Speech at the Open University on Leadership and Governance in the Civil Service
Bernard Jenkin MP, Chair, PACAC (Public Administration and Constitutional Affairs Select Committee)

18th October 2016

Since 2010 I have Chaired the Public Administration Select Committee (PASC), now the Public Administration and Constitutional Affairs Committee (PACAC). The remit of the Committee is fairly broad compared to that of other committees that are focused on single departments. In addition to examining quality and standards of administration within the Civil Service and constitutional issues, PACAC also oversees the work of public bodies such as the PHSO.

Since 2010 when I became the Chair of PASC, now PACAC, we have carried out a number of inquiries into the leadership, governance and functioning of the Civil Service, which is what I will be speaking to you about today. This is in addition to inquiries on other areas as diverse as fundraising in the charitable sector, the purdah period in the run up to the EU referendum, English votes for English laws and the future of the United Kingdom as a union of four countries.

On 12th April 1853, William Gladstone as Chancellor of the Exchequer, commissioned a review of the Civil Service to be carried out by the Permanent Secretary at the Treasury, Charles Trevelyan, assisted by Sir Stafford Northcote, a former Civil Servant at the Board of Trade who would later serve as Chancellor of the Exchequer. Northcote and Trevelyan’s report was published in February 1854 and recommended a system of entry and examination on merit through open competition, and laid the foundations of a permanent and impartial Civil Service, which survive today.

As you will all know, the Civil Service plays a crucial role in the functioning of Government, supporting the Prime Minister and the Cabinet, developing and the implementing the Government’s policies, and ensuring that taxes are spent effectively, in addition to its role in operational delivery. Its permanence, integrity and impartiality, the foundations for which were laid by the Northcote-Trevelyan report in the mid-nineteenth century, have enabled it to support the Government of the day without compromising its ability to support future administrations. They have also enabled it to support the stability of the United Kingdom’s largely uncodified constitution. The success of the Civil Service in supporting the Government whilst retaining its impartiality and in supporting stability has led to the justified claim that it is among the “best in the world”.

Nevertheless, as will be the case in any organisation of its size, the governance and
functioning of the Civil Service do have weaknesses. Evidence taken by PASC and PACAC over the years has identified some of these, including:

- A lack of systematic, long-term analysis of risks and opportunities across the whole of government;
- Insufficient coordination across departments;
- A lack of key skills;
- Cultural issues; and
- Sometimes low levels of trust between ministers and officials.

Clearly, if the Civil Service is to be as efficient and effective as possible, it is essential that these issues are resolved. Succeeding in this is also more important now than ever before in light of our country’s historic decision to vote to leave the European Union, which presents new challenges for Whitehall, including the need to handle negotiations with the EU, examine the legislative implications of leaving, take back responsibility for policies controlled by the EU, and formulate the UK’s new trade policy. This must also be done after Government spending cuts have resulted in significant reductions in civil service numbers. So there are fewer Civil Servants facing challenges greater than any our country has previously faced in peacetime. The Government and the Civil Service’s response will also determine our relationship with the EU and the rest of the world for years to come.

I have no doubt that the Civil Service can successfully overcome these challenges. However, doing so will require clarity both about the issues facing the Civil Service and the solutions required. So, what are the challenges facing the Civil Service and how can they be addressed?

To take the first of the issues I outlined – a lack of systematic, long-term analysis of risks and opportunities across the whole of government – this was highlighted by a PASC inquiry in 2015, *Leadership for the long-term*, which examined Whitehall’s capacity to address future challenges.

The evidence taken by PASC suggests that there are isolated instances of systematic analysis of trends, risks and opportunities. However, as Sir Jeremy Heywood, then Cabinet Secretary and now also Head of the Civil Service told PASC, the people carrying out this analysis do not join up. There is therefore no comprehensive understanding of the long-term risks and opportunities facing the UK. And as an example, PASC found that financial and economic risks are not included in the Government’s National Risk Register. Therefore, even after the financial crisis, the Government does not consider the risk of an adverse global economic event alongside non-financial risks such as pandemic flu or antimicrobial resistance.

The failure to coordinate long-term and strategic analysis is undermining the Government’s ability to assess, analyse and plan for the future, to make informed
decisions on long-term issues, and to exploit opportunities. Government’s ability to do this is of great importance at all times. However, it is particularly important at a time when the challenges facing Government are increasingly unpredictable and complex, including for example, the effects of globalisation, rising population, scarce natural resources, environmental degradation and increasingly diverse and unpredictable security threats. National strategy is important for informing policy-making and operational strategy, although it is essential that it remains on a higher-level, maintaining a ‘clear line of site’ with policy and operational strategy below it. National strategy should be based on the interaction between the public’s values and aspirations, and national strategic leadership in Whitehall, and should inform the policies developed and enacted, which depending on their success, in turn reaffirm or undermine the national strategy.

PASC’s findings suggest that a number of factors are hindering the ability of government to carry out such systematic, coordinated and long-term analysis. These include:

- Rewards for ‘rising to the occasion’ that are greater than rewards for preventing such occasions from arising in the first place;
- Short-term pressures which undermine the ability of ministers and officials to take a longer-term approach; and
- A lack of strategic capacity at the centre of Government to pull all the different strands of thinking together and, as Major General Jonathan Shaw put it in his evidence to PASC, “create government plans, as opposed to merely collating departmental actions, putting a ring around them and calling them a government plan, which is the sum of its individual parts”.

Where a longer-term approach has been taken, the evidence gathered suggests that the focus has also frequently been on threats, with insufficient focus on opportunities. It is essential that the UK analyses, and is therefore able to take advantage of opportunities also.

A lack of cross-government working is also pervasive in day-to-day policy making. This is crucial if government is to be effective because in today’s world many challenges are interconnected in nature and cut across multiple departments. For example, in evidence to PASC, the British Heart Foundation argued that public health prevention should not be the sole responsibility of the Department for Health as a person’s health is influenced by a wide range of factors, including habits learned at school, the way cities are designed, and their wellbeing at work. Therefore, coordination across the departments responsible for these different areas is essential if such challenges are to be tackled effectively.

Efforts to confront challenges like this on a cross-government basis are now increasing. One example is the Better Care Fund, which is a collaboration between NHS England, the Department for Communities and Local Government, the Department for Health
and the Local Government Association, aiming to improve to the integration of health and social services for older and disabled people. Another example is the National Security Council, which is coordinating the Government’s security policy across different departments, including defence, the Foreign Office and DfID. These examples show that cross-government working is possible. However, these new structural reforms are limited, and they have not changed the Whitehall culture, which militates against cross-departmental cooperation.

A number of further challenges that were identified by PASC in its 2013 Truth to Power report and its 2015 report Developing Civil Service Skills, are: a lack of understanding of the skills that different departments do and do not possess, which is hindering the ability of the Civil Service to identify what kind of training it should prioritise; and, where a picture is able to be pieced together, evidence of key skills gaps – for example, in leadership and risk management. Leadership skills are particularly important given the context of the ‘dual leadership’ of both the Secretary of State and the permanent secretary that Civil Servants have to operate within. And risk management skills are essential for the Civil Service’s ability to deliver major projects and commercial outcomes. It is therefore troubling that these skills are lacking and it is worth noting that the evidence suggests that skills deficits in these areas have also had real implications. For example, the Institute for Risk Management suggested that a skills deficit in risk management is evidenced by the problems encountered in Universal Credit rollout and the Passport Office backlog.

Skills must be boosted if the effectiveness of the Civil Service and its ability to face future challenges is to be maximized.

To achieve real change, investment in skills must also be accompanied by efforts to promote a culture in which people feel able to adapt their behavior in response to training, to try new things and to learn from mistakes.

Unfortunately, the evidence gathered by PASC suggests that the culture of the Civil Service remains overly bureaucratic, risk averse, focused on processes rather than outcomes, and inclined to look for a place to lay the blame when things go wrong. This appears to be due to a wide range of factors, including the hierarchical nature of the Civil Service and related to this, the lack of empowerment of people, resulting in a failure to give people responsibility for what they do and enabling them to regard someone else as responsible. This is important because an overly bureaucratic and risk averse culture is unlikely to promote innovation. It is also unlikely to encourage officials to be honest about, to reflect on mistakes and to talk to others about them.

Unfortunately, the evidence suggests that a failure to give people responsibility for what they do and to promote innovation is exactly what often happens in the Civil Service. The attitudes and behaviour of the Civil Service, which is what I mean by the word ‘culture’, therefore represent a major obstacle to attempts to increase the effectiveness
of government and it is vital that efforts to change the culture of the Civil Service are included in plans to reform Whitehall.

It is noticeable that the attitudes and behaviour of the Civil Service contrast to that of the armed forces, which entrusts people lower down the hierarchy with quite a lot of decision-making and requires them to exercise their judgement, according to a concept known as ‘delegated mission command’. The Civil Service could learn a lot from this concept and efforts should be made to promote it.

An overly bureaucratic culture and a tendency to cover up mistakes, is also sometimes undermining levels of trust between Ministers and officials. This is because bureaucracy and a blame culture may slow down the speed at which decisions are taken and lead to the filtering of honest and complete assessments to ministers. This may in turn leave ministers feeling that their decisions are being blocked, and that the level of support available to them is poor. Whilst it is important to recognise that most ministers and civil servants have a very good relationship, where this is not the case, the importance of trust and high quality relationships for getting things done must be recognised. Steps must be taken to ensure good relationships exist throughout the Civil Service.

Over the years, concerns in relation to these problems have resulted in numerous attempts to reform the Civil Service.

In the twentieth century, the key inquiries were undertaken by Viscount Haldane of Cloan and the Fulton Committee. Haldane recommended that government should be split into departments, like the departments we have today. He also established the principles of ministerial accountability to Parliament and foreshadowed the arrival of departmental select committees. Haldane resulted in lasting change.

Fulton was the Labour Government’s effort to reform the Civil Service in the late 1960’s and has had less effect. Since then, efforts at reform have been the result both of public spending pressures and concerns that focussed on skills deficits, the culture of the Civil Service as outlined above, and issues of accountability. There was the “Next Steps Agency” reform of the early 1980’s. This had mixed success. More recently, Tony Blair had a Civil Service Reform programme which sank without trace. The Coalition published the Government’s Civil Service Reform Plan in 2012, which envisaged:

- A smaller, pacier, less hierarchical Civil Service, focussed on outcomes rather than processes;
- An increased role for ministers in the selection of departmental permanent secretaries to reflect their accountability to Parliament for the performance of their duties;
- Ministers able to bring in a limited number of external appointees without going through open competition procedures;
• An expectation that former Accounting Officers give evidence to Select Committees on a time-limited basis where there is a clear rationale to do so;
• A reduction in the turnover of Senior Responsible Officers;
• An expectation that permanent secretaries appointed to the main delivery departments have at least two years’ experience in a commercial or operational role; and
• Greater collaboration in policy-making between the Civil Service and outside bodies.

In 2013, the Government also published its Capabilities Plan, which formed a key part of the overall Civil Service Reform Plan. The aim of its Capabilities Plan was to fill gaps in organisational capability and individual skills, to ensure that the Civil Service is “able to meet today’s and tomorrow’s challenges”. It identified four key priorities, which were:

• Improving the leadership and management of change;
• Developing commercial skills and behaviours – particularly among procurement teams;
• Better programme and project management; and
• Redesigning services and delivering them digitally.

The Capabilities Plan sought to develop these skills through a range of initiatives, including Civil Service Learning, the Major Projects Leadership Academy and Digital Leaders.

In this Parliament, efforts to reform the Civil Service have continued, with the focus on talent recruitment and retention, talent development, leadership, and promoting diversity within the Civil Service. As laid out in its Civil Service Workforce Plan, published in 2016, the Government has sought to do this by opening up recruitment across the Civil Service, creating professional development frameworks for key Civil Service professions, establishing a new Leadership Academy and reviewing the Senior Civil Service pay framework.

In June 2016, Sir Jeremy Heywood, Cabinet Secretary and Head of the Civil Service, and John Manzoni, Chief Executive of the Civil Service and Permanent Secretary for the Cabinet Office, also announced a new vision for the Civil Service. This recalled many of the Government’s previous attempts at reform, focussing on: the need to emphasise outcomes, not processes; the need to develop effective leadership; boosting skills; creating an inclusive environment; and embracing technology.

Some of the reforms that have been implemented have represented positive steps – for example, efforts to boost skills through the establishment of a new Leadership Academy, the introduction of Civil Service Learning, the creation of professional development frameworks for government’s 26 professions, and the opening up of Civil
Service recruitment to external candidates, which will help departments seeking to fill more specialised roles, are positive steps. However, as I will detail further below, efforts have invariably been too limited or narrow in scope. Further work will therefore be needed if the effectiveness of the Civil Service and its ability to face future challenges is to be maximised.

I will now outline for you some of the recommendations my Committee has made in relation to how this could be done, across the six areas I previously outlined as being particular weaknesses.

First, in relation to the lack of systematic, long-term and coordinated analysis of risks and opportunities across the whole of government, and the subsequent need to promote long-term and strategic thinking, PASC recommended that a number of measures should be taken to increase the ability of the centre of government for analysis and assessment and that this should be combined with efforts to ensure that this work is applied in the policy of individual departments.

Regarding the former, PASC has recommended that the ability of the centre of government to analyse and assess long-term trends should be increased, by clarifying where overall responsibility for cross-departmental risk sits. We have suggested that this should be done under the overall direction of the Cabinet Secretary and the Head of the Civil Service. The ability of the centre of government to assess long-term trends should also be boosted by increasing its capacity, for example, by boosting Cabinet Office horizon scanning, which acts as a centre of expertise for the rest of government and brings together civil servants and others from across Government to think about particular topics. My Committee has noted that the Canadian equivalent, Policy Horizons, has a larger staff and also draws on a large number of outside experts.

To ensure that this work is applied in the policy of individual departments, a named individual from each department should be made responsible for strategic thinking and its application in that department’s policy. The career development of civil servants should include a period with the Cabinet Office’s horizon scanning scheme to ensure that they are exposed to fresh ideas and are able to think about systemic risk and future challenges. All Government strategic planning documents should also state how they are using the results of, not just conducting, horizon scanning, and Select Committees should play a role in ensuring this is being done in areas relevant to their remit.

To ensure that a comprehensive understanding of the risks facing our country is achieved, we also recommended that the Cabinet Office work with the Treasury to incorporate systemic financial and economic risks into its National Risk Register.

As discussed previously, there is also a need to promote coordination between departments in day-to-day policy making. Increasing the capacity of the centre of government to undertake strategic thinking in the ways just outlined, would play an
important role in helping to achieve this. However, the Cabinet Office must also be
given greater power to make cross-cutting decisions to enable it to act as an effective
headquarters of Government. PASC commended the efforts the Cabinet Secretary and
the Treasury Permanent Secretary have made to improve this already. However, it is
clear that these efforts must continue.

To boost skills, as I discussed previously, in 2013, the Government published its
Capabilities Plan, which aimed to transform the Civil Service into a high-skilled, less
bureaucratic organisation, with a greater focus on delivering results. This was
subsequently updated in July this year with the launching of the Workforce Plan, which
aims to increase the efficiency and effectiveness of the Civil Service and ensure that it
has the right people and skills to achieve its goals and respond to future challenges.

The latest Civil Service Workforce plan represents an important development. The
creation of professional development frameworks and a new Leadership Academy in
particular, are important steps towards ensuring that Civil Servants have the skills they
need.

However, as I stressed earlier, efforts will still need to go further. For example, further
consideration needs to be given to the impact of pay on talent recruitment and
retention. Permanent secretaries should also be given the ability to plan career
pathways in their departments and an environment needs to be created that
emphasises and encourages different types of learning. PASC’s Skills inquiry highlighted
four types of learning:

- Experiential learning, which is learning on the job and is what civil servants are
  most used to;
- Reflective learning, which means engaging in roles and then reflecting on what
did and did not work, usually with some sort of mentor;
- Conceptual learning, which is the more traditional training and education in a
  classroom; and
- Experimental learning. This latter type involves engaging in ‘active
  experimentation’ in the job and then discussing the results with a group of peers.

All these forms of learning go far beyond what is provided by Civil Service Learning, and
underline the lacuna left by the abolition of the National School for Government.

The latter of these takes us onto the fifth area of weakness that I will discuss with you
today – learning from success and failure. As I outlined earlier, it is essential that
investment in skills development is accompanied by the creation of a culture in which
people feel able to adapt their behavior in response to learning new things, in which
they feel able to experiment, and in which when mistakes are made, they are discussed
and learnt from. Unfortunately however, the environment within the Civil Service is not
conducive to this. This is undermining innovation and resulting in the covering up of
mistakes and the blaming of others when things go wrong.

There is an important question to be had here around how we measure success? Given that the most successful organisations lay great emphasis on successful employee engagement, it is surprising that Permanent Secretary job descriptions hardly mention measures of engagement as a criterion for success. Of all the targets that can be set, this is one measure which cannot be gamed. And I welcome the present review of performance management of individuals. So called “guided distribution” which requires assessors to rank a set proportion of the staff as performing worse than relative to others is adversarial. Some organisations manage performance by instruction and tasking, then measurement and assessment, followed by reward or punishment. Others encourage better performance by agreeing shared objectives with individuals, supporting and mentoring them through their tasks, and then reviewing and learning with them for the future. Ask yourself which kind of organisation would you rather work for?

To change, Civil Servants need to be empowered to take decisions and to take responsibility for them, rather than laying the blame on others when things go wrong. In our Truth to Power report, my Committee’s predecessor noted that this is well understood by our Armed Forces, with the concept of “delegated mission command”. Lessons could be learnt from this model and applied to our Civil Service.

The final area I would like to discuss today is the issue of the sometimes low levels of trust that exist between ministers and their civil servants. Efforts to empower Civil Servants and overcome the Civil Service’s blame culture would probably go a long way towards increasing trust. However, this must also be combined with efforts to clarify the role and purpose of the Civil Service, to hold Civil Servants responsible for their decisions and boost leadership skills to take account of skills gaps in this area and the unique environment of dual leadership, within which Civil Servants are operating. For this reason, in addition to the recommendations PASC has made in relation to the empowering of Civil Servants and how leadership skills can be boosted, PASC has also called for an independent, comprehensive and strategic review of the nature, role and purpose of the Civil Service. This latter recommendation is vital because the last detailed examination of the role and purpose of the Civil Service was undertaken by the Fulton Committee, which reported in 1968. Clearly, the world and the challenges the Civil Service is facing have changes hugely since this time. Therefore, there is a need for this area to be further considered, both to underpin and provide a strategic vision for these and the other reforms that are needed. It is only by addressing this, as well as issues of accountability and a deficit in leadership skills, that a more open culture and trust between ministers and officials will be able to be promoted.

To sum up, the Civil Service plays a vital role in the functioning of government and throughout its history has supported the Government of the day with great integrity and overall, very successfully. However, as will be the case with any organization of its size, the Civil Service faces a number of challenges, including a lack of strategic and long-term
thinking, poor coordination between departments, a complex and overly hierarchical structure, skills deficits in some key areas, a ‘blame’ and overly risk averse culture, and sometimes low levels of trust between ministers and officials. This is undermining the Civil Service’s efficiency and effectiveness and it is therefore essential that these issues are overcome. This is particularly important in light of the additional challenges the Civil Service will face as a result of our country’s historic decision to vote to leave the European Union, and the reductions that have been seen in Civil Service numbers as a result of budgetary pressures since 2010. PACAC will continue to monitor and investigate the Civil Service’s success in addressing these challenges in the future.

ENDS