

has men and women with the ability, vision and enthusiasm to carry the task through to success. The new Service they will be creating will be one that offers a stimulating and challenging career to the men and women who work in it.

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19th June, 1968

## RESERVATION TO CHAPTER I

1. I sign Chapter 1 of the Report subject to the following reservations.
2. I think that the chapter is unfair to the Civil Service. While I agree that far-reaching changes are now desirable, the chapter fails to recognise, in my opinion, the contemporary relevance of the great contribution the Service made to the successful conduct of the war and, subsequently, in the transition from war to peace. I believe that full recognition should be accorded to the British Civil Service for its many achievements and qualities, and that the chapter's emphasis on the Service's present shortcomings gives a misleading impression of its future potentials. The Committee were told in France that those who were responsible for remodelling the French Civil Service at the end of the war had much in mind the qualities of the British Administrative Class. There have been recommendations also from time to time in the USA, that something equivalent to the British Administrative Class might, with advantage, be established.
3. Whilst it is no doubt true to say that the foundations of the Civil Service were laid in the second half of the nineteenth century, it is surely also true that the main characteristics it displays today are mid-twentieth-century developments. Although its creation has been called "the one great political invention of nineteenth-century England", it is also evident that its continued growth is an achievement of our own times. The Northcote-Trevelyan reforms led to the creation of the Civil Service Commission, the open competition and to a structure which was the forerunner of what we have today. But events alone have produced a very different and more positive-minded Administrative Class over the years, starting perhaps with Lloyd George's Insurance Act, followed by two World Wars and all the developments since. After each of the World Wars the Service in fact did a good deal to reorganise itself and, if it has not gone as far as is called for in fully integrating the professional classes of the Service, the place that they have been given since the Second World War is very different from the one that they held before.
4. What we have now to face is essentially a situation which has arisen in the post-war world; this requires a capacity to face the truth at all costs, however inconvenient it may be to do so. This capacity is, I believe, already available to us in the Civil Service as it exists at present, but a degree of reorganisation and further development is required if its fullest potentialities are to be made available to us. This is common ground. I am therefore disappointed that the proposals embodied in this report, and fore-shadowed in the present chapter, assume that what is required is something approaching revolutionary changes. My own view is that necessary reforms could be obtained by encouraging the evolution of what is basically the present situation, given the necessary amendments in direction and emphasis. The Treasury proposals before us already suggest many ways in which this may be achieved.

5. In particular, I do not agree that "the Service is essentially based on the philosophy of the amateur (or 'generalist' or 'all-rounder')". It has recently been pointed out that specialisation without a broad basis of foundation knowledge has profound disadvantages. It is true that modern economic and political organisation needs high specialism, but it also needs more general qualities of judgement and decisiveness, and the ability to understand how the reshaping of values may be embodied in and implemented by public policy. In effect, both specialists and generalists are required, and the problem becomes one of relationships and responsibilities, rather than the exclusion of the one in favour of the other. Modern techniques, such as linear programming, cost benefit analysis and other methods of specialised analysis are clearly needed and should be used to the full in the Civil Service. They do not, however, supersede the importance of the fundamental qualities of judgement which are vital to the successful prosecution of government business.

6. So far as generalist knowledge and experience are concerned, I am sure that Macaulay's argument was right and that the Civil Service needs nothing more, and nothing less, than the best brains known to teachers in schools and universities. I have little sympathy with the argument that the Civil Service of today must be fundamentally changed because the Administrative Class which dominates it is typified by the 'gifted amateur'. In the Finance and Public Sector sides of the Treasury there is an immense amount of expert knowledge in the Administrative Class and, although professional economists have helped, administrators have been very much to the fore in such matters as the better long-term planning of public expenditure. The charge of amateurism can indeed be pressed to a point where it puts too much importance on knowledge acquired and formally recognised by the award of a degree or professional qualification before a man enters the Service, and recognises too little the knowledge gained after joining. There are signs that big employers in industry are not now very interested in subject a man has read for a degree, unless they want him for scientific research, and the Administrative Class has in any case to face a problem of communication with non-experts in the form of Ministers and Committees of the House of Commons, which is fundamentally different from anything that industry has experienced. I do not therefore accept that there is a "cult of the generalist" in the Service today or that the "generalist" is obsolete at all levels.

7. More has already been done to improve the efficiency of the Service than the report recognises. There is still a long way to go in devising more effective forms of organisation, but the experience of, for example, Canada casts doubt on the suggestion that a reorganisation of class structure will of itself help the Service to work more smoothly. Reform should be discriminating. The statement that nowhere has it run ahead too rapidly takes no account of the informed criticism that too many economists have been introduced into the Service in recent years, in too short a time to make it possible to deploy their services to best effect. Although there may be a need for more knowledge in the Service of economics this cannot be obtained only by recruiting more specialist economists. Diminishing returns, it has been pointed out, are to be expected as their number grows.

8. In my opinion, it is evident that there is substantial agreement concerning the chief requirements of Civil Service reform, necessary to enable the Service to meet the rapidly changing demands of the present day more effectively. I agree that it was in the 1950s that it became apparent that the Service was not abreast of change; but I consider that it was only then that this happened. I therefore believe that the correct interpretation of the evidence summarised in this Chapter must lead to the conclusion that the task before us is not one of the total reconstruction of an obsolete institution. On the contrary, I am convinced that we have in the existing Civil Service an asset which it would be utterly foolish to discard. Its potentialities provide a more than adequate basis for any reforms that may be necessary both in the immediate and long-term future.

I have not sought to associate my Civil Service colleagues with me in stating this dissenting opinion.

SIMEY.

## SUMMARY OF MAIN FINDINGS

1. The Home Civil Service today is still fundamentally the product of the nineteenth-century philosophy of the Northcote-Trevelyan Report. The problems it faces are those of the second half of the twentieth century. In spite of its many strengths, it is inadequate in six main respects for the most efficient discharge of the present and prospective responsibilities of the government:—

- (a) It is still too much based on the philosophy of the amateur (or "generalist" or "all-rounder"). This is most evident in the Administrative Class, which holds the dominant position in the Service.
- (b) The present system of classes in the Service (there are over 1400, each for the most part with its own separate pay and career structure) seriously impedes its work.
- (c) Scientists, engineers and members of other specialist classes are frequently given neither the full responsibilities and opportunities nor the corresponding authority they ought to have.
- (d) Too few civil servants are skilled managers.
- (e) There is not enough contact between the Service and the community it is there to serve.
- (f) Personnel management and career planning are inadequate.

For these and other defects the central management of the Service, the Treasury, must accept its share of responsibility.

2. We propose a simple guiding principle for the future. The Service must continuously review the tasks it is called on to perform; it should then think out what new skills and kinds of men are needed and how these men can be found, trained and deployed.

3. A new Civil Service Department should be set up with wider functions than those now performed by the "Pay and Management" group of the Treasury, which it should take over. The new department should also absorb the Civil Service Commission.

4. The new department should be under the control of the Prime Minister. We hope that he will retain direct responsibility for senior appointments, machinery of government and questions of security. Outside this area, we suggest that the Prime Minister should delegate day-to-day responsibility to a non-departmental Minister of appropriate seniority who is also a member of the Cabinet.

5. The Permanent Secretary of the Civil Service Department should be designated Head of the Home Civil Service.

6. All classes should be abolished and replaced by a single, unified grading structure covering all civil servants from top to bottom in the

non-industrial part of the Service. The correct grading of each post should be determined by job evaluation.

7. The Service should develop greater professionalism both among specialists (e.g. scientists and engineers) and administrators (i.e. the new counterparts of the present Administrative and Executive Classes). For the former this means more training in management, and opportunities for greater responsibility and wider careers. For the latter it means enabling them to specialise in particular areas of government. We identify two such areas and accordingly recommend the development of a group of economic and financial administrators, and a second group of social administrators.

8. Employing departments should have a larger role in recruitment and there should be a speeding up of procedures. A majority of us consider that in the recruitment of graduates for one or other of the groups of administrators more account should be taken of the relevance of their university courses to the job they are being recruited to do.

9. A Civil Service College should be set up. It should provide major training courses in administration and management and a wide range of shorter courses. It should also have important research functions. The courses provided by the College should not be restricted to civil servants; a proportion of places should be set aside for men and women from private industrial and commercial firms, local government and public corporations.

10. More resources should be devoted to the career management of all civil servants. All must have the opportunity to progress as far and as fast as their talents and appropriate training can take them. This involves major changes in promotion procedures.

11. While the Civil Service should remain predominantly a career Service, there should be greater mobility between it and other employments. We, therefore, recommend an expanded late entry, temporary appointments for fixed periods, short-term interchanges of staff and freer movement out of the Service. These proposals involve substantial changes in the pension scheme and the replacement of "established" status by new terms of employment.

12. In the interests of efficiency, the principles of accountable management should be applied to the organisation of the work of departments. This means the clear allocation of responsibility and authority to accountable units with defined objectives. It also means a corresponding addition to the system of government accounting.

13. Management services units with highly qualified and experienced staff should be set up in all major departments.

14. Departments should establish Planning Units.

15. In addition to the Permanent Secretary, there should also be in most departments a Senior Policy Adviser to assist the Minister. The Senior Policy Adviser would normally be head of the Planning Unit. His prime job would be to look to and prepare for the future and to ensure that present policy decisions are taken with as full a recognition as possible of likely future developments.

16. In some of the big technical departments, there may be a need for a further senior post: a chief scientist, engineer or other specialist.

17. We do not propose that the Senior Policy Adviser and chief specialist, together with the Permanent Secretary, should constitute a formal board. The working arrangements should be informal and variable from department to department and from time to time; different Ministers' individual ways of working will do much to determine the pattern.

18. There should be one man who has overall responsibility under the Minister for all the affairs of the Department and he should continue to be the Permanent Secretary.

19. A Minister at the head of a department should be able to employ on a temporary basis such small numbers of experts as he personally considers he needs to help him.

20. We have suggested a number of further inquiries. Their subjects among others, should be:—

- (a) the desirability of "hiving off" activities to non-departmental organisations;
- (b) ways and means of getting rid of unnecessary secrecy both in policy-making and in administration;
- (c) the new pattern of joint consultation that will be appropriate for the Civil Service in the light of the Government's decisions on our report. This inquiry should be conducted jointly by the Civil Service Department and the staff associations;
- (d) methods of making recruitment procedures as speedy and objective as possible.

21. If our proposals are accepted, we hope that the Government will take steps to see that the progress made in their implementation is reviewed. This could be by an annual report to Parliament during the next five years. A small committee might be set up at the end of that period if needed.

22. We have seen that the Service has men and women with the ability, vision and enthusiasm needed to carry our proposals through to success. A Civil Service reconstructed on the basis of these proposals will, we believe, make possible the progressive and efficient conduct of our affairs.

## APPENDIX A

### THE SCOPE OF OUR INQUIRY

We were appointed on 8th February, 1966 to "examine the structure, recruitment and management, including training, of the Home Civil Service, and to make recommendations".

2. The Prime Minister, in his statement in the House of Commons, said that the decision to set up a Committee was reached in view of the changes which had taken place in the demands placed upon the Civil Service and of the changes in the country's educational system; and that the time had come to ensure that the Service was properly equipped for its role in the modern State. He added 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".

3. Our terms of reference refer to the "Home Civil Service", and thus exclude the Diplomatic Service. The Home Civil Service is not easy to define precisely, but we have found it convenient broadly to follow the last two Royal Commissions on the Civil Service\* in adopting "Servants of the Crown, other than holders of political or judicial offices, who are employed in a civil capacity and whose remuneration is paid wholly and directly out of moneys voted by Parliament". This includes both permanent and temporary staff in public departments but excludes the staff of such bodies as the Research Councils, whose organisation, pay and conditions are similar to those of the Civil Service.

4. This definition also excludes the staff of the Post Office, whose salaries are not voted by Parliament but are paid out of Post Office receipts. They have continued to be civil servants by virtue of the Post Office Act, 1961, but we decided to omit them from our inquiry following the Government's announcement that legislation will shortly be introduced to separate the Post Office from the Civil Service. We have also followed the precedent of previous inquiries in omitting all industrial staff. The National Board for Prices and Incomes recommended in their report No. 18 of June, 1966 that the Government should aim over a period to build on what is common to the industrial and non-industrial parts of the Service with the ultimate objective of accord- ing equality of status to all government servants. This objective has been accepted, but the structure, management etc. of industrial staff are specially and separately determined, and we decided that we could not examine their different problems. Unless otherwise stated, all figures quoted in our report exclude both Post Office and industrial staff.

5. The field of our inquiry is thus the non-industrial staff of the Civil Service, excluding the Diplomatic Service and the Post Office. On 1st January, 1968, they numbered 459,000.

6. Our terms of reference excluded the machinery of government. We found at many points of our inquiry that this imposed limits on our work; questions about the number and size of departments, and their relationships with each other and the Cabinet Office, bear closely upon the work and organisation of the Civil Service. We have recommended (in Chapter 5) that the Government should examine the possibility of "hiving off" a number of functions now discharged by departments and entrusting them to independent public bodies; and we express the view (in Chapter 8) that this examination may also provide an opportunity for a wider review of the machinery of government.

\* Royal Commission on the Civil Service 1929-31 (CMD. 3909). Royal Commission on the Civil Service 1953-55 (CMD. 9613).