



House of Commons  
Public Administration  
and Constitutional Affairs  
Committee

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**The Minister and the  
Official: The Fulcrum of  
Whitehall Effectiveness**

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**Fifth Report of Session 2017–19**

*Report, together with formal minutes relating  
to the report*

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## **Public Administration and Constitutional Affairs**

The Public Administration and Constitutional Affairs Committee is appointed by the House of Commons to examine the reports of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England, which are laid before this House, and matters in connection therewith; to consider matters relating to the quality and standards of administration provided by civil service departments, and other matters relating to the civil service; and to consider constitutional affairs.

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### **Publication**

Committee reports are published on the Committee's website at [www.parliament.uk/pacac](http://www.parliament.uk/pacac) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### **Committee staff**

The current staff of the Committee are Libby Kurien (Clerk), Sarah Thatcher (Clerk), Ian Bradshaw (Second Clerk), Dr Patrick Thomas (Committee Specialist), Dr Philip Larkin (Committee Specialist), Makka Habre (Committee Specialist), Henry Midgley (Committee Specialist), Gabrielle Hill (Senior Committee Assistant), Iwona Hankin (Committee Assistant), and Mr Alex Paterson (Media Officer).

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## Summary

The relationship between ministers and their officials is the “fulcrum” of our system of government. To be effective, it is a relationship in each case that must quickly develop to one of strong mutual trust. In the absence of trust, this fulcrum can become a fault line or fracture point. Under these circumstances, honest conversations do not take place and this affects the atmosphere throughout the whole department. In the end, policy and delivery suffer.

The significance of the minister-official relationship, and the tensions that can arise within it, have long been recognised. Efforts to address this tension, such as the 2012 Civil Service Reform Plan, have tended to focus most on how to make the Civil Service more responsive and more accountable to the ministers they serve. There is much less discussion about the part ministers should play in making minister-official relationships work better.

What happens in the period following a new minister or permanent secretary taking up their post tends to determine how the subsequent relationship develops. Induction for new ministers may be effective at introducing them to the pressing policy issues facing their department but they are given little in the way of preparation for the new role as leaders in their departments, nor is there any direct support given to help them to establish effective working relationships with their senior officials. New ministers and senior officials are immediately under significant pressure on taking up their appointment. It is so much easier to lay firm foundations to working relationships if time is given to longer and structured minister-official discussions. The purpose of these discussions would be to build understanding of each individual’s perspective and responsibilities, a shared view of priorities and ways of working. The building of trust could be supported and accelerated by an experienced facilitator.

Effective planning and prioritisation depends on the strength of the relationship between ministers and their officials. Ministers must be confident that the Civil Service can deliver policies on time and to budget. But officials need to be able to talk to their minister about resource constraints and about realistic timeframes for delivery. Too often, such realism is regarded as resistance or, because the trust is not there, officials feel the conversation is avoided altogether. The need for such honesty and openness about priorities is all the more acute since government has taken on the additional tasks arising from exiting the EU. Single Departmental Plans should be at the heart of these discussions. They have not so far delivered the promised link between the allocation of resources and delivery of priorities.

The rate of churn at the top of the Civil Service remains much too high. Many senior officials spend less than two years in post. It has also become far more common for permanent secretaries to be brought in from outside the department. Churn is also exacerbated by the concern of civil servants to progress their careers in the face of increased competition from external hires. These factors mean the most senior officials often lack the subject expertise and depth of experience in the department which their ministers are entitled to expect. The 1968 Fulton Committee lamented what it called

the “cult of the generalist”, but the problem has become more serious. This undermines Civil Service effectiveness, as is widely acknowledged. The Government must bring forward concrete plans to address this.

Since the 2012 Civil Service Reform Plan, there has been a strong focus on the development of cross-government ‘Functions’ (such as HR, legal, digital, finance, etc) which deliver common services to all departments. The development of Functions has been regarded in some quarters of government with the suspicion that they diminish the role and autonomy and accountability of departments. They are intended to support departments. Functions are enablers, not an alternative to departments. Departments need the confidence and incentives to work better with Functions whilst Functions must be accountable for the service they provide to departments.

Departmental boards, comprising ministers, officials and external non-executives, provide a forum where wider and more open conversations can take place about departmental management, priorities and resources. Non-executives can prevent boards becoming polarised between ministers and officials. Although the contribution of individual non-executives is widely acknowledged, the performance of boards in Whitehall is patchy. Too many meet only rarely and provide little value. Clarity about what boards are expected to provide and the roles of non-executives is required.

The effectiveness and resilience of Civil Service leaders depends upon their training and professional development. It is now widely accepted that the closure of the National School for Government has left a gap in their learning and development that subsequent provision has failed to fill. Some steps to address this, such as the Civil Service Leadership Academy and the Centre for Public Service Leadership, have been taken. But these and other new institutions will not provide the crucial anchoring role for the Civil Service that the National School for Government did. We intend to look at the possible creation of a new overall body to nurture future talent and leadership in a follow-on inquiry. The Civil Service needs its own institution, where Civil Service thinkers, educators and leaders have the space to reflect on how the Civil Service should be more mindful of itself, its challenges and its future, and which can transmit the values, attitudes and positive behaviours vital to the future strength of the Civil Service from generation to generation.

# 1 Introduction

1. The role and effectiveness of the Civil Service is subject to constant scrutiny and debate. Throughout the past decade, this debate has been at times contentious. Many have questioned whether the permanent and impartial Civil Service we have today is capable of dealing with modern challenges, whether it is sufficiently accountable, and even whether it is in fact impartial. The Civil Service is being tested, along with all its other burdens and tasks, by the process of leaving the EU. A single report cannot do justice to this subject and the Civil Service has been the focus of several inquiries undertaken by PACAC and its predecessor Committees in previous Parliaments. Major reports on Civil Service skills in 2015 and on Civil Service reform in 2013 were published.<sup>1</sup> We make no apology for returning to the subject of the Civil Service in this report.
2. In November 2016, our predecessor Committee launched a major new inquiry into the Work of the Civil Service with a view to considering in more detail the structure and organisation of the civil service, the attitudes and behaviours that determine Civil Service effectiveness in delivering government policy, Civil Service capability, and risks to Civil Service impartiality.<sup>2</sup> This inquiry into the Work of the Civil Service was curtailed by the early General Election, and an interim report including our predecessor Committee's preliminary findings was published on The Work of the Civil Service: Key Themes and Preliminary Findings on 2 May 2017.<sup>3</sup> After the General Election, in September 2017, we launched a new inquiry, picking up on some of the same issues. This inquiry set out to consider questions relating to Civil Service capability (for example, "Does the Civil Service have the skills and leadership it requires?", "Is training provision adequate?", "Does it work across departments effectively?", "How mindful is the Civil Service of its sustainability?"), and the relationship between ministers and officials ("Do they work well together?", "Can officials deliver frank advice", "Is the Civil Service at risk of politicisation?").

3. We approached this inquiry with three key innovations. First, PACAC resolved to scrutinise the relationship between ministers and the Civil Service. This has usually been viewed as sensitive:<sup>4</sup> it was explicitly excluded from the remit of the 1967 Fulton inquiry into reform of the Civil Service, for example.<sup>5</sup> However, to conduct such scrutiny in public would have been fruitless. Second, therefore, PACAC commissioned Professor Andrew Kakabadse, of Henley Business School, of the University of Reading, to conduct confidential research and to produce a report to support our inquiry into the Work of the Civil Service. This research focussed on the relationship between ministers and civil servants in Whitehall. Professor Kakabadse conducted an extensive series of interviews

1 PASC [Developing Civil Service Skills: A Unified Approach](#) HC 112 4th Report of Session 2014–15 and [Truth to Power: How Civil Service Reform Can Succeed](#) HC 74 8th Report of Session 2013–14

2 PACAC [The Work of the Civil Service: Key Themes and Preliminary Findings](#) HC 253 15th Report of Session 2016–17 para.6

3 PACAC [The Work of the Civil Service: Key Themes and Preliminary Findings](#) HC 253 15th Report of Session 2016–17

4 E.g. A. Tiernan "The Dilemmas of Organisational Capacity" *Policy and Society*, Vol.34, No. 3–4, p.214; RAW Rhodes "So You Want to Reform the Civil Service" in K. Trewhitt et al (eds) [How to Run A Country: A Collection of Essays](#) Reform September 2014, p.107

5 In a statement to the House announcing the establishment of the Fulton Committee, Prime Minister Harold Wilson said that "the Government's willingness to consider changes in the Civil Service does not imply any intention on their part to alter the basic relationship between ministers and civil servants. Civil servants, however eminent, remain the confidential advisers of ministers, who alone are answerable to Parliament for policy; and we do not envisage any change in this fundamental feature of our parliamentary system of democracy" (HC Deb 8 February 1966 c210).

with current and former secretaries of state, junior ministers, special political advisers (SpAds), permanent secretaries, directors general (DGs) and other civil servants, non-executive directors (NEDs) on departmental boards, chairmen/CEOs of arm's length bodies, outsourcing contractors, and coaches and facilitators of civil servants. This would have been difficult to conduct without the active cooperation of ministers and officials, and the support of the Head of the Civil Service. So the third key innovation is the unprecedented cooperation and access we have been given by Cabinet Secretary Sir Jeremy Heywood and Civil Service Chief Executive, John Manzoni.<sup>6</sup> We thank them for this. It has enabled us to conduct the most penetrating and intimate scrutiny of relationships within Whitehall, in a positive and collaborative fashion. We believe that this act of cooperation has prompted new thinking and learning across Whitehall as well as in PACAC.

4. Professor Kakabadse submitted his preliminary findings to our predecessor Committee,<sup>7</sup> and his completed review as written evidence to this inquiry.<sup>8</sup>

5. This inquiry was launched on 20 September 2017. Over the course of the inquiry, we have held six evidence sessions and received 13 written submissions. A full list of those who gave oral and written evidence is included in annex A to this report. We would like to thank all of those who have contributed to the inquiry.

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6 CSE0014 (Professor Kakabadse), p.5

7 PACAC [The Work of the Civil Service: Key Themes and Preliminary Findings](#) HC253 15th Report of Session 2016–17, Annex 1

8 CSE0014

## 2 Civil Service Responsiveness

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6. Our predecessor Committee's report on the Work of the Civil Service noted how tensions can arise between a department's ministers and officials which can have a detrimental effect on policy development and delivery, and the effective running of the department.<sup>9</sup> Ministers in the UK are heavily dependent on their officials. They do not have significant private offices or *cabinets*. Other than one or two Special Advisers (or "SpAdS"), most ministers rely on the civil servants they inherit to put into effect the policy commitments that they were appointed to deliver. Civil servants are also the source of advice on how to manage emergent issues. Consequently, the relationship between ministers and their officials, which has been described as the "fulcrum of the system" of government in Britain, can also be regarded as a "fault line" or "critical fracture point".<sup>10</sup> This fulcrum has been a recurrent focus of proposed reform, but without ever gaining access to the evidence about why relationships work well or not, and how those relationships affect policy and delivery.<sup>11</sup> Most debate has focussed exclusively on the civil service, and efforts to promote its responsiveness and increase its accountability. Ministers, in contrast, have been "conspicuously absent" from such discussions.<sup>12</sup> In this chapter, we consider the nature of the ministerial-Civil Service relationship from both sides.

### Civil Service responsiveness

7. In evidence to the inquiry, Lord Maude, who was Minister for the Cabinet Office between 2010 and 2015, argued that the contemporary Civil Service is insufficiently responsive to government priorities.<sup>13</sup> Furthermore, he suggested that civil servants used their independence and political impartiality to resist ministerial instruction. He said the Civil Service "is very protective of itself, and there is an institutional suspicion of changes to the Civil Service that are being promoted by ministers who are, by definition, politicians. They are very quick to cry politicisation—'noli me tangere: don't touch us, because you are going to politicise us'".<sup>14</sup> This was often through ignoring instruction though, on occasion, might be through overt disobedience.<sup>15</sup> In the course of his research, Professor Kakabadse also found ministers and former ministers who suspected their senior officials had blocked initiatives or failed properly to support them.<sup>16</sup>

9 PACAC [The Work of the Civil Service: Key Themes and Preliminary Findings](#) HC253 15th Report of Session 2016–17, para. 29

10 M Taylor "The critical fault line damaging departmental effectiveness? The relationship between politicians and senior officials" [Civil Service World](#) 4 November 2015; RAW Rhodes "So You Want to Reform the Civil Service" in K. Trewhitt et al (eds) [How to Run A Country: A Collection of Essays](#) Reform September 2014; [CSE0014](#) (Professor Kakabadse), p.3

11 C. Hood and R. Dixon [A Government that Worked Better and Cost Less? Evaluating Three Decades of Reform and Change in UK Central Government](#) Oxford University Press 2015, p.3

12 A. Tiernan "The Dilemmas of Organisational Capacity" [Policy and Society](#), Vol.34, No. 3–4, p.214

13 Lord Maude "[The Future of the Civil Service](#)" 13 September 2017; Q227 (Lord Maude)

14 Q220

15 Q227; Lord Maude "[The Future of the Civil Service](#)" 13 September 2017

16 [CSE0014](#), p.14

8. Most recently, much of this type of criticism has focussed on whether the Civil Service has been resisting or undermining the Government's policy to leave the EU.<sup>17</sup> Professor Kakabadse found that some ministers were particularly wary of their officials in relation to Brexit, suspecting them of "inhibiting or subverting negotiations, and delaying or thwarting the minister's ambitions".<sup>18</sup> But Lord Maude disputed the idea that the Civil Service defied ministers for political reasons. For him, the motivation for resistance to ministerial direction was one of narrow self-interest rather than the pursuit of any partisan ends.<sup>19</sup> Baroness Finn, who had been a SpAd for Lord Maude, agreed: "When there is a very big defensive resistance it is about protecting the system. It is about politics with a small "p" and protecting their own rather than resisting specific policies".<sup>20</sup> Lord Maude has noted that members of the 1997–2010 Labour Government had shared some of his frustrations.<sup>21</sup>

9. This reported lack of trust in the Civil Service has led to successive attempts to reform it, including those that emerged during Lord Maude's tenure as Minister for the Cabinet Office. The expressed aim of the 2012 *Civil Service Reform Plan* (CSRP), launched under the 2010–15 Coalition Government, was to address systemic weaknesses in the Civil Service exposed by factors such as ongoing fiscal restraint, the pressure on services caused by an ageing population and changing citizen expectations about the accessibility of public services.<sup>22</sup> However, in both the CSRP and the subsequent report, the *Civil Service Reform Plan One Year On*,<sup>23</sup> much of the emphasis was on increasing the responsiveness of the Civil Service to ministerial instruction. This included measures to "sharpen" the accountability of permanent secretaries to Parliament. They would be required to take greater personal responsibility for ensuring the implementation of projects in their departments and would be required to be accountable for their leadership of major projects even after they moved post.<sup>24</sup>

10. The CSRP also relied heavily on the Civil Service importing the values and outlook understood to be part of the corporate world, through changing recruitment criteria for senior officials and recruiting non-executive members of departmental boards.<sup>25</sup>

11. One of the more controversial measures included in the CSRP was to allow greater ministerial involvement in the appointment of senior civil servants in their departments, including the permanent secretary. Although the Civil Service Commission subsequently made modest reforms to the recruitment principles to allow greater ministerial involvement (albeit largely arms-length),<sup>26</sup> in a speech in 2013 Lord Maude reiterated his preference for giving secretaries of state the ultimate decision on appointing their permanent secretary from a shortlist drawn up given to them by an independent selection panel.<sup>27</sup>

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17 D. Gayle "Rees-Mogg repeats claim Treasury is 'fiddling' Brexit figures" [Guardian](#) 3 February 2018

18 [CSE0014](#) p23

19 Lord Maude "[The Future of the Civil Service](#)" 13 September 2017. Also Q221 (Baroness Finn)

20 Q221

21 Lord Maude "[The Future of the Civil Service](#)" 13 September 2017

22 Cabinet Office [Civil Service Reform Plan](#) 2012, p.7–8

23 Cabinet Office [Civil Service Reform Plan: One Year On](#) 2013

24 Cabinet Office [Civil Service Reform Plan](#) 2012, p.20

25 We return to these themes in more detail in chapters three and five respectively.

26 Civil Service Commission [Recruiting Permanent Secretaries: Ministerial Involvement](#) December 2012

27 Francis Maude [Ministers or Mandarins](#) 5 June 2013

12. Other proposals in the CSRP and the follow-up report also designed to increase Civil Service responsiveness to ministers included:

- Greater numbers of staff directly appointed and accountable to ministers themselves, the lack of which Maude argued restricted ministerial effectiveness: “This matters when ministers have only small teams chasing progress and pulling the levers on policy”.<sup>28</sup> This latter proposal led to the introduction of provisions allowing Extended Ministerial Offices (EMOs), notably the ability to bypass usual procedures when appointing them.<sup>29</sup> However, take-up of EMOS was low and the experiment was abandoned in December 2016.
- Measures to “outsource” policy advice, that would have removed the Civil Service’s role as the primary source of policy advice to ministers.
- The greater use of five-year fixed term appointments for senior civil servants, requiring them to reapply for their posts periodically and with no presumption of automatic renewal.

## Civil Service values

13. Professor Kakabadse’s report does not corroborate the suspicions of obstructionism. Instead, he found a strong culture of commitment amongst senior officials to serving their minister.<sup>30</sup> Much of the evidence the Committee received emphasised the strong sense of loyalty that senior civil servants hold towards their minister.<sup>31</sup> Damien Green, Minister for the Cabinet Office between June and December 2017, explicitly rejected the idea that civil servants deliberately thwart government policy.<sup>32</sup>

14. Gareth Hills, the FDA President, suggested to us that this loyalty to serving and protecting the minister could lessen with distance from the centre: that it was more intensely held by those in senior posts in the main departments who were more likely to come into contact with ministers and who were likely to be the recipients of ministerial instruction.<sup>33</sup> For them, responsiveness to their minister was ‘hard wired’ into them through their career development.<sup>34</sup> Unsurprisingly, those in non-ministerial departments or arms-length agencies and those in posts more remote from the centre felt loyalty to individual ministers less strongly.<sup>35</sup> Nonetheless, the ethos of public service throughout the Civil Service was emphasised by the union representatives: Garry Graham of Prospect described this commitment to public service as “visceral”.<sup>36</sup>

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28 Francis Maude [Ministers or Mandarins](#) 5 June 2013. They were drawn from recommendations from an IPPR report the Cabinet Office commissioned reviewing the responsiveness of the Public Service overseas: IPPR [Accountability and Responsiveness in the Senior Civil Service: Lessons from Overseas](#) June 2013.

29 Cabinet Office [Civil Service Reform Plan: One Year On](#) 2013, p.31

30 [CSE0014](#), p.18

31 E.g. Q297 (Professor Kakabadse); [CSE0010](#) (Andrew Greenaway), para. 4.

32 Tamsin Rutter “Damian Green rejects Civil Service ‘conspiracy theories’ – and says some ministers don’t like evidence” [Civil Service World](#) 21 February 2018

33 Q143

34 See M. Bevir and R.A.W. Rhodes *Governance Stories* London: Routledge, p.121

35 Q143 (Paul O’Connor)

36 Q143

15. However, despite the devotion of civil servants to understanding and serving ministers, the peculiarities of the relationship and the different pressures they face can place it under strain. Rather than wilful obstructionism by civil servants, Oliver Dowden MP, the Minister for Implementation (who also previously served as a SpAd in No 10 under David Cameron) thought that such accusations were the product of a lack of ministerial clarity or officials' reticence about speaking sufficiently bluntly to their minister.<sup>37</sup> Paul O'Connor of the Public and Commercial Services Union (PCS) made a similar point from the civil servants' perspective:

When there is a change of Minister, I think it is important for that Minister to be clear about what their vision is for the Civil Service and what they want that public service to do. If that is communicated in a proper way to the workforce and it gets them engaged, they will buy into that delivery model.<sup>38</sup>

16. Ministers are often under pressure to act rapidly. A timeframe dictated by the electoral cycle or the prospect of an even shorter ministerial tenure, and media pressure to act immediately can all contribute to the "urgency of the political imperative".<sup>39</sup> Civil servants, on the other hand, might want more time to assess available options, running counter to this sense of urgency. Civil servants may also feel inhibited about explaining potential problems with a preferred ministerial approach.<sup>40</sup>

17. Professor Kakabadse identified the personal relationship between ministers and their senior officials and, in particular, their permanent secretaries as crucial. He highlighted the "transition phase" that follows appointment as particularly significant in determining this:

It takes time to appreciate the nature of the new department, how to relate to and challenge the staff in order to emerge with a deeper understanding of the cultural intricacies that allow for more considered decision-making.<sup>41</sup>

Professor Kakabadse suggested that it can take up to a year for a newly appointed secretary of state or permanent secretary to get to grips with a new post.<sup>42</sup> Even where they have previous experience at that level, the transition to a new department can still take six months. But he found that it was the first three that were particularly crucial in determining the relationship between ministers and their officials. It is in this phase that attitudes can become engrained to the extent that it can even affect a minister's attitude toward officials, potentially for the rest of their career.<sup>43</sup> The Minister acknowledged that the period immediately following a new ministerial appointment is significant. He noted that the immediate pressures on a new minister to get up to speed on the policy challenges facing the department, left little time to put time aside in order to establish a working relationship with senior officials.<sup>44</sup>

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<sup>37</sup> Q525

<sup>38</sup> Q148 (Paul O'Connor)

<sup>39</sup> CSE0014 (Professor Kakabadse), p.18

<sup>40</sup> CSE0014 (Professor Kakabadse), p.28. We return to this theme in paras 18–22.

<sup>41</sup> CSE0014, p.26

<sup>42</sup> CSE0014, p.26–28

<sup>43</sup> CSE0014 p.26–27

<sup>44</sup> Q524 (Oliver Dowden MP)

## Excessive responsiveness and the importance of challenge

18. Professor Kakabadse said that some civil servants had found “speaking truth to power is seriously stretching, bearing in mind the urgency demanded by the Secretary of State to realise their agenda and their frustration when progress is impeded”.<sup>45</sup> A similar point was made by others. For example, Gareth Hills of the FDA told us that “At some point the Civil Service, probably too often, just gets on with it rather than maintaining that challenge.”<sup>46</sup> In his submission, Professor Hugh Pemberton from the University of Bristol, said that:

There is a continuing fear that the [senior Civil Service] has developed an institutionalised aversion to challenging Ministers. Where there is a challenge, governmental blunders are all too often associated with ‘activist ministers’ who tend to dismiss such warnings as typically obstructionist.<sup>47</sup>

19. Sir Amyas Morse, the Comptroller and Auditor General agreed. On the Civil Service’s balance between impartiality and its responsiveness, he said that “the ship has probably tilted in the opposite direction over a number of years to where it is difficult for civil servants to feel they can stand up”.<sup>48</sup> Matthew Taylor, a former SpAd in Number 10, said that civil servants self-censored rather than challenge their minister. Faced with the prospect of challenging a minister’s preferred policy, too often they decided “it was better to nod sagely than look career-threateningly unhelpful”.<sup>49</sup>

20. The National Audit Office has found that even permanent secretaries who, as Departmental Accounting Officers (AOs) are individually accountable to Parliament for the value for money of their departmental expenditure, can be reluctant to challenge ministers’ preferred course of action. The NAO found that the:

incentives on an AO to prioritise value for money are weak compared with those associated with the day-to-day job of satisfying ministers. In terms of the balance of priorities AOs have to strike, the emphasis has shifted over a number of years towards political drivers—sometimes at the expense of safeguarding public value.<sup>50</sup>

21. The Minister emphasised to us that it was important for ministers to be challenged by their officials, as well as challenging them.<sup>51</sup> The former ministers, Lord Maude and Sir Oliver Letwin MP, both said that they had welcomed robust challenge whilst in office. Lord Maude said that “No sane minister wants to embark on a policy without having had well informed advice”.<sup>52</sup> But challenging ministers constructively is only feasible where there is a “healthy relationship” between ministers and their officials characterised by “a culture of challenge, openness and assurance”.<sup>53</sup> Professor Kakabadse found that many officials “are reluctant to speak up, fearing more harm than benefit would result to

45 [CSE0014](#), p.17

46 Q128

47 [CSE0002](#)

48 Q62

49 M Taylor “The critical fault line damaging departmental effectiveness? The relationship between politicians and senior officials” [Civil Service World](#) 4 November 2015

50 NAO [Accountability to Parliament for taxpayers' Money](#) HC 849 Session 2015–16, p.6

51 Q523 (Oliver Dowden MP)

52 Q232 (Lord Maude)

53 Q561 (Oliver Dowden MP); See also Q466 (Sir Jeremy Heywood)

their relationship with the minister” and that “speaking truth to power can be damaging where the relationship between the minister and civil servant is ill prepared for such an encounter”.<sup>54</sup> Sir Oliver Letwin MP emphasised this point: “It is up to Ministers to create an atmosphere around them where open, genuine, serious, prolonged debate can take place”.<sup>55</sup>

**22. The significance of a trusting, confident relationship between ministers and their senior officials is vital to effective policy design and delivery. This is amply illustrated by, in its absence, ministers publicly criticising their civil servants, and civil servants apparently countering by leaking internal, confidential information to the media. Neither of these can be justified. Where ministers work with their officials well, apportioning blame is replaced by forward-looking lesson learning. This depends upon ministers feeling comfortable with their sense of accountability, which also means their feeling comfortable in their dependence upon those they “instruct”. This in turn depends upon the quality of personal working relationships, including between ministers and officials, and the degree of trust between them. This underlines how important it is for ministers to create the right atmosphere for these crucial relationships.**

**23. The experiment with Extended Ministerial Offices has ended after they were not widely used. But it remains vital that ministers have confidence in their private offices. This depends on how permanent secretaries engage their ministers in the appointment of staff and their work.**

## Help for new ministers

24. Professor Kakabadse told the Committee that the senior civil servants and, in particular, permanent secretaries, make strenuous efforts not only to understand the priorities of a new minister but also to understand their temperament and psychology and preferred ways of working to better establish a strong and trusting working relationship.<sup>56</sup> But ministers do not necessarily make the same investment in working effectively with officials. Some new ministers might have familiarity with the role gained in parliamentary private secretary (PPS) or SpAd roles. But, for the most part, “people are massively underprepared for the role they will have, the amount of work and understanding how the levers work inside departments”.<sup>57</sup>

25. Officials prepare induction material for incoming ministers, designed to familiarise them with their new department and the immediate issues facing them. However, these do not focus on more generic aspects of being a minister. Lord Maude said that “As a new Minister coming in as Minister in charge of a department, it will be very unfamiliar. You will have some support from special advisers, who may have worked with you before but may not. The induction you get from the department will be very varied in quality and in what it seeks to do”.<sup>58</sup> The Minister acknowledged that, such was the immediate pressure on incoming ministers, there was little room left for establishing trusting working relationships with officials.<sup>59</sup>

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54 [CSE0014](#), p.47

55 Q274 (Sir Oliver Letwin MP)

56 [CSE0014](#), p.13–14

57 Q301 (Julian McCrae)

58 Q209 (Lord Maude)

59 Q561 (Oliver Dowden MP)

26. In its report on Civil Service Skills in 2015, our predecessor Committee recommended a Civil Service Parliamentary Scheme, along similar lines as the Armed Forces Parliamentary Scheme (AFPS). The AFPS aims to promote understanding of the Armed Forces and how they train and operate, to enable better informed debate on policy on the armed forces through a system of placements for MPs. An equivalent Civil Service scheme could see MPs take up brief attachments to Whitehall departments or agencies. This would give MPs better insights into the ways of working in the Civil Service and better equip them for ministerial office.<sup>60</sup> It could also improve civil servants' understanding of Parliament. We were pleased that the Minister received this proposal positively.<sup>61</sup>

**27. *We welcome the Minister's commitment to investigate ways of establishing a Parliamentary Civil Service Scheme. We recommend and expect proposals and plans for this to be set out in the Government's response to this report.***

28. A Civil Service Parliamentary Scheme would help to increase general awareness and understanding amongst MPs and future ministers, but there is also scope for the political parties to provide training to prepare their prospective ministers for office. Even with that, much ministerial development will inevitably have to take place "on the job", after appointment. The Minister told us that, when he was first appointed, "within 12 hours I was on my feet answering questions in the Chamber and by the weekend one of the major strategic suppliers was entering liquidation".<sup>62</sup>

29. There have been efforts to provide some introductory training for incoming ministers. Lord Maude said that even the limited, half-day training he was able to organise for Cabinet colleagues following the 2010 General Election was "hugely appreciated". However, the Better Government Initiative (BGI) said that such activities have sometimes been insufficiently prioritised and attendance patchy.<sup>63</sup>

30. Professor Kakabadse emphasised the need for much more comprehensive induction for ministers at the outset of their tenure and suggested that this induction might include an element of coaching to facilitate the establishment of an effective relationship between ministers and their civil servants. The onus has been exclusively on the Civil Service to make this relationship work but, in Professor Kakabadse's view, the relationship is so "fundamental to the delivery of policy, that it requires a better appreciation by both parties of the chemistry factor and its consequences will enable both parties to appropriately discuss and position their relationship".<sup>64</sup> Professor Kakabadse thought that, with facilitation from coaches, the three month transition phase that he considered so crucial in determining the subsequent relationship between ministers and their officials could be reduced to three weeks.<sup>65</sup>

31. Reflecting on his own experience, the Minister noted the extent to which new ministers can find themselves facing significant crises immediately on taking office. Because of this, he was not in favour of an extensive, formal induction programme being imposed on new ministers on arrival in their department.<sup>66</sup> The experience is that in practice this is too little and too late, and has insufficient political authority behind it to be effective.

60 PASC [Civil Service Skills: A Unified Approach](#) Fourth Report of Session 2014–15 HC 112, para.46

61 Q563 (Oliver Dowden MP)

62 Q561 (Oliver Dowden MP)

63 [CSE0004](#), para 23

64 [CSE0014](#), p.44

65 [CSE0014](#), p.46

66 Q561 (Oliver Dowden MP)

32. However, the Minister was supportive of the principle that more should be done to encourage new ministers to reflect on how they work with their officials. He thought that even the addition of a checklist including the requirement to discuss with the permanent secretary immediate priorities, concerns and preferred ways of working over a short series of dedicated meetings could help establish a better mutual understanding and avoid the relationship souring from the start. At a minimum, it would require the new minister to clarify these things for themselves and make their position clear.<sup>67</sup>

33. **Continuing reform and renewal of the Civil Service must acknowledge how much depends upon the relationship between ministers and senior civil servants. We are pleased that the significance of the minister-civil servant relationship highlighted by this Report is already acknowledged by the Minister.**

*34. Newly appointed ministers should be required to hold structured discussions with their permanent secretaries in the days and weeks following appointment to establish a clear understanding of priorities and ways of working. No.10 should ensure that these have taken place. Ideally, coaching and facilitation by a third person of sufficient standing and experience should be made available to facilitate a clear working relationship between a minister and his or her permanent secretary as quickly as possible. The necessary advice, support and resource should be provided by the Cabinet Office, and should not be refused by a department without the Cabinet Secretary being satisfied that there is good reason. Once such facilitated preliminary meetings are part of the culture of Whitehall, and provided the body of facilitators gain a reputation for their effectiveness, few permanent secretaries or ministers would resist the opportunity to accelerate their learning and effectiveness.*

## 3 Capability and Priorities

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35. Our predecessor committee was critical of the state of workforce planning within the Civil Service. It concluded that the Civil Service did not know what skills it had nor where they were deployed.<sup>68</sup> In such an environment, a robust appraisal of where skills gaps exist is not possible.

36. Efforts have been made to address poor workforce planning. Rupert McNeil, the Government's Chief People Officer, described the cross-government initiatives in this area. He explained that in addition to being employed by their department or agency, the Civil Service assigns its staff to one of 26 cross-departmental "Professions", reflecting the expertise they are expected to have.<sup>69</sup> The Professions are expected to facilitate recruitment of expertise, improve skills and set standards across government, aid retention through offering clearer career paths across government, make sure departments and agencies have the experts they need, and to ensure better succession planning.<sup>70</sup> Each Profession has its own competency framework establishing the appropriate skills and knowledge that its members should have regardless of their department. In some instances, such as law and accountancy, this will be determined externally by a professional body. As well as their role in training and accreditation and the promotion of best practice, these Professions have allowed a better picture of the total stock of skills and their deployment across government.<sup>71</sup> The ability to take a cross-departmental approach to workforce planning has also been strengthened through the HR Function, overseen by the Chief People Officer.<sup>72</sup>

37. The government has been determined to increase its cross-government stock of skills in three key areas: commercial; project delivery; and digital. However, in March 2017, the NAO was reiterating concerns that the Civil Service still lacked a detailed knowledge of the skills it has at its disposal or where they are deployed.<sup>73</sup> Similarly, the Institute for Government (IfG) has noted that many departments have not had a clear idea of the profession of their employees, suggesting they have only a patchy idea of their stock of skills.<sup>74</sup> That appears to have improved, but the IfG report that the Profession of one in ten civil servants is not known.<sup>75</sup>

38. *For effective workforce planning, it is vital that the Civil Service has a comprehensive picture of its stock of skills and expertise. It is more than two years since our predecessor Committee reported on this matter. Progress towards this is welcome but there are still significant gaps in this knowledge. The Government must set out the measures being taken to gather the necessary information on the state of the Whitehall Professions and then to keep this information up to date. This should be set out in its response to this report, with targets and dates for achieving this, and how this will be done, or there can be little confidence that this will ever be achieved.*

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68 PASC [Developing Civil Service Skills: A Unified Approach](#) 4th Report of Session 2014–15 HC 112, paras 18–21

69 There are currently 26 Professions. These differ from the 12 cross-government "Functions" which have been established to provide better coordination across government. We discuss Professions and Functions in more detail in Chapter 4

70 Civil Service [Meeting the Challenge of Change A capabilities plan for the Civil Service](#) 2013, p.10–11

71 Q469 (Rupert McNeil)

72 Civil Service [Civil Service Human Resources Function](#) 20 January 2016. We address Functions in detail in the next chapter.

73 NAO [Capability in the Civil Service](#) HC 919 Session 2016–17, paras 2.4–2.8

74 Gavin Freeguard et al [Whitehall Monitor 2015: The Coalition in 163 Charts](#) Institute for Government 2015 p.70

75 Gavin Freeguard et al [Whitehall Monitor 2018 The General Election, Brexit and Beyond](#) Institute for Government 2018, p.40

## Prioritisation

39. Our evidence suggests that new government initiatives are introduced without regard for the capacity and skills to implement them. Dave Penman, General Secretary of the FDA, said “when the Government allocates resources to departments as part of the spending round, there is a clear disconnect between what is expected from the Civil Service and the resources it is given”.<sup>76</sup> Professor Kakabadse agreed, suggesting that “Too many commitments are concurrently pursued [...] The frustration and concern of civil servants attempting to meet the commitments made by the minister and the government is that they are unable to fulfil such a broad range of obligations”.<sup>77</sup> John Manzoni, Permanent Secretary in the Cabinet Office and Civil Service Chief Executive, has said that government is “doing 30% too much to do it well” and that “We need to go back, we need to re-plan, we need to be realistic, we can’t do it all”.<sup>78</sup>

40. The process of exiting the EU has exacerbated this issue in those departments most directly impacted by it. However, the BGI noted that “even before the impact of our departure from the EU, there was widespread agreement that the Civil Service consistently takes on too much change, over timescales that are too tight, and without sufficient investment in the necessary skills and experience”.<sup>79</sup> Similarly, the IfG argue that “Even before the result of the EU referendum, the Government was trying to do too much”.<sup>80</sup>

41. Attempts have been made to address this issue. The most significant of these is the introduction of Single Departmental Plans (SDPs). The aim of these SDPs was to bring clarity to government priorities and the plans to implement them. In particular, they were supposed to ensure that these priorities were properly aligned with the resources available to deliver them.<sup>81</sup> However, John Manzoni, Civil Service Chief Executive, conceded that they have not achieved this.<sup>82</sup> “Priorities” were too often rather vague statements of intent or platitudinous aspirations. For instance, in the Home Office’s SDP, the entirety of its Brexit-related work on immigration, customs, and security is contained in a single priority of “leaving the European Union” whilst even those departments most affected by Brexit contain only the most cursory references to it.<sup>83</sup>

42. Jon Thompson, the Permanent Secretary of HMRC, has said that its existing reform agenda cannot be accommodated alongside its Brexit-related workload: “I do not believe that it is possible to take 250 existing programmes of change and simply add Brexit on”.<sup>84</sup> Yet its SDP gives little indication that the department has acknowledged the need for significant trade-off.<sup>85</sup> The SDPs make no systematic link between priorities and the resources that might be needed to deliver them.<sup>86</sup> Without this, “priorities” can continue to be set without any actual sense of priority that an acknowledgement of

76 Q123

77 [CSE0014](#), section 9

78 S.Brecknell “Civil service leaders must re-prioritise for Brexit, says chief John Manzoni” [Civil Service World](#) 9 November 2016. Also Gavin Freeguard et al. [Whitehall Monitor](#) Institute for Government 2017, p.6

79 [CSE0004](#), para. 9

80 Gavin Freeguard et al. [Whitehall Monitor](#) Institute for Government 2017, p.6

81 Lewis Lloyd [Burying Brexit in the Government’s plans](#) Institute for Government 22 December 2017

82 Q471 (John Manzoni)

83 Gavin Freeguard [Single Departmental Plans have improved but they need to go further](#) Institute for Government 2 January 2018

84 Oral evidence taken before the Public Accounts Committee on 25 October 2017 HC (2017–18) 401 Q21 (Jon Thompson)

85 HMRC [HM Revenue and Customs Single Departmental Plan](#) 14 December 2017 para. 2.3

86 Q471 (John Manzoni)

resource constraint would bring. This was highlighted in reports by the Public Accounts Committee (PAC) on the Department for Business, Energy and Industrial Strategy (BEIS) and on the Department for Environment, Food & Rural Affairs (EFRA) which found no apparent attempt to balance the heavy Brexit-related workload of those departments with their significant domestic policy agenda or efficiency savings.<sup>87</sup>

43. Two versions of the SDPs are produced: departments produce a more substantial version for internal purposes whilst publishing a much less comprehensive version.<sup>88</sup> However, there is no sense that the unpublished versions address the shortcomings that have been identified in the published ones. The NAO reviewed the unpublished SDPs and found that links between objectives and budgets were haphazard at best.<sup>89</sup>

44. John Manzoni, who has championed the introduction of SDPs in his role as the Civil Service's Chief Executive, conceded that, to date, they have not succeeded in properly aligning departmental policy with resource. However, he said that SDPs were improving with each iteration and he remained optimistic that they would do eventually achieve this: "Are we there? No. But the direction of travel is good".<sup>90</sup>

45. *In its report on Accounting for Democracy, our predecessor committee reiterated criticisms of the Single Departmental Plans (SDPs) process made by bodies like the National Audit Office and Institute for Government. The Committee concluded that the SDPs "contain too little detail on either spending or performance".<sup>91</sup> In spite of this criticism, that report concluded that SDPs should be developed and improved rather than abandoned. It also recommended that, subject to the omissions on grounds of national security or commercial confidentiality, full SDPs should be published. We reiterate these recommendations and expect the government to respond positively.*

## Recruitment

46. Making the Civil Service more "porous" or "permeable" to recruitment from outside has been a priority of the recent reform agenda.<sup>92</sup> External recruitment is needed to address areas where the Civil Service lacks the skills it needs and which cannot be filled from within. But broader benefits are also claimed for external recruitment. By recruiting those with previous experience in other sectors, the Civil Service can improve its capacity to interact and work with those sectors in the delivery of policy.<sup>93</sup> And by bringing in those with experience gained in other sectors, the Civil Service can learn from best practice in those sectors.<sup>94</sup>

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<sup>87</sup> PAC [Exiting the European Union: The Department for Business, Energy and Industrial Strategy](#) 34th Report of Session 2017–19 HC 687; PAC [Exiting the European Union: The Department for Environment, Food & Rural Affairs and the Department for International Trade](#) 37th Report of Session 2017–19 HC 699

<sup>88</sup> In its report on Accounting for Democracy, our predecessor Committee recommended that the Government should publish the internal SDPs. At the time of writing, we have received the Government's response and are now considering it. See PACAC [Accounting for Democracy: Making Sure Parliament, the People and Ministers Know How and Why Public Money is Spent](#) 14th Report of Session 2016–17 HC 95

<sup>89</sup> National Audit Office, [Government's management of its performance: progress with single departmental plans](#), Session 2016–17, HC 872, July 2016, p.40

<sup>90</sup> Q471 (John Manzoni)

<sup>91</sup> PACAC [Accounting for democracy: making sure Parliament, the People and Ministers Know How and Why Public Money is Spent](#) 14th Report of Session 2016–17 HC 95 para. 195

<sup>92</sup> Q249 (Lord Maude); Civil Service [Civil Service Workforce Plan 2016–2020](#) 2016, p.2

<sup>93</sup> Civil Service [Civil Service Workforce Plan 2016–2020](#) 2016, p.6

<sup>94</sup> Catherine Baxendale [How Best to Attract, Induct and Retain Talent Recruited into the Senior Civil Service March 2015](#) p.13

47. The Civil Service's default position is for vacancies to be open to internal and external applicants on an equal basis. Nonetheless, Lord Maude criticised the Civil Service's cultural resistance to incorporating and learning from those recruited externally. He likened the culture to that of an exclusive country club:

anyone who comes in from the outside, if they are going to make progress they have to conform to the rules of the club. There is no sense that the club might learn anything from those who come in from the outside, other than specific hired-hand skills that they have brought in.<sup>95</sup>

48. Lord Maude was concerned that external hires were not properly incorporated into the Civil Service as a result and, in 2014, hired Catherine Baxendale, an independent HR consultant, to review their experiences. In her report, she portrays a mixed picture with too many instances where external hires were not absorbed successfully and where their experience was not properly drawn on.<sup>96</sup> This is a view reiterated in comments from former figures in the Government Digital Service (GDS), for example, who, having been recruited externally, felt frustrated at their inability to effect change on a scale that they had hoped.<sup>97</sup>

49. The Baxendale Report highlighted a number of areas, such as recruitment processes and talent management, where the Civil Service could improve and could usefully learn from private sector experience and the Civil Service has sought to address these. But at the heart of the problem of assimilating external hires and incorporating their expertise was the Civil Service's strong internal culture. In some respects, this culture is a positive force. The Baxendale Report highlights the strong public service ethos at its core, for example. However, in other respects the culture is not positive, particularly in its resistance to change and "unwillingness to learn new ways of doing things, or to harness the experience that external hires bring to the organisation".<sup>98</sup> External hires were left feeling excluded and frustrated.<sup>99</sup>

50. The range of recommendations in that report also included:

- better monitoring of external hires, including exit interviews;
- a more comprehensive induction process;
- opening up the selection process to ensure candidates are tested on a much wider range of skills and experience, including emotional intelligence, as well as a means to ensure that prospective external hires are suited to working within the processes and constraints that are inevitable when dealing with public money and political direction.

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<sup>95</sup> Q249

<sup>96</sup> Q12 (Catherine Baxendale); Catherine Baxendale [How to Best Attract, Induct and Retain Talent recruited into the Senior Civil Service](#) September 2014 paras 2.3–2.5

<sup>97</sup> See B Glick "Interview: Government digital chief Mike Bracken – why I quit" [Computer Weekly](#) 13 August 2015

<sup>98</sup> Catherine Baxendale [How to Best Attract, Induct and Retain Talent recruited into the Senior Civil Service](#) September 2014 para 2.3

<sup>99</sup> Catherine Baxendale [How to Best Attract, Induct and Retain Talent recruited into the Senior Civil Service](#) September 2014, para 2.6

51. In addition to induction schemes, the cultural challenges external hires face could be improved through:

- better leadership;
- a shared agenda for change throughout the Civil Service; clarity about the roles and purpose of new hires;
- greater formal and informal support.<sup>100</sup>

52. After apparently receiving fairly cursory attention (Jill Rutter of the IfG described the Government's initial response as "entirely inadequate"),<sup>101</sup> the recommendations in the Baxendale Report are now being addressed. The appointment of a Chief People Officer to head the cross-departmental HR function is evidence that workforce issues are being treated more systematically across government. The Chief People Officer, Rupert McNeil (himself an external hire), told us he found the Baxendale Report helpful in getting to grips with his new role and that many of the Baxendale recommendations have been, or are in the process of being, addressed.<sup>102</sup>

53. Many of the areas where gaps have been identified—digital, commercial and project management have been identified as priorities—are also in high demand in the private sector and can command a far higher salary there. The BGI notes that "Attracting people from a range of sectors to join and remain within the Civil Service requires a reward package broadly related to that received elsewhere in the economy for similar roles". Yet the SCS' reward package, they suggest, is lower than those available not only in the private sector but in similar roles in local government, universities and NHS trusts.<sup>103</sup>

54. The BGI also warned against what they regard as an overreliance on external recruitment. They suggest that privileging open competition to fill posts risks undermining a more strategic approach to staffing that takes into account the need for workforce planning and preserving a degree of institutional memory.<sup>104</sup> Garry Graham of Prospect was also unhappy with what he saw as the privileging of external and, particularly, private sector experience.<sup>105</sup> He said:

one of my concerns when I saw the workforce plan was the phrase "external by default", because it seemed to me to be ideologically driven. There is no private sector organisation of repute that I deal with who has this approach. To use management consultant phrases, they grow their own timber and upon occasion they ventilate their structure as well and they get people in from outside. Taking that kind of proportionate view seems to me to be the sensible way to go.<sup>106</sup>

100 Catherine Baxendale [How to Best Attract, Induct and Retain Talent recruited into the Senior Civil Service](#) September 2014 p.16–23

101 O Wright "Senior Civil Service is like a 'snake pit' that isolates and rejects outsiders, report warns" [Independent](#) 11 October 2015

102 Q503; [CSE0015](#) (Cabinet Office)

103 [CSE0004](#) (BGI), para. 14

104 [CSE0004](#), para. 12

105 For example, the Civil Service Reform Plan included an objective that candidates for permanent secretary posts in large delivery departments should have a minimum of two years commercial and operational experience (p.25). Commercial experience was defined as having experienced "the motivation and approach of a private sector, profit driven organisation". The majority of the existing post holders fulfilled the criteria. Cabinet Office [Permanent Secretaries' Operational and Commercial Experience](#) 14 January 2015

106 Q206

55. If the Civil Service is to make appointments based on experience applicants have gained in other sectors, it is important that this experience is exploited as effectively as possible. Not to do so undermines the logic of external recruitment.

56. The appropriate balance between external recruitment and building capacity internally will vary over time. External recruitment is sometimes necessary to address short term skills gaps in key areas. More generally, a degree of external recruitment can be valuable in bringing different experiences and perspectives to the Civil Service. We note the successful external recruitment to key positions in the Civil Service. Some of those appointees were witnesses in this inquiry.

57. *We welcome the commitment made to address the recommendations of the Baxendale Report. But better monitoring of this is needed. At a minimum, external hires should be included as a sub-category in the Autumn 2018 Civil Service People Survey.*

58. *However, the Civil Service must maintain and renew its capacity to generate its own talent and future leadership, which reflects the experience of the vast majority successful organisations.*

## Churn

59. The lack of a strategic approach to staffing is particularly evident from the rate of churn: the rapid turnover of officials in key posts. Currently, the average tenure in a post for members of the SCS is two years.<sup>107</sup> This is far shorter than the tenure of many ministers. Only two of the permanent secretaries who were in post at the time of the 2015 General Election remained so by Easter 2018, suggesting that the proposals for five year fixed-term contracts contained in the CSRP would have had very limited impact.<sup>108</sup>

60. The BGI argue that:

a better balance is required between departmental requirements - for the development of expertise and length of service in each post related to the needs of the job and sustaining the organisation's corporate memory - and the personal interests of individual members of staff pursued through self-management of careers with little understanding of or guidance on appropriate career paths.<sup>109</sup>

In their view, a much better balance needs to be struck between the interests of ambitious civil servants, anxious for rapid promotion, and the need for continuity and maintaining corporate memory.

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<sup>107</sup> Letter from Oliver Dowden MP, 21st May 2018

<sup>108</sup> Gavin Freeguard et al [Whitehall Monitor 2018 The General Election, Brexit and Beyond](#) Institute for Government 2018, p.35; Cabinet Office [Civil Service Reform Plan: One Year On](#) 2013, p.31

<sup>109</sup> [CSE0004](#), para. 10

61. The detrimental effect of a rapid turnover of staff has been highlighted as contributory factor in the early problems implementing Universal Credit, in the cancellation of the franchising process for West Coast Mainline in 2012, and in the failure to foresee the financial crisis in 2007.<sup>110</sup> Sir Oliver Letwin MP told us that he was frustrated that, after six years in post, the rotation of officials was such that he found himself better versed in the details and history of a project than the officials who were supposed to be advising him on it.<sup>111</sup>

62. Some of the evidence we received suggested the root cause of churn was the prolonged period of pay restraint in the Civil Service. In a climate of real wage falls in the Civil Service, there is a clear incentive for ambitious civil servants to gain promotion, and the accompanying pay rise, as quickly as possible. Even horizontal moves can lead to a pay increase. Cabinet Secretary Sir Jeremy Heywood said that:

One of the issues we have alighted upon is that in the environment where you have a 1% pay increase, basically the best way in which people can get an increase of more than 1% is to move jobs and get an increase on level transfer or on promotion.<sup>112</sup>

63. In a similar vein, Catherine Baxendale told us that “the restrictions around pay, people often felt the need to move more than they would have wished, in order to get improvements in their terms and conditions”.<sup>113</sup> Inconsistency between departments can exacerbate this, with individuals able to secure themselves a pay increase for what is ostensibly a sideways move to another department.<sup>114</sup> In other cases, pay restraint is encouraging officials to leave the service for better remunerated roles in other sectors.<sup>115</sup>

64. In 2013, the Pivotal Role Allowance (PRA) was introduced to aid the retention of key staff. It enabled the payment of a salary increment where it was deemed “business critical” to retain an individual in their post for a period when there was a strong likelihood that they might leave it. Use of the PRA is restricted: it is limited to the 0.5% of the overall wage bill for the SCS and cases must be approved by the Treasury and Cabinet Office ministers. The Senior Salaries Review Board (SSRB) reported that although the PRA was being used appropriately—only for pivotal roles and withdrawn when the role was no longer critical—it was being underutilised. It has been used only 67 times since its introduction five years ago, with the average increment of around only £16,000 per annum.<sup>116</sup> Many departments found the process too bureaucratic and had not made use of them.<sup>117</sup>

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110 NAO [Universal Credit: early progress](#) HC 621 Session 2013–14 paras 3.29–3.31; NAO [Lessons from cancelling the InterCity West Coast franchise competition](#) HC 796 Session 2012–13, paras 2.5–2.12; S White [Review of HM Treasury's management response to the financial crisis](#) 2012 HM Treasury 2012, para. 4.14

111 Q263 (Sir Oliver Letwin MP)

112 Q476 (Sir Jeremy Heywood)

113 Q37 (Catherine Baxendale). See also [CSE0004](#) (BGI), para. 14; [CSE0014](#) (Professor Kakabadse), p.22

114 Cabinet Office [Government Evidence to the Review Body on Senior Salaries on the Pay of the Senior Civil Service](#) December 2017

115 Catherine Baxendale [How to Best Attract, Induct and Retain Talent recruited into the Senior Civil Service](#) September 2014 para. 2.28

116 [Letter](#) from John Manzoni, 31 January 2018

117 Review Body on Senior Salaries [Thirty-Ninth Annual Report on Senior Salaries 2017](#) Report No.87 Cm9455 July 2017

65. In respect of how the Pivotal Role Allowance can help retain experience and expertise in particular posts, it is right to ensure that the PRA is only used for genuinely pivotal roles and that it does not become a de facto means to gain a pay increase. However, if one of the main means of addressing the problem of churn amongst key staff is being undermined by the bureaucracy surrounding its application, it suggests that the safeguards are excessive. We note that the revised strategy outlined in the Cabinet Office's most recent submission to the SSRB sees the PRA continuing only as a transitional measure as a new reward strategy is developed.<sup>118</sup> However, for as long as it remains, it needs to be effective. The Government told us that it "will continue to monitor and review the appropriateness of the PRA process, including the scope for streamlining".<sup>119</sup>

66. *The Government must complete its review of the Pivotal Role Allowance and we look forward to the next steps in this process being set out in the Government's response to this report.*

67. However, though the current period of prolonged pay restraint may be a contributory factor, it is evidently exacerbating a more long-standing problem. The problem of churn predates this recent period of pay restraint: as long ago as 1968, the Fulton Committee complained that civil servants were moved far too rapidly between posts. As a consequence:

They 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. Often they are required to give advice on subjects they do not sufficiently understand or to take decisions whose significance they do not fully grasp.<sup>120</sup>

68. The default position that vacancies should be filled through open competition has created a "free market" in which civil servants have to manage their own careers without regard to departmental priorities. This has come at the expense of a more strategic approach that takes into account the need for stability, succession planning and preserving a degree of institutional memory.<sup>121</sup> It also means it is impossible for a civil servant to plan their career progression. Julian McCrae of the IfG said

We used to have overly managed careers [...] where people would work in their own department all the way through. It gave them great experience of the department but potentially quite a narrow experience of actually what it is to be an adviser and be part of government. We have moved now to a system where if you want a salary increase you know you need to move job, and you can do that across departments, so it is not even as though your own Permanent Secretary could say, "No, you have to stay in this role".<sup>122</sup>

<sup>118</sup> Cabinet Office [Government Evidence to the Review Body on Senior Salaries on the Pay of the Senior Civil Service December 2017](#) para. 30

<sup>119</sup> [Letter](#) from John Manzoni, 31 January 2018

<sup>120</sup> Fulton Committee *The Report of the Committee on the Civil Service* Cmnd 3638 1968, p.18

<sup>121</sup> [CSE0004](#) (BGI), paras 10–12

<sup>122</sup> Q316

69. Career progression is evidently perceived to be enhanced through the rapid accumulation of the widest range of experience with less regard for developing deeper expertise through remaining in a particular post or area. Sir Oliver Letwin MP said he had been frustrated in his efforts to have an official with a deeper but less broad range of experience promoted.<sup>123</sup>

70. There has been some official acknowledgement that, in some instances, people move posts too often. For example, the Civil Service Workforce Plan said that “we need to ensure people are encouraged to develop deep expertise, not move too frequently from job to job”.<sup>124</sup> However, this remained only an aspiration in the Workforce Plan and had no associated action points.<sup>125</sup>

71. The issue of churn is a longstanding and widely acknowledged one that has evaded solution to date. Lord Maude said that, in office, he had “totally failed to tackle it”.<sup>126</sup> He said he had tried to reverse the “free market” for Civil Service jobs in a limited way by creating a cadre of current and future leaders—the High Potential Stream—whose moves would be strategically managed according to departmental priorities as well as through restricting the right of SROs to move posts.<sup>127</sup>

72. The Government’s recent submission to the SSRB clearly accepts that there is a problem with churn. It outlines a new framework for SCS pay which has as its key principles:

- To move to a set of consistent pay ranges by professional grouping over time.
- To provide greater reward for high performers and those who develop capability by remaining in role.
- To provide clearer rules and control on how people move through and round the SCS pay system.<sup>128</sup>

73. The framework places a much greater focus on the Civil Service Professions as the foundational structure for pay, using them to bring consistency to pay across departments. Under the framework, for remuneration purposes the Professions would be divided into three categories. Category A would comprise most of the Civil Service-wide Professions. Category B would include a handful of “market-facing” Professions where the far higher salaries available in the private sector is having a detrimental impact on Civil Service recruitment and retention. Category C would include the high skilled but niche Professions concentrated in individual departments. Category B Professions would be paid at a higher rate.

74. In addition to reducing churn through removing differences in pay between departments, it is further targeted with a “carrot and stick approach”. The carrot is through giving departments the autonomy to concentrate pay awards on high performers, meaning that pay rises are not dependent on officials moving to new roles. The stick comes from eliminating pay rises from level transfers and limiting pay rises from promotion to 10% or the bottom rung of the scale of the new post at Director and Deputy Director grades.<sup>129</sup>

<sup>123</sup> Q265

<sup>124</sup> Civil Service [Civil Service Workforce Plan 2016–2020](#) 2016, p.2

<sup>125</sup> [CSE004 \(BGI\)](#), para. 11

<sup>126</sup> Q247

<sup>127</sup> Q247

<sup>128</sup> Cabinet Office [Government Evidence to the Review Body on Senior Salaries on the Pay of the Senior Civil Service](#) December 2017 para. 13

<sup>129</sup> Cabinet Office [Government Evidence to the Review Body on Senior Salaries on the Pay of the Senior Civil Service](#) December 2017, para. 124

75. The average time in post for the Senior Civil Service is less than two years. This is shorter than the tenure of many of the ministers they serve, and makes a nonsense of the idea of a permanent Civil Service providing ministers with the subject expertise, long experience and corporate memory they are entitled to expect. The Fulton Committee's 1968 report on the Civil Service criticised "the cult of the generalist",<sup>130</sup> but the evidence is that this persists. The system fails to value subject expertise and relevant experience in the field. A departmental permanent secretary in particular should be the pre-eminent policy and delivery expert in their field, but many appointments of permanent secretaries are made from outside the department.

76. *Just as the Civil Service as a whole needs to concentrate more on developing its own talent and future leadership, so departments need to do so as well. We expect the government to demonstrate it is giving this aspect of Civil Service effectiveness some fresh thinking in its response to this report.*

77. The issue of churn and "the cult of the generalist" has been identified as an issue under successive governments but the problem persists. Complaints about churn predate the present period of pay restraint of the last ten years, suggesting that pay is not the only, or even the major, cause of the problem. The perception amongst civil servants seems to be that the best route to seniority is through rapid movement. Until depth of knowledge or specialism provide a similar prospect of career progression, churn is likely to remain an issue.

78. The Professions have developed unevenly. They are structured differently, have different degrees of leadership, and varying degrees of integration.<sup>131</sup> Garry Graham of Prospect told us that 72% of its members had little or no engagement with their profession.<sup>132</sup> Given this, we are not convinced that the current Professions are robust or coherent enough to provide the basis for a Civil Service-wide reform of pay.

79. *We welcome the Government's acknowledgement of the issue of churn and the need to reward the development of specialist skills and deep knowledge. But, to date, only limited initiatives have addressed this. The problem goes to the heart of how the Civil Service thinks about itself and how it plans remain self-sustaining.*

80. *We are concerned that the system of cross-government Professions is insufficiently developed to provide the basis for the strategy contained in the Cabinet Office's submission to the SSRB. Before any strategy introduced, we recommend the Cabinet Office undertake a review of the readiness and embeddedness of the Professions to address churn, and how they will also address the need to strengthen experience and expertise relevant to each government department.*

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130 Fulton Committee *The Report of the Committee on the Civil Service* Cmnd 3638 1968

131 J. McCrae and J. Gold [Professionalising Whitehall](#) Institute for Government 2017

132 Q189

## 4 Functional Leadership

81. A key plank of the Civil Service reform agenda introduced by Lord Maude was the development of cross-departmental ways of working under the label of “Functional Leadership”.<sup>133</sup> Instead of departments working independently, generic activities common to all of them—HR, procurement, digital, law and so forth, were to be incorporated into cross-government “Functions”, coordinated from the Centre. Unlike the Professions, which are based around skills, Functions focus on the corporate activities of departments. By coordinating these from the Centre, shared systems could be introduced, duplication and waste reduced, and efficiency and bestpractice promoted in the context of a continued decline in Civil Service numbers.<sup>134</sup> Though bringing a small reversal in this decline in headcount, Brexit has been argued to have given further impetus to coordinating from the centre.<sup>135</sup>

### Professions and Functions

82. In the previous chapter, we noted the various cross-departmental initiatives in professional development and workforce planning. But, while the Professions provide some cross-government coordination, they have not had the breadth of remit, level of integration or coherence to fulfil attempts to establish a strong corporate centre for the Civil Service.<sup>136</sup> From 2013, these Professions were supplemented by the ten (subsequently rising to 12) Functions: structures providing corporate services to government departments in areas such as Digital, Legal, HR and Finance. In some cases, the Functions mirror the Professions—there is a Human Resource Profession as well as a Human Resource Function, for example. In these cases, the Head of Profession also leads the Function.<sup>137</sup>

**Table 1: Functions**

Functions	
Commercial	Human resources
Communications	Internal audit
Corporate finance	Legal
Digital	Project delivery
Finance	Property
Fraud, error, debt and grants	

133 E.g. S. Neville Maude to announce far-reaching reform of Civil Service [Financial Times](#) 9 July 2013

134 Cabinet Office [The Functional Model: a Model for More Efficient and Effective Government](#) 30 March 2015; Cabinet Office [Civil Service Reform Plan: One Year On](#) 2013, p.9

135 C. Talbot and C. Talbot “Is Brexit leading to the recentralisation of Whitehall?” [Civil Service World](#) 20 March 2018

136 Cabinet Office [The Functional Model: a Model for More Efficient and Effective Government](#) March 2015

137 <https://www.gov.uk/government/organisations/civil-service/about>

**Table 2: Professions**

<b>Professions</b>	
Corporate Finance Profession	Government Security Profession
Counter-fraud Standards and Profession	Government Science and Engineering Profession
Digital, Data and Technology Professions	Government Social Research Profession
Government Communication Service	Government Statistical Service Profession
Government Economic Service	Government Tax Profession
Government Finance Profession	Government Veterinary Profession
Government IT Profession	Human Resources Profession
Government Knowledge and Information Management Profession	Intelligence Analysis
Government Legal Service	Internal Audit Profession
Government Occupational Psychology Profession	Medical Profession
Government Operational Research Service	Operational Delivery Profession
Government Planning Inspectors	Policy Profession
Government Planning Profession	Procurement Profession
Government Property Profession	Project Delivery Profession

83. Some of the roles of the Functions overlap with those of the Professions. The Functions are, for example, expected to play a role in recruitment, the deployment of expertise, skills development, establishing and managing career paths across government, succession planning and establishing and enforcing common standards across departments.<sup>138</sup> However, Functions were also introduced to facilitate the integration of corporate activity across government:

Greater integration of specialist functions across departments, with stronger professional leadership of those specialist functions, would make the Civil Service more resilient and the business of Government more efficient.<sup>139</sup>

With cross-government Functions, savings could be made through shared services, with duplication between departments reduced and economies of scale realised in areas used across government such as payroll, generic IT or procurement.<sup>140</sup> Lord Maude also claimed that Functions would improve policy by ensuring delivery expertise is brought into policy design rather than treated as an afterthought.

One of the benefits of what I have described as the model of strong functional leadership is that the more technical people—the commercial, digital, IT, financial people—who are at the moment kept far too far from the decision-making process have a strong reporting line into the centre. When you have a Cabinet Committee deciding whether a particular project or programme should go ahead, you have Ministers at the centre—Treasury Ministers, No. 10, Cabinet Office—who will be getting robust advice from the functional leaders about the implementation implications of it.<sup>141</sup>

138 Cabinet Office [The Functional Model: a Model for More Efficient and Effective Government](#) March 2015

139 Civil Service [Civil Service Reform Plan Progress Report](#) 2014 para 7.1

140 NAO [Integration Across Government](#) HC 1041 Session 2012–13

141 Q236

84. Since leaving office, Lord Maude has claimed that progress towards greater functional integration has stalled and even reversed. In his view, this was due to the vested interests that some people have in maintaining Whitehall's federal structure. Coordinating activity across government, he suggested, encroaches on the "prized autonomy of Permanent Secretaries", which reflects the departmental structure of Whitehall and the direct accountability of departmental secretaries of state and their Accounting Officers to Parliament.<sup>142</sup>

Whenever you introduce any centrally driven initiative in Government, you find that there is a real interest in all of the departmental baronies to make sure it fails.<sup>143</sup>

85. Progressing and integrating cross-government Functions has apparently proved harder than anticipated. Ambitious savings targets from shared services which were predicted have not been met.<sup>144</sup> The NAO has found that attempts to centralise procurement under the Crown Commercial Service underestimated the complexity of joint buying across departments and had not provided value for money.<sup>145</sup> Efforts at introducing centralised buying and shared services had variously suffered from overambitious targets, lack of a clear plan, inadequate data, weak governance and a lack of buy-in from departments. In some cases, they lacked all of these.<sup>146</sup>

86. In spite of these difficulties and Lord Maude's accusations of backsliding, the Cabinet Office told us that Functions continue to progress. Sir Jeremy Heywood said that he shared Lord Maude's enthusiasm for the development of Functions:

This is something where we strongly agreed with Francis Maude's agenda [...] The only difference between myself and Francis on this one is that I think he is being too pessimistic. We have made enormous strides in the last two years in building the functions and building the credibility of them, making sure they are led by excellent leaders who command authority across Whitehall.<sup>147</sup>

87. John Manzoni said that the effective way in which the Civil Service was able to respond to the collapse of Carillion, one the largest suppliers of outsourced government services, was evidence of the effectiveness of the cross-departmental Commercial Function. He said that development of the Function had enabled government to take a cross-departmental response to Carillion's collapse in a way that would not have been possible before the Function had been established.<sup>148</sup>

In this case, had we had this situation a couple of years ago, I think the outcome would have been significantly different and probably significantly worse for the public sector than it is today<sup>149</sup>

<sup>142</sup> Q223

<sup>143</sup> Q229

<sup>144</sup> See NAO [Shared Services Centres](#) HC16 Session 2016–17 paras 2.1.-2.5

<sup>145</sup> NAO [Crown Commercial Service](#) HC 786 Session 2016–17

<sup>146</sup> NAO [Crown Commercial Service](#) HC 786 Session 2016–17 p.19

<sup>147</sup> Q511

<sup>148</sup> Q512

<sup>149</sup> Q376

88. Rather than backsliding, Sir Jeremy Heywood has said that strong cross-departmental Functions needed to “bed down”.<sup>150</sup> The Minister also suggested that more gradual steps towards functional integration were being taken. He said that the Government had rejected the “Big Bang” approach on the grounds that it had not delivered adequate services.<sup>151</sup> To date, it seems, departments have found the centralised services burdensome and ineffective and the process alienating.<sup>152</sup> Certainly, the Cabinet Office’s commitment to the development of Functions appears to be strong, and we note further progress such as the recent establishment of the Government Property Agency and the prospect of the development of Function-level plans, but we note the experience with attempts to introduce shared service to date suggests that this bedding down period might be beneficial.

## Accountability

89. In his written evidence, Andrew Greenaway was sceptical about whether Functions really could break down departmental silos and ensure effective cross-departmental working.<sup>153</sup> In particular, he noted that traditional accountability lines run through departments, incentivising officials to focus on departmental priorities at the expense of cross-departmental ones. His submission emphasised the need for better cross-government working but he was dubious about its implementation.<sup>154</sup> In a similar vein, Julian McCrae, supportive of the Functional agenda, highlighted the absence of strong lines of accountability for Functions, without which progress could be faltering. John Manzoni was reluctant to formalise the accountability structures surrounding Functions which would, in his view, risk interfering with departments’ primary responsibility and become “horribly complicated”.<sup>155</sup>

90. However, how the Functions are held accountable for their performance is unclear. This is an important question which will have a significant bearing on costs, coherence and efficiency across Whitehall. Mr Manzoni suggested that no changes to the current structures are required. However, the IfG has said that, without changes, there is “no mechanism to resolve tensions between these cross-cutting responsibilities for capability and permanent secretaries’ departmental responsibilities for delivering outcomes”.<sup>156</sup>

**91. There is a balance to be struck between the potential gains from common processes and practices across government and the need for departments to be able to tailor these to their own needs. However, it should not be viewed as a zero-sum game, with progress on the cross departmental Functions automatically viewed as a diminution of departmental authority. This is not about strategic coordination of policy across departments but about effective cross-departmental administration. The role of Functions should be to assist departments to deliver the Government’s policies more effectively. For their part, departments need to be properly incentivised to work effectively with Functions.**

<sup>150</sup> J. Bowie and M. Foster “Sir Jeremy Heywood interview: the head of the UK Civil Service on a “very intense” few months” [Civil Service World](#) 30 January 2017

<sup>151</sup> Q608

<sup>152</sup> See NAO [Shared Services Centres](#) HC16 Session 2016–17 paras 2.1–2.5; NAO [Crown Commercial Service](#) HC 786 Session 2016–17

<sup>153</sup> [CSE0010](#), paras 28–32

<sup>154</sup> See also A. Greenaway “Shared services: A strategy to finally appease overburdened civil servants – or another embarrassing failure?” [Civil Service World](#) 3 April 2018

<sup>155</sup> Q512

<sup>156</sup> B. Guerin et al [Accountability in modern government: what are the issues?](#) Institute for Government 2018, p.20

92. The development of cross-government structures does create difficulties for existing accountability mechanisms centred around departments. We understand the Government's concern that creating accountability structures for Functions risks impinging on departmental pre-eminence. We are also mindful of the need to avoid adding layers of bureaucracy. However, without some form of accountability, we are concerned that there is a risk that Functional priorities diverge from the departments that they are supposed to be supporting.

93. *We recommend that the cross departmental Functions develop statements setting out their principles of collaboration with the departments. This should include agreements on sharing of data and the mechanisms by which they agree deliverables with their departments. There should also be a general statement about how a conflict between a cross department Function and a government department should be resolved. These should be agreed by the Civil Service Board, and reflected in the response to this report.*

## 5 Departmental Boards

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94. Since the 1990s, government departments have had departmental boards that have included independent or non-executive members. These boards were first formally codified in 2005 and were typically chaired by permanent secretaries with non-executive members of the boards (non-executives) appointed by them.<sup>157</sup> However, practice differed between various departments and agencies.

95. The Coalition Government enhanced the role of non-executives, placing a greater emphasis on their having commercial experience—the 2010 Ministerial Code was changed to stipulate that they should be “largely drawn from the commercial private sector”.<sup>158</sup> Measures were introduced to standardise the role of departmental boards. The key components of this were:

- the requirement that the departmental boards should be chaired by the secretary of state rather than the permanent secretary;
- that the composition of the boards should be an equal number of ministers, officials and non-executives;
- that the non-executives should primarily be recruited on the basis of their business experience.<sup>159</sup>

Where permanent secretaries had been largely responsible for appointing the non-executives, this became the responsibility of the secretary of state.

96. The aim of these enhanced boards was to introduce best practice from the private sector in specific areas relating to operations rather than policy.<sup>160</sup> Non-executives would provide scrutiny of, and advice on, progress towards fulfilling departmental goals.

### Role of boards

97. Each departmental board is chaired by the secretary of state, and comprises equal numbers of ministers, officials and non-executive board members. Although the official guidance suggests that departmental boards provide “strategic leadership”, in reality, their role is advisory.<sup>161</sup>

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<sup>157</sup> Non-Executive Members of the Boards are sometimes referred to as Non-Executive Directors or “NEDs” though it has been stressed that they are not Directors and their roles are not analogous with members of corporate boards (see Q336 (Sir Ian Cheshire)).

<sup>158</sup> Cabinet Office [Ministerial Code](#) 2018 para 3.5. See also Cabinet Office and HM Treasury [Corporate Governance in Central Government Departments: Code of Good Practice](#) 2011.

<sup>159</sup> Cabinet Office and HM Treasury [Corporate Governance in Central Government Departments: Code of Good Practice](#) 2011

<sup>160</sup> Cabinet Office [Enhanced Departmental Boards: Protocol](#) 19 February 2013

<sup>161</sup> Cabinet Office and HM Treasury [Corporate Governance in Central Government Departments: Code of Good Practice](#) 2017 p.5

98. Beyond their board membership, non-executives also often take on extra roles both within departments and also across government. In his 2016–17 annual report, Sir Ian Cheshire, the current Government lead non-executive highlighted some examples:

- providing advice and challenge to the development and refresh of the department's Single Departmental Plan;
- leading annual performance reviews of permanent secretaries;
- taking part in appointment exercises within departments and in their wider departmental family organisations;
- providing advice and challenge relating to specific major projects and transformation programmes;
- engaging in activities to build talent, such as staff development programmes; and
- providing informal advice and support to officials and ministers.<sup>162</sup>

99. Each departmental board has a lead non-executive board member, who has additional responsibilities in supporting the secretary of state in his or her role as chair of the board.<sup>163</sup> Departmental lead non-executives should meet regularly with other non-executive board members to ensure their views are understood and that the secretary of state is made aware of any concerns and they should also liaise with the Government Lead Non-Executive. The Prime Minister is responsible for appointing the Government Lead Non-Executive. The Government Lead Non-Executive meets regularly with departmental lead non-executives and feeds their views back to the Prime Minister and Cabinet Office. The Government's lead non-executive, Sir Ian Cheshire, described his role thus:

My role, as lead of the network of over 80 non-executives, is to ensure we continue to offer stability and useful advice and challenge to departments at this time of national change.<sup>164</sup>

100. The Government Lead Non-Executive also reports to Parliament through an annual report to this Committee. This report should include the key concerns of the non-executive board member network and provide feedback on policy implementation. It also collates examples of best practice in the work of boards and non-executive board members.<sup>165</sup>

## Board effectiveness

101. The emphasis given to boards varies between departments. There is, for example, a significant variation in the number of times boards meet. They are expected to meet a minimum of four times a year and though most met that threshold, a substantial minority did not.

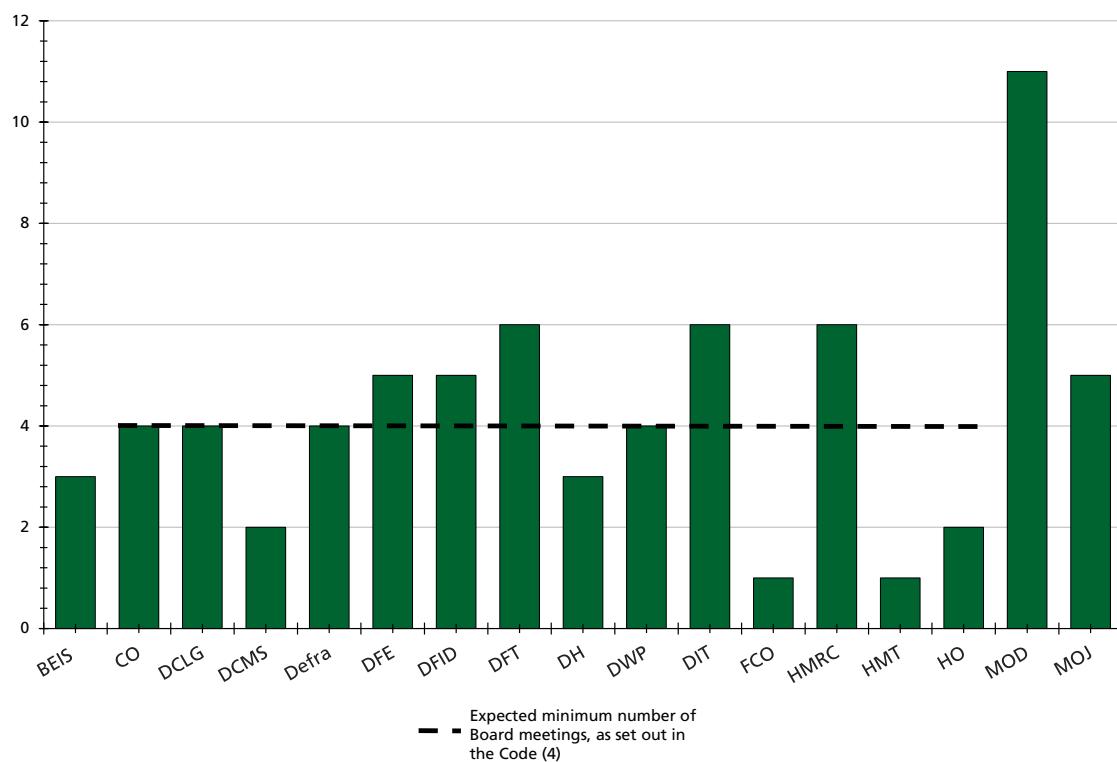
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<sup>162</sup> Cabinet Office [Government Lead Non-Executive Annual Report 2016 to 2017](#) 15 November 2017 p.9

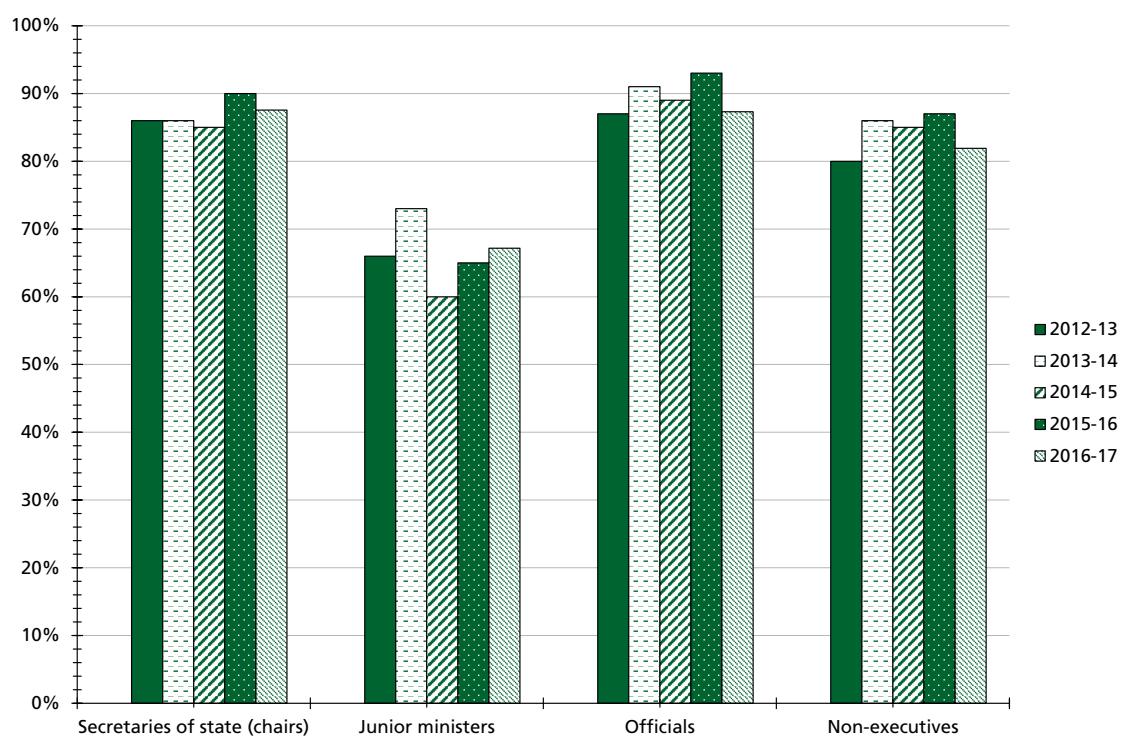
<sup>163</sup> See Cabinet Office and HM Treasury [Corporate Governance in Central Government Departments: Code of Good Practice](#) 2017 p.6–7

<sup>164</sup> Cabinet Office [Government Lead Non-Executive Annual Report 2016 to 2017](#) 15 November 2017 p.3

<sup>165</sup> Cabinet Office and HM Treasury [Corporate Governance in Central Government Departments: Code of Good Practice](#) 2017 p.7



102. Overall attendance at board meetings was 81% but it varied across different categories of attendees.



103. The evidence we received suggested that, currently, boards are not effective. Professor Kakabadse said that “Except in a few cases, the emergent view is that boards deliver little value”.<sup>166</sup> Professor Hazell, UCL, agreed, saying “Few Whitehall boards are said to be working well”, whilst the BGI said that there is “little evidence that Departmental Boards generally are fulfilling the prospectus offered at the time of their reform under the coalition government”.<sup>167</sup>

104. Professor Kakabadse blamed the poor chairing skills that ministers generally had for boards’ underperformance. His research found that:

The quality of chairmanship is reported as varying substantially. Certain NEDs report that they have hardly met their Secretary of State. Others state that the Secretary of State pursues their political agenda and attends less to the board oversight, advisory or support function. Equally the comment was offered that certain Secretaries of State do not seem interested in the work and contribution of the departmental board.<sup>168</sup>

105. Professor Kakabadse’s response to this tendency for secretaries of state to make poor chairs was to recommend that they should relinquish their chairing role:

in the few cases where an independent, external chair has been appointed, those boards are reported as providing effective oversight and making a valued contribution.<sup>169</sup>

106. Much of the evidence we received on this matter agreed that the role of the secretary of state was crucial in determining how well the board functioned. Where a secretary of state chaired the board badly or did not give adequate priority to their role as chair, board effectiveness suffered as a consequence. The BGI said that “The success of this form of governance depends upon the interest and involvement of individual Secretaries of State and the evidence is that this has been patchy”.<sup>170</sup>

107. However, concern was expressed that removing the secretary of state from the chair would damage boards further. If the level of engagement of the secretary of state was the main factor in determining whether a board was effective, removing responsibility for chairing was likely to reduce that engagement.

108. Lord Maude, who, as Cabinet Office Minister, was responsible for the change of board structure, said “Realistically, Ministers in charge of a department are not going to show up and sit through a meeting where they are just a member of the board”.<sup>171</sup> By contrast, “requiring the Secretary of State to chair it is a good obligation to put on the Secretary of State and means that he or she has to get under the skin of the operational activity in the Department”.<sup>172</sup> Sir Ian Cheshire was similarly sceptical: “If you remove the Secretary of State from the board, the relevance of that board changes”.<sup>173</sup> The Minister agreed that

<sup>166</sup> [CSE0014](#), p.47

<sup>167</sup> [CSE0009](#), p.2; [CSE0004](#) para. 28

<sup>168</sup> [CSE0014](#) p.34

<sup>169</sup> [CSE0014](#), p34

<sup>170</sup> [CSE0004](#), para. 28

<sup>171</sup> Q257

<sup>172</sup> Q257

<sup>173</sup> Q344

secretaries of state should remain as engaged as possible and so should retain the chair.<sup>174</sup> Professor Hazell agreed that secretaries of state often proved poor chairs but the solution did not lie in removing them from the chair:

Boards only work well when the Secretary of State takes them seriously, which not enough do. But there was no wish to revert to the pre-2010 model: it was felt NEDs would be taken less seriously by the department if not part of a board chaired by the Secretary of State.<sup>175</sup>

109. Professor Hazell suggested that secretaries of state should consider allowing the department's lead non-executive to chair those parts of board meetings which involved close scrutiny of department's performance or plans.<sup>176</sup>

110. **It is clear that, currently, boards are not regarded as effective in many instances.** That several departmental boards did not even meet the minimum threshold of four meetings a year is symptomatic of this. We agree that this is in large part due to the role of the secretary of state as chair: where secretaries of state do not take boards, or their role as chair, seriously, they deliver little value. We do not, however, subscribe to the view that the secretary of state should relinquish the chair. Instead, measures to establish a clearer role and expectations of departmental boards, including of the role of chair, should be introduced.

111. *At the minimum, all boards should meet the threshold of four meetings a year.*

112. *The role of the board and of board members should be included in any induction for ministers new to a department. New ministers should establish with the permanent secretary and the lead non-executive clear goals against which board performance can be evaluated. Secretaries of state should, on a comply-or-explain basis, relinquish the chair for those parts of board meetings involving evaluation of the department's plans or performance.*

## Non-executives' roles

113. Although boards are not generally considered to be operating effectively, there was a greater satisfaction with the role of non-executives themselves and the wider role they played. The calibre of those appointed as non-executives was noted. Professor Kakabadse said that:

NEDs as individuals received high praise from Secretaries of State, the Permanent Secretaries and civil servants lower down the hierarchy. Their experience, facilitative skills and independence, and willingness to offer constructive challenges are viewed as invaluable. Most acknowledge that the NEDs on departmental boards are of a high calibre.<sup>177</sup>

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<sup>174</sup> Qq612–3 (Oliver Dowden MP)

<sup>175</sup> [CSE0009](#) p.3

<sup>176</sup> [CSE0009](#), p.5

<sup>177</sup> [CSE0014](#), p.35

114. It was noted that where non-executives added value to the department, it was largely outside their formal roles on the main departmental board. The external expertise they bring to roles on Audit and Risk Committees or to nomination or remuneration committees has been noted.<sup>178</sup> Non-executives also work with their counterparts in other departments to provide a degree of cross-government working, learning and promoting best practice.<sup>179</sup> Departments ask non-executives to take on roles outside boards on the basis of departmental need and their prior experience. Catherine Brown, a non-executive at the Cabinet Office, outlined the quite extensive variety of roles she currently performs:

In the development of the Single Departmental Plan what I will do is engage with the team developing that very early on to provide advice on how to think through its structure, how to ensure that all major areas that need to be covered are covered, whether they have thought about ensuring that the money lines up with the plan, and whether they have thought sufficiently about the organisation and its resources, to challenge the work in progress before it gets to a board situation. Alongside that, one of the activities that I undertake is that as part of a talent action group of cross-governmental non-executives, we review matters such as the Civil Service Leadership Academy's proposed curriculum. We gave input to that. I was also in a group that oversaw the development of the new code of governance that has been introduced for the relationship between arm's-length bodies and their departments, and alongside that I will assist with the recruitment of Directors General or other non-executives. There is quite a wide range of activities where I think there is a combination of me being able to add value given the professional experience I have, and some need or desire in the Department to bring in an additional perspective.<sup>180</sup>

115. Our predecessor Committee noted that ministers and, in particular, senior officials, have found non-executives a valuable source of advice and mentoring.<sup>181</sup> As outside experts, it was also suggested that they can be better placed to offer candid advice or critical challenge to ministers than civil servants might be: "One of the advantages the non-execs have is that we are not trying to get into the political space or get promoted in the Civil Service. We have an independence of view that I think makes it easier to have some of those challenges".<sup>182</sup> Their practical experience can add weight to advice given to a minister, relative to that given by officials.<sup>183</sup> However, in some cases, it seems that, despite this, non-executives can be reluctant to challenge secretaries of state.<sup>184</sup> This was particularly the case with priorities and the constraints of departmental capacity.<sup>185</sup>

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178 Robert Hazell et al [Critical Friends? The Role of Non-executives on Whitehall Boards](#) Constitution Unit 2018 para. 4.40. 4.47

179 Cabinet Office [Government Lead Non-Executive Annual Report 2016 to 2017](#) 15 November 2017 p.22-7

180 Q343

181 Public Administration Select Committee [Truth to Power: How Civil Service Reform Can Succeed](#) Eighth Report of Session 2013-14 HC 74 para. 104

182 Q351 (Sir Ian Cheshire)

183 Q305 (Julian McCrae)

184 Robert Hazell et al [Critical Friends? The Role of Non-executives on Whitehall Boards](#) Constitution Unit 2018 para. 4.40

185 Robert Hazell et al [Critical Friends? The Role of Non-executives on Whitehall Boards](#) Constitution Unit 2018 para. 5.74

116. The role of board members is to “give advice and support on the operational implications and effectiveness of policy proposals, focusing on getting policy translated into results”. Policy itself is explicitly outside the remit of non-executives and “will be decided by Ministers alone, with advice from officials”.<sup>186</sup> Whilst Sir Ian Cheshire was comfortable with this division of labour—he said non-executives “are not there as policy advisers, and we should not be”<sup>187</sup>—there was some sense that it creates a slightly artificial distinction between policy design and delivery and that can exacerbate an existing tendency to regard considerations of delivery issues as a later “add on” to policy design rather than integral to it. Whilst there is no sense that non-executives feel they should be driving policy formulation, Professor Hazell’s team found that some non-executives felt constrained by what they saw as flaws in policy conception at an early enough stage:

Policy formulated without a hard-headed appreciation of how to deliver it will be flawed policy. And the idea that independent, rigorous and expert policy challenge by NEDs is somehow inappropriate may help explain why so many projects which looked good in theory have disappointed their framers in practice.<sup>188</sup>

117. Sir Ian Cheshire acknowledged the balance inherent in advising on delivery without encroaching on policy.

I think we do approach that quite carefully in the sense of saying that we understand what the policy initiative is aiming to achieve, and our focus is on how well you land that and deliver it.<sup>189</sup>

He went onto suggest that it was the policy intent and general design that non-executives were excluded from but that they might be involved in the finer details of policy design.<sup>190</sup>

118. **Non-executives are recruited as a source of expertise and advice. It is right that they should not be involved in the inception of policy in broad terms. It is for the government to decide on policy goals and to be held accountable for them. However, if this is interpreted to preclude non-executives from being used to full value then it is self-defeating.**

119. *Guidance should be clarified to ensure that non-executives can offer advice to ministers and officials about the overall design of policy where that is likely to impact on its delivery.*

120. *We acknowledge that the lack of a clearly defined role for non-executives outside their formal role on departmental boards allows them to be used flexibly. However, if non-executives are typically providing most of their value, and spending most of their time, on other areas, clearer acknowledgement of that should be included in the Corporate Governance Code, including a clearer statement of the limits to their activity.*

121. *A stronger statement of the duty of non-executives to challenge what they see as flawed policy design or planning should be added.*

<sup>186</sup> Cabinet Office [Enhanced Departmental Boards: Protocol](#) 19 February 2013

<sup>187</sup> Q336

<sup>188</sup> Robert Hazell et al [Critical Friends? The Role of Non-executives on Whitehall Boards](#) Constitution Unit 2018 paras 4.43–4.44

<sup>189</sup> Q352

<sup>190</sup> Q352

## 6 Learning and Development

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### Civil Service training provision

122. Training and development for the Civil Service used to be coordinated and delivered by the National School of Government (NSG). Run by the Cabinet Office,<sup>191</sup> the NSG (formerly the Civil Service College and the Centre for Management and Policy Studies (CMPS)) provided training and development courses for the Civil Service. It also hosted the Sunningdale Institute, a research fellowship scheme designed to channel academic research and expertise into the Civil Service. Its main facility was at Sunningdale Park with smaller premises in London and Edinburgh. It was closed in March 2012 as part of the Coalition Government's Public Bodies Reform Programme.

123. Civil Service Learning (CSL) was established to oversee learning and development programmes prior to the closure of the NSG. In 2014, as part of its inquiry into Civil Service Skills, the then-Minister told our predecessor committee that:

the Civil Service has moved away from residential and classroom learning, to a modern offer which combines face-to-face courses with online training, coaching and other materials to support workplace learning. This shift has been driven by the creation of Civil Service Learning (CSL) in 2012.<sup>192</sup>

124. CSL provides some generic training provision itself but has been based more around commissioning external providers rather than internally provided programmes of the kind the NSG supplied. Departments and Professions remain responsible for their individual programmes but commission these through CSL.<sup>193</sup> At the time of our predecessor Committee's inquiry into Civil Service Skills, the Minister estimated that this had yielded savings in excess of £100 million.<sup>194</sup> Access to NSG courses was, according to the Government at the time, reputedly mainly the preserve of senior grades and those in specialist roles and was thought to be expensive, whereas the CSL emphasis on e-learning and workplace learning increased accessibility and reduced the cost.<sup>195</sup>

For too long we have relied on expensive residential and classroom-based training, duplicating effort across departments. The new Civil Service Learning will focus on work-based approaches, including e-learning and will directly involve managers in the training process.<sup>196</sup>

<sup>191</sup> For a time, it was a Non-Ministerial Government Department.

<sup>192</sup> [Written Evidence Response to the PASC Inquiry into Capabilities and Skills in the Civil Service, from the Minister for the Cabinet Office](#)

<sup>193</sup> There was a concern that the commissioning of external providers was too devolved and uncoordinated and that departments were being charged differently for similar services, often from the same providers.

<sup>194</sup> [Written Evidence Response to the PASC Inquiry into Capabilities and Skills in the Civil Service, from the Minister for the Cabinet Office](#)

<sup>195</sup> [Written Evidence Response to the PASC Inquiry into Capabilities and Skills in the Civil Service, from the Minister for the Cabinet Office](#)

<sup>196</sup> Cabinet Office [Shake-up of civil service training](#) 1 March 2012

125. Lord Maude, who, as Minister for the Cabinet Office, closed the NSG, maintains that it was the correct decision:

I don't have any regrets about closing the National School of Government. It had turned into not a very high-performing organisation [...] I have no doubt it was right to close down the National School of Government.<sup>197</sup>

126. There was certainly instability around the NSG which may have impacted its performance. Its name had been changed and it had moved from the Cabinet Office to become a Non-Ministerial Department before returning.<sup>198</sup> In addition, a PFI deal signed on its Sunningdale campus proved “horrendously expensive”.<sup>199</sup>

127. However, as well as concerns about its efficiency and the pursuit of savings, the decision to close the NSG was also motivated by Lord Maude’s desire to import skills and attitudes from the private sector in to the Civil Service. He told us:

There are some specific bureaucratic skills that need to be done in a Civil Service context, but a lot of the other skills should not be delivered just for civil servants. It is about getting the senior leaders into the top leadership programmes in top business schools, where they are learning alongside big figures in their peer group in the private sector and other sectors, because they learn from each other.<sup>200</sup>

He also noted how he had been enthusiastic about sending permanent secretaries to leadership courses at the most prestigious business schools.<sup>201</sup>

128. Our predecessor Committee’s 2013 report on Civil Service Skills argued that the decision to close the NSG had left a gap that CSL had not filled.<sup>202</sup> Whilst the CSL’s emphasis on e-learning may have reduced costs and eased access, it has led to a “lighter and narrower” training offering.<sup>203</sup> Furthermore, our predecessor Committee’s report concluded that it was not a direct replacement for the NSG and that something had been lost with its closure, with the provision for enhancing “skills, expertise and culture required to lead and manage change in the complex situations” particularly suffering in the absence of a dedicated, residential location.<sup>204</sup>

129. The loss of the less tangible benefits of the NSG have also been lamented by others. Cross-departmental networks were established at the NSG, for instance, whilst Robin Ryde (a former principal of the NSG) called it an “anchoring institution” and expressed concern that through losing it, civil servants were losing a space in which to consider, among other things, questions such as “who they are as a group”.<sup>205</sup>

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<sup>197</sup> Qq253–4

<sup>198</sup> National School for Government [Annual Report and Accounts 2010–11](#), p.5

<sup>199</sup> David Walker “Déjà vu for civil service training” [Guardian](#) 25 February 2011

<sup>200</sup> Q253

<sup>201</sup> Q225

<sup>202</sup> PASC [Developing Civil Service Skills: A Unified Approach](#) HC112 4th Report of Session 2014–15 para.80

<sup>203</sup> PASC 4th [Report of Session 2014–15](#) HC112 para 70

<sup>204</sup> PASC 4th [Report of Session 2014–15](#) HC112 para 62–67

<sup>205</sup> David Walker “Déjà vu for Civil Service training” [Guardian](#) 25 February 2011

130. Most of the evidence we have received has reiterated our predecessor Committee's conclusion that it was a mistake to close the NSG, a point conceded by the Minister.<sup>206</sup> Dave Penman of the FDA said that "There is growing recognition across the Civil Service that the decision that was taken around the National School of Government is one that they regret and that they are striving to find ways to replace it, both in its capacity and in the breadth of what it delivered for the Civil Service".<sup>207</sup> Professor Kakabadse said "We desperately need an institution that looks at the work we do, from leadership to operational levels, and provide[s] an integrated service to Government".<sup>208</sup> Catherine Baxendale emphasised the need for such a body to facilitate the induction and integration of external hires into the Civil Service's ways of working.<sup>209</sup>

### The future structure of training provision

131. Since the closure of the NSG, a plethora of specialist academies have been established by various parts of the Civil Service. There are now academies providing training in areas such as finance, digital, diplomacy and managing major projects.<sup>210</sup> The Civil Service Leadership Academy (CSLA) has been set up to address dedicated training and development needs of current and future Civil Service leaders. The CSLA is at a fairly early stage of development.<sup>211</sup> Its emphasis is on learning from previous experience with a focus on case studies and primarily delivered by current and former Civil Service leaders: "leaders should teach leaders".<sup>212</sup> The overall impression is that there is a renewed emphasis on developing skills in the Civil Service and a recognition that much of this should be dedicated and delivered in-house. However, it also appears that this development has been piecemeal, lacking coordination: Cabinet Secretary, Sir Jeremy Heywood agreed that training provision since the NSG's closure had been patchy and that more needed to be done to draw it together.<sup>213</sup>

132. The Minister suggested that steps towards that coherence might come through the Centre for Public Service Leadership (CPSL).<sup>214</sup> This was announced (initially as the "Public Service Leadership Academy" (PSLA)) by the Chancellor of the Exchequer in the Autumn 2017 Budget and, thus far, has involved establishing a task force under Sir Gerry Grimstone.<sup>215</sup> The remit of the CPSL remains unclear at the moment but included in its list of objectives is the creation of "a framework for collaboration between existing providers of public sector leadership development, and with private sector and academic institutions". Reference is also made to it as "an umbrella structure" for existing provision.<sup>216</sup> To a large extent, it appears to be an attempt to fill the gap left by the closure of the NSG.

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<sup>206</sup> Q601 (Oliver Dowden MP)

<sup>207</sup> Q204

<sup>208</sup> Q326)

<sup>209</sup> Q44)

<sup>210</sup> [CSE0011](#), (Cabinet Office) paras 24–28

<sup>211</sup> Q516 (Rupert McNeil)

<sup>212</sup> Q622 (Rupert McNeil)

<sup>213</sup> Q516

<sup>214</sup> Q618 (Oliver Dowden MP)

<sup>215</sup> Q618 (Oliver Dowden MP)

<sup>216</sup> HM Treasury [Public Service Leadership Academy: taskforce terms of reference](#) 22 November 2017

133. However, it falls short of the simple reestablishment of the NSG. Julian McCrae of the IfG suggested that, though there was clear need for a central body, with various specialist academies being established within the Civil Service, it would be better to build on what is currently provided.

There are things to be learned from the NSG, but equally the current model works and is being driven by people inside the Civil Service.<sup>217</sup>

134. This was the approach advocated by the Minister, who said:

I think what we need to do is try to draw out the best of some of the innovative things that we have done post the abolition of the National School of Government, for example, looking at how we use digital technologies, how we have actual in-department training.<sup>218</sup>

135. **The Civil Service has continued to prioritise learning and development and it has focussed on building its dedicated, in-house provision in this area. However, it is clear that key aspects of professional development of civil servants which used to be provided by the NSG are missing. Nothing has yet emerged to play the “anchoring” role that the NSG fulfilled. There is no single directing mind taking care of learning and development, either for individual civil servants or for the Civil Service as a whole. In spite of the range of different bodies, an overarching, coordinating body is conspicuous by its absence.**

*136. A body to lead and coordinate Civil Service learning and development activities should be established with its own permanent centre of operations. In addition to this “anchoring” coordination role, we reiterate our predecessor Committee’s recommendation that such a body should “be a place in which Civil Service leaders can reflect and build upon their experiential learning”. In establishing this academy, we recommend that the Cabinet Office consult academics to ensure that this institution provides Civil Service leaders with effective access to conceptual, reflective and experimental learning. It must address the unique challenges faced by public service leaders, which conventional business training cannot”.<sup>219</sup>*

*137. We set out in this inquiry asking how the Civil Service should become “more mindful of itself”. This inquiry has not provided a clear answer to this question. How an organisation nurtures its future talent and leadership by which the values of an organisation is handed down the generations. We await the outcome of Sir Gerry Grimstone’s Centre for Public Service Leadership review with interest. We will conduct a follow-up inquiry once his taskforce has made some more progress.*

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217 Q327

218 Q618 (Oliver Dowden MP)

219 PASC [Developing Civil Service Skills: A Unified Approach](#) Fourth Report of Session 2014–15 HC 112, para. 45

# Conclusions and recommendations

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## Civil Service Responsiveness

1. The significance of a trusting, confident relationship between ministers and their senior officials is vital to effective policy design and delivery. This is amply illustrated by, in its absence, ministers publicly criticising their civil servants, and civil servants apparently countering by leaking internal, confidential information to the media. Neither of these can be justified. Where ministers work with their officials well, apportioning blame is replaced by forward-looking lesson learning. This depends upon ministers feeling comfortable with their sense of accountability, which also means their feeling comfortable in their dependence upon those they “instruct”. This in turn depends upon the quality of personal working relationships, including between ministers and officials, and the degree of trust between them. This underlines how important it is for ministers to create the right atmosphere for these crucial relationships. (Paragraph 22)
2. The experiment with Extended Ministerial Offices has ended after they were not widely used. But it remains vital that ministers have confidence in their private offices. This depends on how permanent secretaries engage their ministers in the appointment of staff and their work. (Paragraph 23)
3. *We welcome the Minister's commitment to investigate ways of establishing a Parliamentary Civil Service Scheme. We recommend and expect proposals and plans for this to be set out in the Government's response to this report.* (Paragraph 27)
4. Continuing reform and renewal of the Civil Service must acknowledge how much depends upon the relationship between ministers and senior civil servants. We are pleased that the significance of the minister-civil servant relationship highlighted by this Report is already acknowledged by the Minister. (Paragraph 33)
5. *Newly appointed ministers should be required to hold structured discussions with their permanent secretaries in the days and weeks following appointment to establish a clear understanding of priorities and ways of working. No.10 should ensure that these have taken place. Ideally, coaching and facilitation by a third person of sufficient standing and experience should be made available to facilitate a clear working relationship between a minister and his or her permanent secretary as quickly as possible. The necessary advice, support and resource should be provided by the Cabinet Office, and should not be refused by a department without the Cabinet Secretary being satisfied that there is good reason. Once such facilitated preliminary meetings are part of the culture of Whitehall, and provided the body of facilitators gain a reputation for their effectiveness, few permanent secretaries or ministers would resist the opportunity to accelerate their learning and effectiveness.* (Paragraph 34)

## Capability and Priorities

6. *For effective workforce planning, it is vital that the Civil Service has a comprehensive picture of its stock of skills and expertise. It is more than two years since our predecessor Committee reported on this matter. Progress towards this is welcome but there are still significant gaps in this knowledge. The Government must set out the measures being taken to gather the necessary information on the state of the Whitehall Professions and then to keep this information up to date. This should be set out in its response to this report, with targets and dates for achieving this, and how this will be done, or there can be little confidence that this will ever be achieved.* (Paragraph 38)
7. *In its report on Accounting for Democracy, our predecessor committee reiterated criticisms of the Single Departmental Plans (SDPs) process made by bodies like the National Audit Office and Institute for Government. The Committee concluded that the SDPs “contain too little detail on either spending or performance”. In spite of this criticism, that report concluded that SDPs should be developed and improved rather than abandoned. It also recommended that, subject to the omissions on grounds of national security or commercial confidentiality, full SDPs should be published. We reiterate these recommendations and expect the government to respond positively* (Paragraph 45)
8. If the Civil Service is to make appointments based on experience applicants have gained in other sectors, it is important that this experience is exploited as effectively as possible. Not to do so undermines the logic of external recruitment. (Paragraph 55)
9. The appropriate balance between external recruitment and building capacity internally will vary over time. External recruitment is sometimes necessary to address short term skills gaps in key areas. More generally, a degree of external recruitment can be valuable in bringing different experiences and perspectives to the Civil Service. We note the successful external recruitment to key positions in the Civil Service. Some of those appointees were witnesses in this inquiry. (Paragraph 56)
10. *We welcome the commitment made to address the recommendations of the Baxendale Report. But better monitoring of this is needed. At a minimum, external hires should be included as a sub-category in the Autumn 2018 Civil Service People Survey.* (Paragraph 57)
11. *However, the Civil Service must maintain and renew its capacity to generate its own talent and future leadership, which reflects the experience of the vast majority successful organisations.* (Paragraph 58)
12. In respect of how the Pivotal Role Allowance can help retain experience and expertise in particular posts, it is right to ensure that the PRA is only used for genuinely pivotal roles and that it does not become a de facto means to gain a pay increase. However, if one of the main means of addressing the problem of churn amongst key staff is being undermined by the bureaucracy surrounding its application, it suggests that the safeguards are excessive. We note that the revised strategy outlined in the Cabinet Office’s most recent submission to the SSRB sees the PRA continuing only as a transitional measure as a new reward strategy is developed. However, for

as long as it remains, it needs to be effective. The Government told us that it “will continue to monitor and review the appropriateness of the PRA process, including the scope for streamlining”. (Paragraph 65)

13. *The Government must complete its review of the Pivotal Role Allowance and we look forward to the next steps in this process being set out in the Government’s response to this report.* (Paragraph 66)
14. The average time in post for the Senior Civil Service is less than two years. This is shorter than the tenure of many of the ministers they serve, and makes a nonsense of the idea of a permanent Civil Service providing ministers with the subject expertise, long experience and corporate memory they are entitled to expect. The Fulton Committee’s 1968 report on the Civil Service criticised “the cult of the generalist”, but the evidence is that this persists. The system fails to value subject expertise and relevant experience in the field. A departmental permanent secretary in particular should be the pre-eminent policy and delivery expert in their field, but many appointments of permanent secretaries are made from outside the department. (Paragraph 75)
15. *Just as the Civil Service as a whole needs to concentrate more on developing its own talent and future leadership, so departments need to do so as well. We expect the government to demonstrate it is giving this aspect of Civil Service effectiveness some fresh thinking in its response to this report.* (Paragraph 76)
16. The issue of churn and “the cult of the generalist” has been identified as an issue under successive governments but the problem persists. Complaints about churn predate the present period of pay restraint of the last ten years, suggesting that pay is not the only, or even the major, cause of the problem. The perception amongst civil servants seems to be that the best route to seniority is through rapid movement. Until depth of knowledge or specialism provide a similar prospect of career progression, churn is likely to remain an issue. (Paragraph 77)
17. The Professions have developed unevenly. They are structured differently, have different degrees of leadership, and varying degrees of integration. Garry Graham of Prospect told us that 72% of its members had little or no engagement with their profession. Given this, we are not convinced that the current Professions are robust or coherent enough to provide the basis for a Civil Service-wide reform of pay (Paragraph 78)
18. *We welcome the Government’s acknowledgement of the issue of churn and the need to reward the development of specialist skills and deep knowledge. But, to date, only limited initiatives have addressed this. The problem goes to the heart of how the Civil Service thinks about itself and how it plans remain self-sustaining.* (Paragraph 79)
19. *We are concerned that the system of cross-government Professions is insufficiently developed to provide the basis for the strategy contained in the Cabinet Office’s submission to the SSRB. Before any strategy introduced, we recommend the Cabinet Office undertake a review of the readiness and embeddedness of the Professions to address churn, and how they will also address the need to strengthen experience and expertise relevant to each government department.* (Paragraph 80)

## Functional Leadership

20. There is a balance to be struck between the potential gains from common processes and practices across government and the need for departments to be able to tailor these to their own needs. However, it should not be viewed as a zero-sum game, with progress on the cross departmental Functions automatically viewed as a diminution of departmental authority. This is not about strategic coordination of policy across departments but about effective cross-departmental administration. The role of Functions should be to assist departments to deliver the Government's policies more effectively. For their part, departments need to be properly incentivised to work effectively with Functions. (Paragraph 91)
21. The development of cross-government structures does create difficulties for existing accountability mechanisms centred around departments. We understand the Government's concern that creating accountability structures for Functions risks impinging on departmental pre-eminence. We are also mindful of the need to avoid adding layers of bureaucracy. However, without some form of accountability, we are concerned that there is a risk that Functional priorities diverge from the departments that they are supposed to be supporting. (Paragraph 92)
22. *We recommend that the cross departmental Functions develop statements setting out their principles of collaboration with the departments. This should include agreements on sharing of data and the mechanisms by which they agree deliverables with their departments. There should also be a general statement about how a conflict between a cross department Function and a government department should be resolved. These should be agreed by the Civil Service Board, and reflected in the response to this report.* (Paragraph 93)

## Departmental Boards

23. It is clear that, currently, boards are not regarded as effective in many instances. That several departmental boards did not even meet the minimum threshold of four meetings a year is symptomatic of this. We agree that this is in large part due to the role of the secretary of state as chair: where secretaries of state do not take boards, or their role as chair, seriously, they deliver little value. We do not, however, subscribe to the view that the secretary of state should relinquish the chair. Instead, measures to establish a clearer role and expectations of departmental boards, including of the role of chair, should be introduced. (Paragraph 110)
24. *At the minimum, all boards should meet the threshold of four meetings a year.* (Paragraph 111)
25. *The role of the board and of board members should be included in any induction for ministers new to a department. New ministers should establish with the permanent secretary and the lead non-executive clear goals against which board performance can be evaluated. Secretaries of state should, on a comply-or-explain basis, relinquish the chair for those parts of board meetings involving evaluation of the department's plans or performance.* (Paragraph 112)

26. Non-executives are recruited as a source of expertise and advice. It is right that they should not be involved in the inception of policy in broad terms. It is for the government to decide on policy goals and to be held accountable for them. However, if this is interpreted to preclude non-executives from being used to full value then it is self-defeating. (Paragraph 118)
27. *Guidance should be clarified to ensure that non-executives can offer advice to ministers and officials about the overall design of policy where that is likely to impact on its delivery.* (Paragraph 119)
28. *We acknowledge that the lack of a clearly defined role for non-executives outside their formal role on departmental boards allows them to be used flexibly. However, if non-executives are typically providing most of their value, and spending most of their time, on other areas, clearer acknowledgement of that should be included in the Corporate Governance Code, including a clearer statement of the limits to their activity.* (Paragraph 120)
29. *A stronger statement of the duty of non-executives to challenge what they see as flawed policy design or planning should be added.* (Paragraph 121)

## Learning and Development

30. The Civil Service has continued to prioritise learning and development and it has focussed on building its dedicated, in-house provision in this area. However, it is clear that key aspects of professional development of civil servants which used to be provided by the NSG are missing. Nothing has yet emerged to play the “anchoring” role that the NSG fulfilled. There is no single directing mind taking care of learning and development, either for individual civil servants or for the Civil Service as a whole. In spite of the range of different bodies, an overarching, coordinating body is conspicuous by its absence. (Paragraph 135)
31. *A body to lead and coordinate Civil Service learning and development activities should be established with its own permanent centre of operations. In addition to this “anchoring” coordination role, we reiterate our predecessor Committee’s recommendation that such a body should “be a place in which Civil Service leaders can reflect and build upon their experiential learning”. In establishing this academy, we recommend that the Cabinet Office consult academics to ensure that this institution provides Civil Service leaders with effective access to conceptual, reflective and experimental learning. It must address the unique challenges faced by public service leaders, which conventional business training cannot*. (Paragraph 136)
32. *We set out in this inquiry asking how the Civil Service should become “more mindful of itself”. This inquiry has not provided a clear answer to this question. How an organisation nurtures its future talent and leadership by which the values of an organisation is handed down the generations. We await the outcome of Sir Gerry Grimstone’s Centre for Public Service Leadership review with interest. We will conduct a follow-up inquiry once his taskforce has made some more progress.* (Paragraph 137)

# Formal minutes

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**Tuesday 12 June 2018**

Sir Bernard Jenkin, in the Chair

Ronnie Cowan	Kelvin Hopkins
Mr Marcus Fysh	Mr David Jones
Dame Cheryl Gillan	David Morris

Draft Report (*The Minister and the Official: The Fulcrum of Whitehall Effectiveness*) proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 137 read and agreed to.

Summary read and agreed to.

*Resolved*, That the Report be the Fifth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available under Standing Order No. 134.

[Adjourned until Wednesday 20 June at 3pm

# Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

## Tuesday 7 November 2017

<b>Catherine Baxendale</b> , independent HR consultant	<a href="#">Q1–47</a>
<b>Sir Amyas Morse</b> , Comptroller and Auditor General, National Audit Office	<a href="#">Q48–117</a>

## Tuesday 21 November 2017

<b>Dave Penman</b> , General Secretary, FDA, Gareth Hills, President, FDA, <b>Paul O'Connor</b> , Head of Bargaining, Public and Commercial Services, and <b>Garry Graham</b> , Deputy General Secretary, Prospect	<a href="#">Q118–207</a>
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## Tuesday 5 December 2017

<b>Lord Maude</b> , former Minister for the Cabinet Office, and <b>Baroness Finn</b> , former Government adviser on Civil Service reform	<a href="#">Q208–261</a>
<b>Rt Hon Sir Oliver Letwin MP</b> , former Minister for Government Policy, Cabinet Office	<a href="#">Q262–294</a>

## Tuesday 19 December 2017

<b>Professor Andrew Kakabadse</b> , Henley Business School, and <b>Julian McCrae</b> , Institute for Government	<a href="#">Q295–335</a>
<b>Sir Ian Cheshire</b> , Government Lead Non-Executive, and <b>Catherine Brown</b> , Cabinet Office non-executive	<a href="#">Q336–374</a>

## Monday 15 January 2018

<b>Sir Jeremy Heywood</b> , Cabinet Secretary, Cabinet Office, <b>John Manzoni</b> , Permanent Secretary, Cabinet Office, and <b>Rupert McNeil</b> , Chief People Officer, Cabinet Office	<a href="#">Q375–521</a>
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## Tuesday 1 May 2018

<b>Oliver Dowden MP</b> , Parliamentary Secretary and Minister for Implementation, and <b>Rupert McNeil</b> , Chief People Officer, Cabinet Office	<a href="#">Q522–639</a>
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## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

CSE numbers are generated by the evidence processing system and so may not be complete.

- 1 Better Government Initiative ([CSE0004](#))
- 2 Cabinet Office ([CSE0011](#))
- 3 Cabinet Office ([CSE0015](#))
- 4 Catherine Baxendale ([CSE0013](#))
- 5 Dr Andrew Blick ([CSE0001](#))
- 6 Michael Berry ([CSE0006](#))
- 7 Mr Andrew Greenway ([CSE0010](#))
- 8 Mr Richard Ebley ([CSE0005](#))
- 9 Professor Andrew Kakabadse ([CSE0008](#))
- 10 Professor Andrew Kakabadse ([CSE0014](#))
- 11 Professor Hugh Pemberton ([CSE0002](#))
- 12 Professor Robert Hazell ([CSE0009](#))
- 13 Public and Commercial Services ([CSE0007](#))

# List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

## Session 2017–19

First Report	Devolution and Exiting the EU and Clause 11 of the European Union (Withdrawal) Bill: Issues for Consideration	HC 484
Second Report	Parliamentary Boundary Reviews: What Next?	HC 559 (HC 1072)
Third Report	PHSO Annual Scrutiny 2016–17	HC 492
Fourth Report	Ensuring Proper Process for Key Government Decisions: Lessons Still to be Learned from the Chilcot Report	HC 854
First Special Report	Will the NHS never learn? Follow-up to PHSO report 'Learning from Mistakes' on the NHS in England: Government Response to the Committee's Seventh Report of Session 2016–17	HC 441
Second Special Report	The Future of the Union, part two: Inter-institutional relations in the UK: Government Response to the Sixth Report from the Committee, Session 2016–17	HC 442
Third Special Report	Lessons still to be learned from the Chilcot inquiry: Government Response to the Committee's Tenth Report of Session 2016–17	HC 708
Fourth Special Report	Government Response to the Committee's Thirteenth Report of Session 2016–7: Managing Ministers' and officials' conflicts of interest: time for clearer values, principles and action	HC 731
Fifth Special Report	Parliamentary Boundary Reviews: What Next?: Government Response to the Committee's Second Report	HC 1072