

This is the text of a letter which Sir Andrew Turnbull sent on 24 June 2002 to the Chairman of the House of Commons Select Committee on Public Administration. In his letter, Sir Andrew sets out how he proposes to tackle the mandate which the Prime Minister has given him, and the structure which he intends to put in place in the Cabinet Office to support him when he takes over as Cabinet Secretary and Head of the Home Civil Service at the beginning of September 2002.

CABINET OFFICE REFORM AND DELIVERY IN THE CIVIL SERVICE

I take up post as Cabinet Secretary and Head of the Civil Service on 2 September 2002. This note explains how I propose to tackle the mandate which the Prime Minister has given me, and the structure which I intend to put in place in the Cabinet Office to support me and Cabinet Office Ministers.

My Role

The Prime Minister has decided that while he wants to retain the combined role of Cabinet Secretary and Head of the Civil Service in a single post, he wants me, in my three years in the post, to give priority to civil service reform and the delivery of better public services, building on the important changes which are already underway and bearing fruit.

I have spent much of the last few weeks listening to what the Prime Minister, Cabinet Office Ministers, my colleagues and others think about where we are on the road to reform and what more we need to do.

The 3 year Vision

My starting point is where I want the Civil Service, and by extension the wider public sector through whom it delivers many of its policies, to be in three years time.

I have identified four major goals:

- A Civil Service respected as much for its capability to deliver as for its policy skills
- An enhanced capacity to think and operate strategically
- A Civil Service that creates public value. This incorporates the quality of the services it delivers but goes wider into the values it enshrines
 - Integrity and trust
 - Impartiality and readiness to serve all citizens and governments
 - Recruitment and advancement on merit
 - A make-up that reflects the society that it serves
- A Civil Service which young people and people successful in other walks of life want to join and to work with

The Enablers

I have also identified some key enablers which we need to achieve these goals. These are:

- Shared endeavour with Ministers
- Greater clarity about the relationship between the centre, departments and the wider public sector
- Better strategic policy making in departments
- Raising or acquiring key skills such as project management
- Using technology to help re-organise government around customer-focussed service delivery
- A higher profile for the management and development of people
- Flexible delivery structures that follow purpose and exploit e-technology to the full
- Stronger links with other parts of the public sector

Cabinet Office

I have thought about my new role and the role of the Cabinet Office against that background.

The Cabinet Office, under the direction of Lord Macdonald of Tradeston, Minister for the Cabinet Office, and Douglas Alexander MP, Minister of State in the Cabinet Office, has four main roles:

- to support the Prime Minister in leading the Government
- to support the Government in transacting its business, and
- to lead and support the reform and delivery programme
- to coordinate security and intelligence

A number of changes will help me to meet the Prime Minister's mandate.

First, the creation of a separate Office of the Deputy Prime Minister simplifies the Cabinet Office's responsibilities and structures and focuses its work on the four objectives above.

Second, the Prime Minister has decided to create a new post of Security and Intelligence Co-ordinator and Permanent Secretary at the Cabinet Office filled by Sir David Omand. He will co-ordinate security, intelligence and consequence management matters and to deal with risks and major emergencies should they arise. Sir David will also act as Accounting Officer and Permanent Secretary to the Cabinet Office. I am very fortunate in being supported by someone who is extremely well qualified to take on these roles.

Third, I am asking one of my most senior colleagues, Sir Hayden Phillips, to lead the Cabinet Office's work on honours for me.

My Team

In focusing on reform and delivery, my first priority is to construct a team to support me which:

- (a) brings together into a single integrated structure units which started in the Cabinet Office and those created recently by the Prime Minister,
- (b) each unit has a distinct purpose which is clear to the outside world, and
- (c) works to the overall strategy set out in the three year vision above.

The components are set out in the chart at Annex A.

Strategy	Geoff Mulgan
Delivery and Performance	Michael Barber
Corporate Development and HR	Alice Perkins
e-Transformation	Andrew Pinder
Public Service Reform	Wendy Thomson
Commercial Reform and Project Management	Peter Gershon

In addition I intend to create a central team reporting to me on Reform Strategy to coordinate the Civil Service reform strategy and communicate it.

I set out the remit of each unit below.

Strategy Unit – Geoff Mulgan (SU)

This will be a single unit bringing together the Performance and Innovation Unit and the Forward Strategy Unit. Its function will be to carry out strategic and policy analysis which can take several forms:

- long-term strategic reviews of major areas of policy
- studies of cross-cutting policy issues
- strategic audit, (eg where does the Government stand in relation to its main objectives?)
- working with departments to promote strategic thinking and improve policy making across Whitehall

The unit will work in several modes:

- Open consultation, as with many PIU projects
- Confidentially with departments
- Confidentially working to the Prime Minister

With this remit it is unnecessary to make a distinction between the FSU and the PIU so in future the two will be merged into a single unit called the Strategy Unit (SU). Geoff Mulgan will continue to direct the work of the SU but on particular issues the Prime Minister will continue to ask for advice from external advisors, including Lord Birt, who will remain the Prime Minister's Strategy Adviser, supported by the SU.

Delivery – Michael Barber (DU)

The Delivery Unit will continue to be responsible for ensuring that the Government achieves its delivery priorities, across the key areas of public service (health, education, crime, asylum and transport) and will expand its scope to include priorities in the other main domestic service delivery departments. Working closely with the Treasury, it will ensure that the departments have in place effective delivery plans for their PSAs. Through its continuing collaboration with the Treasury, it will develop the framework, methodology and database for delivering these targets and identify training and development needs for civil servants involved.

The Delivery Unit will report regularly to the PM through the Minister for the Cabinet Office on progress on the delivery priorities of the delivery departments and establish the agenda for his regular stocktake meetings with the Ministers concerned; and will report twice yearly to PSX. All departments remain accountable for meeting their PSAs through the PSX process.

Precise decisions on which departments and PSA targets the Delivery Unit should prioritise will therefore be taken in the light of the PSAs which emerge from the Spending Review.

e-Transformation – Andrew Pinder (e-Envoy)

We need to give a greater push to the e-Government agenda. So I want to focus the bulk of the Office of the e-Envoy (OeE) work on e-Government. Andrew Pinder will retain his role as e-Envoy, reporting to the Secretary of State (DTI) and the Prime Minister. The OeE's role will give greater drive to e-service delivery — focusing Government around the customer — and Knowledge Management within government, specifically:

- an office of e-Government dealing with e-strategy and e-service delivery issues at a strategic level. At a technical level, this will for example involve common standards, the government e-infrastructure and leading the Governments' web and e-channels strategies. This will report to the Minister of State in the Cabinet Office.
- OeE will retain a strategic co-ordinating role in relation to the wider e-economy. However, to create additional capacity to take on a) (above), when this leads to any implementation it will transfer the work at an earlier stage to the relevant department(s). In the immediate term, this means OeE's current work on Broadband and the Electronic Communications Act will transfer to DTI.
- the e-Envoy will continue to lead the UkOnline campaign

Corporate Development – Alice Perkins (CDG)

This group will spearhead the work on bringing in more talent, developing it better and raising the capability of HR management throughout Whitehall. The component parts will be:

- **Talent**
Covering recruitment, career development, diversity, interchange and succession planning
- **Leadership Development and Skills**
Identifying the training and development needed in the Civil Service, and commissioning it. CMPS will remain as a key provider and enabler, working with a range of outside institutions.
- **Pay and Performance**
Developing pay, performance management and pensions systems and flexible retirement arrangements that support our wider objectives.
- **Modern People Management**
Making the way we manage people throughout Whitehall, in HR departments and in the line, more professional

We will bring in more outside expertise into this group, either to lead parts of it or in an advisory capacity.

Public Service Reform – Wendy Thomson (OPSR)

This team will focus on reform of public services, (eg the health service, schools, local policing, local government) taking responsibility for work on:

- Communicating the principles and values of public service reform and customer focus to the wider public service, identifying and promoting best practice .
- Models for improving public service delivery by working with departments on more flexible structures, systems, processes, and ways of involving the private and voluntary sectors.
- Pay and recruitment problems in the public sector.
- Developing systems for managing cross-cutting issues affecting service delivery, and improving links between departments and the wider public sector along the (along the lines of its recent DTLR local government study), including the use of e-Technology.
- Devising improved methods of public service management that reduce the impact of regulation on front line services, working with departments and the Public Sector Team of the Regulatory Impact Unit (RIU).

Commercial Reform and Project Management – Peter Gershon (OGC)

Although the OGC will remain as part of the Treasury, I want to co-opt its Chief Executive, Peter Gershon, as a member of my team to improve our capability to commission and deliver major projects. The OGC will continue to work on training civil servants in project management skills and on developing tools to improve the management of projects.

Reform Strategy Team – Head to be appointed by open competition or secondment

This will be a new group with responsibility for:

- defining the overall Civil Service reform strategy
- developing the Departmental Change Programme
- supporting the Civil Service Management Board
- communicating the reform message through the Civil Service
- co-ordinating work on a Civil Service Bill

Following the completion of its pilot phase this autumn, which OPSR is currently leading, I propose to oversee the Departmental Change Programme (DCP) myself, supported by this team. This will be an essential component of my relationship with Permanent Secretaries.

My aim is that all Departments should have their own Change Programmes. These should start by addressing the characteristics of a high-performing organisation, eg:

- establishing a strong leadership team and potential successors to it
- defining strategy
- identifying the optimal structure
- raising HR professionalism, building culture
- finance and business planning capability
- customer focus
- exploiting e-government
- improving key delivery skills

Departments should then identify where change is needed and then put together a programme to bring about the desired improvements.

I propose to start by working with each department in turn to establish an initial change management programme where they do not already have one, or building on the plan already in existence. Responsibility for leading this will rest with Permanent Secretaries and their departmental leadership teams but challenged and supported by my unit. Having established the programme, the key elements will be built into Permanent Secretaries' objectives and I will hold regular bilaterals with the Permanent Secretaries to discuss progress.

Other Issues

The European and Overseas and Defence Secretariats will report to me via Sir Stephen Wall and Sir David Manning respectively. The Economic and Domestic Secretariat will report direct to me.

Sir David Omand will lead for me on the work on propriety, ethics and constitutional issues such as the Ministerial and Civil Service Codes.

The Prime Minister attaches great importance to the work of the Regulatory Impact Unit and has asked me to oversee it directly myself.

My Relationship with Permanent Secretaries

I do not see myself in an analogous position to a Chief Executive with a direct line relationship to his Managing Directors, because Permanent Secretaries have a clear responsibility to support their Departmental Ministers. But I do want to support Permanent Secretaries in bringing about reform in their departments and improving service delivery. I think it is right for me to hold them to account for this. I propose to do this by building on the existing objective setting and performance related pay arrangements, taking account of the Delivery Unit's assessment of progress against objectives; and through a programme of bilaterals to discuss Department's change programmes and succession plans.

Conclusion

The Civil Service is already changing as a result of Sir Richard Wilson's reform programme. He is handing over to me a Civil Service in which we are bringing in far more talented people at all levels in the service with skills and expertise which we do not have ourselves. We are on track to make the senior civil service more diverse. We are developing our delivery skills, for example, through more and better training on project management techniques. We are focusing on outcomes and rewarding people for delivery. As a result, our performance is improving and there are exciting developments in the way we deliver services ourselves and through our partners.

But we know that we need to take these changes further and have an appetite to do so. I believe that the changes that I have described will accelerate the momentum towards the vision that I set out at the beginning.

Andrew Turnbull

24 June 2002