**Written evidence by the Better Government initiative to the**

**Public Administration and Constitutional Affairs Committee**

**Inquiry on the Civil Service**

1. The Better Government Initiative (BGI) is an informal body of people with practical experience in government at a very senior level who have no links to particular political parties ([www.bettergovernmentinitiative.co.uk](http://www.bettergovernmentinitiative.co.uk)).

2. We welcome the committee’s inquiry - issues concerning the roles, structure and capacity of the civil service need to be carefully considered on a cross-party basis. While the inquiry is framed in terms of “the work of the civil service”, it is important to have in mind that the civil service has two main components - “Whitehall” and the very much larger element concerned with service delivery and revenue collection - that give rise to different issues around roles, objectives, relationships with ministers, special advisers and others, and performance. The evidence below is structured to follow the main themes and most of the questions raised in the committee’s terms of reference for this inquiry and focuses therefore mainly on the “Whitehall”’ dimensions.

**Executive Summary**

3. Our main conclusions are:

a) The roles of the civil service and its strengths and weaknesses need to be addressed in the wider context of the desired characteristics of central government as a whole, and the roles of ministers and special advisers. We identify five primary functions for the civil service. We believe that the present values of the civil service, including political impartiality, are a key element of good government. Criticism of bureaucracy and hierarchy is overdone: they have a part to play in ensuring accountability. But more could be done to improve skills in organisational design. We expect the civil service to become smaller and more highly skilled, having to compete for skills in short supply in the wider economy.

b) The delivery track record of central government is mixed because of system weaknesses that are the shared responsibility of the civil service, ministers, and Parliament. “Deliverability” needs to be built into government decision making from the outset and a number of aspects of government’s approach to delivery need to change. More challenge needs to be provided within the system and accepted by ministers as legitimate and valuable rather than obstructive.

c) The civil service has an extraordinary breadth and depth of professional skills. It attracts some of the ablest people in the country to work on policy and strategy. But there are significant weaknesses in how staffs are trained, developed and career managed. The civil service has become hooked on a mantra of filling posts competitively based on false analogies with practice elsewhere. Because of pay restraint the system is also incentivised towards grade-drift and excessive internal staff movement chasing promotion as the main means of increasing reward.

d) We do not believe the most senior levels of the civil service have become more politicised in recent years. There are, however, changes now in place or advocated which could over time lead first to greater ‘personalisation’ of the appointments process and then to politicisation. We do not support recent claims that the present system of accountability to parliament is unworkable or is based on out-dated concepts. We believe that the permanent secretaries need to be more assertive in the cause of good policymaking and of effective and realistic implementation plans, for which they should be held to account by parliament.

**The structure and organisation of the Civil Service and how appropriate this is for the Twenty First Century**

4. A recurring characteristic of investigations of purpose, roles, effectiveness, and capabilities within central government is that they focus on the civil service rather than the system as a whole. However, the roles of the civil service and the strengths and weaknesses of the system cannot be judged from the perspective of the civil service alone. The contribution of the civil service supports and complements that of ministers and to an increasing extent special advisers and cannot be judged in isolation.

5. As set out in the Civil Service Code, the purpose of the civil service is to support the government of the day in developing and implementing its policies and in delivering public services. Civil servants are accountable to ministers who in turn are accountable to parliament. It can sometimes be overlooked that permanent secretaries and certain other civil servants are individually accountable directly to parliament for the propriety and value for money of public expenditure. In the UK both ministers and civil servants discharge their responsibilities within the framework of the rule of law. The values of the civil service, if reflected in the behaviour of civil servants, help underpin government free of corruption and organised on a basis that provides for the equal treatment of citizens. These characteristics of our system of government - to which the behaviours of ministers, special advisers and civil servants contribute - are largely taken for granted, although they are relatively unusual both historically in this country and in terms of the contemporary norm across the world.

6. The political impartiality of the civil service including at the most senior levels underpins continuity across transitions between governments of different political complexion and between ministers within a single administration. Ministers can come into offices with complex and wide-ranging responsibilities having had no previous experience of government or of the subject matter of the department. Government comprises some of the largest organisations within the country in terms of delivery challenges, budgets and staffing while its most senior positions are held by ministers recruited through a career path which generally involves no experience of management or organisational leadership on any scale. Sometimes in political discourse ministers describe and perhaps see themselves in the role of “chief executive” but in any other walk of life their prior experience would not qualify them for such a role. Central government therefore needs a system of governance that combines ministerial control with effective arrangements for shared leadership and management between ministers and civil servants.

7. Modern government has broad-ranging responsibilities and its decision-making needs to draw on deep expertise in a wide variety of disciplines both within government itself and within wider society. Key steps in the decision-making process can be seen in terms of clarity of goals, framing of issues, evidence gathering, analysis, strategy development, decisions on timing, effective implementation including through effective communication, and evaluation and learning lessons. Ministers have key roles to play in determining goals and the framing of issues and as ultimate decision makers hopefully on the basis of the objective analysis of evidence. Key steps in decision-making need expert and experienced advice and the process as a whole needs management, including through the proper recording and promulgation of decisions and ensuring they are implemented effectively. This civil service “secretariat” role, which has its critics, can be contrasted with the practice of “sofa government” as seen, for example, under the last Labour government.

8. Against this background we might identify the overlapping primary functions of the civil service to be to:

* support a system of representative and accountable government operating within the rule of law and to the highest ethical standards (what has been termed a “guardianship” role).
* manage the decision-making process on behalf of ministers. This needs to be designed and run to ensure that ministers take all significant decisions, drawing on a range of external and internal advice whose relative worth has been objectively evaluated. The process needs to be open to innovative ideas and conducted at a pace which meets ministerial needs.
* contribute its expertise to the development of effective strategies and policies. Civil servants should use their expertise to help generate decisions based on evidence leading to cost-effective and implementable solutions, which minimise the risk of unintended consequences. In this and the two preceding roles the essence of the civil service contribution should be to offer ministers objective advice, not simply what civil servants think the minister wants to hear - the notion of ‘speaking truth unto power’.
* organise, lead, manage and carry out the direct delivery of some services and revenue collection, often supported by outside contractors. This delivery role, alongside the other functions of government departments, requires leadership and management skills of a high order and staff committed both to civil service values and to providing a customer or citizen-focused service of the requisite quality and efficiency.
* manage the resourcing and performance management of public services delivered by others, whether other public servants, private or third sector bodies or in combination.

9. Some of the delivery landscape - in terms of which functions are conducted as part of core government departments, or in agency structures within departments, or in arms lengths bodies at various distances from ministerial control - can owe more to history and different departmental cultures than to forensic analysis of function. But we doubt there is much to gain by revisiting these issues or that they impact significantly on civil service coherence. We would, however, point out that previous civil service reform gave considerable prominence to generating more effective, accountable and customer-focused leadership and management of civil service delivery functions, most notably through the “Next Steps” initiative. More recently ministers have for a variety of reasons rowed back on the delegated, accountable management model within the civil service but with limited discussion of the merits of this change of approach.

Structure

10. A familiar criticism made of the civil service is that it is bureaucratic and hierarchical. In such critiques little attention may be paid to the value of hierarchical structures and processes that ensure that it is ministers who take policy decisions and that decision makers acting on behalf of ministers treat citizens in a consistent fashion. This said, repeated efforts to develop “less-bureaucratic” organisational structures tailored to different types of activity with the minimum number of layers have proved difficult to realise in practice and spans of control can be too narrow. There are also question marks over whether job weights at different grade levels are consistent between departments with a risk of over-grading of policy-related jobs relative to others and of jobs at the centre compared with those in departments. The civil service in general and the Cabinet Office in particular need to devote more effort to developing expertise in organisational design, including in developing approaches to grading and pay structures which better meet the future needs of the civil service.

 Identity

11. The civil service discharges a variety of functions at a number of levels of complexity across the country. The overwhelming majority of civil servants are engaged in the day-to-day delivery of public services. Their loyalty may be local or to the department without detriment to their effectiveness. More senior staff may have multiple loyalties to their profession, their department and the civil service itself. What is important is that all civil servants understand and reflect in their work the values of the service as appropriate to their role. At more senior levels and within “Whitehall” a collegiate sense of working for government as a whole and objectives which transcend individual departments become much more important. Identity and coherence are nurtured by effective induction, regular reinforcement of the standards expected, rites of passage to broader roles and strong pride in what it means to be a civil servant. Both civil service management and ministers at both departmental level and centrally have important roles in reinforcing this pride and sense of collegiality.

Size

12. There is no magic measure of the right size of the civil service, which depends upon the demands placed upon it, the impact of changing technology, and decisions on how far functions need to be performed “in-house”. The risk in government is that expectations on outputs of the system as a whole and its individual components are not coherently linked to decisions on resourcing. The system seems largely to have coped with large reductions in resources. But in a number of functions there are underlying links between inputs and outputs which have inescapable consequences as set out in various NAO reports. We are not arguing that there is no scope for improving the efficiency of government operations because clearly there is, including through, as elsewhere, seeking to get things right first time and to avoid rework with all its costs or through exploiting digital channels. But, to generalise, the culture of government errs on the side of arbitrary resource decision making (dominated by the Treasury) and muddling through rather than a strong focus on organisational design and the hard realities of some input/ output equations.

13. The nature and composition of the civil service has shifted and will continue to shift towards re-engineering the nature and means of delivery, with more delivery by and through others. Its work force will be smaller and more highly skilled. The capacity it needs in areas such as commissioning, programme and project management and digital delivery is in demand and short supply elsewhere in the economy. The development and maintenance of internal capacity of the requisite quality and experience in a highly competitive market may well be difficult to achieve within tight constraints on civil service pay and efforts to remodel some other conditions of service.

**The effectiveness of the Civil Service in delivering Government policy and how well it learns from success and failure**

14. The delivery track record of central government is to say the least mixed. Analyses such as King and Crewe’s *The Blunders of our Governments* and Bacon and Hope’s *Conundrum* have provided a number of thought-provoking examples and identified a range of contributing factors. Such analyses and our experience as practitioners would both suggest that civil service competence in commissioning and programme and project management is just one element in the mix. Many senior project managers have been recruited into the civil service directly from the private sector. Actual project delivery is normally in the hands of private-sector contractors and consultants.

15. How might the civil service help improve the success rate? A key element is to seek to ensure that policies are developed and designed in ways that build in ‘deliverability’. Evidence is needed of what works, where there has been useful recent innovation. Policies should be piloted before general roll out, though this can often meet political resistance Politically driven timescales for implementation can be unrealistic. Both ministers and civil servants are prone to overcomplicating policies. This may partly be with the laudable aim of more-closely tailoring them to different individual circumstances of those at whom the policy is directed, but may take insufficient account of the burden of complexity on both delivery staff and recipients (the social security system and tax code are obvious examples of this phenomenon). One consequence of this analysis is that more challenge needs to be provided within the system and accepted as legitimate and valuable rather than obstructive by ministers.

16. Even well-founded policies may founder because of delivery weaknesses within the civil service. These include insufficient programme and project management expertise and the over-rapid turnover of staff unrelated to the needs of the work Such turnover and the failure to develop and nurture deep expertise in areas of government activity weaken departmental corporate memory and the capacity to learn from and act on both successes and failures in a consistent manner. We fear one consequence of recent deep reductions in staff numbers and associated restructurings may have been to exacerbate this problem at least in the short term.

17. The civil service has changed fundamentally over the last 20-30 years in ways not always recognised in debates about its current state. The impact of these changes has not been rigorously evaluated, reflecting a more general fault of weak evaluation across the work of government. Like most organisations and professions the civil service can be resistant to change. A look at the history of civil service reform might suggest that one problem is that reform initiatives are the product of successive waves of ministerial and top official appointees each seeking to make his or her mark rather than a consistent and stretching but realistic pacing of change linked to a clear vision of the ultimate destination. Reform initiatives are dropped, reformulated or replaced before they have had a realistic chance to bed down and provide a basis on which to build further productive change. There is too the uncomfortable reality that much of the change currently being sought has negative consequences for significant numbers of staff, which reinforces the importance of effective leadership and communication on which some progress has been made.

**The civil service’s collective capabilities and civil servants’ individual skills**

18. The civil service has an extraordinary breadth and depth of professional skills. It attracts some of the ablest people in the country to work on policy and strategy. Some of its weaknesses are, however, familiar. It has struggled to develop on a consistent and sustained basis expectations of career paths and training and development needs of its policy and operational staffs. Useful initiatives have recently been put in place on, for example, supporting postgraduate education but there must be doubts on whether they are on a sufficient scale. The development of generic policy and strategy skills needs to be accompanied by the development and maintenance of deep subject matter expertise in clusters of related government activity that imposes requirements in training and development and career planning. In functional areas the sustained professionalization of accounting, human resources, commercial and programme and project management capacities is welcome in itself but brings with it potentially uncomfortable consequences for recruitment and retention in competitive markets.

19. All this is well-trodden ground. At a civil-service-wide level it raises issues that are repeatedly ducked or glossed over, and which are interlinked and complex. They are touched on here in headline form. A workforce strategy for the civil service is needed identifying the range of skills required over the long term. A better balance is required between self-management of careers and the needs of the service and the work. Staff move too quickly between jobs without a consistent pattern of development. The civil service has become hooked on a mantra of filling posts competitively based on false analogies with practice elsewhere. Actual practice differs in a constructive way from the mantra but there is still insufficient focus on effective succession planning. Successive governments have been keen to open up the civil service at all levels to outside recruitment but have refused to accept the corollary in terms of the need for pay and other conditions of service to be reasonably related to wider markets, after taking into account the significant non-pecuniary benefits of public service. The system is incentivised towards grade-drift and excessive internal staff movement chasing promotion as the main means of increasing reward.

20. We do not underestimate the difficulty of tackling these issues given public expenditure pressures. We see no institutional difficulty in present ministers and top officials tackling them together constructively.

21. The civil service as a whole is reasonably diverse, socially and geographically. Some of the criticism of the backgrounds of senior civil servants is unfair but more clearly needs to be done better to reflect the composition of wider society. The civil service has many good policies and practices in this area, with outcomes better than many other organisations. They should be further developed and implemented within the framework of appointment and promotion on merit.

**Risks to Civil Service impartiality**

22. We do not believe the most senior levels of the civil service have become more politicised in recent years. There are, however, changes in place or advocated which could over time lead first to greater ‘personalisation’ of the appointments process with ministers choosing those with whom they have had previous close working relationships and then to politicisation, as officials link their career interest to particular ministers and incoming ministers of a different administration wish to have new people untainted by past associations. Recent decisions to create Extended Ministerial Offices, with a mix of civil servants and special advisers and a strong emphasis on loyalty to the minister, and more generally growing ministerial influence over appointments and, as crucially, the removal of civil servants add to this risk. If ministers want more people who as set out in the committee’s terms of reference “owe a prior personal loyalty to the Minister”, they should be appointed as special advisers. We would regard such a development as highly undesirable coming on top of the growth in special advisers to which we have drawn attention in our evidence on “Short money”. But it would be better than change by stealth.

23. Ministers must, of course, have confidence in the commitment of civil servants to implement the policies of the government of the day and their loyalty in the sense of mutual trust and discretion. In our wide experience of the working of government, capable, confident ministers could get what they wanted from the official machine and welcomed an atmosphere of challenge based on objective advice and drawing on the experience of their officials in implementing policy. Government blunders are unlikely to be reduced by ministers surrounding themselves with their own team (in the style of a continental “*cabinet”*, but without the foreign sounding label). The underlying, unspoken thrust of some of this change is to weaken the role of the permanent secretary relative to those politically appointed. We believe in contrast that the permanent secretary and other senior officials need to be more assertive in the cause of good policy making and of effective and realistic implementation plans, for which they should be held to account.

24. The accountability of ministers and in defined ways officials to parliament is fundamental in enabling parliament to hold government to account. Ministerial accountability and responsibility raise complex issues that have been explored by the committee’s predecessors and in an extensive academic literature. Seen in that context we do not support recent claims that the present system is unworkable or is based on out-dated concepts.

25. Personal accountability to parliament is a fundamental part of the responsibilities of a permanent secretary and should strengthen his or her ability to argue for and insist upon propriety and value for money. A recent report by the Comptroller and Auditor General suggested that the system may be breaking down for a mix of reasons including Accounting Officers lacking the confidence to challenge ministers “not least because it is seen as damaging to their career prospects”. This analysis reflects similar concerns to those set out above. The path on which some ministers and others appear to be set in weakening the position of a politically impartial civil service is not in our view in the interest of parliament or the public.

26. As to making more civil servants directly accountable to parliament, we believe it is a fundamental element of ministerial accountability that civil servants answer to parliament on policy matters on behalf of ministers rather than in their own right, subject to the values set out in the Civil Service Code. On propriety and value for money questions, we believe parliament should be working to reinforce the personal accountability and responsibility of permanent secretaries rather than potentially confusing and undermining it by seeking direct accountability of subordinate officials, beyond the provision for Agency Accounting Officers.

Better Government Initiative

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