

# Professionalising Whitehall



## About this report

If the UK Government is to succeed in negotiating the complex challenges that it now faces, the civil service must have the specialist capability that it needs.

Over the past four years, the leadership of the civil service has stepped up efforts to professionalise key activities such as policymaking, financial management and commercial procurement and contract management.

*Professionalising Whitehall* takes stock of the reform efforts under way in eight core cross-departmental specialisms:

- commercial
- communications
- digital
- finance
- HR
- legal
- policymaking
- project delivery.

It offers an assessment of where these specialisms are at now, and argues for four priorities for reform.

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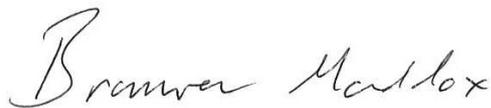
## Foreword

The Institute for Government attaches particular importance to this work on the professionalisation of Whitehall. We have warmly endorsed the moves at the most senior levels of the civil service to encourage the development of specialist skills in eight areas, an endeavour which has stepped up considerably in the past four years.

If the Government is to successfully negotiate the complex challenges it now faces, the civil service must have the specialist capability that it needs. Major government projects, such as Universal Credit, struggled because departments lacked specialist areas of expertise or key activities – from contract management to the design of digital services – were not performed properly. But there are important successes. Finance specialisms, for example, have played a strategic role in helping shape better decision making with more accurate costings.

This report, in partnership with Oracle, sets out our view of the progress of these reforms. We find the civil service has made significant progress, particularly in the management of talent. However, we identify four ways in which reforms have been held back, notably in turnover of leadership, constraints on civil service leaders, lack of resources and stable funding.

Embedding major organisational change takes years and the Institute for Government will continue to measure progress in this area. With huge pressures on the public sector, which will only increase as we leave the EU, these reforms are critical in ensuring that we have a government fit to handle the challenges of the 21st century.



Bronwen Maddox  
Director, Institute for Government

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## Summary

The civil service is in the middle of a series of ambitious reforms that seek to modernise the way that government works. With the challenge of Brexit and growing pressures on public services, it is more important than ever that these reforms succeed.

Countless major government projects have failed because key activities – from contract management to the design of digital services – were not performed properly. Think back to the headlines concerning the delays and information technology (IT) system write-offs that have marred Universal Credit, the flawed InterCity West Coast franchise competition, or the failure to spot widespread overbilling by suppliers of electronic offender monitoring tags. In each of these cases, departments either lacked the specialist skills that they needed, or failed to make effective use of what they did have.

These problems have long been recognised.\* Historically, Whitehall departments were left to develop their own specialist capability through ad hoc (sometimes competing) strategies. Unsurprisingly, the results were patchy.

It is only since 2013 that the leadership of the civil service has really stepped up efforts to professionalise key government activities such as policymaking, financial management, commercial procurement and contract management. The civil service leadership now has embraced a more joined-up approach to the way that core specialisms – such as policy, human resources (HR), commercial, communications, finance and digital – are organised. These specialisms are ‘areas of expertise that provide professional support and services’, and which enable departments to deliver policies and programmes (National Audit Office, 2017, p. 4).

The civil service leadership has put in place a new organisational structure for these specialisms. This has involved the appointment of central, cross-government heads for each specialism (for example, Gareth Rhys Williams as Chief Commercial Officer, Alex Aiken as Executive Director for Government Communications and Rupert McNeil as Chief People Officer). Each head has responsibility for convening a leadership group consisting of departmental representatives (for example, the Financial Leadership Group and the Policy Profession Board\*\*). In turn, these groups are taking responsibility for improvement agendas for their specialisms, including co-ordinating talent management and agreeing professional standards.

This emerging model is designed to help departments work more effectively. It cuts through age-old debates about centralisation in Whitehall, which treated any cross-departmental working as a shift of power to be resisted by departments. Permanent secretaries remain responsible for the performance of programmes and services. Meanwhile, the leadership group of each specialism is collectively responsible for

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\* For example, the 1968 Fulton Report highlighted the need for specialists such as finance professionals to play a bigger role in implementing policy (Fulton, 1968).

\*\* For more on the work of the Policy Profession see [www.gov.uk/government/organisations/civil-service-policy-profession](http://www.gov.uk/government/organisations/civil-service-policy-profession)

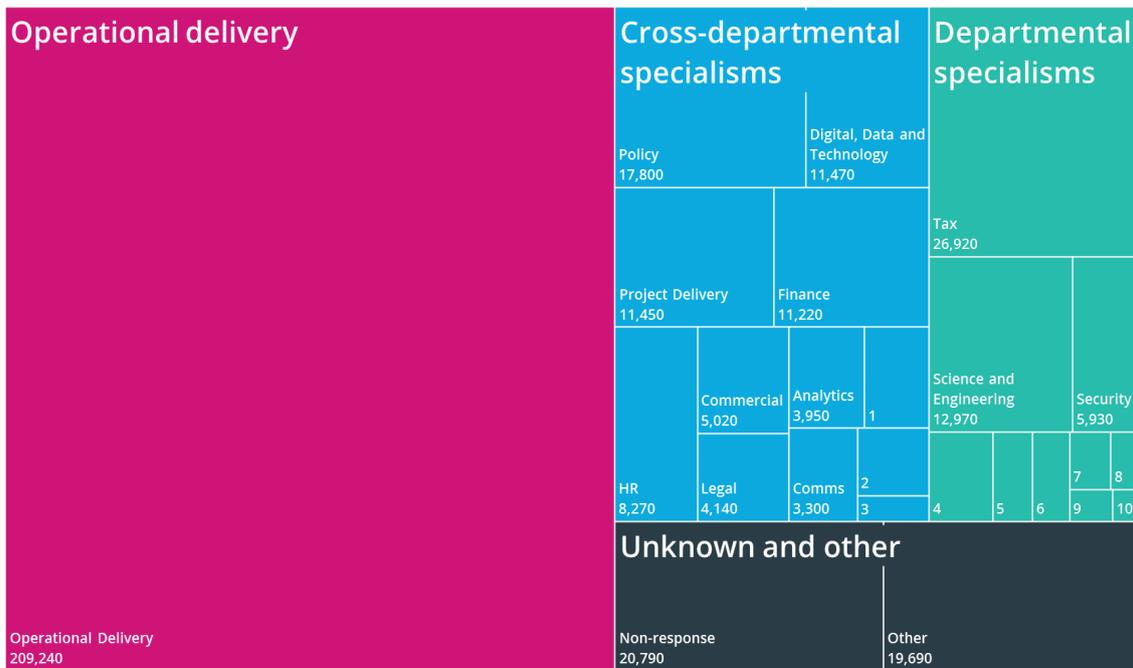
making sure that departments have access to, and properly utilise, the skills that they need to deliver these programmes and services.

This reform agenda has focused helpfully on professionalising all cross-departmental specialisms, including policymaking. As such, it moves beyond the long-running policy 'generalist versus specialist' debate.

## Cross-departmental specialisms

Within the civil service, 54% of staff work in operational delivery undertaking tasks such as processing benefit claims, running prisons or undertaking immigration checks. A further 14% work in specialisms that are found only in a small number of departments: these include tax specialists at HM Revenue & Customs (HMRC) or those working in science and engineering, who are overwhelmingly at the Ministry of Defence. (See figure below.) The focus of this report is on the 22% of the civil service who work in specialisms that are found in, and needed by, all Whitehall departments.

### Composition of the civil service workforce, March 2017



**Finance** includes corporate finance.

**Analytics** includes economics, statistics, operational research and social research.

**Planning** includes planning inspectors.

1. **Property 3,400**

2. **Knowledge and Information Management 2,535**

3. **Internal Audit, 950**

4. **Prosecutor 2,930**

5. **Intelligence Analysis 1,850**

6. **Medicine 1,700**

7. **Psychology 1,210**

8. **Inspector of Education and Training 800**

9. **Planning 720**

10. **Veterinarian 410**

Note: Some professions data are either not reported or not collected by departments (as indicated in Figure 1) (see Freeguard, 2017).

Source: Institute for Government (2017a).

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*Professionalising Whitehall* takes stock of the reform efforts under way in eight core cross-departmental specialisms:

- commercial
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- HR
- legal
- policymaking
- project delivery.

It offers an assessment of where these specialisms are at now, and argues for four priorities for reform.

## **Our findings: taking stock**

The reforms under way in separate specialisms are at an early stage, and have not yet resulted in key specialist activities being performed to a consistently high standard across all departments. However, significant progress has been made, and these reforms are critical to ensuring that we have a government fit for the 21st century.

Each specialism is at a different level of maturity, but looking across the board we have found the following.

### **Reforms have delivered the most progress in talent management**

Reforms have delivered progress in the area of talent management: that is, attracting, developing and deploying high-calibre people. The cross-departmental leadership of each specialism has improved its ability to attract promising talent by launching its own fast-track recruitment scheme. They are investing also in specialists already working in government. New training opportunities, skills frameworks and 'career pathways' are allowing specialists to plan their careers in more structured ways, supported by the right tools and resources.\* Equally, communities of practice and web-based platforms (for example, OneHR and OneFinance) are being used to cultivate a stronger sense of identity within individual specialisms.

All these initiatives are encouraging specialists to view their careers through the lens of their specialism as a whole, rather than simply their home department. This is critical if the civil service is to ensure that the right people with the right skills can be easily deployed on priority projects across Whitehall. We have seen this recently with the rapid deployment of specialists from one part of government to another in response to urgent needs (for example, in Brexit).

Such progress has been possible only due to the cross-departmental leadership groups within each specialism providing the mechanism and mindset to make it

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\* 'Career pathways' are tools that give practitioners a clear picture of the range of jobs in a specialism, the competencies and skills required for those roles, and the relative seniority of each post.

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happen, as well as HR playing a more strategic role in supporting workforce planning across the civil service.

### **Some specialisms' leadership is better positioned to drive reform**

The leadership of some specialisms is better placed than others to accelerate and embed reforms. Currently, only the leadership of the commercial, project delivery and communications specialisms are in a position to undertake more comprehensive workforce planning. Each has developed frameworks for assessing skills levels among its specialists. This information then can be used to inform recruitment and learning and development opportunities.

Equally, the cross-departmental leadership groups in communications, commercial and legal are stronger coalitions than some others, such as project delivery, whose members have no reporting lines into the central head of the project delivery function, and who undertake their departmental head of delivery responsibilities on a part-time basis. The relative strength of these groups has implications for the pace and scope of improvement programmes.

In addition, there are problems which have held back reforms in some specialisms.

- **Leadership turnover** – the reforms under way in digital, finance and project delivery have all been disrupted at different times in recent years by leaders rapidly moving on.
- **Constraints on leadership** – the heads of both the policy and finance specialisms have more limited capacity to lead reforms, as they must balance their cross-departmental leadership responsibilities with the competing demands of a separate job. Moreover, the head of finance is expected to operate as a first among equals, in that he or she supposedly oversees exact counterparts in other departments.
- **Insufficient resources** – policy and to some extent legal and finance, have small, underresourced teams responsible for driving reforms.
- **Lack of stable funding** – long-term planning in specialisms such as commercial, and to some extent policy and legal, is undermined by a lack of guaranteed funding from one year to the next.

### **Our recommendations: priorities for reform**

There are a number of key obstacles facing all specialisms which civil service leaders have to address.

Senior decision makers in departments need to understand, demand and make better use of the professional support and services offered by specialists. There needs to be better co-ordination between the improvement agendas under way in each cross-departmental specialism. Finally, there needs to be secure funding for the central teams of civil servants that help with the day-to-day implementation of improvement programmes.

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We argue for four reform priorities that address these issues.

### **1. Integrate specialists better into departmental decision-making**

- Permanent secretaries need to ensure that their finance and HR directors are better represented on the executive leadership team for their department. Depending on the nature of a department's work, this might need to extend to commercial, digital and/or legal directors. The absence of these specialists limits their input into decisions. Chief operating officers should not be used to displace specialists from executive teams.
- The Cabinet Secretary should improve the balance between permanent secretaries and central heads of specialisms on the Civil Service Board. The current board – made up of permanent secretaries – is very different from federated organisations in the private and wider public sector, which seek greater strategic input from specialists at the top table. As an immediate step, the Chief People Officer, who already attends board meetings, should be made a full member. Given the Cabinet Secretary's well-publicised priorities around improving digital and commercial capability in the civil service (Heywood, 2017), the Chief Commercial Officer and Director General of the Government Digital Service would be obvious candidates for full membership.
- In addition, the Cabinet Secretary needs to ensure better representation of central heads of specialism (for example, the Chief Commercial Officer and Executive Director for Government Communications) on the governance boards that oversee efforts to improve capability for the entire civil service, particularly the Civil Service People Board.
- Executive leadership teams in each department should push for greater use of multidisciplinary teams, where practitioners from different specialisms work together in solving policy problems. This will ensure that the right mix of expertise is involved in developing effective solutions.
- The Government's Chief People Officer needs to continue efforts to provide training and mentoring to senior departmental leaders who want to improve their awareness of core specialisms. It is important that senior leaders know when to engage specialists, the right questions to ask them and, if their input does not add sufficient value, when to challenge or remove them.
- The cross-departmental leadership groups for each specialism need to be more proactive in demonstrating the value of their input to departmental executive teams. This includes running demonstration projects that engage departments and encourage knowledge transfer (for example, finance's costing unit projects).

### **2. Enable people from all specialisms to reach top leadership positions in the civil service**

- It is critical that the civil service tackles entrenched perceptions that a policy background is better preparation for senior management roles in departments. The cross-departmental leadership groups for each specialism need to ensure that specialists have greater access to training and mentoring on how to both operate within a political environment and influence policy. This will help specialists progress to senior management positions within departments.

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- Each specialism's leadership team needs to ensure that the career pathways they are developing – which allow specialists to take a more structured approach to planning their careers – are meaningful, by integrating them fully into recruitment and performance management processes within departments.

### **3. Bring together separate reform plans of the specialisms**

- The Chief Executive of the Civil Service should expand his convening role in bringing together the central heads of each specialism, in order to share information and co-ordinate reform efforts. Currently, there is a functional leadership team consisting of heads of specialism reporting directly to the chief executive, plus more recently the head of finance; but this leaves out important specialisms whose leaders are located elsewhere in Whitehall – namely, policy and legal.
- The Chief Executive of the Infrastructure and Projects Authority should ensure that there is co-ordinated input from core specialisms into the Authority's major project reviews (for example, assistance in locating high-calibre specialists who could advise failing projects).

### **4. Introduce more stable funding**

- Some key cross-departmental activities (for example, talent management) are essentially 'public goods' that require stable core funding from the Cabinet Office and HM Treasury.
- Where there is centralised activity that is essentially providing services to departments (for example, the Crown Commercial Service's procurement of common goods), it is appropriate for departments to pay for the services provided. However, there should be a small number of clearly understood models.
- The Civil Service Board, strengthened through greater representation from core specialisms, should oversee both core budgets and payment models to ensure that the system helps departments work more effectively.

If the UK Government is to succeed in negotiating the complex challenges that it now faces, it is vital that the leadership of the civil service shows continued commitment to the reforms being pursued by cross-departmental specialisms. There is a lot at stake.

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# 1. Why specialisms matter

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If the UK Government is to stand a fighting chance of dealing with the implications of Brexit and the need to control spending, while attempting to maintain the quality of public services, there must be a greater sense of urgency around ensuring that:

- high-calibre specialists in areas such as commercial, digital, finance, HR and policy are working on priority projects across Whitehall
- these specialists have access to the tools and resources that they need to provide strategic advice and high-quality services to decision makers
- senior decision makers themselves understand, demand and make use of the professional support and services offered by cross-departmental specialisms (Gash, 2017).

There has been growing acceptance in recent years that Whitehall has lagged behind other Organisation for Economic Co-operation and Development (OECD) countries in how it organises the core specialisms that are needed by all government departments (Cabinet Office and Civil Service, 2013). Rather than take a joined-up approach that addresses the needs of the civil service as a whole, traditionally, departments have addressed their own capability concerns through ad hoc – and sometimes competing – strategies. Moreover, critical roles have not always been performed by specialists. For example, while the vast majority of Whitehall finance directors are now financially qualified (Government Finance Profession, 2016), little over a decade ago this figure stood at only a quarter (Gash, 2017).

## The civil service workforce and role of cross-departmental specialisms

The civil service workforce is made up of three broad groupings. **Operational delivery** accounts for more than 50% of the civil service workforce, and includes a diverse range of delivery roles (for example, prison officers and JobCentre managers). A further 14% of civil servants work in **departmental specialisms**. These are specific disciplines that tend to concentrate in a single or small handful of departments: for example, tax specialists employed by HM Revenue & Customs (HMRC) and veterinarians employed by the Department for Environment, Food & Rural Affairs (Defra) and the Home Office.

Meanwhile, 22% of civil servants work in **cross-departmental specialisms**. These are areas of expertise found in all departments that provide professional support and services, and which are critical to the delivery of policies and programmes (National Audit Office, 2017). These specialisms include commercial, digital, policy, finance, communications and project delivery (see Figure 1).

**Figure 1: Composition of the civil service workforce, March 2017**



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Note: Some professions data are either not reported or not collected by departments (as indicated in Figure 1) (see Freeguard, 2017).

Source: Institute for Government (2017a).

There are three aspects as to how these cross-departmental specialisms are structured.

- 1. Departmentally based services** – most civil service specialists are based in individual departments. The professional support and services that they provide take place and are overseen by line managers within their home department.
- 2. Cross-departmental services** – in some cases, specialisms choose to provide departments with professional support and services from cross-departmental units, usually because there are potential economies of scale. Sometimes these units are based in central ministries such as the Cabinet Office (for example, the Crown Commercial Service’s procurement of common goods and services on behalf of departments). In other instances they are based in particular departments (for example, finance’s tax centre of expertise is based in three departments: Ministry of Justice, Department for Work and Pensions and Ministry of Defence).
- 3. Core development roles** – there are certain core development roles that are (and can only be) organised on a cross-departmental basis (for example, deploying key specialists to priority areas across the civil service; setting basic standards that

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need to apply in all departments; and making sure that departmental initiatives are on track, and helping them to get back on track, if not). These roles are usually (and rightly) based in the central ministries of the Cabinet Office and HM Treasury.

## **Eight areas for Whitehall to address long-standing capability concerns**

There are eight specialisms where it is most important that Whitehall strengthens capability in the coming years.

### **1. Policy**

Effective government depends on robust policymaking processes that produce workable solutions and enable ministers to make complex decisions. However, the Institute's own research has shown that all too often, the policy work of Whitehall breaches the fundamentals of good policymaking, which include clarity on goals, external engagement and option appraisal (Norris et al., 2014).

### **2. Finance**

Developing good solutions to policy problems depends on departments using robust financial insights into the most effective ways to spend money. Historically, finance has been relegated to a focus on controlling expenditure, rather than supporting decision makers through the supply of high-quality financial data and ensuring that value for money is properly understood.

### **3. Digital**

Delivering many solutions relies on proper employment of new technologies. All too often, Whitehall has struggled (along with many other sectors) to adapt to the new environment created by digital technology, which changes how government operates and services are delivered. The rate of change requires constant adaptability, which is a challenge for any hierarchical organisation.

### **4. Commercial**

Delivering effective programmes and services depends on the public sector's ability to get the best possible deals, balancing cost and quality, from suppliers. However, there are well-documented failures to develop and harness the commercial skills needed to properly negotiate and manage public sector contracts – and at great expense to the public purse.

### **5. Legal**

Brexit will require a large volume of legislation to be passed through Parliament against a hard deadline, as well as heighten the risk of legal challenges. It is critical for the civil service to ensure that legal advisers are brought into policy decision-making at a much earlier stage than has been the case in the past.

### **6. Communications**

Effective staff engagement is critical to the success of major transformation programmes in government. Traditionally, internal communications teams have been underresourced in contrast to media teams and relegated to transactional tasks, rather than seen as key partners in delivering major change.

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## 7. Project delivery

The risk profile and complexity of major government projects are unlike those in any other sector. It is critical for the civil service to have the project management skills and governance structures to deliver projects on time, on budget and with promised benefits. With the hard deadlines of Brexit, the UK cannot afford past weaknesses to continue into the future.

## 8. Human resources

Above all, Whitehall needs to have the right people with the right skills working on priority projects. Departments must have human resource arrangements that support the recruitment, development and retention of these key staff. All too often in the past, HR has been regarded at best as offering a transactional service, and at worst as a compliance exercise or an obstacle to be overcome.

## The cost of neglecting cross-departmental specialisms in the past

Neglecting these core cross-departmental specialisms has cost successive governments and the taxpayer dearly. Mistakes, delays and failures in the delivery of major projects and programmes have hit the headlines regularly. While the causes are complex, capability gaps in core specialisms have been a common contributing factor (see Table 1).

**Table 1: Sample of major projects and programmes undermined by capability gaps in core specialisms**

Core cross-Whitehall specialism	Examples of failure	Cost of failure
Commercial	<p><b>Procurement:</b> in October 2012, the Department for Transport cancelled the <b>InterCity West Coast franchise competition</b> following a legal challenge from Virgin Trains that unearthed significant flaws in the tendering process. An independent review highlighted problems including a modelling error, failure to act on warnings from external legal advisers, a lack of transparency and inconsistent treatment of bidders (House of Commons, 2012).</p> <p><b>Contract management:</b> during the re-tendering process for the <b>electronic offender monitoring contracts</b> in 2013, the Ministry of Justice identified discrepancies in provider charging practices. A subsequent audit pointed to widespread overbilling by providers. The absence of rigorous invoicing and verification procedures had been exacerbated by a lack of experienced contract management specialists. Between 2007 and 2012, the Ministry's contract management team was downsized from eight to five (National Audit Office, 2014).</p>	<p>The failed franchise competition, including compensation for bidders, is estimated to have incurred direct costs of more than £50million (m) (National Audit Office, 2017).</p> <p>While the full extent of losses due to overcharging is unknown, after lengthy negotiations the two providers involved, G4S and Serco, agreed to pay the government a £177.2m settlement (Hill, 2014). As the National Audit Office pointed out in 2014, systemic weaknesses in contract management were particularly 'dangerous', given the fact that outsourced services accounted for around 40% of the Ministry of Justice budget (Ministry of Justice, 2013; National Audit Office, 2014).</p>

Core cross-Whitehall specialism	Examples of failure	Cost of failure
Digital	<p>The <b>Common Agricultural Policy Delivery Programme</b> was an attempt to develop a cloud-based IT system for processing and distributing European Union (EU) payments to farmers. Defra and the Rural Payment Agency agreed – as a condition of Cabinet Office funding – to use an agile approach to IT development within a tight time frame, despite having no previous experience of this method and not drafting in the requisite expertise (National Audit Office, 2015).</p> <p>Serious problems with the online system led to its withdrawal in 2015. The Rural Payments Agency then had to resort to a paper-based system involving manual data entry.</p>	<p>Cost overruns on developing the failed IT system and additional charges associated with manual data entry saw a 40% overspend on the £215m budgeted for the project (National Audit Office, 2015).</p> <p>Farmers faced hardship as a result of late payments. Only 38% of farmers received funds on the day that the payment window opened (down from more than 90% the previous year). It took a further four months to reach 76%, and six months to reach 84% (Commons Select Committee, 2017).</p>
Finance	<p>Launched in January 2009, the Department for Communities and Local Government’s <b>Mortgage Rescue Scheme</b> was intended to help 6,000 households over a two-year period to stay in their homes. The financial analysis conducted by officials was not sufficiently used to determine the department’s exposure to risk (National Audit Office, 2011). Far more households than anticipated opted for the more expensive mortgage-to-rent option than the shared equity option that was also available.</p>	<p>On average, by March 2011, each mortgage rescue had cost £93,000 – almost three times as much as the £34,000 that was forecast (National Audit Office, 2013b). The scheme only ended up assisting 2,600 households in two years: fewer than half the number intended (National Audit Office, 2011).</p>
HR	<p>As with other public sector institutions responsible for financial stability, the Treasury found itself underresourced during the <b>financial crisis</b> of 2007 to 2009. A later review found that inadequate strategic workforce planning exacerbated the problem. The HR function did not systematically record the skills and backgrounds of new recruits, meaning that staff members with backgrounds in the financial services sector were not deployed in roles that fully utilised this much-needed experience (HM Treasury, 2012).</p>	<p>The Treasury could have been much better prepared for the financial crisis, and was overstretched when it came. Staff wellbeing was impacted and annual turnover reached 38% in 2008 – the highest in Whitehall (HM Treasury, 2012). Some of the department’s reliance on external advisers could have been reduced, had there been a more strategic approach to workforce planning.</p>
Policy	<p><b>FiReControl</b> – a project launched in 2004 to replace the control rooms of 46 local-level fire and rescue services with nine regional control centres that would use a single IT system – suffered multiple setbacks and eventually was cancelled after seven years.</p> <p>In designing the project, policymakers did not pay sufficient attention to the practical realities of implementation. There was a failure to engage properly with key stakeholders and secure their support. The project proceeded despite fierce opposition from the Fire and Rescue Service, as well as a lack of mandatory powers to impose the new system (National Audit Office, 2013b).</p>	<p>The cancelled project racked up costs of at least £469m, with additional maintenance costs associated with the unused purpose-built control centres (UK Parliament, 2013).</p>

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These challenges are not unique to government. We have seen with IT transformation projects in particular that building specialist capability is a challenge for all sectors. However, the risk profile of government projects is unlike any other sector – ranging from nationwide infrastructure, such as the High-Speed Two rail link (HS2) to NHS computer systems. Brexit will only add to this challenge (for example, an IT system for customs).

## **Recent efforts to strengthen cross-departmental specialisms**

The past few years have seen a breakthrough in the way that Whitehall is approaching weaknesses in these core specialisms. Since 2013 there has been recognition that mission-critical tasks – such as policy advice, procurement, contract management and financial management – should be performed by high-calibre specialists in departments (see Box 1). These specialists, in turn, should be supported by a cross-departmental leadership structure that encourages better ways of working, common standards, resource-sharing and, increasingly, more co-ordinated talent management (McNeil, 2017).

In most specialisms we have seen the appointment of new, full-time central heads overseeing improvement plans developed with, and owned collectively by, the wider cross-departmental leadership group. These reform plans include initiatives to:

- recruit, develop and (re)deploy key personnel – for example, specialist entry-level fast streams, the cross-Whitehall deployment of government lawyers and commercial skills assessments
- develop ways of working that offer more added value to departments – for example, costing projects in finance, and training for line managers jointly designed by HR and communications
- provide assurance around key priorities – for example, Infrastructure and Projects Authority major project reviews.

Some specialisms have brought these initiatives together under a single improvement programme. These include policy's *Twelve Actions to Professionalise Policy Making* (Policy Profession Board, 2013), communication's Government Communication Service Improvement Programme (Government Communication Service, 2016) and finance's Finance Management Reform Programme (Government Finance Profession, 2016).

However, these reform efforts remain vulnerable. There is a risk of repeating a common cycle in government of initiating new reforms, facing teething problems with developing them, then stopping progress and starting something new just when improvements are beginning to gain traction (Panchamia and Thomas, 2014; McCrae et al., 2015). It is vital that the central heads of individual specialisms are given time to embed their reform plans. The civil service should not allow itself to slip back into departmental silos.

### **Box 1: The history of recent reform efforts**

Concerns over the civil service undervaluing professional skills are not new. The Fulton Report of 1968 was critical of the pre-eminence of the 'generalist' within the civil service, and called for specialists such as finance professionals to play a larger role in policymaking and departmental management (Fulton, 1968).

There have been repeated attempts to address these concerns. However, as Sir Chris Wormald, Head of the Policy Profession, pointed out in 2013: 'the level of ambition contained within myriad proposals has seldom been matched with commensurate delivery' (Policy Profession Board, 2013, p. 4).

Since 2013, the leadership of the civil service has really stepped up reform efforts, with early leadership from Francis Maude, then Minister for the Cabinet Office. The focus of efforts to strengthen Whitehall's ability to deliver programmes and services shifted from a long-standing preoccupation with a broad set of professions (covering everything from medicine to security), to a more narrowly defined set of core 'functions' that are relevant to all departments, such as finance, HR and commercial. These functions are concerned with ensuring that specialist tasks such as procurement and contract management are performed properly.\*

There have been a number of key reform milestones.

**2005** Cabinet Secretary Gus O'Donnell launches 'capability reviews', backed by Prime Minister Tony Blair, which assess departments and hold permanent secretaries to account for improving their departments' capability to deliver.

**2010** Francis Maude is appointed Minister for the Cabinet Office, and champions the integration of back-office services and the creation of centrally-run centres of excellence, in areas such as project delivery, procurement and digital transformation.

**2012** The Civil Service Reform Plan identifies capability gaps that need to be addressed in policy, digital, commercial and project delivery (Civil Service, 2012).

**2013** The Civil Service Capabilities Plan (April) calls for 'a more unified approach' to strengthening civil service capabilities through cross-departmental specialisms (Civil Service, 2013b). The *Civil Service Reform Plan: One Year On* report (July) argues that much stronger cross-Whitehall functional leadership – already seen in many other OECD countries – would deliver 'higher quality, more resilient support for the business of government' (Civil Service, 2013a, p. 32).

**2014** John Manzoni is appointed Chief Executive of the Civil Service, and champions strong central leadership of cross-Whitehall specialisms that both support and challenge departments to share expertise, realise efficiencies and improve decision-making (Manzoni, 2015).

\* Due to constant slippage in the vocabulary around functions and professions in the civil service, this report uses 'specialisms' instead of 'functions' to denote the organisational structures that have been set up to ensure that specialist tasks are performed properly.

### **Box 1: The history of recent reform efforts (Continued)**

**2015** The Government lays out its 'functional model' in a policy paper. This paper sets out a series of core design principles for cross-government specialisms, including: setting minimum standards; sharing resources, expertise and systems where possible; and ensuring that specialist activities and support services are tailored to the needs of departments (Cabinet Office, 2015).

**2016** The Civil Service Workforce Plan calls on cross-departmental specialisms to professionalise further, by developing career paths with structured progression and professional development opportunities (Civil Service, 2016).

## **The task ahead**

The task of strengthening these cross-departmental specialisms is not an easy one. Whitehall needs to undergo a change in mindset. Organising specialisms on a cross-departmental basis is about making departments themselves better at doing their job; but historically, Whitehall has not viewed professionalisation in this way. Instead, the debate has been characterised as a zero-sum power struggle between departments and the centre over what should be centralised or decentralised (McCrae et al., 2015).

Specialists themselves will need to view career development increasingly through the lens of the specialism as a whole, rather than simply their home department. Only then will it become easier to get the right people with the right skills deployed on priorities across Whitehall (McCrae et al., 2016). Equally, if the civil service wants to recruit and retain talent, specialists need attractive career paths with meaningful progression opportunities. This means overcoming entrenched perceptions that a policy background is better preparation for senior civil service positions (National Audit Office, 2013a). This is especially important in areas such as digital and commercial, where the civil service is competing in a highly competitive labour market.

Stimulating demand for the strategic insights and expertise that specialisms can offer involves equipping senior departmental leaders with the right level of understanding of the core specialist activities within their domain. As the Institute pointed out in a recent report: 'It is, after all, these leaders who must release staff from their day jobs to attend training, accept that talent will sometimes be deployed away from their departments towards areas of greater priority for government as a whole and insist on using professionals in key roles' (Gash, 2017, p. 13).

 Improvement programmes ... need stable funding that does not have to be negotiated from one year to the next 

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Given today's budgetary constraints, it is important to note that investing in cross-departmental specialisms does not necessarily mean hiring more staff: it requires a more strategic approach. For example, a recent survey of Whitehall departments conducted by the National Audit Office found that in specialisms such as commercial and project delivery, there was no need for increases in headcount. Instead, both specialisms could meet their needs by adjusting their staffing profiles – namely, reducing the number of junior staff, investing in skills gaps such as contract management, and hiring or promoting more senior specialists (National Audit Office, 2017).

Strengthening cross-departmental specialisms also does not require across-the-board increases in financial investment. There may be some areas where strategic investment is needed – as was seen recently, with budget commitments to bolstering digital and trade policy capability (HM Treasury, 2016; see also HM Treasury, 2015).<sup>\*</sup> However, what the improvement programmes under way in core specialisms do need is stable funding that does not have to be negotiated from one year to the next.

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<sup>\*</sup> The 2016 Autumn Statement announced £26m to 'strengthen trade policy capability' in the Department for International Trade and Foreign & Commonwealth Office. In addition, £450m was awarded to the Government Digital Service in the 2015 Autumn Statement.

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## 2. Taking stock: assessing the maturity of cross-departmental specialisms

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How much progress has the leadership of cross-departmental specialisms made in their reform efforts to date? This section takes stock of the maturity of each specialism, using an assessment framework that we have developed. Our framework is structured around a series of diagnostic questions which cover:

- leadership arrangements
- clarity of vision
- understanding and building capability
- building talent pipelines
- staff engagement
- raising strategic awareness among non-specialists.

This framework builds on an extensive body of Institute research into civil service reforms, bringing together insights from our previous stocktakes of individual specialisms and cross-government reforms (see for example, Panchamia and Thomas, 2014; McCrae et al., 2016; Gash, 2017). It also draws on a recent report by the National Audit Office, *Capability in the Civil Service*, which sets out the six key features that they expect to find in all effective cross-government functions (see National Audit Office, 2017).\*

### Specialisms are at different levels of maturity

The following assessment shows that Whitehall's core specialisms are at very different levels of maturity (see Figure 2). This is explained in part by the very different operating models for each specialism – some carefully planned, some historical accident. However, as our assessment shows, there are a variety of other factors, from leadership arrangements and turnover to funding models, which are at play.

The most tangible progress has been made in the area of talent management: that is, attracting and developing high-calibre specialists. However, the leadership of some specialisms is better placed than others to accelerate and embed reforms. Some have more developed and cohesive leadership groups. They also have better data on what different departments need, which gives them firmer foundations on which to build the next stage of their reforms. In addition, there are a number of problems that need to be addressed before reforms can be truly embedded.

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\* These features (or 'key pillars') are: strategy and vision; operating model and engagement with departments; operating standards; people standards; recruitment and skills development; and data performance measures.

**Figure 2: Maturity assessment of cross-departmental specialisms**

	Commercial	Communication	Digital	Finance	Human	Legal	Policy	Project Delivery
<b>1. Leadership arrangements</b>								
Is there a full-time central head of specialism?	■	■	■	■	■	■	■	■
Does the head of specialism sit at the centre of Whitehall?	■	■	■	■	■	■	■	■
Has there been stable leadership (that is, fewer than three heads since January 2014)?	■	■	■	■	■	■	■	■
Is there a clear accountability structure for cross-departmental services?	■	■	■	■	■	■	■	■
Is there a cross-departmental leadership group?	■	■	■	■	■	■	■	■
Is there a dedicated support unit that helps the leadership deliver its improvement programme?	■	■	■	■	■	■	■	■
Does the core support unit have stable funding?	■	■	■	■	■	■	■	■
<b>2. Clarity of vision</b>								
Is there a clear operating model for how activities are organised?	■	■	■	■	■	■	■	■
Is there a set of operating standards?	■	■	■	■	■	■	■	■
Is there a professional skills framework?	■	■	■	■	■	■	■	■
<b>3. Understanding and building capability</b>								
Does the leadership possess adequate knowledge of where talent lies within their specialism?	■	■	■	■	■	■	■	■
Are specialists assessed against the professional skills framework?	■	■	■	■	■	■	■	■
Is there a well-defined career pathway with clear progression opportunities?	■	■	■	■	■	■	■	■
Is there a core curriculum to support professional development?	■	■	■	■	■	■	■	■
Is there a central training academy or teaching offer?	■	■	■	■	■	■	■	■
<b>4. Building talent pipelines</b>								
Is there a specialist graduate fast stream?	■	■	■	■	■	■	■	■
Is there a specialist fast-track apprenticeship scheme?	■	■	■	■	■	■	■	■
Are there managed moves to priority areas across Whitehall (excluding the fast stream)?	■	■	■	■	■	■	■	■
Does the central head of specialism sit on departmental panels for senior appointments?	■	■	■	■	■	■	■	■
<b>5. Staff engagement</b>								
Are there communities of practice?	■	■	■	■	■	■	■	■
<b>6. Raising strategic awareness among non-specialists</b>								
Does the specialism offer training to non-specialists?	■	■	■	■	■	■	■	■

■ Yes   ■ Partial/Under Development   ■ No

Diagnostic questions	Rationale
<b>1. Leadership arrangements</b>	
Is there a full-time central head of specialism?	Central heads of specialism have far greater capacity to undertake their roles, if they are not doing so on a part-time basis alongside a separate day job.
Does the head of specialism sit at the centre of Whitehall?	It is much easier for the overall head of specialism to gain traction when he or she is not a 'first among equals', in that he or she supposedly oversees exact counterparts in other line departments.
Has there been stable leadership (that is, fewer than three heads since January 2014)?	Leadership turnover is costly, undermining the momentum of reforms and creating uncertainty around the vision for the specialism.
Is there a clear accountability structure for cross-departmental services?	Unless there is a clear distinction between the head of specialism's role and responsibility for delivering professional support and services that are organised on a cross-departmental basis, there is a risk that tensions between the centre and departments will simply be exacerbated.
Is there a cross-departmental leadership group?	The centre alone cannot change behaviours. A collaborative approach with delegated responsibility is needed to ensure departmental buy-in and boost the credibility of any reforms.
Is there a dedicated support unit that helps the leadership deliver its improvement programme?	Rather than having activities undertaken on a voluntary basis alongside people's day jobs, momentum is best sustained by having a dedicated support unit to assist the cross-departmental leadership and implement reforms.
Does the core support unit have stable funding?	Funding for core development roles that is not guaranteed from one year to the next is particularly vulnerable to being cut, which undermines long-term planning and staffing arrangements.

<b>2. Clarity of vision</b>	
Is there a clear operating model for how activities are organised?	A clear operating model offers clarity on the type of relationship that departments are expected to have with the central leadership of each specialism – setting out what activities are organised cross-departmentally, and what is best left to departments.
Is there a set of operating standards?	Common standards encourage people to behave in ways that are agreed good practice.
Is there a professional skills framework?	Professional skills frameworks (or ‘people standards’ as they are often referred to in the civil service) set out the skills and knowledge required of practitioners within each specialism. They assist workforce planning and enable skills gaps to be identified.
<b>3. Understanding and building capability</b>	
Does the leadership possess adequate knowledge of where talent lies within their specialism?	It is impossible to engage in proper workforce planning and capability building if departments and the central leadership of each specialism have no access to workforce data that allow specialists to be identified.
Are specialists assessed against the professional skills framework?	Assessing specialists against professional skills frameworks provides aggregate data on skills gaps, enabling more targeted recruitment and adjustments to be made to learning and development opportunities.
Is there a well-defined career pathway with clear progression opportunities?	The past lack of clear career paths for specialists has long been recognised as contributing to retention problems across the civil service. Moreover, specialist career pathways encourage practitioners to view their careers through the lens of the specialism as a whole, rather than simply their home department. This makes it easier to get the right people in the right roles across Whitehall.
Is there a core curriculum to support professional development?	Many specialisms are operating in competitive labour markets that make external recruitment challenging, while a previous reliance on outsourcing in areas such as government IT has resulted in skills shortages within some specialisms. Learning and development is critical to upskilling existing employees and supporting talent retention.
Is there a central training academy or teaching offer?	Cross-government structured learning and development opportunities (via specialist academies or a central teaching offer) prevent departments from having to replicate provision.
<b>4. Building talent pipelines</b>	
Is there a specialist graduate fast stream?	Departments should have the talent that they need at their disposal, and the leadership of each specialism has a role in enabling this to happen. Specialist graduate fast-stream recruitment (via a central assessment centre) is a means of developing a pipeline of talent through co-ordinated recruitment.
Is there a specialist fast-track apprenticeship scheme?	Centrally managed fast-track apprenticeships offer an alternative means to develop a pipeline of talent for future leadership roles.
Are there managed moves to priority areas across Whitehall (excluding the fast stream)?	Whitehall needs the right people with the right skills working on government priorities for long enough to ensure that they happen. While recognising the importance of continuity in many senior departmental roles, specialisms have a role to play in co-ordinating the redeployment of talent across Whitehall to areas of need.
Does the central head of specialism sit on departmental panels for senior appointment?	Through participating in appointment panels, heads of specialism can help to ensure that talent is deployed to priority projects without destabilising others through leadership turnover at a critical phase of delivery.
<b>5. Staff engagement</b>	
Are there communities of practice?	Communities of practice that provide opportunities to network, discuss challenges and brainstorm solutions help foster a stronger sense of community below the leadership level.
<b>6. Raising strategic awareness among non-specialists</b>	
Does the specialism offer training to non-specialists?	Many civil servants also have responsibilities in relation to individual specialisms (for example, senior civil servants who make financial decisions but are not finance professionals), and could benefit from development opportunities. Training for non-specialists helps broaden understanding of how specialisms can assist with decision-making.

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## Leadership arrangements

### Central leadership arrangements limit time available for reforms

The central leadership arrangements for policy and finance limit the time that is available to drive reforms. Specialisms need a full-time head that sits in the Cabinet Office or the Treasury. Heads of core specialisms have far greater capacity to lead reforms if they do not have to balance cross-departmental leadership responsibilities with the competing demands of a separate job or try to operate as 'a first among equals', in that he or she is supposedly overseeing exact counterparts in other line departments (McCrae et al., 2015). While HR, project delivery and digital all took positive steps in 2011 by establishing cross-Whitehall heads of specialism in the Cabinet Office, the leadership arrangements for two specialisms in particular stand out as more problematic.

- **Policy** – policymaking is a core activity for Whitehall. Yet the cross-Whitehall head of policy role has been consistently undertaken on a part-time basis by a departmental permanent secretary – currently, Sir Chris Wormald (at the Department of Health, and previously Department for Education), and before that Sir Robert Devereux (at the Department for Transport, then the Department for Work and Pensions).\*
- **Finance** – the specialism recently took a significant step backwards. In 2013, the head of finance role moved from the Department of Health to the Treasury, in response to a major financial management review. The review concluded that Whitehall's leadership model was out of line with the private sector, where the chief financial officer sits at the heart of the organisation and its decision-making. This move was reversed in 2017, with the head of the specialism having a full-time job in a line department (this time, the Ministry of Justice) (McCrae, 2017).

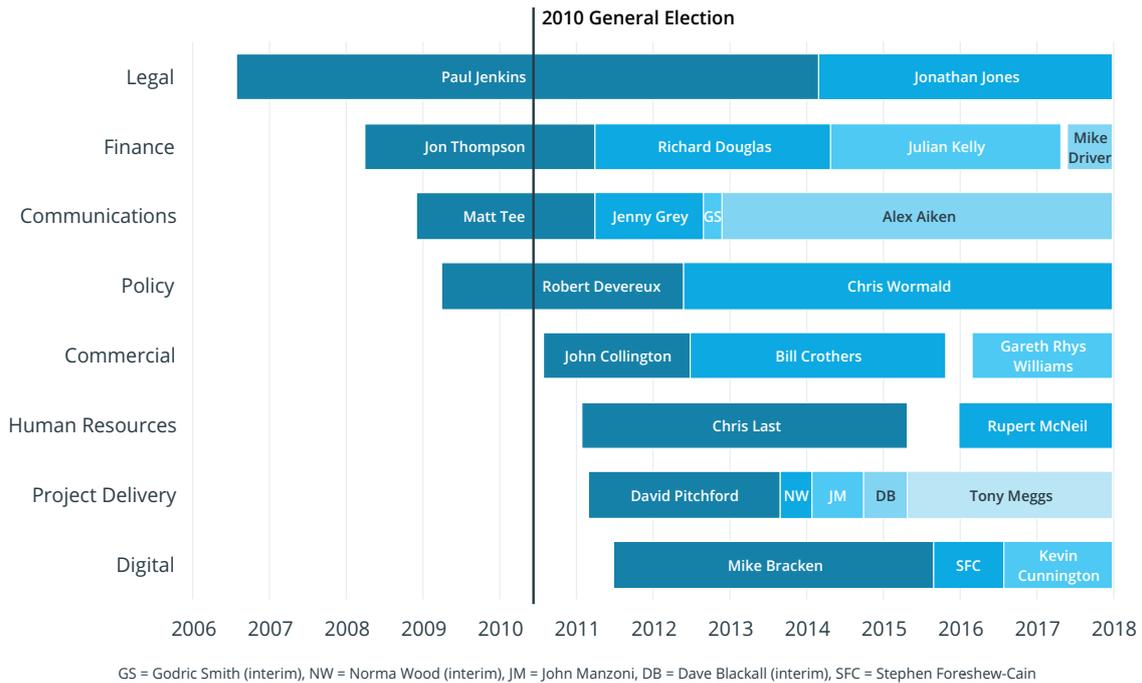
### Rapid leadership turnover has been costly for some specialisms

No organisation, as Farkas and Wetlaufer (1996) point out, 'can lose its leader without losing some sense, even temporarily, of its identity and direction'. Such instability has disrupted efforts to strengthen a number of cross-government specialisms (see Figure 3). Project delivery cycled through five heads of function between September 2013 and May 2015 (McCrae, 2014), while more recently, digital went through three leaders in just 13 months between August 2015 and September 2016. This held up publication of the specialism's strategy document (the Government Transformation Strategy; Cabinet Office and Government Digital Service, 2017) and created considerable uncertainty over the future role of the Government Digital Service and wider digital profession.

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\* It is important to note that unlike finance, the head of the Policy Profession is a more senior grade (permanent secretary) than the other departmental representatives who attend the meeting.

**Figure 3: Cross-government heads of specialism since the 2010 General Election**



**Accountability for some specialisms exacerbates centre–department tensions**

The accountability arrangements for some specialisms exacerbate tensions between the centre and departments. Centrally held responsibilities need to be clearly defined. In particular, there needs to be a clear distinction between the head of specialism role and responsibility for the delivery of professional support and services that are organised on a cross-departmental basis. Without this, the head of specialism ends up holding poorly performing cross-departmental services to account, while being the person actually responsible for delivering them.

Commercial has separated out responsibility for strengthening capability across government, led by Gareth Rhys Williams as Chief Commercial Officer; while responsibility for centralised procurement services is led by Malcolm Harrison as Chief Executive of the Crown Commercial Service. In stark contrast, for example, Kevin Cunnington both runs the Government Digital Service and heads the cross-government digital specialism.

**Some cross-departmental leadership groups are stronger coalitions than others**

While all specialisms have cross-departmental leadership groups, some are much stronger coalitions than others. Previous Institute research has shown that when it comes to cross-government reforms, strong leadership coalitions are critical to preventing initiatives from tailing off or being discarded (McCrae et al., 2016).

The cross-departmental leadership groups convened by commercial, communications, legal, policy, finance and HR are now fairly strong coalitions, with their members bought into cross-Whitehall reforms. A sense of collective ownership has been enhanced by the following.

- **Delegating responsibility for specific deliverables within reform programmes to members of the leadership group** – for example, communications, legal and finance. This means that reforms are not about ‘the centre’ imposing solutions on departments, but central and departmental leaders working together to come up with a common agenda.
- **Strengthening reporting lines between central leadership and senior departmental specialists** – this has been fairly straightforward in the legal and commercial specialisms, which have introduced a single employer model. However, even in specialisms such as communications, where line management responsibility is still left to departments, there are now ‘dotted’ reporting lines to the central head of specialism (for example, departmental directors of communications have routine, one-on-one review meetings with Alex Aiken, Executive Director for Government Communications).\*
- **More inclusive membership** – under Sir Chris Wormald’s leadership, the Policy Profession Board has much more inclusive membership (previously, representation was limited to approximately half of the main Whitehall departments). Many more Whitehall departments now routinely send representatives to board meetings, and actively engage in the professionalisation programme.
- **Top specialists in departments undertaking their roles on a full-time basis** – project delivery only has a Heads of Delivery Steering Group, which consists of departmental heads of profession for project delivery who undertake these responsibilities on a part-time basis alongside a separate day job. As a result, they have less capacity to sponsor reforms and less influence over departmental leaders.

### Policy, finance and legal have underresourced support units to deliver capability reforms

Policy, and to some extent finance and legal, have very small, underresourced support units responsible for delivering capability reforms. All the specialisms need to ensure that their level of ambition is matched by sufficient resources. It is essential that cross-departmental leadership is supported by a full-time, dedicated team that is able to drive reform efforts forward. While all specialisms have support units, some are underresourced.

Despite being the largest cross-departmental specialism (with more than 17,000 specialists), policy has the smallest dedicated resource. The Policy Profession Support Unit has just a handful of staff members who have to juggle multiple, ongoing projects. Located in the Cabinet Office, they are also operating at arm’s length from the head of Policy Profession, who is currently based in the Department of Health. While not facing the same degree of challenge, the Legal Quality Team and finance’s People and Capability Team are also underresourced in comparison to other specialisms.

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\* The increasing presence of central heads of specialism (including communications, commercial, HR and digital) on senior appointment panels also incentivises participation in cross-departmental leadership groups chaired by the central head of specialism.

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This stands in stark contrast to the 25 to 30-strong capability teams in specialisms such as HR and commercial, who are able to support more comprehensive reform efforts at a faster pace.\*

### **Commercial, policy and legal lack stable funding for core development roles**

The commercial and, to some extent, policy and legal specialisms lack stable funding for core development roles. Funding that is not guaranteed from one year to the next is particularly vulnerable to being axed, which undermines long-term planning and staffing arrangements.

While the dedicated teams delivering capability reforms in specialisms such as HR and project delivery are funded through the core Cabinet Office budget, teams in the commercial, policy and legal specialisms have less secure funding. For both commercial and policy, core development roles are funded through departmental financial contributions that are negotiated annually. In practice, this has posed more challenges for commercial. Legal's central capability team is funded through overhead fees charged to departments for each departmental lawyer based in their organisation. However, departments are free to alter the number of legal staff that they require from year to year, creating some uncertainty over the resources available for capability work.

## **Clarity of vision**

### **Specialisms need to ensure clarity of purpose and operating model**

Specialisms still need to ensure that there is clarity around their purpose and operating model, rooted in an assessment of capability requirements and gaps. The Institute's work on cross-government reforms shows that having clarity of purpose is an essential prerequisite for success (see Panchamia and Thomas, 2014).

The only systematic attempt to date to encourage specialisms to offer this level of clarity has yet to be fully realised. In 2016, the Cabinet Office asked all the core specialisms (except policy) to produce functional plans ready for publication in 2017 (National Audit Office, 2017). These plans were intended to offer a clear vision and strategy for each specialism by setting out their objectives, priorities, operating model, capability work and resource needs – but until these are published, as the National Audit Office points out, 'communication of the vision and strategy is limited' (National Audit Office, 2013a, p. 43).

More problematic is whether these plans are designed with departmental priorities in mind. In the early drafts viewed by the National Audit Office, there was little by way of alignment with the business priorities being set out by departmental leaders in their single departmental plans (National Audit Office, 2013a). Such alignment is vital if specialisms are to help departments work more effectively.

Moreover, achieving clarity around a specialism's role, priorities and operating model is easier and more meaningful if there is a shared understanding of capability requirements and gaps. Some specialisms have undertaken this work. For example,

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\* This figure includes only those staff working on supporting talent management, rather than other activities such as centralised services (for example, the Crown Commercial Service).

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the communications and commercial specialisms' new operating models and improvement programmes are rooted in a series of capability reviews of Whitehall departments. Similarly, the Treasury's *Review of Financial Management in Government* in 2013 (HM Treasury, 2013a), which examined the effectiveness of the finance specialism, led to the financial management reform programme.

### **Professional skills frameworks enable clear vision of required specialist skills and knowledge**

Professional skills frameworks are enabling specialisms to set out a clear vision of the skills and knowledge required of specialists. These frameworks (or 'people standards', as they often are referred to in the civil service) set out a common definition of the skills and knowledge required for different roles. If used to inform recruitment decisions, they can play a key role in professionalising core activities, from contract management to designing digital services. Again, where they work best, they are rooted in analysis of skills requirements, as commercial and communications have done.

// The last few years have seen the core specialisms make rapid progress in developing and publishing professional skills frameworks

The last few years have seen the core specialisms make rapid progress in developing and publishing professional skills frameworks, including commercial (2015), communications (2016), HR (2017), digital (2017) and project delivery (2017).

// In addition, the Policy Profession Board has backed the development of a cross-government policy skills framework. In the past, the profession has favoured a model where each department defines the standards 'needed to drive improvement in its own context' (Policy Profession Board, 2013, p. 14). The decision to collaborate on a set of cross-government standards could help workforce planning significantly across the civil service.

In many ways, it is a far more challenging undertaking. Unlike other specialisms, there is no external professional body with an existing set of professional standards that could be adapted (for example, HR has the Chartered Institute of Personnel and Development, and project delivery has the Association for Project Management). There are also a vast range of tasks and roles performed by policy specialists, and many of the civil servants who contribute to the policymaking process do not self-identify as policy practitioners (Policy Profession Board, 2013).\*

## **Understanding and building capability**

### **Few specialisms attempt to assess their members' skills levels**

Few specialisms actually attempt to assess the skills levels of their members against their skills frameworks, making it difficult to understand the distribution of professional skills across the civil service and undertake workforce planning.

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\* In its 2013 review, the Policy Profession Board found 'a lack of shared identity amongst policy officials – only 64% of survey respondents working in policy roles considered themselves members of the policy profession' (2013, p. 10).

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Commercial stands out as an exception: it is putting new hires and existing commercial specialists through a one-day assessment centre. This process is providing a baseline assessment of current skills and gaps, with the Government Commercial Function able to amend its learning and development offer to focus on the skill areas where candidates are routinely missing the accreditation threshold (Government Commercial Function, n.d.). The process has meant that existing specialists who marginally fail (48% by November 2016) are offered bespoke career development support before being assessed again (Government Commercial Function, 2016; National Audit Office, 2017).

A few other specialisms have developed lighter touch approaches.

- The Government Communications Service administers an annual skills survey. While it provides aggregate data for understanding skills needs, the process relies on self-assessment rather than any more robust independent assessment.
- The Policy Profession is piloting a competency assessment that does involve more robust, independent assessment. However, it is unlikely that all policy specialists will go through the process, so this will not provide a comprehensive picture of skills gaps.
- Shortly, project delivery will roll out an online assessment tool enabling specialists to self-assess against the project delivery skills framework. While individuals are not independently assessed (like commercial and policy), each project delivery specialist's submission will be subject to review by line managers, who can endorse or suggest adjustments in response to over or underreporting. Aggregate data for the specialism then will be available to inform workforce planning.

In a related and very welcome move, HR is beginning to take a more strategic role in helping individual specialisms improve their ability to undertake more comprehensive workforce planning.

### **Most specialisms have developed career pathways to improve talent management**

Most specialisms have responded quickly to calls to improve talent management by developing career pathways. The Civil Service Workforce Plan (Civil Service, 2016) made the development of career pathways a priority for cross-departmental specialisms. While communications, legal and policy are still in the development phase, the other core specialisms have made rapid progress in rolling them out.

These pathways are tools that give practitioners a clear picture of the range of jobs in a specialism, the competencies and skills required for those roles, and the relative seniority of each post. As such, they help specialists plan their career progression in a more structured way (see Figure 5). Typically, these pathways are designed around job groupings (or 'job families'), allowing specialists to see how they can move to more senior grades through deepening their expertise in a particular job grouping (in finance this might be 'strategic finance' or 'financial control and operations'; while in HR, 'employee relations and policy' or 'HR business partnering'). Career pathways also show specialists how they can gain greater breadth of experience by making horizontal moves into positions in other job groupings within the same specialism (see Figure 4).

Figure 4: Finance's career pathways tool




	Strategic Finance	Financial Control & Operations	Business Partnering & Change
SCS 3 Director General			>
SCS 2 Director			>
SCS 1 Deputy Director	>	>	>
Grade 6	>	>	>
Grade 7	>	>	>
SEO	>	>	>
HEO	>	>	>
EO	>	>	>
AO	>	>	>



**Level:** Grade 7

**Job family:** Financial Control and Operations

**Role title:** Various manager titles

**Overview:**

You will be a qualified accountant with at least 3 years' post-qualification experience. At Grade 7, you will provide strategic financial input to senior leaders and other stakeholders which may include aspects of business case development, analysis of financial models and scenario planning. Your role may involve leading a team and will require close cooperation and productive working with senior financial and non-financial colleagues from across the organisation and also, possibly, with external bodies. In addition to your mainstream responsibilities, you should also be able to demonstrate an understanding of specialist financial areas such as tax and treasury alongside good general business and commercial skills and an appreciation of 'the big picture'. In addition to fulfilling a senior advisor role in areas such as risk management, forecasting and financial analysis, you will also provide quality assurance and show a strong commitment to developing talent and overall capability.

**Typical skills and experience at this grade:**

- Proven leadership capability
- Strong technical credibility with the proven ability to work with financial and non-financial colleagues to deliver high quality results
- Excellent analytical skills with the ability to provide insights for senior level audiences
- The ability to develop productive relationships and effective networks with senior stakeholders across government organisations
- Well-developed general business and commercial skills that enable you to play a central role in successful project or operational delivery
- Experience in one or more areas where strategic, leadership and commercial skills can be developed

**Qualification:**

An accountancy qualification with at least 2 year's post-qualification experience or equivalent

Relevant competencies for this role >>

Relevant training for this role >>

Source: Government Finance Academy (n.d.) Reproduced with permission.

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Career pathways have the potential to help address retention problems among external hires that make up just under a quarter of the Senior Civil Service, and yet account for nearly half of resignations (Baxendale, 2014). As Catherine Baxendale pointed out in her 2014 independent review of senior external hires into the civil service:

*While in theory the Civil Service offers the opportunity for broad and varied careers, the process of career development was generally felt to be patchy. In particular, where people are brought in to specialist roles, clear career paths were said to be non-existent. One interviewee noted, 'beyond the role there is a void'.*

Baxendale, 2014, p. 11

However, few specialisms – finance being a notable exception – have made their career pathways available online to external audiences. Given the competitive labour markets that some specialisms are operating in, this misses an opportunity to assist talent acquisition.

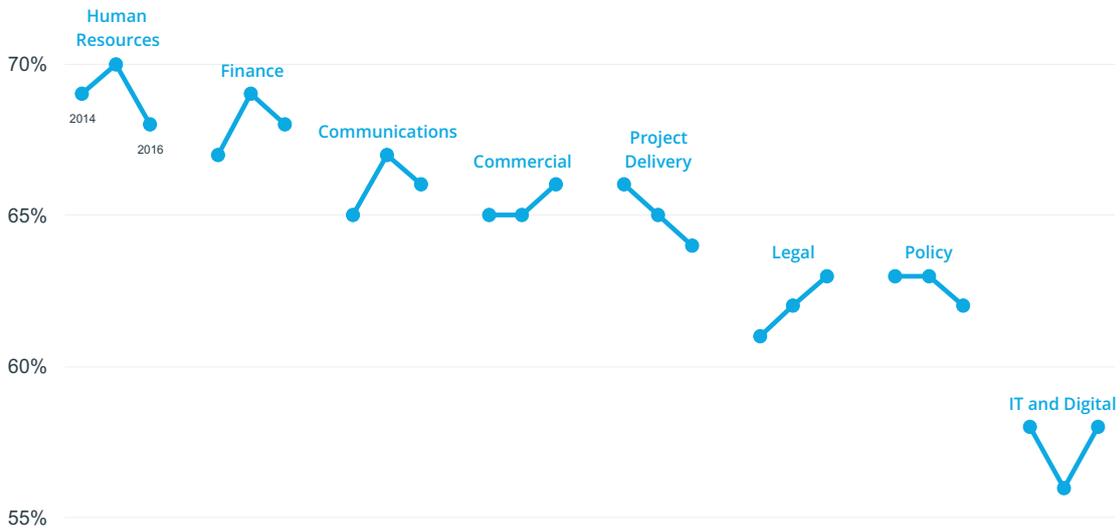
### **Digital is lagging behind in providing learning and development to specialists**

As a comparatively new cross-departmental specialism, digital is behind others in providing adequate learning and development opportunities to its specialists. Digital is the only major cross-government specialism not to have a core curriculum underpinning its learning and development offer (although the Government Digital Service is looking at developing one). The former Department for Work and Pensions Digital Academy – which focused on developing digital talent in the Department for Work and Pensions – recently moved into the Government Digital Service, and is now in the process of developing a cross-government offer. Recent scores from the Civil Service People Survey suggest that this lag in developing a clear learning and development offer is playing out in lower staff satisfaction scores (see Figure 5).

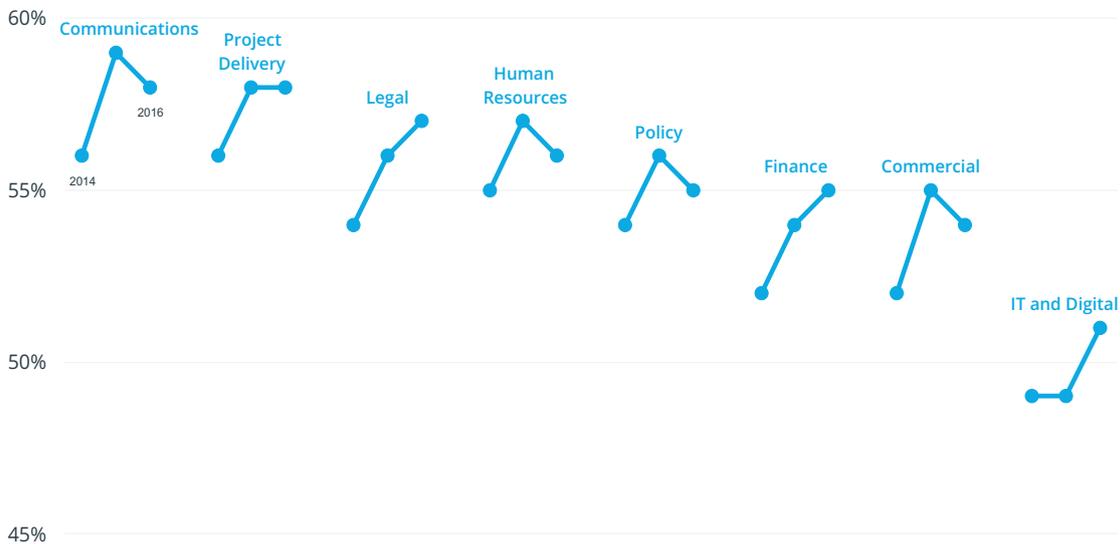
Policy also receives comparatively low scores on access to learning and development opportunities – potentially reflecting the later publication date of the Policy Profession curriculum. Rather than have a central academy, as others including communications, finance and project delivery have done, policy schools are run by individual departments. Not all departments have them, and those that do tend to target them at particular grades rather than making a comprehensive offer.

**Figure 5: Responses to learning and development questions in the Civil Service People Survey, 2014–16**

*"I am able to access the right learning and development opportunities when I need to"* (% agreeing)



*"Learning and development activities I have completed in the past 12 months have helped to improve my performance"* (% agreeing)



Note: The 'IT and Digital' classification was introduced in 2015. In 2014, the 'Information Technology' classification was used. The 'project delivery' classification also was introduced in 2015. In 2014, the 'Programme and Project Management' classification was used.

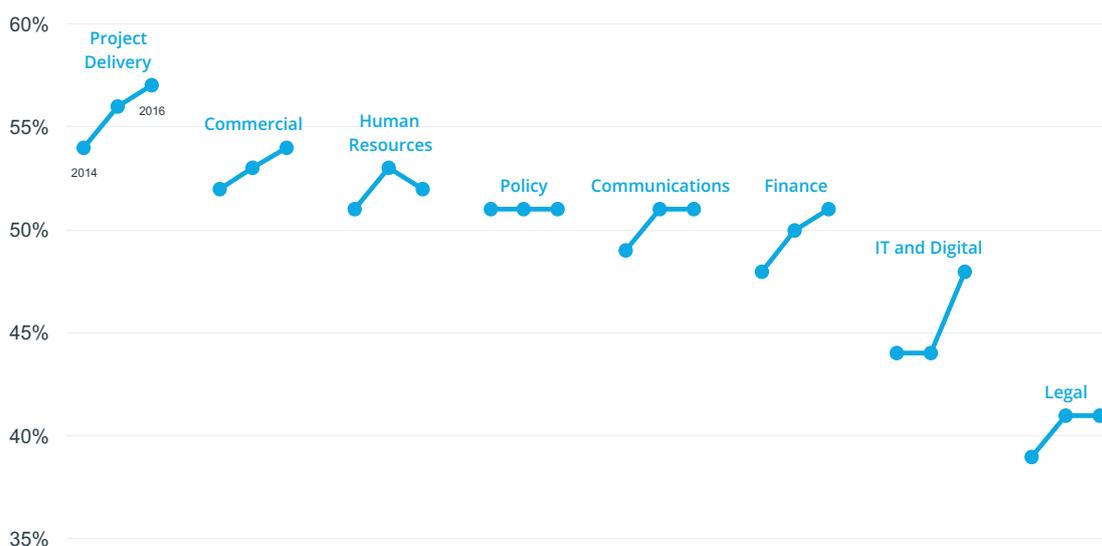
Source: IfG analysis of Civil Service People Survey data.

## Those working in legal feel the least supported in career development

Legal specialists were far less positive about the potential impact of available learning and development activities on their career development (see Figure 6). This perhaps reflects the limited promotion opportunities available in the Government Legal Department, which maintains a comparatively small cadre of senior civil servants.

**Figure 6: Response to a question on the career impact of learning and development activities in the Civil Service People Survey, 2014–16**

*“Learning and development activities I have completed while working for [my organisation] are helping me to develop my career” (% agreeing)*



Note: The 'IT and Digital' classification was introduced in 2015. In 2014, the 'Information Technology' classification was used. The 'project delivery' classification also was introduced in 2015. In 2014, the 'Programme and Project Management' classification was used.

Source: IfG analysis of Civil Service People Survey data.

## Building talent pipelines

### Except for communications, all specialist fast streams have struggled to recruit

All the core specialisms – aside from legal and policy – have developed their own graduate-entry fast streams in the last few years.\* Of course, it will take decades for these new recruits to reach leadership positions (National Audit Office, 2013a), but the generalist Civil Service Fast Stream has long been one of the main pipelines for senior civil service talent – in 2010, almost half of all permanent secretaries had entered the civil service through this route.\*\*

For the 2015 fast stream intake – the last year for which we have available data – only communications, which received the highest number of applications per vacancy, was able to fill its quota (see Figure 7 and Table 2).

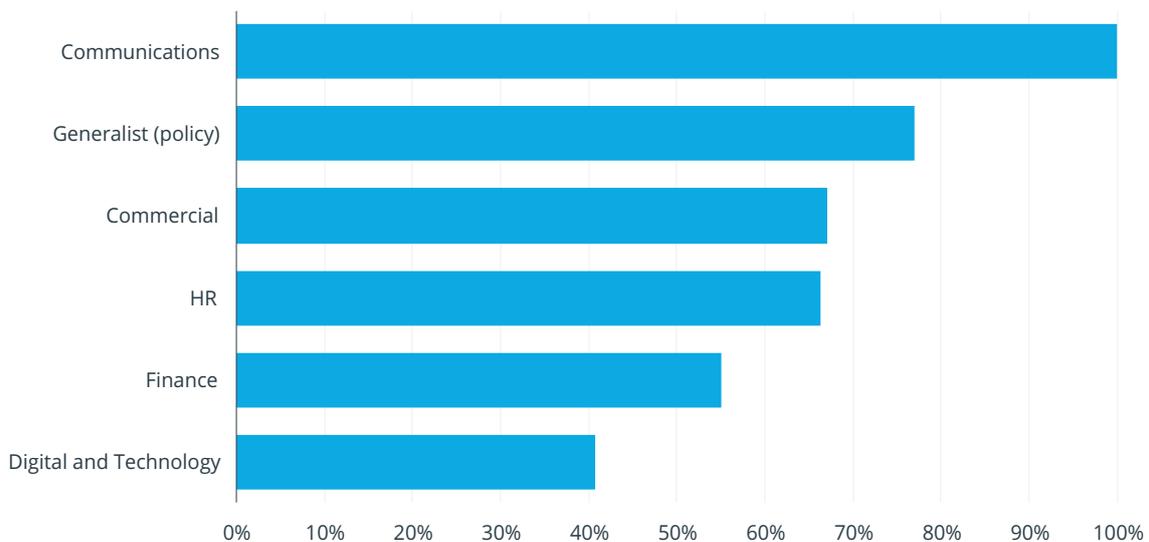
\* The Government Legal Department runs its own legal trainee scheme. Traditionally, policy has recruited through the generalist fast stream, which also hires for operational delivery roles.

\*\* The following permanent secretaries had joined through the Civil Service fast stream: Fraser (Foreign & Commonwealth Office), Ghosh (Defra), Normington (Home Office), Devereux (Department for Transport), Lewis (Department for Work and Pensions), Stephens (Department for Culture, Media & Sport), Donnelly (Department for Business, Innovation & Skills), Wallace (Department of Energy & Climate Change). Source: IfG analysis.

There are a number of likely factors at play.

- **Quality assurance** – the central leadership of different specialisms is responsible for setting pass marks. This rightly guards against central admissions teams lowering the pass threshold simply to meet the number of bids put forward by departments. An inevitable consequence is that recruitment is more challenging where specialisms are operating in a competitive marketplace. Digital is a good example, with just 41% of its places filled in 2015. While digital had one of the lowest rates of candidates declining offers (18%), it was only able to find enough suitable applicants to make offers covering half of the scheme’s vacancies. This is problematic given departmental estimates that an additional 2,000 digital specialists will be needed over the next five years (National Audit Office, 2017).
- **Time delays** – the length of the process (traditionally six to nine months) hampers recruitment, as some candidates have accepted other jobs by the time that they receive their civil service offer. High decline rates have been a particular problem in finance. In 2015, finance experienced the lowest acceptance rate, with 43% of offer holders declining their places. As a result, finance was only able to fill 55% of its vacancies. The central Cabinet Office team co-ordinating fast stream recruitment is aiming to reduce the time to offer down to 12 weeks next year.

**Figure 7: Fast-stream vacancies filled, 2015**



Notes:

(1) The project delivery fast stream was only set up in 2016, so there is no available data.

(2) The 'generalist' fast stream covers both policy and operational delivery roles.

Source: IfG analysis of most recently published fast stream data in Cabinet Office (2017, p. 30).

**Table 2: The success rates of different specialist fast streams, 2015**

	Digital	Finance	HR	Commercial	Generalist	Communications
<b>Sufficient applications</b> Applications per vacancy <small>Green = more than 20; Amber = 10 to 19; Red = fewer than 10.</small>	14.4	11.8	23.8	9	25.4	34.3
<b>Suitable candidates</b> Offers per vacancy <small>Green = 1 or more; Amber = 0.75 to 0.99; Red = fewer than 0.75.</small>	0.5	0.98	0.85	0.95	1.15	1.04
<b>Decline rate</b> Percentage of offers declined <small>Green = fewer than 10%; Amber = 10% to 24%; Red = 25% or more.</small>	18%	43%	22%	30%	33%	4%
<b>Vacancies filled</b> <small>Green = 100%; Amber = 75% to 99%; Red = fewer than 75%.</small>	41%	55%	66%	67%	77%	100%

Source: IfG analysis of most recently published fast stream data in Cabinet Office (2017, p. 30).

Recently, most cross-Whitehall specialisms have created their own two-year fast-track apprenticeship schemes, with early exploration work also being undertaken in HR, legal and policy. However, unlike the four-year graduate fast streams, apprentices are managed by their departments as soon as the centralised recruitment process is complete. They are not subject to the same career development and line management support from a central Cabinet Office talent team that graduate fast streamers receive. With less input into the quality of apprenticeship schemes, the central leadership of each specialism needs to work closely with departments to ensure that apprenticeships become a meaningful route to building talent pipelines.

### Early steps towards deploying specialist talent to priority projects in Whitehall

We are seeing early, tentative steps towards the strategic deployment of specialist talent to priority projects in Whitehall. Some specialisms are attempting more joined-up approaches to resourcing strategically important roles. This includes managed moves, such as those facilitated by the Financial Management Review People Committee to move finance directors into critical roles (McCrae et al., 2016).

Other functions, including HR, digital, communications and project delivery, have had their central heads participate in departmental selection panels for senior appointments. This development is helping to ensure that talent is deployed to priority projects while not destabilising other projects through leadership turnover at a critical phase in delivery.

In addition, the presence of new cross-departmental leadership teams within each specialism is providing a mechanism (as well as a supportive mindset) for co-ordinating rapid deployment of specialists on a temporary basis to meet urgent needs (for example, Brexit work). The Government Communications Service is establishing a more formal 'flex team' of experienced communications professionals who can act as a flexible resource for priority projects.

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## Staff engagement

### Communities of practice foster identity among specialists, but more federated specialisms struggle to socialise them

Cross-government communities of practice play an important role in encouraging specialists to identify their career development with the specialism as a whole, rather than simply their home department. This greater sense of community makes it easier to move the right people to the right roles, as well as encouraging knowledge exchange and more consistent ways of working.

Some specialisms are using digital platforms to allow specialists to contact each other, access a library of best practice, share information on news and events and discuss topical issues. This includes initiatives such as OneHR, OneFinance and the Government Legal Department's intranet. Meanwhile, both commercial and project delivery recently launched their own secure networks on the Knowledge Hub (see Wilson and Lilly, 2016). The Government Commercial Function's network now has 700 members, and contains 17 active subgroups on areas such as contract management, complex transactions and capability development.

All the specialisms have their own face-to-face communities of practice. These include more formal groups such as the Commercial Capability Group, which brings together commercial capability leads from all 17 departments and the three devolved administrations on a quarterly basis. There are also many more informal groups, such as digital's user researcher, business analysts and content designers groups that are voluntary, bringing people together through regular meet-ups around the country.

Some specialisms, such as policy and digital, have struggled to socialise some of these communities of practice, as they lack a clear picture of the distribution of specialists in Whitehall and the communication channels to reach them.

### Raising strategic awareness among non-specialists

A number of specialisms have developed awareness training for non-specialists with the aim of improving understanding of, and demand for, their skills and services. Two main models are being pursued.

- **Centrally delivered training** – courses delivered by a specialism's own training academy or provider (for example, the Government Digital Service Academy's Digital and Agile Awareness Training).
- **Pooled resources** – creation of a central library of off-the-shelf training courses and workshops (many of them created by departments) for use by all departments (for example, legal professionals can use the Government Legal Department's library of workshop resources to deliver legal awareness training in their own departments).

This type of support for non-specialists relies on specialisms recognising the strategic role that they should play in improving government effectiveness. One of the most promising developments has been a recent collaboration between communications and HR, which seeks to improve the quality of people management across the civil service.

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The civil service has acknowledged openly that change management is a key 'capability gap' which has contributed to consistently poor leadership and managing change scores in the annual Civil Service People Survey (Civil Service, 2013b). Recent years have seen successive waves of organisational transformation in Whitehall departments. Few change programmes have been led by communications or HR specialists, yet effective people management is critical to the success of these programmes.

Communications and HR now offer advice and coaching to units with the lowest performing leadership and managing change scores in the annual Civil Service People Survey, bringing in successful practitioners from elsewhere in government. In addition, the two specialisms have collaborated in developing a 'Simply Engaging' course for line managers across the civil service, aiming to improve the quality of line management.

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## 3. Looking ahead

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The civil service has come a long way from the problems identified in the Fulton Report in 1968, but successive past attempts to professionalise core activities – from policymaking to HR support – have never come close to fully realising their original aims (Policy Profession Board, 2013).

There are a number of key obstacles facing all specialisms that civil service leaders must address. Senior decision makers in departments need to understand, demand and make better use of the professional support and services offered by specialists. There also needs to be better co-ordination between the improvement agendas under way in each cross-departmental specialism. Finally, there needs to be secure funding for the central teams of civil servants that help with the day-to-day implementation of improvement programmes. This section argues for four main reform priorities.

### **1. Ensure specialisms are better integrated into departmental decision-making**

The professional support and services provided by core specialisms remain insufficiently integrated into departmental decision-making. Past capability reforms have suffered from devoting too little attention to building understanding of, and demand for, specialist skills among senior departmental leaders (Gash, 2017).

As we set out below, progress requires:

- greater representation on departmental executive leadership teams
- greater strategic awareness among senior leaders of the professional support and services that specialisms have to offer
- more collaborative working practices at all levels of organisational hierarchies
- specialisms taking a proactive role in demonstrating the strategic insights that they can offer.

#### **Include more specialisms in executive leadership teams**

Permanent secretaries need to ensure that their finance, HR and, where appropriate, commercial and digital directors are represented on their departmental executive leadership teams. The composition of departmental executive teams is dominated by senior officials in policy roles. The absence of officials in charge of other specialisms such as finance, HR, commercial and digital limits their input into top-level decision-making, including decisions about how departments can improve their capability.

Representation matters. Contract management fiascos, such as the electronic tagging of offenders contracts (see Table 1, p. 13) were exacerbated by a lack of executive team engagement. As a 2014 National Audit Office review of contract management

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practices pointed out, the absence of a 'board-level champion' affects performance at all levels of the organisation:

*Senior management's lack of engagement has meant they have not demanded robust information... The lack of senior demand for information has negatively affected data quality at a working level. Departments do not have integrated systems to manage their contracts. This means they do not capture all the contract changes and communications with the contractor, leaving them exposed if there is a dispute.*

National Audit Office, 2014, p. 36

In contrast with executive teams in the private, voluntary and wider public sectors, heads of corporate specialisms are underrepresented in Whitehall (see Table 3). The absence of finance and HR directors from departmental executive teams stands out as a particular anomaly.

In the case of finance, the Government's own guidance on financial management and corporate governance, *Managing Public Money*, specifies the inclusion of a professionally-qualified finance director on departmental executive leadership teams (HM Treasury, 2013b). However, this guidance has not been consistently applied. For example, two of the 16 largest departments currently have finance directors who do not have accountancy qualifications (McCrae et al., 2016).

Given the critical importance of HR to a department's need to attract, develop and retain the right talent, it is equally surprising that so many Whitehall departments exclude HR directors from their executive teams.

Many departments, including the Department for Business, Energy & Industrial Strategy, Defra and the Department for International Development, have opted for a director-general who is in charge of corporate services (often titled 'chief operating officer') and represents them at executive team level. Chief operating officers are valuable roles in themselves and sometimes will have particular specialisms such as commercial reporting to them, but they should not be used to represent all cross-departmental specialisms and thereby displace heads of specialism – particularly finance and HR – from executive teams. Having one person wearing multiple hats (and often not being a specialist in any specific function) fundamentally limits the nature of discussion, makes it difficult for individual specialisms to play a strategic role in senior decision-making, and perpetuates their inferior status within departments.

As Table 3 illustrates, while organisations in other sectors do make some use of chief operating officers in their executive teams, they rarely ever take the seat of core specialisms such as finance and HR (and frequently not commercial, communications or digital).

**Table 3: Comparison of composition of executive leadership teams across different sectors, May 2017**

	Finance	HR	Communications	Commercial	Legal	Digital and IT	Amalgamated corporate functions/COO
<b>Whitehall departments</b>	HM Revenue & Customs						
	Home Office						
	Dept for Communities and Local Government						
	Dept for Work and Pensions						
	Dept for International Trade						
	Foreign & Commonwealth Office						
	Ministry of Defence						
	Defra						
	Dept for Digital, Culture, Media & Sport						
	Dept for Education						
	Dept of Health						
	Ministry of Justice						
	Dept for Transport						
	Dept for Business, Energy & Industrial Strategy						
	Dept for International Development						
Dept for Exiting the European Union							
<b>Private sector</b>	Rio Tinto						
	BHP Billiton						
	Smiths Group plc						
	Wm Morrisons plc						
	Anglo American						
	Antofagasta plc						
	Royal Dutch Shell plc						
	Fresnillo plc						
	Glencore						
	Ashtead Group plc						
<b>Non-profit</b>	National Trust						
	Wellcome Trust						
	British Council						
	Nuffield Health						
	Charities Aid Foundation						
	Oxfam						
	Arts Council England						
	Save the Children International						
	Cardiff University						
Cancer Research UK							
<b>Public corporations</b>	BBC World Service						
	Channel 4						
	Civil Aviation Authority						
	Historic Royal Palaces						
	Pension Protection Fund						
	Office for Nuclear Regulation						
	The Oil and Pipelines Agency						
	London and Continental Railways Ltd						
	BBC						
	Architects Registration Board						

Notes:

(1) Executive team composition based on public reporting via each organisation’s website or GOV.UK in the case of Whitehall departments (May 2017).

(2) Sampling frame:

(a) Private sector: best performing FTSE 100 companies by share price in 2016. Source: Brenchley (2016).

(b) Non-profit sector: top 10 charities by income, 2017 (based on annual returns to the Charity Commission). Lloyd’s Register Foundation was excluded from the sample, as the Foundation’s support services are all provided by Lloyd’s Register’s trading arm. Source: Charity Commission (2017).

(c) Wider public sector: the UK’s 10 public corporations. Source: UK Government (n.d.).

### Greater balance between permanent secretaries and core specialism heads on the Civil Service Board

The Cabinet Secretary should ensure greater balance between permanent secretaries and heads of core specialisms on the Civil Service Board. The composition of the Civil Service Board reinforces the problems faced by specialisms in playing a strategic role in decision-making. The Civil Service Board, chaired by the Cabinet Secretary and Head of the Civil Service, Sir Jeremy Heywood, describes itself as ‘the highest level of governance in the Civil Service and its most senior collective leadership body’ (Civil Service, 2017a). It consists almost exclusively of departmental permanent secretaries

(see Table 4). Aside from the head of policy – who attends due to his leadership of the Department of Health – the membership is very different to global federated organisations in other sectors, which have functional leads providing strategic input at the top table.

As well as being Permanent Secretary of the Cabinet Office, John Manzoni effectively plays a chief operating officer role, with the central heads of many specialisms (for example, communications, commercial and digital) reporting to him. However, just like chief operating officers on departmental executive teams, this arrangement limits their input in decision-making. More balanced representation would enhance the ability of heads of specialism both to understand the issues facing permanent secretaries, and to take action to ensure that departments have access to the support that they need.

As the Institute has highlighted in other work, the Civil Service Board has been traditionally weak at supporting cross-departmental reforms – reflecting in part the reality that accountability arrangements and incentive structures mean that there are few resources or rewards on offer to permanent secretaries willing to champion corporate initiatives on behalf of the civil service as a whole (Panchamia and Thomas, 2014). The Cabinet Secretary has taken some important steps towards addressing this issue already, with the Civil Service Board now spending more time on his well-publicised cross-departmental priorities of diversity, digital and commercial. The presence of more heads of function would be another step forward, providing a useful balance and helping to catalyse the professionalisation agenda.

It is of course important that the Civil Service Board does not become too unwieldy in size, but a slight readjustment in composition would help achieve a better balance. The Chief People Officer, Rupert McNeil (who oversees the HR function) already attends board meetings. As a first step, the Chief People Officer should be made a full member of the board. At present, other heads of function only attend for portions of meetings that are directly relevant to their specific specialisms. Given the Cabinet Secretary’s priorities around improving digital and commercial capability (Heywood,

**Table 4: Composition of the Civil Service Board, June 2017**

Members	Cabinet Secretary	Permanent Secretary	Cross-Government Head of Specialism
Heywood (Cabinet Office)			
Wormald (Department of Health)			Policy
Dawes (Department for Communities and Local Government)			
Devereux (Department for Work and Pensions)			
Evans (Scotland Office)			
Lovegrove (Ministry of Defence)			
Manzoni (Cabinet Office)			
McDonald (Foreign & Commonwealth Office)			
Moriarty (Defra)			
Owen (Department for Digital, Culture, Media & Sport)			
Rutman (Home Office)			
Scholar (HM Treasury)			
Thompson (HMRC)			

Source: Compiled from Civil Service (2017a, 2017b).

2017), the Chief Commercial Officer and Director General of the Government Digital Service would be obvious candidates for full membership in the future.

### Ensure greater representation on governance boards focused on civil service capability

The Cabinet Secretary needs to ensure greater representation from specialisms on civil service governance boards that oversee efforts to improve capability for the entire civil service. The heads of cross-departmental specialisms are underrepresented not only at Civil Service Board-level (see Table 4, p. 39), but also within the Civil Service Board’s sub-boards: the People Board and the Leadership and Learning Board. This reduces the input of these specialisms, as well as the likelihood of co-ordinating the improvement programmes under way in different specialisms.

The composition of the People Board is particularly surprising (Table 5). It is responsible for overseeing the implementation of the Civil Service Workforce Plan (2016) – a plan that calls for enhanced specialist capability across government and the development of specialist career paths. Yet the People Board contains only two of the cross-Whitehall heads of specialism (legal and HR) that need to come together to deliver on this agenda. Even if we factor in the input provided by a small number of departmental chief operating officers and a departmental head of HR, there are still key areas of expertise missing, such as commercial, communications, digital and project delivery.

**Table 5: Composition of the Civil Service People Board, June 2017**

Members	Permanent Secretary	Cross-Government Head of Specialism	Departmental Head of Specialism
Dawes (Department for Communities and Local Government)			
Heaton (Ministry of Justice)			
Manzoni (Cabinet Office)			
Lowcock (Department for International Development)			
Owen (Department for Digital, Culture, Media & Sport)			
Rutnam (Department for Transport)			
Thompson (HMRC)			
Jones, J (Government Legal Department)		Legal	
McNeil (Cabinet Office)		HR	
Alder (Department for Work and Pensions)			HR
Taylor (Ministry of Defence)			Chief Operating Officer
Parsons (Home Office)			COO (financially qualified)
Beckett (Department for Business, Energy & Industrial Strategy)			
Finkelstein (Department of Health)			
Pierce (Foreign & Commonwealth Office)			
Rycroft (Cabinet Office)			
Jones, S (HM Treasury)			

Source: Compiled from Civil Service (2017a).

Similarly, while the Leadership and Learning Board – which is responsible for addressing leadership capability needs and overseeing development of the Leadership Academy – has achieved a much greater balance between heads of specialisms and permanent secretaries, it is still missing the input of key specialisms such as commercial and finance that are critical for departmental leaders to have a strategic awareness of (see Table 6).

**Table 6: Composition of the Civil Service Leadership and Learning Board, June 2017**

Members	Permanent Secretary	Cross-Government Head of Specialism	Departmental Head of Specialism
Devereux (Department for Work and Pensions)			
Heaton (Ministry of Justice)			
Lovegrove (Ministry of Defence)			
Lowcock (Department for International Development)			
Moriarty (Defra)			
Cunnington (Cabinet Office)		Digital	
McNeil (Cabinet Office)		HR	
Meggs (Cabinet Office)		Project delivery	
Pierce (Foreign & Commonwealth Office)			Chief Operating Officer
Wilkinson (Home Office)			
Morris (Department for Education)			

Source: Compiled from Civil Service (2017c).

### Ensure training for senior departmental leaders to improve awareness of core specialisms

The Government’s Chief People Officer needs to ensure that there is training and mentoring in place for senior departmental leaders who want to improve their strategic awareness of core specialisms. It is vitally important that senior departmental leaders know when to engage specialists, the right questions to ask of them and – if their input does not add sufficient value – when to challenge them (for example, when presented with a policy solution, does a finance person offer strategic advice on value for money and the quality of the business case, or do they just inform senior leaders how it fits in the departmental accounts?).

Understanding specialisms such as legal and digital has never been more important for senior leaders. Brexit will require a large volume of legislation to be passed through Parliament against a hard deadline, as well as heighten the risk of legal challenges (White and Rutter, 2017). Equally, the rapid pace of technological change and the risk profile of government IT projects makes digital awareness a necessity.

While there is no substitute for on-the-job experience, it is both unrealistic and unconstructive to expect senior civil servants to zig-zag through specialist roles. Such an approach would exacerbate problems of job churn within the civil service, and risk creating the impression that a short stint in a specialist role is sufficient to acquire expertise. What leaders need is the strategic awareness to ask the right questions of specialists.

One of the consequences of today’s professionalisation agenda is that there are far fewer opportunities for generalists to get experience in senior specialist roles. For example, commercial posts are being increasingly restricted to specialists who have been through a central assessment centre, while senior finance and legal roles require formal qualifications.

In a positive move, the civil service’s new Leadership Academy will offer a series of programmes soon, aimed at equipping senior leaders with the right level of understanding of the core specialisms within their domains. As already noted, a number of specialisms have developed their own awareness training focused at more

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junior grades (see p. 34). It is vital that the Leadership Academy achieves its ambitions, helping to fill the gap in current provision for senior leaders.

### **Departmental executive teams need to encourage collaboration at all organisational levels**

Departmental executive teams should push for the greater use of multidisciplinary teams – where practitioners from different specialisms come together to solve policy problems – at all levels of their organisations.

Whitehall has a long tradition of developing policies that pay insufficient attention to the realities of implementation. As previous Institute research has shown, part of the problem is that typically, policy specialists work in isolation from the civil servants and other stakeholders that are later tasked with delivery. This lack of dialogue reduces scope for prototyping and refining ideas, and heightens the risk of rolling out programmes and services that are 'based on unrealistic predictions about how people will behave' (Andrews et al., 2016, p. 16). As we argued in 2016, it is critical that specialists 'work together, not in relay' (Andrews et al., 2016, p. 3).

#### **Box 2: Bringing together policy and delivery in developing the Department for Education's apprenticeship service**

In 2017, the Department for Education (DfE), together with the Education and Skills Funding Agency, launched its apprenticeship service: an online system allowing employers to manage their apprenticeship schemes, including accessing government-subsidised training. In a departure from the typical set-up of in-house development teams in Whitehall departments, DfE used a multidisciplinary approach, partly in response to the tight delivery deadline specified upfront. As one member of the DfE team put it: "There wasn't time to get it wrong – so we invested in doing it right" (Reeve, 2017).

DfE's operating model consisted of three distinct phases:

1. *Discovery phase* (eight to nine weeks) – a small team of four specialists (policy, user research, business analysis and digital service design) focused on understanding user needs, clarifying the policy aim and agreeing on the problem to be solved.
2. *Alpha phase* (three months) – the team expanded to build and test prototype solutions for the service by bringing on board more specialists, including developers and further user researchers.
3. *Beta phase* (approximately 12 months) – the team expanded further and split into separate groups that worked alongside each other on the launch of the beta version of the platform.

This collaborative, agile approach enabled the platform to be ready ahead of schedule for those employers who wanted to register early. It also allowed a phased approach to adding new functions to the online system, with adjustments made in response to user testing.

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Nonetheless, examples of good practice do exist. The Department for Education recently launched its apprenticeship service on time using a multidisciplinary team (see Box 2). The Ministry of Justice also has experimented with this approach in its 'out-of-court pathways' team (Andrews et al., 2016, p. 18).

### **Cross-departmental leadership groups need to demonstrate the value of their input**

Finally, the central leadership of Whitehall's core cross-departmental specialisms needs to be more proactive about recognising and demonstrating the value of their input in decision-making to departmental executive teams. Demonstration projects such as the finance specialism's costing projects are a good way of achieving quick wins and gaining traction (see Box 3).

#### **Box 3: The Treasury's Costing Unit**

In 2015, a Costing Unit was set up in the Treasury under the Financial Management Reform programme. The Unit works with both departments and Treasury spending teams to provide detailed analyses of complex spending areas, enabling a better understanding of the costs incurred in a particular spending area, the goods or services generated by the spending, and the effect of these outputs on achieving government objectives.

The financial insights generated have helped to inform decision-making on efficiency opportunities and policy options. For example, the decision to bring together seven research councils into a single strategic funding body, UK Research and Innovation, was informed by a Costing Unit project.

Some of the most successful costing projects have helped to build financial capability across government through embedding departmental staff members in costing teams. Knowledge transfer opportunities are reinforced through final handover sessions with departments, where teams can talk through project methodologies. For example, HMRC is now using costing project methodologies across the organisation, following early involvement with the Costing Unit.

Similarly, communications and HR specialists have shown the positive impact that can result from playing a more strategic role in departmental change programmes (see Box 4). All too often, internal communications and HR specialists are brought into organisational change programmes too late in the day, with their role simply confined to undertaking transactional duties (for example, writing press releases and revising contracts). In 2013, however, both specialisms played a critical role in the delivery of the Department for Digital, Culture, Media & Sport's change programme (see Box 4).

#### **Box 4: Department for Digital, Culture, Media & Sport's change programme**

Between 2011 and 2012, the department's engagement scores – a weighted average of how civil servants feel about their organisation and job – fell by more than any other department (a total of nine percentage points) (Cabinet Office, 2016).

The department's HR and communications functions subsequently played a critical role in turning the situation around. The HR team actively supported managers in having the right conversations with their staff about the future of the organisation, and their place within it. Similarly, the communications team carefully planned and co-ordinated communications, optimising dissemination through using a diverse range of channels (including face-to-face workshops, consultation sessions and weekly emails).

An evaluation conducted by the Institute for Government at the time found that 'moving HR and Communications to a central role during the transformation process, rather than continuing to label them as back office functions has allowed senior leadership in the department to mobilise existing departmental capability in support of change' (Page et al., 2012, p. 36). By the end of the Parliament, engagement scores had risen a staggering 21 percentage points (with an initial rise of six percentage points between 2012 and 2013).

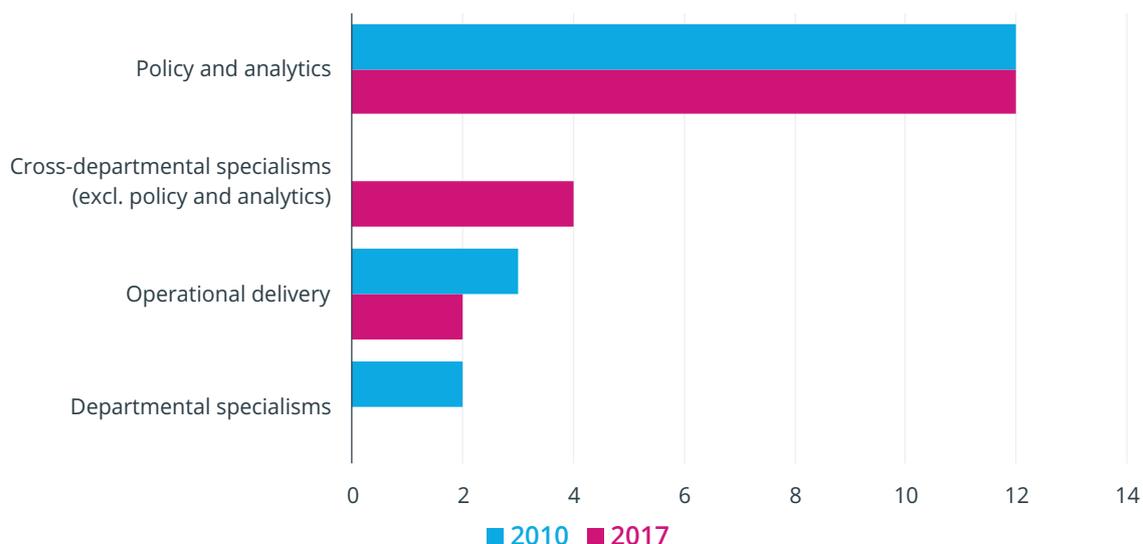
In a very positive recent development (described on p. 34), the communications and HR functions have collaborated to offer more systematic assistance to units across Whitehall, with low managing change scores in the Civil Service People Survey.

## **2. Enable specialists to reach top leadership positions in the civil service**

Experience in policy roles has been the traditional route to permanent secretary appointments. As the civil service has invested in the development of cross-departmental specialisms over the past several years, there has been growing recognition of the need to be more inclusive. The Civil Service Reform Plan of 2012 called for more diversity in the professional backgrounds of departmental permanent secretaries, emphasising the need for 'a more equal balance' between policymaking and operational and commercial roles (HM Government, 2012, p. 25).

Policy roles still remain the most common route to permanent secretary appointments, although some progress towards broader representation has been made in recent years (see Figure 8). We have seen several specialists appointed, including Jon Thompson (finance) at HMRC, Richard Heaton (legal) at the Ministry of Justice, and John Manzoni (project delivery) at the Cabinet Office.

**Figure 8: Professional backgrounds of departmental permanent secretaries, May 2010 and May 2017**



Note: Classification based on the professional roles in which permanent secretaries have spent the majority of their careers. 'Analytics' covers those permanent secretaries with backgrounds in economics roles.

### Need to integrate career pathways into departmental recruitment and performance management processes

The central leadership for each specialism needs to ensure that career pathways are fully integrated into departmental recruitment and performance management processes. As mentioned previously, specialisms have made rapid progress in developing career pathways that allow specialists to plan their careers in a more structured way (see p. 27–29). Career pathways usefully map out the skills and experience that people need in order to move into more senior positions within their specialisms.

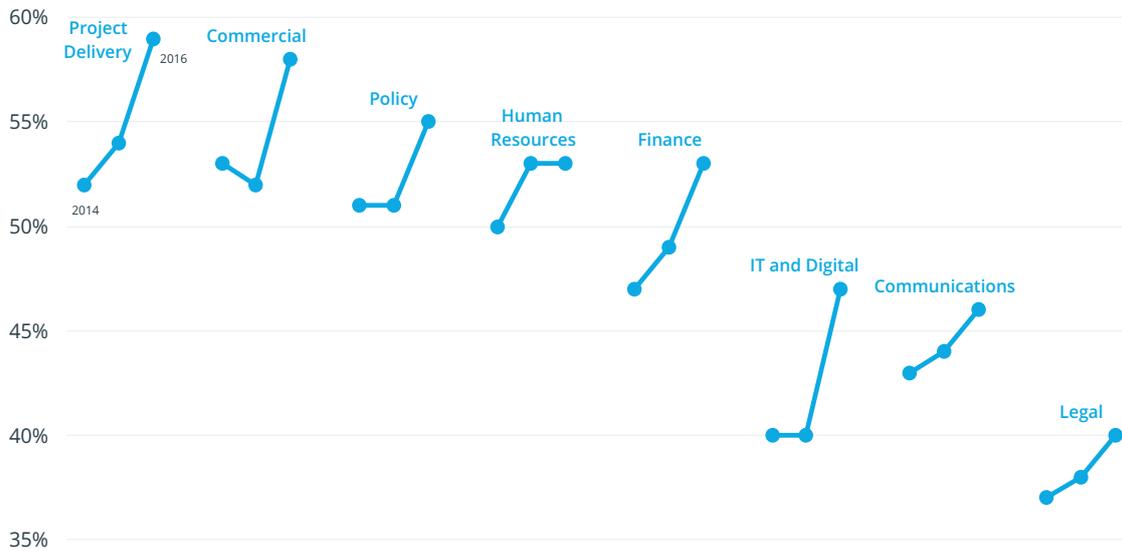
Results from the Civil Service People Survey show that there is considerable variation in the extent to which specialists feel they have opportunities to develop their careers (see Figure 9). It is noticeable that some of the specialisms receiving the lowest scores are also those furthest behind in the development of their pathways. For example, communications is only just embarking on the development of career pathways, while digital has seen delays in the rollout of its pathways.

These pathways will be meaningful for specialists only if they become embedded in recruitment processes and performance management systems: that is, it is critical that career pathways resemble what is rewarded in appointment and promotion decisions. At the moment, most career pathways, such as those in finance and HR, are intended as a voluntary tool to aid career development decisions. However, in some specialisms, work is under way to embed these pathways in the line management process (project delivery) and capability assessments (policy).

Moreover, some specialisms – particularly legal – are hampered by their staffing model. By maintaining a comparatively small cadre of senior civil servants, there are limited opportunities to advance to senior legal positions. However, the Government

## Figure 9: Views on career development opportunities in the Civil Service People Survey, 2016

"There are opportunities for me to develop my career in [my organisation]" (% agreeing)



Note: The 'IT and Digital' classification was introduced in 2015. In 2014, the 'Information Technology' classification was used. The 'project delivery' classification also was introduced in 2015. In 2014, the 'Programme and Project Management' classification was used.

Source: IfG analysis of Civil Service People Survey data.

Legal Department has taken the positive step of designating a single point of contact in each department who can provide career advice that is anchored in legal's career pathways.

### Ensure specialists understand better how Whitehall works, so as to progress to senior positions

Cross-departmental leadership groups need to ensure that specialists have a greater level of understanding of how Whitehall works, in order to progress to senior management positions within departments. If specialists are to achieve this, they need sufficient understanding of how to influence policymaking and operate within a political environment.

Efforts by the Policy Profession to develop a professional skills framework and a policy career path are particularly helpful in this regard. In the past, the emphasis on policy as a generalist skillset rather than a specific discipline using well-tested methods, has made it difficult for other specialisms to understand the policymaking process and achieve traction. The civil service Leadership Academy is helping also to address this through a training strand aimed at developing leaders' abilities to operate within the political environment of Whitehall, regardless of their specialist background.

Understanding policy and politics (or 'Whitehall tradecraft', as it is sometimes referred to) (Rupert McNeil, in Institute for Government, 2017b) is particularly important for external hires. Many functions, particularly commercial and digital, have sought to

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strengthen capability in recent years through external hires; but our discussions with Whitehall officials have pointed to concerns that a lack of understanding of how government works and how to get things done is exacerbating retention problems among these specialisms. To date, with the exception of policy, attempts by specialisms themselves to address the need for this broader understanding have been fairly ad hoc (for example, occasional secondments of legal specialists to private offices).

### 3. Bring together the reform agendas of each specialism

While individual specialisms have ambitious reform agendas, currently there is a lack of co-ordination between the different approaches adopted by individual specialisms. As the Institute has pointed out in previous work, unco-ordinated central intervention leads to confusion and disruption. For example, it is problematic if the central leadership of each specialism wants an entirely unique relationship with each department, regardless of what other specialisms are doing. Therefore, it is essential that specialisms are joined up, and that any distinctions in approach are clearly understood and articulated (McCrae et al., 2015).

// While individual specialisms have ambitious reform agendas, currently there is a lack of co-ordination between different approaches //

Greater co-ordination would enable sharing of best practice, reduced duplication and a more coherent offer for senior decision makers who need to understand and make greater use of specialisms. Whitehall needs corporate leadership at the top of the civil service to bring together these separate agendas and encourage sustained improvement.

#### The Chief Executive of the civil service should expand his role convening the heads of each specialism

Currently, there is more interaction between the cross-departmental specialisms whose central leadership is based in the Cabinet Office and who report to John Manzoni, Chief Executive of the civil service and Cabinet Office Permanent Secretary. The Functional Leadership Team convened by Manzoni meets regularly to share information and discuss scope for co-ordination. It also currently includes the head of finance. However, this important grouping still leaves out some core specialisms whose leaders are located elsewhere in government – namely, policy and legal.

While the core specialisms have very different operating models, our research points to important areas where leaders need to come together and co-ordinate improvement programmes.

- **Reducing duplication** – specialisms are developing simultaneously training offers that address some of the same skills gaps (for example, business acumen and judgement) and capability assessment tools (for example, leadership assessment tools) that are needed across the board. There is much greater scope for sharing these resources and allowing specialisms to build on the work of others. We only found a few examples of specialisms designing tools with other specialisms in mind (for example, project delivery's skills assessment tool) or making tools available for others to use (for example, finance's career pathway tool).

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- **Creating a more coherent offer** – specialisms are undertaking their improvement programmes largely in isolation from each other. This misses opportunities to present a more coherent offer, both to external hires and the rest of the civil service. For example, when deciding to apply through the civil service fast stream, high-calibre potential recruits would benefit from being able to compare specialist career paths alongside each other on a single external site. This is something that is being actively explored by Civil Service HR, but is yet to materialise.

### **The Chief Executive of the Infrastructure and Projects Authority should ensure co-ordinated input into Authority project reviews**

The Infrastructure and Projects Authority arranges assurance reviews of the Government's most complex and high-risk major projects. The Chief Executive of the Infrastructure and Projects Authority should ensure that there is co-ordinated input from core specialisms into these major project reviews. For example, core specialisms could provide assistance in locating high-calibre specialists to advise a failing project. Some early work is already under way, but there is much greater scope for co-ordination in planning these reviews.

## **4. Introduce more stable funding**

The dedicated teams of civil servants providing core development roles which support the day-to-day delivery of improvement programmes in each specialism (for example, the Policy Profession Support Unit, Legal Quality Team and finance's People and Capability Team) are subject to a wide array of funding models. This includes annual departmental levies (policy and commercial), supplements charged to departments for each specialist that they hire (legal), core funding from the Cabinet Office (HR and project delivery), and mixed funding models (finance).

With the exception of core central funding, many of these funding arrangements mean that teams are not guaranteed funding from one year to the next. As outlined previously, this makes teams vulnerable to cuts, and undermines long-term planning and staffing arrangements. This has been particularly problematic for commercial's capability team: a situation that urgently needs addressing, given the importance of fixing past weaknesses in negotiating and managing commercial contracts across government.

The leadership of the civil service needs to ensure that there is more stable funding. It is critical that core development roles such as talent management are essentially recognised as 'public goods', and given stable, core funding.

Where professional support and services are provided on a cross-departmental basis (for example, the Crown Commercial Service's procurement of common goods), it is appropriate for departments to pay for the services provided. However, there should be a small number of clearly understood models for structuring such payments. Having ad hoc arrangements for different services adds complexity, and absorbs too much senior time in debating relatively small budgets.

Finally, the Civil Service Board, rebalanced with the addition of some cross-government heads of specialism, should oversee both core budgets and departmental payment models, to ensure that the system provides the specialist capability that departments need for the delivery of programmes and services.

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## 4. Conclusion

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Responsibility for the performance of major projects and programmes lies with departments. It is permanent secretaries who must make sure that they have the right people, with the right skills, working in critical roles. However, collectively, the leadership of the civil service also needs to address persistent weaknesses in the way that common tasks, from contract management to policy development, are performed.

Over the past four years, Jeremy Heywood has championed a dramatic shift in the way that specialisms needed by all departments are organised – from communications and commercial to policy and project delivery.

We have seen the emergence of new leadership and support structures. Each specialism now has a central head with responsibility for convening a leadership group made up of departmental representatives. These groups (to greater or lesser extents) are championing improvement agendas for their specialisms. Small central units of civil servants support this leadership structure: they provide core development roles such as talent management, and support the day-to-day delivery of improvement programmes.

Departments are reaping the rewards already from some of these changes. In the last few months, for example, we have seen the rapid deployment of specialists from one part of government to another in response to urgent needs (for example, Brexit work). Co-ordinating this type of flexible resource would have been very difficult in the past, but the creation of cohesive, cross-departmental leadership groups has provided a mechanism and mindset to make this happen.

In addition, we have seen the leadership of different specialisms recognise the more strategic role that they can – and should – be playing in supporting decision-making and the delivery of programmes and services. This includes finance's costing projects and both communications and HR offering change management support to underperforming Whitehall units.

These reforms are at an early stage and not yet embedded. In general, the most tangible progress has been made in the area of talent management, with the development of curricula, fast-track recruitment schemes and career pathways.

Some specialisms remain better placed than others to accelerate and embed their reforms. For example, only commercial, and to some extent project delivery and communications, are in a position to undertake more comprehensive workforce planning.

 Some specialisms remain better placed than others to accelerate and embed their reforms 

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Meanwhile communications, commercial, policy and legal have much stronger leadership coalitions than project delivery. In addition, there are a number of problems which have held back some specialisms, including high leadership turnover (digital, finance and project delivery) and underresourced support units (policy, and to some extent, legal and finance).

There are a number of key obstacles facing all specialisms that civil service leaders must address. Senior decision makers in departments need to understand, demand and make better use of the professional support and services offered by specialists. There also needs to be better co-ordination between the improvement agendas under way in each cross-departmental specialism. Finally, there needs to be secure funding for the central units that have been set up to help catalyse professionalisation efforts.

This report has set out four reform priorities that address these issues.

- 1. Ensure specialists are better integrated into departmental decision-making.**
- 2. Enable specialists to reach leadership positions at the top of the civil service.**
- 3. Bring together the reform agendas of each specialism.**
- 4. Introduce more stable funding.**

If the UK Government is to succeed in negotiating the complex challenges that it now faces, the civil service must have the specialist capability that it needs.

It takes years for major organisational change to embed. It is essential that the civil service leadership commits to this reform agenda, while holding the central leadership of each specialism accountable for the delivery of their improvement programmes. This report has identified a number of indicators that we will use to measure progress in future years.

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