



House of Commons
Public Administration
and Constitutional Affairs
Committee

The Work of the Civil Service: key themes and preliminary findings

Fifteenth Report of Session 2016–17

*Report, together with formal minutes
relating to the report*

*Ordered by the House of Commons
to be printed 25 April 2017*

Public Administration and Constitutional Affairs

The Public Administration and Constitutional Affairs Committee is appointed by the House of Commons to examine the reports of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England, which are laid before this House, and matters in connection therewith; to consider matters relating to the quality and standards of administration provided by civil service departments, and other matters relating to the civil service; and to consider constitutional affairs.

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Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

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1 Introduction

Background to the Inquiry

1. A principal focus of PACAC’s work in this Parliament, has been our inquiry into the work and effectiveness of the civil service.¹

2. During the 2010–15 Parliament, the Government introduced a programme of reform which aimed to make the civil service “more economic and provide faster services to the public”.² However, the outcome of the reforms fell short of expectations. Neither the first civil service Reform Plan of 2012, nor its update twelve months later, attempted to base its proposals on any comprehensive analysis of why some things are successful and some things go wrong in government, and why the civil service appears to find it so hard to learn from success and failure. This was identified as a major failing in the Reform Plan by the Public Administration Select Committee (PASC) in its September 2013 report, *Truth to Power: how Civil Service reform can succeed*.³ PASC built on this work in a report on *Developing Civil Service Skills: a unified approach*.⁴ This Reform Plan seems to now have been overtaken by the Civil Service Workforce Plan 2016–2020. The Workforce Plan continues elements of the Reform Plan (such as the focus on building skills in project management, digital and commercial) but identifies a need to “up the pace again”.⁵

3. Indeed, the result of the EU referendum has had significant implications for Whitehall, which now faces new challenges and a host of new tasks, including:

- Handling negotiations of the withdrawal agreement with the EU.
- Examining the legislative implications of leaving.
- Formulating the UK’s new trade policy.
- Taking back responsibility for policy and regulation in a wide range of areas including agriculture and financial services.
- Considering how the return of powers and functions from the EU will affect the devolution settlement in the UK and relations between the governments and parliaments of the UK.
- Establishing post-EU membership relations with the EU and each of the member states.

1 See also: Tenth Report from the Public Administration and Constitutional Affairs Committee, Session 2016–17, [Lessons still to be learned from the Chilcot Inquiry](#), HC 656, March 2017; Twelfth Report from the Public Administration and Constitutional Affairs Committee, Session 2016–17, [Lessons Learned from the EU Referendum](#), April 2017, HC49.

2 GOV.UK, June 2012, [Civil Service Reform Plan](#)

3 Eighth Report from the Public Administration Select Committee, Session 2013–14, [Truth to Power: how Civil Service reform can succeed](#), September 2013, HC 74.

4 Fourth Report from the Public Administration Select Committee, Session 2014–15, [Developing Civil Service Skills: a unified approach](#), March 2015, HC 112.

5 GOV.UK, July 2016, [Civil Service Workforce Plan 2016–2020](#)

4. We take the view that these challenges make it all the more important that the civil service is clear about its mission and role, and that it understands the principles upon which it is based and the institutional framework within which it operates. They also mean that it is essential that issues affecting civil service effectiveness and capability are addressed. In particular, we see it as vital that this work includes an in-depth consideration of the relationship between Ministers and officials.

5. The 1968 Fulton Report, the last detailed examination of the overall structure, function and future of the civil service, was explicitly barred from considering this topic, leaving it unable to tackle the question of accountability. When the then Prime Minister, Harold Wilson, announced the Fulton Inquiry on the floor of the House in February 1966, he made it clear that:

the Government's willingness to consider changes in the Civil Service does not imply any intention on their part to alter the basic relationship between Ministers and civil servants. Civil servants, however eminent, remain the confidential advisers of Ministers, who alone are answerable to Parliament for policy; and we do not envisage any change in this fundamental feature of our parliamentary system of democracy.⁶

PACAC, and our predecessor Committee, PASC, argued that now these issues must be considered, discussed and evaluated. The relationship between Ministers and officials has therefore formed a central theme in our inquiry into the Work of the Civil Service. We believe this is the first time that there has been Select Committee consideration of the relationship between Ministers and officials with the cooperation of the Government and the civil service.

Our inquiry

6. PACAC launched its inquiry into the Work of the Civil Service in April 2016, and issued revised Terms of Reference on 10 November to take into account the result of the EU referendum. PACAC's inquiry during this session has focused on:

- The structure and organisation of the civil service and how appropriate this is for the twenty-first century.
- The attitudes and behaviour that determine the effectiveness of the civil service in delivering Government policy and how well the civil service learns from success and failure.
- The civil service's collective capabilities, including its leadership and governance.
- Civil servants' individual skills.
- Risks to civil service impartiality and accountability.⁷

6 House of Commons Hansard, 8 February 1966, [Vol.724, Col.210](#)

7 The full terms of reference for the inquiry can be found on the Committee's [website](#)

7. We held four evidence sessions for this inquiry, alongside two private seminars.⁸ The evidence sessions with the former Cabinet Secretaries and the former Head of the Civil Service focused on a broad range of high-level issues including: the purpose of the civil service, its operating model, relationships between Ministers and officials, leadership of the civil service, accountability of civil servants, skills and capability and change and reform. Across these areas of questioning, we sought to identify the attitudes and behaviours that support an effective civil service. Our session with Rupert Soames OBE focused more closely on the Government's commercial capability and its relationship with contractors. The session looked at the Government as a client, the changes and improvements to Government's contract management, issues around accountability for public services that are contracted out, and the importance of the Government-provider relationship. The evidence session with the three Permanent Secretaries examined how Permanent Secretaries understand their role in the civil service, as well as the relationships between Ministers and officials, leadership of the civil service and civil service capabilities and skills. The Committee also received 28 pieces of written evidence for this inquiry, with think tanks, academics, former senior civil servants and a former Minister amongst those providing submissions.⁹

8. The inquiry has also been informed by the initial findings of private interviews with current and former Ministers, civil servants and special advisers, conducted by Professor Andrew Kakabadse of Henley Business School. The preliminary findings of Professor Kakabadse's work are attached as Annex 1 to this report.¹⁰ We would like to thank all those who contributed to this inquiry, whether through written evidence, oral evidence, seminar, or private interview. We would also like to thank the National Audit Office for providing the Committee with informal briefing material.

9. Given the unexpected announcement of a General Election to be held on 8 June 2017, this report presents the emerging themes and preliminary findings of our inquiry. We also identify a number of further questions to be explored and pursued. We hope that our successor Committee in the next Parliament will resume this important work.

8 18 October 2017: Private seminar on the Work of the Civil Service;
[8 November 2016](#): Oral evidence session with Lord O'Donnell, former Cabinet Secretary;
[22 November 2016](#): Oral evidence session with Lord Kerslake, former Head of the Civil Service and Lord Butler, former Cabinet Secretary;
[24 January 2017](#): Oral evidence session with Rupert Soames OBE, Chief Executive, Serco;
[7 February 2017](#): Oral evidence session with Sir Robert Devereux, Permanent Secretary, Department for Work and Pensions, Stephen Lovegrove, Permanent Secretary, Ministry of Defence, and Chris Wormald, Permanent Secretary, Department of Health;
 28 February 2017: Private seminar on Strategic Thinking and Capability in the Civil Service (FCO) in Light of Leaving the EU.

9 The full list of written evidence and a record of all the oral evidence sessions can be accessed on the Committee's [inquiry page](#).

10 The summary of Professor Kakabadse's preliminary findings draws from 31 interviews. Interviewees have included civil servants of different grades; current and former Ministers; political advisers, and Non-Executive Directors. The responses have been anonymised.

2 Skills and capability

10. In recent years, there has been greater focus on ensuring that the civil service possesses sufficient professional skills in areas such as commercial capability. Following the UK's decision to leave the European Union, the civil service is now also considering further areas where it will need to improve capability in order to be equipped for the challenges of the coming years.

Subject specialism and expertise

11. Ministers and former civil servants expressed concern to us about the ways in which subject specialism and expertise is deployed within the civil service. There was no suggestion that departments lacked subject specialists, but rather, that such expertise was not valued highly enough within the civil service. Former Cabinet Minister, Sir Oliver Letwin, wrote that he had observed, with some alarm, the frequent elevation of management skills over subject expertise.¹¹ He expressed his frustration that a high level of staff turnover, underpinned by incentives on civil servants to change jobs frequently, had led to a situation where, “by the time I had been in my own post for 6 years, I frequently knew more about the history of the issues with which we were dealing than the supposedly ‘permanent’ civil servants who were meant to be providing me with expert advice”.¹²

12. Lord Butler of Brockwell told PACAC that subject specialism was particularly needed in some areas of the Senior Civil Service:

If you are going to be a Permanent Secretary of a Department like [the Ministry of Defence], you need to have had a lot of training and development in the business of that Department. It should not just be thrown open for anybody to apply and the most able person appointed to it regardless of what their experience is. That will not work.¹³

Notably, Stephen Lovegrove, the current Permanent Secretary of the MoD, rejected this view. He told PACAC that whilst having neither defence, nor permanent secretary experience would have made the role difficult, “I do think it is possible to do it as an experienced Permanent Secretary with comparatively little defence experience”.¹⁴

13. **The treatment of subject specialism and expertise within the civil service is an area which would benefit from further exploration. We invite a successor Committee, to explore in more depth whether Ministers feel that the advice they receive from the civil service is grounded in sufficient subject expertise. A successor Committee may also wish to consider: how turnover and circulation of staff affects knowledge retention in specialist policy areas; whether the civil service place a high enough premium on subject expertise; and whether the balance right between those who bring expertise and those have a broader, more generalist perspective.**

11 Rt Hon Sir Oliver Letwin MP ([WCS 27](#))

12 Rt Hon Sir Oliver Letwin MP ([WCS 27](#))

13 [Q104](#) (Lord Butler of Brockwell)

14 [Q268](#) (Stephen Lovegrove)

Contracting and commercial capability

14. Recent figures from the National Audit Office (NAO) for public sector spending 2014–15 show that the public sector now “spends more money on contracts than it spends on providing services itself”.¹⁵ According to the NAO, during 2014–15 the public sector spent £242 billion on external suppliers (31% of public sector spending), whilst it spent £194 billion on staff costs (26% of public sector spending) and £218 billion on benefits (30% of public spending).¹⁶

15. Considering how much the business of government now involves delivering public services through private contractors, we felt it was important to investigate government capability in this area. The Public Accounts Committee (PAC) has carried out significant work on these issues in recent years, publishing a report in 2014 on *Transforming contract management* and a 2016 progress review.¹⁷ PACAC sought to complement this work by exploring further possible improvements to government contract management, issues around accountability for outsourced public services and the relationship between government and providers. We began by taking evidence from the CEO of Serco, Rupert Soames OBE.

16. Our early findings pointed to an insufficient focus in government on ensuring that contracts deliver desired outcomes. This is not to say that government fails to track provider performance. On the contrary, Mr Soames told the Committee that “there are absurd numbers of key performance indicators and measures on contracts”.¹⁸ Rather, he suggested that key performance indicators (KPIs) should focus more on delivery of services rather than on process.¹⁹ Mr Soames also argued that the Government needed to be more flexible in allowing for change over the life of contracts:

What you need to recognise on this is that things change through the life of a contract and if there is one thing that the Government and the civil service need to accept it is that you are better off putting a structure that is flexible enough to allow change.²⁰

He concluded that “a way of flexing and changing contracts in flight once they are going should be a major area of improvement”.²¹ It strikes us that strong relationships and trust between the Government and their providers would support such flexibility.

17. Giving evidence to the PAC in 2014, Rupert Soames emphasised that private contractors themselves must approach the delivery of public services with a ‘duty of care’ to the taxpayer and service users.²² The PAC’s subsequent 2014 report on *Transforming Contract Management* recommended that government should work with contractors to

15 National Audit Office, November 2016, [Commercial and contract management: insights and emerging best practice](#).

16 *Ibid*

17 Twenty-third Report from the Public Accounts Committee, Session 2014–15, [Transforming contract management](#), December 2014, HC 585; Thirty-second Report from the Public Accounts Committee, Session 2015–2016, [Transforming contract management: progress review](#), March 2016, HC 711.

18 [Q190](#) (Rupert Soames)

19 [Q191](#) (Rupert Soames)

20 [Q188](#) (Rupert Soames)

21 [Q208](#) (Rupert Soames)

22 Oral evidence taken before the Public Accounts Committee, 8 September 2014, [Contract management across the Ministry of Justice and the Home Office](#), HC 585, Q67.

“define what obligations a duty of care should entail”.²³ In evidence to this Committee in 2017, Mr Soames said that contractors could display a duty of care towards the taxpayer “by making sure that we deliver in a safe, careful and appropriate manner the services that we have been contracted to supply”.²⁴ Mr Soames also emphasised that he thought it was “entirely appropriate” that Serco was called before Select Committees and held accountable for delivering on its responsibilities.²⁵

18. We invite our successor Committee to continue our investigation of the relationship between the Government and private contractors, and to explore in more depth: how well the Government ensures that the desired outcomes of contracts are successfully delivered; what further improvements could be made to the way government manages contracts; how well the Government builds trust and understanding between the staff of contractors and the key staff in government; and how accountability for service failure should be decided and ensured.

Strategic thinking capability

19. Our predecessor Committee, PASC, published three reports in the 2010–15 Parliament on strategic thinking in government.²⁶ Its third report of session 2014–15, *Leadership for the long term: Whitehall’s capacity to address future challenges*, recommended that:

Early in the next Parliament, the Government needs to set out how it will improve the machinery of government and better educate civil servants at all levels to think about systemic risk, risk management, uncertainty and future challenges... The capacity to analyse, assess and plan for the future should be used better to underpin far-reaching decisions on systemic issues such as infrastructure, technology, financial regulation, defence and security.²⁷

We remain concerned that these issues have not yet been addressed within government, and we found it noteworthy that Sir John Chilcot, in his evidence to the Liaison Committee in November 2016, suggested that the civil service lacks the capability it needs in strategic thinking and analysis.²⁸ We learned from our private seminar on strategic thinking and capability in the civil service in light of leaving the EU, that both limited resources and an aversion to engaging external expertise were major challenges to strategic thinking in the Foreign and Commonwealth Office.

23 Twenty-third Report from the Public Accounts Committee, Session 2014–15, [Transforming contract management](#), HC 585.

24 [Q213](#) (Rupert Soames)

25 [Q216](#) (Rupert Soames)

26 First Report from the Public Administration Select Committee, Session 2010–11, [Who does UK National Strategy?](#), October 2010, HC 435; Twenty Fourth Report from the Public Administration Select Committee, Session 2010–12, [Strategic thinking in Government: without National Strategy, can viable Government strategy emerge](#), April 2012, HC 1625; Third Report from the Public Administration Select Committee, Session 2014–15, [Leadership for the long term: Whitehall’s capacity to address future challenges](#), March 2015, HC 669.

27 Third Report from the Public Administration Select Committee, Session 2014–15, [Leadership for the long term: Whitehall’s capacity to address future challenges](#), March 2015, HC 669.

28 Oral evidence taken before the Liaison Committee, 2 November 2016, [Follow up to the Chilcot Report](#), HC 689, Q69.

20. *We invite our successor Committee to consider how the Government can ensure that it possesses the necessary resources and capability to underpin its key policy decisions with clear strategic thinking.*

Capability for leaving the EU

21. A March 2017 report from the National Audit Office (NAO) on *Capability in the civil service* revealed that there has been a 26% reduction in the number of civil servants since 2006.²⁹ This fact takes on particular significance when considering the challenges and demands faced by the civil service as the UK approaches exit negotiations. The Institute for Government (IfG) noted, in its December 2016 report, *Whitehall's preparation for the UK's exit from the EU*, which draws from interviews with senior civil servants across nine Whitehall departments, that “the challenge for Whitehall is not skills but capacity” and warns that officials are “overcommitted to delivering their ‘business as usual work’... and pre-existing programmes”.³⁰ They also found that there was uncertainty about where extra resources would come from. According to the IfG, the solution must involve reprioritising programmes, because the resources that are in demand are core to the civil service, and so the gap cannot solely be plugged through outsourcing staff.³¹

22. In light of this, we have been concerned to learn that one of the early findings from Professor Kakabadse’s private interviews is that the civil service struggles to prioritise successfully:

Unique to the Civil Service is the fracture point of lack of prioritisation. Too many projects, programmes of activity, policy delivery commitments are being pursued simultaneously with little chance of successful fruition.³²

23. A further paper from the Institute for Government in March 2017 set out four areas where leaving the EU will make demands on civil service capacity: analysis, coordination, legislation and delivery.³³ Arguably, the strain that leaving the EU places on the civil service can already be seen in other areas of government business. The Financial Times reported in April 2017, that the Government is automatically renewing hundreds of contracts that were due to expire in 2016/17, because civil servants are too preoccupied with leaving the EU to focus on procurement. Tom Gash, a senior fellow at the Institute for Government, is quoted criticising the Government’s decision to extend a large number of contracts: “Extensions should be the exception not the rule, as they represent a missed opportunity for finding better ways of designing services, reducing costs and increasing competition”.³⁴

24. *We strongly encourage any successor Committee to follow closely the issue of the civil service’s capability for leaving the EU in the new Parliament, and to press the Government to ensure that the civil service is appropriately skilled, resourced and focused to meet the significant challenges that it faces both over the course of the negotiations and following the UK’s exit from the European Union.*

29 National Audit Office, March 2017, *Capability in the civil service*, HC 919.

30 Institute for Government, December 2016, *Whitehall's preparation for the UK's exit from the EU*.

31 *Ibid.*

32 A note by Professor Kakabadse summarising the key emergent findings from his interviews is attached to this report as Annex 1

33 Institute for Government, March 2017, *The civil service after Article 50*

34 *Financial Times*, April 2017, [UK outsourcing deals extended because of Brexit workload](#).

Training of civil servants

25. Before its closure in March 2012, the National School of Government, as part of the Cabinet Office, ran training courses for civil servants from its facility at Sunningdale Park or from centres in Edinburgh and London. Our predecessor Committee, PASC, in its 2014 report on Civil Service Skills, identified that the abolition of the National School of Government and establishment instead of Civil Service Learning had “resulted in a lighter and narrower training provision”.³⁵

26. The civil service has placed a notable emphasis in recent years on the importance of cultivating effective leaders, both within the Senior Civil Service and throughout the grading structure. This has involved the development of a Civil Service Leadership Statement and the establishment of the Civil Service Leadership Academy.³⁶ The plan for the Civil Service Leadership Academy is outlined under the third commitment of the Civil Service Workforce Plan 2016–2020, to “develop world-class leaders”. According to the Plan:

The academy will work with leading educational institutions and thought leaders to promote an ethos of excellence, where leaders learn from each other. This will help develop leaders who are confident, inspiring and able to create a culture where staff are empowered, listened to and valued.³⁷

In the Plan, the Government commits to complete the first stage of the Academy’s launch by March 2017. Questions remain over how effective the new Academy will be in strengthening leadership capability within the civil service, and whether the learning that will be provided is sufficient to equip civil servants for the challenges they face.

27. In March this year, PACAC visited the Canada School of Public Service in Ottawa, which provides the foundation learning for all Canadian civil servants, as well as teaching the technical skills required in government. It places great emphasis on personal development and the development of leaders. It is conscious of the values and principles which underpin successful leadership in the Public Service, and openly promotes favourable behaviour and attitudes. The UK could learn much from the Canadian experience.

28. *We hope a successor Committee will investigate how the civil service ensures that learning from the Civil Service Leadership Academy makes a significant difference in each department, and whether training gaps still exist following the closure of the National School of Government in 2012. In particular, we invite our successor Committee to consider whether the Leadership Academy should form the foundations of a more substantial and permanent school of government.*

35 Fourth Report from the Public Administration Select Committee, Session 2014–15, [Developing Civil Service Skills: a unified approach](#), March 2015, HC 112.

36 GOV.UK, August 2016, [Civil Service Leadership Statement](#).

37 GOV.UK, July 2016, [Civil Service Workforce Plan 2016 – 2020](#).

3 Relationship between Ministers and officials

Ministers and Civil Servants

29. Tensions exist between senior civil servants and the politicians they serve. PACAC's Specialist Adviser, Professor Andrew Kakabadse, drawing from the emerging findings based on private interviews, describes the relationship between Ministers and Permanent Secretaries as "the critical fracture point in the Civil Service structure" leading to a consequential "further fracture between policy generation and delivery".³⁸

30. The three serving Permanent Secretaries who appeared before the Committee described positive relationships between Ministers and officials and asserted that they had never found it difficult to have an open and honest conversation with their Secretaries of State.³⁹ Other former civil servants, not currently serving, have pointed to a strain in the relationship. In written evidence, Sir David Normington, the former First Civil Service Commissioner and Commissioner for Public Appointments, warns that, while he does not believe there is an immediate threat to civil service impartiality,

I am concerned at what I see as a slow deterioration over time in the trust between Ministers and civil servants: with more willingness from Ministers to criticise civil servants in public; more leaks from within the Civil Service; a greater tendency to hold civil servants at arm's length and not to form with them the close partnership, on which effective Government relies.⁴⁰

31. Professor Kakabadse's emergent findings also reveal that the traditional boundaries between the respective roles of Ministers and civil servants seem now to be less distinct than in the past:

A previously held clarity between Minister and Public Servant now seems blurred, with certain Ministers relying on their Perm Sec, others having a tense relationship with their Perm Sec and others over-involved in details concerning policy execution/the running of the department and not paying sufficient attention to the bigger picture.⁴¹

Sir David Normington recommended that the rules governing the relationship between Ministers and officials should be consolidated and clarified:

At present the "rules" governing Ministers, civil servants and special advisers are to be found in too many [different] documents ... This makes the rules of engagement easy to misrepresent or evade and there is no clear responsibility for their enforcement. What is needed is, what might be called, a "new compact" between the Government and the Civil Service, bringing together in one place in more compelling language the basic principles of the partnership between Ministers, civil servants and special advisers.⁴²

38 See Annex 1.

39 [Q249](#); [Q254](#)

40 Sir David Normington ([WCS 25](#))

41 See Annex 1.

42 Sir David Normington ([WCS 25](#))

Stephen Lovegrove, however, argued that “too much codification in this area, over and above the standard accounting officer rules, is probably going to be more obstructive than helpful”.⁴³

Special Advisers

32. Special advisers were seen by most witnesses to play a broadly positive role. Chris Wormald, told us that in providing Ministers with political advice, special advisers were “one of the things that allows the civil service to be politically neutral”.⁴⁴ Professor Kakabadse’s findings show that special advisers can also support and facilitate the work of civil servants:

Perm Secs/DGs report they highly value Special Political Advisers (SPADs) as a working relationship has evolved whereby SPADs facilitate and position key messages from Civil Servants to be positively received by Ministers.⁴⁵

33. A recurring theme for this Committee regarding the relationship between Ministers and officials has been the question of accountability. The established accountability arrangements for the civil service, known as the Haldane doctrine, and amplified by the Armstrong memorandum,⁴⁶ whereby the Minister is accountable to Parliament and civil servants accountable only to the Minister, have come under increasing analysis and scrutiny in recent years. As the size and complexity of the work of departments has grown, there have been reports from the Institute for Government, the NAO, and our predecessor Committee, PASC, exploring whether the systems through which civil servants are held to account for delivery of this work remain adequate and appropriate.⁴⁷ There have also been notable public disagreements between politicians and civil servants about to whom and for what civil servants should be held to account.⁴⁸ In his written evidence, Sir David Normington suggests that the Haldane principles are no longer appropriate as the Minister is no longer solely responsible for delivery. He calls for:

Updating the Haldane principles, as proposed in an earlier PACAC [PASC] report, so that Ministers are no longer be held accountable for everything that happens in their Department and greater emphasis is placed on shared accountability.⁴⁹

34. We view our examination of the relationship between Ministers and officials as a cornerstone of our inquiry into the work of the civil service. We believe that this is the first time there has been Select Committee consideration of this question with the active support of government and the civil service. We would strongly encourage a successor Committee, working in cooperation with Government, to take forward our

43 [Q 260](#) (Stephen Lovegrove)

44 [Q 256](#) (Chris Wormald)

45 See Annex 1.

46 In February 1985, Lord Robert Armstrong, then Cabinet Secretary and Head of the Home Civil Service, issued a note on civil servants’ duties and responsibilities in relation to Ministers, which has become known as the ‘Armstrong Memorandum’

47 Institute for Government, December 2013, [Accountability at the Top: Supporting Effective Leadership in Whitehall](#); National Audit Office, February 2016, [Accountability to Parliament for taxpayers’ money](#), HC 849; Eighth Report from the Public Administration Select Committee, Session 2013–14, [Truth to Power: how Civil Service reform can succeed](#), September 2013, HC 74.

48 See for e.g. *The Guardian*, March 2012, [Ex-civil service chief accused of acting as ‘shop steward’](#).

49 Sir David Normington ([WCS 25](#))

initial findings in this area for further investigation. In particular we would invite any successor Committee to consider closely whether the Haldane doctrine aids or impedes accountability to Parliament.

Role of Ministers and professional development

35. In his evidence, former Cabinet Secretary, Lord Gus O'Donnell, emphasised that an inquiry into the work of the civil service should not exclude an examination of the role of Ministers. This, he said, would be:

like looking at Formula One and saying, “We are going to do Formula One. We are going to assess what is happening and we are going to look at the cars and we are not going to look at the drivers.” You have to look at both.⁵⁰

36. There can be great variation between Ministers in terms of their style and knowledge of a policy area when they join a department. It seems that if Ministers have a limited understanding of the workings of the civil service, they may misinterpret delays with policy implementation as civil servants acting obstructively. Professor Kakabadse's initial findings suggest that Ministers who are “not capturing insights concerning blockages to policy execution are instead blaming the Civil Servant for not being sufficiently proactive”.⁵¹ Professor Kakabadse has also indicated that there should be greater clarity around Ministers' stewardship role in relation to the civil service.⁵² Stephen Lovegrove indicated that he would welcome a scheme that offered MPs training in the work of the civil service prior to becoming Ministers.⁵³

37. The question keeps arising of where the long-term stewardship of the civil service lies in practical terms. We recommend further study of the stewardship role of Ministers in relation to the civil service, and an investigation of how we can develop a training programme for Ministers, and aspiring Ministers, which gives an insight into the workings of the civil service.

50 [Q12](#) (Lord O'Donnell)

51 See Annex 1.

52 See Annex 1.

53 [Q266](#) (Stephen Lovegrove)

4 Change and reform in the Civil Service

Civil service efforts to reform

38. Successful reform of the civil service is an issue that has occupied and challenged Ministers and Permanent Secretaries for several decades. As the Institute for Government point out in a 2014 report on *Civil Service Reform in the Real World*, the rationale for reform has remained “remarkably consistent over the years, and calls for reform show no sign of abating”.⁵⁴ Despite these longstanding efforts, the need to reform appears to endure. What can be done to sustain meaningful learning and change in the civil service? Lord Kerslake was clear that three things lead to successful reform: i) clear political leadership from the Head of the Civil Service, backed up by support from the Government “Prime Minister downwards”; ii) a clearly defined set of measurable actions against which delivery can be assessed, and; iii) engagement from the civil servants themselves in the development of the reform.⁵⁵

39. We were therefore surprised to hear from serving Permanent Secretaries that they were not aware of any discussion about the Civil Service Leadership Academy at Cabinet level, nor did they know whether the Prime Minister was aware of the Academy.⁵⁶ Stephen Lovegrove acknowledged that they should give greater consideration to securing visible buy-in from Ministers.⁵⁷

40. ***We invite our successor Committee further to develop our findings on what makes civil service reforms successful and sustainable. We also suggest that the question of who should be driving the reform agenda should be explored.***

54 Institute for Government, March 2014, [Civil Service Reform in the Real World: Patterns of success in the UK civil service reform](#).

55 [Q132](#) (Lord Kerslake)

56 [Qq334–336](#)

57 [Q340](#) (Stephen Lovegrove)

Conclusions and recommendations

Skills and capability

1. The treatment of subject specialism and expertise within the civil service is an area which would benefit from further exploration. *We invite a successor Committee, to explore in more depth whether Ministers feel that the advice they receive from the civil service is grounded in sufficient subject expertise. A successor Committee may also wish to consider: how turnover and circulation of staff affects knowledge retention in specialist policy areas; whether the civil service place a high enough premium on subject expertise; and whether the balance right between those who bring expertise and those have a broader, more generalist perspective.* (Paragraph 13)
2. *We invite our successor Committee to continue our investigation of the relationship between the Government and private contractors, and to explore in more depth: how well the government ensures that the desired outcomes of contracts are successfully delivered; what further improvements could be made to the way Government manages contracts; how well the Government builds trust and understanding between the staff of contractors and the key staff in Government: and how accountability for service failure should be decided and ensured.* (Paragraph 18)
3. *We invite our successor Committee to consider how the Government can ensure that it possesses the necessary resources and capability to underpin its key policy decisions with clear strategic thinking.* (Paragraph 20)
4. *We strongly encourage any successor Committee to follow closely the issue of the Civil Service's capability for leaving the EU in the new Parliament, and to press the Government to ensure that the civil service is appropriately skilled, resourced and focused to meet the significant challenges that it faces both over the course of the negotiations and following the UK's exit from the European Union.* (Paragraph 24)
5. *We hope a successor Committee will investigate how the civil service ensures that learning from the Civil Service Leadership Academy makes a significant difference in each department, and whether training gaps still exist following the closure of the National School of Government in 2012. In particular, we invite our successor Committee to consider whether the Leadership Academy should form the foundations of a more substantial and permanent school of government.* (Paragraph 28)

Relationship between Ministers and officials

6. We view our examination of the relationship between Ministers and officials as a cornerstone of our inquiry into the work of the civil service. We believe that this is the first time there has been Select Committee consideration of this question with the active support of government and the civil service. *We would strongly encourage a successor Committee, working in cooperation with Government, to take forward our initial findings in this area for further investigation. In particular we would invite any successor Committee to consider closely whether the Haldane doctrine aids or impedes accountability to Parliament.* (Paragraph 34)

7. The question keeps arising of where the long-term stewardship of the civil service lies in practical terms. *We recommend further study of the stewardship role of Ministers in relation to the civil service, and an investigation of how we can develop a training programme for Ministers, and aspiring Ministers, which gives an insight into the workings of the civil service.* (Paragraph 37)

Change and reform in the Civil Service

8. *We invite our successor Committee further to develop our findings on what makes civil service reforms successful and sustainable. We also suggest that the question of who should be driving the reform agenda should be explored.* (Paragraph 40)

Annex 1

Note from Professor Andrew Kakabadse, Henley Business School, University of Reading

*Key Emergent Findings*⁵⁸

Civil Servants

Thoughtful, intelligent people, well able to handle complexity, deeply aware of context and able to see the pitfalls and pathways through these challenges. The values concerning service, transparency, objectivity, independent opinion are really deeply held and a key guide to practice. Sense of public service is high with a deep desire to enable to support Ministers, provide high quality advice and accommodate the Minister in any way possible. However, the critical fracture point in the Civil Service structure is the Minister/Perm Sec relationship whereby Ministers emerge as not making best use of their Civil Servants. A consequence of this is a further fracture between policy generation and delivery. The emergent view is the role of Perm Sec feels devalued and many Civil Servants report their sense of public service is at its highest, their morale is not. Additionally, remuneration is increasingly seen as a concern with many Civil Servants lower in the hierarchy struggling to realise a satisfactory life style. Perm Secs report that they are deeply conscious of the remuneration challenges middle and lower Civil Servants face and try to address such a concern through displaying sensitivity to the problems confronting Civil Servants in the delivery of their duties.

Ministers

Distinctly capable under ever increasing pressure, particularly exposed to media, short-termism and having to learn quickly to ensure for credibility with varying stakeholders. It is recognised that Ministers need all the support that can be given. However, the Minister/Perm Sec relationship works more due to the effort of the Perm Sec. It is recognised that certain Ministers, despite their pressures, put a great deal of effort into making their relationship with the Perm Sec as effective as possible. Despite this certain Ministers emerge as misinterpreting working through complexity as dysfunctionality. Perm Secs emerge as holding greatest insight into the landscape facing the Minister, particularly concerning policy execution. It is Perm Sec that sees how pitfalls and problems are to be faced and how that landscape needs to be navigated. Yet certain Ministers not capturing insights concerning blockages to policy execution are instead blaming the Civil Servant for not being sufficiently pro-active/blocking etc. Ministers emerge as deeply aware of the external landscape, Cabinet, region country, world. Thus attention needs to be given on how to better inform the Minister to address policy delivery challenges without disturbing their perspective of the external landscape. In effect, the stewardship skills of the Minister seem to require attention. A previously held clarity between Minister and Public Servant now seems blurred, with certain Ministers relying on their Perm Sec, others having a tense relationship with their Perm Sec and others over-involved in details concerning policy

58 The summary of Professor Kakabadse's preliminary findings draws from 31 interviews. Interviewees have included civil servants of different grades; current and former Ministers; political advisers, and Non-Executive Directors. The responses have been anonymised.

execution/the running of the department and not paying sufficient attention to the bigger picture. Despite all this, Perm Secs recognising the tension try ever harder to support the Minister, deeply conscious of the daily exposure the Minister faces. An emergent culture is described of pleasing the Minister, but at times under playing competence, skills, capabilities and truth to power.

Political Advisers

Perm Secs/DGs report they highly value Special Political Advisers (SPADs) as a working relationship has evolved whereby SPADs facilitate and position key messages from Civil Servants to be positively received by Ministers. Few Civil Servants made critical comment about SPADs and only particular individuals were identified who were seen as not supportive of conveying key messages to be received by the Minister. Greatest criticism of SPADs came from other Ministers (past and present) as SPADs were seen as protecting a particular Minister when that Minister should accept full accountability for their actions.

Governance/Departmental Boards

Strong emergent perception that departmental boards provide limited value. However, certain NEDs emerge as highly appreciated by Perm Secs and DGs. The Advisory Boards are widely not valued, but the adviser input of certain NEDs is deeply appreciated. Few Boards are identified as working well, but certain sub-committees, such as audit, are considered to offer high value. Certain Boards have never met the Secretary of State, who is Board Chair, and other Boards are seen as hijacked by certain Ministers. Under these circumstances the Minister has had the Board, or particular NEDs, deliver difficult messages to Civil Servants, even tried to fire Civil Servants and Perm Secs have stood up to these NEDs recognising that by doing so no political favour is gained.

Prioritisation

The critical fracture point in the Civil Service hierarchy is that between Minister and Perm Sec and distinctly unlike the Private Sector, not lower down between Top Management Team and General Management. Unique to the Civil Service is the fracture point of lack of prioritisation. Too many projects, programmes of activity, policy delivery commitments are being pursued simultaneously with little chance of successful fruition. Partly due to being included in the manifesto and also due to a culmination of legacy programmes, projects, policy execution activities, prioritisation is recognised as a key concern. Most describe this as a difficult area to address and made worse when tensions exist in the Minister/Perm Sec relationship.

A further frustration, expressed by Ministers is the need for project management resource for the duration of the particular projects/programmes. The current Civil Service practice of moving people on, largely due to the need for promotion and gaining further income, is felt as disruptive to the execution of that project. Further the loss of technical expertise exacerbates the situation. It is equally recognised that providing project management resource for the duration of any programme will have distinct cost and Civil Service career implications.

Transformational programmes that have gone wrong are recognised, even by Agency Chairs, as arising from a lack of prioritisation and from Ministers not listening to / Perm

Secs not being able to deliver the message that the project is over ambitious and likely to derail. It is viewed that transformation programmes go wrong when the Minister is not made aware of execution pitfalls.

Outsourcing

Outsourcing as a tool of Government is viewed positively, but there is a recognition of lack of skills in this area. Certain Private Sector suppliers are seen as supportive, helping Civil Servants beyond the finer details of the Contract and enabling a better delivery of service. A growing consciousness is evident that outsourcing needs to be reconsidered as sourcing namely, that handing over responsibility for delivery of certain services to Private Sector suppliers need to be balanced by a partnership relationship between department and supplier so that services/skills can be sourced in or out as appropriate.

Recommendations

Disciplines

Cease departmental/public criticism of Civil Servants. Damaging to morale, motivation, performance, contribution and quality of advice to Minister

Address performance concerns case by case based on evidence and behind closed doors with Perm Sec

Ministers need to draw on Perm Secs insights concerning likely outcomes of policy execution—draw on Perm Sec ‘to learn the landscape’—Ministers vulnerable to ignoring/dismissing known contingencies/ consequences—minimise walking into problems or at least delineate accountabilities based on evidence

Civil Service needs to appoint experts with Project Management skills to programmes/projects for the duration

Consideration

Key principle for leadership development at Leadership Academy—discretionary action

Develop robustness of relationship with Minister to clearly delineate accountability

Nurture resilience

Professor Andrew Kakabadse
21 April 2017

Formal Minutes

Tuesday 25 April 2017

Members present:

Bernard Jenkin, in the Chair

Ronnie Cowan	Kelvin Hopkins
Mr Paul Flynn	Dr Dan Poulter
Marcus Fysh	John Stevenson
Mrs Cheryl Gillan	Mr Andrew Turner

Draft Report (*The Work of the Civil Service: key themes and preliminary findings*), proposed by the Chair, brought up and read.

Question put, That the draft Report be read a second time, paragraph by paragraph.

Committee divided.

Ayes	Noes
Ronnie Cowan	Mr Paul Flynn
Marcus Fysh	
Mrs Cheryl Gillan	
Kelvin Hopkins	
Dr Dan Poulter	
John Stevenson	
Mr Andrew Turner	

Question accordingly agreed to.

Paragraphs 1 to 40 read and agreed to.

Annex agreed to.

Resolved, That the Report be the Fifteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134.

[The Committee adjourned.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 8 November 2016

Question number

Lord O'Donnell, former Cabinet Secretary

[Q1–78](#)

Tuesday 22 November 2016

Lord Kerslake, former Head of the Civil Service, and Lord Butler of Brockwell, former Cabinet Secretary

[Q79–152](#)

Tuesday 24 January 2017

Rupert Soames OBE, Chief Executive Officer, Serco

[Q153–225](#)

Tuesday 7 February 2017

Chris Wormald, Permanent Secretary, Department of Health, Stephen Lovegrove, Permanent Secretary, Ministry of Defence, and Sir Robert Devereux, Permanent Secretary, Department for Work and Pensions

[Q226–349](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

WCS numbers are generated by the evidence processing system and so may not be complete.

- 1 Better Government Initiative ([WCS0011](#))
- 2 Cabinet Office ([WCS0015](#))
- 3 Chartered Institute of Arbitrators ([WCS0007](#))
- 4 Dr Peter Dunn ([WCS0009](#))
- 5 Dr Ruth Dixon ([WCS0024](#))
- 6 FDA ([WCS0014](#))
- 7 Industry and Parliament Trust ([WCS0002](#))
- 8 Institute for Government ([WCS0026](#))
- 9 Jag Patel ([WCS0004](#), [WCS0016](#), [WCS0028](#))
- 10 Mr Thomas Vaughan ([WCS0019](#))
- 11 National Audit Office ([WCS0018](#))
- 12 Nick Moore ([WCS0001](#))
- 13 Professor Andrew Sturdy ([WCS0021](#))
- 14 Professor David Richards ([WCS0003](#))
- 15 Professor Vishanth Weerakkody ([WCS0022](#))
- 16 Project Management Institute ([WCS0013](#))
- 17 Prospect ([WCS0023](#))
- 18 Reputability LLP ([WCS0029](#))
- 19 Royal Statistical Society ([WCS0010](#))
- 20 Rt Hon Sir Oliver Letwin MP ([WCS0027](#))
- 21 Science Council ([WCS0012](#))
- 22 Senior Salaries Review Body ([WCS0008](#))
- 23 Sense about Science ([WCS0017](#))
- 24 Sir David Normington ([WCS0025](#))
- 25 techUK ([WCS0020](#))
- 26 Wendy Morris ([WCS0006](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2015–16

First Report	Follow-up to PHSO Report: Dying without dignity	HC 432 (HC 770)
Second Report	Appointment of the UK's delegation to the Parliamentary Assembly of the Council of Europe	HC 658
Third Report	The 2015 charity fundraising controversy: lessons for trustees, the Charity Commission, and regulators	HC 431 (HC 980)
Fourth Report	The collapse of Kids Company: lessons for charity trustees, professional firms, the Charity Commission, and Whitehall	HC 433 (HC 963)
Fifth Report	The Future of the Union, part one: English Votes for English laws	HC 523 (HC 961)
Sixth Report	Follow up to PHSO Report of an investigation into a complaint about HS2 Ltd	HC 793 (HC 258)
Seventh Report	Appointment of the Commissioner for Public Appointments	HC 869
Eight Report	The Strathclyde Review: Statutory Instruments and the power of the House of Lords	HC 752
Ninth Report	Democracy Denied: Appointment of the UK's delegation to the Parliamentary Assembly of the Council of Europe: Government Response to the Committee's Second Report of Session 2015–16	HC 962
First Special Report	Developing Civil Service Skills: a unified approach: Government Response to the Public Administration Select Committee's Fourth Report of Session 2014–15	HC 526
Second Special Report	Lessons for Civil Service impartiality for the Scottish independence referendum: Government Response to the Public Administration Select Committee's Fifth Report of Session 2014–15	HC 725
Third Special Report	Follow-up to PHSO Report: Dying without dignity: Government response to the Committee's First Report of Session 2015–16	HC 770
Fourth Special Report	The Future of the Union, part one: English Votes for English laws: Government response to the Committee's Fifth Report of Session 2015–16	HC 961

Fifth Special Report	The collapse of Kids Company: lessons for charity trustees, professional firms, the Charity Commission, and Whitehall: Government Response to the Committee's Fourth Report of Session 2015–16	HC 963
Sixth Special Report	The 2015 charity fundraising controversy: lessons for trustees, the Charity Commission, and regulators: Government response to the Committee's Third Report of Session 2015–16	HC 980

Session 2016–17

First Report	PHSO review: Quality of NHS complaints investigations	HC 94 (HC 742)
Second Report	Appointment of the Chief Investigator of the Healthcare Safety Investigation Branch	HC 96
Third Report	Better Public Appointments?: The Grimstone Review on Public Appointments	HC 495
Fourth Report	Appointment of the First Civil Service Commissioner	HC 655
Fifth Report	Follow-up to PHSO report on unsafe discharge from hospital	HC 97 (HC 1016)
Sixth Report	The Future of the Union, part two: Inter-institutional relations in the UK	HC 839
Seventh Report	Will the NHS never learn? Follow-up to PHSO report 'Learning from Mistakes' on the NHS in England	HC 743
Eighth Report	Appointment of the Parliamentary and Health Service Ombudsman	HC 810
Ninth Report	Appointment of the Chair of the UK Statistics Authority	HC 941
Tenth Report	Lessons still to be learned from the Chilcot Inquiry	HC 656
Eleventh Report	Better Public Appointments? Follow-up and the Government Response to the Committee's Third Report, Better Public Appointments?: The Grimstone Review on Public Appointments	HC 1062
Twelfth Report	Lessons learned from the EU Referendum	HC 496
Thirteenth Report	Managing Ministers' and officials' conflicts of interest: time for clearer values, principles and action	HC 252
Fourteenth Report	Government Accounts	HC 95
First Special Report	Follow up to PHSO Report of an investigation into a complaint about HS2 Ltd: Government and HS2 Ltd responses to the Committee's Sixth Report of Session 2015–16: First Special Report of Session 2016–17	HC 258

Second Special Report	PHSO review: Quality of NHS complaints investigations: Government response to the Committee's First Report of Session 2016–17	HC 742
Third Special Report	Follow-up to the PHSO report on unsafe discharge from hospital: Government response to the Committee's Fifth Report of Session 2016–17	HC 1016