

REPORT TO THE PRIME MINISTER FROM SIR RICHARD WILSON, HEAD OF THE HOME CIVIL SERVICE

CIVIL SERVICE REFORM

This Autumn at Sunningdale the Permanent Heads of the main departments who make up my Management Board pledged themselves personally to drive forward a new agenda of Civil Service reform, both corporately and in modernising their own departments. This report sets out for you the action which we have agreed to take.

2. The world in which the Civil Service operates is changing fast. Information technology, the media, electronic communications, Europe, modernisation of the constitution, public demand for higher quality services, and of course new Government priorities: all are changing fast and in new ways. The Service must similarly respond to them fast, always aiming for excellence, innovation and best value. **We have committed ourselves to action on the basis of six key themes:**

- i. stronger **leadership** with a clear sense of purpose;
- ii. better **business planning** from top to bottom;
- iii. sharper **performance management**;
- iv. a dramatic improvement in **diversity**;
- v. a Service **more open** to people and ideas, which brings on talent; and
- vi. a better **deal for staff**.

3. Each department will drive through action in these six areas, including some key common measures, putting into practice recommendations of the four Groups and the Performance and Innovation Unit (PIU) report on *Bridging the Divide* which were before us at Sunningdale. They will prepare **Departmental Action Plans** by the end of February which will integrate this work with the substantial change programmes which they already have in hand to deliver the Government's objectives through their Public Service Agreements (PSAs) and the Modernising Government agenda on excellence in policy making, responsive and high quality public services and electronic government. Departments have shown their capacity to achieve major changes successfully over many

decades. They have much to be proud of. We must develop and draw on that capacity.

4. **Our goal** is to create a more open, diverse and professional Civil Service in which people will put the public's interests first; innovate, create and learn; take personal responsibility; work in partnership with others; and use new technology to deliver results of high quality and good value. The departmental programmes will be designed to achieve this progressively, with some early wins. It means:

- a tougher emphasis on results and outcomes, identifying the root causes of problems, particularly for cross-cutting policy areas;
- better researched, more innovative solutions to problems;
- a wider range of experience, ideas and professionalism, both from inside and outside the Service;
- a better European focus;
- more creative and collaborative working, not afraid of risk but actively managing it;
- pride in what we do.

In doing all this, we shall build on the enduring core values of the Civil Service and continue, in support of successive administrations, to act with integrity, propriety and political impartiality, and to select on merit.

Stronger leadership with a clear sense of purpose

5. All studies of successful organisations show that strong leadership is essential to achieve change. We need leaders at all levels, but particularly at the top, who are actively committed to transforming their organisations, have a clear sense of direction, purpose and values, and inspire and motivate those they work with. We have agreed:

- i. that all our organisations will send their staff the Civil Service wide-**vision and values** which will stand alongside their own, and encourage them to embrace the new behaviours which underpin this vision (see Annex A). We have already launched a Service-wide debate;
- ii. that the Cabinet Office will define the new **leadership qualities** we need and an action plan for management training by March 2000, and that departments will then immediately use these new leadership competencies for targeted recruitment/promotion;
- iii. that, because a key criterion for good leadership is self-awareness, departments will extend **360-degree feedback** and personal development programmes to everyone in the Senior Civil Service (SCS) by the end of 2001, starting at the top immediately;

iv. to develop **corporate leadership** for the Service through my Management Board. Annex B sets out our key strategic corporate actions. Heads of Department will take on personal responsibility for spearheading parts of the corporate reform agenda: I will nominate champions to lead on each of the six key themes. We will also introduce by April 2000 more active partnership in the corporate management of the top 600 senior postings, and in the movement of people at the most senior levels. Better corporate leadership will lead to the faster redeployment of staff to meet changing government priorities. I will be personally involved in the wider SCS succession planning meetings with Heads of Departments in the New Year.

Better business planning

6. We need to ensure that your Ministers' objectives are synchronised with departments' business plans in a coherent process to ensure that there is a common view of priorities. Joint Ministerial training with civil servants is also an important element in our plans. There was unanimous agreement at Sunningdale that we should breathe fresh life into business planning through our organisations, right from the very top to the bottom, linking them to Public Service Agreements.

7. This is a key area. We have agreed:

v. that each Department will develop a **business planning process** which sets out its bold aspirations and its long- and short-term targets in a measurable form. Departments will ensure that these targets are owned by individuals and teams who are accountable for their delivery. They will also ensure that regular rigorous reviews involving all managers are carried out to monitor progress against targets, and that targets are cascaded down to Personal Responsibility Plans. Greater use will be made of tools such as the EFQM Excellence Model to drive measurement and benchmarking;

vi. we need to give coherence to the many **objectives** now being set. We need to ensure that the objectives set in your letters to Secretaries of State, and in Permanent Secretaries' letters, are consistent with the Government's objectives set out in the PSAs and updated in the Year 2000 Spending Review;

vii. that, as from now, departments will seek **independent review** of their business planning through peer groups or with outside organisations.

Sharper performance management

8. At the moment our performance management systems send mixed messages. There is a widespread feeling that performance-related pay is not working as it should. We want performance management which underpins the change in culture; confronts poor performance; gives fair rewards for decent performances; rewards outstanding achievement by individuals and

teams; and creates a climate in which people want to give of their best and strive for continuous improvement.

9. We have agreed:

viii. that, having endorsed the principles in the Performance Management Group report, departments will work towards **new pay and appraisal systems**, drawing on the work the Public Services Productivity Panel is doing with several departments/agencies, and the Cabinet Office will do the same for the SCS developing the new system during 2000 for introduction in April 2001. The presumption is that this will include a move from absolute to relative appraisal, in order to build a culture of continuous improvement, with pay based in future explicitly on relative performance. We will also ensure that there are effective systems in place for incentivising and rewarding high achievers, both individuals and teams;

ix. that the Cabinet Office will revise urgently our key **competencies** for the SCS to reflect the desired new behaviours – including innovation and managed risk-taking. We have already started work on this;

x. that departments will, by July 2000, start redirecting their **training** programmes better to support the capability of their managers at all levels to manage performance;

xi. that the Cabinet Office will provide guidance on better **non-pay packages** which include more personal recognition, more flexible and personalised working arrangements and a better balance between work and private life, reporting on progress by next summer.

A dramatic improvement in diversity

10. We are strongly committed to a dramatic improvement in our record on diversity. Our big challenge is to meet the first **targets** you have set us for the SCS for 2004/5. These targets are stretching. They treble the rate of growth in the numbers of ethnic minorities in the SCS, and double that for women, expected on current trends.

11. We are also committed to raising **diversity awareness** across all our organisations. I reported to you in July on an early action plan on ethnic minorities. The Cabinet Office will be starting an electronic *Directory of What Works* for departments; we have now appointed an outreach worker to improve the Service's links with different communities; and a Senior Adviser on diversity issues is being appointed on open competition. We have started to put more intelligent effort into the image of the Service which we project. Ministers can help by projecting a modern image of the Civil Service and challenging stereotypes in the media.

12. We attach a lot of importance to developing **policies to enable staff to achieve a better balance between their work and private lives**. People need more flexible employment patterns. The Cabinet Office is currently

running pilot studies on five issues (working practices, working patterns, childcare, long hours culture, and alternative working) from which lessons will be emerging early next year. It is essential that the Service responds, not only to bring on women, but also to become more competitive in the general recruitment market.

13. We have agreed:

xii. that departments by next March will have set themselves challenging **diversity targets** for their people at all levels, nationally and regionally. The Cabinet Office will help ensure that departments' individual SCS targets will enable the Service-wide targets for the SCS to be met, and will create a central pool of potential secondees from the under-represented groups;

xiii. that departments will, on the basis of a rigorous assessment of where they now are, include **diversity objectives and targets**, with measurable outcomes, in their next business plans and all managers' job plans for next year;

xiv. that departments will produce **action plans** and six-monthly reports on progress made against the recommendations of the Diversity Group Report (including equality-proofing of their processes, especially for recruitment, appraisal and promotion), the first of which will be due in April 2000;

xv. that **Heads of Department** will account personally to Ministers annually, on progress towards targets and on their future plans. The departmental reports will form the basis for my annual report to you on diversity for the Service as a whole, due in May 2000. The Cabinet Office will provide the support, challenge and outreach to help departments achieve their targets.

A more open Civil Service which brings on talent

14. There was unanimous agreement that we want a more open Service at all levels: recruitment, middle and senior. We need to expose ourselves more to wider thinking and new ideas.

15. We need to target the areas where we have the greatest need for innovative thinking, broader horizons and different skills. We have agreed:

xvi. to launch this autumn a new drive to increase **departmental interchange targets** for secondments in and out at all levels, and to

raise the existing target (that by 2005 50 per cent of the SCS should have had experience outside the Civil Service) to 65 per cent;

xvii. to identify **100 prominent key tasks** across a range of policy development, service delivery and project management for which we will bring in high quality secondees during Year 2000. It would be helpful to have your personal support for launching this with captains of industry and other key leaders. In parallel, we agree to bring on **100 of our best middle managers** through the Public Service Leaders scheme (see xxii below);

xviii. over the next five years to achieve a 10 per cent year-on-year increase in **open competitions** for middle and senior managers across the Service, particularly aimed at bringing in new thinking and people who have skills that are currently in short supply in the Service;

xix. to redefine and rename the **Fast Stream** by December 2000 in order to broaden entry, in particular to target under-represented groups, without losing its market appeal;

xx. if resources allow, to create more space at the top now through targeted **early retirement**. For the longer term we want to establish a culture in which early retirement continues to be targeted and effective but ceases to carry the stigma of failure.

16. We also want a Service which values people and develops them to their full potential. We need to develop them at all levels, give them more challenging opportunities at all stages, and help outstanding performers to progress rapidly. We have agreed:

xxi. that departments will actively '**talent spot**' and set up targeted comprehensive development programmes by October 2000;

xxii. that during next year the Cabinet Office will set up a **Public Service Leaders scheme** to train and develop 100 of our best non-Fast Stream managers, and will seek high quality training placements for them. Discussions are under way in the Public Sector Employment Forum;

xxiii. to open up **mobility between departments** by setting up mobility brokerage by next April and an **electronic marketplace** on a new **Civil Service website** for vacancies postings by next June;

xxiv. that departments will give their best and most promising performers wider experience in areas of **frontline delivery**, and immediately set the presumption that in the future to reach the SCS, people will have had experience both of frontline delivery or operational management and of working in more than one culture;

xxv. that the Cabinet Office, with departments, will introduce during the coming year **marketable qualifications** at a number of skill levels;

xxvi. that departments will make more use of **merit promotion in post** immediately.

A better deal for staff

17. We have 463,000 people across the Service. Delivery of the Government's objectives depends on their energy and commitment. We need every Civil Service organisation to commit itself to offering staff new ways of working which reflect our new vision and values, for example:

- strong leadership which sets out a clear direction and lives the values;
- fair and effective performance management and reward, including more innovative non-pay reward packages and greater personal recognition;
- good conditions of service, meeting or exceeding best employment practice in the UK, with scope for more personalised working arrangements which offer a more flexible balance between work and private life, and also bring diversity benefits;
- a fair workplace, in which people are valued and in which, while people are accountable for what they do, a culture of blame is unacceptable;
- the opportunity to develop themselves and their careers, through training and development, and more delegated responsibility;
- a participative management style, encouraging listening, team working and new non-bureaucratic and innovative ways of working.

The idea is that every organisation will be encouraged to open itself to challenge from its staff if these new ways of working are not being delivered, and will regularly look for improvements in the deal that it is offering.

18. If we are to gain the wholehearted support of our staff and engender pride in the Civil Service, we must offer people something which will be new and which they will value. We have agreed:

xxvii. that the Cabinet Office with departments will draw together the actions in this report to work up **a better deal for staff** during the coming year.

19. These 27 key actions are set out by year in Annex C. They are underpinned by the wider set of 65 actions in Annex D distilled from the four

Reports, on all of which departments will draw as they take forward their modernisation programmes, and on which they will report.

Other key issues

20. There are three other key issues:

- i. the issue of **resources** to support the change programme;
- ii. the question of how we strengthen our **policy formulation**; and
- iii. the development of **corporate responsibility**.

21. **Resources.** A change programme of this size will need significant resources, and departments are refocusing their budgets to reflect the reform agenda. A new Modernisation Fund of £100 million over the next two years has also been set up to support the programme. Civil Service organisations will be able to bid against this, on a partnership funding basis, for investment in modernisation.

22. **Policy Formulation.** Our next major task will be to move on to improving our performance on policy formulation. A lot of work is in hand on this. The Cabinet Office has produced a report *Professional Policy Making for the Twenty First Century*, which the Centre for Management & Policy Studies (CMPS) will be following up with new training approaches. This work is in progress. We are holding another gathering at Sunningdale to discuss how to improve our performance early in the New Year. I will report to you further in the Spring.

23. **Corporate responsibility.** This reform programme will be taken forward by the Civil Service in England, Scotland and Wales. Whilst Heads of Departments and their Management Boards will own and drive forward the changes we have collectively agreed, my Civil Service Management Board will take responsibility for driving the programme as a whole. The key corporate actions are in Annex B. Led by the Cabinet Office, in conjunction with Departments, we will evaluate and challenge departmental programmes and targets; monitor delivery against them; and ensure the introduction of peer review and independent audit. The Cabinet Office, with the Centre for Management and Policy Studies, will take on the staff work for the Board, as well as providing departments with support, sharing information about good practice between departments, providing research information, developing central policy and taking corporate action where that helps.

Richard Hutton

RICHARD WILSON

The Civil Service - Making a Difference

Our aim is to help make the UK a better place for everyone to live in, and support its success in the world. We want to be the best at everything we do.

In support of successive administrations, we will:

- * act with **integrity**, propriety, and political impartiality, and select on merit
- * put the **public's** interests first
- * achieve **results** of high quality and good value
- * show **leadership** and take personal responsibility
- * value the **people** we work with and their diversity
- * **innovate** and learn
- * work in **partnership**
- * be **professional** in all we do
- * be open and **communicate** well

CORPORATE ACTIONS

The corporate Board will, keeping the Vision and Values at the forefront of its thinking, drive action for:

- ◆ **Performance**
- ◆ **Delivery**
- ◆ **Teamwork**

PERFORMANCE

- Plan performance aspiration – stretching **Targets** are now set in the Action Plan Immediate
- Ensure departments have well-functioning Management Boards – including **non-executive directors** and champions for change Immediate
- Oversee the development of current and future **leaders** During 2000
- Oversee **incentive and reward** systems – starting with SCS in the next year During 2000

DELIVERY

- Support, challenge, **monitor and evaluate** progress and set new targets – dovetailed with the Public Service Agreement process and departmental delivery strategies 2000
- Ensure **benchmarking** against internal and external operations and independent evaluation through external or peer review 2000
- **Communicate** progress to key internal and external stakeholders Ongoing
- Publish an **Annual Report** Nov 2000

TEAMWORK

- Develop itself as a **Corporate Board** – agree leadership for next phase of progress, and develop spokespeople Immediate
- Drive the new **Vision and Values** – lead a major conference for civil servants May 2000
- Incentivise cross-departmental working and working to **corporate objectives** 2000
- Work with **ministerial teams**, both at departmental and at collective levels Ongoing

The Cabinet Office, the Treasury and the Centre for Management & Policy Studies (CMPS) will support this work.

KEY ACTIONS BY YEAR

Within 3-4 years the Civil Service aims to have achieved:

- stronger leadership
- better business planning
- sharper performance management
- more openness to people and ideas and growth of talent
- a better deal for staff.

The key actions in the first two years are set out below:

BY APRIL 2000

- all our organisations will send their staff the Civil Service-wide **vision and values** which will stand alongside their own, and encourage them to embrace the new behaviours which underpin this vision (see Annex A). We have launched a Service-wide debate this month;
- the Cabinet Office will define the new **leadership qualities** we need and an action plan for management training by March 2000, and that departments will then immediately use these new leadership competencies for targeted recruitment/promotion;
- because a key criterion for good leadership is self-awareness, departments will extend **360-degree feedback** and personal development programmes to everyone in the Senior Civil Service (SCS) by the end of 2001, starting at the top immediately;
- **corporate leadership** for the Service will be developed through my Management Board. Annex B sets out our key strategic corporate actions. Heads of Department will take on personal responsibility for spearheading parts of the corporate reform agenda: I will nominate champions to lead on each of the six key themes. We will also introduce by April 2000 more active partnership in the corporate management of the top 600 senior postings, and in the movement of people at the most senior levels. Better corporate

leadership will lead to the faster redeployment of staff to meet changing government priorities. I will be personally involved in the wider SCS succession planning meetings with Heads of Departments in the New Year;

- each department will develop a **business planning process** which sets out its bold aspirations and its long- and short-term targets in a measurable form. Departments will ensure that these targets are owned by individuals and teams who are accountable for their delivery. They will also ensure that regular rigorous reviews involving all managers are carried out to monitor progress against targets, and that targets are cascaded down to Personal Responsibility Plans. Greater use will be made of tools such as the EFQM Excellence Model to drive measurement and benchmarking;
- we need to give coherence to the many **objectives** now being set. We need to ensure that the objectives set in your letters to Secretaries of State, and in Permanent Secretaries' letters, are consistent with the Government's objectives set out in the PSAs and updated in the Year 2000 Spending Review;
- the Cabinet Office will provide guidance on incentivising and rewarding high achievers;
- the Cabinet Office will revise urgently our key **competencies** for the SCS to reflect the desired new behaviours – including innovation and managed risk-taking. We have already started work on this;
- departments by next March will have set themselves challenging **diversity targets** for their people at all levels, nationally and regionally. The Cabinet Office will help ensure that departments' individual SCS targets will enable the Service-wide targets for the SCS to be met, and will create a central pool of potential secondees from the under-represented groups;
- departments will, on the basis of a rigorous assessment of where they now are, include **diversity objectives and targets**, with measurable outcomes, in their next business plans and all managers' job plans for next year;
- departments will produce **action plans** and six-monthly reports on progress made against the recommendations of the Diversity Group Report (including equality-proofing of their processes, especially for recruitment, appraisal and promotion), the first of which will be due in April 2000;

- **Heads of Department** will account personally to Ministers annually, on progress towards targets and on their future plans. The departmental reports will form the basis for my annual report to you on diversity for the Service as a whole, due in May 2000. The Cabinet Office will provide the support, challenge and outreach to help departments achieve their targets;
- there will be a new drive to increase **departmental interchange targets** for secondments in and out at all levels, and to raise the existing target (that by 2005 50 per cent of the SCS should have had experience outside the Civil Service) to 65 per cent;
- if resources allow, we will create more space at the top now through targeted **early retirement**. For the longer term we want to establish a culture in which early retirement continues to be targeted and effective but ceases to carry the stigma of failure;
- we will open up **mobility between departments** by setting up mobility brokerage by next April and an **electronic marketplace** on a new **Civil Service website** for vacancies postings by next June;
- departments will give their best and most promising performers wider experience in areas of **frontline delivery**, and immediately set the presumption that in the future to reach the SCS, people will have had experience both of frontline delivery or operational management, and of working in more than one culture;
- departments will make more use of **merit promotion in post** immediately.

BY APRIL 2001

- departments will carry out **independent review** of their business planning through peer groups or with outside organisations;
- departments will make greater use of tools such as the EFQM Excellence Model to drive measurement and **benchmarking**;
- having endorsed the principles in the Performance Management Group report, departments will work towards **new pay and appraisal systems** (drawing on the work the Public Services Productivity Panel is doing with several departments/agencies), and the Cabinet Office will do the same for the SCS developing the new system during 2000 for introduction in April 2001. The presumption is that this will include a move from absolute to

relative appraisal, in order to build a culture of continuous improvement, with pay based in future explicitly on relative performance. We will also ensure that there are effective systems in place for incentivising and rewarding high achievers, both individuals and teams;

- departments will, by July 2000, start redirecting their **training** programmes to better support the capability of their managers at all levels to manage performance;
- the Cabinet Office will provide guidance on better **non-pay packages** which include more personal recognition, more flexible and personalised working arrangements and a better balance between work and private life, reporting on progress by next summer;
- we will identify **100 prominent key tasks** across a range of policy development, service delivery and project management for which we will bring in high quality secondees during Year 2000. It would be helpful to have your personal support for launching this with captains of industry and other key leaders. In parallel, we agree to bring on **100 of our best middle managers** through the Public Service Leaders scheme;
- over the next five years we will achieve a 10 per cent year-on-year increase in **open competitions** for middle and senior managers across the Service, particularly aimed at bringing in new thinking and people who have skills that are currently in short supply in the Service;
- we will redefine and rename the **Fast Stream** by December 2000 in order to broaden entry, in particular to target under-represented groups, without losing its market appeal;
- departments will actively **'talent spot'** and set up targeted comprehensive development programmes by October 2000;
- the Cabinet Office will set up a **Public Service Leaders scheme** to train and develop 100 of our best non-Fast Stream managers, and will seek high quality training placements for them. Discussions are already under way in the Public Sector Employment Forum;
- the Cabinet Office, with departments, will introduce during the coming year **marketable qualifications** at a number of skill levels;
- the Cabinet Office with departments will draw together the actions in this report to work up **a better deal for staff**.

KEY THEMES

STRONGER LEADERSHIP WITH A CLEAR SENSE OF PURPOSE

Desired outcome:

A clear, shared sense of purpose and direction for the Civil Service, and of the values and standards which we will uphold. This should provide a framework for the vision and values of departments and agencies.

An emphasis on leadership at all levels throughout the Service, but particularly at the top.

We want all staff to have:

- i. a shared vision and values which individual departments and agencies can draw on in developing their own visions matched to their particular tasks;
- ii. a set of values, standards and behaviours matched to the challenge of the 21st century, building on and incorporating the Service's existing core values;
- iii. pride in being a civil servant;
and we want leaders who will:
- iv. set out a vision of how things could be better;
- v. provide strategic leadership to manage successfully the major changes ahead;
- vi. inspire and motivate the people they work with;
- vii. demonstrate their active commitment to transforming their organisation;
- viii. come from a variety of backgrounds and have wide experience to draw on.

Key Action:

	<i>Responsibility</i>	<i>Timescale By...</i>
1. Provide leadership to the Civil Service on the change programme and on the statement of Civil Service vision and values.	Heads of Department/ Agency Chief Executives	Immediately
Each Head of Department/Agency Chief Executive will:		
i. commit themselves to the change programme;		
ii. lead and work with their management boards and managers at all levels to deliver change;		
2. Start a debate in every department and agency on the vision and values agreed by the CSMB. The aim will be to:	Heads of Department/ Agency Chief Executives	Mar 2000
i. communicate effectively the vision, values and behaviours;		
ii. encourage staff to feel that the vision, values and behaviours are reassuring and relevant to them and their work;		
iii. ensure compatibility between departmental vision and values statements and the overarching statement;		
iv. involve others with an interest for example Parliament, trade unions;		
v. hold conferences on Civil Service reform.		

3. Embed the new approach through:	Cabinet Office	May/Sep 2000
<ul style="list-style-type: none"> - strengthened leadership - the performance management system - the way we recruit and develop people 		
4. Promote a successful, high-achieving Civil Service		
i. develop a deal for staff to help motivate them and gain their support for change;	Cabinet Office	During 2000
ii. address systematically the strengths and weaknesses in the 'image' of the Civil Service and how its reputation can be improved.	Cabinet Office	During 2000
5. Design benchmarks within and outside the Civil Service to measure progress and operation	Departments/ Cabinet Office	May 2000
6. Define the leadership qualities required for the Senior Civil Service (SCS) and for the rest of the Service subsequently. Develop leadership styles.	Cabinet Office	Mar 2000
7. Define objective measures of leadership potential and use to profile the holders of, and short-listed candidates for, the top 600 posts.	Cabinet Office/ Departments	Mar 2001
8. Introduce performance criteria for leaders which explicitly recognise contributions to cross-cutting and corporate objectives.	Cabinet Office	Mar 2000

Put the leadership models into practice.

9. Introduce compulsory 360-degree feedback for development purposes starting with the top 150 civil servants then moving down through the SCS, with accompanying personal development programmes

Cabinet Office/ Departments Dec 1999

10. Make assessment of leadership style a key requirement of appointments, initially to the top 600 posts, and progressively to the rest of the SCS and below

Cabinet Office/ Departments Apr 2000

Promote more corporate leadership

11. Introduce more active partnership in the corporate management of the SASC Group* (taking account of needs of devolved administrations) review extension of this beyond the SASC Group within three years

Cabinet Office/ Departments Apr 2000

12. Introduce minimum common criteria for entry to the Senior Civil Service and a consistent approach to assessment and selection

Cabinet Office Mar 2001

Promote leadership development

13. Launch a Public Service Leaders scheme

Cabinet Office Apr 2001

14. Develop leadership training modules

Cabinet Office Dec 2000

* The SASC Group comprises the top 150 posts. They derive their generic title from the Senior Appointments Selection Committee (SASC) which advises the Head of the Home Civil Service on the recommendations he makes to the Prime Minister on appointments to these posts.

BETTER BUSINESS PLANNING AND SHARPER PERFORMANCE MANAGEMENT

Desired outcome:

Each department has rigorous and effective business planning arrangements which improve delivery; uses effective performance management systems to underpin and reinforce the change programme; and measures itself against the best elsewhere for example through the EFQM Excellence model. Poor performance is properly confronted; decent performers are paid fairly; and truly outstanding achievement by individuals and teams is rewarded.

Key Action:

	<i>Responsibility</i>	<i>Timescale</i>
<p>15. Review business planning systems to ensure that:</p> <ul style="list-style-type: none"> - they include bold aspirations and long and short term targets - named teams and individuals have explicit responsibility for delivery of all targets - there are regular and rigorous reviews of progress against targets - business planning is properly integrated into the next round of PSAs - the system should include stretching objectives on Civil Service Reform (also to be included in PSAs) 	Heads of Department/ Agency Chief Executives	By ... To be in place for 00/01 plans
16. Establish independent quality assurance for business planning systems on a three yearly basis	Cabinet Office to lead/ Departments	Mar 2000
17. Use tools such as the EFQM Excellence Model to further improve quality and performance	Departments	Mar 2001
18. Consult and negotiate on new performance management principles centrally with Council of the Civil Service Unions (CCSU)	Cabinet Office	Apr 2000
19. Review performance management	Departments	Apr 2001

systems and appraisal systems against the principles in the Performance Management Report, and align them where necessary

20. Redirect training programmes to ensure all managers are properly equipped to manage performance	Cabinet Office/ Departments	July 2000
21. Introduce a performance management system for the Senior Civil Service that follows the principles in the Performance Management Report.	Cabinet Office/ Departments	Apr 2001
22. Ensure that SCS pay systems, based on the principles in the Performance Management Report, effectively incentivise and reward high achievers, both individuals and teams.	Cabinet Office/ Departments	Apr 2001
23. Make first pay awards under the new system	Departments	Apr 2002
24. Evaluate departmental non-SCS pay systems against the principles to be used for the SCS (including non-consolidated team awards for those with key business objectives) to meet business needs	Departments	Between Apr 2001 and Apr 2002
25. Revise and pilot competency framework for the Senior Civil Service	Cabinet Office	Apr 2000- Sep 2000
26. Encourage Departments to review the competency frameworks for all other staff	Cabinet Office/ Departments	Sep 2001

A DRAMATIC IMPROVEMENT IN DIVERSITY

Desired outcome:

We want a Civil Service that:

- i. is part of, and not apart from, the society it serves;
- ii. values and is strengthened by the differences people bring with them to the organisation;
- iii. gives all of its staff regardless of background the chance to play their part, develop and progress – rapidly if they are able.

Key Action:

	<i>Responsibility</i>	<i>Timescale By...</i>
27. Find out where you stand now; and update your diversity action plan, against the four headings below.	Departments	Jan 2000

Raise awareness

28. Develop indicators to check staff perception of Civil Service commitment to, and progress on, diversity;	Departments	Jan 2000
--	-------------	----------

29. Incorporate messages about managing diversity and action in all management processes, for example induction, appraisal, promotion and pay, which should be proofed and audited for diversity.	Departments	Mar 2000
---	-------------	----------

Demonstrate leadership

30. Set personal objectives on diversity for Permanent Secretaries linked to Public Service Agreement objectives and agree personal accountability for the departmental action plan, targets, and shifts in staff perception.	Departments	Mar 2000
---	-------------	----------

31. Include equal opportunities and diversity objectives in departmental business plans and audit performance against them.	Departments	Mar 2000
---	-------------	----------

Develop management capability

32. Include diversity objectives, with measurable outcomes, in forward job plans and job frameworks	Departments	Mar 2000
---	-------------	----------

33. Provide training on valuing diversity and managing inclusion for all managers within two years.	Departments	Nov 2001
---	-------------	----------

Promote equal opportunities

34. Set targets in departments for under-represented groups at all levels below Senior Civil Service, nationally and regionally	Departments	Mar 2000
---	-------------	----------

35. Analyse career progression and profile of under-represented groups available to feed senior grades, then target development and action as appropriate.	Departments	Oct 2000
--	-------------	----------

36. Negotiate ring-fenced money which departments can bid for on the basis of specific plans to drive forward diversity issues	Cabinet Office	Dec 1999
--	----------------	----------

37. Set up a website directory of <i>What Works</i> to share experience	Cabinet Office	Immediately
---	----------------	-------------

38. Identify a pool of candidates for work placements and secondments of under-represented groups to high profile posts.	Senior Adviser	Oct 2000
--	----------------	----------

A MORE OPEN CIVIL SERVICE WHICH BRINGS ON TALENT

Desired outcome:

People at all levels with a greater variety of background and experience than at present, who will excel in service delivery and project management as well as in the more traditional policy skills.

Staff who are developed to their full potential, and are given challenging opportunities to exercise leadership at an early stage in their career. Outstanding performers progressing rapidly up the Service.

A Senior Civil Service whose members have gained experience in different parts of, and outside, the Service. More movement within the Service and outside. Staff more confident about working in the European Union.

A Civil Service that:

- i. still offers a career to those who want it but one which recognises the importance of enabling people to move in and out of the Service throughout their careers, accepting that new recruits may not necessarily want to work within one organisation for the whole of their working lives;
- ii. is welcoming to new recruits with fresh ideas and ways of working at all levels;
- iii. invests in its people and help them realise their potential;
- iv. identifies the most talented people at all levels at an early stage in their careers and guide their development;
- v. provides real opportunities for the most able to move rapidly up the Service;
- vi. ensures that existing staff have opportunities and are encouraged to move within and across departments and outside organisations;
- vii. works closely with our EU partners.

Key action:

	<i>Responsibility</i>	<i>Timescale By ...</i>
Bring in people with fresh ideas and ways of working.		
39. Redefine and rename the Fast Stream in order to broaden entry without losing its cachet	Cabinet Office	Dec 2000
40. A significant infusion of new people and skills through opening more posts to external competition	Cabinet Office/ Departments	Immediate
41. Co-ordinated competitions to recruit external people in mid-career targeted at a level best suited to attract talent.	Departments/ Cabinet Office	Mar 2000
42. Create space through a sympathetically handled targeted early retirement exercise for the SCS and for the longer term make real the flexible decade of retirement	Departments/ Cabinet Office	Apr 2002
43. Improve the image of the Civil Service through a comprehensive recruitment marketing strategy.	Cabinet Office	Sep 2002
44. Update the Civil Service Commissioners rules on recruitment and selection to remove any unnecessary rigidity, whilst retaining the principles of fair and open competition	Cabinet Office	Apr 2000
45. Ensure newcomers who join in mid-career are welcomed into the department and have a mentor	Departments	Dec 2000
46. Work out our optimal strategy for handling the dual market issue.	Cabinet Office	Apr 2001
47. Launch a better and more flexible pensions scheme PCS (Principal Civil Service Pensions Scheme) 2000	Cabinet Office	Apr 2001

Invest in people

48. Set up comprehensive management development programmes (departments to set appropriate targets)	Departments/ Cabinet office	Oct 2000
49. Launch Lifelong Learning action plan framework	Cabinet office	Immediately
50. Ensure that there are no restrictions on applications for posts at any level, other than the ability to do the job, by enforcing advertising protocols.	Departments/ Cabinet office	Dec 1999
51. Presumption that departments recognise promotions from Service-wide competitions	Departments/ Cabinet office	Dec 1999
52. Make more use of merit promotion in post to develop deeper expertise, for example in project management	Departments/ Cabinet Office	Apr 2000
53. Achieve recognition as an Investor in People	Departments	Dec 1999
54. Develop non-pay reward packages which include better opportunities for self-development; more personal recognition; improved balance between work and private life through personalised working arrangements	Cabinet Office/ Departments	Jul 2000

Develop talent

55. Establish effective succession planning systems to identify a pool of able people and suitable jobs likely to become vacant for them to do	Departments	Apr 2001
56. Launch new Public Sector MBA offering a combination of study and training	Cabinet Office	Sep 2000
57. Develop talent through relevant secondments and training in other government departments and external organisations	Departments	Jul 2000

58. Develop more pro-active and open succession planning for whole of SCS	Cabinet Office / Departments	Oct 2000
---	---------------------------------	----------

Value people with wider experience

59. Set presumption that, before reaching the SCS or progressing through it, civil servants should have experience of working in frontline delivery or operational management, and at least one of the following areas: another departmental culture, the wider public/voluntary sector, partnership working, the EU or other international postings, regional activity, and the private sector.	Departments/ Cabinet Office	Oct 2000
--	--------------------------------	----------

60. Non-executive directors or advisers on every Departmental Management Group or Board	Heads of Departments	Mar 2000
---	-------------------------	----------

61. Promote Service-wide advertisement of a wider range of posts through the GSI and a central website	Departments/ Cabinet Office	Jun 2000
--	--------------------------------	----------

62. Establish a mechanism to help broker interdepartmental movement	Cabinet Office	Mar 2000
---	----------------	----------

63. Set new targets for mobility and produce league tables, to show wider experience is valued	Departments	Apr 2000
--	-------------	----------

64. Develop joint training with officials from other EU states	Cabinet Office	Dec 2000
--	----------------	----------

65. Promote European awareness training as a standard element of individuals' training plans	Cabinet Office	Dec 2000
--	----------------	----------

CIVIL SERVICE MANAGEMENT BOARD MEMBERS

Sir Richard Wilson	Secretary of the Cabinet and Head of the Home Civil Service
Sir John Kerr KCMG	Foreign and Commonwealth Office
Sir Andrew Turnbull KCB CVO	HM Treasury
Sir Richard Mottram KCB	Department of the Environment, Transport and the Regions
Sir Michael Scholar KCB	Department of Trade and Industry
Chris Kelly	Department of Health
Joe Pilling CB	Northern Ireland Office
Kevin Tebbitt CMG	Ministry of Defence
Sir Hayden Phillips KCB	Lord Chancellor's Department
Richard Packer	Ministry of Agriculture, Fisheries and Food
Sir John Vereker KCB	Department for International Development
Brian Bender	Cabinet Office
Dame Valerie Strachan DCB	HM Customs and Excise
Nick Montagu CB	Inland Revenue
Francis Richards	GCHQ
David Omand	Home Office
Jon Shortridge	National Assembly for Wales
Rachel Lomax	Department of Social Security
Muir Russell	The Scottish Executive
Robin Young	Department for Culture, Media and Sport
Sir Michael Bichard KCB	Department for Education and Employment
David Calvert-Smith QC	Director of Public Prosecutions
Jenny Bacon CB	Health and Safety Executive
Wally Hammond CB QC	Treasury Solicitor
John Gieve	HM Treasury
Professor Ron Amann	Centre for Management and Policy Studies

Attendee

Mike Granatt GICS

Secretaries

Brian Fox Cabinet Office
John Barker Cabinet Office
Sally Hinkley Cabinet Office

Comments

We welcome comments on any aspect of Civil Service Reform. These can be sent to:

Change Management Division
Cabinet Office
Room 54/3
Horse Guards Road
London
SW1P 3AL

Or by e-mail to csreform@cabinet-office.x.gsi.gov.uk

Fax: 020 7 270 5894

Further copies of this report are also available from this address.

© Crown copyright 1999

The text in this document may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material not being used in a derogatory manner or in a misleading context. The source of the material must be acknowledged as Crown copyright and the title of the document must be included when being reproduced as part of another publication or service.

www.cabinet-office.gov.uk/civilservice/21st_century