personalisation’. While the former emphasises the role of political criteria, the latter refers to a desire on the part of Ministers to appoint individuals on the basis of their ability, personal style and approach (irrespective of their politics). While we have found only limited evidence of ‘politicisation’, we observe that a number of Civil Services manage to have a more responsive and ‘personalised’ system without compromising the independence of the Civil Service.”

16.3 It is important to be clear about what “impartiality” means. It is the ability to serve an incoming government of a different political complexion with the same degree of commitment and enthusiasm shown to the incumbent government. It must include the willingness to give robust independent advice to ministers – and indeed to senior officials – but that requirement is one that ministers should expect from all of their advisers, including political appointees.

16.4 It is not “neutrality” in the sense of being indifferent to the programme of the incumbent government. As HoCS Lord O’Donnell made a point of stressing that civil servants should show “passion” in how they carried out their work, rather than what the Social Mobility Commission has described as “studied neutrality”⁹². This is a democracy, and government is meant to be political. Most ministers would infinitely prefer to be served by civil servants who respect the role of politics in a democracy and the mandate that it confers, and who understand the motivations of ministers even if that official subsequently turns out to have political leanings

⁹² *Navigating the Labyrinth Socio-economic background and career progression within the Civil Service*, Social Mobility Commission, May 2021.

different from their own. A civil servant with a political bent different from the minister is much more likely to serve that minister well than one who has turned elegant detachment, or “studied neutrality”, into an art form. It is what officials **do** that matters, not what they believe. Ministers want officials who give honest and well-informed advice, and who understand how to get things done, and Ministers will generally be more concerned about these qualities than about any political antecedents.

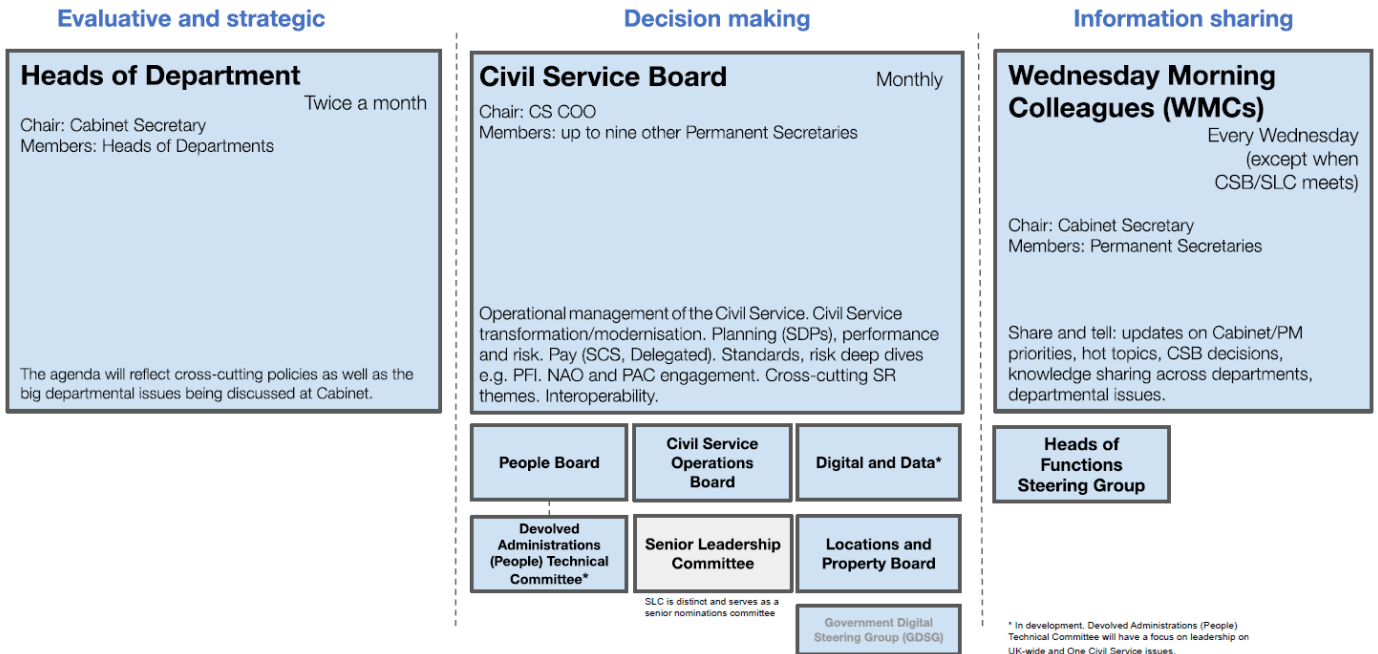
16.5 Jonathan Slater, former permanent secretary in the DfE, in his powerful paper “Fixing Whitehall’s Broken Policy Machine”⁹³, said “[things] will only change when emotional detachment [neutrality] is called out and rejected for what it means in practice in Whitehall – not really caring whether or not your efforts achieve anything positive at all.”

⁹³ Jonathan Slater, Fixing Whitehall’s broken policy machine, The Policy Institute, King’s College London, March 2022.

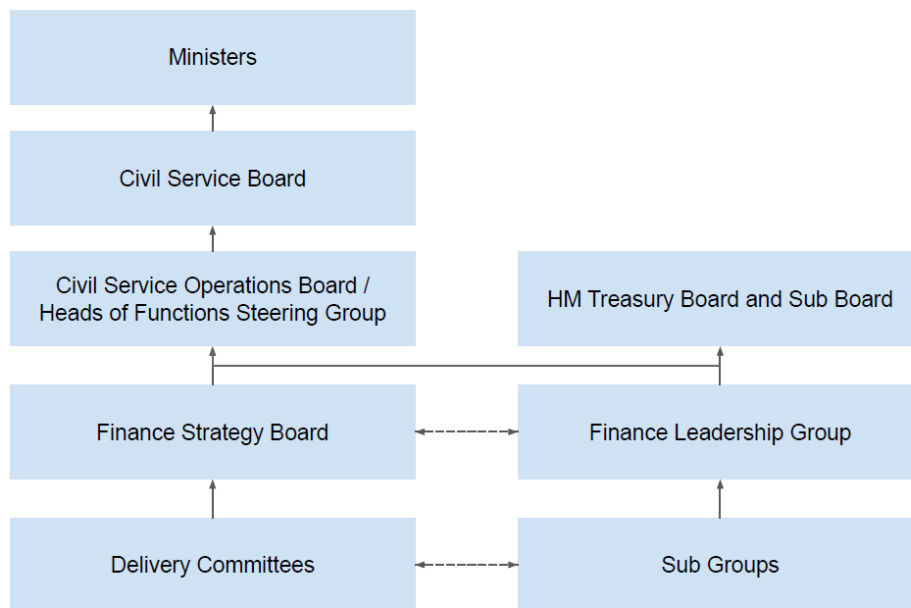
Annex 7: Civil Service Governance Framework (2021)

Civil Service Senior Leadership and Governance

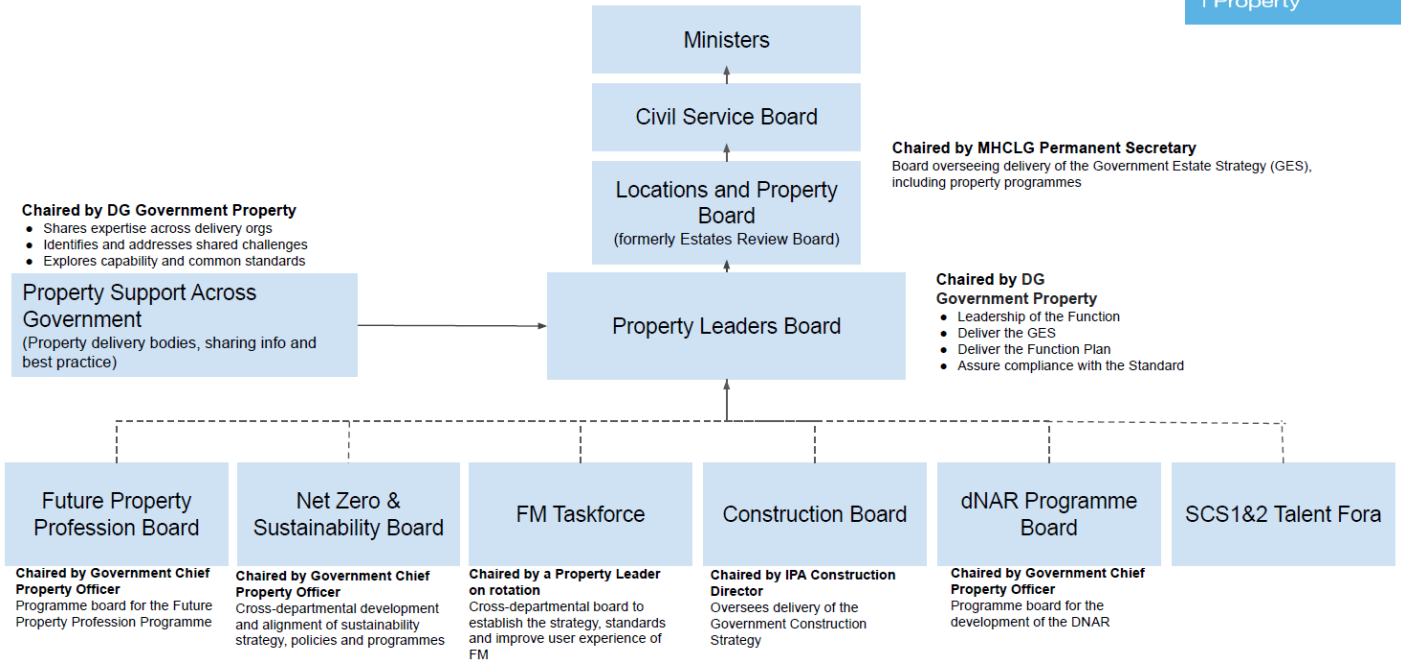
Discussions inform recommendations to ministers on policy matters



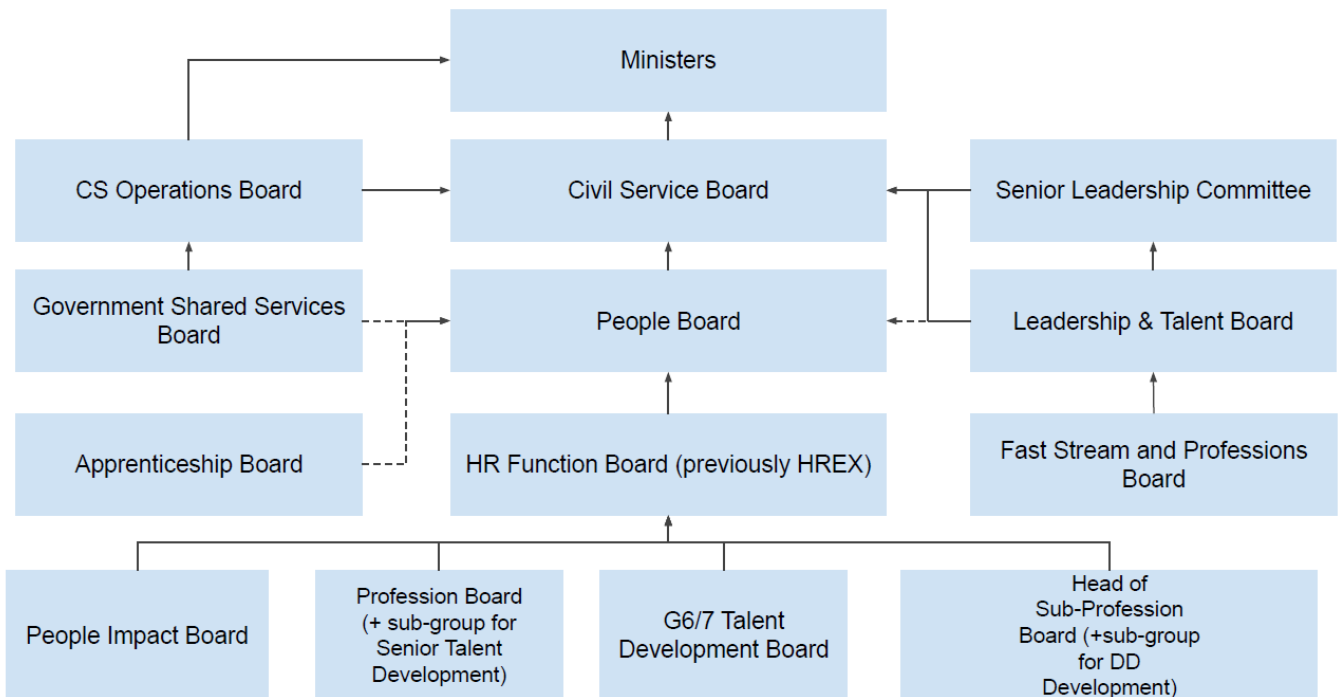
Finance Functional Governance model



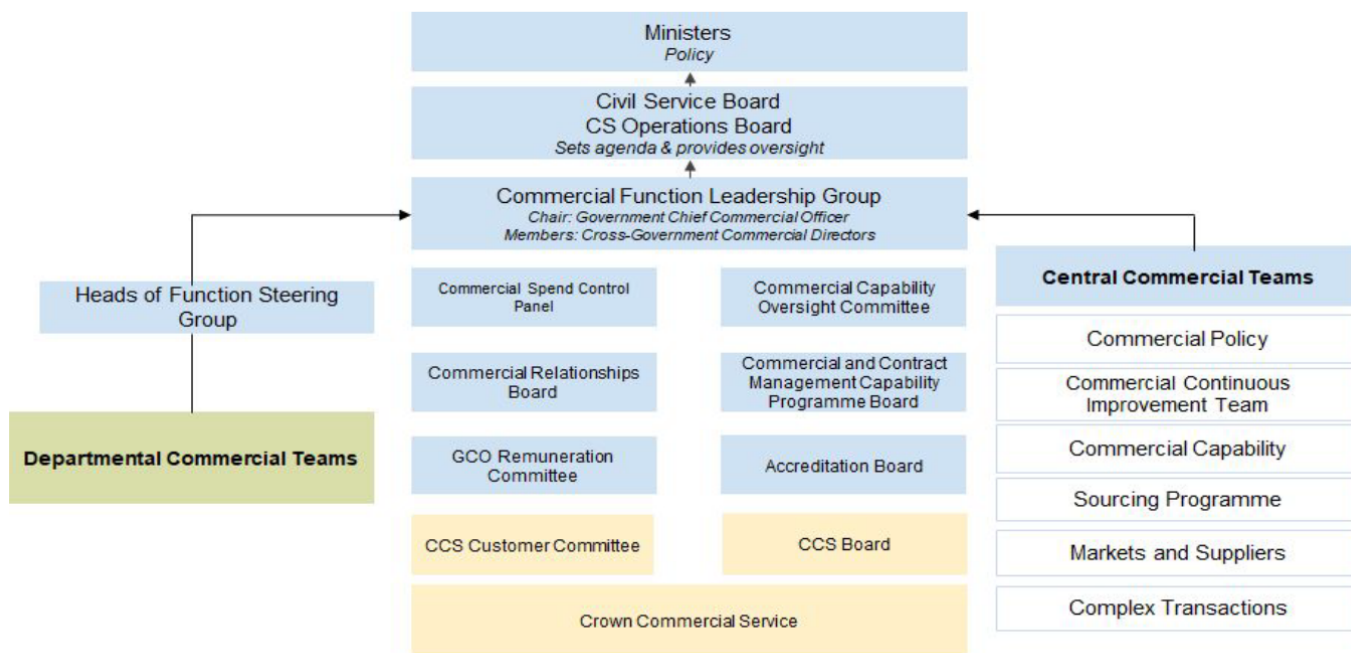
Government Property Governance



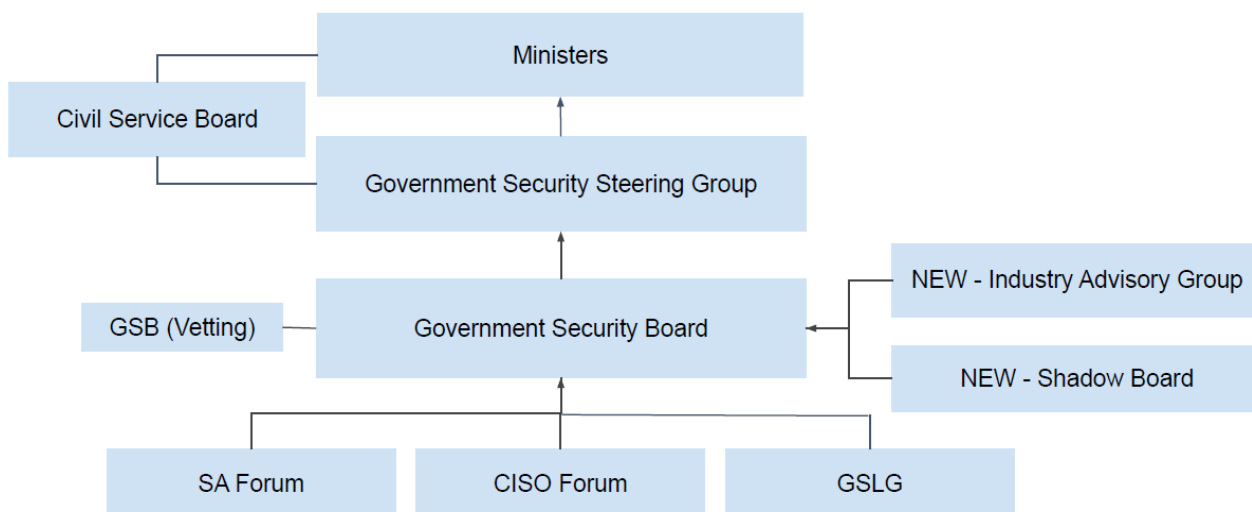
HR Governance Structure



Commercial governance structure

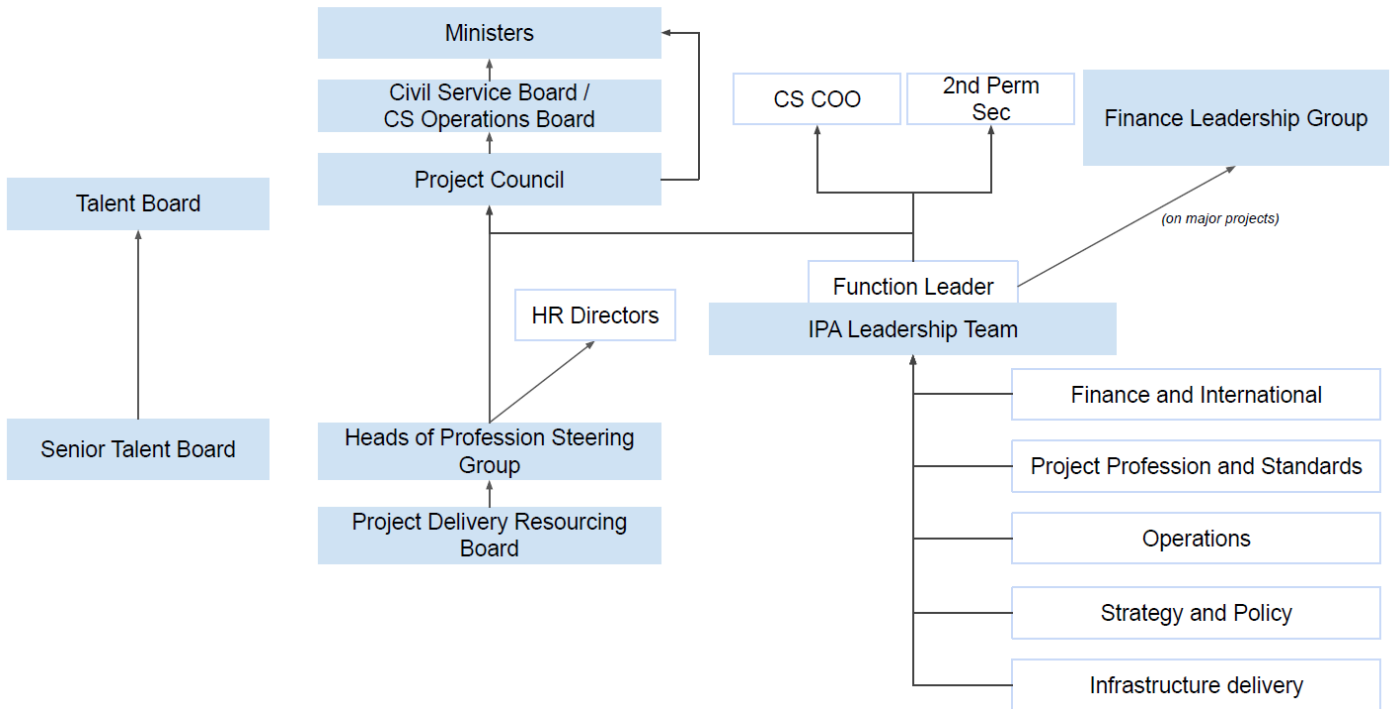


Government Security Function governance

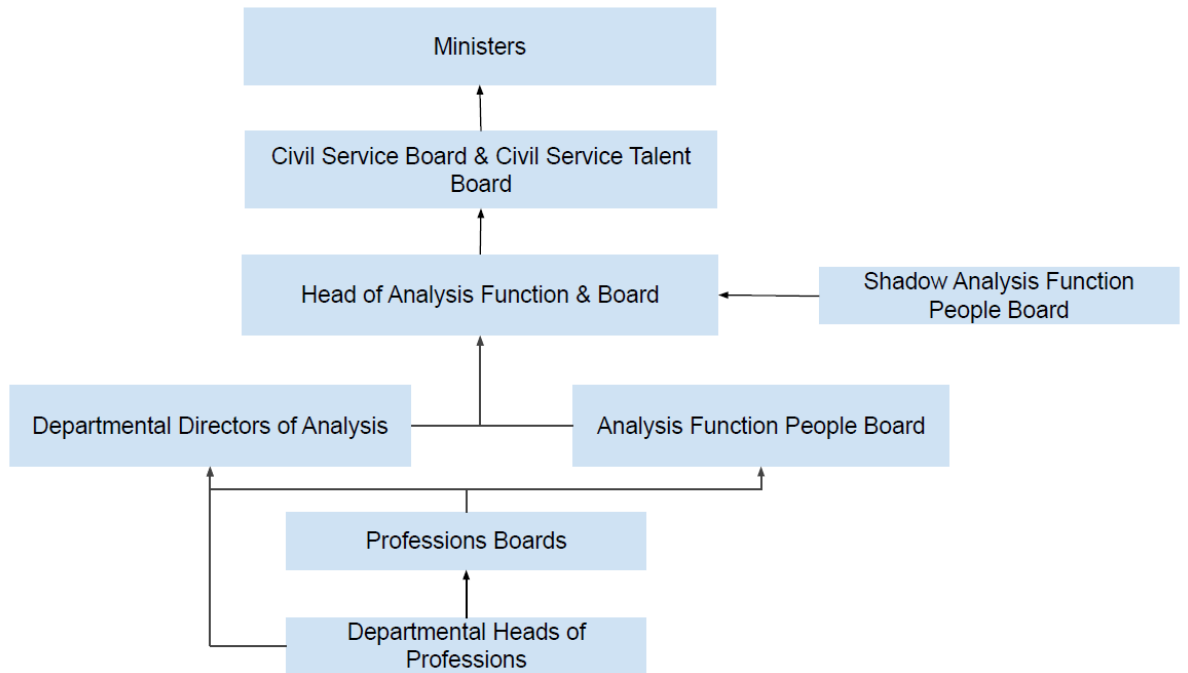




Project Delivery governance structure



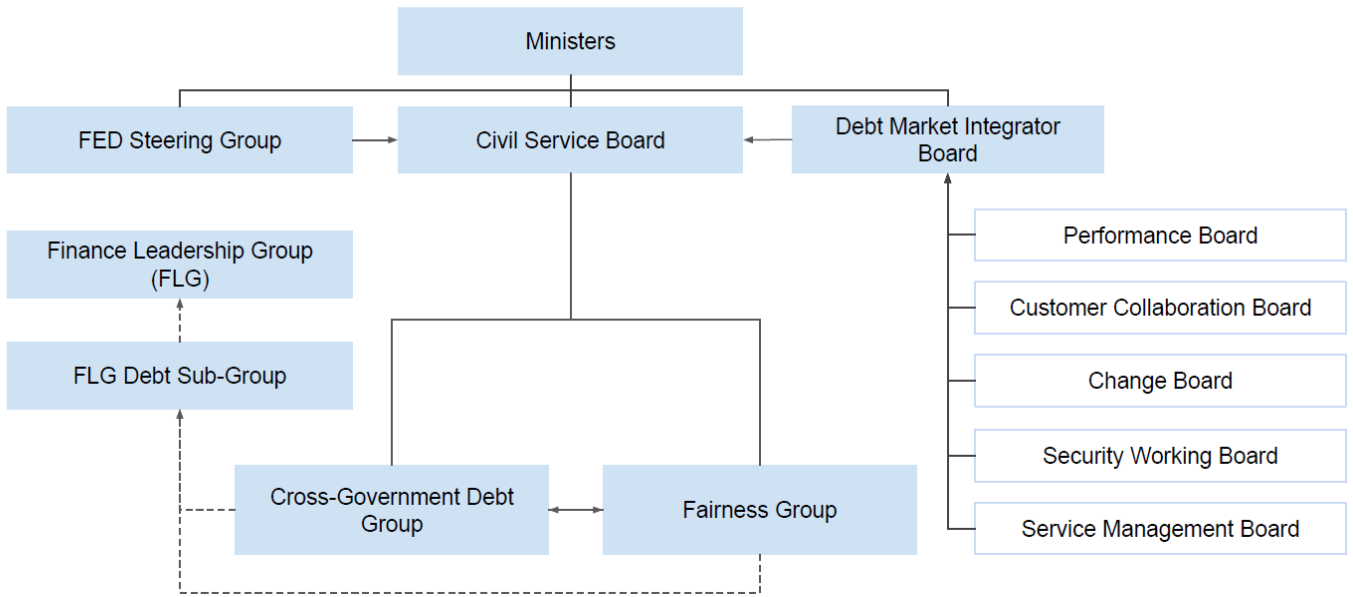
Analysis Function governance



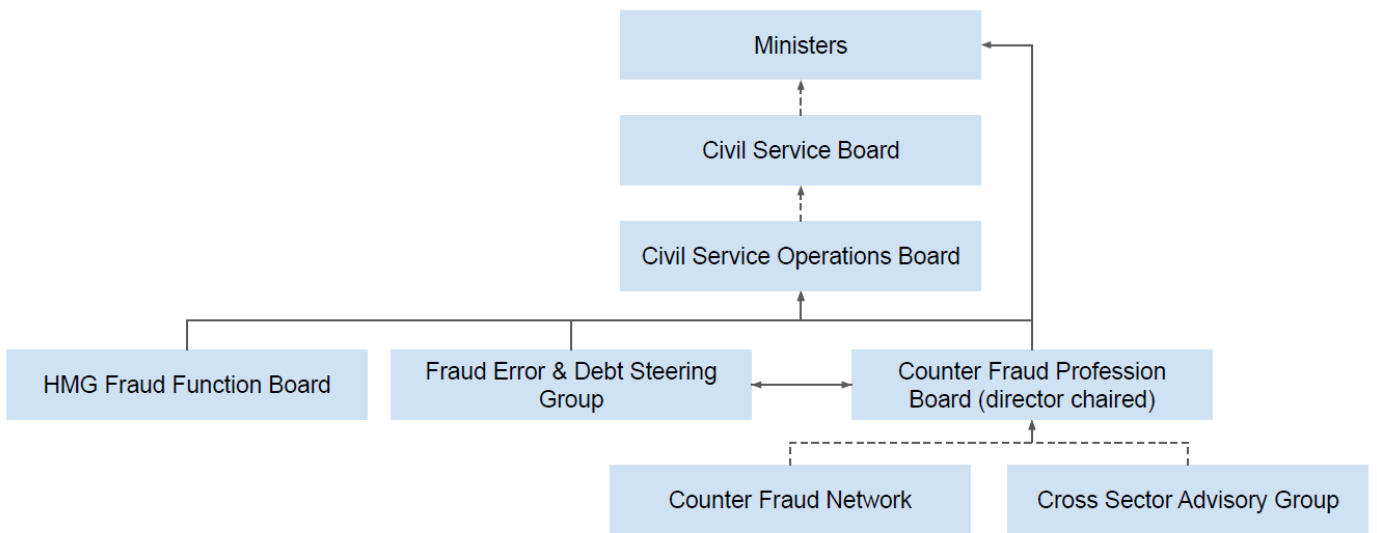
To note, Analysis links to DDaT through data science capability



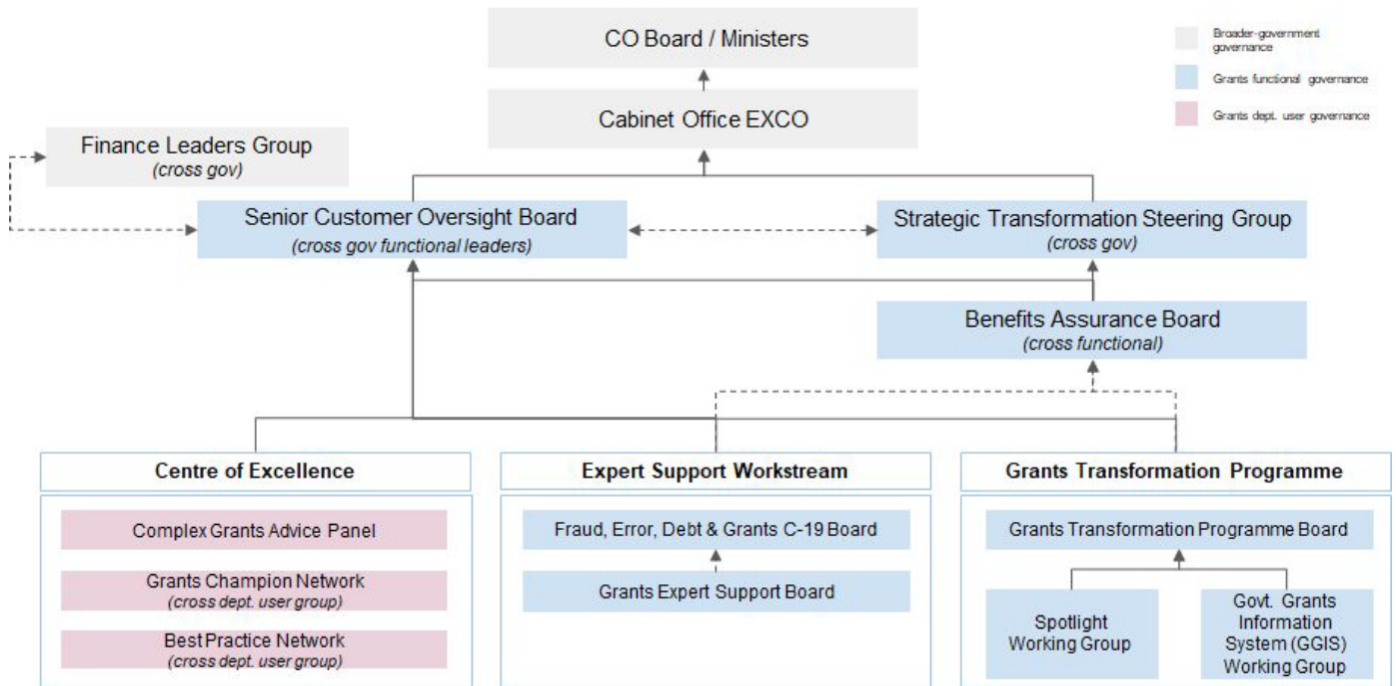
Debt Function Governance



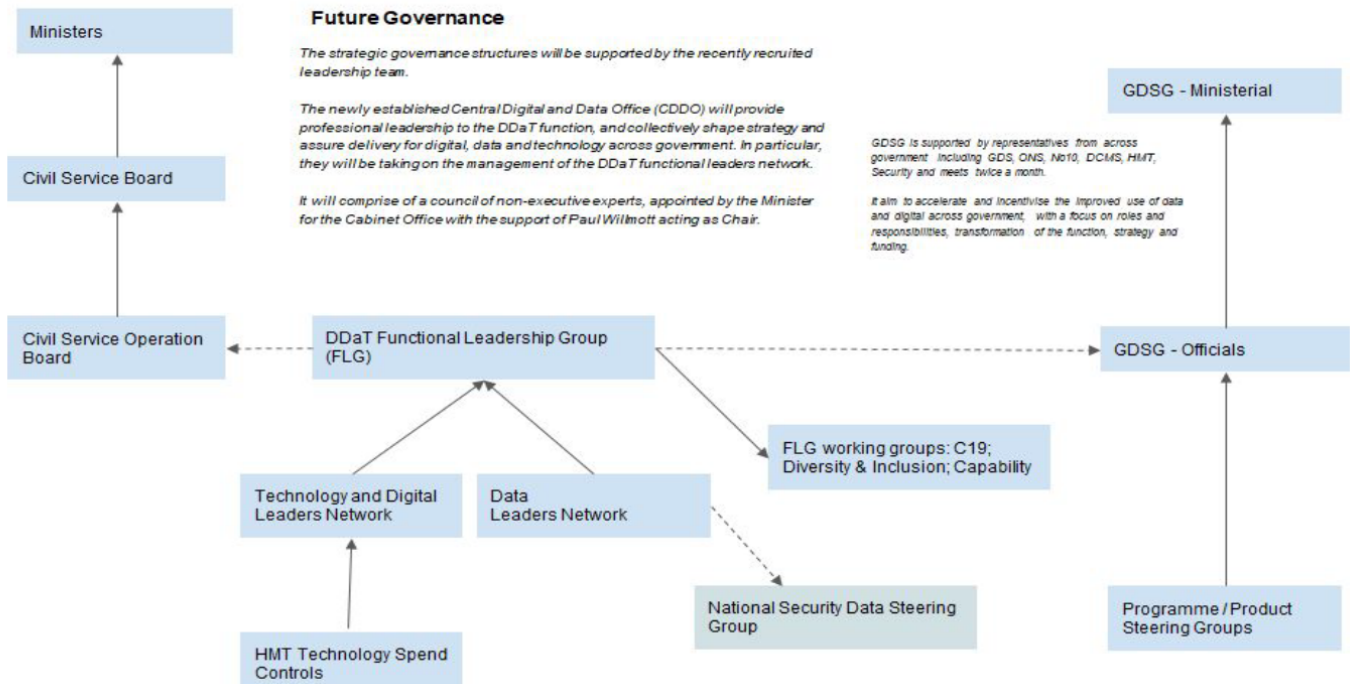
Fraud Function Governance



Grants Management Function Governance Framework

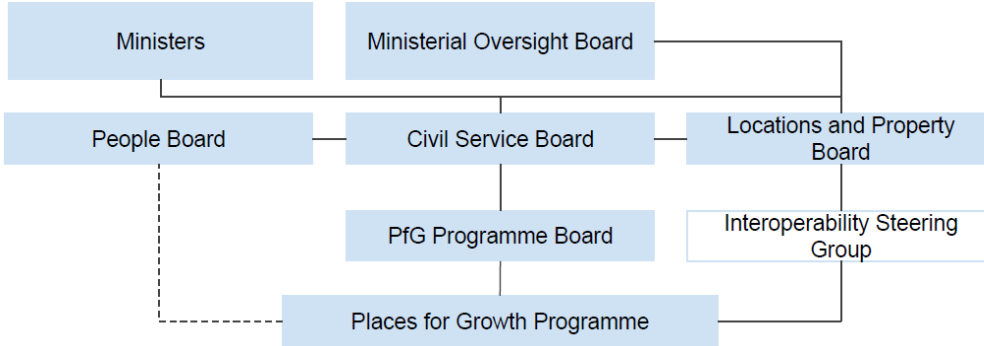


Digital and Data Governance Structure





Places for Growth Governance



People for Places Ministerial Oversight Board enables join-up across multiple programmes including Places for Growth and the Modernisation and Reform Agenda, as well as the contributions of key departments.

PfG Portfolio Board provides the first level of programme oversight and scrutiny. It is responsible for making performance visible, addressing issues and taking corrective action efficiently. Issues are discussed prior to Estates Review Board / People Board scrutiny.



Government Communications governance structure

