

July 2013



Civil Service Reform Plan: One Year On Report

Contents

Introduction	4
Report Card	6
Progress Report	9
1. Clarifying the future size and shape of the Civil Service	9
2. Improving policy making capability	14
3. Implementing policy and sharpening accountability	18
4. Building capability by strengthening skills, deploying talent and improving organisational performance across the Civil Service	22
5. Creating a modern employment offer for staff that encourages and rewards a productive, professional and engaged workforce	27
Further Actions	31

Introduction

Britain is in a global race and to compete we need a world-class, 21st Century Civil Service supporting the well-being, security and prosperity of the country.

Following a smooth transition in 2010 to the first coalition in the UK for decades, the Civil Service has helped the Government begin to deliver its comprehensive and ambitious Programme for Government¹, while implementing a substantial reduction in administration costs and headcount. Today, the Civil Service is smaller than at any time since the Second World War and, as a result, productivity has improved markedly since 2010.

At its best, the support provided by the Civil Service to Ministers is world class – responsive, objective, evidence-based, creative and practical – and it is capable of running operations and delivering large-scale change to match. With this support, the Government has been able to design, and implement, far-reaching economic and public service reforms. The Civil Service Reform Plan, a cross-government transformation programme, has run alongside the substantive change activity being driven by individual departments. This has been a significant undertaking – perhaps one we initially under-estimated – and has itself illustrated the challenges of becoming more corporate within a federated structure.

Notwithstanding significant advances, the UK's fiscal deficit remains too high, and there is continuing scope for radical cost reductions and performance improvements in many parts of the Civil Service. Support for reform is very widespread, welcomed by all political parties and civil servants themselves – who experience the day-to-day frustrations of an organisation where too often the whole can be less than the sum of its parts. Civil servants deserve better working conditions, the public deserve better public services, and taxpayers deserve better value for money.

It is vital, then, to accelerate the programme of Civil Service Reform that we launched one year ago.

The Reform Plan set out a series of specific, practical actions which – taken together and fully implemented – can be expected to create a Civil Service fit for the future: faster, flatter, focused on outcomes not process, more accountable for delivery, more capable, more commercial, more digital, more effective in delivering projects and managing performance, more open, with modern terms and conditions, smaller and more unified. This was, and is, a vision endorsed and supported by all.

It would be tempting to put a rosy gloss on progress. But we intend that the Civil Service for the 21st Century will be open and honest, with a culture of continuous improvement to help us become more effective and responsive. In May we published for the first time the Major Project Authority's report, including the RAG ratings. This kind of transparency, self-criticism and openness is uncomfortable, both for Ministers and civil servants. But it is important in order to build trust in what we say. So this report pulls no punches.

Some of the actions, by their very nature, could not be expected to deliver a significant impact for many months. Indeed, some – such as the re-engineering required to digitally transform 25 significant public-facing services – will take to the end of this Parliament for the public to see the full benefits.

But this report makes clear our joint assessment that too little of what was set out to be delivered by this point has been fully executed. This should not cloud the fact that we have made significant progress in some areas, both in the cross-governmental reform programme and individual departments. Neither should it be seen as a criticism of the thousands of civil servants who, day in and day out, dedicate themselves to serving the public and supporting

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/78977/coalition_programme_for_government.pdf

the Government in its day-to-day work. It is if anything a criticism of ourselves as leaders. Following publication last summer, we were too slow to mobilise. In particular, we did not identify clear leadership or adequate resources for the actions. This has now been addressed and gives us confidence that the pace of delivery can increase.

Despite the very best endeavours of many people, the delivery of the Reform Plan to date has been held back by some of the very things that it was designed to address – weaknesses in capability, lack of clear accountability, and delivery discipline. We have learnt the importance of moving forward as a unified Civil Service, and that there should be no hiding place for those failing to deliver.

We are committed that, in the year ahead, we will pick up the pace on delivery and build on the momentum that is already beginning to be felt. We will drive the Reform Plan actions to a successful conclusion – with a single-minded focus on those actions which can be expected to realise the most significant benefits for taxpayers.

Realising our collective ambition for reform will take a team effort. The persistent commitment and sponsorship of Ministers and Permanent Secretaries, the challenge and insight of the Non-Executive Directors and, most importantly, the energy, passion and drive of all civil servants, will be needed to bring the Reform Plan to life and build a truly exceptional Civil Service, delivering the best for Britain. Today, we re-commit ourselves to achieving that goal.






Rt Hon Francis Maude,
Minister for the Cabinet Office
















Sir Bob Kerslake,
Head of the Civil Service







Report Card

The ratings in this report reflect both whether the specific commitments and milestones in the Civil Service Reform Plan were met and, for those actions not yet complete, whether implementation is progressing according to plan. The progress update text provides an explanation for the rating.

Rating	Definition
Green 	Reform Plan commitment delivered and/or on track to implement
Amber 	Delivery of Reform Plan commitment moderately delayed and/or implementation moderately off track
Red 	Delivery of Reform Plan commitment significantly delayed and/or implementation significantly off track

	Action	Progress	
1	Implementing new models to deliver public services	In October 2012, we completed the review to identify further models, including mutuals, cooperatives, joint ventures and other commercial models. A pipeline of projects is on track to deliver within this Parliament.	
2	Becoming digital by default, moving more services online	We published digital strategies for government and individual departments (except the Department for Communities and Local Government) at the end of 2012. We are in the process of re-designing and moving online 25 major public-facing services by March 2015.	
3	Creating shared transactional services centres for government (HR, finance, payroll, procurement etc.)	We are on track to deliver the necessary infrastructure for shared services by the end of 2013. Further work is required to ensure that departmental plans for transformation are implemented, so we can realise the full potential for efficiency improvements during 2014/15. We established seven shared communication “hubs” by December 2012.	
4	Executing plans to share expert services across government (legal, internal audit, communications etc.)	We did not publish plans to share a wide range of services and expertise (due in October 2012). We have made good progress in two areas: legal and internal audit services. We have put in place plans to develop commercial services. We have not yet started work to share other services and so this will not be in place by October 2013.	
5	Opening up the policy development process to more external sources	We are developing open policy making techniques, although our starting point is less advanced than we thought. We have launched the Contestable Policy Fund, breaking the Civil Service monopoly on policy advice. The Head of the Policy Profession will lead the work to embed a consistently more open approach to policy making.	
6	Ensuring administrative resources match the Government’s priorities	In November 2012, the Department for Education completed its zero-based review. Building on this, we are starting to develop a cross-government approach to ensuring resources are matched to ministerial priorities. From September 2013, Ministers will lead a resource prioritisation process on a quarterly basis in their departments.	

	Action	Progress	
7	Ensuring staff have up-to-date policy skills and tools	We have launched a cross-government policy curriculum. We are establishing six What Works centres. We have improved the Government's horizon-scanning and implementation capabilities. The Head of Policy Profession and the new National What Works Advisor will lead the drive to embed and exploit the tools that have been developed.	
8	Improving delivery of major projects	Overall the Major Projects Authority (MPA), working with departments, has made savings of £1.2 billion in 2012/13 and improved the rate of successful project delivery. The new Major Projects Leadership Academy is world class. However, we need to do much more to reduce and manage Senior Responsible Officer turnover and implement effective succession planning to increase civil service capability to deliver major projects.	
9	Improving corporate management information (MI)	We established a cross-government MI system in October 2012. Departments are submitting quarterly returns but the data is not of the requisite quality and consistency to enable comparison of operational performance across government. We need to do more work to enhance data quality, embed MI in departmental decision making and improve department specific MI.	
10	Sharpening the accountability of Permanent Secretaries	We will publish shortly a new version of Managing Public Money, setting out the responsibilities of Permanent Secretaries in relation to major projects and the expectation that former Accounting Officers will give evidence to Select Committee hearings as required.	
11	Strengthening Ministers' role in appointments of Senior Civil Servants	The Civil Service Commission published new guidance in December 2012 formalising ministerial involvement in Permanent Secretary appointments. Working with the Commission, we will review the guidance later this year to see how the changes are working in practice, before concluding whether legislation is required.	
12	Establishing a Capabilities Plan to fill Government's skills gaps	We published a high-level Capabilities Plan, six months later than planned. Lack of resources has hindered implementation, with no detailed plan in place to implement what is needed. We will finalise the implementation plan shortly and have the full team in place by September 2013.	
13	Developing and managing the future leadership of the Civil Service	We started by improving and extending the existing talent programmes. Later this month, we are launching the Civil Service High Potential Stream to match talent to business need. In April 2013, we introduced common promotion standards for the whole Civil Service (four months later than planned). Significant work is underway to embed the new cross-government approach to talent management.	

	Action	Progress	
14	Increasing secondments and interchange with the private sector	Progress on this action is delayed as we did not identify resources to put in place a clear strategy. We have now put in place a small team to build and manage relationships with private sector partners, organising secondments across the whole Civil Service.	
15	Increasing commercial and operational experience amongst Permanent Secretaries	We updated the role specification for Permanent Secretaries in June 2012, setting the expectation that future appointees to delivery departments will have commercial and/or operational experience.	
16	Introducing a new model of Departmental Improvement Planning	We agreed the new model for improvement planning in September 2012 and are now piloting it in five departments, with a view to full adoption in all departments by April 2014.	
17i	Creating a modern employment offer for staff	Following a rigorous review, we are implementing changes to terms and conditions, phased from April 2013 to October 2014. In the first instance, these can only apply to new entrants and existing staff on promotion. We have implemented new cross-government frameworks to improve performance management, tackle poor performance and enhance learning and development opportunities.	
17ii	Creating a modern workplace	Some departments have made good progress in enhancing the workplace in line with local plans for estate rationalisation. However, we are only just starting cross-government work. We are putting resources and an implementation plan in place. Changes should be felt on the ground later this year. We will be taking much more action to address IT issues for civil servants, which remain one of the greatest frustrations for staff.	
18	Improving the Civil Service culture and behaviours	Culture and behaviours will undoubtedly be changing, as a consequence of other actions in the Reform Plan. For the first time, a cross-government competency framework is now in place, with five early adopters being evaluated to inform implementation in all departments from April 2013. We want to go further by developing a longer-term vision for a reformed Civil Service, including changes to organisational structures and ways of working.	

The UK Civil Service serves three governments: the national Government in Westminster and the Governments of Scotland and Wales, and it must ensure it meets the needs of each. The Governments of Scotland and Wales have separately developed complementary reform plans. The Northern Ireland Civil Service has been a separate organisation since 1921.

Progress Report

Chapter 1 – Clarifying the future size and shape of the Civil Service

In June 2012 we said....

The Civil Service will become smaller and more strategic. The organisational model of the Civil Service will need to adapt if it is to successfully reform. With 17 main departments varying greatly in size, the Civil Service will need a much stronger corporate leadership model, and much more sharing of services and expertise, if it is to deliver the step change in efficiency needed. It needs to use different delivery models where doing so will achieve better outcomes or lower costs. It needs to transform the delivery of services to users, moving to a Digital by Default approach.

Key actions to achieve this were:

- implementing new models to deliver public services;
- becoming digital by default, moving more services online;
- creating shared transactional services centres for government; and
- executing plans to share expert services across government.

Action 1: Complete by October 2012 the review led by the Cabinet Office to identify some further examples of changes in delivery models which can be implemented in this Parliament, taking account of major departmental change programmes already underway. This review is focusing on operational and transactional services currently undertaken by in-house civil servants, examining mutual, commissioning and digital options.

Progress summary: In October 2012, we completed the review to identify further models, including mutuals, cooperatives, joint ventures and other commercial models. A pipeline of projects is on track to deliver within this Parliament.



Supporting detail

We have a specialist team in the Cabinet Office to support departments to identify and implement new ways to deliver public services, including mutuals, co-operatives, joint ventures and other commercial models. Good progress has been made to build a pipeline of projects, including:

- in July 2013, we formed a joint venture with Capita to promote the Best Management Practice (SWIRL), portfolio of intellectual property (including ITIL® and PRINCE2®);
- we have launched a procurement process to identify a joint venture partner for the Behavioural Insights Team in a partnership with government and employees; and
- we have launched a procurement process to identify a joint venture partner to take a majority stake in the Independent Shared Service Centre 2 (ISSC2).

Where do we go next?

We will continue to work with departments to make further progress on the portfolio of projects, and to maximise value from new models for the taxpayer. We will determine a new delivery model for the Defence Infrastructure Organisation through the bidding process that will conclude later in 2013. Later this year we will complete an objective, value-for-money assessment of whether Defence Equipment and Support activities should be delivered by a Government Owned, Contractor Operating (GoCo) entity or a public sector benchmark known as DE&S+ (Defence Equipment & Support +).

Action 2: Departments to publish plans for making services Digital by Default by the end of 2012.

Progress summary: We published digital strategies for government and individual departments (except the Department for Communities and Local Government) at the end of 2012. We are in the process of re-designing and moving online 25 major public-facing services by March 2015.

Supporting detail

The vast majority (82%) of the public are online, but only slightly more than 50% have used government services or information online.² The Government Digital Service (GDS) is leading the transformation needed to become “digital by default”.

“The Government Digital Service is a team that uses digital technology, user-centred design and organisational change to be a powerful force of innovation. It will deliver better services but will also transform organisation structures. It might even help change citizens’ relationship with Government.”

Mat Hunter, Chief Design Officer, Design Council



There have been significant successes. GDS has made information much more accessible to the public.³ In March 2013, we finished the transfer of all departmental web content to a single website, www.gov.uk.

GOV.UK won the Design Museum’s “Design of the Year Award”, beating the Shard and the Olympic Torch. On average, the website is getting one million hits a day. It has also saved the taxpayer £42 million by replacing Directgov and BusinessLink with GOV.UK, a cost reduction of 72%.⁴

In the departmental digital strategies, we identified a first wave of 25 exemplar services which will be transformed by March 2015 (see below).⁵ Between £1.7 and £1.8 billion could be realised as total annual savings to the Government and service users, by shifting departmental transactional services from offline to digital channels.⁶

² <http://publications.cabinetoffice.gov.uk/digital/research/>

³ <http://publications.cabinetoffice.gov.uk/digital/strategy/government-digital-strategy.pdf>

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/204603/FINAL_12_13_ERG_annual_report.pdf

⁵ <http://publications.cabinetoffice.gov.uk/digital/#departmental-strategies>

⁶ <http://publications.cabinetoffice.gov.uk/digital//efficiency/#fn:2>



Department
for Business
Innovation & Skills

- The Insolvency Service**
 - Redundancy Payments
- Intellectual Property Office**
 - Patent Applications and Renewals
- Land Registry**
 - Digital Service Delivery
- Apprenticeships**
 - National Apprenticeship Service
- Student Loans Company**
 - Student Loans Company



Home Office

- UK Border Agency**
 - E-Gates at the Border
- Disclosure & Barring Service**
 - Criminal Record Checking Service
- Identity & Passport Service**
 - Visitor Visa Application



Department
for Environment
Food & Rural Affairs

- Rural Payments Agency**
 - Common Agricultural Policy Delivery Programme
- Environment Agency**
 - Waste registration & Applications



Department
for Transport

- DVLA**
 - Vehicles Online Logbook
 - Personalised Registration
 - Integrated Enquiries Platform



Ministry
of Justice

- HM Prison Service**
 - Prisoner Visits Booking
- HM Courts & Tribunals Service**
 - Civil Claims
 - Fee Payments
- Office of the Public Guardian**
 - Lasting Power of Attorney



HM Revenue
& Customs

- PAYE online
- Paperless Self Assessment
- Tax for My Business
- Agent Online Self-Service



Department
for Work &
Pensions

- Carer's Allowance
- Personal independence payment
- Universal Credit



Cabinet Office

- Electoral Registration Transformation Programme

Where do we go next?

The Civil Service has skills gaps which are putting at risk our digital transformation. GDS will work closely with departments to build digital skills urgently across the Civil Service to help mitigate this. For example, GDS has recently provided tailored support to nine departments for the recruitment of their Chief Digital Officers, Chief Technology Officers and other senior technology roles. It has also provided direct support in the recruitment of others groups of digital specialists through its recruitment hubs.

Action 3: Execute the current programme to create five centres for transactional services (i.e. finance, payroll, HR, procurement) creating the necessary infrastructure by the end of 2013, with full delivery of the programme by 2014 with potential cost savings of £600 million a year. We will execute plans for seven shared communications hubs by the end of 2012.

Progress summary: We are on track to deliver the necessary infrastructure for shared services by the end of 2013. Further work is required to ensure that departmental plans for transformation are implemented, so we can realise the full potential for efficiency improvements during 2014/15. We established seven shared communication “hubs” by December 2012.



Supporting detail

In December 2012, the Government published its strategy for departments and arm’s-length bodies to work together to share back-office functions.⁷ By consolidating these services into five shared centres, we will deliver savings of £128 million a year from 2015/16. There was little progress between 2004, when Sir Peter Gershon recommended moving in this direction, and 2012. In the last year there has been a significant acceleration and work is now proceeding at pace.

We have established seven shared communications “hubs” as a means of efficiently organising our communication operations, spend and people. These facilitate joint working and enable multiple departments or bodies to collaborate on campaigns to the same target audiences.

Where do we go next?

Cabinet Office will operate a Crown Oversight function to ensure the necessary benchmarks are reached to enable real, meaningful savings of between £400 million and £600 million. Our priority now is to increase significantly the pace on implementation, ensure we deliver on our stretching timetable, and finalise departments’ detailed migration plans.

There is much more work to be done to realise the communication hub structure’s full potential. In 2013/14, we will focus on collectively identifying and formalising improvements to how departments contribute to a more effective operating model across all government communication.

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/83717/19284_Next_Generation_3rd_Online.pdf

Action 4: Publish by October 2012 and execute by October 2013 plans to share a wide range of other services and expertise, including legal services, internal audit, programme and project management resources and commercial contracting procurement skills. Sharing services should become the norm and all departments should expect to share some of these services. Smaller departments should no longer expect to maintain full free-standing operations in all these functions. In addition, the Cabinet Office will lead work on how far some policy and analytical services could be provided on a shared basis, building on the example of the Behavioural Insights Team and the Shareholder Executive, which provide specialist advice to departments on a shared basis.

Progress summary: We did not publish plans to share a wide range of services and expertise (due in October 2012). We have made good progress in two areas: legal and internal audit services. We have put in place plans to share commercial services. We have not yet started work to share other services and so this will not be in place by October 2013.



Supporting detail

If sharing services is to become the norm, we must significantly speed up progress on implementation.

We can record some success, for example on sharing legal services. The Treasury Solicitor's Department now delivers the vast majority of the Government's litigation and employment law work. We must apply this same level of energy and commitment to other expert services to increase their resilience, effectiveness and coherence.

We are creating an integrated commercial function for Government as part of a new and expanded central service which buys common goods and services once on behalf of the whole of government. Cabinet Office and HM Treasury have moved to this new service. We are also creating an expert Complex Transactions Team, to assist departments with buying and managing the delivery of complex IT services.

In terms of sharing policy resources, we are starting to establish a more experimental cross-government "Policy Lab", similar to international examples like Mindlab in Denmark.⁸ This provides a unique environment allowing for real-world testing of new policies before implementation with those who will be directly affected.

Where do we go next?

We have already increased our level of ambition on Action 4, by extending its remit to grants, estates, facilities management and security vetting. We must now finalise and implement our plans for sharing expert services. Further action on sharing services is outlined later in this report.

⁸ http://www.mind-lab.dk/en/about_mindlab

Chapter 2 – Improving policy making capability

In June 2012 we said....

At its best policy making in the Civil Service can be highly innovative and effective, but the quality of policy advice is not always consistent or designed with implementation in mind. There must be a clear focus on designing policies that can be implemented in practice, drawing on a wider range of views and expertise. At the same time, policy makers must have the skills and tools they need to do their jobs. And they should have a clear understanding of what works based on robust evidence. Policy resources should be focused on ministerial priorities, while improving the ability to scan the horizon better for threats and opportunities ahead.

Key actions to achieve this were:

- opening up the policy development process to more external sources;
- ensuring administrative resources match the Government's priorities; and
- ensuring staff have up-to-date policy skills and tools.

Action 5: Open policy making will become the default. Whitehall does not have a monopoly on policy making expertise. We will:

- establish a clear model of open policy making; and
- pilot contestable policy making by establishing a centrally held match fund which can be used by Ministers to commission external policy development (for example, by academics and think tanks).

Progress summary: We are developing open policy making techniques, although our starting point was less advanced than we thought. We have launched the Contestable Policy Fund, breaking the Civil Service monopoly on policy advice. The Head of the Policy Profession will lead the work to embed a consistently more open approach to policy making.

Supporting detail

We are improving the quality of policy advice by promoting innovative thinking, challenging the status quo and introducing some contestability and competition. In taking the first steps to embed open policy making as the default, we have learnt that the scale of the challenge is greater than we had expected. Our starting point was less advanced than we thought.

The Reform Plan set out the components of open policy making. We have made some good progress on transparency, real-world testing and iteration, and established the principle of direct access to Ministers. Much more needs to be done on cross-boundary teams and joint accountability.

Work is ongoing to establish an open policy-making model by promoting best practice case studies and practical guides, via a website for all policy makers, which will be implemented in July 2013. A new online publication called Civil Service Quarterly, showcasing innovative work by civil servants, will be launched this summer.

The Contestable Policy Fund is a significant step towards opening up the current civil service monopoly of policy advice to Ministers, allowing unmediated direct routes to Ministers. The fund has approved ten projects. The first piece of advice to be tendered competitively was a review of how civil services work abroad, with a particular focus on accountability arrangements. The contract was awarded to the Institute for Public Policy Research (IPPR) in September 2012. In line with our commitment to greater transparency of the evidence and data used in the policy making process, we published the report in June 2013.⁹ The recommendations in IPPR's report contribute to the further actions outlined later in this report.

Where do we go next?

The Head of the Policy Profession will take personal responsibility for professionalising policy making and delivering open policy making as the default approach. This personal accountability will ensure that policy makers will use new tools, share best practice and work collaboratively with think tanks, academics and other organisations.

As part of our commitment to transparency and opening up the Civil Service, we will publish more of the evidence base that supports policy making. In addition, we will develop a model for conducting policy audits, building on existing good practice, which will allow us to revisit policy advice, assess its quality, review whether the risks materialised, and learn the lessons from implementation more effectively.

We will review the impact of the Contestable Policy Fund, once a sufficient number of projects are complete.

Action 6: Ensure administrative resources match government policy priorities. We will:

- work across Whitehall to address the sources of unnecessary activity and bureaucracy, drawing in part on snapshot reviews of Department for Communities and Local Government (DCLG) and the DWP on how departmental working time is spent; and
- complete a zero-based budget review to identify the resources required to carry out the Department for Education's statutory and other functions going forward. This will include identifying a range of options for the future size, shape and role of the department, without damaging its effectiveness, and whilst maintaining its focus on strategic priorities. The review will take account of reforms to the schools system, including the establishment of increasing numbers of Academies and Free Schools, and of the potential to benefit further from shared services.

Progress summary: In November 2012, the Department for Education completed its zero-based review. Building on this, we are starting to develop a cross-government approach to ensuring resources are matched to ministerial priorities. From September 2013, Ministers will lead a resource prioritisation process on a quarterly basis in their departments.

⁹ "Accountability and Responsiveness in the Senior Civil Service: Lessons from Overseas"
https://www.gov.uk/government/news/ippr_report_into_other_civil_service_models_published.

Supporting detail

The snapshot reviews carried out in the Department for Communities and Local Government and the Department for Work and Pensions were inconclusive.

We have developed some faster ways of doing things. Departments are using digital tools more effectively to consult people and organisations more quickly, so that some government consultations now take only a few weeks rather than three months. We have streamlined the regulatory impact assessment process (that underpins the One In Two Out system) so that deregulation can progress more quickly.¹⁰ The Red Tape Challenge reforms, which have used crowd-sourcing as a form of a more iterative approach to policy making, are already saving businesses over £200 million per year. Tackling bureaucracy is a constant challenge and, in June 2013, we announced a business-led review on EU regulation, which includes health and safety, employment law and company registration.

A major part of the Department for Education's review focused on better aligning resources with ministerial priorities, while delivering administrative reductions of 50%. The DfE has introduced termly meetings with Ministers to review priorities and resources allocated to them on an ongoing basis. The department will deploy 30% of its civil servants on a flexible basis (increasing from 3%), moving away from having standing teams on every issue. This will enable the department to move people and change projects quickly to align with its strategic priorities.

Where do we go next?

Taking the best practice from the DfE review and the Ministry of Justice's Policy Plan, we are developing a new model to match resources to government priorities in all departments. From September 2013, Ministers, chairing their Departmental Boards, will review resource prioritisation on a quarterly basis, working with their ministerial teams, Non-Executive Directors and Senior Civil Servants.

Further action to support Ministers more effectively is outlined later in this report.

Action 7: We will ensure that staff have the skills and expertise they need to develop and implement policy, using up to date tools and techniques, and have a clear understanding of what works in practice.

Progress summary: We have launched a cross-government policy curriculum. We are establishing six What Works centres. We have improved the Government's horizon-scanning and implementation capabilities. The Head of Policy Profession and the new national What Works advisor will lead the drive to embed and exploit the tools that have been developed.



Supporting detail

To embed the new policy curriculum, all policy professionals will now spend five days a year on their professional development. New training packages are available, such as the Policy School in the Cabinet Office, which brings together civil servants working on local authority issues with input from external experts.

In March 2013, we launched the UK's first network of six independent What Works centres. The network will consist of four new centres focusing on crime reduction, local economic growth, ageing better, early intervention,

¹⁰ <https://www.gov.uk/government/policies/reducing-the-impact-of-regulation-on-business/supporting-pages/operating-a-one-in-2-out-rule-for-business-regulation>

and two existing centres, the National Institute for Clinical and Health Excellence and the Educational Endowment Foundation. These centres will bring together a high-quality, rigorous evidence base and allow for real-world testing in policy areas accounting for over £200 billion of public spending. They will be a huge resource for public sector policy makers to improve policy making and drive effective implementation.

*“The **What Works** network will support commissioners and decision-makers at every level of government – from head teachers and local police chiefs, to Ministers and civil servants. A decade from now, we will wonder how we ever did without it.”*

Rt. Hon. Oliver Letwin MP, Minister for Government Policy



Jon Day, the chairman of the Joint Intelligence Committee, undertook a cross-government review into horizon scanning, published on GOV.UK in January 2013.¹¹ We established a board, chaired by the Cabinet Secretary, overseeing effective commissioning of horizon scanning and futures work across government.

The Cabinet Office’s Implementation Unit is conducting deep dives to report to the Prime Minister, Deputy Prime Minister and Cabinet Ministers on the progress of key policy initiatives. As well as identifying specific implementation blockages, the unit draws out general lessons on how to improve the pace of government policy implementation, which are shared with all departments.

Where do we go next?

The Head of the Policy Profession will lead the drive to embed and exploit the tools that have been developed across the whole of government, and ensure that all policy makers, supported by the new What Works national adviser, use the What Works centres to inform policy making and improve implementation.

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/79252/Horizon_Scanning_Review_2012ten03.pdf

Chapter 3 – Implementing policy and sharpening accountability

In June 2012 we said....

Implementing policy should never be separate from making it. Successful outcomes depend on designing policy with clear objectives, creating realistic timetables and professional project planning. Policy that is difficult to implement wastes time and money. Effective delivery is particularly critical for the Government's most important and high value projects, as this drives efficiencies and improves public services. In the past, delivery of these major projects has too often been poor.

Key actions to achieve this were:

- **improving delivery of major projects;**
- **improving corporate management information;**
- **sharpening the accountability of Permanent Secretaries; and**
- **strengthening Ministers' role in appointments of Senior Civil Servants.**

Action 8: Substantially improve delivery of major projects by:

- requiring greater testing and scrutiny of major projects by departmental boards and the Major Projects Authority (MPA) before they move to full implementation;
- regular publication of project progress and the production of an annual report on progress, scrutinised by the Departmental Board;
- commencing training of all leaders of major projects through the Major Projects Leadership Academy by the end of 2014; and
- significantly reducing the turnover of Senior Responsible Officers (SROs).

Progress summary: Overall the Major Projects Authority (MPA), working with departments, has made savings of £1.2 billion in 2012/13 and improved the rate of successful project delivery.¹² The new Major Projects Leadership Academy is world class. However, we need to do much more to reduce and manage SRO turnover and implement effective succession planning to increase civil service capability to deliver major projects.

¹² On Government's major projects, departments report halting or curtailing wasteful spend totalling almost £890m through both improved central scrutiny by the MPA and their own action to avoid low value spend. Additionally, Department of Health has reported saving over £320m through a programme which has reduced the number of staff employed in non-essential administration of the NHS.

Supporting detail

The Civil Service is responsible for managing some of the most complex and high-risk projects in the country. At times, we deliver excellent results (for example, we introduced automatic enrolment for over 11 million people into work-place pension schemes in October 2012),¹³ but there have been some high profile failures across government. This makes the work of the Major Projects Authority in driving consistency and rigour doubly important.

“The Major Projects Authority ... works closely with individual departments’ projects teams and Permanent Secretaries to monitor and improve the management of major projects. Through this collaborative approach, the Government’s Major Projects Portfolio has improved the rate of successful project delivery from under 30% to over 70%.”

David Pitchford, Executive Director, Major Projects Authority

Taking the Reform Plan commitments in turn:

- from July 2013, departments will follow updated MPA and HM Treasury guidance to improve portfolio management of projects, with stronger controls around project initiation and greater scrutiny from departmental boards;
- for the first time, in May 2013, the Government published progress against all the major projects in its portfolio in the MPA annual report, albeit ten months late;
- the new Major Projects Leadership Academy (MPLA), run by the Saïd Oxford Business School and Deloitte, is delivering world class training in project management. To date 120 people have enrolled with a target of 340 participants by the end of 2014;
- MPA has developed best practice guidance regarding SRO appointments, albeit eight months late. From August 2013, a comprehensive package for all new SROs of major projects will include:
 - a project leader role remit and skills match carried out prior to appointment;
 - a clear mandate and tenure set for their appointment; and
 - targeted use of a range of incentives to encourage people to remain in post, such as the “Pivotal Role Allowance”.

Where do we go next?

The MPA and infrastructure UK will continue to work closely with departments to insist that the capabilities and disciplines required to improve project delivery are fully implemented. They will also drive forward measures to reduce and manage SRO tenure. By the end of 2013, we will put in place a process for succession planning for project leaders. Further action to improve major project delivery is outlined later in the report.

¹³ <http://www.dwp.gov.uk/docs/auto-key-facts-enrolment-booklet.pdf>

Action 9: Put in place by October 2012 a robust cross-government Management Information (MI) system that enables departments to be held to account by their boards, Parliament, the public and the centre of Government.

Progress summary: We established a cross-government MI system in October 2012. Departments are submitting quarterly returns but the data is not of the requisite quality and consistency to enable comparison of operational performance across government. We need to do more work to enhance data quality, embed MI in departmental decision making, and improve department specific MI.



Supporting detail

The cross-government Quarterly Data Summary (QDS), run by the Cabinet Office, sets out comparative data on departmental expenditure, allowing benchmarking of common spend. In October 2012 we put in place a system to collect data across government. However, departmental returns are still not of the quality and consistency required to enable effective cross-government, comparative analysis to be carried out to inform decision making. We have now collected four quarters of MI, and we are working with departments to improve their data returns.

In parallel with the work on MI, we have reduced the reporting burdens on departments with a 61% reduction in the number of data requests made of departments by the Cabinet Office.

“Management information is improving, but getting that right is just the start.....Drawing on Non-Executive expertise, some departments have used innovative techniques to improve standards and now have high quality MI packs”

Lord Browne of Madingley,
Government Lead Non-Executive



Where do we go next?

Non-Executive Directors have identified the use of MI in decision making as a priority area for improvement. Their role on departmental boards will be to prompt the use of MI at every opportunity. Permanent Secretaries will be accountable through their performance objectives for improving quality and use of MI. This will improve decision-making, increase Whitehall efficiency and help deliver savings for the taxpayer. There will be an increased focus on automating provision of MI to replicate best practice in the private sector.

Action 10: Sharpen and make more transparent the responsibility of Accounting Officers, including for ensuring effective implementation of major Government projects and programmes, by:

- requiring explicit Accounting Officer sign off of implementation plans, major gateway reviews and Cabinet Committee papers; and
- establishing the expectation that former Accounting Officers return to give evidence to Select Committees on a time limited basis where there is a clear rationale to do so.

Progress summary: We will publish shortly a new version of Managing Public Money, setting out the responsibilities of Permanent Secretaries in relation to major projects, and the expectation that former Accounting Officers will give evidence to Select Committee hearings, as required.



Supporting detail

Managing Public Money is a Treasury document that sets out the principles for deploying resources across public sector organisations in the UK.¹⁴ In order to meet the actions in the Reform Plan, the document is being revised to strengthen the Accounting Officer role in signing off projects and being held accountable for delivery by Parliament.

Where do we go next?

Accounting Officers will continue to report their compliance with Managing Public Money as part of departments' annual reports to Parliament. Further action on strengthening accountability is outlined later in this report.

Action 11: In order to reflect Ministers' accountability to Parliament for the performance of their departments, we will strengthen their role in both departmental and Permanent Secretary appointments.

Progress summary: The Civil Service Commission published new guidance in December 2012 formalising ministerial involvement in Permanent Secretary appointments. Working with the Commission, we will review the guidance later this year to see how the changes are working in practice, before concluding whether legislation is required.



Supporting detail

The relationship between Ministers and their Permanent Secretary is the most important in any department. The recent Civil Service Commission guidance strengthens ministerial involvement in the different stages of the appointment process, but does not go as far as the Government would have liked.¹⁵ The recent Institute for Public Policy Research report recommends that the Prime Minister should be given a choice of appointable candidates.

Where do we go next?

Further action on strengthening Permanent Secretary accountability is outlined later in this report.

¹⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/179695/mpm_whole.pdf.pdf

¹⁵ <http://civilservicecommission.independent.gov.uk/wp-content/uploads/2012/12/EXPLANATORY-NOTE-PERM-SEC-COMPETITIONS-MINISTERIAL-INVOLVEMENT.pdf>

Chapter 4 – Building capability by strengthening skills, deploying talent and improving organisational performance across the Civil Service

In June 2012 we said....

The Civil Service has many talented people. However there are significant gaps in capability and skills which need to be filled if the Civil Service is to be able to meet today's and tomorrow's challenges. Staff consistently say in surveys that their managers are not strong enough in leading and managing change. Many more civil servants will need commercial and contracting skills as services move further towards the commissioning model. While finance departments have significantly improved their capabilities, many more civil servants need a higher level of financial knowledge. As set out elsewhere in the plan, the Civil Service needs to improve its policy skills, and fill the serious gaps in digital and project management capability. At the same time, the Civil Service must ensure that the expertise and capability of its staff is consistently underpinned by an understanding of the challenges in other sectors and the public's perspectives. More rigorous performance management will require additional tools and enhanced skills for all managers.

Key actions to achieve this were:

- **establishing a high-level Capabilities Plan to fill the Government's skills gaps;**
- **developing and managing the future leadership of the Civil Service;**
- **increasing secondments and interchange with the private sector;**
- **increasing commercial and operational experience amongst Permanent Secretaries; and**
- **introducing a new model of Departmental Improvement Planning.**

Action 12: We will produce, by autumn 2012, for the first time a five-year capabilities plan for the whole Civil Service to identify which skills and capabilities are in deficit, and set out how gaps will be filled. In particular, in a world where more services are commissioned from outside, there is a serious need for many more civil servants to have commercial and contracting skills.

Progress summary: We published a high-level Capabilities Plan, six months later than planned. Lack of resources has hindered implementation, with no detailed plan in place to implement what is needed. We will finalise the implementation plan shortly, and have the full team in place by September 2013.



Supporting detail

The high level Capabilities Plan sought to address the significant skills deficiencies and gaps in four key areas:

- leading and managing change;
- commercial skills and behaviours (including contract management);
- delivering projects and programmes; and
- re-designing services and delivering them digitally.

Building these capabilities is a massive challenge, and we under-estimated the level of resources necessary to implement the Capabilities Plan at speed. An implementation plan will be agreed later this month to ensure we can deliver on the Capabilities Plan commitments.

The Capabilities Plan sets out an approach to building our organisational capabilities through learning and development, borrowing through more secondments and interchanges, and buying where expertise is necessary to fill short-term gaps. An example is the new Commissioning Academy, launched in January 2013. More than 100 people have either participated in a pilot or are currently enrolled, with a target of 1500 graduates across the public sector over the next three years.

“This new plan has some significant strengths which could mark a step change in the rate of capability building in the Civil Service.”

Peter Thomas, Director of Reform at the
Institute for Government



Departments are already improving the skills of their workforce. For example, the Department of Energy and Climate Change, reflecting its significant infrastructure portfolio, has created the “DECC school” to provide training for project planning and initiation, risk management and procurement.

In particular, we will give priority to strengthening commercial skills and behaviours, including contract management. As set out in our Capabilities Plan in April, we need to ensure that many more civil servants feel confident and competent in a world where services are increasingly commissioned from the private and voluntary sectors. We need to take decisions and assess risks based on our knowledge of markets, and be judged on whether taxpayers’ money has been spent wisely to deliver the right outcome.

Where do we go next?

The Head of the Human Resources Profession is accountable for implementing the Capabilities Plan. We will agree an implementation plan this month and the full team will be in place in September 2013. We launched the first annual skills review across the Civil Service in June 2013. This will be completed by December 2013.

Action 13: Actively manage the Fast Stream, other high performers and the SCS as a government-wide corporate talent pool by expanding accelerated development programmes, and introducing a single common standard for promotion into and within the SCS; all by the end of 2012. Training for high potential Senior Civil Servants to be sourced on the open market through Civil Service Learning, and conducted alongside high potential individuals in other sectors, especially the private sector.

Progress summary: We started by improving and extending the existing talent programmes. Later this month, we are launching the Civil Service High Potential Stream to match talent to business need. In April 2013, we introduced common promotion standards for the whole Civil Service (four months later than planned). Significant work is underway to embed the new cross-government approach to talent management.



Supporting detail

We did not meet the deadline to develop a corporate talent pool by the end of 2012. Resources were initially focused on the improvement and expansion of existing talent development programmes. The Civil Service High Potential Stream is agreed and staff are already attending the new training schemes. We are still developing mechanisms for aligning talent development to priority cross-government business need.

The new Civil Service High Potential Stream will identify, assess, manage and deploy talent to meet business needs across the organisation. This reflects best practice in the private sector, and senior leaders will be required to invest time in developing the future leaders of the organisation.

The existing development opportunities for the highest potential individuals have been improved to fit with our new corporate approach:

- new talent programmes for Deputy Directors (Senior Leaders Scheme) and the Senior Civil Service feeder grades (Future Leaders Scheme), as well as a pilot apprenticeship scheme, are in place; and
- existing programmes have been revitalised. For example, the refreshed Fast Stream will be managed as a cross-government pool, instead of by department, and offers a secondment outside the Civil Service.

Cross-government programmes have supported employees in under-represented groups over the last year to develop relevant skills and confidence, to realise their full potential and ensure a diverse pool of talent.

We have now introduced common promotion standards at all levels, and will ensure this is a reality on the ground.

Where do we go next?

The Civil Service High Potential Stream will be formally launched later this month and will be fully operational from autumn 2013. To match resources to the Civil Service's most important priorities, Permanent Secretaries will be required to release their 'top talent' on a planned basis. In future, the Civil Service High Potential Stream will be the route by which internal candidates develop their skills and abilities, so they can be considered for Director General or Permanent Secretary roles.

We will undertake an annual review of the effectiveness of the talent management and identification systems to ensure the overall system is operating effectively. We will also review the effectiveness of the individual development programmes. Further action is outlined later in this report.

Action 14: Increase dynamism and flexibility by making it easier for staff at all levels to move between the Civil Service and the private sector.

Progress summary: Progress on this action is delayed as we did not identify resources to put in place a clear strategy. We have now put in place a small team to build and manage relationships with private sector partners, organising secondments across the whole Civil Service.



Supporting detail

Progress on this action has been delayed. We did not identify the necessary resources early enough. A new team is now in place, and is identifying potential partners for secondments out of, and interchanges into, the Civil Service, as well as suitable, high-performing internal candidates. Placements will be linked to the Civil Service High Potential Stream, in line with the Capabilities Plan.

Departmental programmes will continue to offer their own opportunities to bring in expertise. For example, the Department for International Development has an ongoing programme of 40 secondments to international partners and organisations, such as the World Bank, Regional Development Banks and UN agencies.

Where do we go next?

We will deliver 30 outward secondments of our most talented civil servants as a first step by April 2014, increasing thereafter to 100 secondments by April 2015. We will increase this further over time to meet the ambition of the Capabilities Plan. These will be in addition to the approximate 200 existing secondments and interchanges organised separately by departments each year.

Action 15:

- Establish the expectation that Permanent Secretaries appointed to the main delivery departments will have had at least 2 years of experience in a commercial or operational role.
- Move over time towards a position where there is a more equal balance between those departmental Permanent Secretaries who have had a career primarily in operational management and those whose career has been primarily in policy advice and development.

Progress summary: We updated the role specification for Permanent Secretaries in June 2012, setting the expectation that future appointees to delivery departments will have commercial and/or operational experience.



Supporting detail

In December 2012, we published a baseline of the experience of the current cohort of Permanent Secretaries, which confirmed that just over 25% have high levels of operational and commercial experience, gained prior to their appointment.

Where do we go next?

We will bring together the new approaches on capability, talent and secondments to manage more proactively the careers of future leaders in the Civil Service, to ensure that they have the opportunity to build the necessary commercial and operational experience.

Action 16: We will replace existing Capability Reviews with departmental improvement plans, which will be annually assessed and led by departmental boards, calling on other external advice.

Progress summary: We agreed the new model for improvement planning in September 2012 and are now piloting it in five departments, with a view to full adoption in all departments by April 2014.



Supporting detail

We are using Departmental Improvement Plans to map out how departments will improve their performance over several years. Plans from the pilot phase have focused on what departments are doing to improve the efficiency of their operations, how they are putting in place the capabilities to deliver new or reformed functions, and the integration of wider actions from the Reform Plan.

Where do we go next?

Following the pilots, the Cabinet Office is issuing guidance to all departments, who will publish their improvement plans by April 2014. The plans must identify metrics against which improvement will be measured from year to year, and report on progress against the issues identified for improvement in the previous year's plan.

Chapter 5 – Creating a modern employment offer for staff that encourages and rewards a productive, professional and engaged workforce

In June 2012 we said....

The success of the Civil Service depends on its staff, who have already been through a great deal of change and are facing more. The Civil Service will continue to encompass the widest range of roles of any organisation throughout the country, and at all levels civil servants will have the opportunity to do a job that matters.

Key actions to achieve this were:

- **creating a modern employment offer for staff;**
- **creating a modern workplace; and**
- **improving the Civil Service culture and behaviours.**

Action 17i: Creating a positive offer for staff: the views of staff will be sought on a new offer for civil servants that encompasses a much less hierarchical, pacier culture focused on outcomes not process, supporting innovation and rewarding initiative. The new offer will embrace:

- terms and conditions of employment that reflect good, modern practice in the wider public and private sector;
- for the Senior Civil Service, a proposal on reward to be submitted to Senior Salaries Review Board in the autumn for implementation in 2013 to include consideration of a voluntary “earn-back” scheme. The new offer will be put in place by 2013;
- regular and rigorous performance appraisal for all staff, recognising good performance and taking action where performance is poor; and
- at least five days a year investment in targeted learning and development.

Progress summary: Following a rigorous review, we are implementing changes to terms and conditions, phased from April 2013 to October 2014. In the first instance these can only apply to new entrants and existing staff on promotion. We have implemented new cross-government frameworks to improve performance management, tackle poor performance and enhance learning and development opportunities.



Supporting detail

We are implementing new terms and conditions across the Civil Service. Departments began implementation in April 2013, which will be complete by October 2014. The new offer retains terms and conditions, such as our family-friendly policies, which help enhance the productivity of the Civil Service.

When the changes have been fully implemented the following terms will be in place for new staff:

- annual leave – maximum of 25 days of annual leave for the first year of service building up to a maximum of 30 days;
- privilege leave – remove 1.5 days of the current entitlement;
- occupational sick pay – to start at one month full pay and one month half pay in the first year of service, rising with each year of service to five months' full pay and five months' half pay in the fifth year of service;
- hours of work – standard minimum working week for full-time employees of 37 hours, irrespective of geographical location;
- probation – restrictions on entitlements during the probation period, for example access to flexitime; and
- mobility – all staff to have a mobility clause in their contracts.

The Government concluded that an effective and workable version of the “earn-back” scheme would be difficult to introduce within the current constraints of public sector pay policy. The Senior Salaries Review Body supported this decision. Other changes to Senior Civil Service terms and conditions have been introduced in July 2013.

We have introduced these changes against the backdrop of pensions reform. By increasing member contributions to the unfunded public service pension schemes, the changes ensure a fairer distribution of costs between taxpayers and members. In 2012/13, this saved £1.2 billion.

We have put in place, for the first time, a single performance management framework across the whole Civil Service. As part of this, we are introducing a forced or guided distribution system. This will identify the lowest performing staff, so managers can give them the support needed to help them improve their performance. For those whose performance is not acceptable, a new poor performance policy has been introduced to tackle the issue robustly, including taking a decision to dismiss within six months.

“One of the best opportunities for us out of Civil Service Reform is the chance for us to think about how we invest in ourselves, how we invest in our organisations and how we build the fit and agile kind of Civil Service we want for the future.”

Lin Homer, Chief Executive of
Her Majesty's Revenue and Customs



All departments have now implemented commitments on five days worth of learning and development for staff each year, tailored to the needs of their job.

Where do we go next?

Permanent Secretaries are leading these changes in their departments, working with local teams to ensure that new measures are properly communicated, and role modelling the behaviour required to embed good performance management.

Despite pay restraint across the public sector since 2010, average public sector pay growth has continued to exceed that in the private sector.¹⁶ Spending Round 2013 announced that departments will be putting in place plans to end automatic time-served progression pay in the Civil Service by 2015-16.

Action 17ii: Creating a decent working environment for all staff, with modern workplaces enabling flexible working, substantially improving IT tools and streamlining security requirements to be less burdensome for staff.

Progress summary: Some departments have made good progress in enhancing the workplace in line with local plans for estate rationalisation. However, we are only just starting cross-government work. We are putting resources and an implementation plan in place. Changes should be felt on the ground later this year. We will be taking much more action to address IT issues for civil servants, which remain one of the greatest frustrations for staff.



Supporting detail

This is one of the actions with the greatest potential to improve civil servants' day-to-day working lives. However, it is one where the least progress has been made, and it is absolutely essential that its implementation is prioritised and the necessary resources secured.

There has been some positive work in improving asset management. The Government has saved £310 million in 2012/13 compared to a baseline of 2009/10. And by selling government land and buildings, almost £310 million was generated in revenue for the taxpayer over the same period.

The Department for International Development and the Department for Culture, Media and Sport have seized the opportunity of moving premises in order reduce costs and modernise their working environments. But a great deal more remains to be done across government to deliver a decent working environment for all staff.

Where do we go next?

Over the coming year, we will:

- create one recognised government pass from October 2013, allowing staff to move freely between different government offices;
- introduce flexible working guidelines from autumn 2013 onwards, allowing staff to embrace working from different locations fully; and
- most critically, introduce common IT platforms to accelerate adoption of modern, flexible and resilient devices for civil servants. We expect to begin trials during 2014, and will use the Cabinet Office as an exemplar department.

¹⁶ HM Treasury analysis of Average Weekly Earnings in the *ONS Labour Market and Statistics Release*

Action 18: Drive the culture and behaviours being sought through the new competence framework that sets out the behaviours civil servants need to demonstrate.

Progress summary: Culture and behaviours will undoubtedly be changing as a consequence of other actions in the Reform Plan. For the first time, a cross-government competency framework is now in place, with five early adopters being evaluated to inform implementation in all departments from April 2013. We want to go further by developing a longer-term vision for a reformed Civil Service, including changes to organisational structures and ways of working.



Supporting detail

This is clearly a long-term challenge. Some changes are beginning to be reflected in the way civil servants are working, enhancing the effectiveness of government. This is demonstrated by the savings made and the increase in productivity achieved since 2010. We will use the Civil Service People Survey to track staff feedback on key indicators such as whether leadership and management of change in departments is improving.

The new cross-government Civil Service Competency Framework provides a single set of standards to recruit, appraise, develop and promote staff which will help identify weaknesses in capability and training needs more effectively. Further evaluations of the competency framework will start in July, to ensure departments implement the framework effectively.

Where do we go next?

With hindsight, this action did not go far enough to meet the challenges that the Civil Service faces. We have therefore decided to develop a longer-term vision for a reformed Civil Service – the 21st Century Civil Service. This will include:

- defining the key features of a reformed Civil Service;
- mapping out how the Reform Plan actions already help deliver the 21st Century Civil Service, and which are the actions that will create the biggest impact; and
- identifying the best way to measure progress.

Further Actions

The Reform Plan was the first step in a process of incremental change to create a modern 21st Century Civil Service. One year later, the wider context is more challenging and the need to accelerate reform greater than ever. To achieve excellence, an organisation the size and complexity of the Civil Service must constantly evolve and improve. To that end, this section highlights further actions that build on the Reform Plan.

Strengthening accountability

Building on the new arrangements for greater ministerial involvement in the Permanent Secretary appointment process in Action 11, we will implement proposals to move to a fixed tenure appointment for Permanent Secretaries for all new appointments with immediate effect.

This will formalise the presumption that individuals will not continue in their roles once the fixed term of five years ends, unless their tenure is explicitly extended.

We are strengthening the accountability to Parliament of both Permanent Secretaries and the Senior Responsible Officers (SROs) for major projects. The “Osmotherly rules”¹⁷ sets out how departments should interact with Parliamentary select committees. A revised set of guidance retaining the key principles of ministerial accountability, but reflecting a more direct relationship between Parliament, Permanent Secretaries and SROs, will be published in the autumn following consultation with the House of Commons Liaison Committee and key stakeholders.

Supporting Ministers more effectively

Last month, the Government published a report on improving accountability and responsiveness of the Civil Service commissioned from the Institute for Public Policy Research (IPPR) through the Contestable Policy Fund.¹⁸

The report suggests that direct support for Ministers in the UK is severely underpowered by comparison with other similar Westminster-based systems, and with the pace and complexity of government ever increasing, Ministers need more support.

Under Action 11, Ministers can ask Permanent Secretaries to appoint a limited number of senior officials for a specified and time-limited period to give them support to drive implementation and delivery of their policies. Following receipt of the IPPR report, the Government will provide for Ministers in charge of departments the ability to appoint an “Extended Ministerial Office” subject to the agreement of the Prime Minister. In a Coalition Government, the appointment of an extended office will be agreed by the Prime Minister and Deputy Prime Minister, and they will also consider proposals to strengthen the office of the Coalition Minister (the junior Minister in a department headed by a Secretary of State of a different party).

The Extended Ministerial Office could comprise existing civil servants fulfilling the traditional private office role, special advisors and external appointees. Members of the office would be personally appointed by the Minister and be directly accountable to them. Civil service appointments would be made in accordance with the requirements of the Civil Service Commission’s recruitment principles. The office could provide a number of functions including support for policy formulation, implementation, media handling, and responding to correspondence, as well as the traditional private office function.

¹⁷ Government’s guidance “Departmental Response and Evidence to Select Committees” (known as ‘the Osmotherly Rules’ after their author) sets out the long-established conventions governing Government’s interaction with and accountability to Parliament.

¹⁸ “*Accountability and Responsiveness in the Senior Civil Service: Lessons from Overseas*”
<https://www.gov.uk/government/news/ippr-report-into-other-civil-service-models-published>

Further integration of corporate functions

The Reform Plan started the integration of back-office and some expert services such as legal, internal audit, and the procurement of common goods and services. But ‘tweaking’ the current model is not enough. Government cannot afford to continue in this way. Much greater integration of corporate functions is taken for granted in well-run private companies and other governments; the cross-government role of our corporate functions remains weak relative to other OECD countries.

Stronger corporate functional leadership will deliver potential further efficiency savings and higher quality, more resilient support for the business of government. We will design and deliver stronger corporate functional leadership for government, including (but not restricted to) human resources and information technology, together with further changes to procurement and communications services. We will target at least £1 billion of efficiency savings by 2015/16 through this work.

High-quality financial management is key to ensuring that the Government continues to reduce the deficit and that taxpayers’ money is spent as efficiently as possible. The Government is reviewing how the Treasury, working with departments, can further improve financial standards, the quality of management information and wider financial capability.¹⁹

Further improving delivery of major projects

Significant progress has been made to improve the delivery of major projects under Action 8 of the Reform Plan. However, we need to do more.

The Major Projects Authority (MPA) will implement further changes to improve project delivery by April 2014. These will include changes to project initiation, assurance and intervention, and post-project audit as part of a wider suite of activity to reflect the MPA’s business imperatives and parliamentary expectations, building on the Lord Browne recommendations.

As part of Spending Round 2013, the Government published a report on improving the delivery of infrastructure projects.²⁰ This sets out a new approach based on the presumption that significant economic infrastructure projects and programmes should be undertaken by specialist delivery units with commercial expertise. Lord Deighton will work with departments with responsibility for economic infrastructure to take this work forward. This is in tandem with the MPA’s ongoing role in monitoring and assuring major project delivery.

The MPA, Infrastructure UK and other centres of project and commercial expertise will work together to improve the Government’s delivery capabilities.

Building capability by deploying talent more effectively

We will commission advice using the Contestable Policy Fund on possible interventions to remove any blockages to our most talented people succeeding in the Civil Service, and on how we support them more effectively in their roles. This will help to shape the current Talent Strategy as part of Action 13, and we will publish a new diversity strategy by March 2014.

¹⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209220/strengthening_financial_management_capability_in_government.pdf

²⁰ <https://www.gov.uk/government/publications/investing-in-britains-future>

