

# Whitehall Monitor 2019

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# About Whitehall Monitor

Whitehall Monitor analyses the size, shape and performance of Whitehall – the central government of the UK.

The decisions taken by politicians and civil servants in Whitehall can often seem remote from citizens' lives, but they are fundamental to them. Understanding Whitehall matters.

This Whitehall Monitor annual report – our sixth – provides an assessment of the administrative and political health of government and its performance. It seeks to present the most comprehensive view of the different organisations (and people) responsible for governing the UK, using data published by government. It explores political leadership, the civil service workforce, government finances, how public money is managed, legislation, major projects, digital government, communication and transparency, and performance.

This annual report is complemented by a wealth of online information, regularly updated to reflect key events and data releases.

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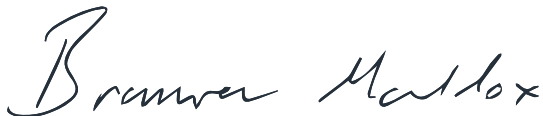
# Foreword

An account of UK government in the past year is inescapably dominated by Brexit. Whitehall Monitor 2019 shows the effect of this enormous undertaking on the Government – not least, through ministerial resignations and parliamentary defeats – as well as on the civil service, which continues to grow to meet the challenge.

Its effect on the rest of the Government's agenda and on the day-to-day business of government is considerable, too. It has squeezed government's capacity to manage public services and major projects, and to bring about improvement in them. Yet the quality of that management matters, to win public trust and to try to meet people's expectations of government at a time when the population is ageing and national finances are squeezed.

We record all the same some important improvement, such as in bringing the digital revolution into government, in improving the professional expertise of the civil service and in the speed with which the civil service has hired people to work on Brexit. We have carried out new work on the persistence of some old problems such as the high turnover of civil servants, which prevents the build-up of expertise – although the rapidity with which ministers switch jobs damages the quality of government too.

This report, the sixth in the series, sets out to gather data on the size and shape of the central government of the UK in order to shed light on its performance. It aims to help those in charge of government manage it more effectively, and to help those outside understand it better and hold it to account. As we have consistently done, we point out the many places where (despite recent improvements) the quality of available data should be improved, for the public's sake and for government itself.



Bronwen Maddox  
Director, Institute for Government

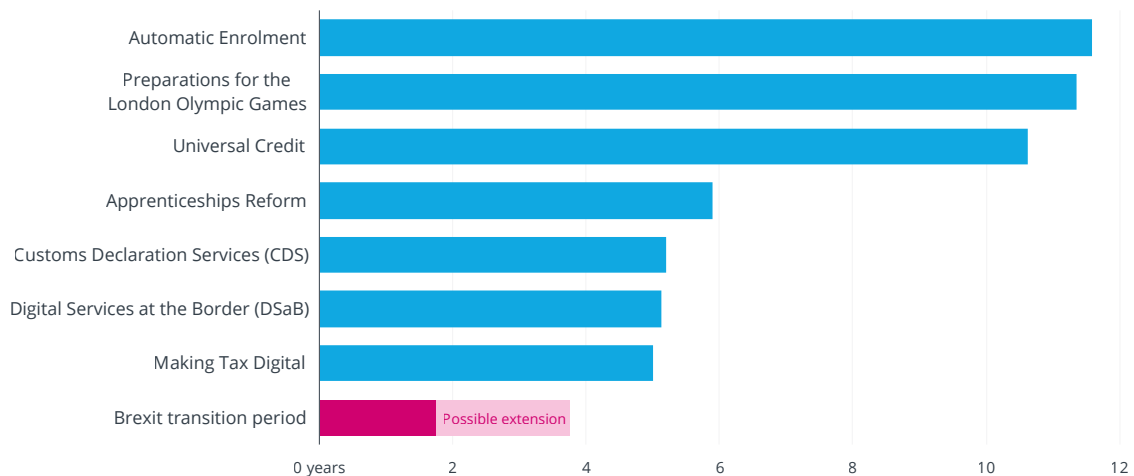
## Overview

Two months before the UK's scheduled departure from the European Union, British politics continues to be torn apart by Brexit.

Government preparations for the UK's exit have been impeded by political division. Despite the expansion of the civil service during 2018, the day-to-day work of government – from managing major projects to delivering public services – has inevitably been hindered by the all-consuming political focus on Brexit.

The Government's historic parliamentary defeat by 230 votes on the deal to leave the EU means the nature of the UK's departure is still unclear.<sup>1</sup> If nothing is agreed before 29 March 2019, the UK will leave without a deal – something the Government is not prepared for.<sup>2</sup> Even with some form of agreement, it will be a significant challenge.

Figure O.1 **Brexit transition period compared with time spent on major government projects**



Source: Institute for Government analysis of the government major projects portfolio and the draft EU Withdrawal Agreement published on 25 November 2018.

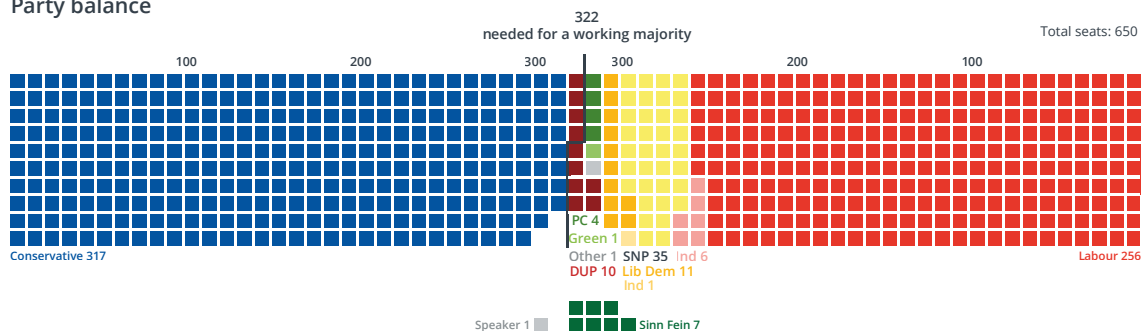
Implementing Brexit has been described by one of the UK's top public servants as "the biggest, most challenging peacetime task the civil service has faced".<sup>3</sup>

This challenge is exacerbated by the tight deadlines of this task. It is not yet clear whether the UK will have the 'luxury' of the 21-month transition period envisaged in the Withdrawal Agreement when it leaves the EU in March 2019. Even if it does, the time available will be significantly shorter than the time government spent on delivering other major programmes such as automatic enrolment for pensions or the 2012 Olympic Games. A recent Institute for Government report argued that "the Prime Minister must accept that everything will not be ready for December 2020".<sup>4</sup> If the UK leaves without a deal, deadlines for implementing new arrangements would be tighter still. The Government

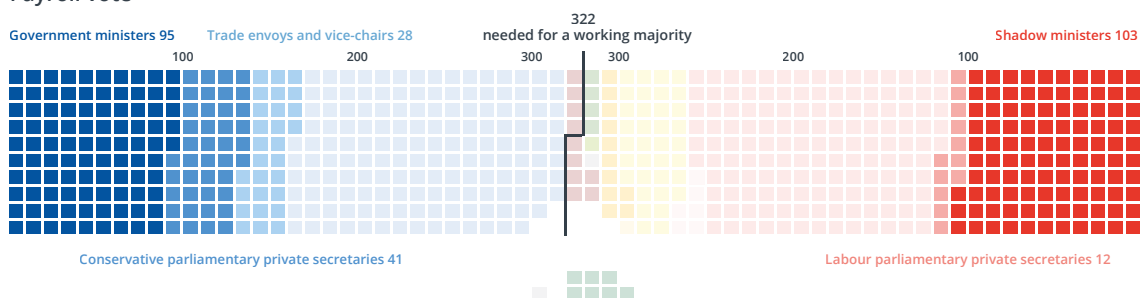
could only expect to have 'a fraction' of the necessary processes and systems in place – such as ensuring that the UK complies with international law – by Exit Day.<sup>5</sup>

Figure O.2 **House of Commons, as of 7 January 2019**

#### Party balance



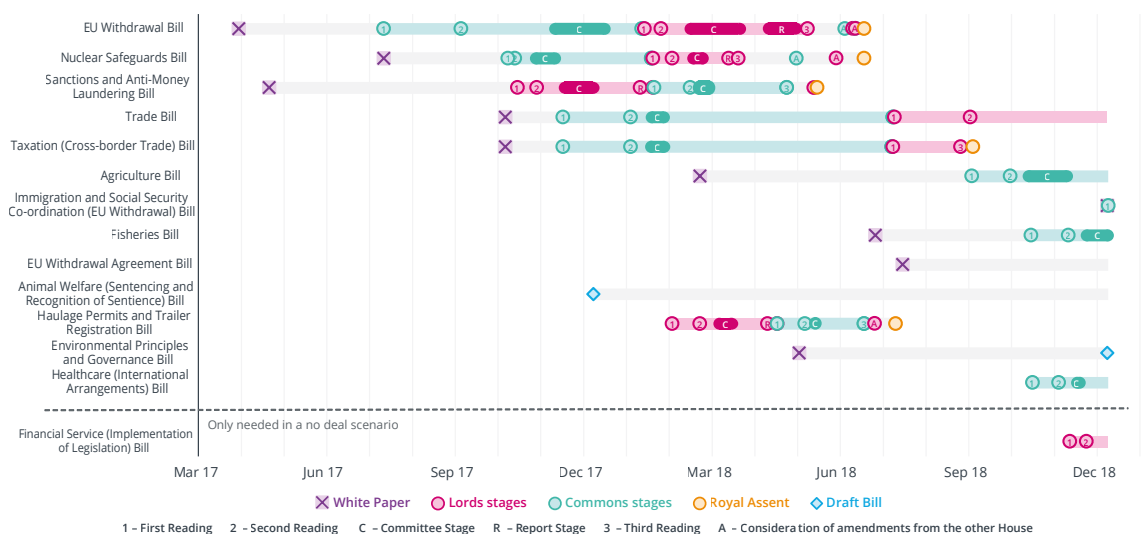
#### Payroll vote



Source: Institute for Government analysis of House of Commons Library election statistics and the 2017 general election result.

The Government's task has been made even harder by its lack of a majority in the House of Commons following the 2017 General Election. A lack of a majority even in normal political times makes it more difficult to pass major legislation; the divisions over Brexit within the Government, between the Government and the Democratic Unionist Party (with whose support the Conservatives have been governing), within the Conservative Party beyond Westminster and within the Opposition have complicated the task of passing a legislative programme even further.

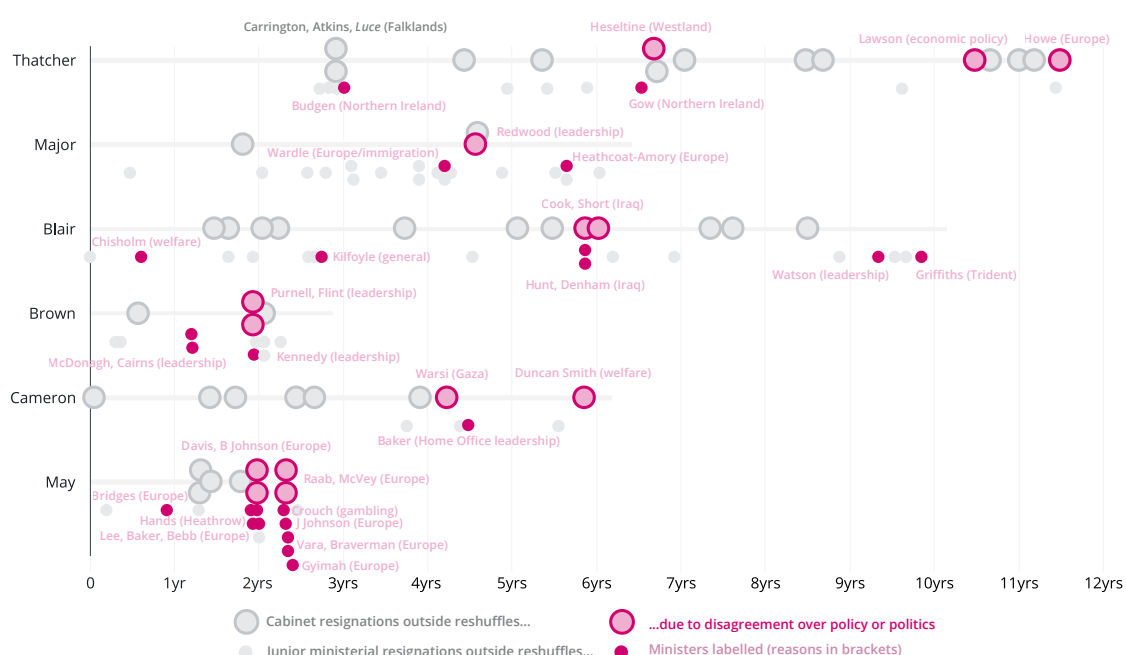
Figure O.3 **Parliamentary progress of legislation introduced to implement Brexit, as at 21 December 2018**



Source: Institute for Government analysis of data from <https://services.parliament.uk/bills>

The Government set aside many of the policy ideas in its 2017 manifesto,<sup>6</sup> such as new grammar schools and reforms to adult social care funding, because of the election result and to concentrate its energies and political capital on Brexit-related legislation. But a lot of the legislation required for the UK to be ready for Brexit has yet to be passed. Progress has been much slower than expected, as the Government sought to compromise and make deals to ensure safe passage and avoid defeats (not always successfully). The Government has identified 12 bills that need to pass in this parliamentary session to be ready for Brexit; by the end of December 2018, only five of those bills had made it through Parliament. This, and the need to lay hundreds of pieces of secondary legislation, means that Government faces a real challenge to prepare the UK statute book for Brexit without a legislative rush – especially if there is still a possibility that the UK may leave with no deal.

Figure O.4 **Government resignations outside reshuffles, 4 May 1979 to 1 January 2019**



We have excluded those resignations announced before a reshuffle but effectively taking place during it, e.g. Hurd (1995), Smith/Bleas/Hughes/Watson (2009), Dunlop (2017).

Source: Institute for Government analysis of sources including Butler and Butler, *British Political Facts*; House of Commons Library; King and Allen, 'Off with their heads: British prime ministers and the power to dismiss' (*British Journal of Political Science*, vol. 40); and IfG ministerial database. Leave comments, corrections or suggestions at <http://bit.ly/2OXZ81a>.

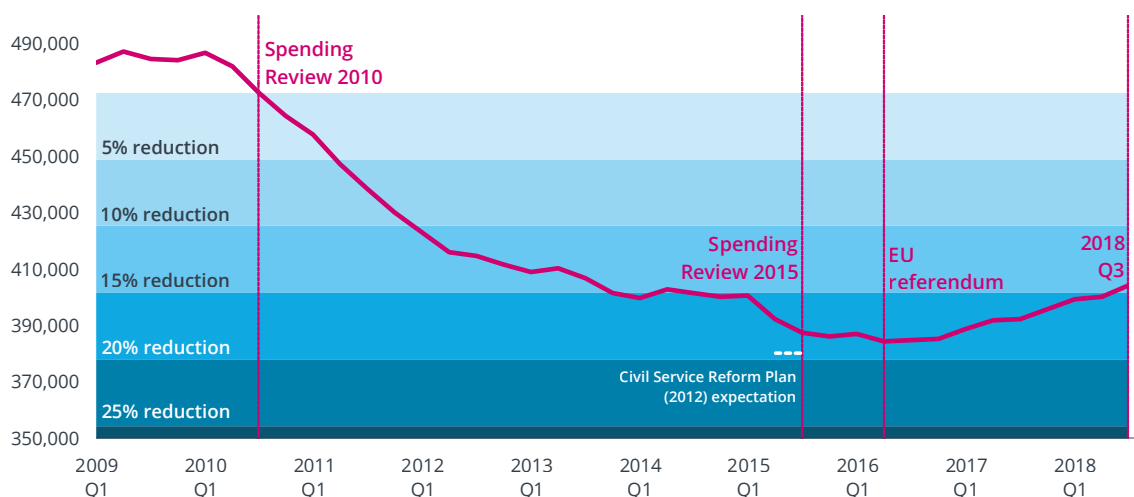
Another serious political complication has been the unprecedented level of ministerial resignations – most of them over policy issues, and most of those over Brexit. Ministerial turnover can disrupt the passage of legislation, the delivery of policies and the conduct of government, as ministers get to grips with new briefs and civil servants adapt to new styles and priorities.

Between the 2017 General Election and 1 January 2019, 21 ministers resigned, eight of them Cabinet ministers. Of those 21, 14 resigned over policy or political differences, 12 of them over Brexit. In November 2018, four ministers resigned on the same day, including two from the Cabinet and two from the Department for Exiting the European Union (DExEU) – a post-1979 record.

Brexit has clearly reduced government's ability to think about and pursue other policies, and has had consequences for the civil service as well as politicians. Almost a

third of civil servants in the Treasury are reported to be working on Brexit at the expense of everything else. In December 2018, it was reported that 600 civil servants at the Department for International Development (DfID) might be redeployed elsewhere in Whitehall, and in January 2019 that up to 4,000 civil servants from five departments may move to new roles to prepare for a no-deal Brexit.<sup>7</sup>

Figure O.5 **Civil service staff numbers (full-time equivalent), March 2009 to September 2018**



Source: Institute for Government analysis of ONS, Public Sector Employment (table 9), Q1 2009 and Q3 2018.

Nonetheless, during 2018 the civil service began preparing for the challenges ahead. This is most obvious in rising civil service staff numbers, which have grown every since the EU referendum in 2016 – from a post-war low of 384,260 in June 2016 to 404,160 in September 2018.<sup>8</sup> Among the departments with the biggest increases in headcount since the referendum are those most affected by Brexit, such as the Department for International Trade (DIT), the Department for Environment, Food and Rural Affairs (Defra), the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Digital, Culture, Media and Sport (DCMS). In total these new recruits represent the equivalent of reversing one in every five of the jobs cut since 2010, after which the civil service reduced headcount through redundancies and hiring freezes.

This recruitment drive is also reshaping the civil service. Its staff are becoming younger on average (although two out of every five civil servants are aged 50 or older). Overall, they are more senior (staff cuts continue only at the most junior levels) and more London-based, while the percentage of senior civil servants who are women is at its highest-ever level.

Some of the challenges that Brexit has distracted the civil service from include its own operation. The civil service has had to deal with a change of Cabinet Secretary and head of the civil service, following the death of Lord (Jeremy) Heywood.

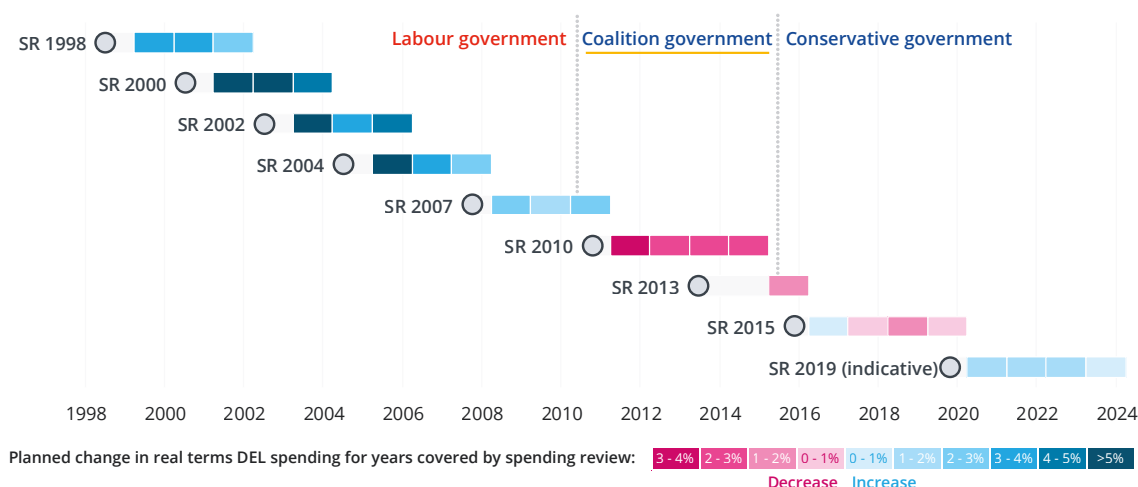
The civil service continues to strengthen and professionalise key activities (such as commercial skills and project delivery) across the whole of government, allowing expertise to be shared across departments and ensuring that it has the specialist skills it needs. However, there is still work to be done, for example in ensuring that heads of these specialist functions are represented at the very top of the civil service, on the Civil Service Board. Furthermore, excessive staff turnover remains a problem – it is



expensive, costing Whitehall between £36 million and £74 million each year, and disruptive, as knowledge and expertise are lost. In the past year, some departments – including the Treasury – lost two in every five of their civil servants either to other departments or to roles outside the civil service.

Excessive turnover has also been disruptive at the ministerial level. Reshuffles and the high number of resignations mean that more than half of Cabinet ministers and half of all ministers only came into their current role in 2018. This includes some posts dealing with serious public service challenges: in January 2018, David Gauke became the sixth Justice Secretary since 2010, at a time when the prison service is under great strain, while in November 2018, Amber Rudd became the fifth Work and Pensions Secretary since 2016, inheriting Universal Credit and its controversies.

Figure O.6 **Spending reviews since 1998, with planned changes in Departmental Expenditure Limits**

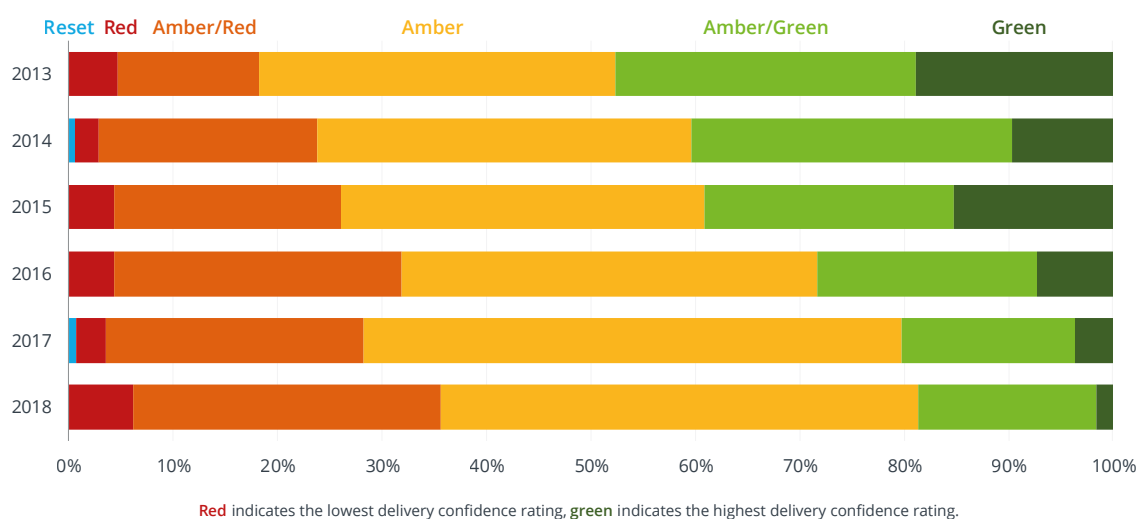


Source: Institute for Government analysis of HM Treasury, Spending Reviews 1998–2015, and Budget 2018 (for SR 2019).

Since the 2015 Spending Review, several public services have required emergency cash injections as they have struggled to meet rising demand (such as for health care) or to absorb large spending cuts (such as in prisons). The Chancellor of the Exchequer has said that the 2019 Spending Review will herald the end of almost a decade of austerity. But with much of the planned increase in departmental spending already earmarked for the National Health Service, and with some other budgets (such as for defence and international aid) also protected, the budgets of unprotected departments will be squeezed further.

Meanwhile, more and more public services are being delivered digitally. The number has risen quickly, from 25 'exemplar' projects in the early days of the Government Digital Service (GDS) under the Coalition Government, to nearly 800 services now, allowing citizens to renew driving licences or passports and sign up for flood alerts online. However, some of the Government's more ambitious digital plans are falling behind. Verify – the Government's secure new way for citizens to prove their identity online, improving access to digital services – is not expected to reach its target of 25 million registered users by 2025 (it currently has just over three million users). And the Government has not fulfilled key pledges in the Government Transformation Strategy,<sup>9</sup> such as the appointment of a chief data officer to lead on the better use of data.

Figure 0.7 **Delivery confidence ratings for projects in the government major projects portfolio (GMPP)**



Source: Institute for Government analysis of Infrastructure and Projects Authority annual reports, 2013–18. Data in each report as of previous September, and projects with exempt red/amber/green delivery confidence ratings are not included.

As well as running public services and managing other business as usual, government departments are currently delivering more than 130 major projects, such as High-speed Rail, Universal Credit and improvements to military capability. Despite recent efforts to improve project delivery in government, the risk of major projects not being delivered on time and within budget appears to be growing. Less than a fifth of major projects are currently rated green (successful delivery is likely) or amber/green (successful delivery is probable), compared with almost a half in 2013. Meanwhile, successful delivery appears 'in doubt' or 'unachievable' for 36% of major projects, double the percentage five years ago.

Brexit has understandably captured a lot of public attention, political focus and civil-service time in recent months. With the UK's path to Brexit still uncertain, that will continue. But government still has public services to run, major projects to deliver, legislation to pass, messages to communicate and many other tasks to take care of, whatever the outcome. It will be more able to do so once the direction of Brexit is agreed.



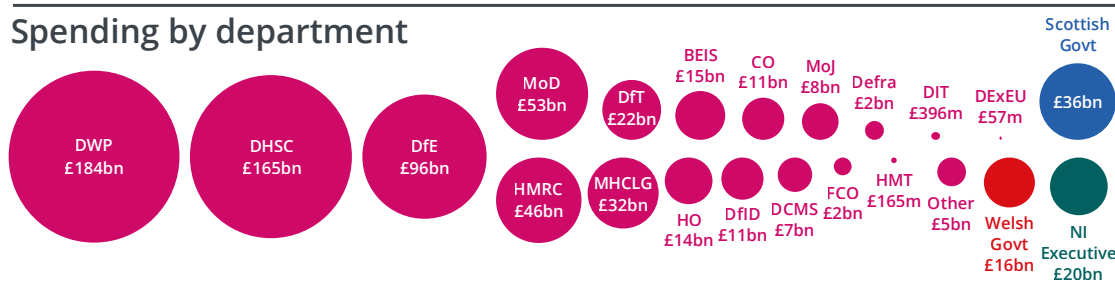
# Government at a glance

Figure G.1 **Government finances, 2017/18**

## Government revenue

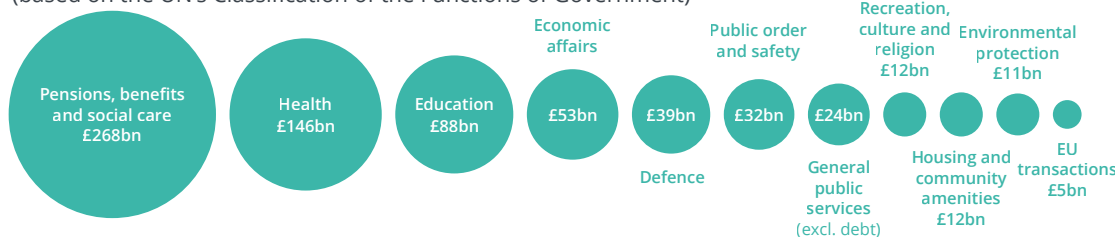


## Spending by department



## Spending by function of government

(based on the UN's Classification of the Functions of Government)



## Spending by economic category



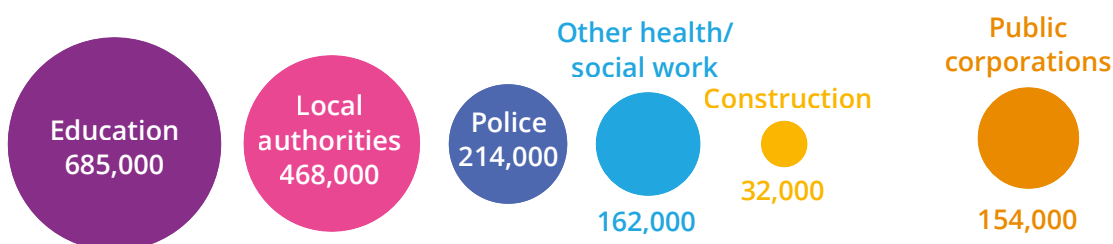
Source: Institute for Government analysis of HM Treasury, Public Expenditure Statistical Analyses 2018, July 2018; Office for Budget Responsibility, Economic and Fiscal Outlook, October 2018; OBR, Public Finances Databank, October 2018. Spending breakdowns exclude income and accounting adjustments, and therefore do not add to the same total for all sections. Spending by function and economic category covers central, devolved, and local government.

Figure G.2 Public sector workforce (headcount, approximate)

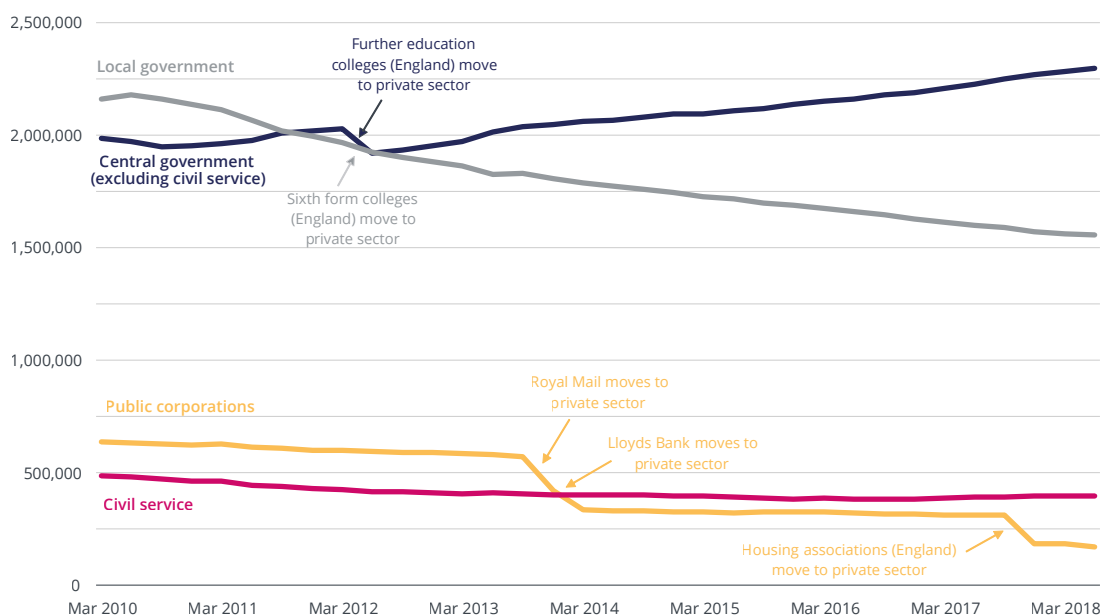
## Central government (UK, Scottish and Welsh)



## Local government

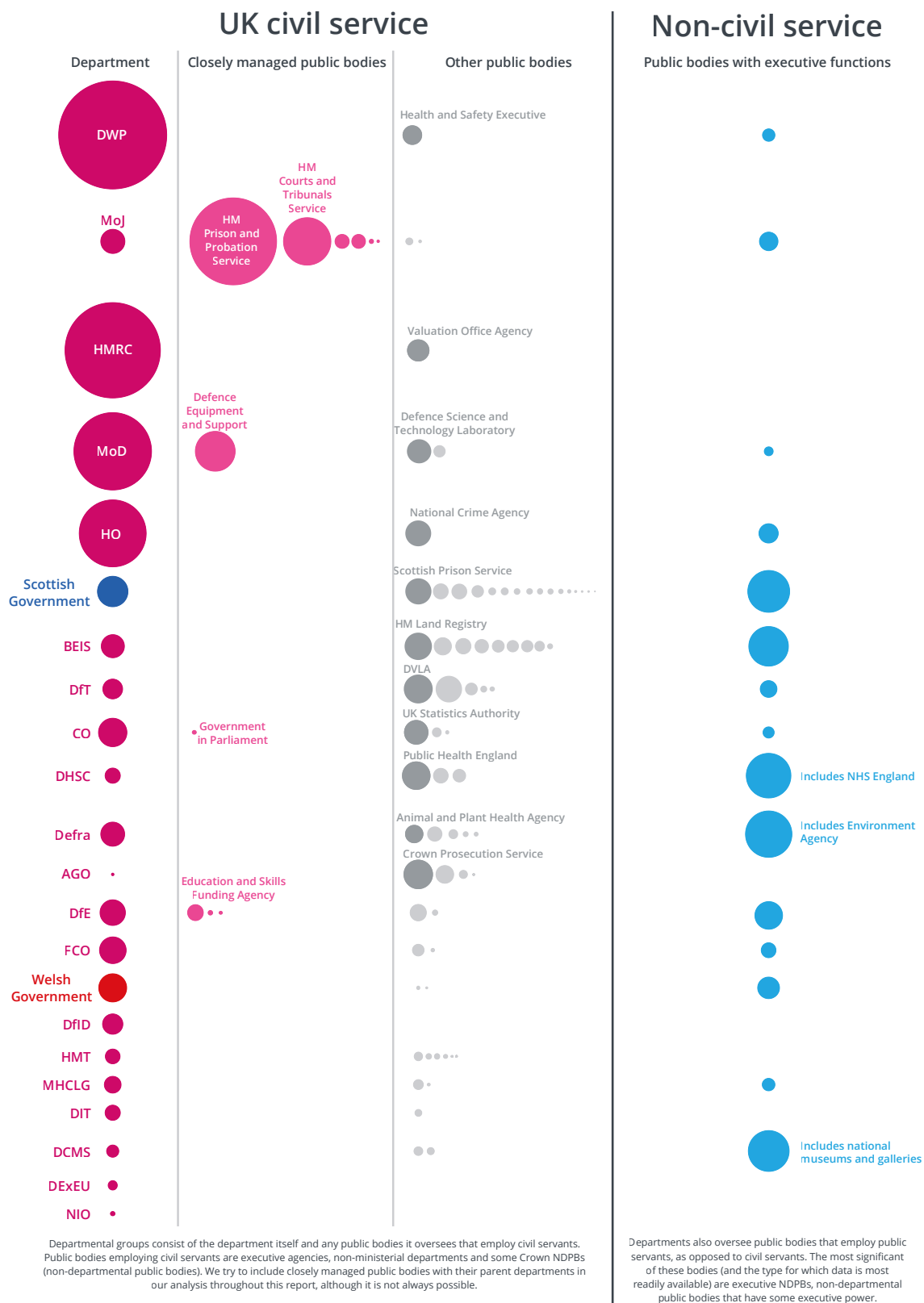


## Change over time



Source: Institute for Government analysis of ONS, Public Sector Employment, 2018 Q2; Police Scotland website; British Transport Police, annual report. Excludes Northern Ireland Civil Service, which is reported separately. 'Police' in central government includes the British Transport Police and Police Scotland. 'Public corporations' – bodies like Channel 4 and the Ordnance Survey, which are overseen by government but raise most of their income from commercial activities – excludes 17,000 civil servants.

Figure G.3 Workforce of UK government departments (full-time equivalent)



Source: Institute for Government analysis of ONS, Public Sector Employment, 2018 Q2. Excludes Northern Ireland Civil Service.





## 1 Ministers

The Government's loss of its majority in the 2017 general election and divisions over Brexit in the Cabinet and Conservative Party have made governing more difficult. Resignations of ministers have disrupted Whitehall.

The EU referendum in 2016 and the loss of a Conservative majority in the general election a year later still dominate politics. The Conservatives govern supported by a supply and confidence arrangement with the Democratic Unionist Party (DUP), but the Government's negotiations with the EU on the Irish border have strained that relationship. Brexit divisions within the Conservative Government, the wider Conservative Party and the Labour Opposition have complicated the parliamentary arithmetic further.

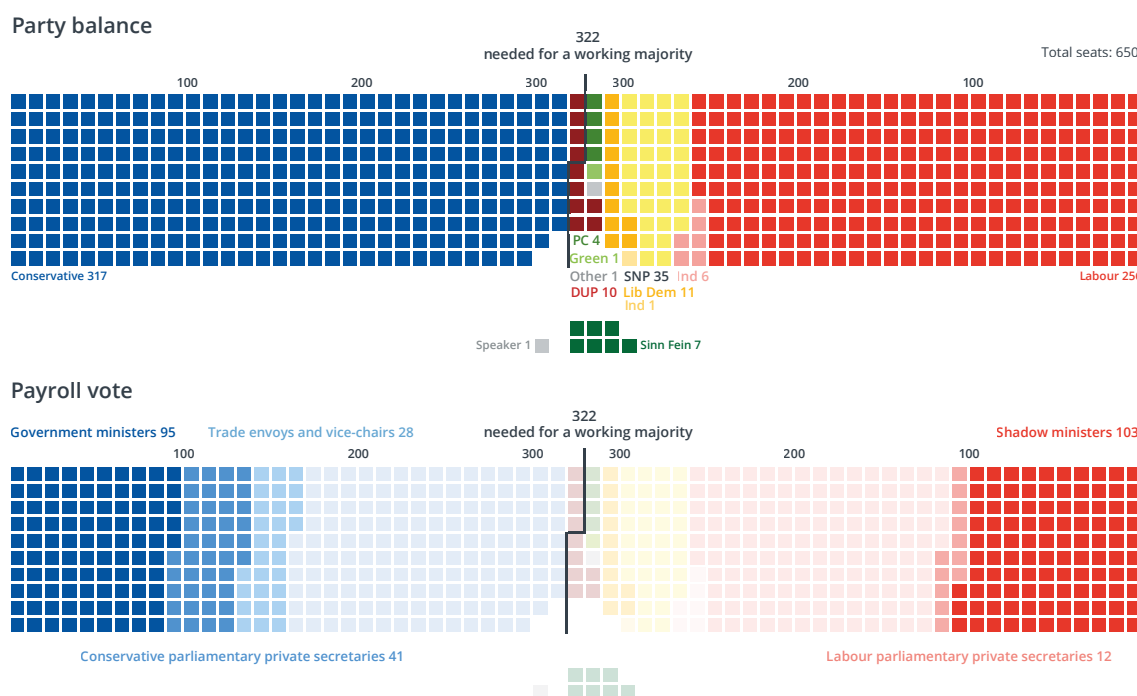
Resignations and the Prime Minister's reshuffles of the Cabinet have led to unprecedented ministerial turnover since the general election – as of 1 January 2019, 21 ministers had resigned, 14 of them over policy. Just over half of all ministers came into their current post in 2018. This has caused significant disruption to the leadership of Whitehall departments, as ministers adjust to new briefs and civil servants adapt to different styles and new priorities.

### Further analysis

[www.instituteforgovernment.org.uk/ministers](http://www.instituteforgovernment.org.uk/ministers)

# Brexit has made governing as a parliamentary minority even harder

Figure 1.1 House of Commons, as of 7 January 2019



Source: Institute for Government analysis of House of Commons Library election statistics, IfG ministerial database and other sources including parliament.uk. Conservative parliamentary private secretaries, trade envoys and vice-chairs are approximate, as some roles may be unfilled following resignations in late 2018.

The Conservatives emerged from the 2017 general election with 317 seats, nudged over the 322 seats required for a working majority by the DUP's 10 MPs. Labour had 262 MPs elected, but since then have lost six MPs, the whip having been withdrawn from two members, three having resigned it, and one MP having been expelled from the party.

Governing with a minority can be tricky at the best of times (as Labour found out in the late 1970s, for example). But Brexit has added further complexity to the Government's calculations about whether it can get its business through Parliament.

The Government should be able to rely on its 'payroll vote' – those serving as ministers – to support the government position. Altogether, there are 132 ministerial roles (including whips), filled by 95 MPs (some holding more than one position, with the rest filled by peers). But there is also an informal payroll vote, consisting of 41 parliamentary private secretaries (PPSs) – unpaid parliamentary aides – as well as vice-chairs of the Conservative Party and trade envoys (totalling 28).

The numbers of both ministers and PPSs have grown massively over the past century: in 1900, there were 60 ministers and nine PPSs; in 1950, 81 ministers and 27 PPSs. By 2000, numbers had risen to 106 ministers and 47 PPSs.<sup>1</sup> But in recent times, neither main party has been able to rely on its frontbenches. The Labour leader, Jeremy Corbyn, experienced a mass resignation of more than 50 frontbenchers immediately after the EU referendum, and the Government has been hit by a series of resignations.

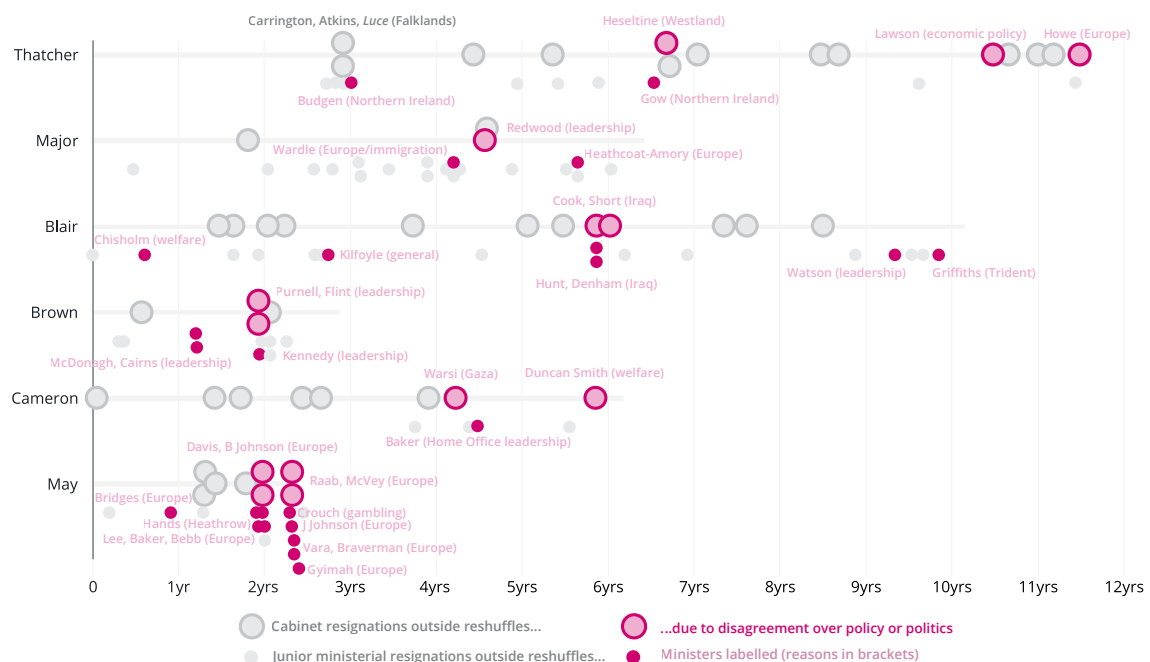


Brexit has created serious friction between the Conservatives and the DUP. Following the announcement of a deal with the EU in November, the DUP abstained on a series of votes on the Finance Bill. Its spokesman said: "Since the government has not honoured its side of the bargain [agreeing Northern Ireland would not be treated differently to the rest of the UK] we tonight tried to spell out some of the consequences of that."<sup>2</sup>

Brexit has also led to divisions within the Conservative and Labour parties themselves. On the Conservative side, members of the pro-Brexit European Research Group went so far as to submit letters of no confidence in Theresa May's leadership, resulting in a vote (which the Prime Minister won); on all sides, there are divisions between those favouring the Prime Minister's proposed deal with the EU, those favouring amending it, and those favouring other positions such as leaving without a deal or not leaving without a further referendum.

## The rate of ministerial resignations is unprecedented

Figure 1.2 **Government resignations outside reshuffles, 4 May 1979 to 1 January 2019**



We have excluded those resignations announced before a reshuffle but effectively taking place during it, e.g. Hurd (1995), Smith/Blears/Hughes/Watson (2009), Dunlop (2017).

Source: Institute for Government analysis of sources including Butler and Butler, *British Political Facts*; House of Commons Library; King and Allen, 'Off with their heads: British prime ministers and the power to dismiss' (*British Journal of Political Science*, vol. 40); and IfG ministerial database. Leave comments, corrections or suggestions at <http://bit.ly/2OXZ81a>.

Since the 2017 general election, outside of reshuffles, 21 ministers had resigned from government as of 1 January 2019, six of them from the Department for Exiting the European Union (DExEU). Eight of the 21 were Cabinet ministers.

From 1979 to 2017, there had been only one occasion on which two Cabinet ministers resigned within 24 hours of one another – Lord Carrington and Humphrey Atkins over the Falklands invasion in 1982. This happened twice in 2018:

- David Davis (DExEU) and Boris Johnson (Foreign Office) on 8–9 July, over the Chequers proposal for leaving the EU
- Dominic Raab (DExEU) and Esther McVey (Department for Work and Pensions/DWP) on 15 November, over the Prime Minister's deal with the EU.

The resignations of Carrington/Atkins and Davis/Johnson were followed in each case by that of a junior minister (Richard Luce and Steve Baker, respectively). Two junior ministers went on the same day as Raab and McVey (Shailesh Vara from the Northern Ireland Office and Suella Braverman from DExEU), a post-1979 record for the most ministerial resignations on a single day.

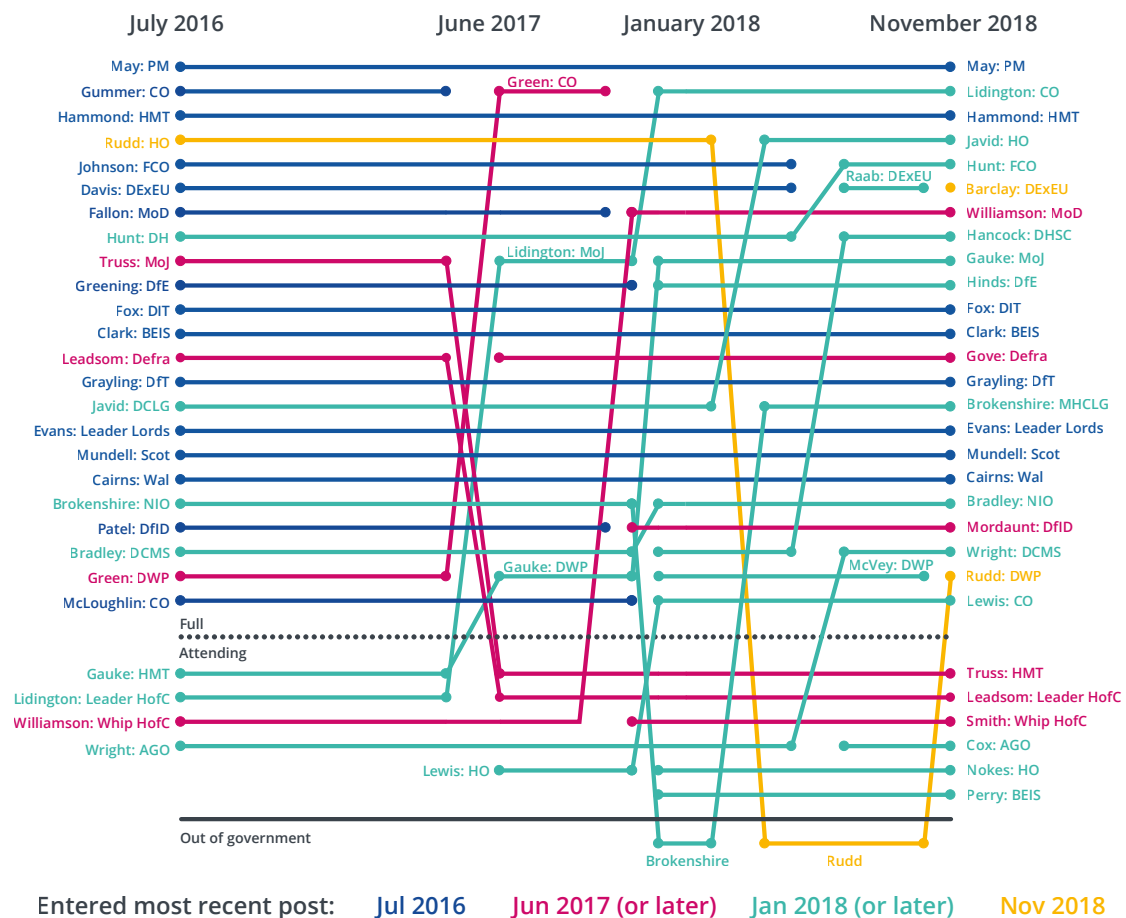
It is not only the number of resignations that is unprecedented, but the reasons for them. Of the 21 resignations since the election, 14 have been over policy:

- Davis, Johnson, Raab, McVey, Baker, Vara, Braverman, Lord Bridges (DExEU), Phillip Lee (Ministry of Justice/MoJ), Guto Bebb (Ministry of Defence/MoD), Jo Johnson (Department for Transport/DfT) and Sam Gyimah (a joint minister between the Department for Education/DfE and Department for Business, Energy and Industrial Strategy/BEIS) over Europe
- Greg Hands (Department for International Trade/DIT) over Heathrow expansion
- Tracey Crouch (Department for Digital, Culture, Media and Sport/DCMS) over delays to fixed-odds betting terminal changes.

The total number of resignations connected with a specific issue during the past year is greater than the number that took place during two other notable clusters. In 2003, Robin Cook, Clare Short, Lord (Philip) Hunt and John Denham resigned over Iraq. In 2009, James Purnell, Caroline Flint and Jane Kennedy resigned over Gordon Brown's leadership.<sup>3</sup>

## Reshuffles, as well as resignations, have disrupted government business

Figure 1.3 Cabinet ministers, July 2016 to 16 November 2018



Source: Institute for Government analysis of IfG ministerial database and GOV.UK/government/ministers.

Voluntary reshuffles after the 2017 general election and in January 2018 have also contributed to turnover in ministers.

All changes of minister can be hugely disruptive to government departments; as the former chancellor Ken Clarke told the Institute for Government: "You could have an astonishing change of policy when the new minister turned up, let alone style."<sup>4</sup> It takes both the department and the minister time to adjust.

At Cabinet level:

- eight ministers out of 29 are in the same post as July 2016, when Theresa May became Prime Minister
- six out of the 29 came into their current posts in the June 2017 reshuffle or in late 2017
- 15 out of the 29 members of the Cabinet (52%) were new to their posts in 2018.

Figure 1.4 Secretaries of state or equivalent since May 2010

Department	Post holders						
	1	2	3	4	5	6	7
DCMS	Hunt	Miller	Javid	Whittingdale	Bradley	Hancock	Wright
DWP	Duncan Smith	Crabb	Green	Gauke	McVey	Rudd	
Moj	Clarke	Grayling	Gove	Truss	Lidington	Gauke	
CO	Maude	Hancock	Gummer	Green	Lidington		
Defra	Spelman	Paterson	Truss	Leadsom	Gove		
DfID	Mitchell	Greening	Patel	Mordaunt			
DfE	Gove	Morgan	Greening	Hinds			
NIO	Paterson	Villiers	Brokenshire	Bradley			
DCLG/MHCLG	Pickles	Clark	Javid	Brokenshire			
FCO	Hague	Hammond	Johnson	Hunt			
MoD	Fox	Hammond	Fallon	Williamson			
DfT	Hammond	Greening	McLoughlin	Grayling			
Wal	Gillan	Jones	Crabb	Cairns			
Scot	Alexander	Moore	Carmichael	Mundell			
DExEU	Davis	Raab	Barclay				
HO	May	Rudd	Javid				
DH/DHSC	Lansley	Hunt	Hancock				
HMT	Osborne	Hammond					
BEIS	Clark						
DIT	Fox						
DECC	Huhne	Davey	Rudd				
BIS	Cable	Javid					

## Key

Appointed by Theresa May

Appointed by David Cameron

Liberal Democrats

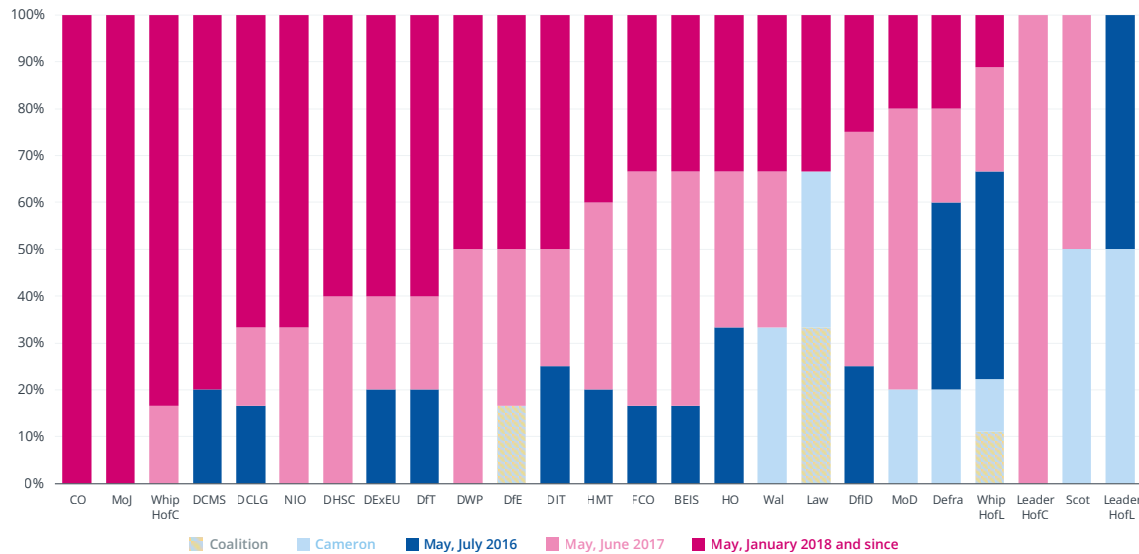
Source: Institute for Government analysis of the IfG ministerial database (as at 16 November 2018).

Since 2010, a number of departments have seen a particularly high degree of turnover in their leadership. In July, Jeremy Wright became the seventh Secretary of State at DCMS, at a time when the department is expanding its remit (for example, into the charities sector and the digital economy). In January 2018, David Gauke became the sixth Justice Secretary at a time when the prison system is under great strain; although prison officer numbers are now rising again, there has not yet been a notable decrease in violence.<sup>5</sup>

In November 2018, Amber Rudd became the fifth Work and Pensions Secretary since Iain Duncan Smith left the post in March 2016, inheriting longstanding controversies over Universal Credit.<sup>6</sup> David Lidington is the fourth Minister for the Cabinet Office since Francis Maude's departure in May 2015.

Although the department has existed only since July 2016, DExEU is on its third Secretary of State. As the office-holder has changed – from David Davis to Dominic Raab, and from Raab to Stephen Barclay – so too has the role, with the Prime Minister and the Cabinet Office taking over some of the secretary of state's (and the department's) responsibilities.

Figure 1.5 When ministers were appointed to their current post, as of 1 January 2019



Source: Institute for Government ministerial database, drawing on GOV.UK/government/ministers and news coverage. Moves between reshuffles are counted with the previous reshuffle.

Junior ministers can often be overlooked in the headlines about Cabinet departures, but play a vital role in driving policies through, and in representing their department in Parliament. Turnover among junior ministers has been significant: 67 out of all 132 posts across government – just over half – are filled by ministers new to their roles in 2018, rising to 103 (78%) since the 2017 general election.<sup>7</sup>

All ministers in the MoJ and the Cabinet Office – the key co-ordinating department of government – are new to their roles in 2018. Other departments in which more than half of ministers are new include DCMS, DExEU and the Northern Ireland Office. Two thirds of ministers at the Ministry of Housing, Communities and Local Government (MHCLG) are new since the start of 2018, which must have been disruptive to the department's focus on housing, a government priority. Kit Malthouse is the eighth Housing Minister since 2010.

Turnover has also been high in the House of Commons whips' office – mainly due to whips moving between roles within the office. This is likely to have further complicated the management of government business.

# The Prime Minister's use of Cabinet committees has evolved

Figure 1.6 Membership of Cabinet committees, January 2019

	Committee				Sub-committee												Taskforce							
	Economy and Industrial Strategy	European Union Exit and Trade	National Security Council	Parliamentary Business and Legislation	Social Reform	Economy and Industrial Strategy (Airports)	Economy and Industrial Strategy (Economic Affairs)	Economy and Industrial Strategy (Reducing Regulation)	EU Exit and Trade (European Affairs)	EU Exit and Trade (International Trade)	EU Exit and Trade (Preparedness)	EU Exit and Trade (Strategy and Negotiations)	NSC (Cross-Government Funds)	NSC (Nuclear Deterrence and Security)	NSC (Strategic Defence and Security Review...)	NSC (Threats, Hazards, Resilience and Contingencies)	Social Reform (Home Affairs)	Digital	Employment and Skills	Housing	Immigration	Industrial Strategy	Rough Sleeping and Homelessness Reduction	Tackling Modern Slavery and People Trafficking
Lidington (CO)	Chair	Deputy Chair																						
Clark (BEIS)							Chair																	
Hammond (HMT)															Chair									
Javid (HO)																								Member
Brokenshire (MHCLG)																								
Gove (Defra)																								
Williamson (MoD)																								
Hunt (FCO)																								
Mordaunt (DfID)																								
Rudd (DWP)																								
Wright (DCMS)																								
Grayling (DfT)																								
Fox (DIT)																								
Dowden (CO)																								
May (PM)	Chair	Deputy Chair	Chair	Chair	Chair						Chair	Chair		Chair							Chair			Chair
Bradley (NIO)																								
Hinds (DfE)																								
Gauke (MoJ)																								
Hancock (DHSC)																								
Mundell (Scot)																								
Barclay (DExEU)																								
Truss (HMT)																								
Cox (AGO)																								
Cairns (Wal)																								
Smith (Whip HofC)																								
Lewis (CO)																								
Leadsom (Leader HofC)																								
Nokes (HO)																								
Evans (Leader HofL)																								
Milton (DfE)																								
Fairhead (DIT)																								
Sharma (DWP)																								
Malthouse (MHCLG)																								
Henley (BEIS)																								
Heaton-Harris (DExEU)																								
Ahmad (FCO)																								
Gardiner (Defra)																								
Ellwood (MoD)																								
Keen (MoJ)																								
Berry (MHCLG)																								
Wheeler (MHCLG)																								
Davies (DCMS)																								
James (DCMS)																								
Jenrick (HMT)																								
Tolhurst (BEIS)																								
Norman (DfT)																								
Callanan (DExEU)																								
Wallace (HO)																								
Atkins (HO)																								
Taylor (Whip HofL)																								

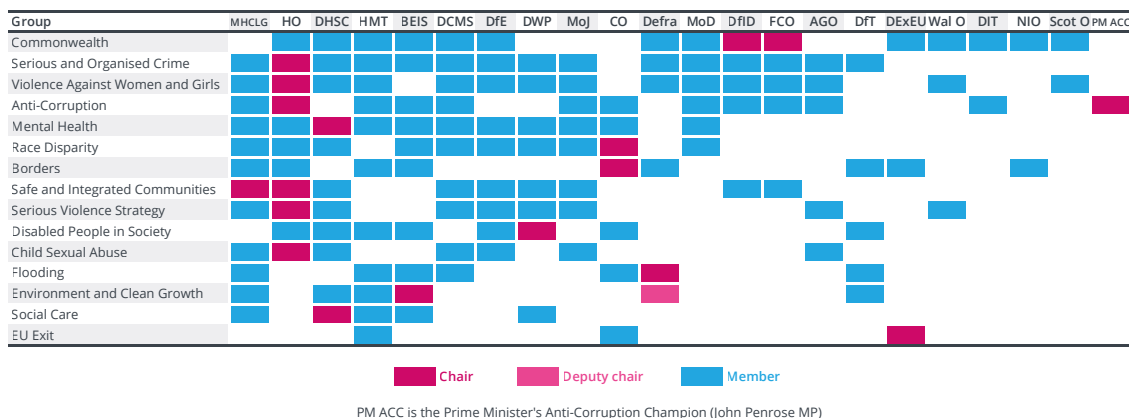
Chair  
Deputy Chair  
Member  
Attend when required

Source: Institute for Government analysis of Cabinet Office, 'List of Cabinet committees', January 2019.

Cabinet committees are “groups of ministers that can take collective decisions that are binding across government”, and where a lot of government business gets done.<sup>8</sup> Some have sub-committees. Additionally, there are ‘taskforces’ designed “to monitor and drive delivery of the Government’s most important cross-cutting priorities”, such as digital, housing and industrial strategy.<sup>9</sup> Despite personnel changes prompted by resignations and reshuffles, David Lidington remains the most influential figure on these committees and the Prime Minister’s de facto deputy, sitting on all but three, chairing nine and being deputy chair to the Prime Minister on three.

Lidington’s role continues that of his predecessor, Damian Green, who sat on more Cabinet committees than any other minister on his appointment as First Secretary of State following the 2017 general election. The roles of Lidington and Green marked a noticeable shift from command to compromise by the Prime Minister; she chaired most committees before the general election but, following the loss of her parliamentary majority, allowed her deputy to take the leading role. Following changes in January 2019, however, May once again chairs the greatest number of committees – ten, including the new sub-committee on EU Exit (Preparedness), to Lidington’s nine.<sup>10</sup> There have been some other suggestions that her compromise approach has now given way to a third phase: a ‘bunker mentality’ and the sidelining of previously influential committees, particularly the Strategy and Negotiations Cabinet sub-committee (often referred to as the Brexit ‘war Cabinet’).<sup>11</sup>

Figure 1.7 **Departments represented at inter-ministerial groups (as of 22 August 2018)**



Source: Institute for Government analysis of Cabinet Office reply to IfG Freedom of Information request.

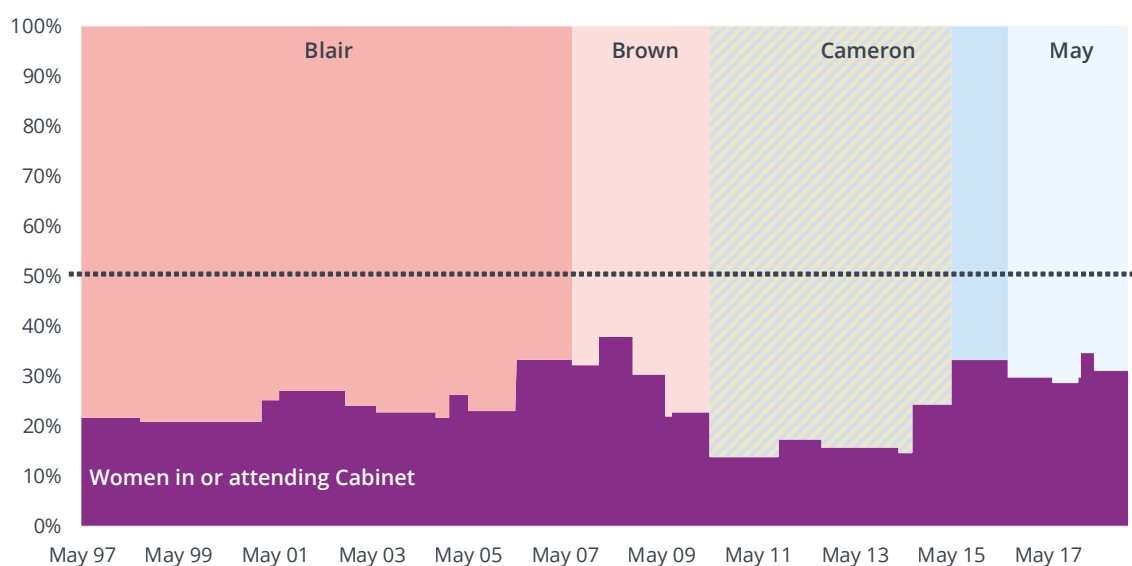
Cabinet committees are not the only influential groups of ministers. There are also inter-ministerial groups (IMGs) – more informal meetings, attended by ministers, that do not have the power to take decisions binding on Cabinet. Until this year, all we knew was that IMGs existed but not how many, on what subjects or with what membership. Now, following an Institute for Government Freedom of Information request, we know that the subjects they cover range from organised crime to mental health to race disparity. MHCLG, the Home Office, the Department of Health and Social Care (DHSC), the Treasury and BEIS are the departments most often represented on IMGs, underlining their roles in delivering government priorities.

Given preparations for Brexit, perhaps the most important was the EU Exit group, which consisted of representatives from only three departments – the Treasury, Cabinet Office and DExEU – and acted as a ‘Dragons’ Den’, grilling other departments on their contingency plans if the UK leaves the EU without a deal.<sup>12</sup>

However, this IMG and the group on borders were folded into a new Cabinet sub-committee in January 2019, which also replaced the existing EU Exit and Trade (Domestic Preparedness, Legislation and Devolution) sub-committee.<sup>13</sup> The membership of the new Cabinet sub-committee was published relatively quickly, but this is often not the case following changes to the structure of the Cabinet committee system or following changes of membership after reshuffles or ministerial resignations. Details of the existence and membership of IMGs are not published at all. There is no good reason why the membership and existence of IMGs should not be made public and updated regularly, or why information about Cabinet committees should not be kept up to date; this data helps us understand what the Government’s priorities are and who has a say.

## Cabinet gender balance has improved since the 2010–15 Coalition

Figure 1.8 **Percentage of ministers attending Cabinet who are women, May 1997 to December 2018**



Source: Institute for Government ministerial database, sources including GOV.UK and predecessor government websites.

Cabinet diversity matters: having a range of people from different backgrounds and with different experiences should lead to better decision-making, as well as ensuring everyone can progress to the very top. The Prime Minister has launched important diversity initiatives, notably the Race Disparity Audit and a drive to end the gender pay gap, but what about her own Cabinet?<sup>14</sup>

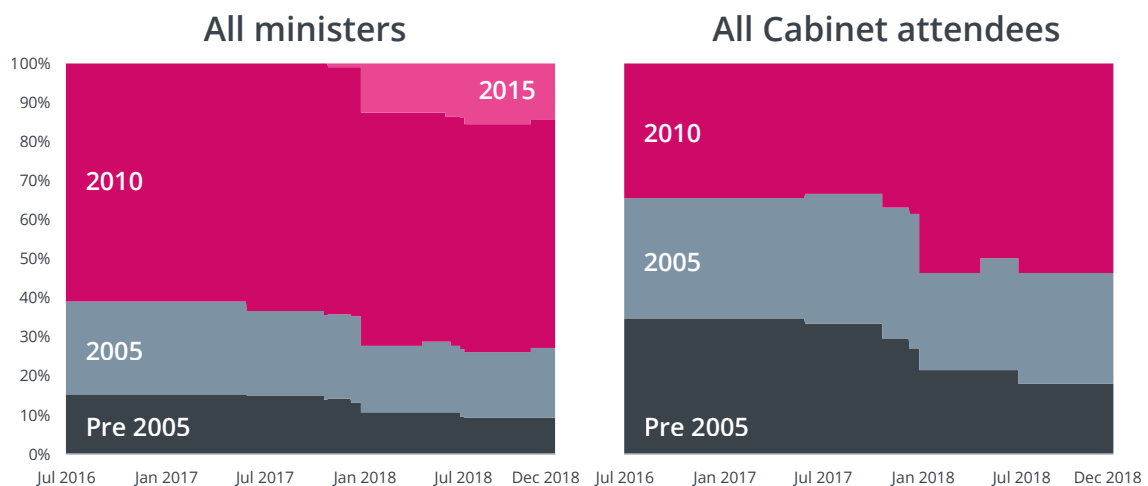
For a brief period after the January 2018 reshuffle, 34.5% of all Cabinet attendees were women. This was a higher percentage than at any other point in British political history, apart from a period of just over eight months under Gordon Brown. The changes to the Cabinet since January have brought the figure down slightly – to 31% – but that is still higher than the percentage of Conservative MPs who are women (21%).



However, four of the nine current female Cabinet attendees are merely ‘attending’ Cabinet – Liz Truss, Andrea Leadsom, Caroline Nokes and Claire Perry – rather than full members. Those ‘attending’ Cabinet are usually in roles that are paid less and do not give them the responsibility of running a department as secretary of state.<sup>15</sup> The June 2017 reshuffle involved apparent demotions for both Truss and Leadsom, from heading departments to attending as Chief Secretary to the Treasury and Leader of the House of Commons respectively. This repeats a pattern among recent prime ministers: under Gordon Brown, for example, four female ministers attended only when their responsibilities were on the agenda between October 2008 and June 2009 and three between June 2009 and March 2010, leading to suggestions that ‘attending’ status can be used to imply that gender balance is better than it really is.<sup>16</sup>

## The next generation of ministers is coming through

Figure 1.9 **Parliamentary intake of ministers under Theresa May, July 2016 to December 2018**



Source: Institute for Government analysis of sources including GOV.UK/government/ministers. Excludes members of the Lords (as at 5 December 2018). Intake indicates the first time an MP was elected to the Commons.

Reshuffles and resignations mean that newer parliamentary intakes are starting to accede to ministerial office.

In November 2017, Victoria Atkins (Home Office) became the first member of the 2015 intake to join the Government; she was followed by Lucy Frazer (MoJ), Rishi Sunak (MHCLG), Oliver Dowden (Cabinet Office) and Kit Malthouse (DWP) in the January reshuffle. Since then, five have made it into the whips' office, and Edward Argar (MoJ), Nusrat Ghani (DfT), Mims Davies (DCMS) and Kelly Tolhurst (BEIS) have joined departments. The Prime Minister has also used vice-chair positions in the Conservative Party to bring through a new generation.<sup>17</sup>

None of the 2015 intake has yet made it into the Cabinet – and the appointments in November 2018 promoted more experienced MPs. But a new generation of politicians are moving up through the ranks as rumours of leadership bids continue to swirl and the governing party renews itself for a post-Brexit future.





## 2 Civil service

The civil service continues to grow following the Brexit referendum. 'Generation Brex' is younger, more likely to be based in London, more senior in grade and slightly more diverse than before. Turnover remains a problem for government, especially in departments dealing extensively with Brexit.

Staff numbers have grown in every quarter since the referendum in June 2016 on the UK's membership of the EU, as the civil service deals with the challenges of Brexit. One in every five of the jobs cut since the 2010 Spending Review have now been replaced. Not all of these staff will be working on Brexit, but many of the departments most affected by it – such as the Department for International Trade (DIT), Department for Digital, Culture, Media and Sport (DCMS), Department for Business, Energy and Industrial Strategy (BEIS) and Department for Environment, Food and Rural Affairs (Defra) – have seen the biggest rises.

A higher percentage of civil servants are working in more senior grades now than in 2010, as departments that focus on policy staff-up for Brexit. Meanwhile big delivery departments around the country have continued to reduce staff numbers, especially at the most junior levels. The policy departments have a much younger workforce, including at the most senior levels, than the delivery ones. Gender balance is continuing to improve, as is diversity – but the percentages of senior civil servants who are women, disabled or from an ethnic minority are still lower than these percentages in the civil service as a whole and in the working age population.

The civil service is making some progress on improving its professional skills, such as commercial, analytical and project delivery skills, across government. However, with most current permanent secretaries having risen to the top via policy- or economics-focused careers, it is clear more needs to be done to diversify pathways to the most senior roles through other professions.

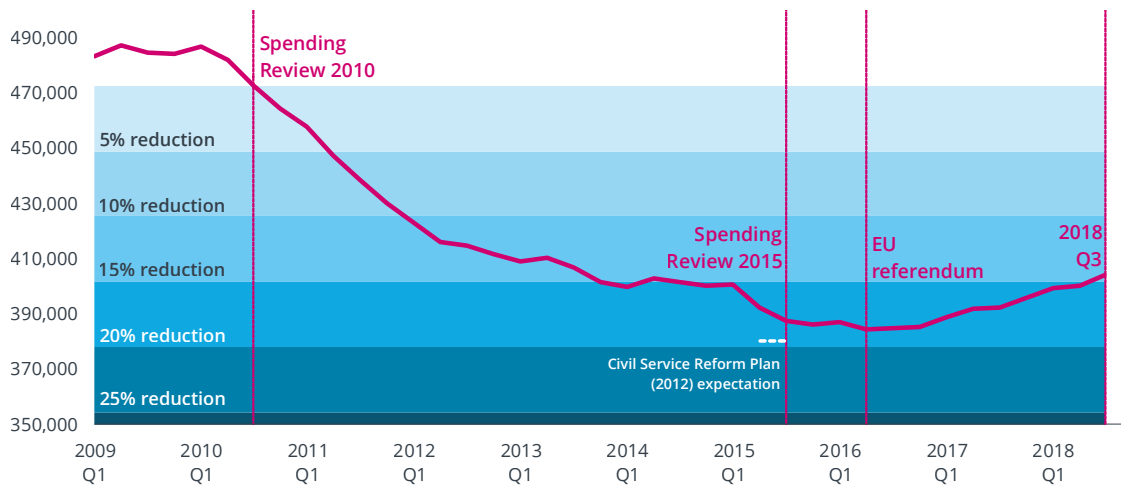
The civil service continues to suffer from excessive turnover. In the past year some departments – including the Treasury – lost two in every five of their civil servants either to other departments or to roles outside the civil service.

### Further analysis

[www.instituteforgovernment.org.uk/civilservice](http://www.instituteforgovernment.org.uk/civilservice)

## Civil service staff numbers have risen every quarter since the EU referendum

Figure 2.1 Civil service staff numbers (full-time equivalent), March 2009 to September 2018

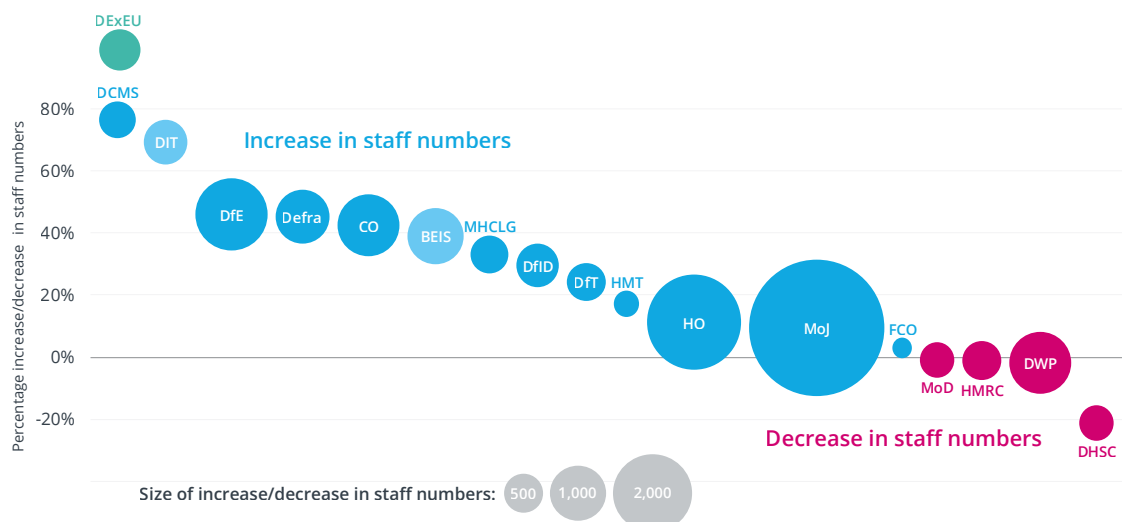


Source: Institute for Government analysis of ONS, Public Sector Employment (table 9), Q1 2009 to Q3 2018.

There were 404,160 civil servants in September 2018, nearly 20,000 more than in June 2016.

Numbers fell by nearly a fifth between the 2010 Spending Review and June 2016, from 472,550 to 384,260, although they never quite met the expectation set out in the 2012 Civil Service Reform Plan, that numbers would drop to 380,000 by 2015.<sup>1</sup> Staff levels have increased in every one of the nine quarters since the referendum as the civil service prepares for Brexit. This is the equivalent of one in every five of the job cuts made between 2010 and the referendum being reversed.

Figure 2.2 Change in departmental staff numbers since the EU referendum (up to September 2018, full-time equivalent)



Change for DfT and BEIS is since Q4 2016 (the first quarter of available data). Percentage change is not calculated for DExEU due to it being a new department, and the bubble represents the size of the whole department.

Source: Institute for Government analysis of ONS, Public Sector Employment (table 9), Q2 2016 to Q3 2018.

Unsurprisingly, many of those new hires have been made by the departments most affected by Brexit:

- Numbers are up by nearly 70% at DIT (630 staff).
- Staff numbers at Defra, one of the departments most affected by Brexit,<sup>2</sup> have increased by 45% (960 staff). Defra has added staff in every quarter since the referendum, having cut numbers by a third between 2010 and June 2016.
- The workforce of BEIS, estimated by the National Audit Office (NAO) to have more Brexit-related workstreams than any other department,<sup>3</sup> is up nearly 40% (1,020 staff).
- At DCMS, fourth on the NAO's list of the departments with the most Brexit workstreams, numbers are up by over 75% (460 staff). DCMS is also staffing-up to cover the expansion of its remit to include issues such as the digital economy.<sup>4</sup>

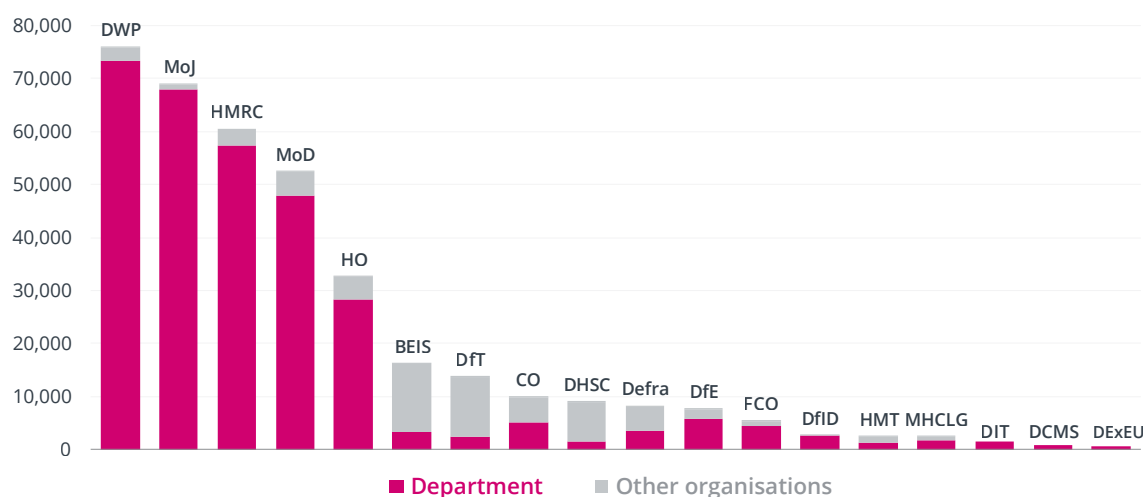
Although total numbers of staff have fallen since 2016 at Her Majesty's Revenue and Customs (HMRC), the department says it has hired 2,300 extra civil servants to deal with Brexit.<sup>5</sup> These increases may be obscured by staff cuts elsewhere in the third-largest government department.<sup>6</sup>

It is impossible to know exactly how many civil servants are working directly on Brexit. In August 2018, the then Brexit Secretary, Dominic Raab, put the number at 7,000, with funding available for 9,000 more.<sup>7</sup> In December 2018, civil service chief executive, John Manzoni, told the Public Administration and Constitutional Affairs Committee that 10,000 civil servants were working on Brexit, with up to 5,000 more 'in the pipeline'; a few days later it emerged 600 civil servants at the Department for International Development (DfID) might be redeployed elsewhere in Whitehall. Reports in January 2019 suggest up to 4,000 civil servants from five departments will move to new roles to prepare for a no-deal Brexit.<sup>8</sup> The Treasury estimates that a third of its staff are working on Brexit.<sup>9</sup> Further increases are likely in other departments, especially in the case of a no-deal Brexit; the permanent secretary of HMRC told Parliament that the 2,300 extra staff already recruited could rise to 5,300 in such a scenario.<sup>10</sup>

Staff numbers have not risen everywhere. The Department of Health and Social Care (DHSC) stands out for having had a 20% fall (400 staff) in headcount since the referendum, and a fall of more than 40% since 2010. This is largely the result of a redundancy round in late 2016, even though the NAO estimates that it has the third-largest number of Brexit workstreams.

Not all rises in staff numbers are due to Brexit. Increases at the Ministry of Justice (MoJ) – the largest absolute increase since the referendum (6,000) – are partly because of the recruitment of more prison officers, following years of cuts and rising violence in prisons.<sup>11</sup> The third-largest percentage increase (nearly 46%, 1,700 staff) has been at the Department for Education (DfE), which is likely to be due to its changing role. The academies programme has brought many schools out of local authority control and into a direct relationship with the department. The department is also recruiting in response to new priorities following machinery of government changes in summer 2016, when responsibility for higher and further education was transferred from BEIS. This increase is in addition to staff who transferred directly to DfE following this change (300 to DfE, and 640 who moved from the Skills Funding Agency to the Education and Skills Funding Agency).

Figure 2.3 **Civil service staff numbers (full-time equivalent) by department (including other organisations), September 2018**



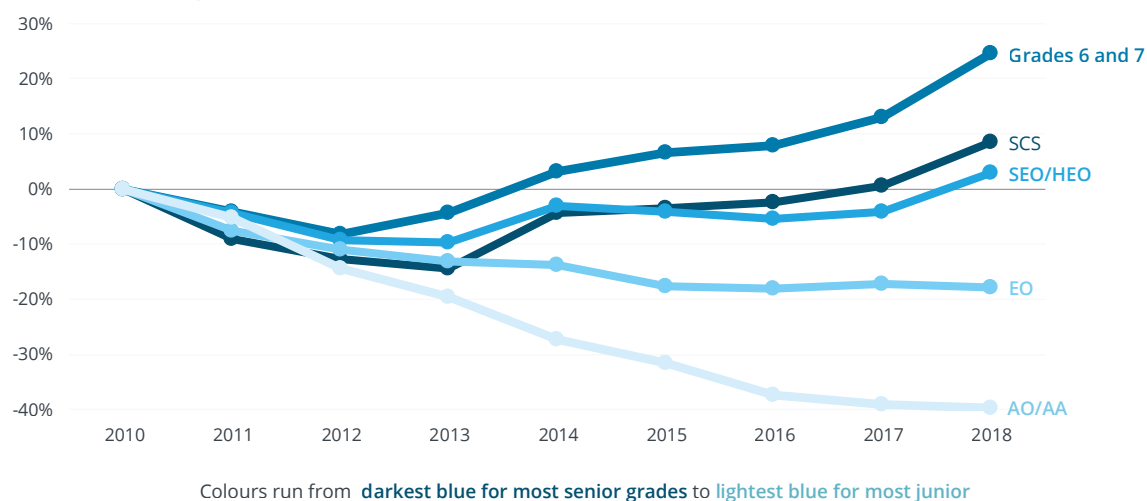
Source: Institute for Government analysis of ONS Public Sector Employment Data (table 9), Q3 2018. 'Other organisations' includes executive agencies, non-ministerial departments and Crown non-departmental public bodies.

The department dealing directly with Brexit, DExEU, remains the smallest, with around 690 staff. That number excludes civil servants in the Fast Stream, the Government's graduate recruitment programme, who are counted as part of the Cabinet Office<sup>12</sup> – as of October 2018, DExEU hosted 131 generalist Fast Streamers, more than any other department.<sup>13</sup>

Most departments are much smaller than the four largest delivery departments: the Department for Work and Pensions (DWP), MoJ, HMRC and the Ministry of Defence (MoD). These departments and their agencies account for nearly two thirds of the whole civil service (64%); when the next largest department, the Home Office, is added in, that figure rises to nearly three quarters (72%).

## More civil servants are in more senior grades as cuts continue at junior levels

Figure 2.4 **Percentage change in civil servants at each grade, 2010–18 (headcount, where known)**



Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2010–18. SCS includes civil servants at equivalent level.

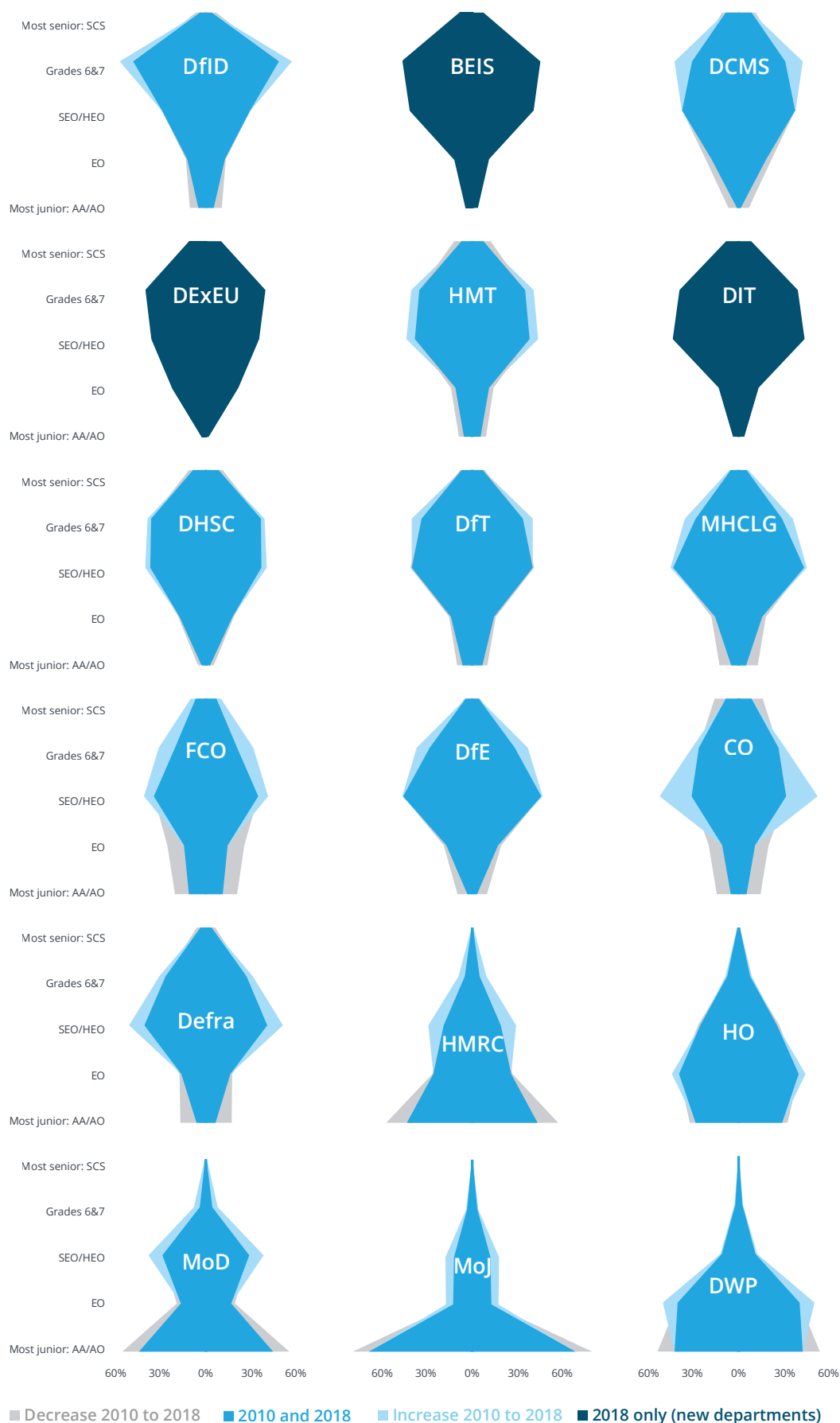
Staff numbers fell at all levels of seniority in the civil service between 2010 and 2012. Since then, the trends have been different at different grades.

There are now more civil servants than in 2010 in the senior civil service (and equivalent jobs, such as health professionals, military personnel and senior diplomats); in grades 6 and 7 (usually more experienced officials with significant policy responsibilities); and senior and higher executive officer level (SEO/HEO, officials with specific policy responsibilities). Although these numbers started bouncing back before 2016, the trend has been more pronounced since the referendum as departments – particularly those based in London and focused on policy – prepare for Brexit.

Only at the most junior levels – among administrative officers and assistants (AOs/AAs) – have cuts continued every year since 2010. Roles at this level include administrative support and operational delivery roles, such as prison officers. Taken with the increase in numbers at more senior levels, civil servants in AA/AO roles account for just over a third of all civil servants (36%) in 2018, down from nearly half (47%) in 2010. Cuts started again at the next level up (executive officer/EO) between 2017 and 2018.

In some cases, this may be due to the digitisation of public services. A lot of research in this area has noted that departments should begin by digitising labour-intensive, back-end processes.<sup>14</sup> Lin Homer, then the permanent secretary of HMRC, told the Public Accounts Committee in 2015 that “the numbers of the most basic of our jobs are reducing” and that “many departments are turning diamond shaped because of the impact of technology”.<sup>15</sup>

Figure 2.5 **Grade composition by department, 2010–18 (percentage of staff at each grade, headcount)**



Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2010–18. Ordered by percentage of SCS and grade 6 and 7 civil servants. SCS includes civil servants at equivalent level.

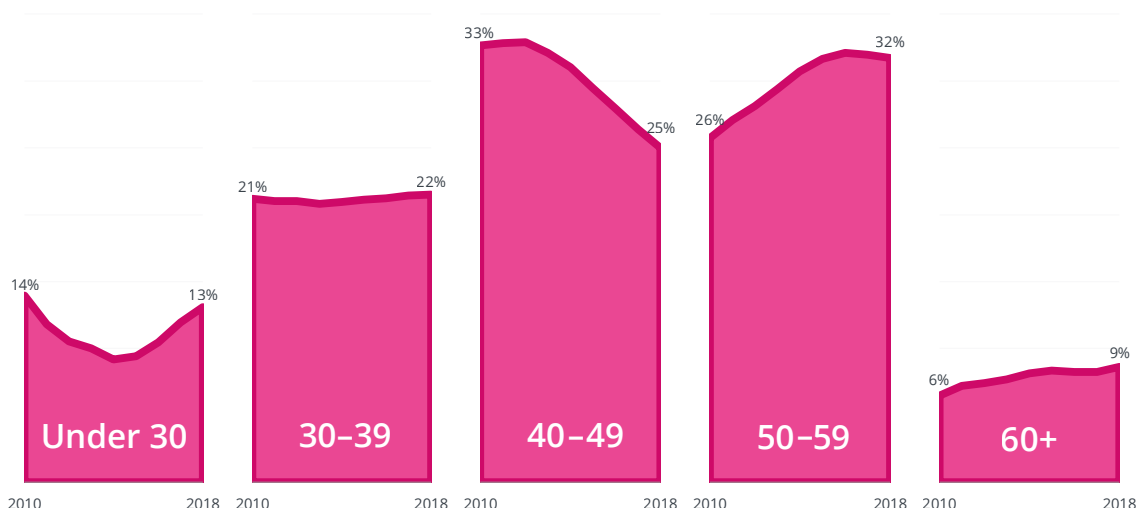


These overall trends mean that, in most departments, a larger percentage of the workforce is in senior grades now compared to 2010. This is true at more policy-oriented departments – their shapes being variations on kites, coffins or funnels, such as DfID, BEIS and DCMS – but also at delivery departments, including the domes and pyramids of HMRC and MoD.

Some departments are increasingly resembling diamonds in their grade profile, such as Defra and the Cabinet Office. At the latter, this is largely due to the department taking over responsibility for Fast Streamers, who enter at higher executive officer level (they were previously counted under HMRC).

## The civil service is hiring younger staff again – but over-50s still predominate

Figure 2.6 **Percentage of civil servants in each age group, 2010–18 (headcount, where known)**



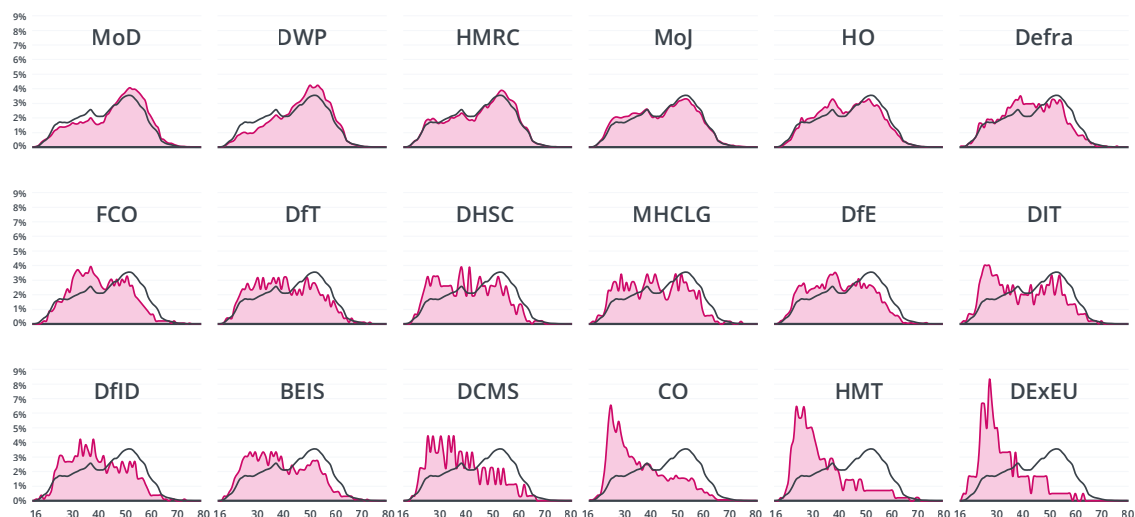
Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2010–18.

Although the effects of age are understudied compared to other measures of diversity,<sup>16</sup> older workforces may face problems related to bringing in new skills and losing experience and expertise as people retire; in younger workforces, there is likely to be a higher turnover of staff.

In recent years, there were very few younger civil servants entering departments. As the civil service froze recruitment to reduce numbers from 2010, the percentage of people aged under 30 fell from 14% to a low of 9% in 2014. But as those freezes have thawed, younger people have been hired again – 13% of all civil servants are now under the age of 30 – bringing new skills and perspectives.

Nonetheless, those aged over 50 continue to make up the bulk of the civil service – 41% in 2018, up from 32% in 2010. The 40 to 49 age group has been particularly squeezed: they made up a third of the civil service in 2010, but represent only a quarter now. The median age is 46, up from 44 in 2010 (although the younger recent hires have brought it down from 47 in 2015 and 2016).

Figure 2.7 **Civil service age distribution – departments against whole civil service profile, 2018**

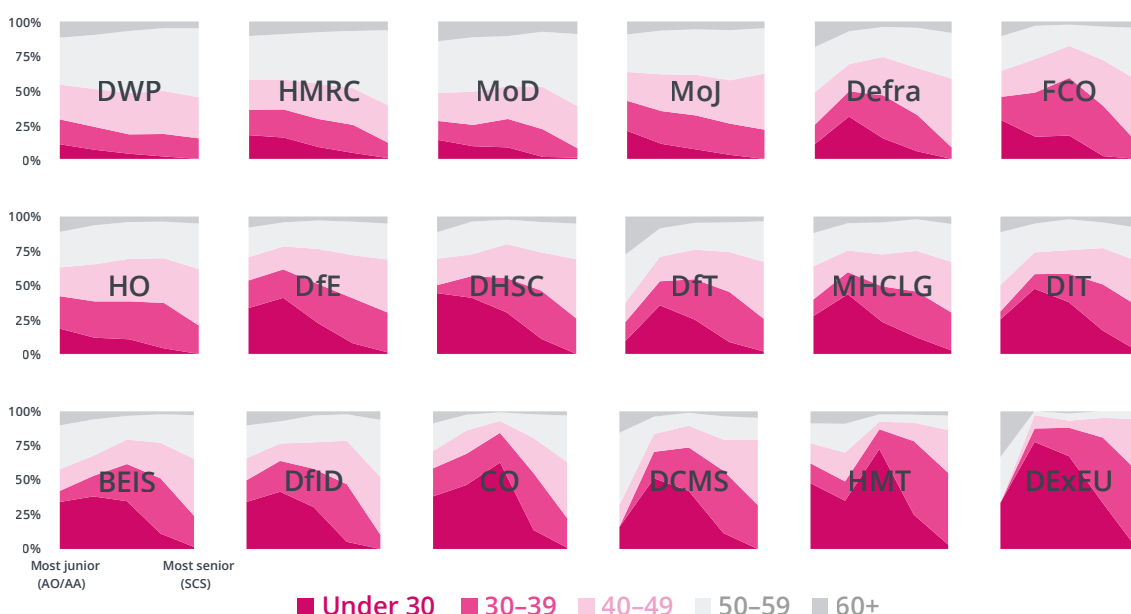


Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2018. Approximate due to rounding.

Departments have very different age profiles, some of them facing the problems of ageing and others the perils of youth. The size of the big delivery departments – MoD, DWP, HMRC, MoJ and the Home Office, which employ nearly three quarters of all civil servants – means that their age profiles drive the age profile of the whole civil service. Their workforces are getting older.

However, other departments – most obviously DCMS, the Cabinet Office, the Treasury and DExEU – have much younger staff. These departments (and BEIS, DfID and DIT) have median ages under 40.

Figure 2.8 **Age of civil servants by grade, 2018 (percentage of staff at each age/grade – headcount)**

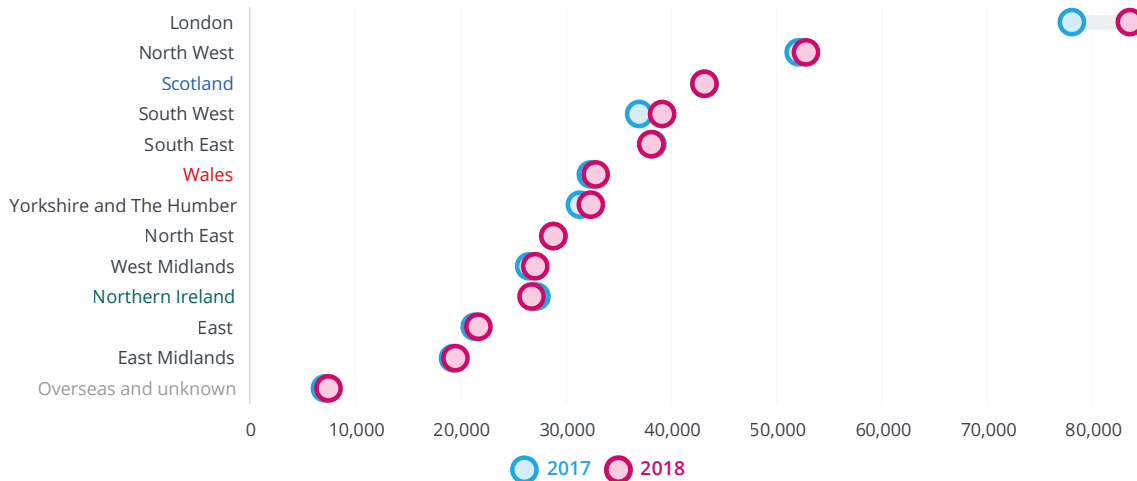


Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2018. Ordered by over-50s in SCS (and equivalent) and in grades 6 and 7.

These trends are reflected at all levels of seniority. The big delivery departments are older at more senior grades – more than half of senior civil servants at MoD, HMRC and DWP are over the age of 50, and the percentage under 30 tends to decline with every step up in seniority. By contrast, more than half of all senior civil servants at DExEU and the Treasury are under the age of 40, and the percentage is even higher at grades 6 and 7, the next grade band down.

## More of the civil service is based in London now than in 2017

Figure 2.9 Number of civil servants in each region, 2017 and 2018 (headcount)

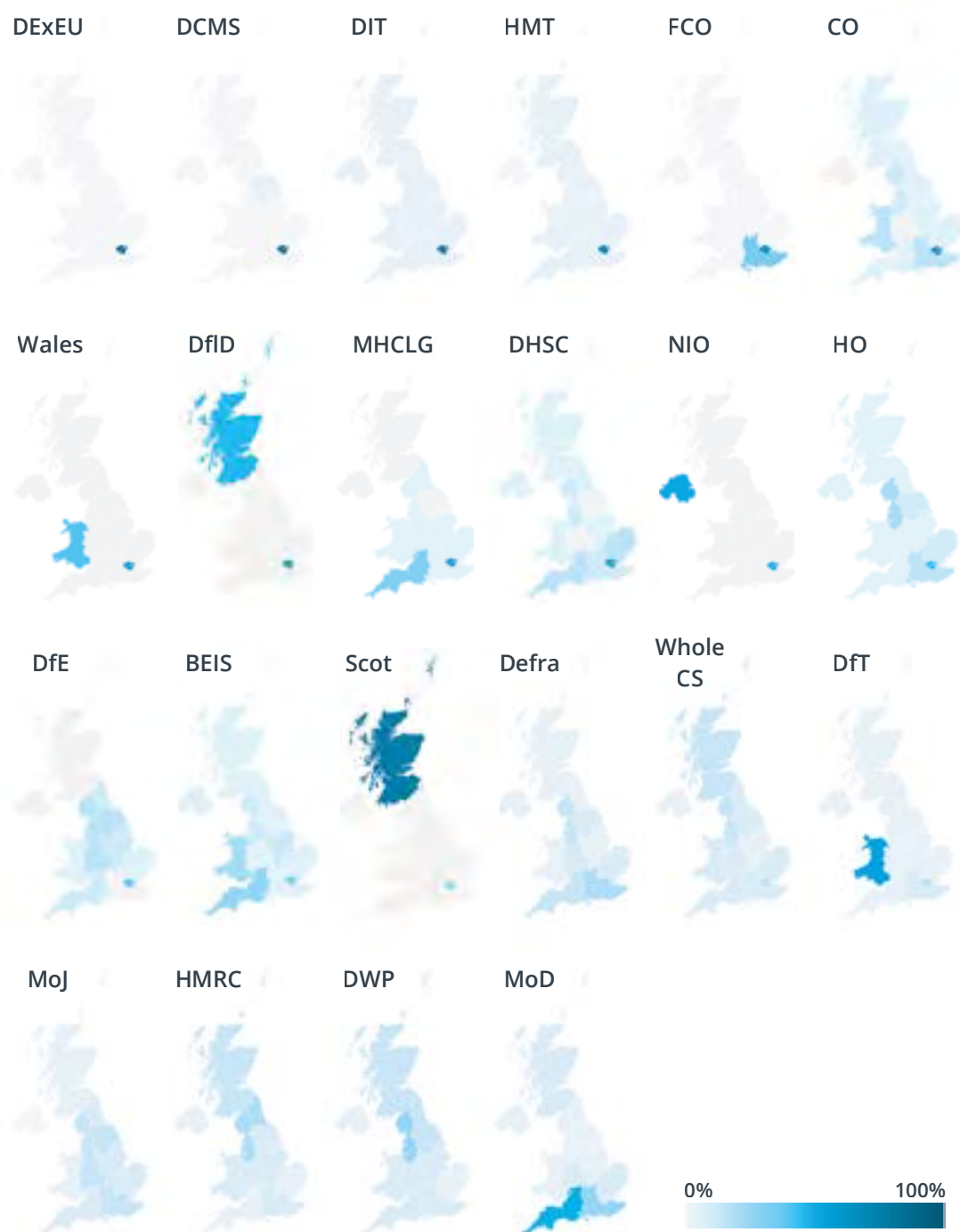


Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2017 and 2018; NISRA, Northern Ireland Civil Service Employment Statistics, 2017 and 2018. Northern Ireland includes Home Civil Service and Northern Ireland Civil Service.

Governments have long pledged to move more civil servants out of London, and this has sometimes happened (for example, the Office for National Statistics moved most of its staff to Newport).<sup>17</sup> The 2017 Conservative Party manifesto and the 2018 Government Estate Strategy are the latest documents to make such pledges, the latter promising “a major, long-term programme which will move many organisations and thousands of jobs, including a full range of professions and senior grades, over the next 12 years”.<sup>18</sup>

However, the opposite has happened over the past year. There are now 83,530 civil servants based in London, one fifth of the total and an increase of around 5,000 since 2017. This increase owes much to Brexit, with Whitehall departments staffing-up in preparation for leaving the EU.

Figure 2.10 **Location of civil servants by departmental group, 2018 (percentage of staff in each region, headcount)**



Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2018. Ordered by highest percentage of staff in London to lowest. Departments include their civil service-staffed public bodies.

Some policy departments have no or virtually no civil service presence outside London, either in the department itself or its civil service-staffed public bodies (DExEU, DCMS, DIT, the Treasury).

Other departments have a wider geographical spread largely because of their public bodies, such as the Department for Transport (DfT, with the Driver and Vehicle Licensing Agency in Swansea), or the Ministry of Housing, Communities and Local Government (MHCLG, with the Planning Inspectorate in Bristol).

Others have core functions based around the country. These include the big delivery departments – Home Office, MoJ, HMRC, DWP and MoD – but also DfID, which has a large presence in East Kilbride. The dispersal of delivery departments around the UK means that some combination of the biggest five – the Home Office, MoJ, HMRC, DWP and MoD – are in the top three civil service employers in every region except Northern Ireland (where the Northern Ireland Civil Service is by far the biggest), Scotland (where the Scottish Government is the largest) and Wales (where DfT is top and the Welsh Government third).<sup>19</sup>

**Figure 2.11 Location of civil servants by grade, 2018 (percentage of grade in each region, headcount)**

Region	Whole Civil Service	AO/AA	EO	SEO/HEO	Grades 6 & 7	SCS
London	20%	9%	17%	26%	45%	67%
South West	9%	8%	7%	13%	11%	6%
Scotland	10%	12%	11%	9%	7%	5%
Wales	8%	9%	7%	7%	6%	5%
West Midlands	6%	7%	7%	6%	4%	3%
North West	12%	15%	14%	10%	7%	3%
Yorkshire and The Humber	8%	8%	9%	7%	6%	3%
South East	9%	10%	10%	9%	6%	3%
East	5%	6%	6%	5%	3%	2%
North East	7%	10%	6%	5%	3%	2%
East Midlands	5%	6%	5%	4%	3%	1%
Northern Ireland	1%	1%	1%	1%	0%	0%

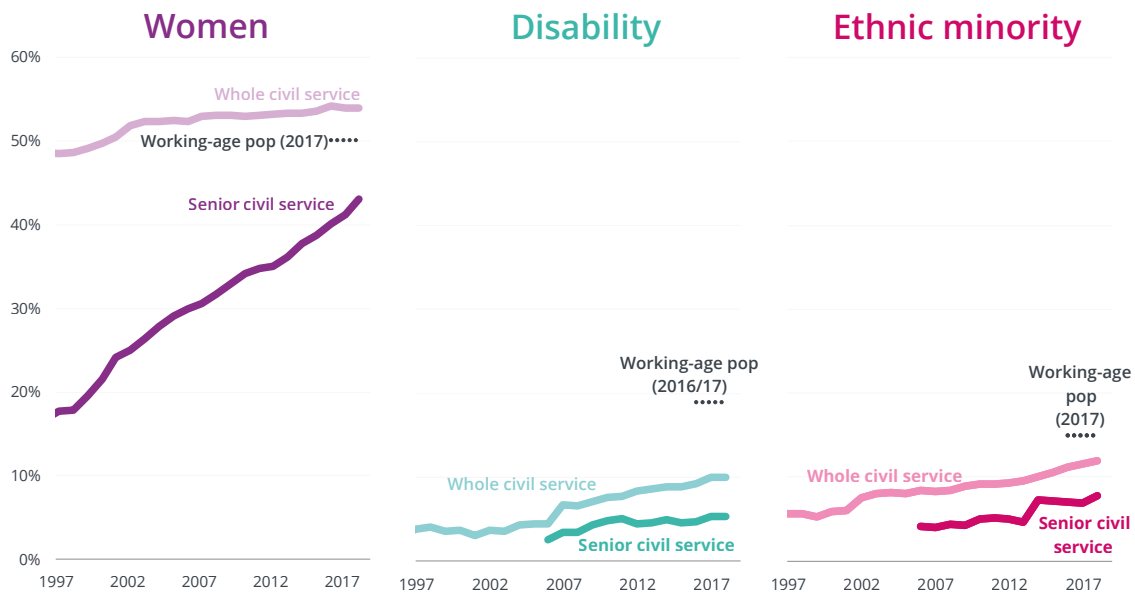
Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2018. SCS includes equivalent grades.

This pattern – policy departments being more concentrated in London, delivery ones having a large presence across the country – also means that outside London government tends to employ a higher percentage of junior civil servants, while the most senior jobs remain overwhelmingly based in the capital. Two thirds of all senior civil servants and nearly half of all grades 6 and 7 are based in London. Meanwhile the north-west of England – which hosts 12% of the civil service, the most outside London – has only 3% of all senior civil servants and 7% of grades 6 and 7; by contrast, it has 15% of all AOs and AAs, the most junior grades.

Taken together, those civil servants joining after the referendum – ‘Generation Brex’ – are more concentrated at more senior levels, younger, and more London-based as cuts continue at administrative levels while departments in Whitehall hire more staff in preparation for Brexit.

## Diversity is improving

Figure 2.12 Diversity in the civil service, 1997–2018 (headcount)



Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 1997–2017; Cabinet Office, SCS database, 1996–2006; ONS, Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland, mid-2017; DWP, Family Resources Survey, 2016/17; Cabinet Office, Ethnicity Facts and Figures: Employment, September 2018.

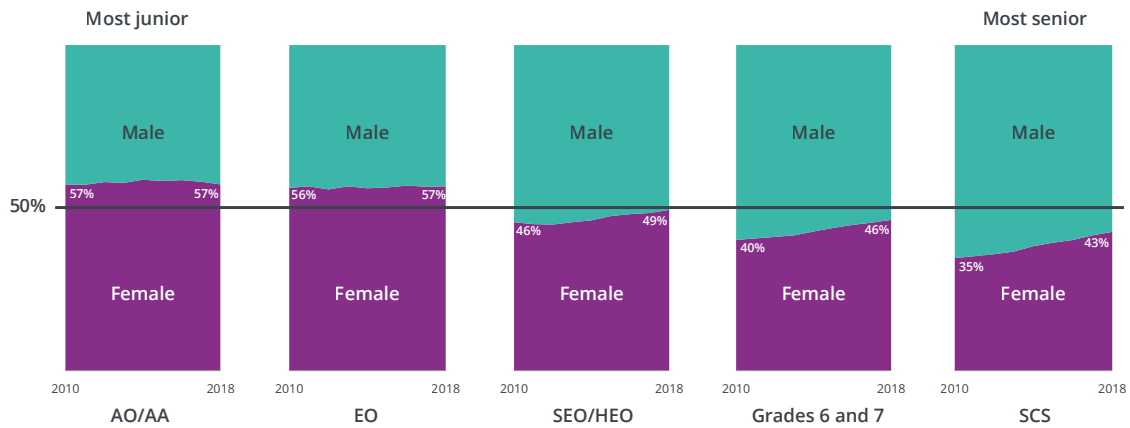
“When people from diverse backgrounds are involved in creating the public services we all rely on, we get better services that work for everyone.”<sup>20</sup> The civil service’s own diversity and inclusion strategy, published in late 2017, clearly states that a more diverse civil service is a more effective civil service, and sets the ambition of becoming the most inclusive employer in the UK by 2020.<sup>21</sup> It promises transparency in and accountability for its objectives, including a pledge to launch a diversity and inclusion dashboard (which it has done)<sup>22</sup> and targets for the flow of new entrants into the senior civil service. It also promises data on socio-economic background for the first time by 2020, something the Institute for Government has called for and hopes to be able to analyse soon.<sup>23</sup>

Diversity was one of the late Lord (Jeremy) Heywood’s priorities as Cabinet Secretary – a new foundation in his memory will promote diversity and innovation in the civil service.<sup>24</sup> Even before the 2017 strategy was launched, a range of initiatives – the Talent Action Plan, diversity champions at senior levels, diversity objectives for permanent secretaries – had been introduced with the same aim.

The civil service is more diverse now than in 2010 on three key measures: gender, ethnicity and disability. However, despite improvement, percentages of female, ethnic minority and disabled civil servants are lower at senior level than across the civil service as a whole. The percentage of ethnic minority and disabled civil servants across the whole civil service is lower than across the working population.

The percentage of senior civil servants from an ethnic minority has risen from just under 5% in 2010 to nearly 8% in 2018 (of those who declared their ethnicity), but progress has plateaued since 2014. Only 5.4% of those senior civil servants declaring their disability status are disabled, hardly any change on 2010 (4.8%).

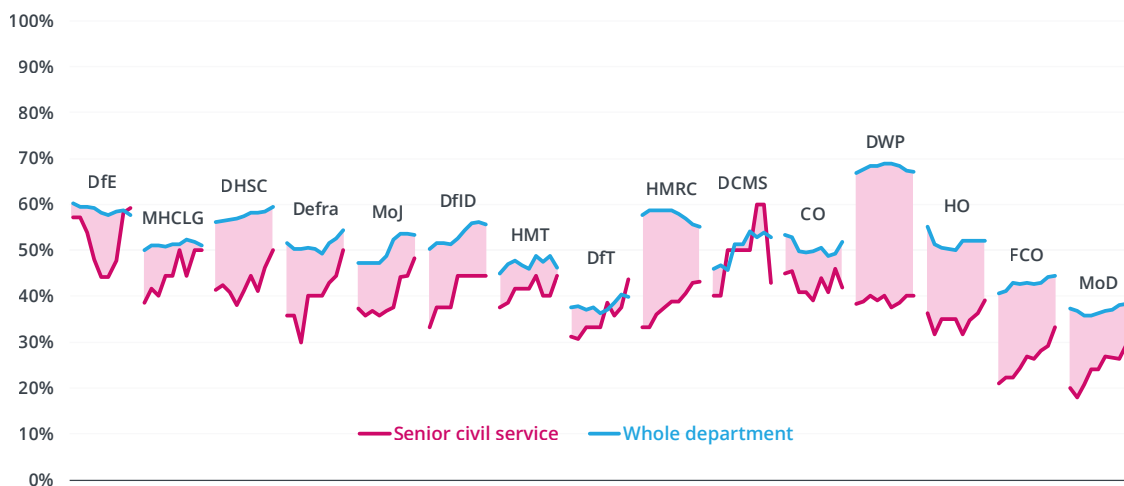
Figure 2.13 **Gender balance of each civil service grade, 2010–18 (headcount)**



Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2018. SCS figure includes civil servants at equivalent SCS level.

Progress is more obvious on gender balance in the senior civil service. In 2018, 43% of all senior civil servants, roughly three in every seven, are women, the highest-ever level, and up eight points since 2010. There has also been a marked increase at grades 6 and 7, the pipeline into the senior civil service – from 40% in 2010 to 46% in 2018. But there is a smaller percentage of women with every step up in seniority. At the very highest level, only five of the 18 main departments are led by female permanent secretaries (DCMS, Defra, DfT, MHCLG, DIT), down from a high of eight (for half a week) in March 2011 – and Dame Sue Owen is due to step down as DCMS permanent secretary in 2019. More positively, the permanent secretaries of the Scottish and Welsh governments are both women.

Figure 2.14 **Percentage of each department's workforce and SCS that are women, 2010–18 (headcount)**



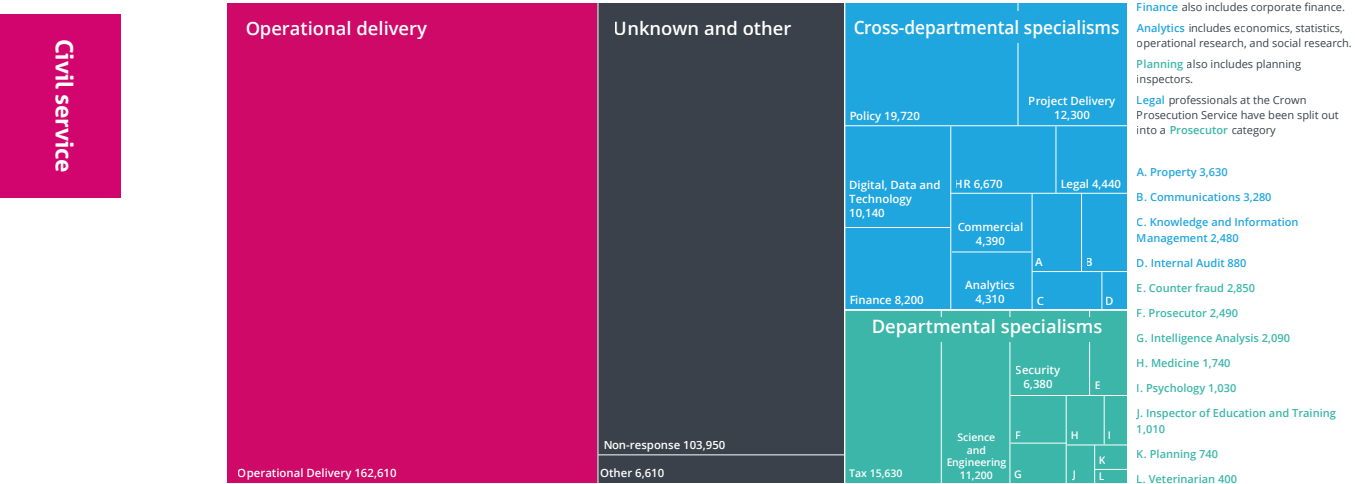
Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2010–18. SCS figure includes civil servants at equivalent SCS level.

The largest gap between women as a percentage of senior civil servants and as a percentage of all civil servants in a department is at DWP: just under 70% of its civil servants are women, but the figure falls to around 40% at senior level. This gap has been narrowing at most departments. Only DfE and DfT have a higher percentage of

women in the senior civil service than across the whole department. DCMS had previously been in that position – but over the past year, as staff numbers have increased, including the transfer of the Office for Civil Society from the Cabinet Office, its gender balance at senior level has tipped the other way.

### Most civil servants work in operational delivery

Figure 2.15 Professions of civil servants (full-time equivalent), 31 March 2018



Source: Institute for Government analysis of ONS, Annual Civil Service Statistics, 2018.

Civil servants work in 28 civil service professions, which fall into three broad groupings:

- **operational delivery**, which supports civil servants running “frontline services that citizens use, such as processing visas, passports and driving licences”<sup>25</sup>
- **cross-departmental specialisms** such as policy or project delivery, communications or human resources, which can be found in all or most departments
- **departmental specialisms**, which are unique to one or a handful of departments, such as tax at HMRC or veterinarians at Defra.

The largest profession is operational delivery, accounting for at least 41% of all civil servants. Unfortunately, the second-largest category is ‘Unknown and other’ – we currently do not know the profession of one in four civil servants.<sup>26</sup> This is exactly the workforce management information departments should be using to understand their existing capabilities, and what skills they need to deliver their priorities. Instead, professions data is patchy rather than at the fingertips of those in charge.

Of the cross-departmental specialisms, which together account for at least one fifth of the civil service, the largest (all more than 10,000 staff) are policy, project delivery and data, digital and technology. The largest departmental specialisms are tax (all at HMRC, save a handful at DfID) and science and engineering (more than half of whom work at MoD, followed by DHSC and Defra).

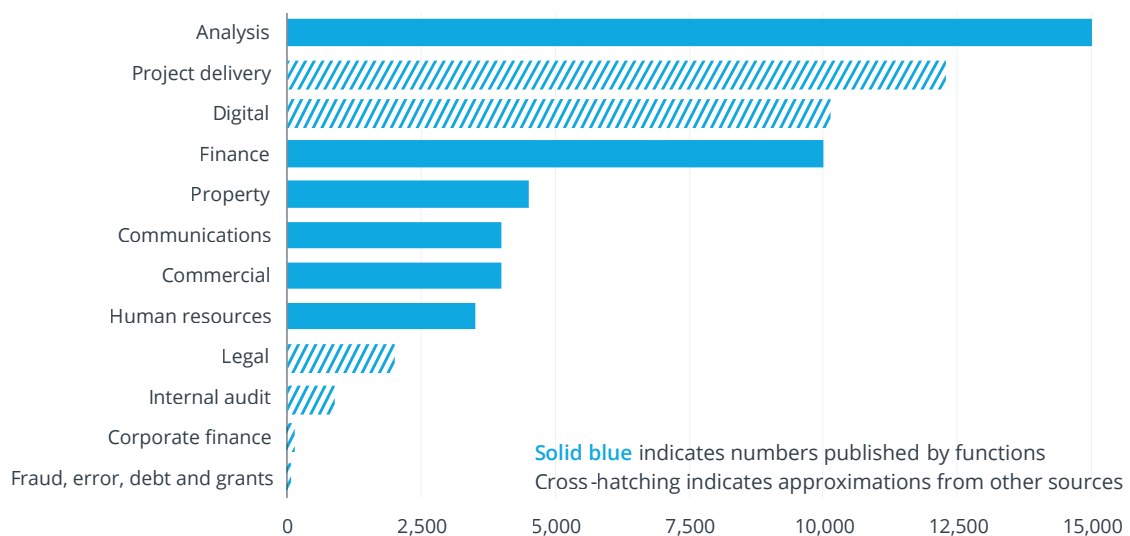
Since 2013, the civil service has attempted to strengthen and professionalise key activities across the whole of government, allowing expertise to be shared across departments and ensuring it has the specialist skills to deliver the Government’s priorities.



At the highest level, sitting above the professions, are 12 cross-government 'functions'. The functional delivery model is designed to:

... [ensure] a consistent approach to delivering against key government priorities through, for example, better financial management, commercial procurement, and project and programme delivery. Functions deliver a defined and cross-cutting set of services to departments, and the civil service as a whole. Each function is accountable for setting cross-government strategies, delivering expert advice, developing professional capabilities, and setting and assuring standards.<sup>27</sup>

Figure 2.16 **Size of different civil service functions (headcount, approximate)**



Source: Institute for Government analysis of sources including pages on specific functions via <https://www.gov.uk/government/organisations/civil-service/about#functional-model>; ONS, Annual Civil Service Employment Survey, 2018; and correspondence with individual functions. In some cases we have used the figure for a similar profession from the ONS as an approximation. Larger estimates exist for the digital, data and technology profession (17,000) but we have used the latest ONS ACSES numbers.

The Institute for Government has been very supportive of this agenda. One recommendation from our previous work<sup>28</sup> is that the Civil Service Board – which “is responsible for the strategic leadership of the civil service, to make sure it works as a coherent and effective whole” – should have more of a balance between permanent secretaries and heads of specialism (heads of profession or function). Representation at the top table 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 they need.<sup>29</sup>

Figure 2.17 **Membership of the Civil Service Board, as of 11 January 2019**

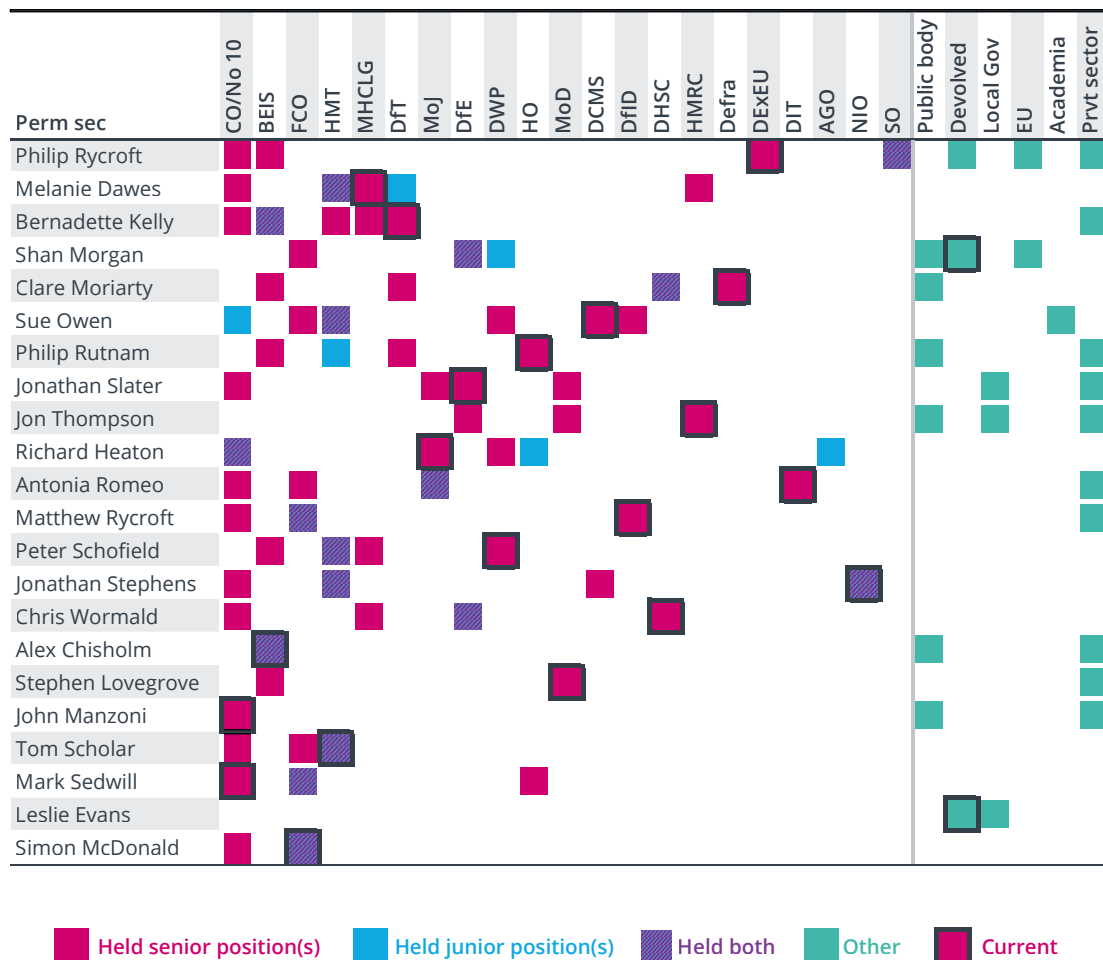
Members	Cabinet Secretary	Permanent Secretary	Cross-Government Head of Specialism
Sedwill (CO)			
Manzoni (CO)			
Dawes (MHCLG)			
Evans (Scottish Govt)			
Heaton (MoJ)			
Lovegrove (MoD)			
McDonald (FCO)			
Moriarty (Defra)			
Owen (DCMS)			
Rutnam (HO)			
Schofield (DWP)			
Scholar (HMT)			
Thompson (HMRC)			Operational delivery
Wormald (DHSC)			Policy

Source: Institute for Government analysis of <https://www.gov.uk/government/organisations/civil-service-board> and correspondence with Cabinet Office.

A year on, only two specialisms are represented, and then only because the specialists concerned are also permanent secretaries: Chris Wormald at DHSC is also head of the policy profession, while Jon Thompson at HMRC is also head of the operational delivery profession. Key figures, such as the chief people officer, Rupert McNeil, or the head of the digital, data and technology function, Kevin Cunnington, remain unrepresented (although McNeil has access to board papers and provides input).<sup>30</sup> There has been some progress in bringing specialists into leadership groups of individual departments: for example, at the Home Office, DExEU and the Foreign Office, specialists have joined executive team meetings, which previously tended to be dominated by policy experts. The civil service has also sought to include specialists in other ways, notably through membership of finance boards.

## Policy and economics are still the most common paths to the very top

Figure 2.18 Which departments permanent secretaries have held positions in, as of December 2018

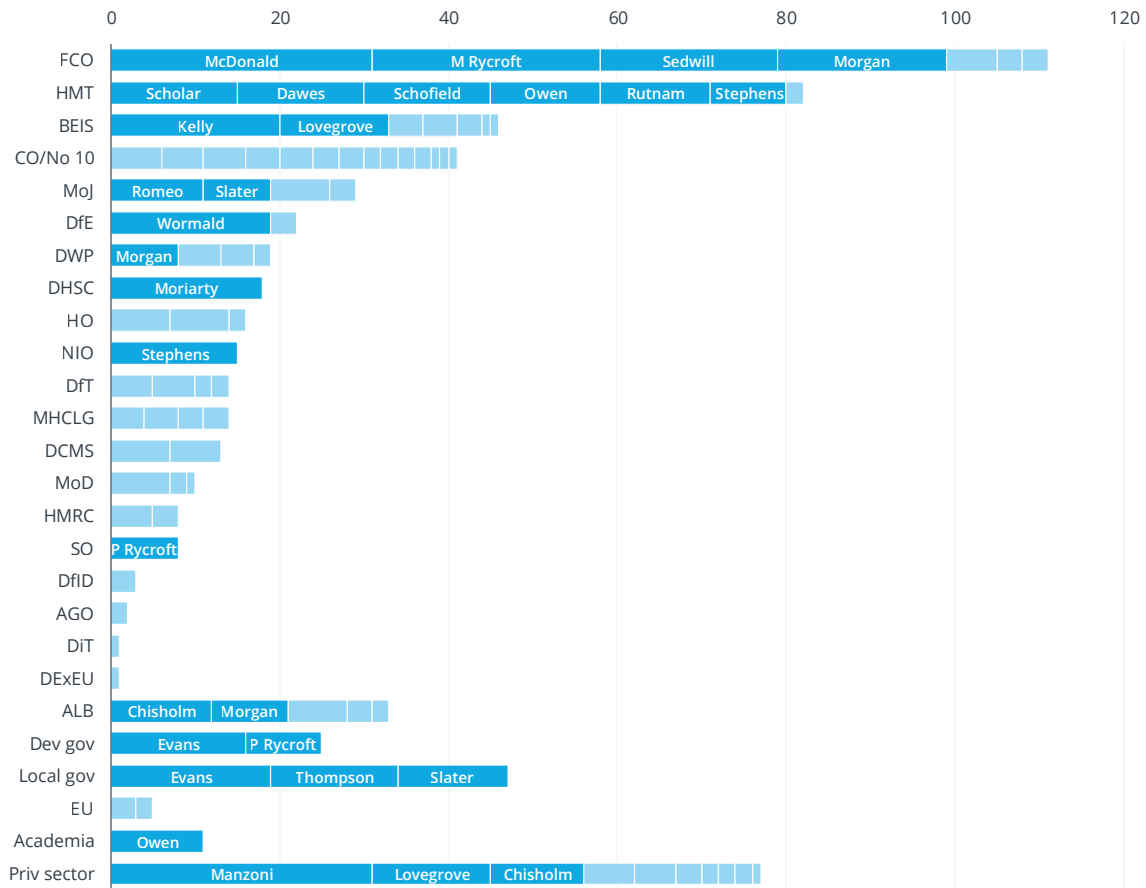


Source: Institute for Government analysis of sources including GOV.UK and Civil Service Yearbooks.

Another way of ensuring that all specialisms are represented at the highest level of the civil service is to have career paths there from all professions, and from a mix of departments. The rise of permanent secretaries, in particular, can provide role models and inspiration, as well as allowing the agenda to be set from the top of departments.

Of the 22 people who currently lead departments in Whitehall and the devolved governments of Scotland and Wales – including the Cabinet Secretary, Sir Mark Sedwill – 14 have spent part of their career in the Cabinet Office or 10 Downing Street, some way ahead of the next three departments most trodden on the path to the top: BEIS and its predecessors, the Foreign Office and the Treasury (seven).

Figure 2.19 **Years spent by current permanent secretaries in departments, excluding current role**



Darker blue shows permanent secretaries who have spent eight years or more in a department

Source: Institute for Government analysis of sources including GOV.UK and Civil Service Yearbooks.

Those stints at the Cabinet Office and Downing Street have tended to be relatively short – on average, no more than three years – suggesting it may be a necessary staging post to the very top. By contrast, permanent secretaries who have passed through the Foreign Office have tended to stay longer and gone on to senior jobs in departments dominated by foreign policy (its current permanent secretary, Sir Simon McDonald, and DfID's Matthew Rycroft, for example).

The Institute for Government's *Professionalising Whitehall* work shows that most permanent secretaries still come from a policy and analytics background.<sup>31</sup> Thirteen have served in private office – the part of a department directly supporting ministers – at some point. The late Lord Heywood spent 10 years as a private secretary, including to the Prime Minister and Chancellor of the Exchequer.

Permanent secretaries who have experience in other professional areas, such as operational delivery or finance, remain the exception. Jon Thompson is often singled out; now at HMRC, he has previously worked at the MoD, in local government, the private sector and Ofsted, in a range of finance and operational roles.

Private sector experience is similarly limited. While Alex Chisholm, Stephen Lovegrove and John Manzoni have a total of 54 years of private sector experience between them, the other 19 permanent secretaries have just 20 years' combined experience. Twelve have never worked in the private sector.

## Turnover of civil servants is a serious problem

Turnover of civil servants – whether leaving and entering the civil service, moving between departments or moving between different jobs within a department – has long been considered a problem in Whitehall. In his landmark 1968 report on the civil service, Lord Fulton complained: “It cannot make for the efficient despatch of public business when key men rarely stay in one job longer than two or three years before being moved to some other post, often in a very different area of government activity.”<sup>32</sup>

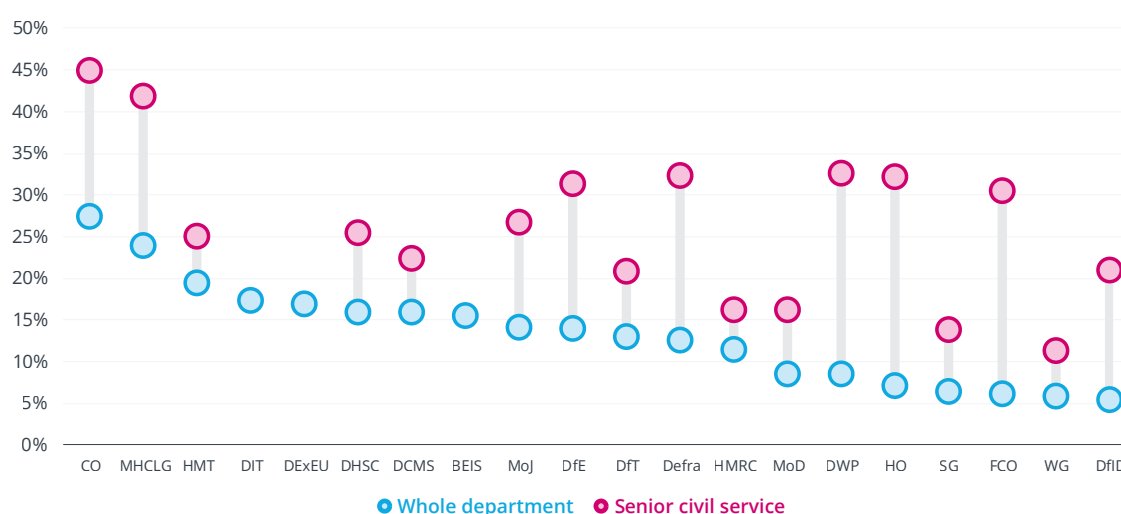
Although civil servants leave the civil service altogether at an annual rate of 9%, lower than the comparable turnover rate in the private sector of 16.5%, this masks both the higher rates within particular departments and the impact of civil servants moving between departments.<sup>33</sup>

A recent Institute for Government report argues that excessive turnover creates four key problems:

- It is expensive – through recruitment, training and lost productivity, excessive turnover costs Whitehall between £36 million and £74 million each year.
- It harms government’s ability to make policy, as knowledge and expertise is lost.
- It disrupts the delivery of major projects (for example, Universal Credit once had five senior responsible owners in a single year).<sup>34</sup>
- Excessive churn in the Treasury makes it harder to ensure public money is spent well, with spending review teams (which oversee departmental spending) particularly prone to high turnover.<sup>35</sup>

Rather than encouraging stability and expertise, the civil service incentivises people to move around in order to get promoted.

Figure 2.20 **Percentage of all civil servants and senior civil servants who left the department, 2017/18**



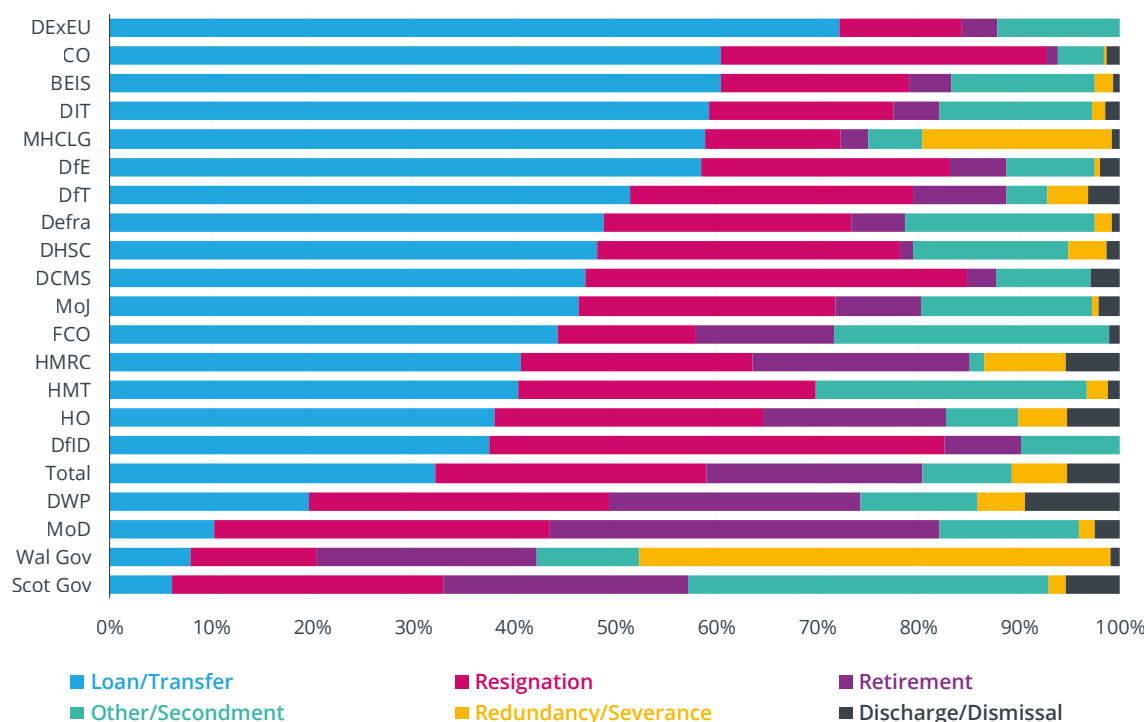
Source: Institute for Government analysis of data provided by the Cabinet Office. No SCS data available for DIT, DExEU, BEIS. Cabinet Office excludes Fast Streamers.

The Cabinet Office has the highest turnover rate, with more than a quarter of civil servants leaving the department between March 2017 and March 2018. This is partly because of its different staffing model – it relies more on secondments from other departments, to ensure that departments and the centre of government work more effectively together. Close behind are MHCLG (losing a quarter of staff each year) and the Treasury (a fifth), with the two departments created to deal with Brexit, DIT (17.3%) and DExEU (16.9%) next up.

Across all departments, senior civil service tenure is, on average, just two years in post. The Cabinet Office (45%) and MHCLG (42%) had the highest rates of senior turnover between 2017 and 2018. Seven departments lost more than 30% of their senior civil servants.

These figures are for departments as a whole wherever civil servants are located. But average figures for each department can disguise the fact that the problem of high turnover is more acute in London, in policy teams and among officials working closely with ministers at the centre of government. For example, overall turnover at big delivery departments such as DWP and the Home Office is low – but turnover of the most senior officials is among the highest of all departments. Civil servants in London have a much greater choice of departments to move between to further their career. It remains to be seen whether the general move to regional hubs, with multiple departments having a presence in cities outside London, will reduce the problem or drive it elsewhere.

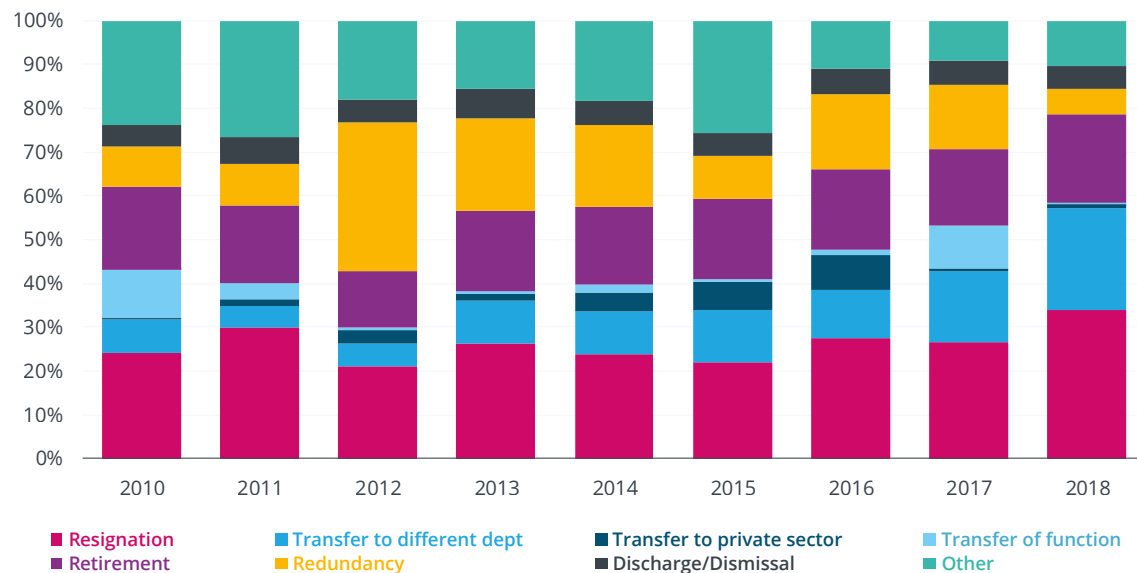
Figure 2.21 **Reasons for civil servants leaving departments, 2018**



Source: Institute for Government analysis of Office for National Statistics, Annual Civil Service Employment Survey, 2018.

Civil servants' reasons for leaving vary by department. In seven departments, loans or transfers to other parts of government account for more than half of all leavers. This includes the Cabinet Office (three in five) and DExEU, where nearly three quarters of leavers were loaned or transferred. In some cases, this might inject Brexit expertise into other departments, though still at the cost of some disruption to DExEU. The Welsh Government stands out in 2018 for nearly half of its leavers having been made redundant, and DWP for one in 10 being dismissed or discharged.

Figure 2.22 **Reasons for civil servants leaving their departments, 2010–18**



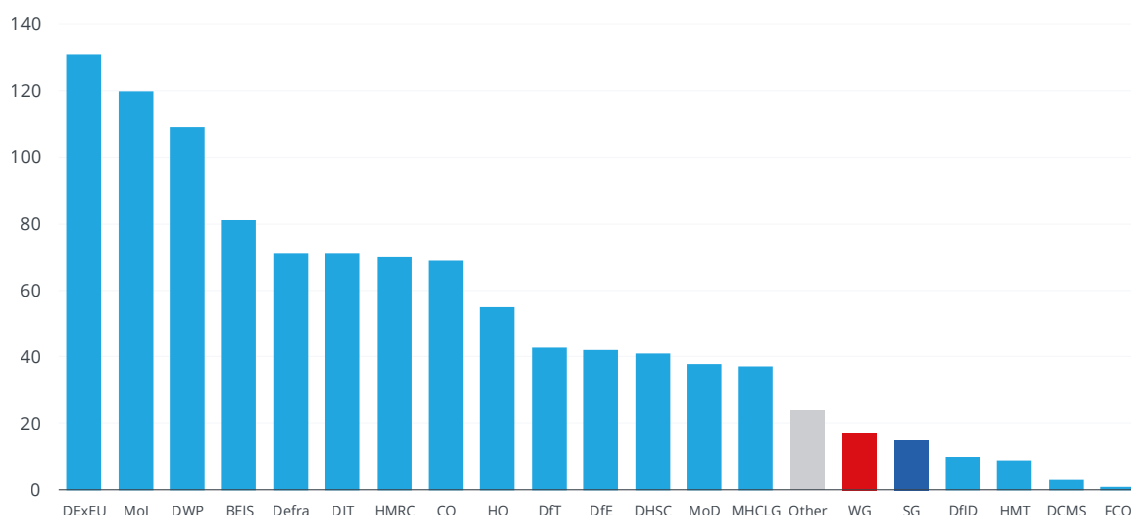
Source: Institute for Government analysis of Office for National Statistics, Annual Civil Service Employment Survey, 2018.

In every year since 2010, resignation from the civil service has accounted for between a fifth and a third of everyone leaving their post. It was the single biggest reason for leaving in every year except 2012, when redundancy was the main driver, at a time when civil service staff numbers were being cut.

In the past two years, the percentage of staff leaving to move to a different department has increased – in 2018, this accounted for nearly a quarter of all departures, suggesting problems of internal turnover may be increasing, partly due to departments new and old expanding in preparation for Brexit.

For the first time, we can also put a number on civil servants leaving because their role has been transferred to the private sector – more than 12,000 since 2010, including 3,500 in the year to March 2016 (8% of all leavers). Most of that 3,500 is explained by the Defence Support Group being sold to Babcock (2,000 civil servants), and some National Offender Management Service staff moving into the private sector (1,030) in 2015.<sup>36</sup> This number is still likely to be an underestimate, as former civil servants return on a consultancy or contract basis to perform similar jobs to the ones they held as state employees.

Figure 2.23 **Number of Fast Streamers by department, as of October 2018 (generalist scheme only)**



Source: Institute for Government analysis of data provided by the Cabinet Office. 'Other' includes AGO, Government Internal Audit Agency, Health and Safety Executive, Office for National Statistics, Ofsted, Public Health England, Valuation Office Agency. Note some departments, such as HMT, run their own graduate schemes. There are a number of specialist Fast Streams not included here.

The civil service could reduce internal turnover and improve retention through targeted pay progression and a more strategic approach to HR.<sup>37</sup> But most departments will still need to manage the turnover of staff created by Fast Stream graduate placements. At present, the Fast Stream programme consists of four placements of six months each. Given the relatively small number of Fast Streamers in most departments, the effects of turnover can probably be managed within individual teams. DExEU might need a more strategic approach: it hosts more Fast Streamers – around 130 – than any other department. This is equivalent to one fifth of the full-time staff of the department.

## Civil service morale remains high and satisfaction with pay and benefits has risen

Figure 2.24 **Civil Service People Survey – theme scores, 2009–18**



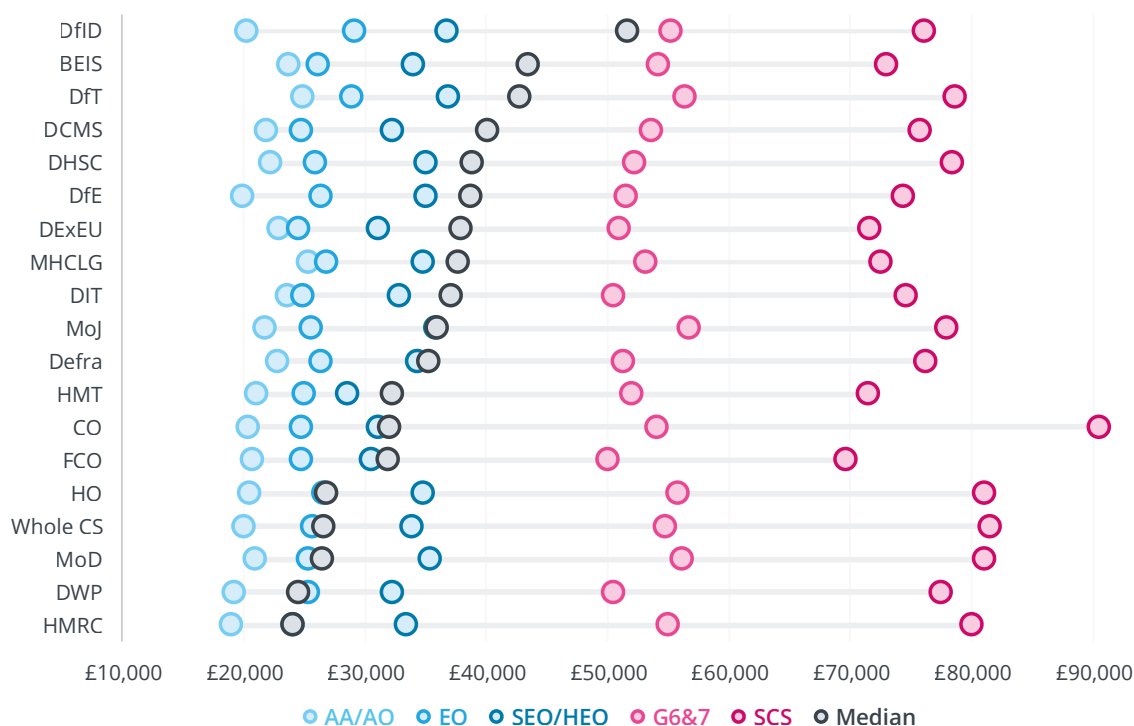
Source: Institute for Government analysis of Cabinet Office, Civil Service People Survey, 2009–18. Adjusted for changes to 'organisational objectives and purpose', 'resources and workload' and 'leadership and managing change' themes in 2017.



Staff morale is an important indicator of administrative health, and the civil service's overall engagement index score has increased over the past three years to its highest-ever level (62%). Some departments have much higher scores than others – the Treasury, DfID, the Foreign Office and DCMS on around 70%, HMRC on around 50% – but scores at most departments have risen in recent years, in spite of political challenges. This suggests that civil servants are getting on with, and remain happy in, their jobs day-to-day, and that civil service leaders are responding to the results of the survey and trying to improve their performance against it. An increase in morale may also reflect new joiners entering the civil service and its changing composition – administrative delivery staff tend to have lower engagement scores, and so the shift to a civil service with more staff at higher levels may be driving some of this increase.

Satisfaction is higher now than in 2009 across all but one of the themes, which range from how an individual's work fits into their organisation's objectives and purpose, to how their leadership is performing and managing change, to learning and development opportunities. The one exception is the lowest-scoring of all themes, pay and benefits (31%), which is down six points on 2009. However, the score has risen in recent years – up one point from 2017 and three points higher than its lowest ebb in 2014.

Figure 2.25 **Median pay by department and grade, 2018**



Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2018.

Average salaries vary considerably across Whitehall departments, with the highest median salary (DfID, £51,660) more than £27,000 above the lowest (HMRC, £24,030). This largely reflects the grade balance in different departments, with DfID having more London-based policy staff, and HMRC more delivery-focused staff around the country. The biggest range of median salaries at any grade occurs among the senior civil service, where average pay varies between £69,620 at the Foreign Office and £90,500 at the Cabinet Office.

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Civil service pay is broadly comparable to other parts of the public sector – median pay is £26,610 across the whole civil service, £81,490 for senior civil servants and £19,980 for the most junior grades. This compares with £19,971 for junior police constables and £85,614 for senior chief superintendents, while classroom teachers take home between £22,917 and £67,305, depending on their seniority and location.<sup>38</sup> Civil service pensions are generally regarded as “one of the most generous”.<sup>39</sup>

But whereas the lifting of the public sector pay cap could lead to rises of up to 3.5% for some workers, a civil service pay cap of between 1% and 1.5% remains in place.<sup>40</sup> Unions have already threatened strike action over the cap.<sup>41</sup> Given the additional problems of turnover, the Government will need to find other ways to hold on to staff as it embarks on the next stage of taking the UK out of the EU, and faces challenges in the delivery of public services.



## 3 Finances

Whitehall is preparing for the 2019 Spending Review. After almost a decade of spending being squeezed, the Chancellor has declared that “austerity is coming to an end”. There are some signs of this happening with new funding for the NHS announced last year, and more modest giveaways to other departments in the latest Budget. However, with the Government committed not to raise certain taxes, the spending restraint of recent years is likely to continue for much of the public sector.

The Chancellor appears likely to increase total departmental spending in the 2019 Spending Review. Most of this planned increase, however, is already earmarked for the NHS. With some other budgets also protected, including defence and international aid, it is likely that unprotected departments will be required to make further cuts.

These will come after a period of austerity. Spending has fallen in real terms in all but three departments since 2010. Administration budgets – which cover the running costs of departments – have been cut most significantly.

The Government is already finding it difficult to adhere to the spending settlement set out at the last spending review in 2015. Since then, several public services have struggled to meet rising demand (such as for health care) or absorb large spending cuts (such as in prisons), and departments have had to make the necessary preparations for Brexit. In response, the Chancellor has opened his cheque book to supplement departmental budgets.

### Further analysis

[www.instituteforgovernment.org.uk/finances](http://www.instituteforgovernment.org.uk/finances)

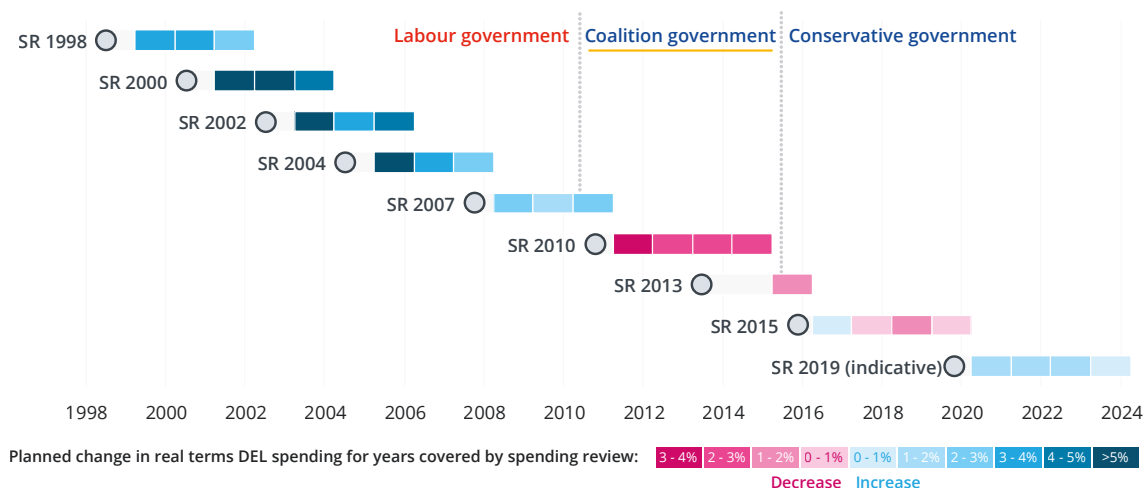
## Overall spending will go up

The Government will announce new departmental spending plans this year. This will determine how much money is available for public services and investment.

Since 1998, spending reviews have been an important part of the way government manages spending. They set out annual limits for each department – typically for three to four years – which give departments the certainty they need for medium-term planning. They are also an opportunity for the Government to set out its vision for the country and demonstrate how its policies and spending decisions support that.

It is not yet clear what period the next spending review will cover. It must extend at least to the 2020/21 financial year – the first year not covered by the 2015 Spending Review. It could cover a further three years, up to 2023/24.

Figure 3.1 **Spending reviews since 1998, with planned changes in Departmental Expenditure Limits**



Source: Institute for Government analysis of HM Treasury, Spending Reviews 1998–2015, and Budget 2018 (for SR 2019).

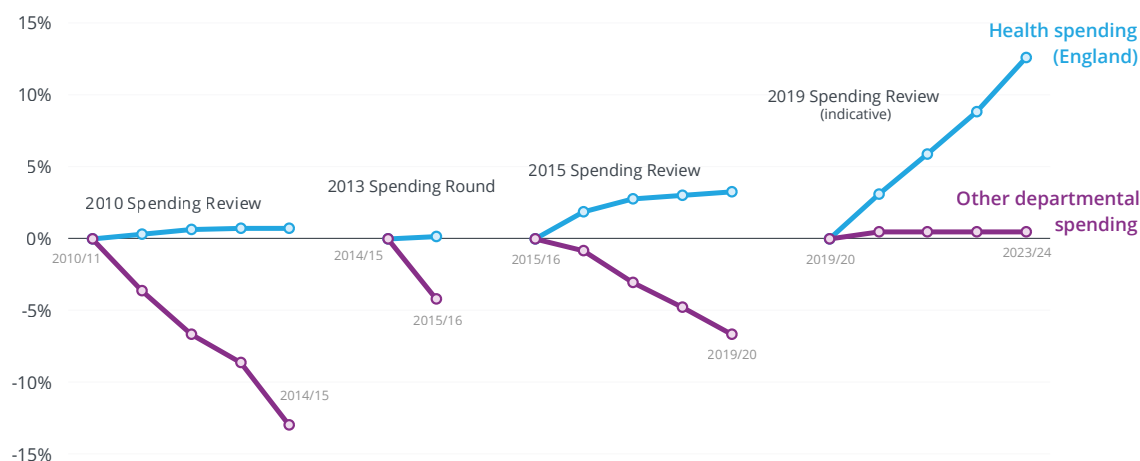
The three most recent spending reviews – in 2010 and 2013 under the Coalition Government, and in 2015 under a Conservative government – set out plans to cut spending by an average of 1.6% a year in real terms, in contrast to the previous Labour Government's five spending reviews, which increased it by an average of 4% a year in real terms. The Prime Minister and Chancellor have both signalled that the 2019 Spending Review will mark the end of austerity, and the latest forecasts – from the 2018 Budget – show departmental spending increasing by an average of 1.2% per year in real terms between 2020/21 and 2023/24.

## Austerity will not end for all departments

In June 2018, the Government published a new, long-term funding settlement for the NHS – dubbed the health service's '70th birthday present'. The settlement covers a five-year period starting in 2019/20. NHS spending in England will increase by an average of 3.4% a year in real terms, meaning an additional £20bn a year (in today's prices) by 2023/24.

A few months later, in October 2018, the Prime Minister heralded the end of austerity in her party conference speech, promising that “support for public services will go up”. That same month Chancellor Philip Hammond delivered what was widely described as a ‘giveaway Budget’.<sup>1</sup> Additional funding was announced for Universal Credit over a five-year period, with a boost for schools and roads in 2018/19, and for social care and defence covering 2018/19 and 2019/20.

Figure 3.2 **Planned real-terms change in day-to-day departmental budgets at spending reviews**



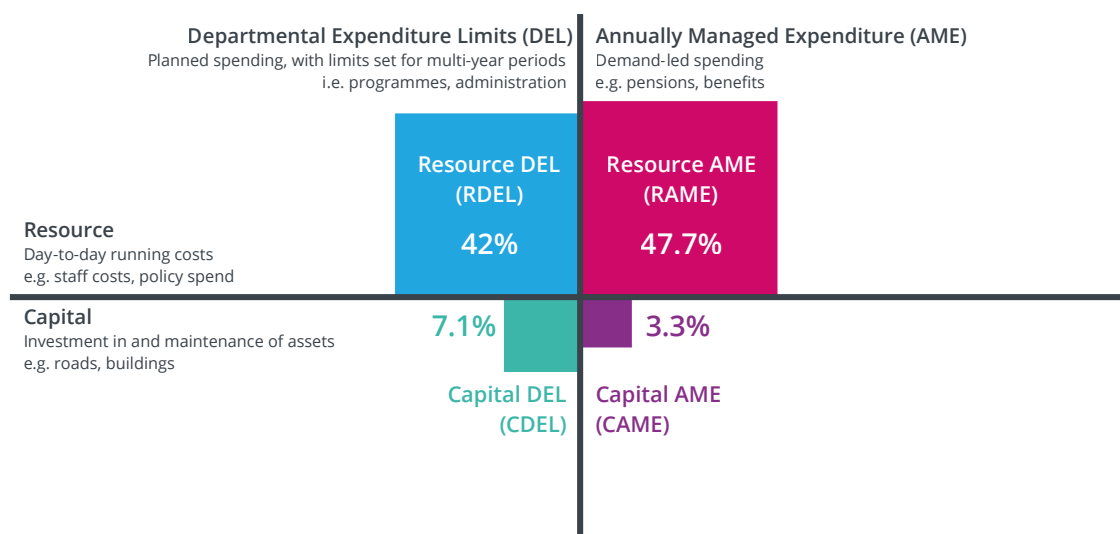
Source: Institute for Government analysis of HM Treasury, Spending Reviews 2010, 2013 and 2015, and Budget 2018 (for SR 2019). Based on planned changes to resource DEL (excluding depreciation) at the time of each review. ‘Other departmental spending’ includes spending by devolved administrations, some of which is health spending.

But the rhetoric on ending austerity, and the cash injections in the Budget, should not be taken as a sign that spending will increase for all departments. Once the NHS spending settlement is factored in, the forecast increase in overall departmental spending almost completely disappears.

In addition to the commitment made to the NHS in England, the Government will also have to allocate equivalent extra money to the devolved administrations and find the resources needed to meet its existing pledges to spend 2% of GDP on defence and 0.7% of national income on overseas aid. This will limit how much funding is left over for other, unprotected departments. It is likely that some departments that have faced significant cuts since 2010 will find themselves having to make further savings.

## Spending reviews cover half of total spending, but this varies by department

Figure 3.3 **Composition of total managed expenditure (TME) across the whole of government, 2017/18**



Source: Institute for Government analysis of HM Treasury, Public Expenditure Statistical Analyses 2018, table 1.1, 19 July 2018.

The government's total managed expenditure (TME) breaks down into multiple components.

Spending can be defined in two ways. First, by how budgets are managed:

- **Departmental expenditure limits (DEL)** cover the areas of public spending over which central government has a high degree of control and which can reasonably be set several years in advance. DEL totals are set at spending reviews, usually for multi-year periods, and departments cannot overshoot their allocated budget.
- **Annually managed expenditure (AME)** covers those areas of public spending that are harder to control and "cannot reasonably be subject to firm multi-year limits". This includes demand-driven benefits, central government debt interest and local-authority expenditure financed through locally raised taxes.

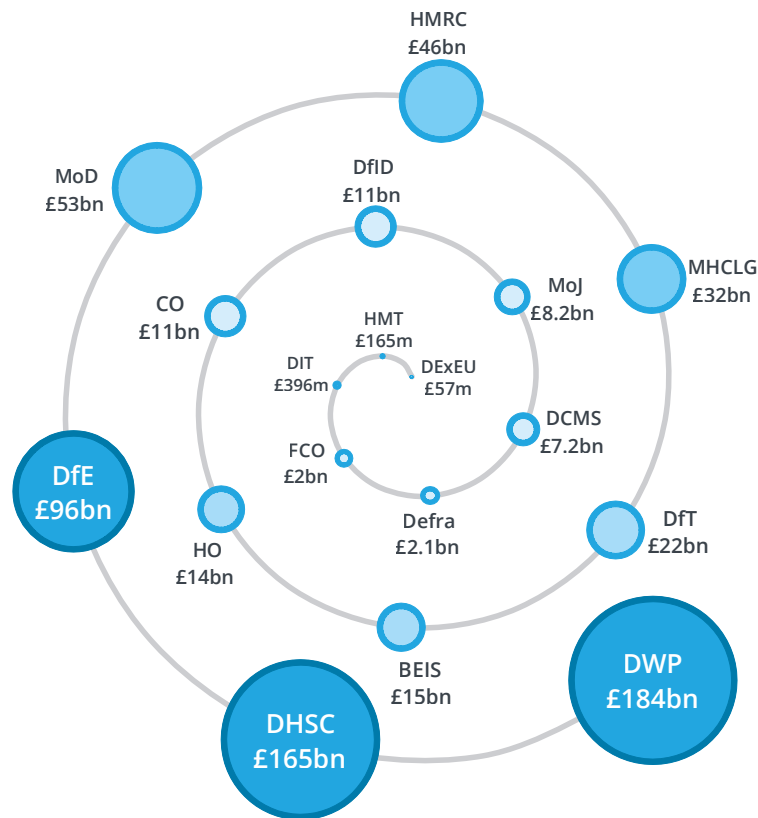
Or second, by what it is invested in:

- **Resource** spending relates to day-to-day operations. This breaks down into administration spending, which covers departmental running costs such as salaries, and programme spending, which covers public services and benefits.
- **Capital** spending adds to the public sector's fixed assets, such as transport infrastructure (e.g. roads and rail) and public buildings. This also includes spending on research and development.

These two different divisions give four types of spending: resource DEL (RDEL), resource AME (RAME), capital DEL (CDEL) and capital AME (CAME). The strict controls applied to how departments spend their money mean that allocations to one category cannot be used for other types of spending (however, with Treasury approval, departments can move money between capital and resource DEL budgets).

Spending reviews are focused on resource DEL and capital DEL – the money spent on running public services like schools and hospitals, and departmental administration, and on certain investments. This makes up just under half of all government spending. AME makes up the other half. While AME is not the main focus of spending reviews, forecast AME does affect how much of total government spending will be available for allocation to departments. Recent spending reviews have made cuts to AME in order to make more money available for public services.

Figure 3.4 **Total managed expenditure (TME) by department, 2017/18**

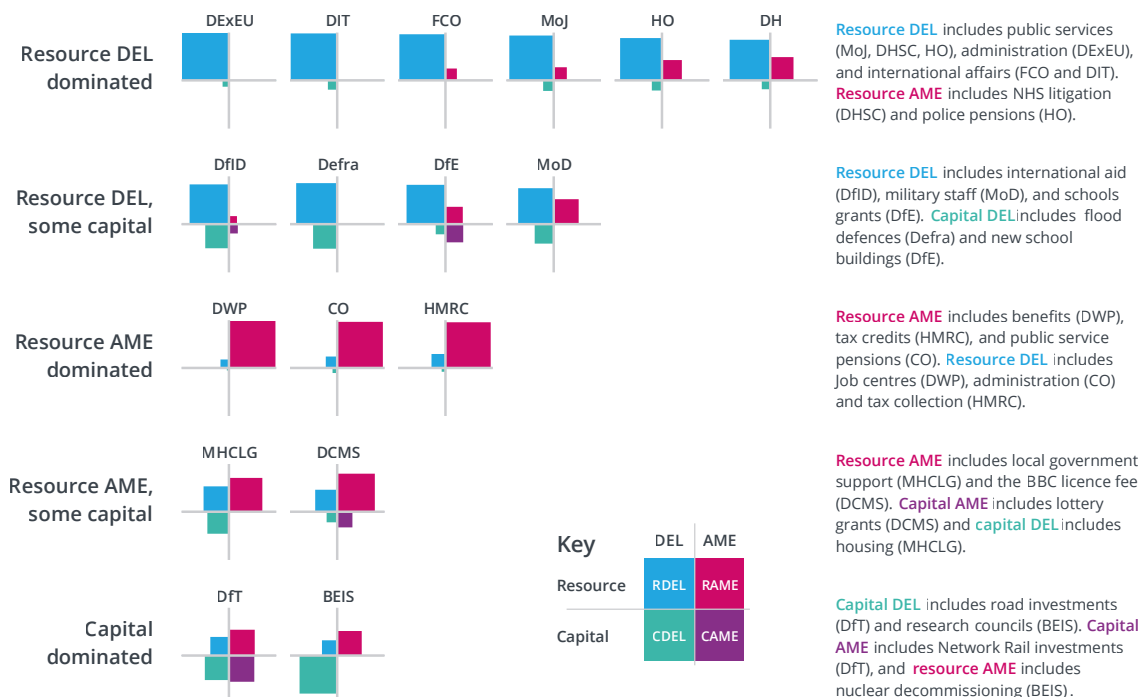


Source: Institute for Government analysis of HM Treasury, Public Expenditure Statistical Analyses 2018, table 1.12, 19 July 2018. HMT spending includes administration only, due to negative total spending. For BEIS, the effect of changes in the discount rates applied to provisions for liabilities is excluded.

The departments with the largest budgets are the Department for Work and Pensions (DWP), which spent a total of £184bn in 2017/18, the Department of Health and Social Care (DHSC), with a budget of £165bn, and the Department for Education (DfE), at £96bn.<sup>2</sup>

However, while about three quarters of DHSC and DfE's budgets will be formally set at the upcoming spending review, only a tiny portion (3%) of DWP's spending will be.

Figure 3.5 **Composition of total managed expenditure (TME) by department, 2017/18**



Source: Institute for Government analysis of HM Treasury, PESA 2018, tables 1.3 and 1.8, 19 July 2018; and core spending tables in departmental annual reports and accounts. HMT excluded due to the department having negative total spending.

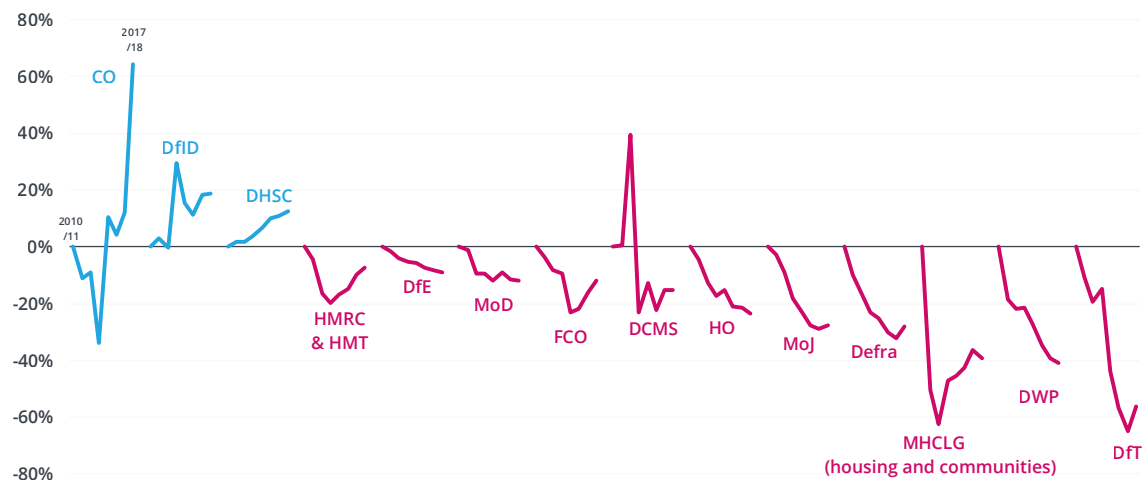
This is because the composition of departments' budgets varies significantly. At DWP, most spending relates to pensions and benefits, which is counted within AME. Spending on the NHS and on schools, however, is included within DEL, which means that the 2019 Spending Review will formally set limits covering these services.

The departments with the largest DEL budgets (in descending order) are DHSC, DfE, MoD, DfID and the Ministry for Housing, Communities and Local Government (MHCLG). This means that the three most protected budgets going in to the 2019 Spending Review are among the largest, and that the budgets of smaller departments will therefore have to be squeezed disproportionately.



## Most departments have faced large day-to-day budget cuts since 2010

Figure 3.6 **Percentage change in planned day-to-day (resource DEL) spending, 2010/11 to 2017/18**



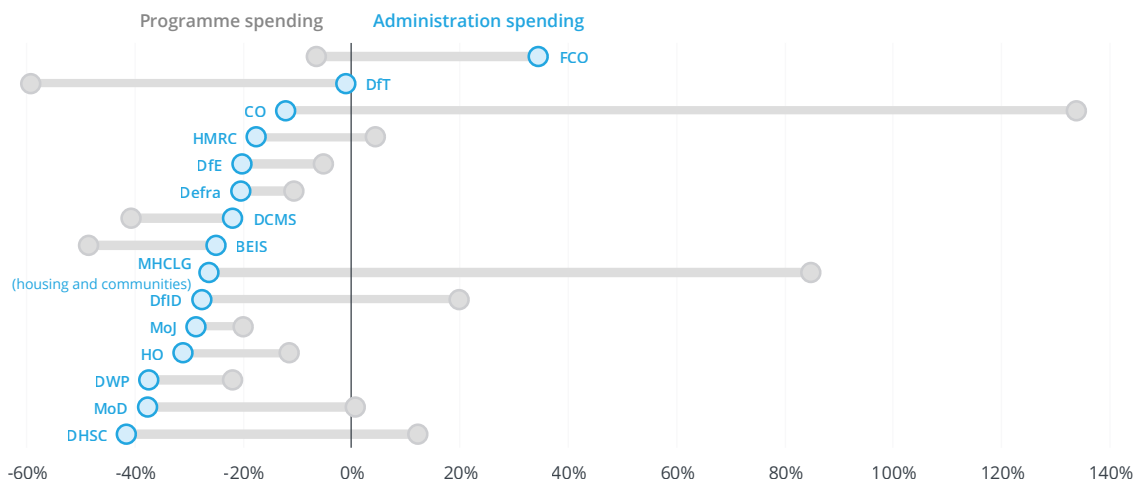
Source: Institute for Government analysis of HM Treasury, PESA 2015–18, table 1.5, 19 July 2018; and Cabinet Office Annual Report and Accounts for 2014/15. Figures exclude depreciation and changes calculated in real terms.

Since 2010/11, resource DEL budgets have been cut in real terms for almost all departments. The cuts have been relatively modest at some, for example DfE and MoD, where spending is down by around 10% in real terms. Other departments, including the Home Office and Ministry of Justice (MoJ), have had their budgets cut by about a quarter, while the most severe cuts have been at DWP and the Department for Transport (DfT), where spending has fallen by 41% and 56% respectively.

Only three departments have larger day-to-day budgets now than at the beginning of the decade – the Cabinet Office (up 64%), DfID (up 19%) and DHSC (up 13%). Two of these – DHSC and DfID – have had parts of their budgets ring-fenced, while at the Cabinet Office, spending spiked in the most recent year partly due to the cost of holding the 2017 general election.

Spending on housing and communities at MHCLG has fallen 39%. The department's total resource DEL budget also includes grants to local authorities, which have been cut by 75% since 2010/11. However, when other sources of local authority revenue are considered, including council tax and business rates, the real-terms reduction in councils' spending power is a more modest 29%.<sup>3</sup>

Figure 3.7 **Percentage change in administration and programme spending, 2012/13 to 2017/18**



Source: Institute for Government analysis of HM Treasury, Public Expenditure Statistical Analyses 2017 and 2018, tables 1.5 and 1.7, 19 July 2018. Figures exclude depreciation and changes are calculated in real terms.

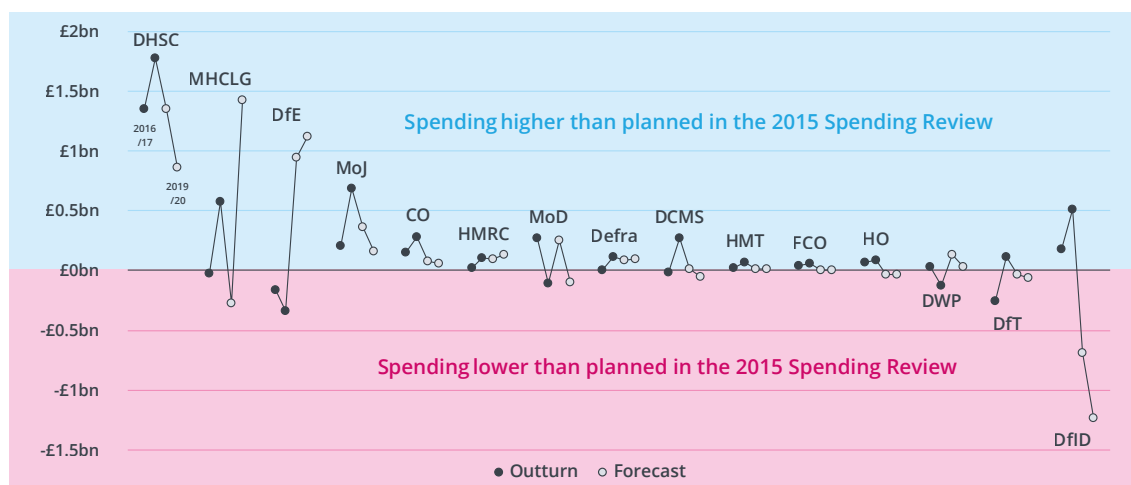
At most departments, cuts to administration budgets (which cover the running costs of central government) have been more severe than cuts to programme budgets (which cover the costs of delivering public services and government policies).

The sharpest fall in administration spending has been at DHSC, one of the departments where programme spending has been protected. Since 2012/13, the department's spending on administration has fallen by 42% in real terms.<sup>4</sup> This means that, while DHSC has a larger budget overall, there has been a fall in what it spends on employing civil servants to oversee its growing programme budget. A similar pattern can be observed for other departments where spending was protected, such as DfID and MoD. Despite the substantial cuts that have been made to working-age benefits, DWP's administration spending has still fallen more sharply than its programme spending. Spending on administration has also fallen by about 30% at the Home Office and MoJ.

Cuts to administration spending have been less severe than cuts to programme spending at departments like the Department for Business, Energy and Industrial Strategy (BEIS) and Department for Digital, Culture, Media and Sport (DCMS), and only the Foreign Office spent more on administration in 2017/18 than in 2012/13.<sup>5</sup>

## The Government has deviated from its 2015 Spending Review plans

Figure 3.8 Deviation from original spending plans by department (resource DEL), 2016/17 to 2019/20



Source: Institute for Government analysis of HM Treasury, PESA 2016–18. Covers changes resulting from policy decisions; those resulting from machinery of government changes or reclassifications are excluded. Depreciation excluded.

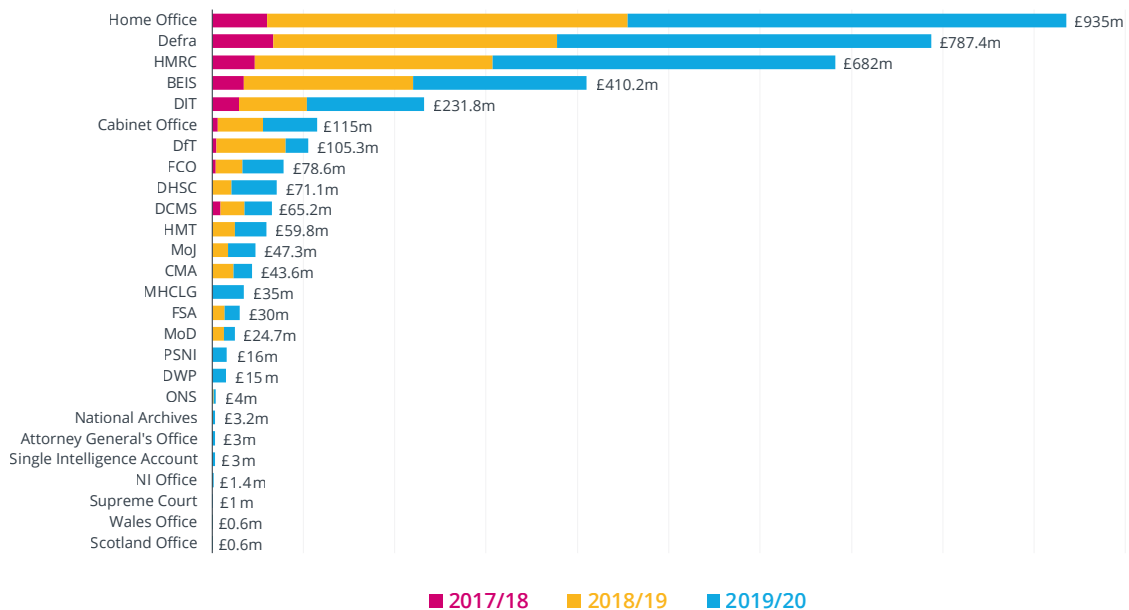
For many departments, the 2015 Spending Review imposed further cuts. But escalating pressures in several public services have prompted the Government to substantially top up its original spending plans.

In the 2016 Autumn Statement, the Chancellor announced an additional £500m of spending for prisons (MoJ) to combat rising violence. In the Budget the following spring, an additional £2bn was announced for adult social care (MHCLG) to “enable elderly patients to be discharged when they are ready, freeing up precious NHS beds”, and in October 2018 another £240m was pledged for similar purposes. The Chancellor also committed an additional £2.8bn to alleviate pressures in the NHS in the 2017 Autumn Budget, which was followed in July 2018 by the new long-term funding settlement for the NHS (although the latter will only affect the final year of the period covered by the 2015 Spending Review).

In many cases, the story of the 2015 Spending Review was of departments struggling to deliver a second round of savings, having exhausted the easy efficiencies and ‘belt-tightening’ options, such as wage freezes, in the period between 2010 and 2015. This does not bode well for the Chancellor, if he is hoping to find further savings in the budgets of unprotected departments like MoJ and MHCLG at the 2019 Spending Review.

## Departments are spending to prepare for Brexit

Figure 3.9 **Brexit funding allocated to departments by financial year, 2017/18 to 2019/20**



Source: Institute for Government analysis of Chief Secretary to the Treasury, Written Statements HCWS1205 and HCSW540, 18 December 2018 and 13 March 2018; and HM Treasury, Central Government Supply Estimates 2017–18: Supplementary Estimates, HC808, 7 February 2018.

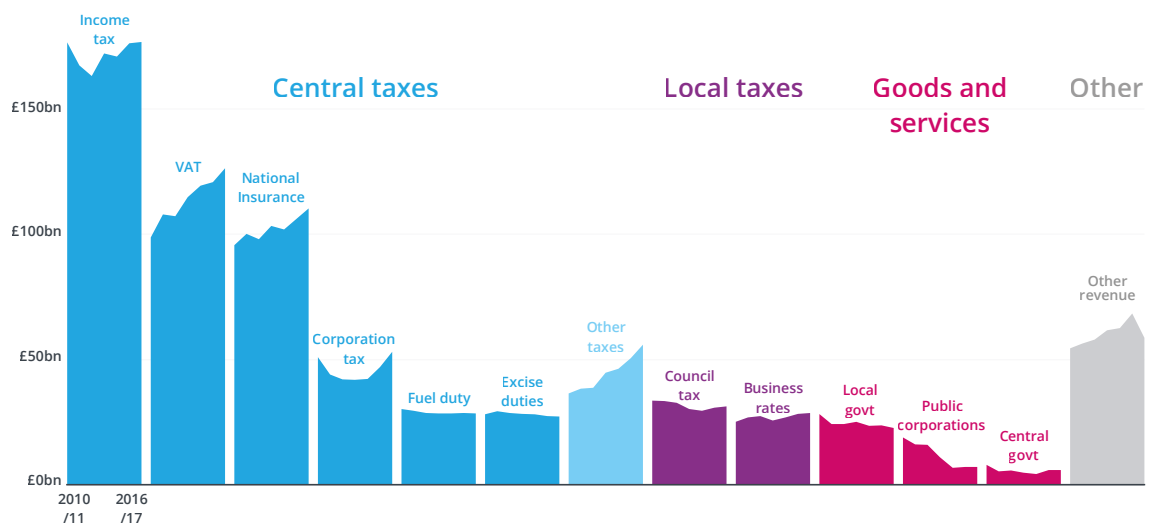
The Government is also deviating from its original spending plans because of Brexit. In early 2018, £1.5bn of additional funding was allocated to help departments prepare for Brexit (covering 2018/19), and a further £2bn was allocated in December 2018 (covering 2019/20). This adds to the £260m already spent in 2017/18 on preparations.

Most of the additional funding will go to a handful of key departments on the front line of delivering Brexit. Together, the Home Office (responsible for visas and immigration), the Department for Environment, Food and Rural Affairs (Defra, responsible for agriculture and environmental protection), HM Revenue and Customs (HMRC, responsible for revenue and customs) and BEIS (responsible for state aid and nuclear safeguards) are expected to spend over £2.8bn by in 2018/19 and 2019/20. Most other departments – with the exception of DfE – will also receive at least some additional Brexit funding. Some public bodies have also been allocated additional funding, including the Competition and Markets Authority (CMA), Food Standards Agency (FSA) and Police Service of Northern Ireland (PSNI).

At the time of the most recent Budget, however, the OBR forecast that there would be a £400m underspend on Brexit preparations in 2018/19, suggesting that departments are struggling to spend the money they have been allocated.<sup>6</sup>

## Raising taxes is politically difficult

Figure 3.10 Sources of government revenue (real terms), 2010/11 to 2016/17



Source: Institute for Government analysis of HMT Treasury, Whole of Government Accounts 2010/11 to 2016/17.

The Government could try to meet spending demands by growing its revenue. The most direct way would be to increase taxes, which account for 87% of its income.

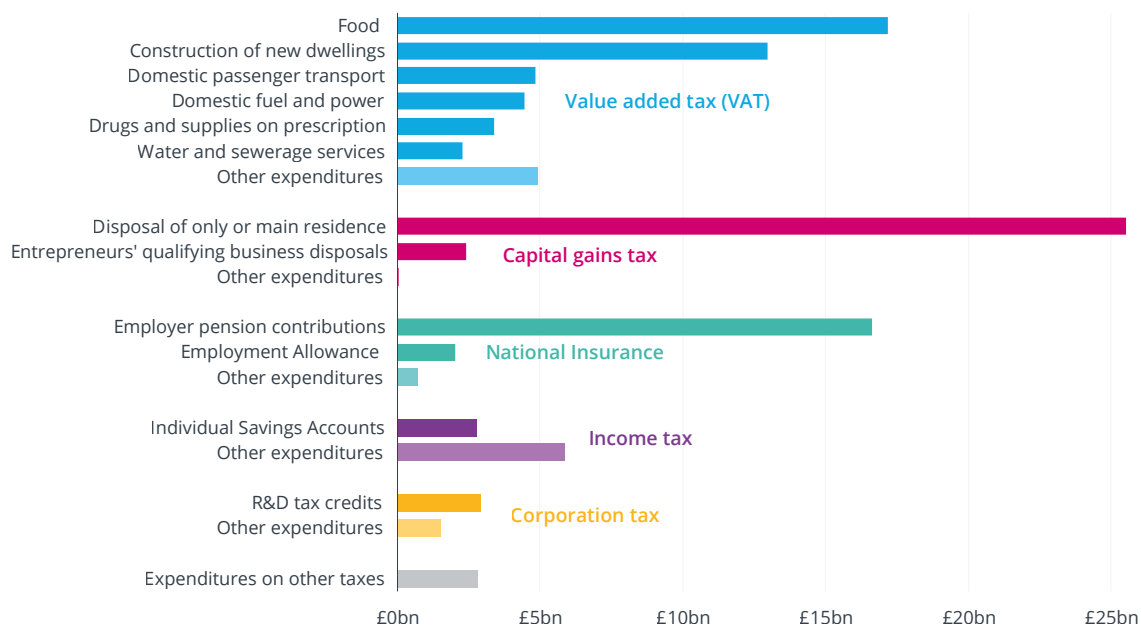
After the new NHS funding settlement was announced, the Chancellor indicated that this was exactly what would happen.<sup>7</sup> However he appeared to backtrack in the Budget, stating that “my idea of ending austerity does not involve increasing people’s tax bills”. In fact, the Budget announced that the Government would deliver on the Conservative manifesto pledge to cut income tax by increasing the Personal Allowance and Higher Rate Threshold a year earlier than previously promised.

The Government’s ability to raise additional revenue from several other taxes also appears limited. The Conservatives’ 2017 manifesto included a promise not to increase VAT, while there are plans to cut corporation tax to 17% by 2020/21 and the Government has deferred planned increases in fuel duty every year since 2010/11.<sup>8</sup>

But tax revenue is not only dependent on the rates that government sets. It also depends on the tax base – the size and composition of the economy from which the Government draws its tax revenue. Since the 2008 financial crash, revenues seem to have recovered, with income from all four of the largest taxes increasing in real terms in recent years. Revenue from stamp duty and capital gains tax – which are closely linked to the volume and value of asset sales – have also increased substantially since 2010/11. Overall, government revenue as a percentage of GDP has increased slightly from 36.1% in 2010/11 to 36.6% in 2017/18.<sup>9</sup>

## Tax expenditures cost more than £110bn annually

Figure 3.11 Estimated tax expenditures costing more than £2bn annually, 2016/17



Source: Institute for Government analysis of HMRC, Estimated costs of principal tax reliefs, January 2018. Shown in 2017/18 prices. Excludes income tax relief for employee pension contributions as this is in part deferred taxation.

Tax expenditures are tax discounts or exemptions that further the policy aims of government. They cover anything from income tax relief for savings accounts to VAT exemptions for food.

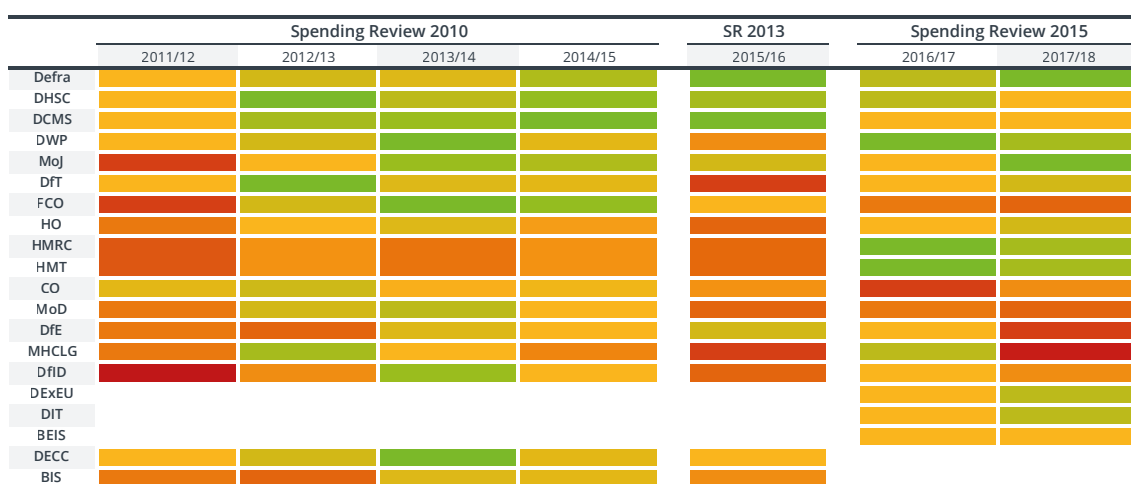
In 2016/17, tax expenditures accounted for over £110bn in forgone tax revenue (the money government could have expected to raise if the exemptions were not in place) – about a fifth of all central government tax revenue in that year. The largest of these were:

- capital gains tax exemptions arising from the sale of a person's main or only property (£25.5bn)
- VAT exemptions on food (£17.2bn)
- employer National Insurance exemptions for payments into registered pension schemes (£16.6bn)
- VAT exemptions on the construction of new dwellings, including refunds for DIY builders (£13bn).

While tax expenditures have a considerable impact on the overall state of the national finances, a report by the Institute for Government, the Chartered Institute of Taxation and the Institute for Fiscal Studies in 2017 found that the Treasury fails to monitor them or assess the value for money they offer with the same rigour it applies to general expenditure. That report called for the tax reliefs that most closely resemble spending measures to be treated as spending for accountability and scrutiny purposes.<sup>10</sup>

## It is still too difficult to track the Government's spending plans

Figure 3.12 Transparency of spending plans, 2010/11 to 2017/18



Departments ranked from **most transparent** to **least transparent**

From 2011/12 to 2015/16, only total figures for HMRC and HMT combined were reported.

Source: Institute for Government analysis of HM Treasury, spending review and PESA documents; and departmental annual reports and accounts.

Clear, accurate and consistent accounts of government spending are important for several reasons. They support effective decision making within departments; allow Parliament, civil society and the public to hold the Government to account for its use of taxpayer money; and provide a reliable historical record of government spending. However, in April 2017, a report by the Public Administration and Constitutional Affairs Committee (PACAC) found that "in most cases [departmental] Annual Reports and Accounts appear to be currently failing in their purpose of explaining to the public and Parliament the effectiveness of Government spending".<sup>11</sup>

One reason why government accounts can be difficult to make sense of is because spending plans change between years. There are several good reasons why this happens, including policy changes, machinery of government changes – where responsibilities move between departments, or classification changes – where accounting methods change. All too often, however, changes in departmental spending plans are not accompanied by a clear explanation of what has happened, making it difficult to determine whether changes in spending forecasts are substantial (meaning that more or less money will be spent on something) or simply due to changes in accounting methods.

Our analysis of the Treasury's spending review documents for 2010, 2013 and 2015, and its annual Public Expenditure Statistical Analyses (PESA), show that unexplained changes in spending plans are more common for some departments than others, including DfID and MHCLG. For HMRC and HMT, only a total figure for both departments was reported until 2015/16, which meant that changes in spending plans for an individual department could not be tracked.

In June 2018, the Treasury announced a review of government accounts building on the PACAC report with the intention of improving financial reporting.<sup>12</sup>







## 4 Public spending

Departments manage their budgets in different ways. Some, like the Department for Work and Pensions (DWP) and Her Majesty's Revenue and Customs (HMRC), manage services directly. Others sponsor public bodies, like NHS England, to do this on their behalf. Services can also be funded through grant systems, as is the case with the police, or through contracting, as happens with some prisons. Each approach has different implications for governance and accountability.

Government uses four broad models for delivering services: direct management, public bodies, grants and contracting. In deciding which approach is most appropriate in different contexts, departments must balance considerations of where accountability should lie, how much political oversight or independence from ministers is appropriate, and how to achieve the best value for money.

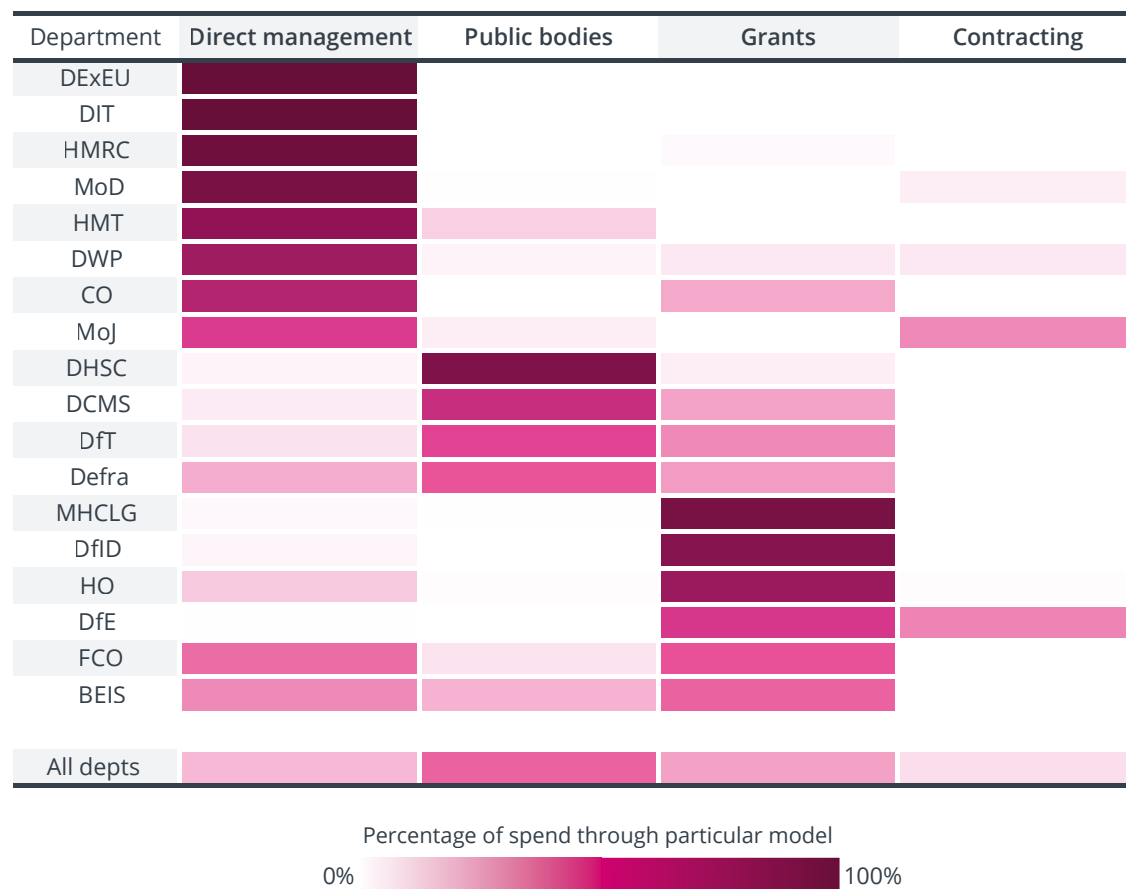
To manage resources effectively, government must also ensure that best practice for each approach is adopted. There are signs that this is beginning to happen; for example, the Government has taken steps to improve its management of grants, and has published guidance on how departments can establish effective relationships with their public bodies. But there is more to do elsewhere, in particular when it comes to improving the quality of contracting data, so that departments can monitor the performance of suppliers and identify risks to service delivery.

### Further analysis

[www.instituteforgovernment.org.uk/spending](http://www.instituteforgovernment.org.uk/spending)

## The way departments manage spending matters for accountability and efficiency

Figure 4.1 How departments manage their day-to-day budgets (resource DEL), 2017/18



Source: Institute for Government analysis of HM Treasury, Online System of Central Accounting Reporting (OSCAR), and departmental annual reports and accounts for 2017/18. Indicative only.

Government departments use several approaches to manage their spending and deliver public services.

- Direct management of public spending means departments having full control over how resources are deployed. This covers staff costs as well as spending on goods and back-office services.
- Public bodies (otherwise known as arm's-length bodies or sometimes quangos) are public sector organisations that receive funding from central government. They have varying degrees of day-to-day independence from ministers, but their strategic objectives are set by either government departments or Parliament.
- Grants are payments made by departments to organisations that are independent of central government, such as local authorities, police and crime commissioners, or charities.
- Contracting involves departments entering a contractual arrangement with a third party, such as a business or charity, which then runs or helps to run a public service on government's behalf. Departments also use contracting to purchase goods, works and back-office services from third-party suppliers. Analysis in this chapter, however, focuses on contracting as a delivery model for public services.

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At most departments, the delivery models used have been relatively stable since 2010. The most notable changes have been at:

- the Department of Health and Social Care (DHSC), where most spending is now channelled through public bodies such as NHS England and Public Health England, rather than the health system being funded directly through grants
- the Department for Education (DfE), where the rollout of the academies programme has resulted in more money being spent through contracting, and less through grants to local authorities
- the Ministry of Justice (MoJ), where legal aid services are now contracted directly rather than overseen by an arm's-length public body (the Legal Services Commission). Probation services were also contracted out in 2015, but the Government recently announced that these contracts would end early.<sup>1</sup>

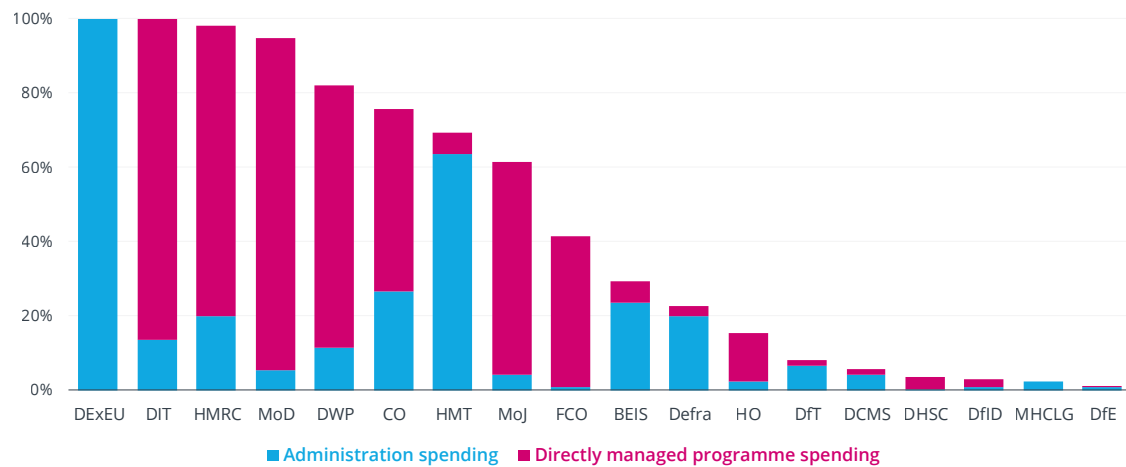
Each approach has different implications for governance and accountability. For example, most spending on prisons is managed directly by MoJ. This means that the department and its ministers have more direct control over outcomes in prisons. The Prisons Minister, Rory Stewart, has gone as far as promising to resign if drug use and violence does not fall in 10 target prisons.<sup>2</sup>

In contrast, police forces are funded through a formula-based grant system, with payments from the Home Office to locally elected police and crime commissioners (or locally elected mayors in London and Greater Manchester). This means that, despite setting overall spending levels, central government has limited control over day-to-day policing activities. This approach can make accountability less clear, with Cabinet ministers and the Mayor of London appearing to blame each other for rising violent crime in the capital.<sup>3</sup> But it has advantages, for example, police funding per region is determined by a formula, making it less susceptible to political interference.

Having a clear picture of which different models are being used across government can also help in delivering services more effectively. By understanding where similar models are being used across different departments – for example, the use of contracting to run both disability assessments at DWP and immigration removal centres at the Home Office – the Government can more easily identify best practice and ensure that lessons learnt in one part of government are applied to other contexts where they are relevant.

## Eight departments manage most of their resources directly

Figure 4.2 **Directly managed spending as a percentage of total day-to-day (resource DEL) budgets, 2017/18**



Source: Institute for Government analysis of HM Treasury, Online System of Central Accounting Reporting (OSCAR), and departmental annual reports and accounts for 2017/18. Indicative only.

Directly managed spending can be split into two main components: administration budgets and programme spending.

Administration budgets cover core departmental functions such as finance, human resources and ministerial support. For most departments, this is a relatively small part of their total budgets, but the Department for Exiting the European Union (DExEU) and the Treasury are notable exceptions. These are two small yet powerful departments, with little direct responsibility for delivering services to the public but vital roles in co-ordinating other departments.

In contrast, several other departments spend most of their budgets on delivering government policies or public services directly (i.e. programme spending). These operational departments include:

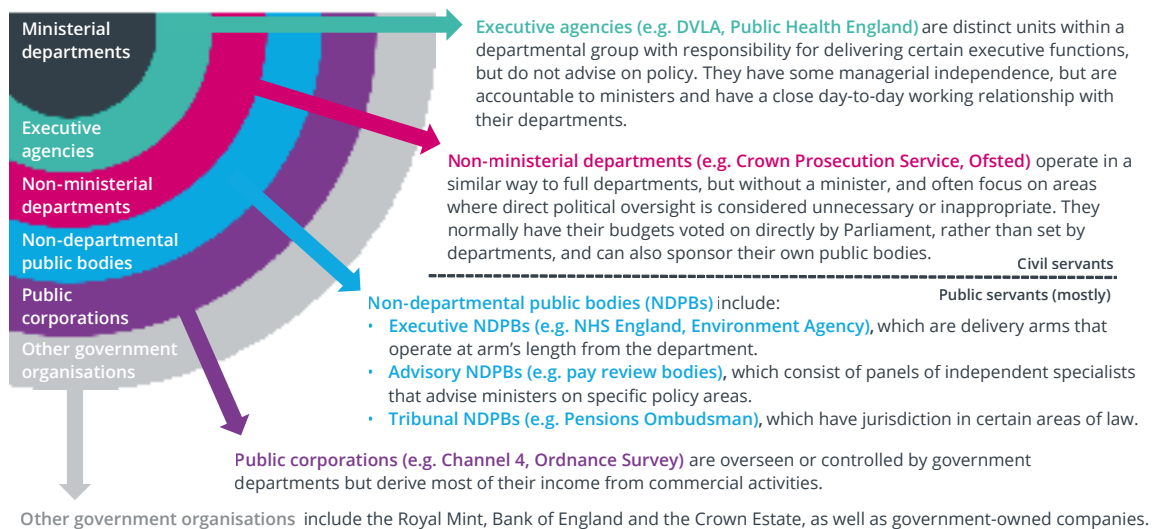
- the Department for International Trade (DIT), which supports UK-based companies to export, and attracts inwards investment into the UK
- HMRC, which administers the UK's tax system
- The Ministry of Defence (MoD), which is responsible for the armed forces as well as a large civilian workforce
- DWP, which runs job centres and administers the UK's benefits system
- MoJ, which runs prisons and courts (via HM Prison and Probation Service, and HM Courts and Tribunals Service, agencies that are managed directly by the department).

Excluding DIT, these are the four departments with the largest workforces. The fifth-largest department, the Home Office, also spends a significant part of its budget – almost £1.7bn – on directly managed services, such as the Border Force and UK Visas and Immigration.

Running one of government's large operational departments can be particularly challenging for ministers. Reflecting on his time in Cabinet, Stephen Crabb said that "the idea that a secretary of state for DWP runs the DWP is a nonsense", echoing comments by his predecessor Iain Duncan Smith that it took him "more than nine months to figure out how the system worked" due to the sheer scale of the department.<sup>4</sup>

## The governance of public bodies is complex

Figure 4.3 Types of public body (adapted from Cabinet Office classifications)



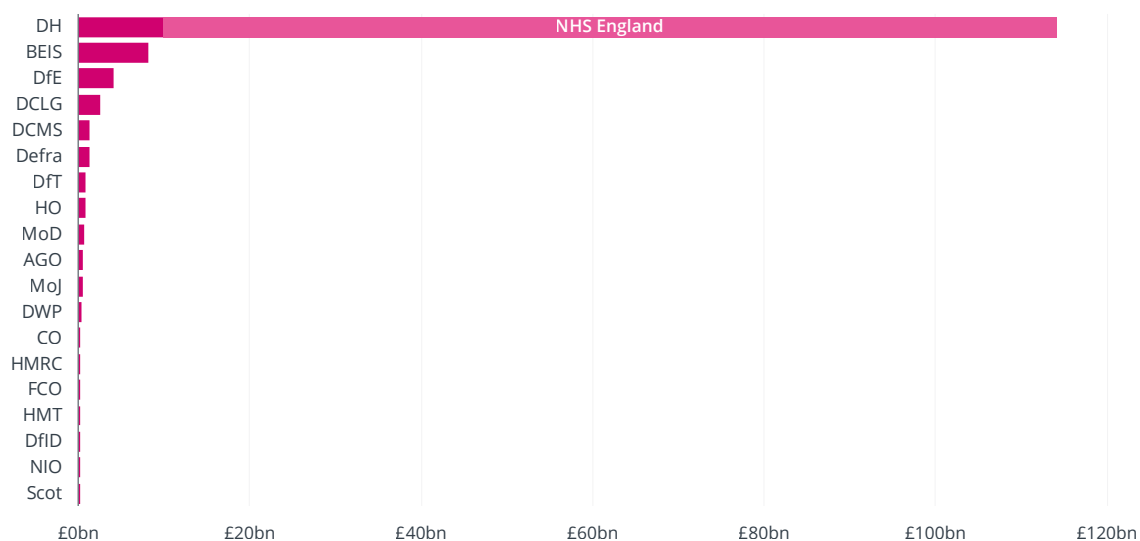
Source: Institute for Government analysis of Cabinet Office, *Classification of Public Bodies*, 2016. Some crown NDPBs also employ civil servants.

Departments can sponsor several types of public body, which each have distinct characteristics and varying degrees of independence from ministers. These include executive agencies, non-ministerial departments and non-departmental public bodies (NDPBs).

In theory, the classification of a public body should reflect its functions and governance model, including the way its budget and strategic objectives are set. However, classification is not always consistent; a 2010 report by the Institute for Government found that this was creating a lack of clarity over public bodies' roles and responsibilities. Since then, the Cabinet Office has published revised guidance on how public bodies should be classified, which is a welcome step. But some problems remain; there are still public bodies with multiple classifications (such as the British Council, which according to Cabinet Office data is both an NDPB and a 'non-financial public corporation'), and there are more than a hundred organisations on the government website listed under a vague 'other' category, making it unclear what relationship they have with their parent departments.<sup>5</sup> In addition, the latest Cabinet Office data on public bodies is now almost two years out of date.<sup>6</sup>

## NHS England accounts for three quarters of spending on public bodies

Figure 4.4 **Government funding provided to public bodies, by department, 2016/17**

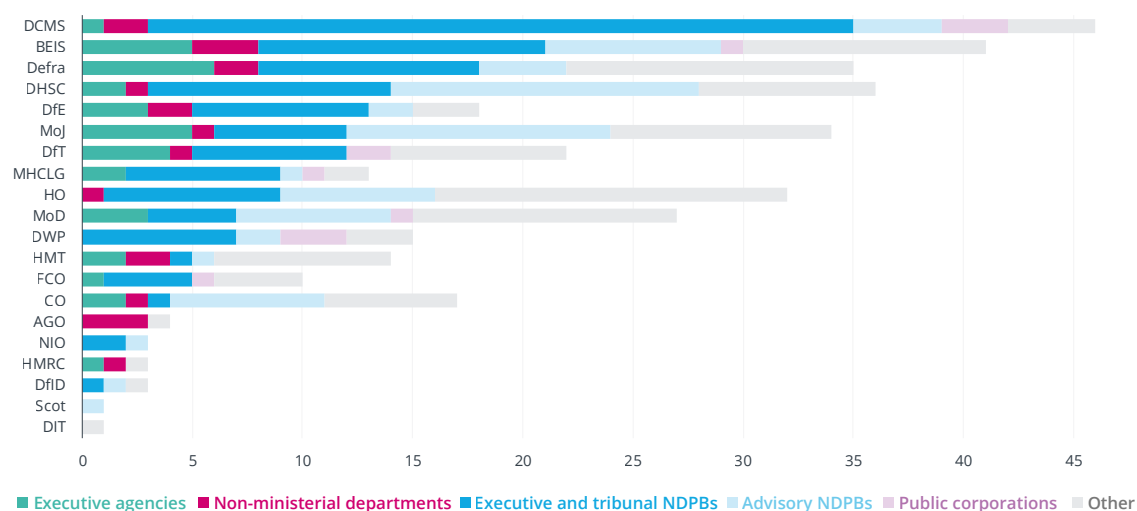


Source: Institute for Government analysis of Cabinet Office, *Public Bodies*, 2017.

NHS England – an NDPB established by the Health and Social Care Act 2012 – is by far the largest public body. In 2016/17, it received more than £100m in funding from central government – more than three quarters of all funding provided to public bodies and 13.5% of the Government’s total managed expenditure.

The size of NHS England – branded ‘the world’s biggest quango’ – means that it has a unique relationship with its parent department, DHSC. At no other department does a single public body account for so much (over 70%) of the overall budget.<sup>7</sup> This has made it difficult for NHS England to truly operate at arm’s length from the department and its ministers, which was the original intention of the Health and Social Care Act 2012. In the words of Jeremy Hunt, who was Health Secretary for NHS England’s first five years of existence: “People want to hold people like me, rightly, accountable, for over £100bn of public money. So there are always going to be times when the Health Secretary has to involve themselves in operational issues.” In a recent report, the Institute for Government and the King’s Fund concluded that the objective of limiting political interference and micromanagement in the NHS had not been achieved, with Hunt having been “as closely involved in the details of NHS performance and planning [as] his predecessors”.<sup>8</sup>

Figure 4.5 Number and type of public body by department, October 2018



Source: Institute for Government analysis of the list of government organisations found on [www.gov.uk/government/organisations](http://www.gov.uk/government/organisations) as at 27 October 2018. Non-ministerial departments are included under the ministerial department they work most closely with.

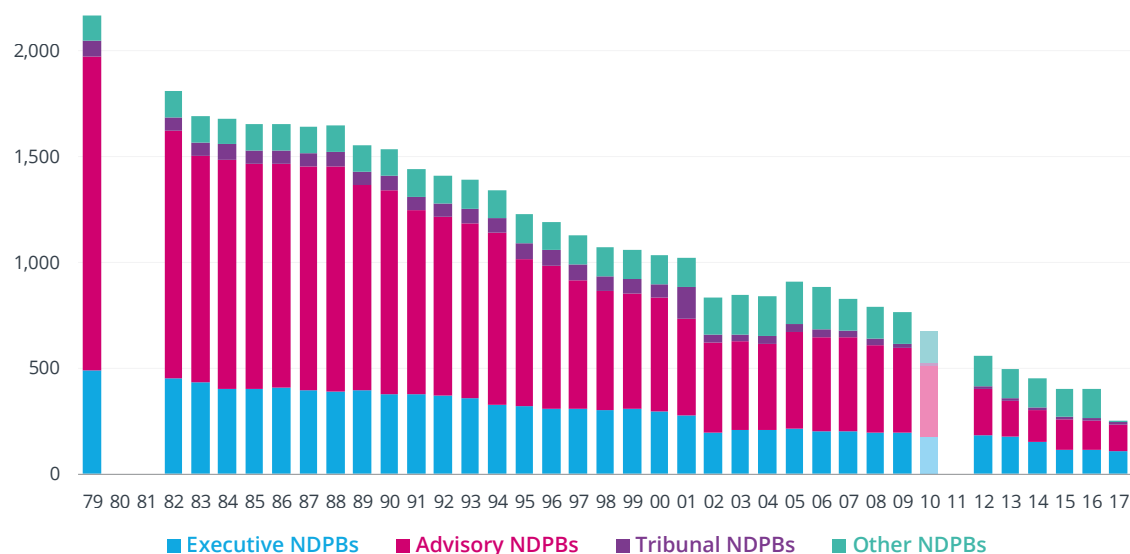
Although DHSC accounts for the bulk of spending on public bodies, three other departments sponsor a larger number of public bodies with executive functions (that is, with powers to act directly on behalf of government, rather than just provide advice). These are:

- the Department for Digital, Culture, Media and Sport (DCMS), which oversees 32 executive NDPBs (including the British Museum, National Portrait Gallery and UK Sport), two non-ministerial departments (the Charity Commission and National Archives) and an executive agency (the Royal Parks)
- the Department for Business, Energy and Industrial Strategy (BEIS), which sponsors 21 executive public bodies, including the Competition and Markets Authority, the Nuclear Decommissioning Authority and UK Research and Innovation
- the Department for Environment, Food and Rural Affairs (Defra), which oversees 18 executive public bodies, the largest of which is the Environment Agency.

Departments that rely heavily on public bodies to deliver services will need to establish effective working relationships with the organisations they sponsor. Guidance published by the Cabinet Office in 2017 highlights four specific aspects of the relationship that are crucial for success: clarity on the purpose and objectives of public bodies; assurance on their performance and on risks that could affect the department; a regular exchange of skills and experience between the department and its public bodies; and establishing open, constructive relationships based on trust.<sup>9</sup>

## The number of public bodies has fallen

Figure 4.6 Number of non-departmental public bodies (NDPBs), 1979–2017



Source: Institute for Government analysis of Cabinet Office, *Public Bodies*, 1979–2009 and 2012–17. 2010 data previously extrapolated from departments' reports. Between 2016 and 2017, 132 Independent Monitoring Boards were reclassified (previously counted as 'Other NDPBs').

Governments often promise to reduce the number of public bodies, which can be perceived as costly and unaccountable.<sup>10</sup> Since 1979, the number of NDPBs – the only type of body for which a long-run data series is available – has fallen considerably, from more than 2,000 to just 245 in 2017.

Some of this reduction is due to classification changes; 132 Independent Monitoring Boards for prisons and immigration removal centres listed as 'other NDPBs' in 2016 were no longer listed in 2017. But there has also been a significant real reduction since 1979. Compared with 2009, there are now 83 fewer executive NDPBs (down 43%), eight fewer tribunal NDPBs (down 42%) and 282 fewer advisory NDPBs (down 70%). This reflects several changes, including:

- functions being moved in-house into departments (e.g. the National Measurement and Regulation Office's previous functions are now performed within BEIS)
- smaller public bodies being merged to create larger ones (e.g. in 2014, the Driving Standards Agency merged with the Vehicle and Operator Services Agency to create the Driver and Vehicle Standards Agency, under the sponsorship of the Department for Transport (DfT))
- the Government no longer delivering things that were previously delivered by public bodies (e.g. when the UK Film Council – a DCMS public body – was closed in 2011, its functions were taken over by the British Film Institute, a charity).<sup>11</sup>



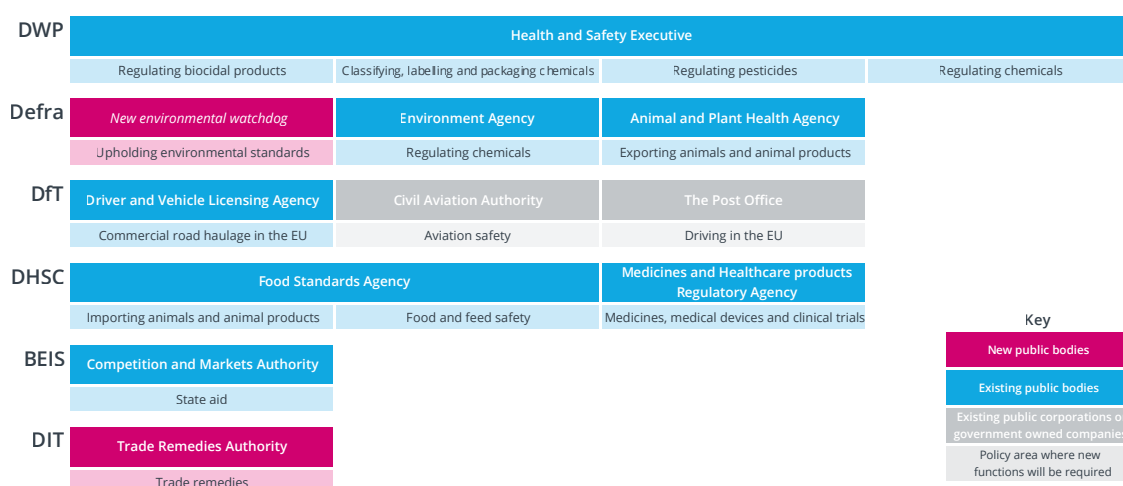
## Brexit will place new demands on public bodies

Brexit will result in the UK Government taking on new functions, in areas such as trade and environmental regulation. This will have an impact on public bodies.

The creation of at least three new Brexit-related public bodies has already been confirmed. These are the Trade Remedies Authority, which will “investigate unfair trade practices and recommend actions in response”; a new environmental protection watchdog, which will “hold government to account on environmental standards”; and the Independent Monitoring Authority, which will monitor the UK’s implementation of EU citizens’ rights.<sup>12</sup>

Existing UK public bodies will also be affected, although the extent of the impact will partly depend on the type of deal that is agreed – or not agreed – between the UK and the EU.

Figure 4.7 **UK bodies taking on new functions in the event of a ‘no-deal’ Brexit**



Source: Institute for Government analysis of the Government’s technical notices (as of November 2018), available at [www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal](http://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal). Groupings reflect the department that each body works most closely with, rather than the policy area the new functions relate to. Defra published the no-deal notices for regulating chemicals, regulating pesticides and importing animals and animal products, but the bodies affected by these notices work more closely with different departments – DWP and DHSC. The Government has also confirmed the creation of a third new public body, the Independent Monitoring Authority for citizens’ rights, but this was not mentioned in any of the no-deal technical notices.

Between August and November 2018, the Government published 106 ‘technical notices’ outlining what would happen in various policy areas in the event of a no-deal Brexit. Twelve of these name existing UK bodies that would take on additional functions.

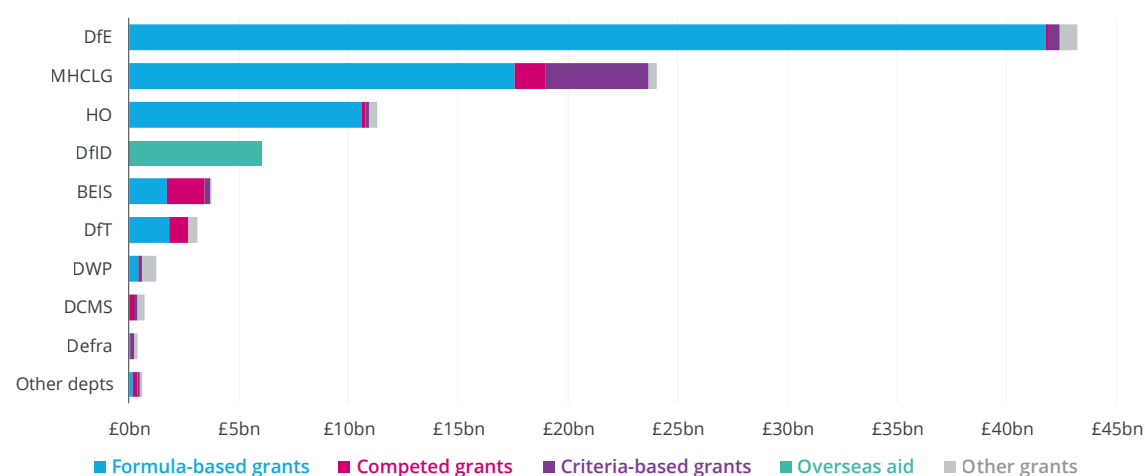
The organisation most affected is the Health and Safety Executive (HSE), which would take on several new responsibilities relating to the regulation of chemicals, biocidal products and pesticides. DWP, which sponsors the HSE, is not one of the departments most often associated with Brexit. It received no additional funding to prepare for Brexit in the allocations for 2018/19, and there are nine departments with more Brexit-related workstreams.

Other public bodies affected include the Environment Agency, which would take on responsibilities relating to chemical regulation, and the Competition and Markets Authority (CMA), which would take on responsibilities relating to state aid.

While the technical notices describe what would happen in a no-deal scenario, the responsibilities of some of the public bodies mentioned in the notices are likely to expand even if a deal is approved. For example, the CMA will manage a significantly increased workload as it becomes responsible for competition cases currently falling within the remit of the European Commission. It has already received more than £20m to support preparations, and expects to need 240 new staff.<sup>13</sup> In contrast, the impact on the Civil Aviation Authority should be minimal if the UK secures associate membership of the European Aviation Authority, as the Government hopes.<sup>14</sup>

## Most government grants are formula based

Figure 4.8 **Government grant funding by department and allocation method, 2016/17**



Source: Institute for Government analysis of Cabinet Office, Government Grants Register, 2016/17.

In 2017/18, grant spending across government totalled almost £94bn.<sup>15</sup> This was concentrated at a handful of departments, including:

- DfE, which provides the dedicated schools grant to fund local authority-run schools
- the Ministry of Housing, Communities and Local Government (MHCLG), which provides the revenue support grant to local authorities, used to fund services such as adult and children's social care, waste collection and libraries
- the Home Office, which provides grants to fund police and crime commissioners
- the Department for International Development (DfID), which provides grants to organisations and projects that deliver international development activities.

Formula-based grants account for more than three quarters of government grants by value. They are mostly used when there is more than one provider of a public service, performing the same role in different geographic areas – for example, local authorities or police and crime commissioners.

In many cases, formula-based systems are designed to ensure that the geographic distribution of funding reflects some measure of local need or demand; they can also help remove the politics from routine budget allocations. Once established, however,

funding formulas can be difficult to reform. This is because changing the formula will result in winners and losers, unless the total amount of available funding is increased. Since the 2017 general election, the Government has faced challenges in introducing reforms for all three of the main formula-based grant schemes – the police, local authorities and schools.<sup>16</sup>

'General grants' are most often awarded on a case-by-case basis, usually with a specific purpose in mind. They can be based on a competitive bidding process (for example, BEIS's innovation grants to promote "the commercialisation of research and development"), awarded directly without a competition (such as DfT's grant to the Greater London Authority), or based on some minimum criteria being met (such as Defra's flood defence grants).

In 2014, the National Audit Office (NAO) criticised the Government's management of grants data, noting that there was "no central good practice guidance and limited central data".<sup>17</sup> The Government was once again criticised for its approach to awarding grants in 2015 following the collapse of Kids Company, a charity that had received more than £42m from successive governments. The Public Administration and Constitutional Affairs Committee found that there had been a failure to carry out adequate due diligence, and that "disjointed and limited reviews" had tended to "confirm a pre-existing and positive impression" of the charity.<sup>18</sup>

Since then, the Government has established new standards for awarding grants, and improved the way grant information is recorded. In 2017, comprehensive data for grant schemes across government was published for the first time, and in 2018 detailed data on individual grant awards was also published (to the respected 360Giving standard). According to the civil service chief executive, John Manzoni, this step will help "reinforce our drive for efficiency, effectiveness and transparency" by making it easier to scrutinise grants and identify inefficiencies or fraud – a strong endorsement for better data to improve effectiveness and accountability.<sup>19</sup>

## Several key public services are outsourced

Some government departments use third-party providers (for example, companies or charities) to deliver public services. While this is not the dominant resource model for any department, outsourced public services account for 9% of day-to-day departmental budgets. This includes spending at:

- DfE, where academies and free schools account for approximately 35% of the department's day-to-day budget (resource DEL)
- MoJ, where outsourced prisons, probation services and legal aid account for 34% of spending
- DWP, where 6% of spending is on outsourced employment programmes or health and disability assessments
- MoD, where 5% of spending is on service concession arrangements with third parties, including contracts to provide air-to-air refuelling capabilities and defence telecommunications systems
- the Home Office, where 1% of spending is on privately run immigration removal centres.

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The outsourcing of public services can also happen beyond Whitehall. Many local authorities procure social care services from private suppliers, and the NHS purchases services from GPs.

There are several reasons why outsourcing might be advantageous. Giving evidence to the Public Administration and Constitutional Affairs Committee this year, John Manzonei cited studies that show savings of “about 20%” when services are first exposed to competition from other providers (although some of this research appears to be decades old). Other evidence gathered for the same inquiry cites new ideas, greater flexibility and specialist skills as potential benefits.<sup>20</sup>

But entrusting public services to third-party providers can have downsides. For example, in August 2018, an unannounced inspection of HM Prison Birmingham – contracted out to G4S – found that there had been a ‘dramatic deterioration’ in conditions at the prison. This prompted the Ministry of Justice to announce that it would immediately step in to take control of the prison.<sup>21</sup> The collapse of the outsourcing group Carillion also illustrates the risk that government can expose itself to when contracting out services. This is particularly true when one provider is responsible for delivering services across several parts of government, or when the services outsourced are complex, making it difficult for other suppliers to step in quickly. Failures such as those highlighted have led to renewed debate about the role of outsourcing in the public sector, with the Labour Party leadership now arguing that the outsourcing of public services has failed.<sup>22</sup>

In recent years, the government has taken some steps to improve its contracting, for example by establishing the Government Commercial Function to improve commercial capabilities in the civil service. But the Government needs to go further. A recent Institute for Government report found the quality of government data on outsourcing and procurement to be poor.<sup>23</sup> Improving the quality of its data, and then using it to develop a deeper understanding of what has or hasn’t worked for public sector contracting, would help the Government make better spending decisions.



## 5 Legislation

The volume of legislation introduced by the Government in the current parliamentary session is comparable with previous years. But the Government's lack of a majority in the Commons, combined with the need to prepare the UK statute book for Brexit, has led it to focus its energies on key Brexit bills and limit its legislative ambition in other areas.

In the June 2017 Queen's Speech, at the beginning of the current two-year parliamentary session, the Government made clear that it planned to focus its legislative attention on preparing for Britain's withdrawal from the EU.

Meanwhile, notably absent from the Queen's Speech were many of the Conservative Party's key manifesto pledges, such as the expansion of grammar schools and reform to the funding of adult social care. The revised legislative agenda reflected both the demands of Brexit and the loss of the Government's majority in the 2017 election, which forced it to seek the support of the Democratic Unionist Party to govern through a confidence and supply arrangement.

So far, the volume of legislation that the Government has brought before Parliament is comparable with that of recent parliamentary sessions. However, the scope and ambition of its non-Brexit legislation has been decidedly limited, as it has opted to focus its political capital on ensuring its Brexit legislation reaches the statute book.

Despite this, progress on key Brexit bills has been slow. The long process of securing Cabinet-level agreement for Britain's negotiating positions, and prolonged uncertainty over the outcome of negotiations with the EU, have made it harder to finalise legislation. And once legislation has been introduced to Parliament, the Government has opted to delay certain stages of its own bills in an effort to stave off possible Commons defeats. In December 2018, the Government also chose to delay Parliament's meaningful vote on the draft withdrawal deal reached with the EU.

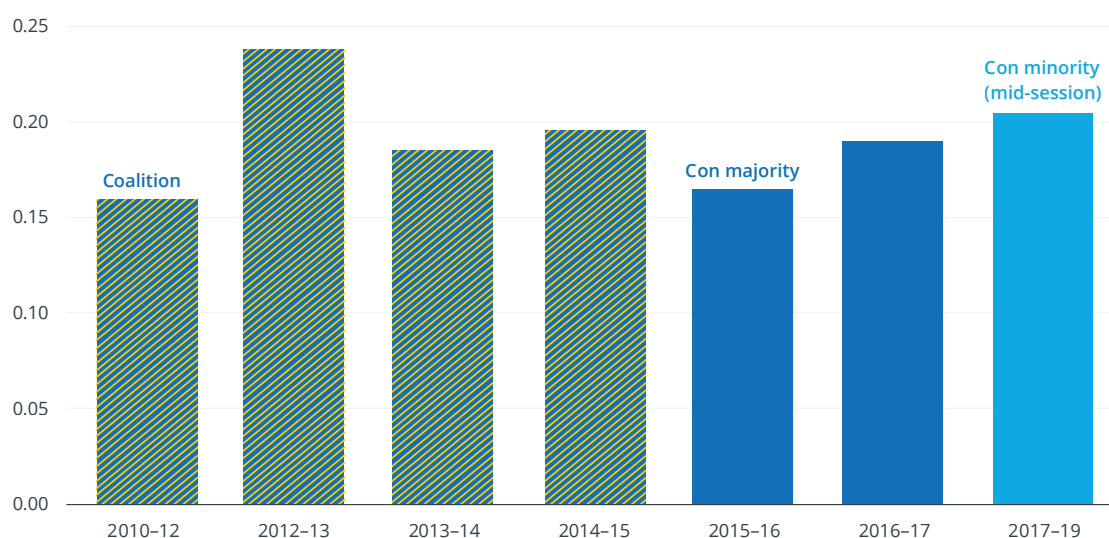
Continued delays to its legislative programme have limited the time available to pass essential primary and secondary legislation, creating the potential for a rush before the end of March 2019.

### Further analysis

[www.instituteforgovernment.org.uk/legislation](http://www.instituteforgovernment.org.uk/legislation)

## The Government is introducing a similar amount of legislation to recent years

Figure 5.1 **Government bills introduced to Parliament per sitting day, per session, since 2010–12, as at 21 December 2018**



Source: Institute for Government analysis of data from <https://services.parliament.uk/bills>; and House of Commons Hansard, Sessional Returns for 2010–12 to 2016–17.

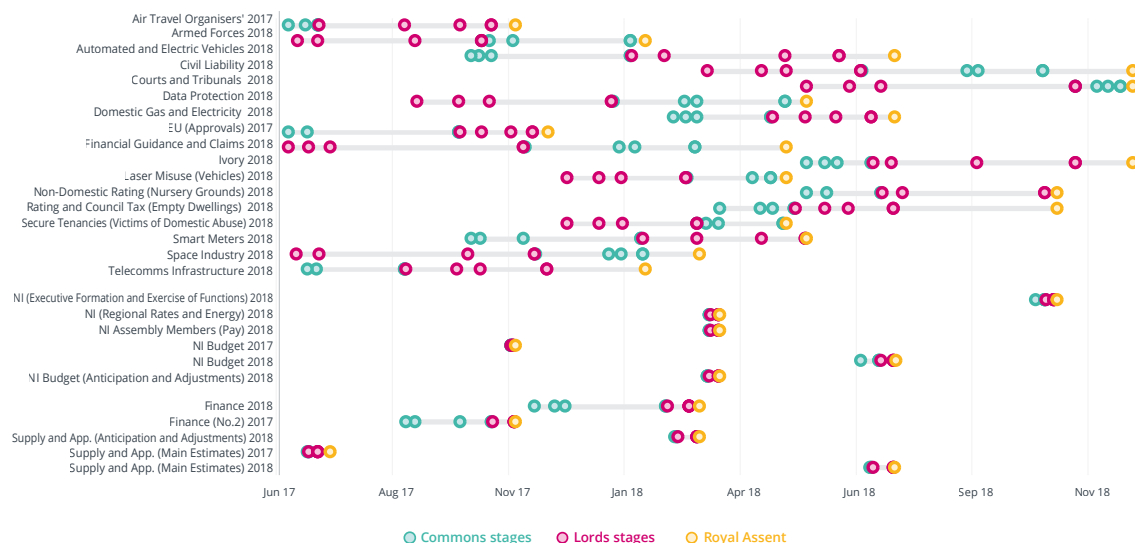
Since the beginning of the current parliamentary session in June 2017, the Government has brought a total of 46 bills before Parliament. This is equivalent to one new bill every five sitting days, or 0.2 bills each day that the Commons has sat.

This volume of legislation is broadly comparable with recent parliamentary sessions. The length of a session partly determines how much legislation can be introduced by a government to Parliament, with shorter sessions offering less time to bring forward bills. In each session since 2012–13, the Government has brought an average of 29 bills before Parliament – though those one-year sessions averaged just 148 sitting days. The current 2017–19 session is scheduled to last for two years, meaning the closest comparison is the 2010–12 session, in which there were 295 sitting days. In that session, the then Government introduced 47 bills to Parliament, or one every six sitting days – broadly similar to the current session.

While the Government faces the dual challenges of passing contentious Brexit legislation and governing as a fragile minority, it has not reduced the amount of legislation it has brought before Parliament.

## But apart from Brexit, the Government has scaled back its legislative ambition

Figure 5.2 Non-Brexit government bills passed in the 2017–19 session, as at 21 December 2018



Source: Institute for Government analysis of data from <https://services.parliament.uk/bills>.

In the 2017 Queen's Speech, the Government made clear that its priority for the current session was to pass the legislation needed to prepare for Brexit. This has not stopped it from passing legislation on other matters, but beyond Brexit, the Government's legislative programme has displayed little of the ambition usually expected immediately following an election.

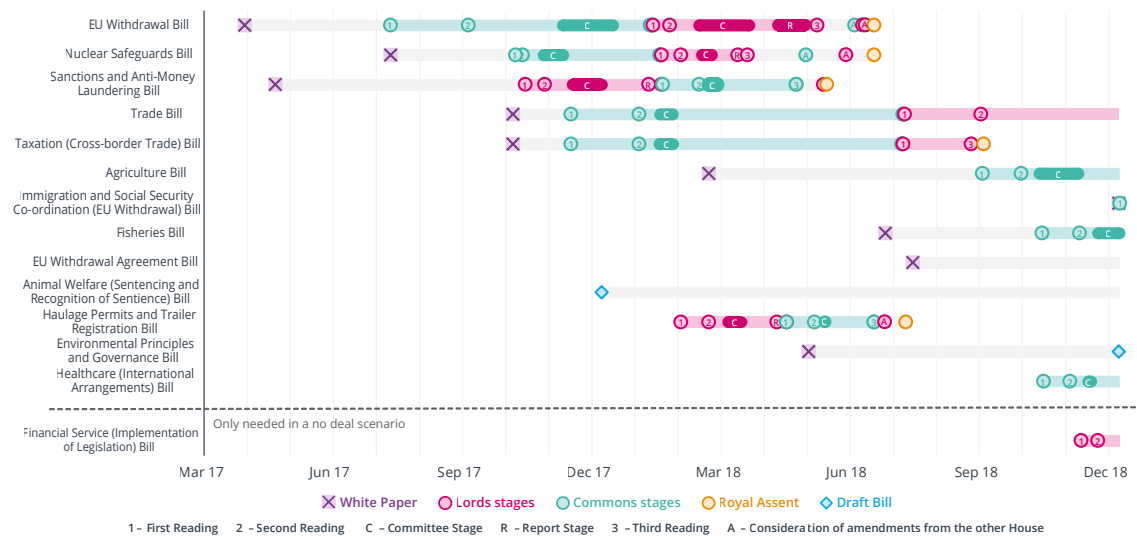
Of the 28 non-Brexit bills that the Government has got on to the statute book so far:

- Five were routine pieces of legislation relating to the funding and spending of government, that all governments need to pass – two finance acts and three supply and appropriation acts.
- Six were urgent bills relating to Northern Ireland – including two budget acts – which the UK Parliament needed to pass in the continuing absence of an executive at Stormont.
- The remaining 17 acts dealt with specific policy areas, such as the Data Protection Act 2018, which implemented new GDPR rules, or the Laser Misuse (Vehicles) Act 2018, which created a new offence of shining lasers at aircraft and other forms of transport. The Government also passed legislation to merge existing financial claims bodies into one organisation (the Financial Guidance and Claims Act 2018) and to cap certain energy tariffs (the Domestic Gas and Electricity (Tariff Cap) Act 2018).

Much of this legislation was significant in specific policy areas. But it was not the kind of major reforming legislation often introduced by governments in the first session of a new parliament. The Government has chosen to focus its energies and political capital on Brexit bills, and has avoided potentially contentious legislation in other areas.

## Progress on Brexit bills is slow

Figure 5.3 **Parliamentary progress of legislation introduced to implement Brexit, as at 21 December 2018**



Source: Institute for Government analysis of data from <https://services.parliament.uk/bills>

The Government has identified a total of 13 pieces of primary legislation as necessary to ready the UK statute book for Brexit, although one – the Environmental Principles and Governance Bill – is not expected to be brought forward until the next parliamentary session. In addition, it has introduced the Financial Services (Implementation of Legislation) Bill as part of its preparations for a no-deal scenario.

Of the 12 bills that the Government has indicated it plans to pass in this session in the event that a deal is agreed, the Government had passed five by the time MPs rose for Christmas recess in December 2018:

- the EU Withdrawal Act
- the Nuclear Safeguards Act
- the Sanctions and Anti-Money Laundering Act
- the Taxation (Cross-border Trade) Act
- the Haulage Permits and Trailer Registration Act.

However, the process of passing these bills has been drawn out. The flagship EU Withdrawal Act, which repeals the 1972 Communities Act and transfers EU laws on to the UK statute book, took almost a year, and more than 270 hours of parliamentary time to pass.<sup>1</sup>

Delays to the Government's Brexit bills reflect the challenges of legislating on a contentious issue as a minority government. Protracted disagreements within the Cabinet over the nature of Britain's exit from the EU have made it harder to draw up legislation, and ongoing negotiations with the EU have prevented bills from being finalised.



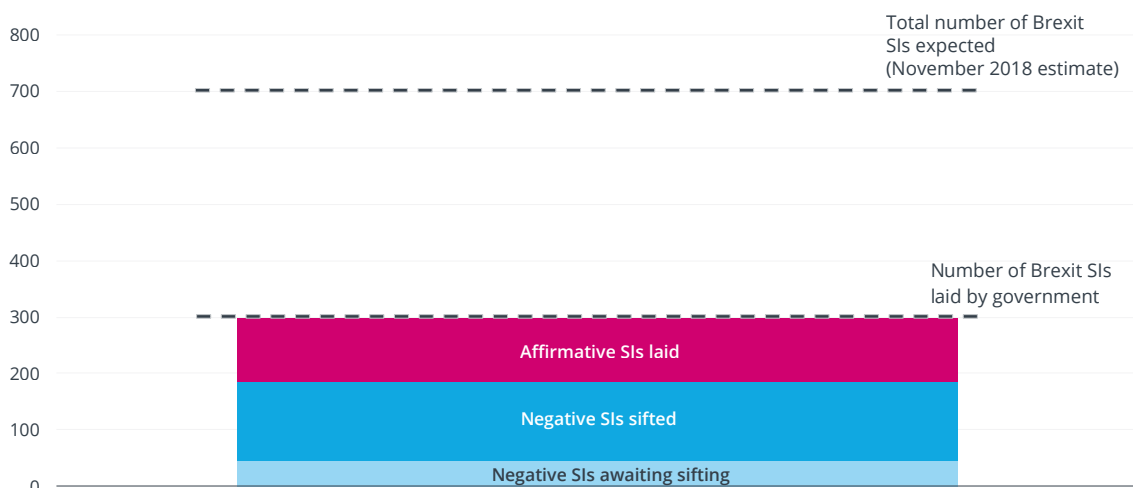
But the Government has also delayed bills during their parliamentary passage, allowing long periods to elapse between different stages as it sought to stave off Commons defeats. For example, the Taxation (Cross-border Trade) Act completed its Commons committee stage in February 2018, but did not reappear for its report stage until July, a gap of more than five months.

Five other Brexit bills – covering immigration, trade, agriculture, fisheries and healthcare arrangements with the EU – are currently before Parliament. However, the Government was not able to introduce the Withdrawal Agreement Bill before Christmas 2018, waiting for Parliament to vote in favour of its deal before it does so. This bill would translate any agreement reached with the EU into law, and in the event of a deal would need to be passed by 29 March 2019.

Until Parliament approves the deal and passes the Withdrawal Agreement Bill, the Government needs to continue to plan for the possibility that Britain will leave the EU with no deal. In that scenario, six of these bills will need to be in place (all except the Environmental Principles and Governance Bill, the Animal Welfare Bill and the Withdrawal Agreement Bill). These delays mean that it still needs to pass a raft of primary legislation against a rapidly shrinking timetable – as well as a high volume of secondary legislation.

## The Government has introduced only a small proportion of the secondary legislation needed for Brexit

Figure 5.4 **Expected number of Brexit statutory instruments, number laid by the Government, and number scrutinised by Commons (ESIC) and Lords (SLSC) sifting committees, as at 21 December 2018**



Source: Institute for Government analysis of data from reports of the Commons European Statutory Instruments Committee and the Lords Secondary Legislation Scrutiny Committee; and data from the Hansard Society, Brexit Statutory Instruments Dashboard.

Secondary legislation, usually in the form of statutory instruments (SIs), is used to flesh out the technical detail of measures contained in primary Acts of Parliament. Parliament delegates powers to government to draw up this legislation, which is subject to less scrutiny than primary bills. Between 2010 and 2015, an average of over 3,000 SIs were passed each year.<sup>2</sup>

The Government estimated in November 2018 that the UK Parliament will have to pass around 700 pieces of secondary legislation (on top of other, non-Brexit SIs) to ensure that British law continues to work after the UK leaves the EU. This was a slight downwards revision of earlier estimates, which suggested that between 800 and 1,000 SIs were required. The figure has been revised down in light of the passage of some primary legislation that has superseded the need for SIs (for example, the Haulage Permits Act), and because the Government has in some cases been able to combine multiple SIs into one instrument.<sup>3</sup> In the event that a deal, including a transition period, with the EU is accepted by Parliament, the Government has stated that “a significant number” of these SIs may not be needed by Exit Day. But ministers have been unable to put an exact figure on this.<sup>4</sup> While ‘no deal’ remains a possibility, the Government’s target of around 700 additional SIs remains in place – though in January 2019 ministers suggested the figure may be revised down again to around 600. However, by the time that Parliament rose for its Christmas recess in December 2018, the Government had laid 297 pieces of Brexit secondary legislation – less than half of what it expects to lay in total.<sup>5</sup>

Some departments whose work is particularly affected by Brexit will have to introduce a significant amount of secondary legislation. Defra, for example, is due to produce 86 SIs, which between them refer to 850 separate pieces of legislation.<sup>6</sup> Departments including BEIS, DfT, HMRC and the Treasury are each expected to be responsible for between 10% and 15% of Brexit SIs.<sup>7</sup> According to analysis by the Hansard Society, Defra, BEIS and DfT have been responsible for the highest numbers of Brexit SIs so far.<sup>8</sup>

Of the 297 pieces of Brexit secondary legislation laid, 111 were subject to the more rigorous ‘affirmative’ scrutiny procedure, through which both Houses must agree to the SI. But the majority – 186 – were proposed by the Government to be subject to the less rigorous ‘negative’ scrutiny procedure, under which the SI will become law unless an objection is passed by either House within a certain time period.

Most of this legislation will be made under powers delegated to the Government by the EU Withdrawal Act. During the passage of the Act, parliamentary concern about the extent of these powers, and the need for Government’s use of them to be scrutinised, led to the establishment of a new sifting procedure for Brexit SIs.

Under this procedure, every Brexit SI that the Government proposes should be subject to ‘negative’ scrutiny is to be examined by a new Commons European Statutory Instruments Committee (ESIC), and the existing Lords Secondary Legislation Scrutiny Committee (SLSC). The committees assess whether each SI should be upgraded to the more rigorous ‘affirmative’ procedure. While the Government does not have to accept the recommendations of the committees, the relevant minister must make a statement explaining any decision to ignore their recommendations.<sup>9</sup> The Government has previously estimated that between 20% and 30% of its Brexit SIs will be subject to the affirmative procedure, and therefore do not require sifting by the ESIC or SLSC.<sup>10</sup> This means, based on the estimate of a total of 700 Brexit SIs, that each sifting committee can expect to consider around 490 to 560 pieces of secondary legislation.

However, the slow flow of Brexit secondary legislation laid by the Government has meant that the sifting committees were only able to consider 138 SIs (ESIC) and 140 SIs (SLSC) before the 2018 Christmas recess, with further SIs awaiting sifting in January 2019. Over the same period, ESIC recommended 27 proposed negative SIs be upgraded to the affirmative procedure, while the SLSC recommended that 21 be upgraded. So far, the Government has accepted the committees' recommendations.

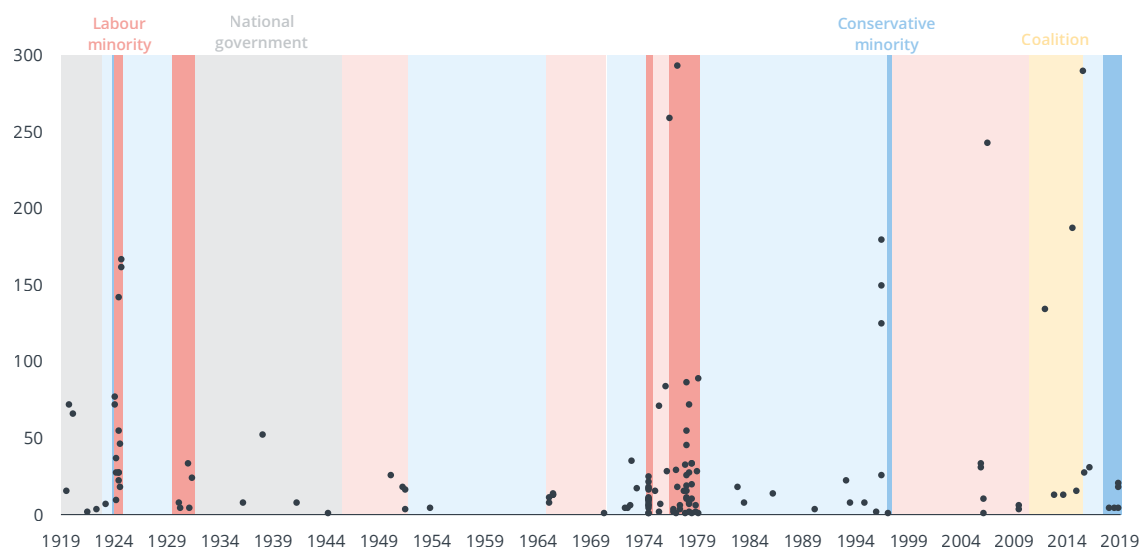
In response to concerns about the slow progress of Brexit secondary legislation, the Government indicated in October 2018 that it expects to pick up the pace in the coming months.<sup>11</sup> Departments heavily affected, such as Defra, have increased their legislative capacity, and the Government is working to improve their management of SIs.<sup>12</sup>

The Government has indicated that work is under way on all the Brexit SIs that remain to be laid, but the trickle of legislation so far will need to become a flood if everything is to be in place by Exit Day.<sup>13</sup>

The need to pass a high volume of secondary legislation against a tight deadline raises questions about the ability of Parliament to conduct adequate scrutiny – especially when there is already concern about existing scrutiny procedures for all secondary legislation.<sup>14</sup>

## The Government has repeatedly made concessions to try to avoid defeats

Figure 5.5 **Size of government defeats in the House of Commons, January 1919 to December 2018 (periods of minority government highlighted)**



Source: Institute for Government analysis of sources including Butler and Butler, *British Political Facts*, and Wikipedia.

Minority governments are much more likely to be defeated in the Commons, as history shows. Prior to December 2018, and despite its fragile position in the lower House, the Government only lost two votes in the Commons: one in December 2017, during the passage of the EU Withdrawal Bill, and another in July 2018, on the Trade Bill.

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However, on 4 December 2018, the Government lost three Commons votes in just one afternoon. Ministers were defeated on an amendment to a motion setting out what would happen in the event that MPs voted down the Government's Brexit deal; and the Government also experienced two defeats over its refusal to release the full legal advice given to the Cabinet on the Brexit deal – including a vote which, for the first time, found a government to be in contempt of Parliament.

Since the beginning of this parliamentary session, the Government has been keen to avoid Commons defeats. To do this, it has adopted several strategies. At times, it has delayed bills when support from its own backbenchers has been in doubt. This happened on the Customs and Trade bills, and also on the (non-Brexit) Offensive Weapons Bill, which was supposedly rescheduled due to issues with parliamentary time, but is widely regarded as having been pulled amid fears of a backbench rebellion.<sup>15</sup> Most notably, in December 2018 the Government also chose to delay Parliament's meaningful vote on the Brexit deal, in the face of a likely defeat.

The Government has also frequently made last-minute concessions to backbenchers. On the EU Withdrawal Bill, it accepted a number of amendments, including to strengthen scrutiny procedures for secondary legislation, which meant it avoided defeats. It employed a similar tactic on non-Brexit bills, for example making changes to the Data Protection Bill to reverse a requirement for NHS staff to share data with the Home Office, in the wake of the Windrush scandal.

As the Government faces further legislative challenges in the coming months, it may find itself pushed into making more concessions by backbenchers who are aware of its desire to avoid defeats.



## 6 Major projects

Brexit has been described as the civil service's "biggest and most complex challenge... in [its] peacetime history".<sup>1</sup> Across Whitehall, there are more than 300 Brexit workstreams as departments prepare for multiple scenarios to tight deadlines. Alongside this, the Government is attempting to deliver over a hundred major projects, including high-speed rail, Universal Credit and improvements to military capability. But despite recent efforts to improve project delivery in government, the risk of major projects not being delivered on time and budget appears to be growing.

Departments deliver a range of projects relating to infrastructure, defence capabilities, government IT systems and transforming public services. Supporting this activity from the centre is the Infrastructure and Projects Authority (IPA), a joint unit of the Cabinet Office and the Treasury. Described as a "centre of expertise", it oversees government projects throughout their life cycle and develops the skills and capabilities of project leaders.

The IPA provides additional direct support to the "most complex and strategically significant" projects, which are included in the government major projects portfolio (GMPP). Every year, the IPA publishes an assessment of how likely each of these projects is to deliver its objectives on time and on budget.

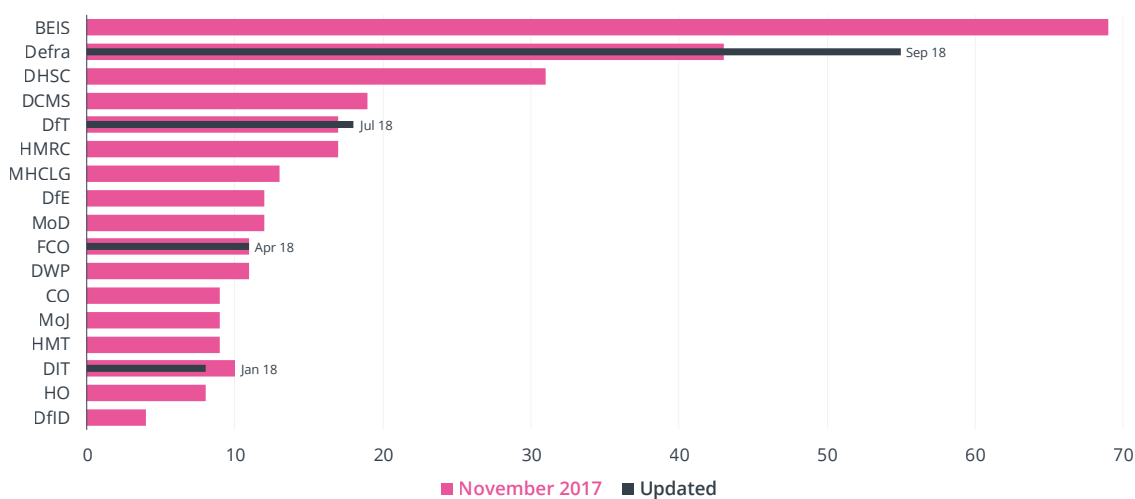
While the IPA also supports the delivery of Brexit projects, for the most part these are not included in the GMPP, so there is no published record of what these projects are, how much they cost and whether they are likely to be delivered on time.

### Further analysis

[www.instituteforgovernment.org.uk/projects](http://www.instituteforgovernment.org.uk/projects)

## Brexit adds to an already large portfolio of government projects

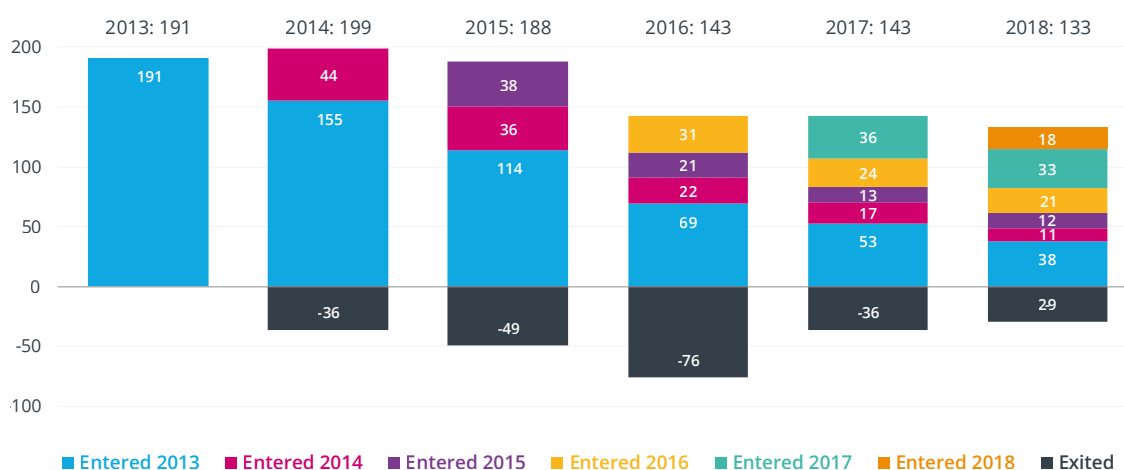
Figure 6.1 **Brexit workstreams per department, as at 10 November 2017 and updates since**



Source: Institute for Government analysis of National Audit Office, *Implementing the UK's Exit from the EU: The Department for Exiting the EU and the centre of government*, 10 November 2017, with updates from similar NAO reports for other departments.

Tony Meggs, the chief executive of the IPA, has described implementing Brexit as a “mega-programme”, and “the biggest, most challenging peacetime task the civil service has faced”. Across government, there are at least 300 Brexit-related workstreams, spanning 17 departments and agencies. The Department for Business, Energy and Industrial Strategy (BEIS) alone is responsible for 69 – the most of any department – while the Department for Environment, Food and Rural Affairs (Defra) has the second-highest number, at 55. HM Revenue and Customs (HMRC) and the Home Office could also be required to implement changes to the UK’s customs and immigration systems to meet new post-Brexit requirements.

Figure 6.2 **Number of projects in the government major projects portfolio (GMPP)**



Source: Institute for Government analysis of Infrastructure and Projects Authority annual reports, 2013–18. Data in each report as of previous September. Thirteen of the projects exiting in 2016, six of those exiting in 2017, and one of those exiting in 2018 were replaced by other projects.

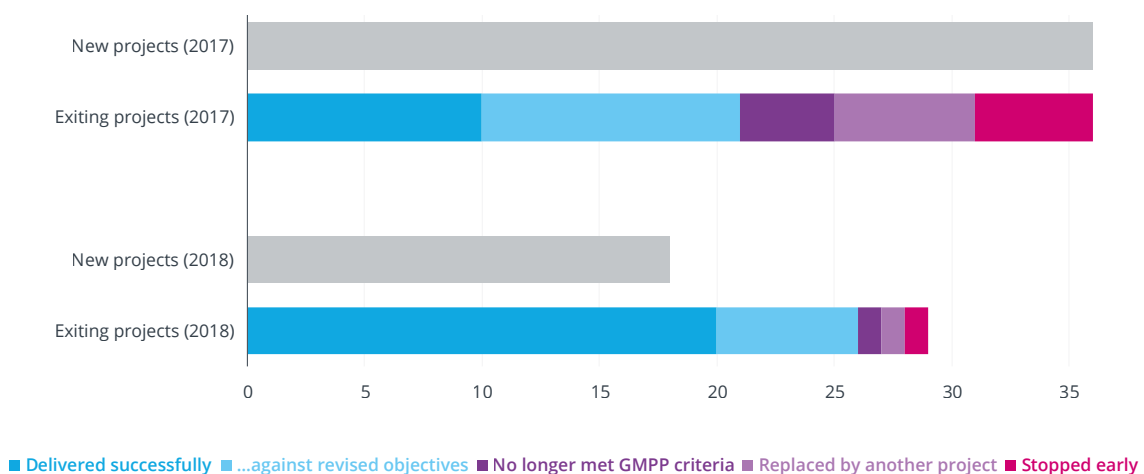
Alongside this, the Government oversees a portfolio of 133 major projects, which make up the government major projects portfolio. This is an evolving portfolio of its “most complex and strategically significant” projects. Since 2013 (when data were first published), the size of the portfolio has fallen considerably after peaking at 199 major projects in 2014.

Despite their high priority, most of the workstreams relating to Brexit are not included in the major projects portfolio. The exceptions are those that predate the EU referendum and which face additional demands as a result, such as HMRC’s programme to deliver a new customs declaration service. The IPA’s explanation for the lack of Brexit projects in the portfolio is that, when taken individually, these “are not of the same scale or duration as GMPP projects”. But when the additional demands relating to Brexit are taken into consideration, the IPA notes that there will have been a “significant increase in the number of projects and programmes that need to be delivered across government”.<sup>2</sup>

Shortly after the referendum, John Manzoni, chief executive of the civil service, spoke of a need to reprioritise activity across government to take into account the demands of Brexit. There are some signs that this has happened, with the size of the GMPP falling slightly in the past year. Tony Meggs has highlighted HMRC as his “favourite example... of a department that has worked very, very hard to prioritise activity”, while also acknowledging that there is more prioritisation to be done across government.<sup>3 4</sup>

## The Government successfully delivered 26 projects last year

Figure 6.3 **Projects joining and leaving the government major projects portfolio (GMPP), with reasons for leaving**

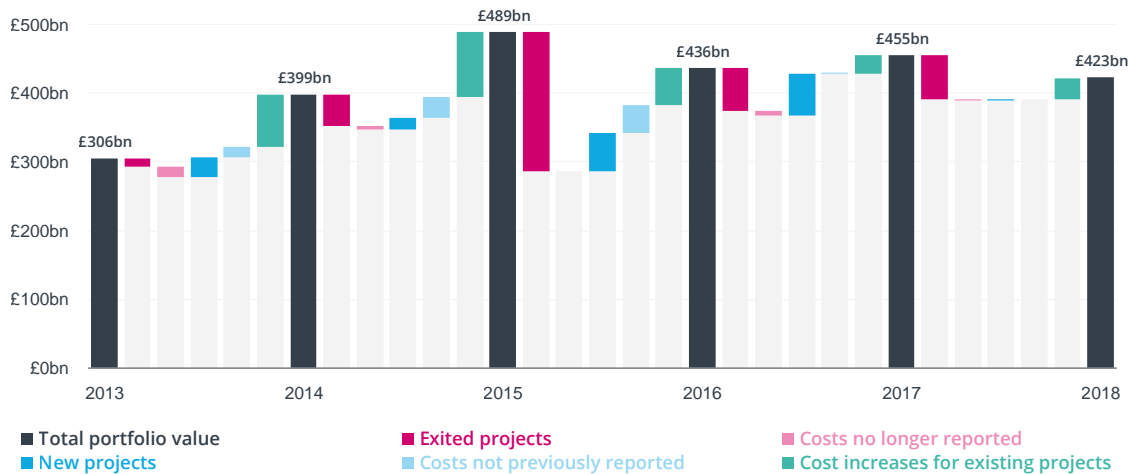


Source: Institute for Government analysis of Infrastructure and Projects Authority annual reports, 2017–18. Data in each report as of previous September.

In the past year, 18 projects joined and 29 left the major projects portfolio. Of the ones that left, 26 were delivered successfully against their original or revised objectives, including the childhood flu immunisation programme at the Department of Health and Social Care (DHSC), and the construction of the Francis Crick Institute for biomedical research at BEIS. One project, relating to the sale of the Government's stake in a uranium enrichment company, was brought to an early close after a review concluded that there were no viable delivery options. Of the two other projects to leave the portfolio, one no longer met the criteria to be included and the other was replaced by a new project.

This means that the Government completed more projects successfully in 2018 than in 2017, when only 21 of the 36 projects that left the portfolio were successfully delivered.

Figure 6.4 **Total whole-life cost of the government major projects portfolio, and breakdown of change, 2013–18**



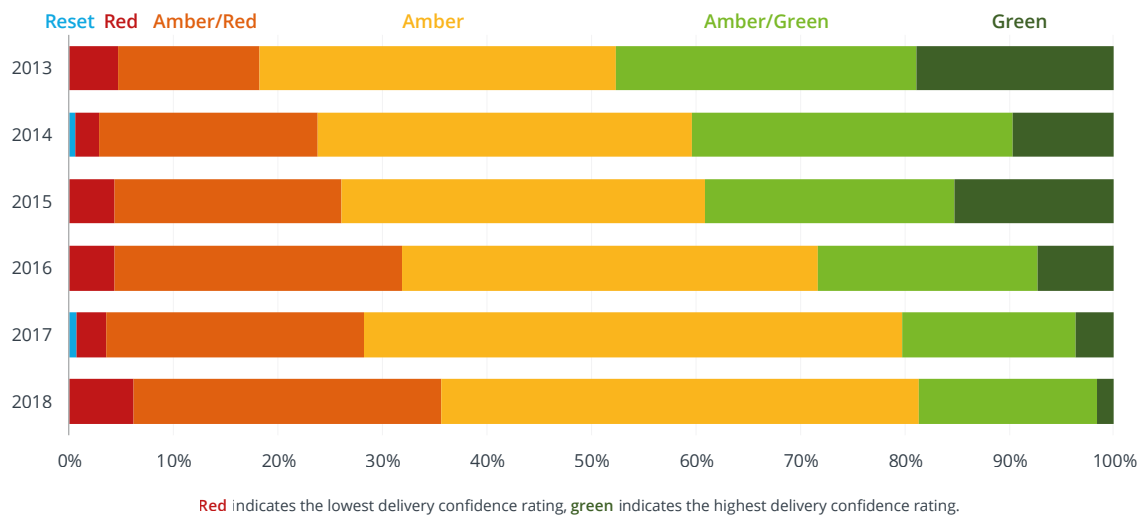
Source: Institute for Government analysis of Infrastructure and Projects Authority annual reports, 2013–18. Data in each report as of previous September.

As a result of projects leaving in 2018, the overall cost of the portfolio has fallen to £423bn, down from £455bn a year earlier. The largest to leave was the £50bn Hinkley Point C project, which exited the portfolio after a contract was signed with the French energy group EDF (the project's objectives were to "agree a contract to enable the construction and operation of a new nuclear power plant", rather than deliver construction itself). New projects entering the portfolio had a combined value of less than £1bn, but for some projects, costs increase as they move beyond the scoping phase.<sup>5</sup> There was a £31bn increase in reported costs for projects already in the portfolio, with £23bn added to the airport capacity programme at the Department for Transport (DfT) due to the inclusion of previously misreported non-government costs associated with the project.<sup>6</sup>



## Risk levels in the Government's major projects portfolio are growing

Figure 6.5 **Delivery confidence ratings for projects in the government major projects portfolio (GMPP)**



Source: Institute for Government analysis of Infrastructure and Projects Authority annual reports, 2013–18. Data in each report as of previous September, and projects with exempt red/amber/green delivery confidence ratings are not included.

Each year, the IPA assesses the likelihood that major projects will achieve their objectives on time and on budget. Every project is awarded a red/amber/green (RAG) delivery confidence rating as follows:

- **green** – successful delivery appears highly likely
- **amber/green** – successful delivery appears probable, but attention is needed to ensure that risks don't develop into major issues
- **amber** – successful delivery appears feasible, but there are significant issues and intervention is required to bring the project back on track
- **amber/red** – successful delivery appears in doubt, and urgent intervention is required to address problems or to assess whether they can be resolved
- **red** – successful delivery appears to be unachievable, and the project may need to be rescoped or have its overall viability reconsidered.

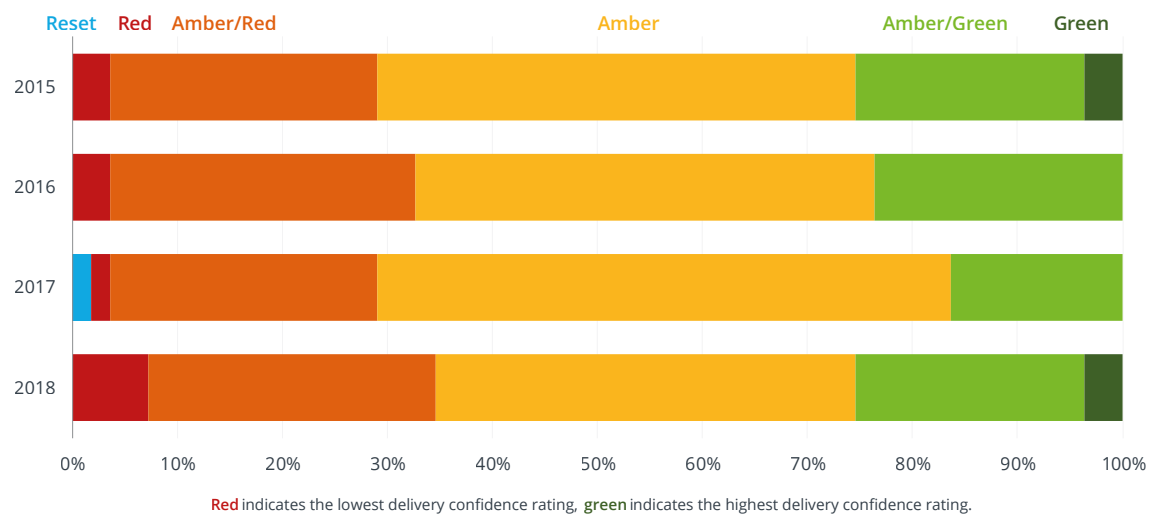
While delivery confidence ratings are not a definitive measure of project performance, they do offer an indication of the risk of the Government failing to deliver its major projects.

Delivery confidence ratings were first published in 2013 by the IPA's predecessor, the Major Projects Authority. In every year since then, the proportion of projects on track to achieve their aims on time and budget has fallen. Less than a fifth now have a green or amber/green rating, compared to almost half in 2013. Meanwhile successful delivery appears 'in doubt' or 'unachievable' for 36% of major projects, double the percentage five years ago.

There are several plausible explanations for this. In recent years, steps have been taken to improve project delivery capability in the civil service, and this could have resulted in delivery confidence ratings becoming more realistic. New projects entering the portfolio are also, by nature, likely to have more unresolved challenges than those leaving on completion.

But there are signs that risks and issues are not being resolved quickly enough once projects enter the portfolio. Between 2017 and 2018, there was only a very marginal improvement in average delivery confidence. The IPA upgraded its assessment of 26% of projects but downgraded almost as many (22%), while more than half (52%) of projects received the same rating. Tony Meggs has acknowledged that the number of 'at-risk' projects is concerning, noting that there are "more reds and amber/reds than we would like" in the portfolio.<sup>7</sup>

Figure 6.6 **Delivery confidence ratings for projects that remained in the government major projects portfolio (GMPP) between 2015 and 2018**



Source: Institute for Government analysis of Infrastructure and Projects Authority annual report, 2018. Data as of previous September.

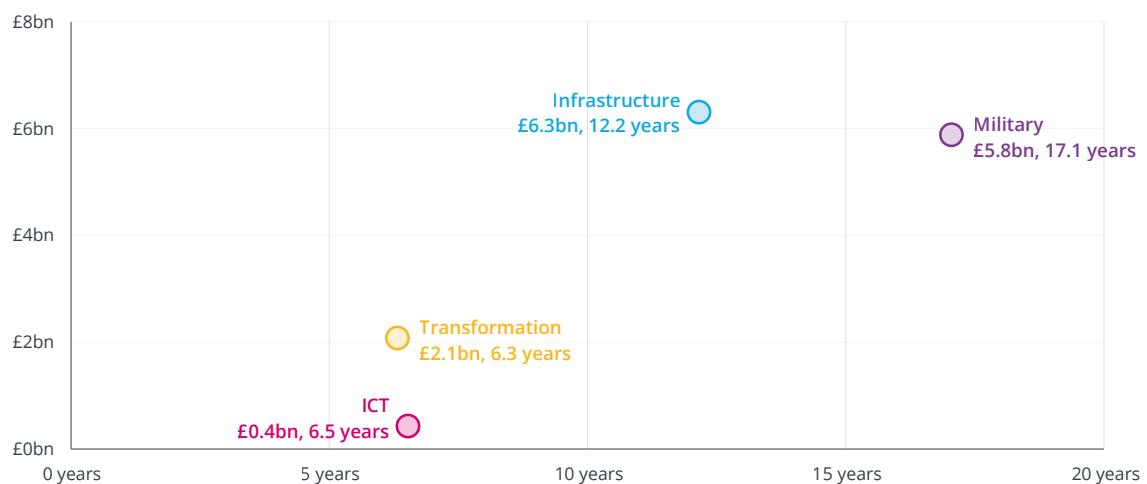
There has also been no obvious improvement in the delivery confidence for the 56 projects that have been in the portfolio since at least 2015. In 2018, 14 of these appeared on track (with a rating of green or amber/green), the same number as in 2015. In the same period, the number of projects appearing to be at risk (amber/red or red) increased from 16 to 20.

## Military and infrastructure projects are the most at risk

The IPA breaks major government projects down into four categories:

- **Military** projects help maintain national security.
- **Infrastructure** projects add to the UK's stock of fixed building assets and help promote growth in the economy.
- **Transformation** projects make the delivery of public services more efficient and improve the experience of users.
- **Information and communications technology (ICT)** projects enable cost savings by improving or replacing government IT systems.

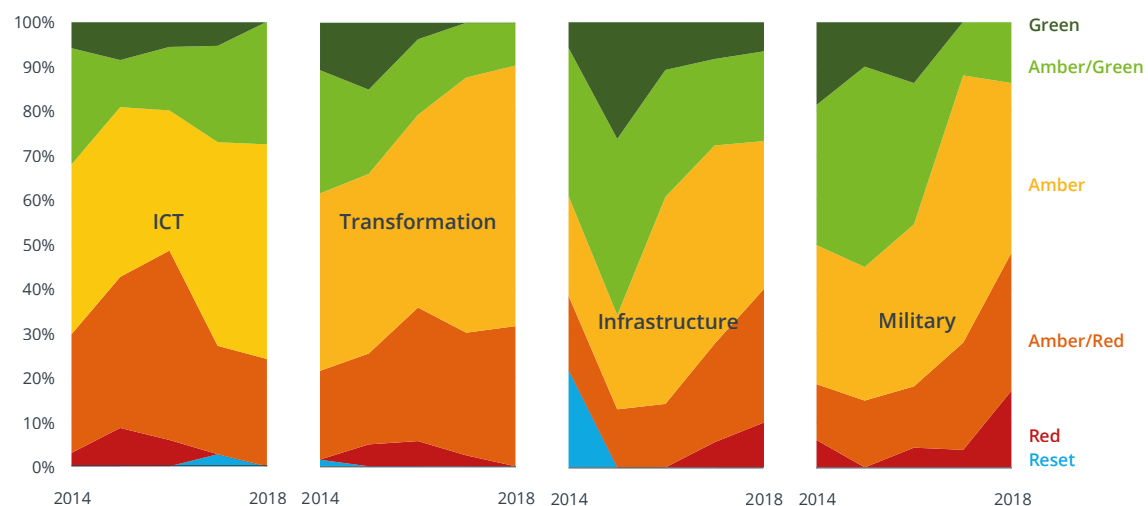
Figure 6.7 **Average costs and durations for different types of major government project, 2018**



Source: Institute for Government analysis of Infrastructure and Projects Authority annual report, 2018. Data as of previous September.

On average, military and infrastructure projects cost more and last longer than ICT and transformation projects, reflecting their greater complexity and scale.

Figure 6.8 **Delivery confidence ratings for different types of major government project, 2014–18**



Source: Institute for Government analysis of Infrastructure and Projects Authority annual report, 2018. Data as of previous September.

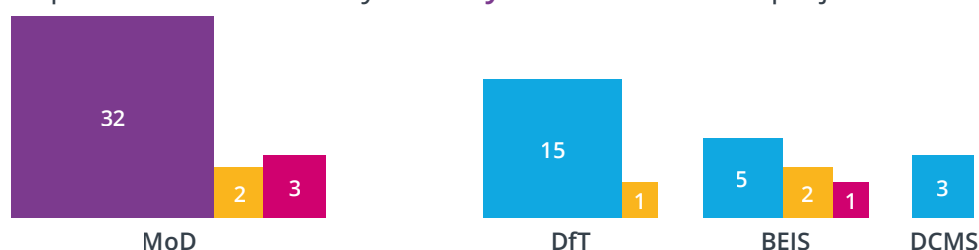
ICT projects are the most likely to have high delivery confidence, with 28% appearing on track to achieve their objectives on time and budget in 2018. Fewer than a quarter of ICT projects are at risk, compared to almost half two years ago.<sup>8</sup> In the same period, the delivery confidence of military and infrastructure projects has deteriorated.

Almost half of military projects are at risk, up from fewer than one in five in 2016, with a similar increase from 14% to 40% for infrastructure projects. These two project types account for all eight red-rated projects in the portfolio, including five defence projects, the intercity express programme (which will renew the UK's high-speed train fleet on the Great Western and East Coast lines) and the M20 lorry area (which aims to minimise disruption in Kent when the Channel Tunnel is forced to close). The IPA attributes these red ratings to an "overprogrammed portfolio" for military projects (suggesting that there are too many projects to manage), and "specific technical and commercial issues" for infrastructure projects.

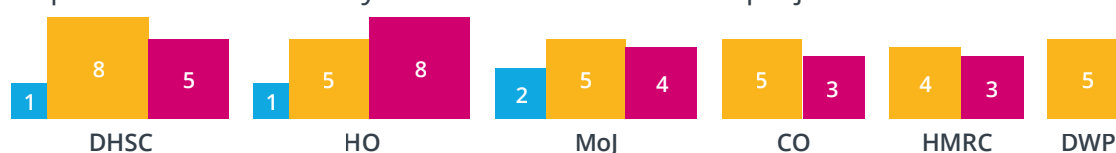
## These projects are concentrated at MoD and DfT

Figure 6.9 Major government projects broken down by department and type, 2018

Departments with mostly **military** or **infrastructure** projects



Departments with mostly **transformation** and **ICT** projects



Other departments with major projects

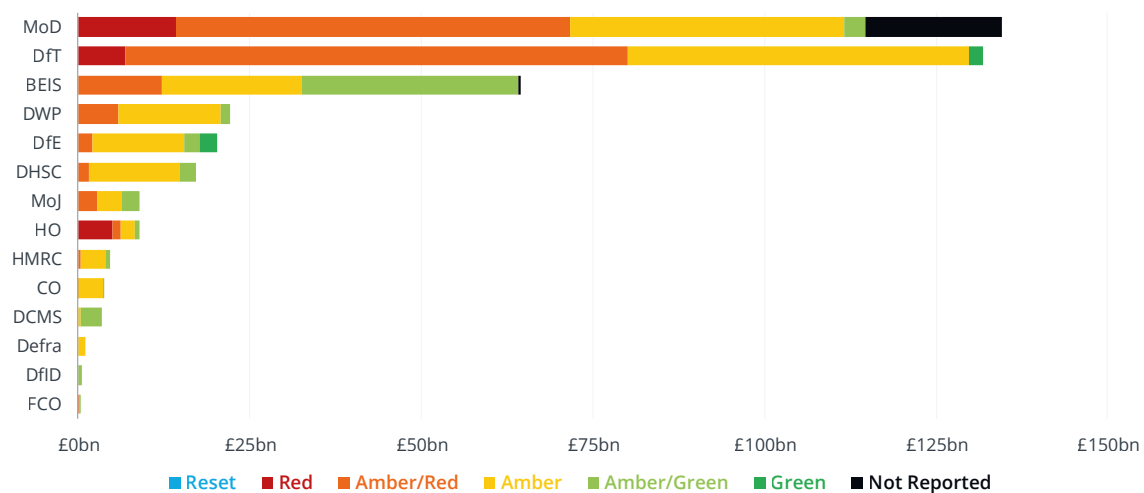


Source: Institute for Government analysis of Infrastructure and Projects Authority annual report, 2018. Data as of previous September. Home Office includes National Crime Agency projects.

The number, type and cost of projects vary significantly by department.

The Ministry of Defence (MoD) has the largest project portfolio, which includes all 32 military projects as well as a handful under transformation and ICT. DfT is responsible for the second-highest number, and 15 of its 16 projects relate to infrastructure (mostly rail and road). BEIS and the Department for Digital, Culture, Media and Sport (DCMS) also have portfolios that are dominated by infrastructure projects, relating to areas such as energy, radioactive waste disposal and superfast broadband.

Figure 6.10 **Whole-life costs of major projects by red/amber/green delivery confidence rating and departmental group, 2018**



Source: Institute for Government analysis of Infrastructure and Projects Authority annual report, 2018. Data as of previous September.

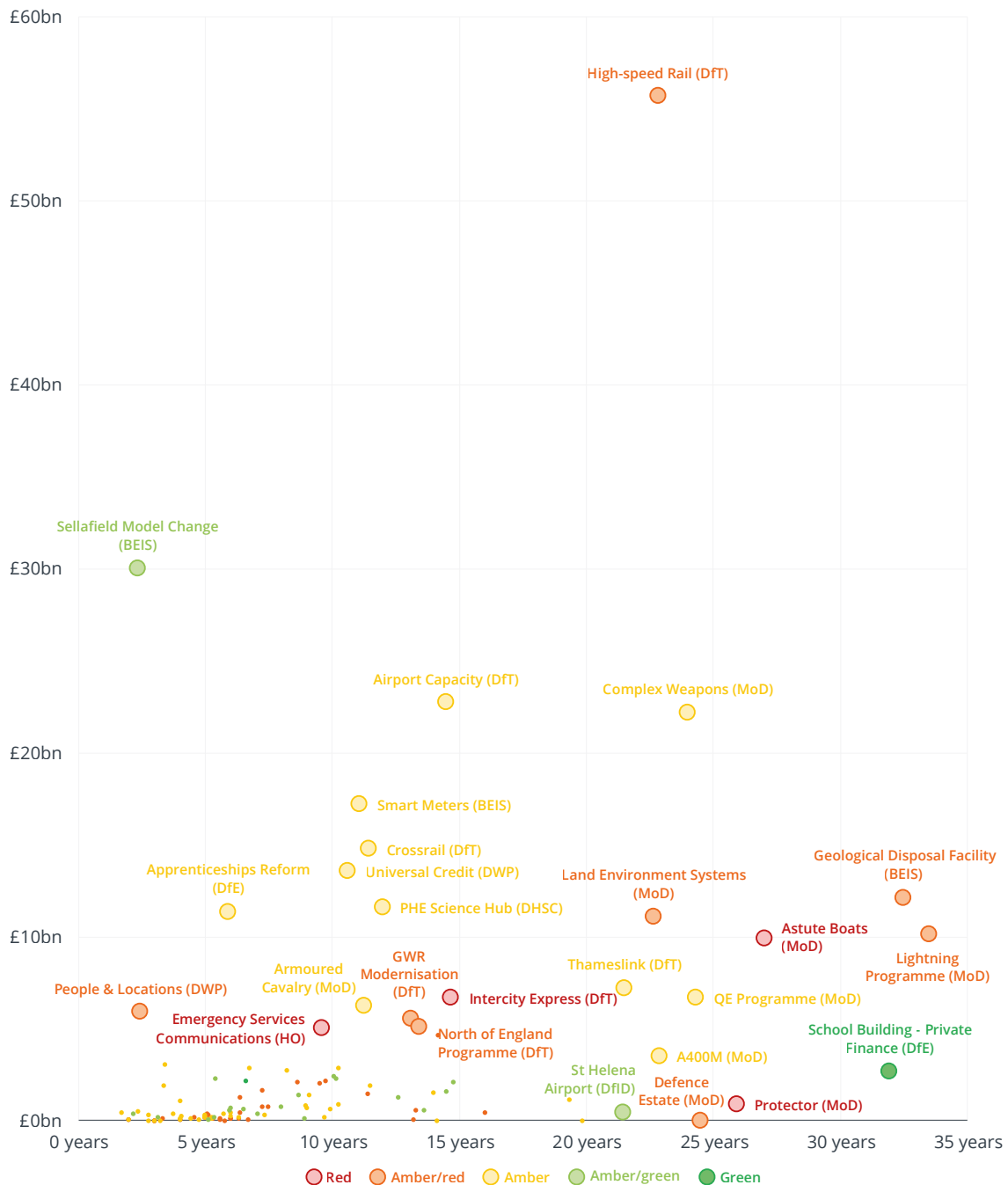
Other departments – DHSC, the Home Office, Ministry of Justice (MoJ), Cabinet Office, HMRC and the Department for Work and Pensions (DWP) – tend to have more transformation and ICT projects. These are mostly departments with major service delivery responsibilities, whose projects often focus on making operations more effective and efficient. They include the NHS e-referrals service to allow paperless referrals, the Cabinet Office’s programme to set up new government office hubs outside London, and HMRC’s project to establish a system giving parents access to tax-free childcare.

As well as having the most projects, MoD and DfT also have the most expensive portfolios, at £135bn and £132bn respectively. BEIS has the third-most costly portfolio at £64bn, despite having fewer projects than DHSC, the Home Office and MoJ. This reflects the tendency for DfT, MoD and BEIS to focus on more expensive military and infrastructure projects. Together these departments account for 78% of major project costs across government.

MoD and DfT are also responsible for a disproportionate level of project risk. Of the £183bn of ‘at-risk’ projects in the Government’s portfolio, £152bn (82%) is at either MoD or DfT.

## High-speed rail is the biggest project in the portfolio

Figure 6.11 Major government projects, by delivery confidence rating, duration and whole-life cost, 2018



Source: Institute for Government analysis of Infrastructure and Projects Authority annual reports, 2013–18. Data in each report as of previous September. Projects with costs above £5bn or duration above 20 years enlarged and labelled.

The major project with the highest whole-life cost is DfT's £55.7bn high-speed rail programme. Legislation has been passed to allow phase one of the project to proceed, with high-speed trains due to run between London and Birmingham by 2026; it is "expected to be completed on time and on budget". However, legislation is yet to be passed for phase two – extending the route to Manchester and Leeds – and the project overall is rated amber/red, suggesting "major risks or issues apparent in a number of

key areas". In September 2018, the project was hit by the departure of its phase two managing director, Paul Griffiths, and in December 2018 Sir Terry Morgan stood down as chairman of both the high-speed rail and Crossrail programmes.<sup>9</sup>

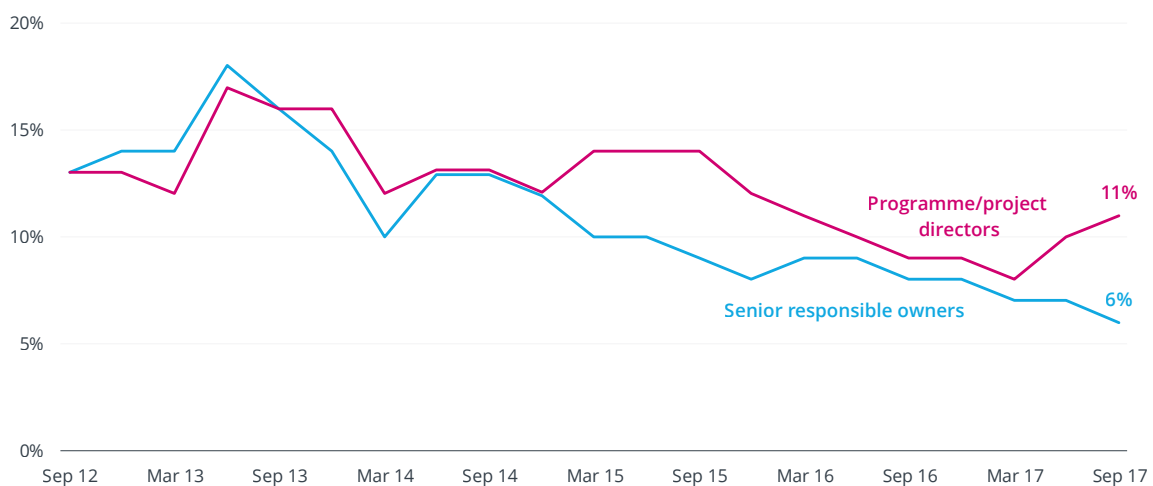
The £14.8bn Crossrail programme received an amber rating in September 2017, indicating "resolvable" issues, which "if addressed promptly, should not present a cost/schedule overrun". However, in August 2018 it was announced that the opening of the new rail line would be delayed by almost a year, and in December further delays were announced alongside a £1.4bn bailout for the project.<sup>10</sup>

Another high-profile project with an amber rating in September 2017 was the £13.6bn Universal Credit programme. In June 2018 the National Audit Office published a damning report, highlighting hardship among claimants, a failure by DWP to listen to feedback, and doubts that the project would ever achieve value for money, and in January 2019 the Work and Pensions Secretary Amber Rudd announced that the next phase of implementation would be delayed.<sup>11</sup>

## Whitehall is trying to improve its ability to deliver major projects

The civil service has taken steps to improve its ability to deliver major projects in recent years. Since 2012, more than 500 senior civil servants have enrolled in the Major Projects Leadership Academy, and in 2016 a specialist project delivery stream was added to the civil service Fast Stream (which recruits and develops future civil service leaders). This was also the year that the IPA was established to "ensure infrastructure and major projects are delivered efficiently and effectively".

Figure 6.12 **Percentage turnover for leaders of major government projects (rolling three-month average)**



Source: Institute for Government analysis of data extracted from Infrastructure and Projects Authority annual report, 2018, using WebPlotDigitizer.

There are some signs that these efforts are achieving results. For example, there has been a reduction in turnover among project leaders since 2013. Ensuring that experienced people remain in post is crucial; the IPA has noted that "consistency of leadership within projects is important for smooth and successful delivery". A recent report by the Institute for Government highlighted DWP's Universal Credit programme,

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DfT's West Coast Mainline project, and Defra's Common Agricultural Policy rural payments scheme as having been blighted by excessive turnover in project leaders. Turnover for senior responsible owners – who oversee project governance, secure necessary resources and answer to select committees – has now fallen to 6%, compared with 18% in June 2013. For programme or project directors – who manage the day-to-day running of projects – it has fallen to 11%. While this is an improvement on the 17% turnover in June 2013, turnover has increased slightly from a low of 8% in March 2017.

The IPA has also established an early development pool, to provide support for projects that “have the potential to join the GMPP in the future” such as MoJ's Youth Justice Reform programme. This pool is intended to tackle some of the common causes of failure, including a “lack of clear objectives, insufficient resources, and overambitious cost and schedule”, which can be avoided if projects receive effective support early on.





## 7 Digital

Digital technology is transforming governments all over the world, as they employ new processes and practices to make them better at what they already do and find new ways to support and serve the public. The UK has been regarded as a world leader and its GOV.UK website widely copied. But more ambitious aspects of the Government's agenda – such as Verify, which enables citizens to prove their identity online – are proving less successful.

One of the earliest initiatives of the Government Digital Service (GDS), founded in 2011, was to consolidate government's online presence into GOV.UK, a single portal for information and services. Everything from official statistics to speeches is now published digitally by default.

Digital services on GOV.UK have expanded from 25 'exemplar' projects in the early days of GDS to nearly 800 now, allowing UK citizens to perform a wide range of tasks, from renewing their passport or driving licence to subscribing to flood alerts.

But some of the more ambitious initiatives aimed at transforming government have stalled. GDS espoused the idea of 'government as a platform', developing common components – which would allow citizens to provide proof of their identity, make payments and be notified by government bodies – that could be used across a number of services. In particular, Verify has run into problems, with uptake being less than expected and the Government cutting any further funding.

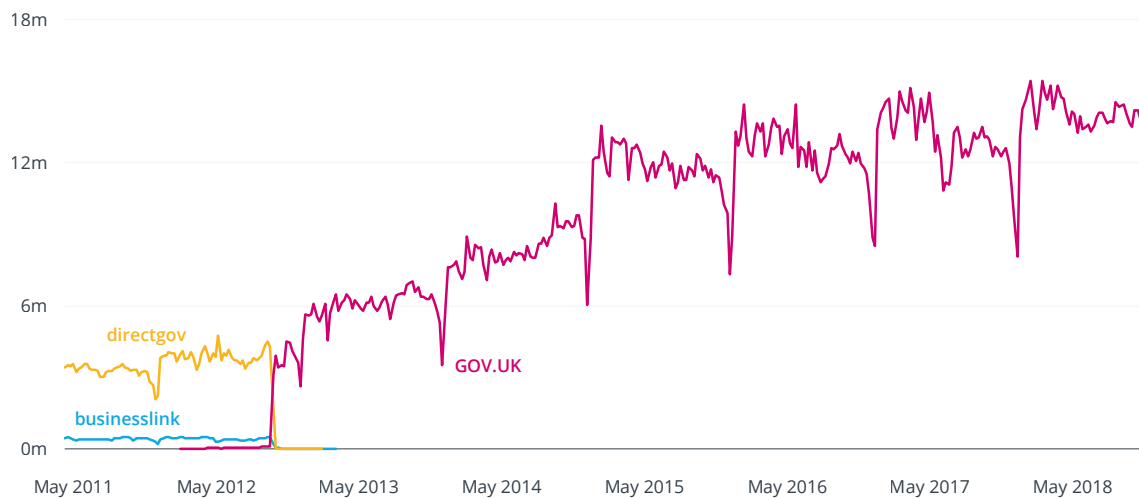
Other aspects of the Government Transformation Strategy, published in 2017, also remain unfulfilled. And questions abound about the future of GDS, with Parliament's Science and Technology Committee the latest to raise concerns.

### Further analysis

[www.instituteforgovernment.org.uk/digital](http://www.instituteforgovernment.org.uk/digital)

## The Government has successfully consolidated its digital presence into GOV.UK

Figure 7.1 **Weekly traffic volumes to websites belonging to GOV.UK and its predecessors (unique users)**



Source: Institute for Government analysis of GOV.UK Performance Platform ([www.gov.uk/performance](http://www.gov.uk/performance)), May 2011 to December 2018.

The digital transformation of government in the UK began with a desire to “bring government closer to the individual” and put services, including providing information to the public, online.<sup>1</sup> A rush by individual government departments, agencies, campaigns and other teams to create their own websites during the late 1990s and throughout the 2000s ultimately led to more than 1,800 separate sites – a well-intentioned mess.<sup>2</sup>

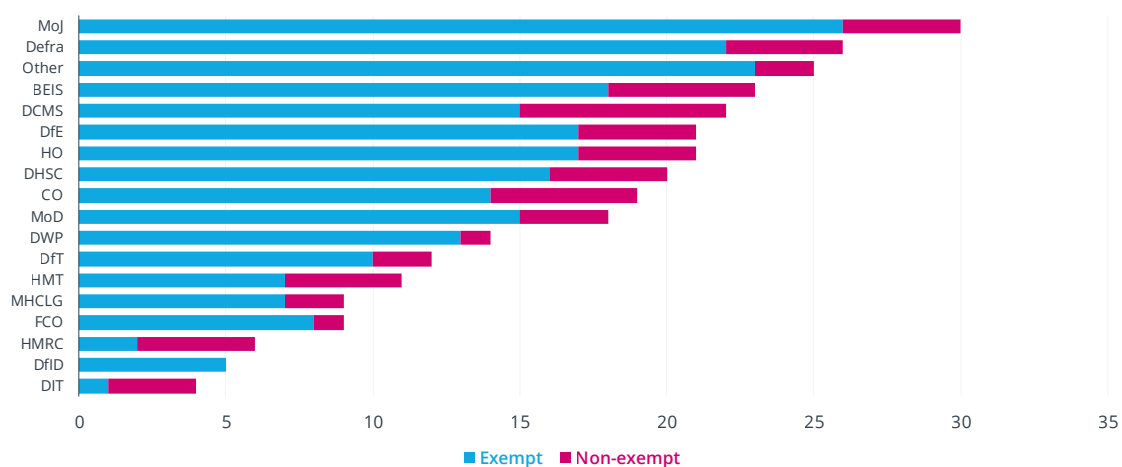
Shortly after taking office in May 2010, the Coalition Government invited the internet entrepreneur Martha Lane Fox to review Directgov, then the main online portal for UK government information and services.<sup>3</sup> She recommended making Directgov the single portal, under the control of a chief executive and a central team in the Cabinet Office. This ultimately led to the creation of the Government Digital Service and GOV.UK.<sup>4</sup> The latter was launched in 2012 and rapidly replaced its main predecessors, Business Link and Directgov. Since then the Government’s online presence has been mostly consolidated into a single domain, reducing the number of open government websites (those that can be accessed by people outside government) from around 1,800 to 295 in November 2018.<sup>5</sup> Lots of government organisations have their own web presence and content within GOV.UK, but with a consistent design and technical underpinning.

Use of GOV.UK has grown steadily, from around four million weekly unique users at the start of 2013, to almost 14 million at the beginning of 2018. There is a seasonal pattern, which peaks in the spring at the end of the financial year; traffic is at its lowest in the weeks around Christmas. The growth in the number of GOV.UK users reflects the overall growth of internet users in the UK.<sup>6</sup>

There were several goals driving this process of consolidation beyond merely rationalising a mess of different websites. GOV.UK was created to focus on the needs of users. It is a standard platform that can evolve to meet the need for information and services. It has supported the overarching ambition that the UK Government should be “digital by default”,<sup>7</sup> winning design awards and being replicated by other governments. Despite these successes, some specialist users have criticised the site, particularly after old documents or data disappeared from it.<sup>8</sup>

Of the 295 open government websites that remain, 236 are “exempt from transition”.<sup>9 10</sup> These are sites for organisations, including museums and galleries, with various valid reasons for wanting a distinct online identity, despite having major working, organisational or funding links with government.<sup>11</sup>

**Figure 7.2 Current number of open government websites by department and exemption status**

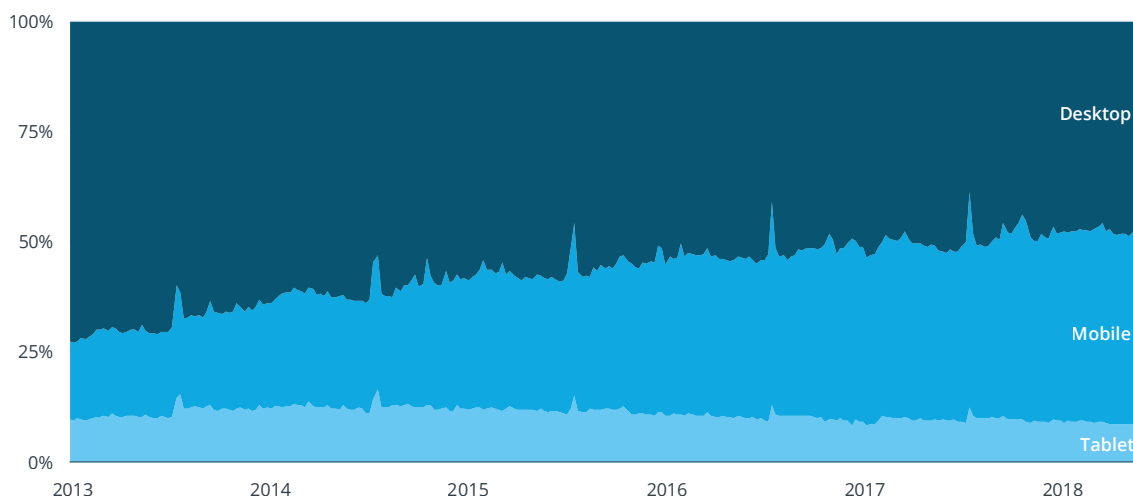


Source: Institute for Government analysis of GOV.UK Performance Platform ([www.gov.uk/performance](http://www.gov.uk/performance)), December 2018.

The Ministry of Justice (MoJ) has the greatest number of open government websites.<sup>12</sup> In part this reflects the number of its agencies that work independently of government, particularly supporting the judiciary. These include the Judicial Appointments Commission and the Judicial Conduct Investigations Office. MoJ exemptions also reflect the many agencies that advocate for or work for individuals, such as the Criminal Cases Review Commission or the Legal Ombudsman. Many of Defra’s websites are exempt because they are charities, such as the Royal Botanic Gardens at Kew, and the Dartmoor National Park Authority.

## People increasingly access the information and services on GOV.UK from mobile devices

Figure 7.3 Weekly share of GOV.UK traffic by type of device



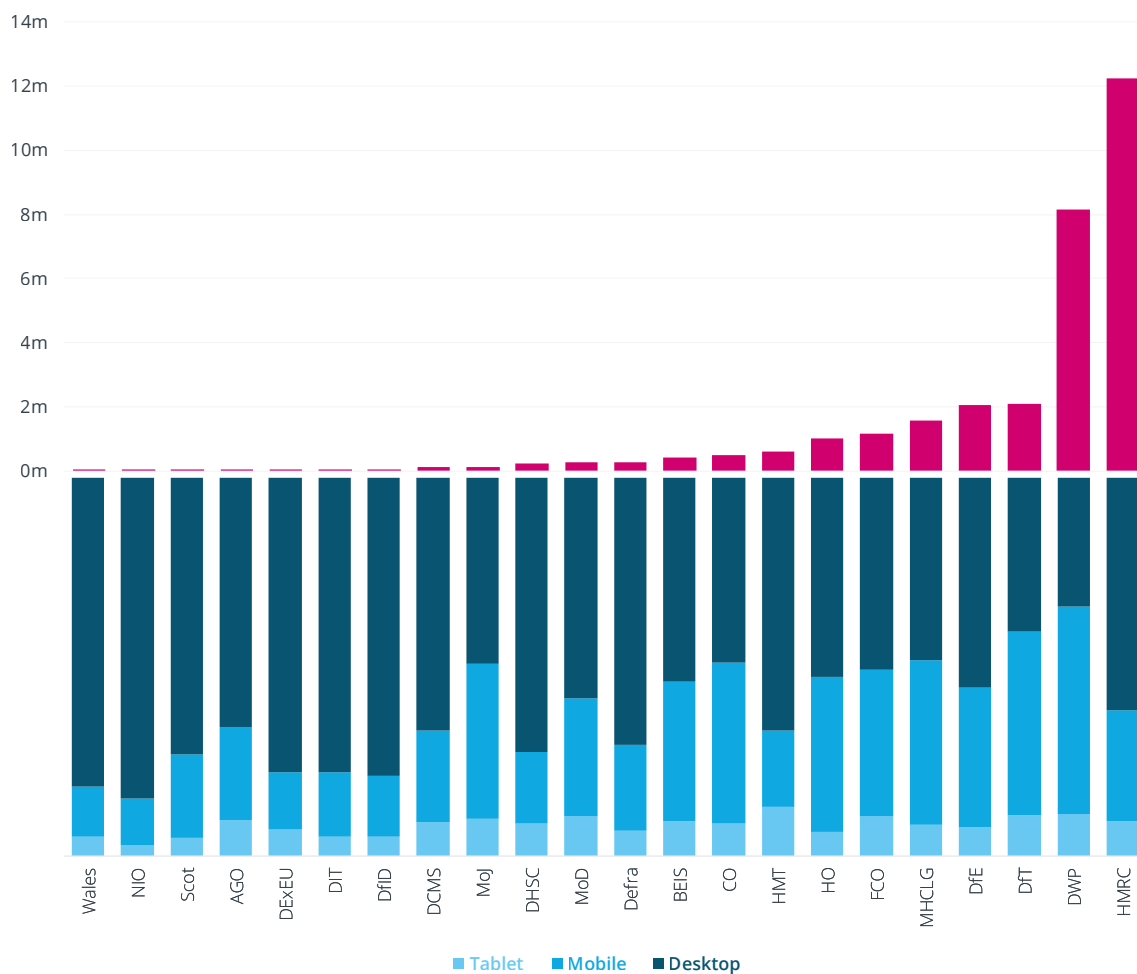
Source: Institute for Government analysis of GOV.UK Performance Platform ([www.gov.uk/performance](http://www.gov.uk/performance)), June 2013 to December 2018.

The steady growth in use of GOV.UK has also been marked by a shift in the way that people access its information and services. At GOV.UK's launch, this was mostly using computers, but over time the platform has been increasingly accessed via mobile devices. In June 2013 computers accounted for almost 73% of traffic, and mobiles for less than 18%. By November 2018 the shares of traffic coming from computers and mobiles had changed to 48% and 43% respectively.

Every year around Christmas, pageviews from computers fall, along with an overall drop in traffic, probably because people are not at work. This creates a corresponding spike in traffic from mobile devices and tablets. Tablets have never exceeded 17% of traffic and their use is declining. While mobiles have yet to account for more than 50% of all traffic, they have come close, reaching 49% in December 2017. They have generated more traffic than computers at three points over the past few years.

This growing use of mobiles partly reflects changing patterns in how people access the internet.<sup>13</sup> But it also indicates the changing nature of GOV.UK. As the platform has progressed from simply providing static information to offering services, it has created new demand.<sup>14</sup> Widening access to individuals who may own a smartphone but do not have regular access to a computer fits with GDS's commitment to make it "much easier to do important things".<sup>15</sup>

Figure 7.4 **Total weekly page views of departmental websites and share of views by device type**



Source: Institute for Government analysis of GOV.UK, 29 October to 2 November 2018.

Departments with the highest overall traffic volumes also tend to have the highest share of traffic from mobile devices. The Department for Work and Pensions (DWP) is the second-busiest government website. Its most-visited section is the Universal Credit sign-in page, which is also the second most-visited page on GOV.UK, with more than 1.3 million weekly visits (in a sample week, the week commencing 29 October 2018).<sup>16</sup> DWP is the only website where more than 50% of pageviews come from mobiles. This may reflect a successful widening of access to users who do not have a computer; it may also show that people prefer or need to access the information and services offered by DWP while out and about.

Her Majesty's Revenue and Customs (HMRC) is the big exception to the trend for busier sites to have a greater share of traffic from mobiles. Here the large majority of traffic comes from desktops.

## The Government now provides almost 800 digital services

Since 2015 hundreds of analogue government services have been made available online. In some cases the digital version of the service has fully replaced the older analogue version. For example, applications for tax refunds from the Driver and Vehicle Licensing Agency (DVLA) and information on land and property from the Land Registry have had 100% digital take-up.<sup>17</sup> In most cases there is still an ongoing transition where offline and online versions operate in parallel. For instance, despite it being one of the services most used by the public, in Q3 2018 only 51% of the DVLA's driving licence renewal transactions were done digitally.<sup>18</sup>

The services on offer span the breadth of government work, ranging from systems that automatically send out alerts in the case of a flood or an outbreak of disease, to sites that allow individuals to register to vote, or apply for a new passport or driving licence.<sup>19</sup> There are many niche and specialised services on offer too, such as applications for a licence to operate a space object, or to trade controlled forms of oil.<sup>20</sup>

This process of digitisation began in 2012 with a plan to take 25 major government services, the so-called exemplars, and make them digital. By late 2015, 20 of the 25 proposed exemplar services had been launched.<sup>21</sup> These included voter registration, patent renewal and access to personal tax accounts.<sup>22</sup> Not all the exemplars were rolled out successfully – the National Audit Office was highly critical of rural payments, for example – but the exemplar programme showed that many different types of government service could be delivered digitally.<sup>23</sup> Since 2015 the total number of services has soared to almost 800.

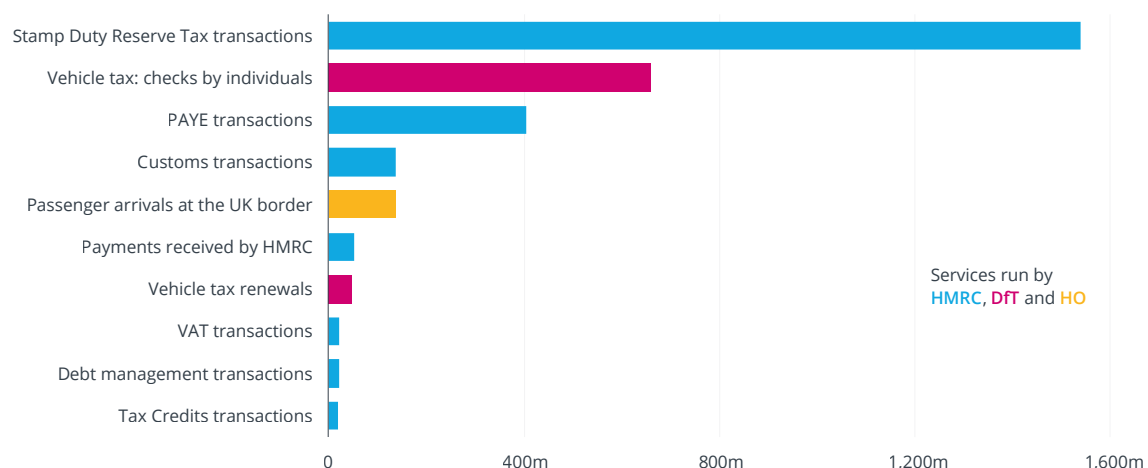
Figure 7.5 **Distribution of 789 digital services operated by government departments and public bodies**



Source: Institute for Government analysis of GOV.UK.

Four departments and their public bodies account for more than half of all digital services: the Department for Business, Energy and Industrial Strategy (BEIS, 189), Department for Environment, Food and Rural Affairs (Defra, 120), Department of Health and Social Care (DHSC, 91) and Department for Transport (DfT, 82). However, these combined handle barely a quarter of all transactions. HMRC, despite administering only 50 digital services, handles 68% of the reported transactions for all government digital services.

Figure 7.6 **Total annual transactions for the 10 busiest government digital services**



Source: Institute for Government analysis of GOV.UK Services Data ([www.gov.uk/performance/services](http://www.gov.uk/performance/services)), October 2017 to September 2018.

This is driven in particular by the more than 1.5 billion annual stamp duty reserve tax transactions – a tax on certain types of trade.<sup>24</sup> The DVLA's service that allows people to check whether a vehicle is taxed is the second most popular. The only departments with no digital services are the Department for Exiting the European Union (DExEU) and the Northern Ireland Office, neither of which has any significant operational functions.

Government digital services now handle well over three billion reported transactions annually. The 10 busiest account for almost 92% of all transactions, and seven of these belong to HMRC.

Many digital services are administered by public bodies sponsored by departments, rather than departments themselves. This reflects how government is structured, with public bodies often handling most of the operational delivery work on behalf of departments. There are exceptions: a majority of the digital services offered by DWP and HMRC are run by the departments themselves.

Two thirds of digital services are targeted at businesses, with the remaining third serving individuals. A very small number are designed for both, such as the data search and request services offered by Companies House. The Department for Digital, Culture, Media and Sport (DCMS) offers two digital services for charities, allowing places of worship and monuments receiving certain government grants to reclaim VAT. The most common types of digital service deal with requests for either a licence or consent, or provide information.

While digital services are supposed to deliver cost savings, they are not free to run. Public funds support the running costs of 62% of them (60% of those aimed at businesses, and 66% of those aimed at individuals), with the remainder supported by fees and charges on the user. Funding varies between departments: all of HMRC's digital services are taxpayer-funded, while 93% of DfT's are funded by fees and charges.

## Government as a Platform is supposed to make digital transformation easier

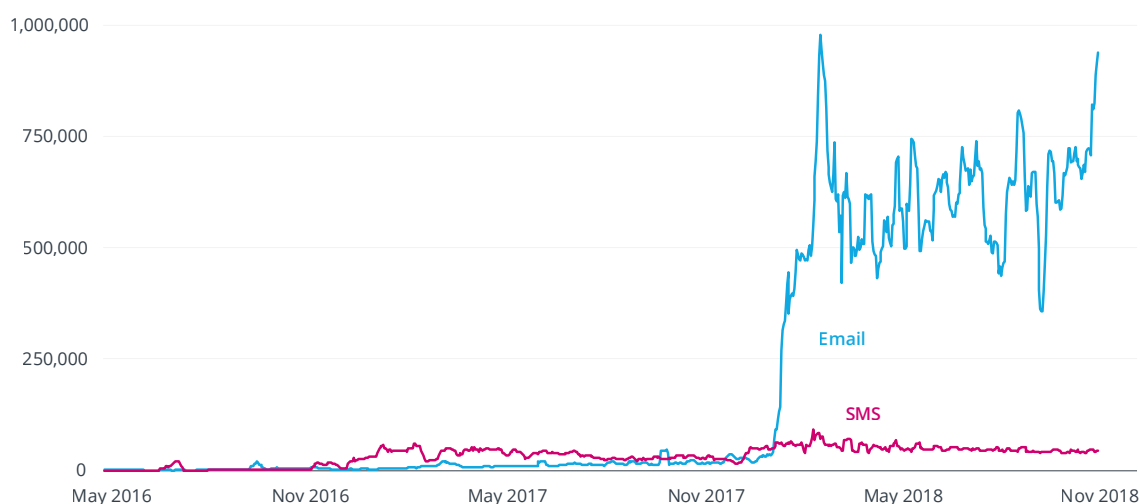
GOV.UK is just one element of what GDS calls Government as a Platform (GaaP). This is "a suite of technology products that solve common problems which government service teams have to tackle repeatedly when designing and building services for citizens".<sup>25</sup> For example, completely different services built by very different departments may still have some common requirements – such as the need to verify somebody's identity, allow people to pay government or allow them to be contacted about the service they're using.

Indeed, these are the tasks covered by three of the current GaaP components:

- Verify creates a secure digital identity standard for users, which makes it quicker, easier and safer to prove their identity when accessing government services online.
- Pay is a single standard payment-handling system, which makes financial transactions easier and more secure.
- Notify provides a standard way for digital services to send messages to users, either by email, SMS or letter.

In addition, there are registers – authoritative datasets that departments can build services around – and Platform as a Service (PaaS), which provides web hosting. GDS takes a similar approach to standardisation in the digital procurement platforms it is responsible for – G-Cloud and the Digital Marketplace.

Figure 7.7 **Number of emails and SMS messages sent by GOV.UK Notify (seven-day rolling average)**

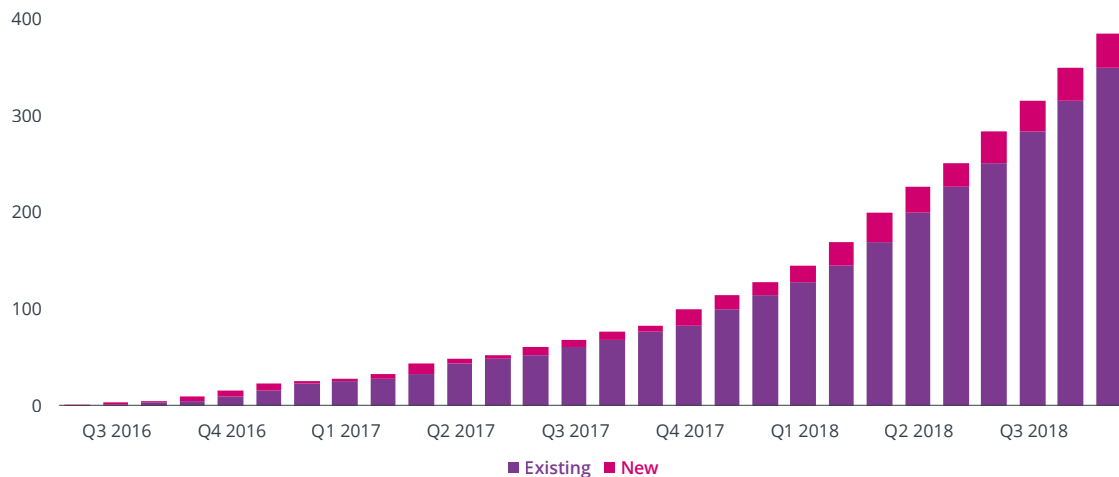


Source: Institute for Government analysis of GOV.UK Notify ([www.gov.uk/performance/govuk-notify](http://www.gov.uk/performance/govuk-notify)), October 2016 to November 2018.



Notify was launched in 2016 (the first emails were sent in May, and the first SMS messages in June). The system is currently set up to deliver up to 500 million messages per year, and can handle peak hourly traffic of more than one million.<sup>26</sup> There was steady growth of these channels and the third – letters – throughout 2017.<sup>27</sup> The use of this service to send emails grew dramatically in 2018, with the median number of daily emails rising to 618,000, compared to 1,482 letters and 52,500 SMS messages. While the volume of letters is small relative to the other modes of communication, the use of letters has been growing.

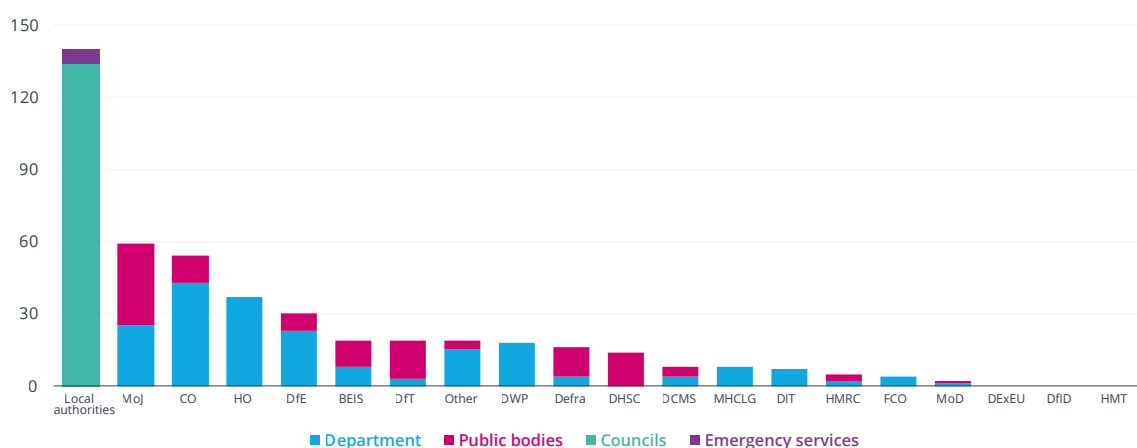
**Figure 7.8 Number of government services using GOV.UK Notify, May 2016 to September 2018**



Source: Institute for Government analysis of GOV.UK Notify ([www.gov.uk/performance/govuk-notify](http://www.gov.uk/performance/govuk-notify)).

In total there are 459 different services using Notify, and since inception it has sent a total of 218 million notifications: 188 million emails, 29.9 million SMS messages and 622,000 letters.<sup>28</sup> The number of services has been growing steadily.

**Figure 7.9 Number of digital services using GOV.UK Notify**



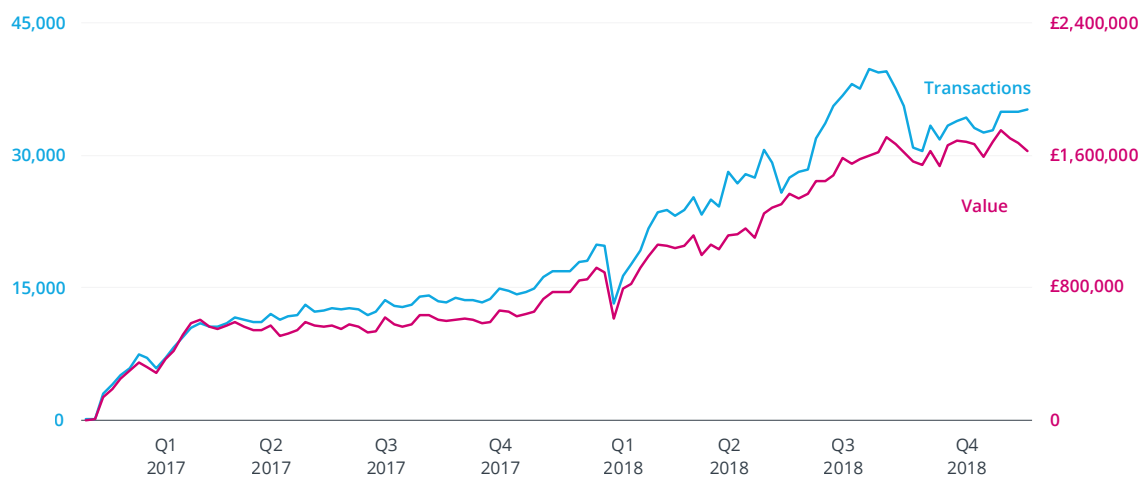
Source: Institute for Government analysis of GOV.UK Notify ([www.gov.uk/performance/govuk-notify/government-services](http://www.gov.uk/performance/govuk-notify/government-services)).

The Cabinet Office was an early adopter of GOV.UK Notify. It accounted for five of the first 10 digital services to make use of it. These included GOV.UK Pay, the Digital Marketplace and PaaS for government. This growth has continued and now the Cabinet Office is second only to MoJ in the number of digital services it runs that make use of Notify (54 and 59 respectively).

Notify has also been taken up outside of central government, with 140 services provided by 70 local authorities making use of it. Pembrokeshire County Council is the most enthusiastic adopter: 23 of its services incorporate Notify. The uses it is put to by local authorities range from various types of housing service to council tax and notifications in case of extreme hot or cold weather.<sup>29</sup>

GOV.UK Pay has also continued to grow steadily since it was launched in October 2015.<sup>30</sup> The services incorporating it range from money transfers to prisoners, to payment handling for the Government Art Collection. There are currently 51 services that use GOV.UK Pay.<sup>31</sup> The highest number are run by the Foreign Office, which offers 21 different services enabling people to buy emergency travel documents in countries around the world. As with Notify, local authorities have incorporated Pay into some of their services, although to a far lesser extent. Currently there are six using it, including Kent County Council's Trading Standards licensing service.

Figure 7.10 **Monthly transaction volume and total value of transactions handled by GOV.UK Pay**

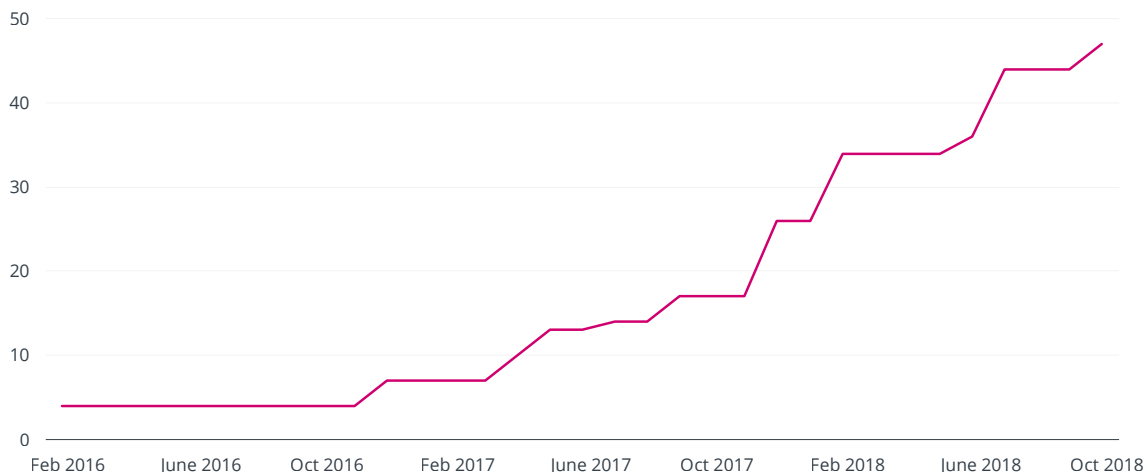


Source: Institute for Government analysis of GOV.UK Pay, 'Number of Payments', November 2016 to November 2018.

The number and total value of transactions Pay handles has risen year on year. In total, 2.16 million payments worth £96.9m have been made using Pay.<sup>32</sup> During 2018, the average daily value of transactions varied between £28.77 (on Christmas Day) and £55.66 with a median of £45.28.<sup>33</sup>

GDS is also supporting the transformation of the use and management of data within government. One way it is doing this is through the development of registers, or “authoritative lists of information”.<sup>34 35</sup> The aim is to create canonical references that can be used by digital services across government, the principle being that it is easier to build a better service when you can trust the accuracy of the data you are using.<sup>36</sup> The eclectic mix of data ranges from lists of geographical designations (such as countries, local authorities and job centre districts), to recognised qualifications, to the official list of food allergens recognised by the Food Standards Agency.<sup>37</sup>

Figure 7.11 **Number of GOV.UK registers (by month)**



Source: Institute for Government analysis of GOV.UK Performance Platform ([www.gov.uk/performance/govuk-registers/releases](http://www.gov.uk/performance/govuk-registers/releases)).

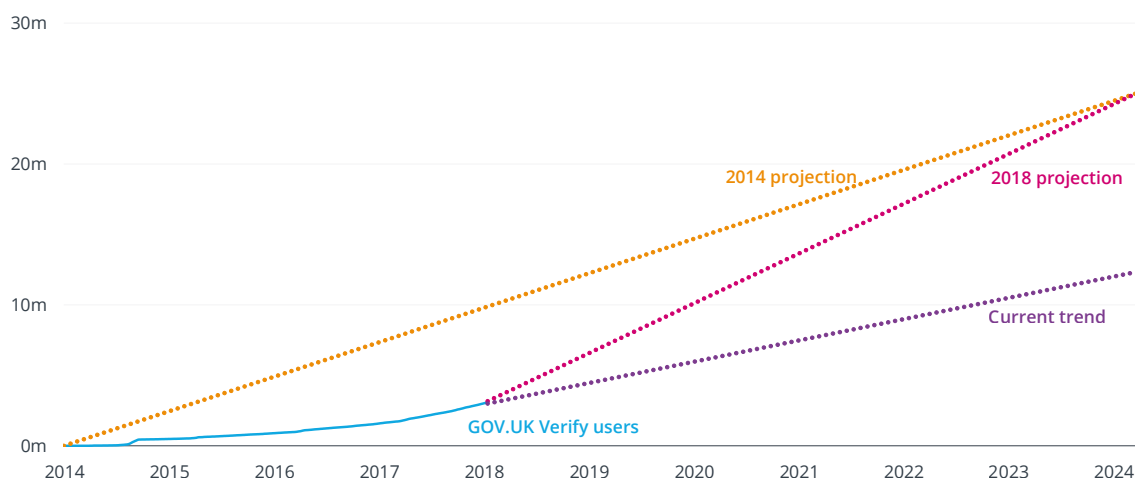
The first four registers were launched in February 2016 and there are now 47, provided by 14 government organisations. The original proposal in the Government Transformation Strategy, published in February 2017, was for 40 registers, although only nine of those seem to have been implemented so far.<sup>38</sup>

Existing registers have been used nearly 920,000 times since 2016.<sup>39</sup> The most popular over the past year have been the lists of all websites contained within the GOV.UK domain<sup>40</sup> and the official list of countries recognised by the UK;<sup>41</sup> combined, these account for nearly 57% of all API requests to registers.<sup>42</sup>

GDS stated in the Government Transformation Strategy that registers would “[underpin] citizen trust in government data with robust, provable integrity and authority, and [help] services provide consistent user journeys using core data”.<sup>43</sup> The Institute for Government has argued that getting such basic data infrastructure right is critical if government is to realise the benefits of more advanced technology.<sup>44</sup> But the National Audit Office has criticised its implementation, noting that “there is little strategic overview of the data needs of departments and no common view of how best to assess privacy concerns, consent and security”.<sup>45</sup> Other Transformation Strategy commitments, such as the appointment of a chief data officer for government, remain unfulfilled.

## GOV.UK Verify is struggling and growth is far lower than expected

Figure 7.12 Number of GOV.UK Verify users and growth projections needed to hit 2025 target



Source: Institute for Government analysis of GOV.UK Verify.

The Government describes Verify as “a secure way to prove who you are online”, making it easier for members of the public to identify themselves when dealing with government organisations.<sup>46</sup> It will replace existing systems such as Government Gateway, which was launched in 2001 as a means of identity verification for individuals and businesses, and is due to close permanently in March 2019.<sup>47 48</sup> Government Gateway has been owned by HMRC, and since 2001 has grown to support 123 live digital services, with 50 million registered users and more than 406 million authentications per year.<sup>49</sup> However, the Cabinet Office requires all other departments to use GOV.UK Verify, in an effort to create a single means of personal identification.<sup>50</sup>

GOV.UK Verify was launched in beta – that is, a working, publicly accessible version still subject to testing and improvement – in October 2014 and went live in May 2016. Five private sector companies, including Barclays and Experian, handle applications, confirming the identity of an individual when they register.<sup>51</sup>

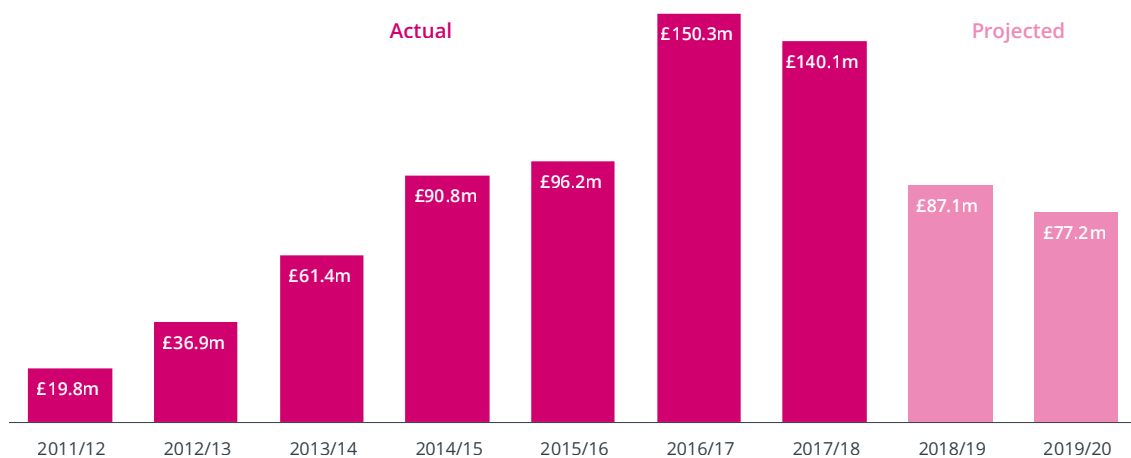
Verify has encountered several problems. First, there are only 18 government services that make use of it and the only way to sign up at present is to be a user of one of those services. While they include many of the busiest web pages, such as DWP’s ‘Get your State Pension’, HMRC’s ‘Check your income tax’ and Defra’s ‘Rural payments’, registering for Verify is not a requirement when using them.<sup>52</sup> Thus, there is no strong incentive for people to register, and for individuals who do not use any of these services, there is no immediate means.

The original target was for 25 million registered users by 2025; as of 30 November 2018, Verify has only 3.16 million. To reach the target, it would have needed to add around 46,800 new users a week from the point of launch in October 2014. To date, there have only been five weeks when the number of registrations has exceeded this. Currently the service needs to add more than 67,000 users weekly to hit the target. While it has been adding new users at a greater rate recently, at its present overall rate of growth it will not reach 25 million registered users until June 2033.

The process of registering users has been expensive and has consumed a large portion of the entire GDS budget. Between 2015 and 2017, GDS received a £54m boost in funding, from £96.2m to £150.3m; 80% of this increase was ring-fenced for Verify, GaaP and Common Technology Services.<sup>53</sup> A subsequent £53m decrease in funding for GDS was forecast for 2017–19; £36m of this was specifically related to the end of government support for the GOV.UK Verify programme.<sup>54</sup> In October 2018 the Government confirmed that it would no longer subsidise Verify, and that the service would transition fully to a “private sector-led model”.<sup>55</sup> <sup>56</sup> The National Audit Office has reported that “it is assumed that GOV.UK Verify will become self-funding from [2018–19]”, based on the fees users pay to register.<sup>57</sup>

## The Government Digital Service budget is expected to fall

Figure 7.13 **Government Digital Service budget, 2011/12 to 2019/20**

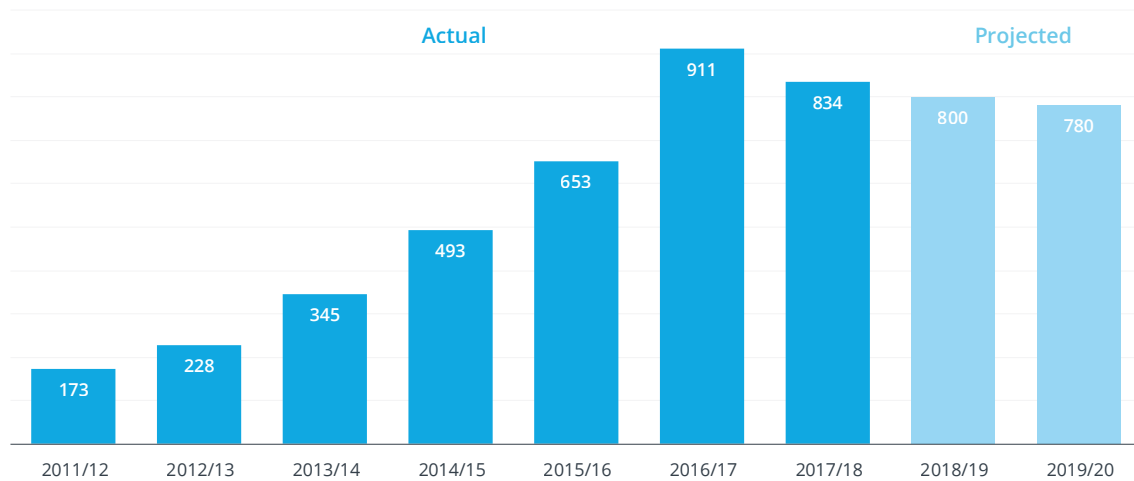


Source: National Audit Office, *Digital Transformation in Government*, HC1059, 2017.

GDS is going to have to make do with fewer resources to continue delivering on its transformation work.<sup>58</sup> Even allowing for the end of the funding boost that was given to support the rollout of GOV.UK Verify, the budget is now lower in real terms than at any point since 2013–14.

From 2018/19 to 2019/20, over half of its budget will be dedicated to the development of common technology and services, such as Notify and Pay, as part of GaaP.<sup>59</sup> An increasing share of its budget is dedicated to running and maintaining existing services.

Figure 7.14 **Government Digital Service, actual and budgeted headcount**



Source: National Audit Office, *Digital Transformation in Government*, HC1059, 2017.

As well as a smaller budget, GDS is also projected to have fewer staff. Staff numbers peaked in 2016/17, and are set to continue to fall in line with the 2015 Spending Review.

As well as a reduced budget and staff, slower progress than expected in some areas and other developments – such as the transfer of data policy and digital identity policy responsibility to DCMS – have prompted the Science and Technology Select Committee to inquire into the future of digital government in the UK.<sup>60</sup> The next year may see the role of the Government Digital Service evolve further, as GDS formulates a new innovation strategy focused on making the most of future technology, the Digital, Data and Technology function matures, and Brexit requires changes to existing digital services and the creation of new ones.<sup>61</sup>



## 8 Communication and transparency

The change in the way government communicates with Parliament and the public reflects the changing nature of politics. The public and parliamentarians are demanding more information from the Government – not always successfully. In the Government's responses to Freedom of Information requests, it is withholding more. Departments are also failing to publish some of the data they are required to produce. However, the Government is increasingly proficient and active at generating its own announcements. Politicians are increasingly turning to social media to get their messages out in the modern world of intense competition to be heard.

Sometimes government is required to respond to requests for information. The Freedom of Information Act allows any member of the public to ask government for information. The first three quarters of 2018 had the highest proportion of requests withheld in part or in full – more than half – since the introduction of FoI in 2005. Reasons for this include a lack of political support for FoI, the public submitting more requests but departments not having increased their capacity to deal with them, these requests becoming more sophisticated and complex, and government publishing more information proactively.

Parliamentarians can request information via parliamentary questions. They are asking more written questions and being granted the opportunity to ask more urgent questions of ministers in Parliament than in previous years. This increase reflects newly elected MPs looking to make their mark, members scrutinising the Brexit process, and the Speaker's determination that backbenchers should have the right to scrutinise the Government. As MPs take advantage of these opportunities in the House of Commons, the number of emails and letters they are sending on behalf of their constituents has fallen.

There are categories of departmental information that government has committed to publish, including data about who departments employ, what they spend and who is providing hospitality to their ministers. The UK continues to rank highly in global indices for the availability of open data and there have been some improvements, but departments are still failing to publish some of this information on time or even at all.

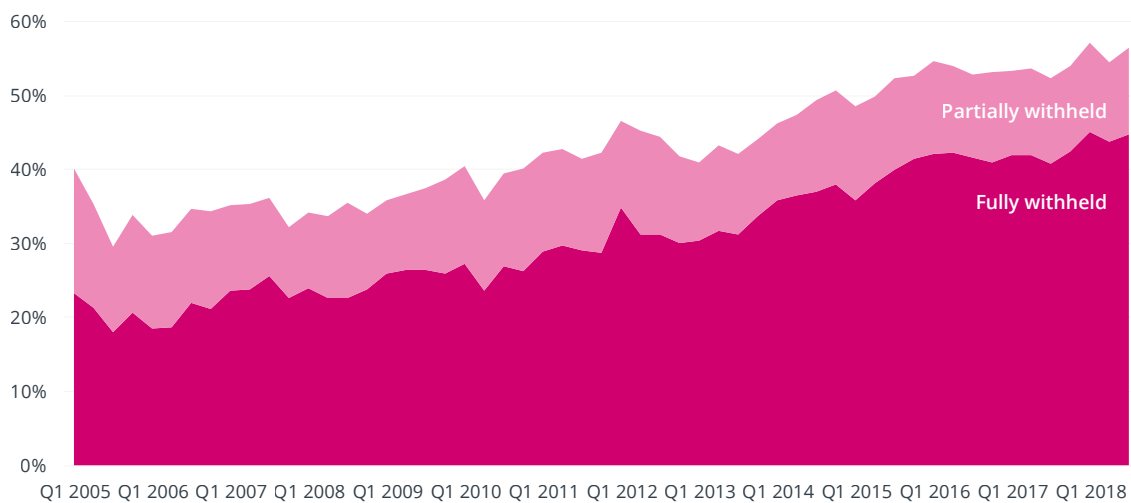
### Further analysis

[www.instituteforgovernment.org.uk/transparency](http://www.instituteforgovernment.org.uk/transparency)

Beyond its self-imposed commitments to transparency, the Government can proactively communicate its own messages, through media appearances, publicity campaigns and online. Departments are publishing more on GOV.UK than ever before. There has been an increase in the number of more technical documents like policy guidance published while the number of ‘announcements’ – press releases, news stories and speeches – has fallen since 2015. Departments and ministers are experimenting with social media, with Twitter being the most popular social network.

## Government withheld more information in response to Fol requests in 2018 than in any previous year

Figure 8.1 **Percentage of Freedom of Information requests withheld by government departments, Q1 2005 to Q3 2018**

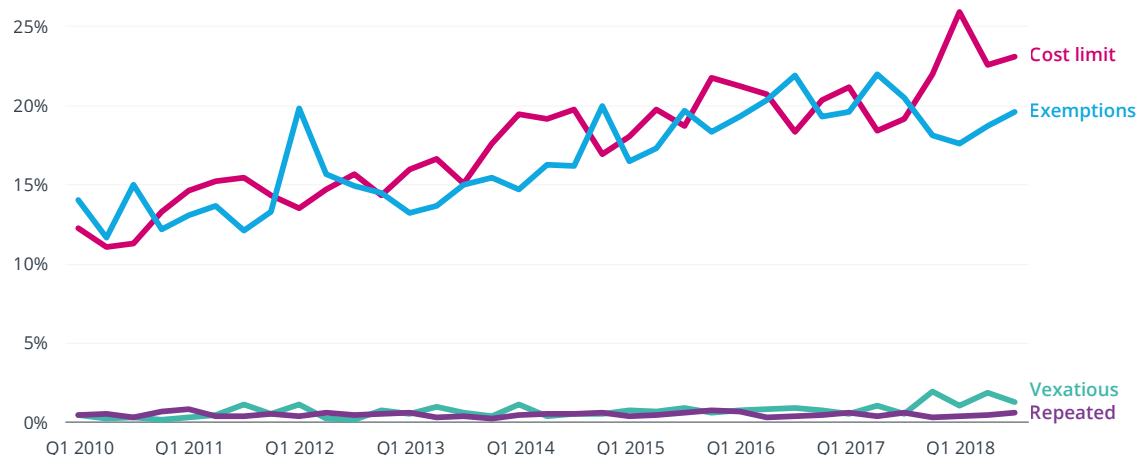


Source: Institute for Government analysis of Cabinet Office/Ministry of Justice, Government Fol Statistics, Q1 2005 to Q3 2018. Resolvable requests with known outcomes only.

In the first quarter of 2018, government departments fully withheld information in response to 45% of Freedom of Information requests. In none of the first eight quarters after the Act’s introduction in 2005 did this figure exceed 25%. The percentage of information withheld has increased under every government since. Since Q3 2015, more than half of requests have resulted in all, or some, information being withheld in response.



Figure 8.2 **Reasons for refusing Freedom of Information requests, as a percentage of resolvable requests, Q1 2010 to Q3 2018**

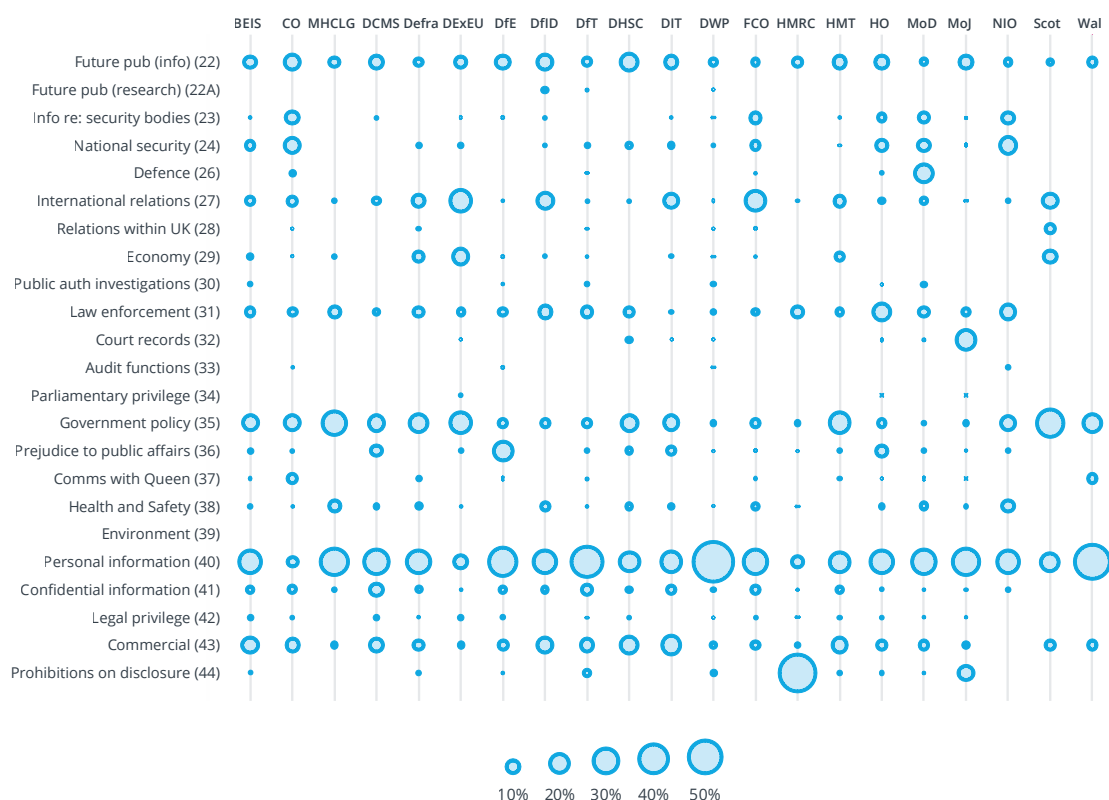


Source: Institute for Government analysis of Cabinet Office/Ministry of Justice, Government Fol Statistics, Q1 2010 to Q3 2018. Main departments only. Resolvable requests with known outcomes only.

The Act lists circumstances in which government can refuse requests: there are 23 exemptions (such as national security or personal information), and departments do not have to provide information that would cost more than £600 to retrieve (equivalent to 24 staff hours). Departments may also refuse repeated requests and those seen as 'vexatious' (defined as likely "to cause a disproportionate or unjustifiable level of distress, disruption or irritation").

Cost and exemptions are largely responsible for the increase in refusal rates; the proportion of requests declined on cost grounds has risen from 14% in 2010 to 24% over the last year (Q4 2017 to Q3 2018), while exemptions have increased from 15% to 19% in the same period. In practice, repeat requests are uncommon, but requests that officials deem to be vexatious are on the increase, although they continue to represent a very small proportion of overall refusals. The Department for Exiting the European Union (DExEU) is making more use than others of the 'vexatious' provision: it dismissed 11% of all resolvable requests as vexatious, compared with an average of 2% across all departments.<sup>1</sup>

Figure 8.3 **Freedom of Information exemptions, as a percentage of each department's total exemptions, Q4 2017 to Q3 2018**



Source: Institute for Government analysis of Cabinet Office, Government FoI Statistics, Q4 2017 to Q3 2018.

Over the past year, the most widely cited exemption was 'Personal information', which prevents the disclosure of information on data protection grounds, followed by 'Information intended for future publication' and information relating to 'Formulation of government policy'. The number of requests being fully withheld on the grounds that personal information would otherwise be disclosed has increased from 9% in 2010 to 13% in the last year. Other exemptions that have shown clear increases over recent years include 'Law enforcement', 'International relations' and 'National security'.

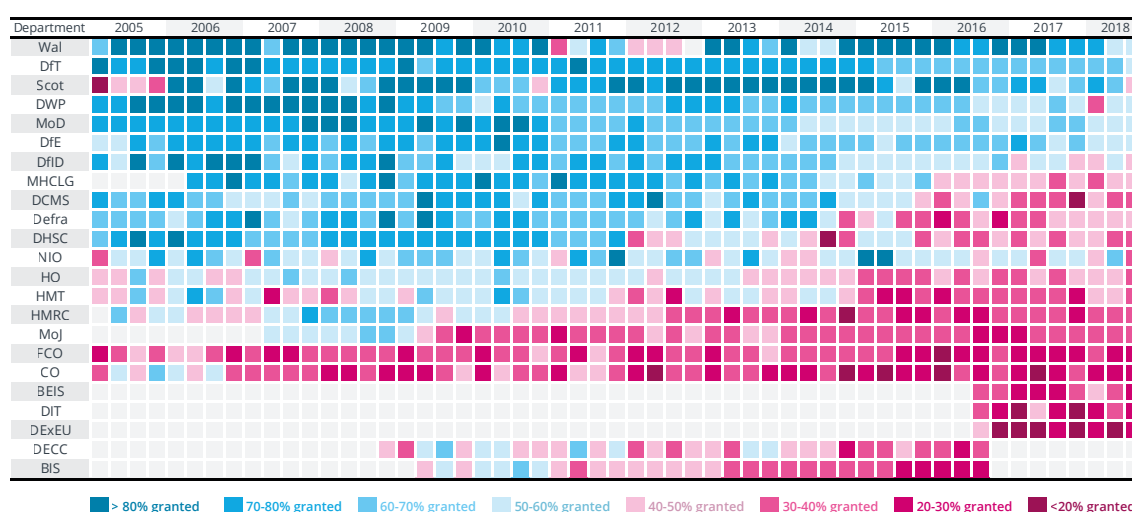
There are possible explanations for departments granting fewer FoI requests.

- Withholding rates may be growing because data is increasingly already available to the public. The UK Government scores highly in international comparisons of open data, and the Find Open Data site (previously known as data.gov.uk) hosts entries for more than 46,000 public datasets. Francis Maude, then Minister for the Cabinet Office, expressed his desire in 2012 to "make Freedom of Information redundant, by pushing out so much [open] data that people won't have to ask for it" (although the two are different – open data is proactively and broadly published at government's behest; FoI disclosures reactively in response to often much narrower requests).<sup>2</sup> It may be that, with more open data available, FoI requests increasingly seek sensitive information, which government has legitimate reasons to withhold.
- The nature of requests may be changing. While FoI enables any member of the public to demand information, in practice a successful request can require careful wording and an understanding of what can feasibly be expected. Departments may justifiably decline requests that are vague, and are also likely to dismiss overly

complex or expansive demands on cost grounds. An increase in imprecise, speculative or unreasonable requests would therefore help to explain the rise in withheld information.<sup>3</sup>

- Fol may not be a political priority. Requests have been unpopular with previous prime ministers: Tony Blair said of his decision to introduce Fols, “I quake at the imbecility of it”, and David Cameron described them as “clutterations” and a “buggeration” to government, establishing a commission to review the process.<sup>4</sup> (The commission chose not to recommend major changes after criticism by the media and campaigning groups.)<sup>5</sup> Without senior political support, there is nothing driving greater openness and no fallout from worsening compliance. Some campaigners have called on the Information Commissioner to take stronger action against departments where information is wrongly withheld.<sup>6</sup>
- Finally, departments might not have expanded their capacity to respond to Fol requests in line with increasing demand. Since the introduction of Fol in 2005, the total volume of requests being submitted to government has risen considerably. Up to 2009, there were on average fewer than 5,000 a quarter. Numbers then rose steadily until 2013; since then, quarterly requests have averaged around 8,000. Departments resource their responses to Fol in different ways. The Ministry of Defence (MoD) and Department for Work and Pensions (DWP), which receive the highest volume of requests, do not have a central Fol team but instead use a system of ‘focal points’ across the department that “identify an author in the part of their business which ‘owns’ the information in question. This ensures that Fol responsibility is embedded within the department.”<sup>7</sup> Some departments with central Fol teams have lost staff in recent years; the Home Office currently has 18 staff responsible for handling Fols, down from 24 three years ago, even though the past year has been among the busiest in terms of number of requests received. At the Department for Education (DfE), the size of the team has increased from five members to six since 2010 – but the number of requests has increased from around 300 a quarter in 2010 to more than 500 in the past two years, and there were nearly 900 at the beginning of 2018.

Figure 8.4 **Percentage of Freedom of Information requests granted in full, Q1 2005 to Q3 2018**



Source: Institute for Government analysis of Cabinet Office/Ministry of Justice, Government Fol Statistics, Q1 2005 to Q3 2018. Ordered from highest average percentage granted to lowest.

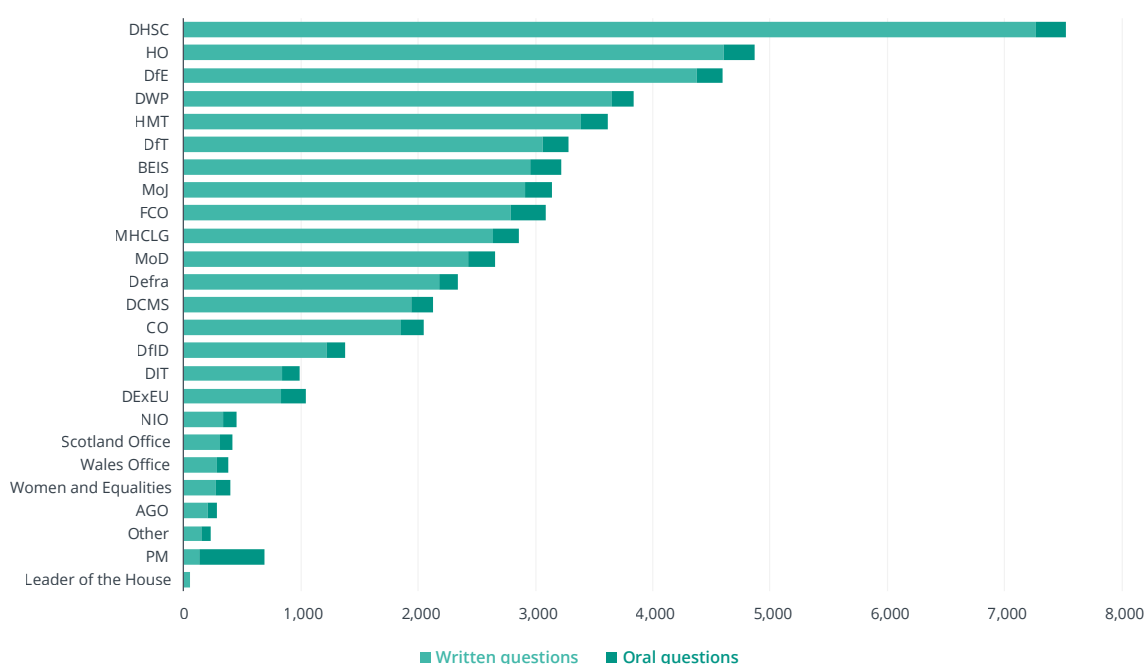
Some departments are much more open in their responses than others; in the past year the Wales Office, Department for Transport (DfT) and Scotland Office have all granted more than 60% of requests in full (although the Wales and Scotland offices received the fewest requests, with 182 and 256 respectively). By contrast, the Foreign Office, DExEU and Department for International Trade (DIT) granted no more than 31% of requests in full, despite receiving only 1,402, 743 and 568 requests respectively.

The three departments created in July 2016 are releasing the least information: DIT, the Department for Business, Energy and Industrial Strategy (BEIS) and DExEU have granted in full fewer than half of their Fol requests in every quarter since their creation. While DExEU granted slightly more over the most recent four quarters than in the preceding four (22% compared with 18%), it is still the least transparent department in government when it comes to Fol. This may be due to the sensitive information it holds, which might explain why it uses the international relations exemption more than any other department and also makes relatively high use of the exemption for formulation of government policy. However, the Institute for Government has previously noted a more general lack of transparency from this department, and a low Fol response rate could further indicate this tendency.<sup>8</sup>

Some departments formerly good at releasing information are becoming less transparent, such as the Ministry of Housing, Communities and Local Government (MHCLG, and its predecessor, the Department for Communities and Local Government), the Department for Digital, Culture, Media and Sport (DCMS) and the Department of Health and Social Care (DHSC). Seven departments – BEIS, the Cabinet Office, the Department for Environment, Food and Rural Affairs (Defra), DExEU, the Treasury, the Home Office and the Ministry of Justice (MoJ) – have granted more requests in full in the past year compared with the year before.

## MPs are demanding more information from the Government

Figure 8.5 **Number of written and oral questions tabled in the Commons, by answering government department, 21 June 2017 to 21 June 2018**



Source: Institute for Government analysis of [www.parliament.uk/business/publications/written-questions](http://www.parliament.uk/business/publications/written-questions) and [www.data.parliament.uk](http://www.data.parliament.uk). Excludes questions withdrawn.

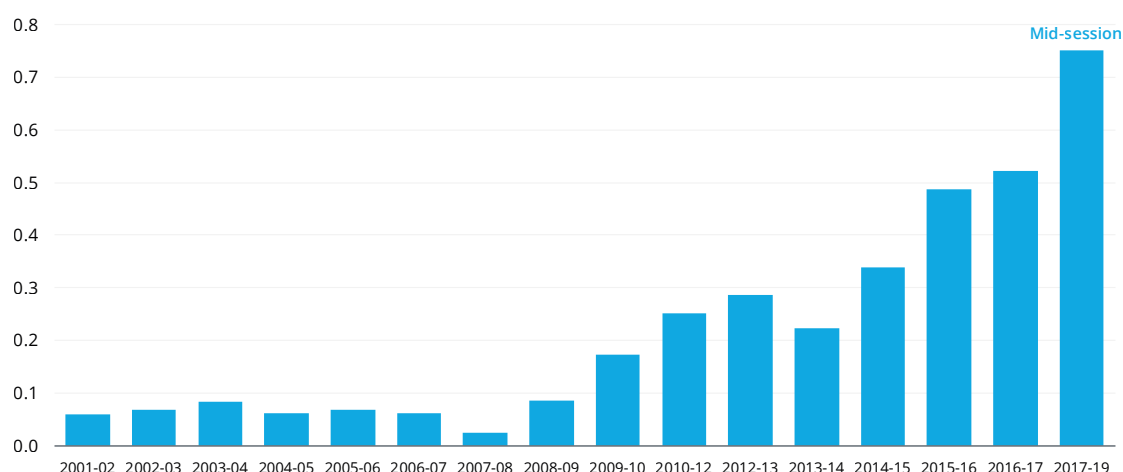
Parliamentarians have their own tools to seek information. MPs can table parliamentary questions (PQs) – either orally or in writing – for departments to answer.

The current parliamentary session is due to last for two years, meaning that by the end, the number of written and oral questions asked will be higher than in most sessions, which last for a year. However, focusing on the number of questions in the 12 months since the 2017 state opening of Parliament allows for some comparison with previous one-year sessions.

In total, over this 12-month period, MPs tabled 55,524 PQs. The vast majority – 50,714 – were written questions. This represented a 42% increase on the 39,133 written questions tabled in the whole of the previous parliamentary session. As before, departments responsible for delivering key public services – DHSC, the Home Office and DfE – received the highest numbers of questions.<sup>9</sup>

Over the same period, MPs asked a total of 4,810 oral questions. However, as a finite amount of time is allotted for answering oral questions in the House, the number remains broadly constant between parliamentary sessions.

Figure 8.6 **Urgent questions granted in the House of Commons per sitting day, per session, 2001–02 to 2017–19, as at 21 December 2018**



Source: Institute for Government analysis of House of Commons Library, *Number of Urgent Questions in the House of Commons since 1997*, and Hansard.

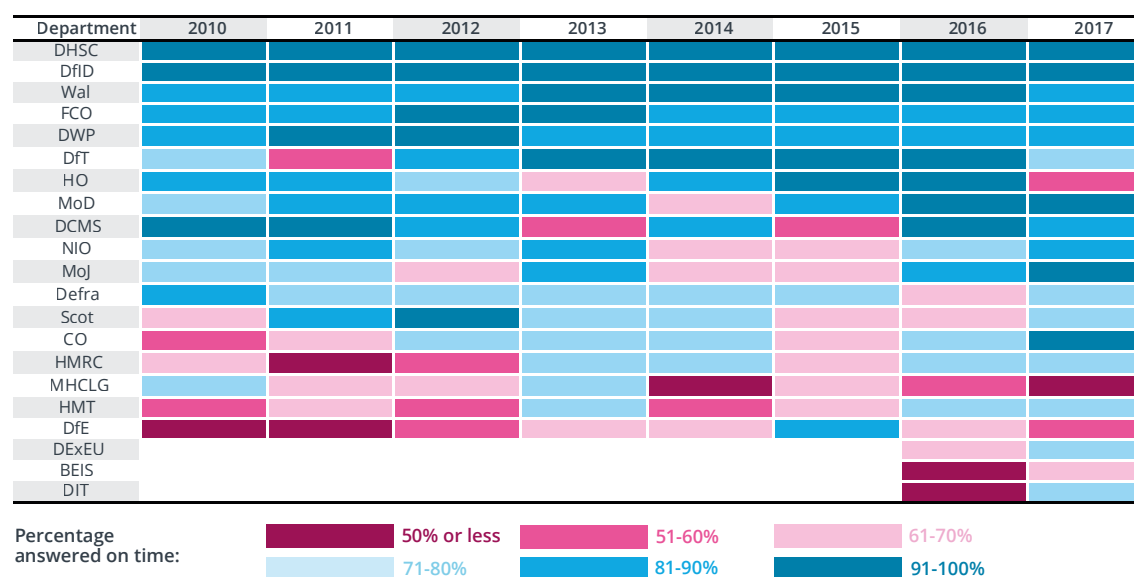
If MPs want information from government more immediately – for example, in response to a major national or international event – they can request the opportunity to ask an urgent question (UQ) in the House of Commons, to which a minister must respond orally. The Speaker decides whether to grant UQs.

Between the start of the 2017 parliament and the 2018 Christmas recess, MPs asked 169 urgent questions of ministers: a rate of 0.75 per sitting day, or one UQ every 1.3 sitting days. This is a considerable increase on the 0.5 UQs asked per sitting day in the 2016–17 parliamentary session.

The UQs covered a broad range of domestic and international events, including the Windrush scandal and the political situation in Zimbabwe. Fewer than one in 10 related directly to Brexit, though several were in response to parliamentary concern about information not published by the Government, such as impact assessments of the effect of Brexit on different sectors of the economy.<sup>10</sup>

While the rise in UQs in this session of parliament has been particularly steep, it forms part of an upwards trend since the current Speaker of the Commons, John Bercow, took up his role in 2009. The Speaker has been clear that he views UQs as a means to encourage government representatives to go to Parliament and explain their actions.<sup>11</sup>

**Figure 8.7 Percentage of ministerial correspondence answered within target response time, by department, 2010–17**



Source: Institute for Government analysis of ministerial correspondence reports, 2010–17. 'Department' includes managed public bodies.

In 2017, the Government received a total of 148,023 letters and emails from parliamentarians, compared to 243,389 in 2010, and 160,935 in 2016. While the volume of correspondence has declined, it remains a key mechanism through which MPs and peers seek information, and in 2017 still exceeded the number of written PQs or Fol requests.

Departments can set their own target time for replying to correspondence, and the average target is 15 days. Since 2016, the number of government departments using the longest target response time – 20 days – has fallen from five to three (DCMS, DExEU and the Foreign Office).

Although a small number of departments had reduced their target response time, 93% of correspondence was answered on time in 2017, compared with 84% in 2010.

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No department answered 100% of its correspondence within target in 2017. However, five (the Cabinet Office, Defra, DCMS, the Department for International Development/ DfID and DHSC) had a rate of more than 90%. This meant DHSC and DfID maintained their strong record on response timeliness since 2010. In the case of DHSC, this was despite the high volume of correspondence it received – more than 12,000 pieces, exceeded only by DWP and the Home Office and its public bodies.

MHCLG answered the smallest proportion of its correspondence on time (46%), although the number of letters and emails it received grew by more than a quarter between 2016 and 2017. The Home Office answered just over half (54%) within target; it has the largest mailbag, and the volume of correspondence it received rose between 2016 and 2017. DfE's timeliness has deteriorated since 2016, despite only a marginal increase in correspondence volume. While BEIS answered more correspondence on time in 2017 than in 2016, its performance remains poor.

The overall decline in the volume of correspondence directed at ministers stands in contrast to the increases in written parliamentary questions and urgent questions. The reason for this is unclear, but it may be that MPs are choosing to make greater use of opportunities for scrutiny in the Chamber of the Commons, in place of letters and emails to ministers.

Taken together, the rise in written and urgent questions compared to the previous session suggests that backbenchers want more information from government, and are more assertive in demanding it. This pattern fits with efforts by parliamentarians to push the Government to release specific information relating to Brexit, such as the Attorney General's full legal advice on the deal reached with the EU, which led to government being held in contempt of Parliament for the first time.

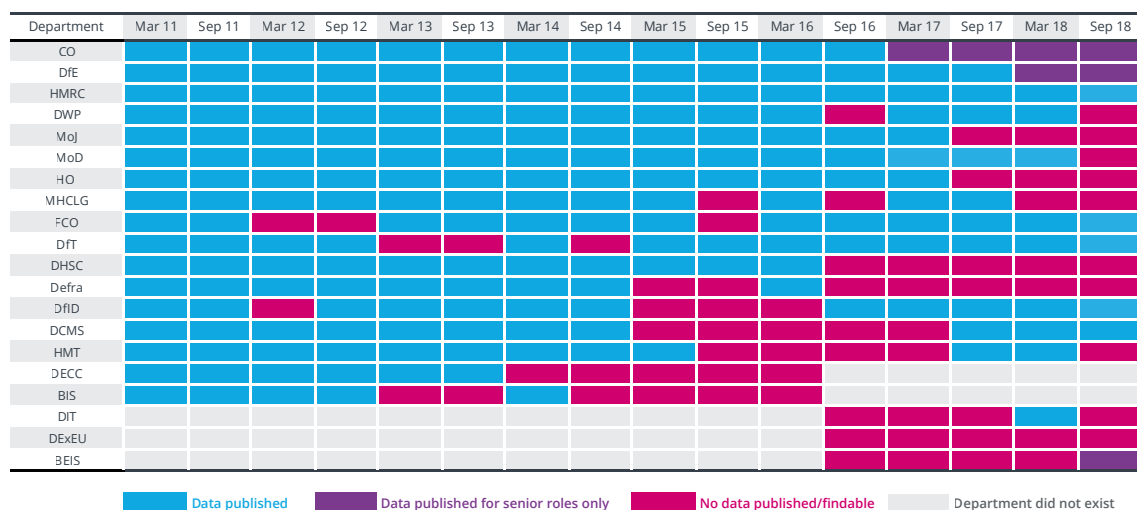
A restive political environment may contribute to this, as well as an eagerness among newly elected MPs to scrutinise government in the first session of a new parliament. The increase in questions over the past year may also point to the presence of major public policy issues – notably Brexit, which covers many policy areas – and a number of immediate issues, such as the Windrush scandal. However, the latest increase can also be seen as part of a broader upwards trend since the current Speaker was elected in 2009. It is not possible to know whether this has been due to a rise in requests for UQs, or to the granting of a higher proportion of requests – data is not publicly available – but the current Speaker's desire to “champion the rights of backbenchers” to scrutinise government is likely to be a factor.<sup>12</sup>

## Departments are still not publishing transparency data on time, but there has been some improvement

In 2010, the then Prime Minister, David Cameron, wrote to departments telling them to start publishing certain datasets regularly, including:

- organograms of their internal organisation (every six months)
- spending over £25,000 (monthly)
- hospitality received by ministers (quarterly).

Figure 8.8 **Publication of organograms, as of December 2018**



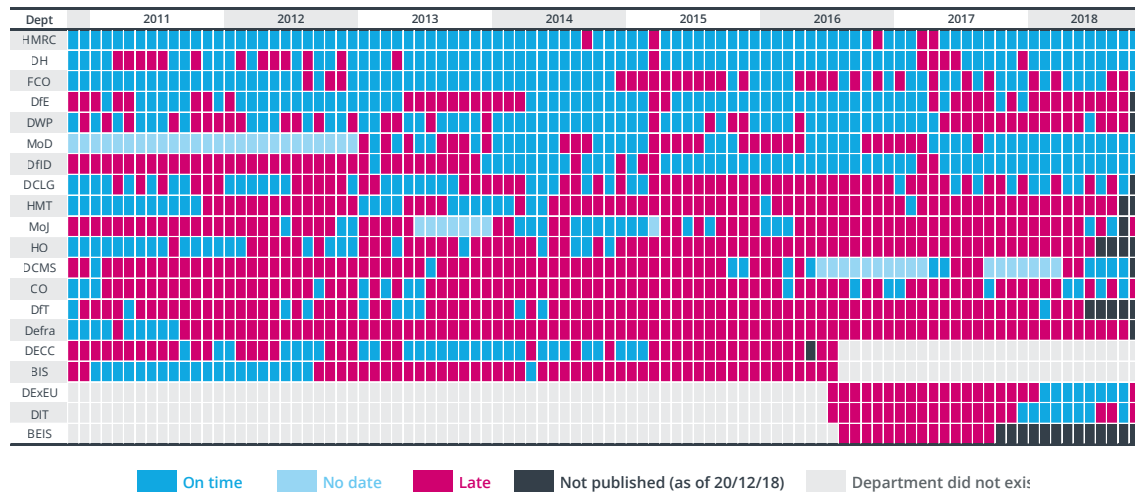
Source: Institute for Government analysis of data.gov.uk and GOV.UK, publications of departmental organograms, 2011 to 2018, as of 21 December 2018.

Organograms provide information about the structures of different departments. They include the names and salaries of civil servants, as well as their professions and the units within which they work. Departments are required to publish them every six months.

Publication in recent years has become patchy. While all departments published organograms in March 2011, seven years later, just nine did in full (two departments published data for senior staff only). Some have been worse than others: neither Defra nor DHSC has published organograms since March 2016, and neither DExEU nor BEIS has published a full release since they were created in 2016 (though DExEU has published some charts of its senior team, and BEIS a spreadsheet of its senior staff).



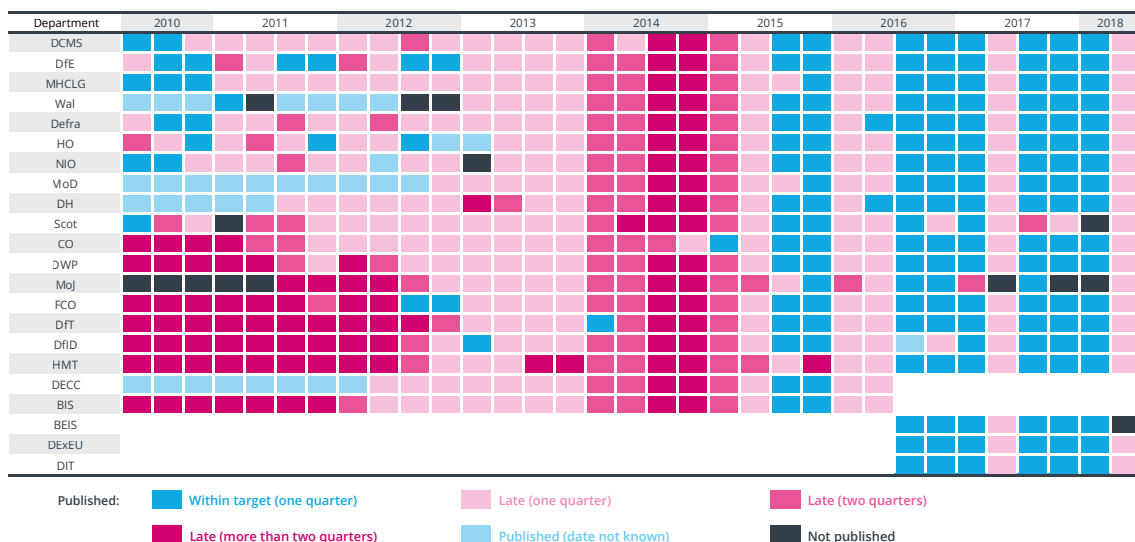
Figure 8.9 **Publication of spending over £25,000 releases, as of December 2018**



Source: Institute for Government analysis of data.gov.uk and GOV.UK, monthly spend over £25,000, November 2010 to October 2018.

Departments are required to publish details of their spending over £25,000 each month. This data is often published late; fewer than half of the monthly datasets have been published on time since late 2010. However, there has been some improvement: more releases were published on time in the first ten months of 2018 than in the whole of 2017. There is significant variation across departments. Four (HMRC, DfID, DHSC and MoD) published each of their releases on time in 2018. Four (Defra, the Home Office, the Treasury and BEIS) did not publish a single release on time in this period – and BEIS has never published this data on time.

Figure 8.10 **Publication of travel, meetings, gifts and hospitality data for ministers, 2010–18**



Source: Institute for Government analysis of departmental travel, meetings, gifts and hospitality releases published on GOV.UK.

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The publication of quarterly data on the hospitality received by ministers has been much timelier. In six of the past eight quarters, nearly all departments have published on time. One of the exceptions was in April to June 2017, due to the general election that year (there were similar drop-offs in timely publication around the 2014 referendum on Scottish independence, the general election of 2015 and the EU referendum in 2016).

Why is departmental publication of ministerial hospitality timelier than publication of organograms or spending over £25,000? Why has there been an improvement in publication of spending over £25,000? In December 2017, the Prime Minister sent a letter to departments reminding them of their obligations, and the Cabinet Office issued guidance on how to publish transparency data.<sup>13</sup> There is now a transparency data team in the Cabinet Office to provide support to departments. Previous Institute for Government research looking at non-publication suggested that some departments thought they were no longer required to publish (the original mandate dated from May 2010), and that producing the information was difficult, but the Prime Minister's letter and Cabinet Office support have clearly had an effect.<sup>14</sup> The transparency data team are more involved in supporting the publication of hospitality data than the other datasets (although this does mean that, should a publication date slip, it will affect all departments).

But the fact remains that much of the spending over £25,000 is published late, and many organograms are not published at all. The Institute for Government organised a hack day in 2017 on the value of organogram data.<sup>15</sup> Participants suggested reasons why the Government had not published the data, including departments' scepticism about the value of the data, the time taken to produce it, and it not being a priority.

Yet knowing who you employ, the internal structures of your organisation, and what contracts you are spending money on, should be basic pieces of management information. It may be that departments have this data but in different forms – with organograms, for example, there are also departments' own human resources systems, workforce data provided to the Office for National Statistics, and other publications by the department (for example, the monthly workforce management information dataset, another mandated transparency data release). This multiplicity of similar data suggests a great deal of duplicated effort; the difficulties in reconciling all of these datasets, and the inconsistencies within and between them, suggest government departments are not getting the most value out of them.

## **The Government is publishing more on GOV.UK and using social media more**

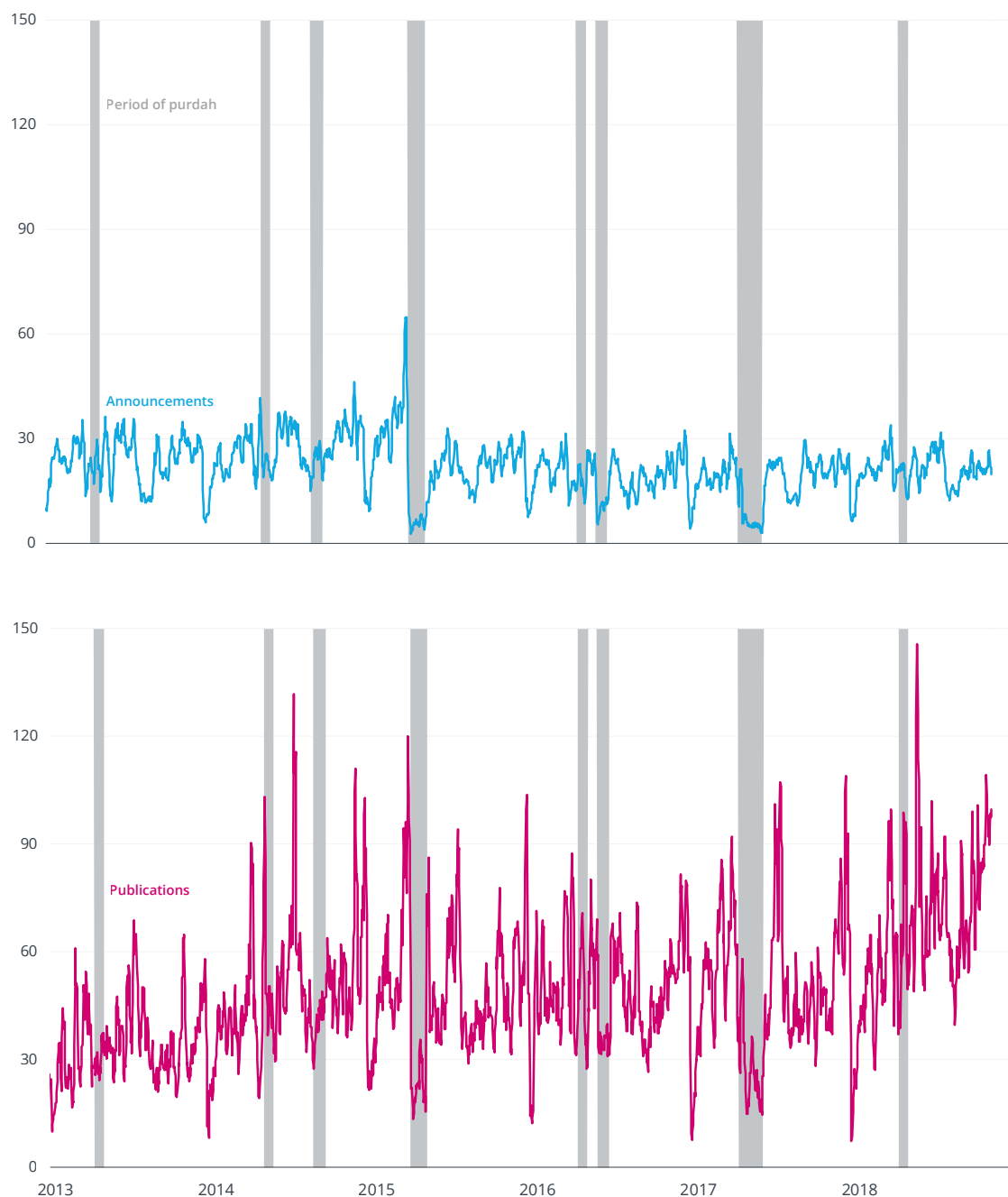
The Government also puts out a stream of its own announcements. Traditionally, this has included politicians appearing on television and radio and writing newspaper articles, and departments and agencies spending millions on advertising campaigns promoting everything from public health<sup>16</sup> to Britain as a trading partner.<sup>17</sup> This reflects the many audiences for what the Government has to say, at home and abroad.

Over the past decade, governments have shifted the publication of announcements and reports online. Thousands of documents are published on GOV.UK each year. At the same time government departments, ministers and officials are getting to grips

with social media platforms such as Twitter, YouTube and Facebook, and finding new ways to use them to communicate with a wide range of audiences.

Government lists two broad types of communication on GOV.UK: announcements and publications. Announcements include narrative pieces such as news stories, press releases and speeches. These highlight the work the Government is doing, on its own terms. In contrast, publications are generally more technical. These include statutory releases such as official statistics, FoI and transparency data, as well as other formal documents such as policy papers, research and analysis, and guidance.

Figure 8.11 **Volume of announcements and publications published on GOV.UK, 2013–18**



Source: Institute for Government analysis of GOV.UK ([www.gov.uk/government/announcements](http://www.gov.uk/government/announcements) & [/government/publications](http://www.gov.uk/government/publications)).

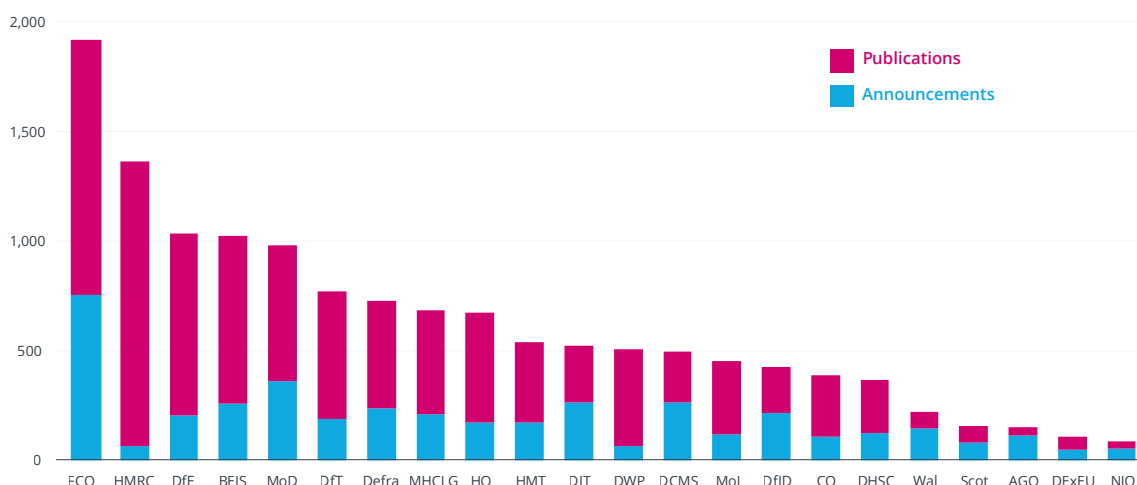
Overall, the current Government is publishing more documents on GOV.UK than its predecessors. This is driven by publications, rather than announcements. The number of official publications remained steady at an average rate of between 36 and 40 per day from 2013 until mid-2017. Since then the Government has been publishing significantly more, releasing nearly 33% more official publications per day than any government since 2013. However, announcements peaked under the 2010–15 Coalition. From 2013 to the 2015 election, the Government was making, on average, more than 25 announcements per day. Under David Cameron’s majority Government and under Theresa May, this number has fallen to around 20.<sup>18</sup>

Purdah – a pre-election or pre-referendum period, when guidance is issued about what departments can and cannot publish to avoid them being dragged into partisan debate – can have a significant short-term impact on government communications. During the nearly 40 days of purdah preceding the 2015 election, the total volume of communication on GOV.UK was less than a quarter of the previous 40 days. Similarly, purdah before the 2017 general election and the EU referendum saw one third the volume of communications as in the equivalent preceding period.

The peak for announcements was in the run-up to the 2015 general election, when the Thursday and Friday before purdah began were the two busiest days since 2013, with 108 and 120 announcements respectively. The effect of these ‘take out the trash’ days – when government publishes lots of material before a parliamentary recess, seasonal holiday or pre-election period – was less pronounced for the 2017 election, where there was little warning and so departments had less time to prepare announcements in advance.

July 2017, May 2018 and October 2018 have been the busiest months for official publications since 2013. One reason for this increase is the recent rise in publication of ‘guidance’, which was already the largest category of official publication and has roughly trebled in monthly volume since June 2017.

**Figure 8.12 Total announcements and publications for 22 main departments on GOV.UK, 1 January to 16 November 2018**

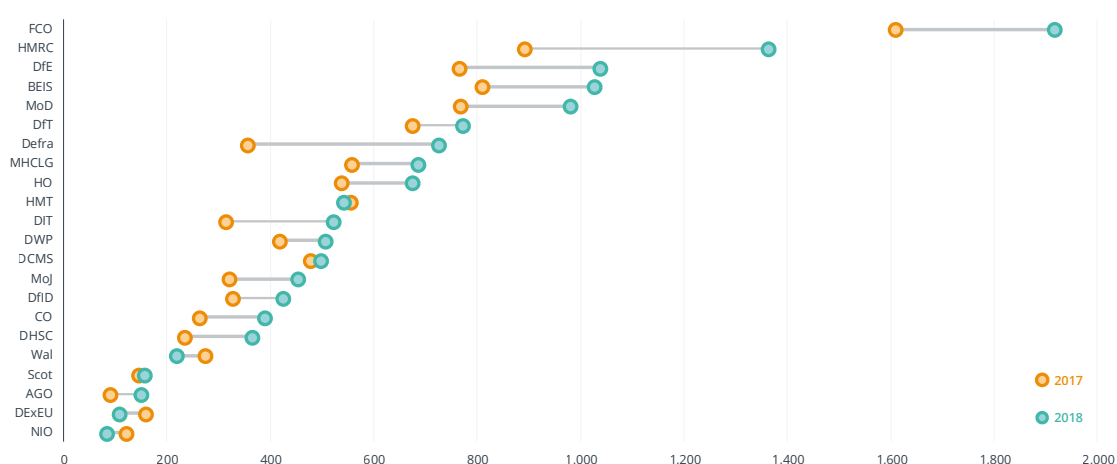


Source: Institute for Government analysis of GOV.UK ([www.gov.uk/government/announcements](http://www.gov.uk/government/announcements) & [/government/publications](http://www.gov.uk/government/publications)).

Departments differ in how much they publish, reflecting their different roles and responsibilities as much as approaches to communication. The Foreign Office publishes more communications than any other department because it issues all the speeches made by its ambassadors, as well as press releases for events happening in its missions and embassies.

Unsurprisingly the smallest departments, such as the Attorney General's Office, and the Scotland, Wales and Northern Ireland offices, all make fewer announcements than the departmental average. It is more surprising to see some bigger departments, such as DWP and MoJ, in the bottom third of all departments in publishing announcements, although Her Majesty's Revenue and Customs (HMRC) produces more publications than any other department, reflecting differences in departmental functions.

**Figure 8.13 Total volume of items published on GOV.UK for 22 main departments in 2017 and January to November 2018**

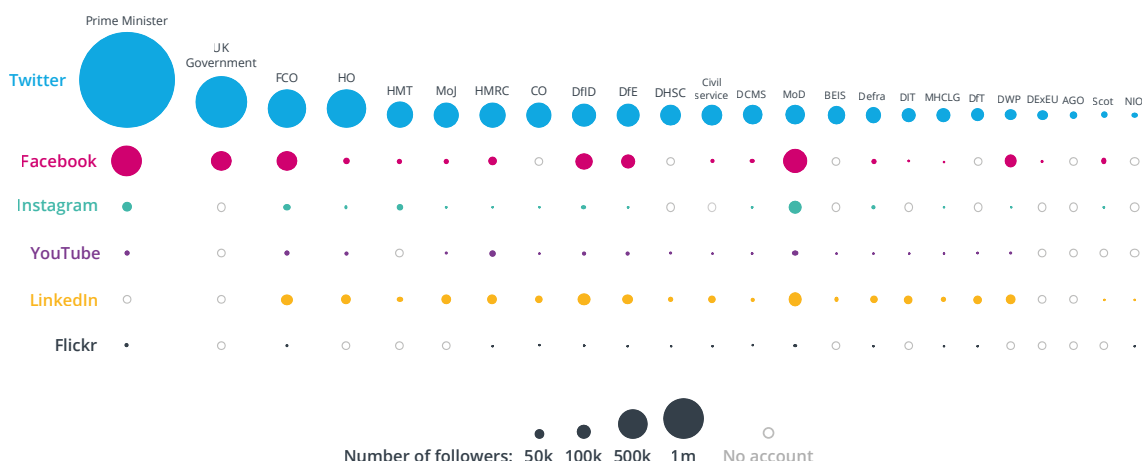


Source: Institute for Government analysis of GOV.UK ([www.gov.uk/government/announcements](http://www.gov.uk/government/announcements) & [/government/publications](http://www.gov.uk/government/publications)).

Nearly all departments – 18 out of 22 – published more in the first 11 months of 2018 than in the whole of 2017. In some cases, the rise has been dramatic, for example Defra (104% increase) and HMRC (53% increase). This was largely driven by an increase in the publication of official documents, such as guidance.

## Social media offers the Government new tools

Figure 8.14 **Government social media accounts and followers, 2018**



Source: Institute for Government analysis of government social media accounts.

Twitter is the most significant platform for government communications, with more than 12.5 million non-unique followers across the main accounts. Only DWP and MoD have more followers on another platform (Facebook) than on Twitter. In all other instances the Twitter following for departments far outstrips any other platform.

Social media offers a direct and immediate means of communication. More than 80% of the UK's adult population now own a smartphone, and 62% of all time spent online in 2018 was on phones.<sup>19</sup> It also has the potential to widen access to information, with one in five adults in the lowest socio-economic group going online only using a smartphone.<sup>20</sup>

Some departments have embraced the potential of social media more than others. The Foreign Office and DIT in particular have made a concerted effort to tap into an international audience. The Foreign Office has a Twitter account for every country, and promotes these and the accounts of their ambassadors on its website.<sup>21</sup> Likewise DIT has accounts in multiple languages for most countries around the world, enabling it to promote its messages more easily.

On YouTube, most departments have very few subscribers but large numbers of channel views. For instance, DHSC has just under 3,000 subscribers, but more than 4.3 million channel views. This probably reflects the way that YouTube is used as a hosting service for videos, which departments embed in other web pages (indeed, YouTube is the only way of embedding videos on GOV.UK).<sup>22</sup> Many of the most popular are promoting specific government campaigns, services or other initiatives. An anti-smoking video from DHSC has had almost 3.5 million views, while a DCMS video promoting superfast broadband has had over 2 million.<sup>23 24</sup>

Social media also offers a way for government to project a warmer, friendlier face. The Treasury's official Instagram account is @treasury\_cat, which follows the day-to-day life of Gladstone, its chief mouser.<sup>25</sup> It is the fourth most-followed official Instagram account, behind only those of the Prime Minister, the Foreign Office and MoD.

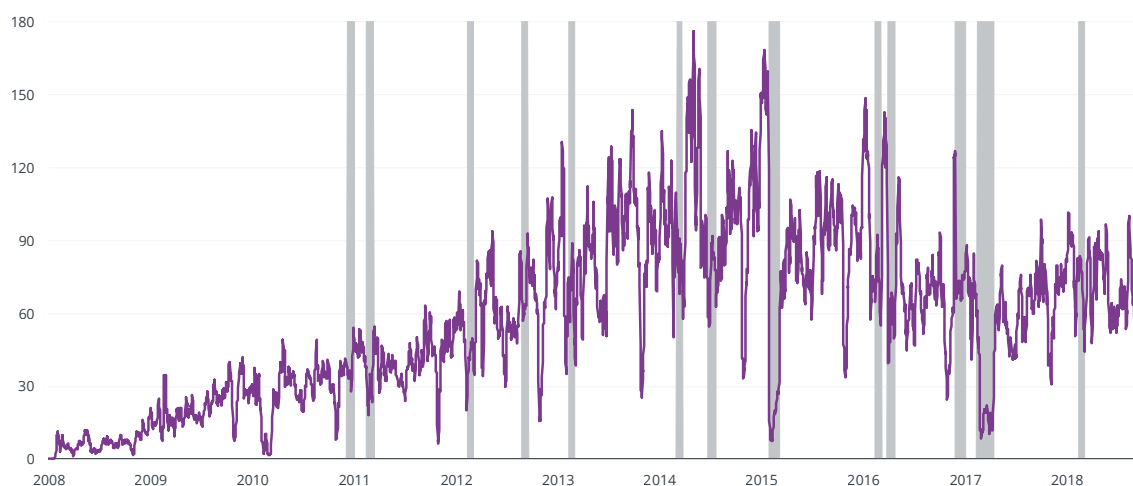
Not all departments are using social media successfully. As of January 2019, the Wales Office has only just over 1,100 views of all its videos on YouTube, and its most popular video is a three-year-old clip of the then Welsh Secretary, Stephen Crabb, wishing the national rugby team good luck. On Twitter, the Wales Office has tweeted more than four times as often on its English language account (over 9,500 tweets) as on its Welsh one (under 2,500).

Government faces a modern problem when it changes how it is organised: what to do with old social media accounts. The evidence from recent changes, such as the merger of the Department of Energy and Climate Change and Department for Business, Innovation and Skills to form BEIS, or the creation of DIT, suggests that there isn't a standard approach. While some social media accounts have migrated seamlessly following the establishment, merger or renaming of departments, others have been lost. In other cases, accounts are abandoned without suitable replacements being created.<sup>26</sup>

Departments are also using social media to boost messaging about specific campaigns and services. Defra lists the Instagram account for its Great British Food campaign on its GOV.UK homepage, as well as an official Twitter account giving health advice and forecasts relating to air pollution.<sup>27</sup> <sup>28</sup> Similarly, MHCLG has a Facebook page and a Twitter account offering information about its Right to Buy scheme on its GOV.UK homepage.<sup>29</sup>

## Twitter is the Government's favourite social media platform

Figure 8.15 **Tweets by 25 main government Twitter accounts, 2008–18 (seven-day average)**



Source: Institute for Government analysis of government Twitter accounts.

All the 22 main departments have a Twitter account, and there are similar accounts for the whole of government (@GOVUK), the Prime Minister (@10DowningStreet) and the civil service (@UKCivilService). Combined, these have published more than 225,000 tweets, rising to more than 341,000 when retweets are included. As with more traditional modes of government communication, Twitter is affected by periods of purdah, and by holidays. The most dramatic shift in Twitter traffic was seen at the

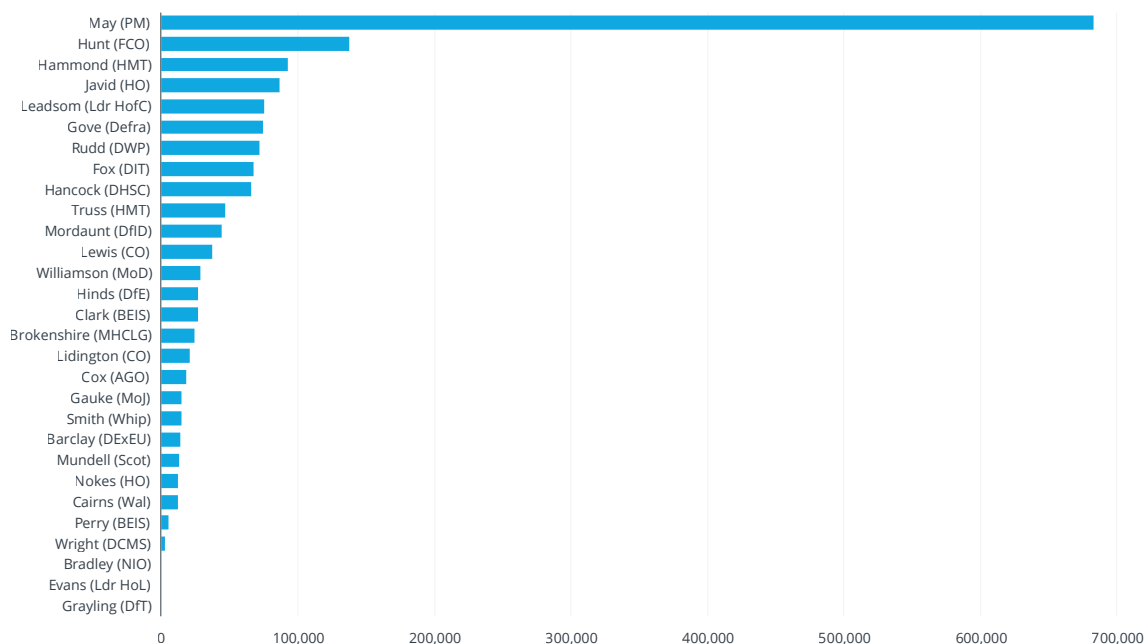
beginning of purdah before the 2015 general election, when in a space of 10 days the 25 main government accounts combined went from tweeting around 150 times per day, to fewer than 10 tweets daily.

The use of Twitter by government extends far beyond the main departmental accounts, and the total volume of messaging is vast. In addition to official accounts for public bodies and other government organisations, many teams and units within departments have their own accounts to promote specific messages. There are accounts for individual campaigns and issues, and accounts that provide public service broadcasts. There are also the accounts of ministers and officials, some of which are under their personal control, while others are official government accounts.

## Many individual ministers and officials now use social media

It's not just departments that are making their voice heard on social media. Most ministers and many senior officials now have a presence. Again, Twitter is the most popular platform.

Figure 8.16 **Number of accounts following Cabinet ministers on Twitter (November 2018)**



Source: Institute for Government analysis of Twitter ([www.twitter.com](http://www.twitter.com)).

As of November 2018, Theresa May had around 700,000 followers on Twitter. The most prolific tweeter in the Cabinet was Brandon Lewis, the Conservative Party chairman, who had tweeted more than 37,000 times – nearly 10 tweets a day, far more frequently than any of the 25 main government accounts. He had more than 38,000 followers on Twitter.



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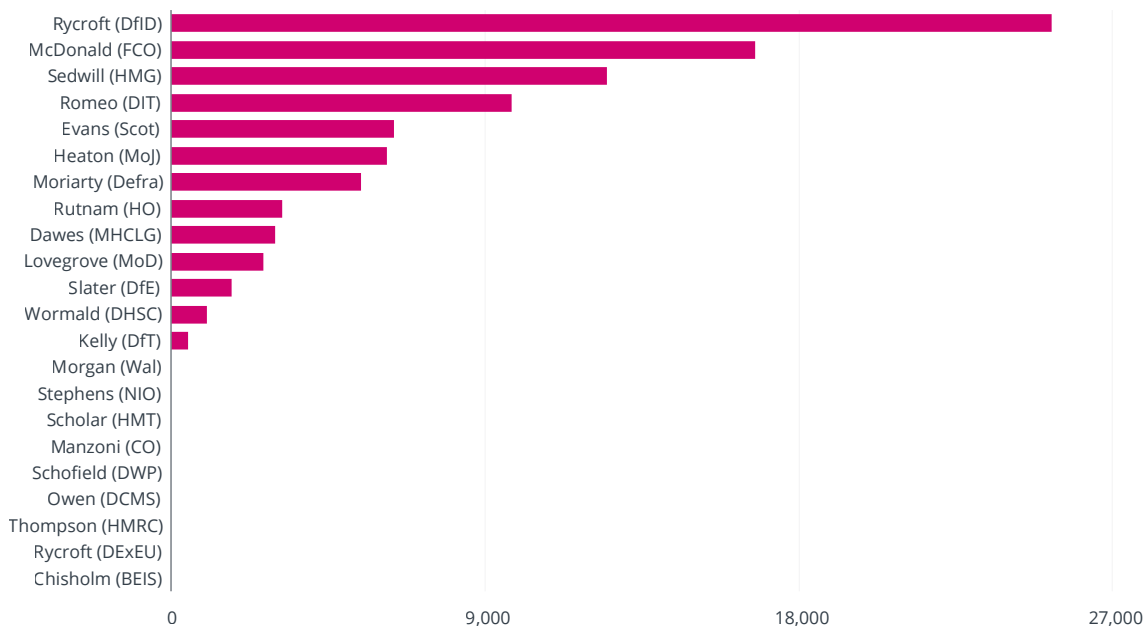
No other Cabinet members can rival Theresa May's Twitter following. Three of her ministers – Chris Grayling, Baroness Evans and Karen Bradley – don't even have accounts. Jeremy Wright, the Secretary of State for Digital, started tweeting from an official @DCMS\_SecOfState account only after being appointed. This account has only just over 3,000 followers. The combined number of followers of all ministers in the Cabinet, even counting duplicate followers, still falls more than 65,000 short of the 1.9 million people who follow the Leader of the Opposition, @jeremycorbyn.

In addition to her personal account Theresa May also makes use of the official @10DowningStreet account to communicate with the public. This sent its first tweet on behalf of then Prime Minister Gordon Brown at 3.27pm on Wednesday 26 March 2008. Brown did not have his own Twitter account at the time. David Cameron took over @10DowningStreet in 2010 when he became Prime Minister, adding his personal @David\_Cameron account in October 2012. Theresa May opened her Twitter account (@theresa\_may) on 29 June 2016 to coincide with her leadership bid, using it predominantly as a political messaging tool. She tweets less from @10DowningStreet than either of her predecessors.

The busiest days for the Prime Minister's Twitter account are reshuffles. Since it was created there have been six days when @10DowningStreet has tweeted more than 30 times in a day, the five most recent of those all being reshuffles.<sup>30</sup> Tweeting ministerial appointments as they happen is a welcome development, giving members of the public access to the most up-to-date information about their government at the same time as journalists. Most of these live-tweeted reshuffles happened under David Cameron, although the January 2018 reshuffle under Theresa May revived the practice.<sup>31</sup>

Cabinet ministers do have a presence on other forms of social media – Theresa May, for example, has 79,000 followers on Instagram. Social media allows politicians to demonstrate a more human side: Defence Secretary, Gavin Williamson, intersperses photos of visiting troops with pictures of his pet spider and new lawnmower, while Chief Secretary to the Treasury, Liz Truss, mixes pictures of official red document boxes and visits to British industry with pictures of birthday cakes and her personal reflections. This has the potential to help the public relate to politicians as individuals, and could strengthen the relationship they have with citizens by creating a more direct link.

Figure 8.17 **Number of accounts following departmental permanent secretaries on Twitter (December 2018)**



Source: Institute for Government analysis of Twitter ([www.twitter.com](http://www.twitter.com)).

Elsewhere in government there has been a sharp rise in the number of senior officials, such as departmental permanent secretaries or the chairs and chief executives of major public bodies, who are active on social media. At least 14 permanent secretaries have Twitter accounts. The top three most followed are those of the permanent secretaries leading the most international-facing departments, the Foreign Office and DfID, and the Cabinet Secretary, Sir Mark Sedwill.

Having senior officials on Twitter has some potential benefits for the Government. It can make government seem more open and responsive, with permanent secretaries interacting as well as just broadcasting. It can make them more human and approachable to those they are managing, and allow them to spread important management messages across their department.

But there are also risks. Although there is some central guidance for how civil servants should tweet, practice differs. Some civil servants have Twitter accounts under their own names (for example, @FirstnameLastname) which one would expect them to keep if they change jobs, while others have those more closely tied to their departments (for example, @PermSecDepartmentname), which may pass to their successor when they move on. There could be some impartiality issues – how far should a permanent secretary tweet in support of the policy of the current government or minister, and what would happen if the government or minister changed, leaving behind those tweets under a new regime? Will they be seen as representing a particular party? We may see some new dilemmas as 'official' accounts change hands between individuals, and even between different governments.



## 9 Performance

There are several ways of looking at government performance. Broadly speaking, the objective of governments is to maximise their citizens' welfare. In pursuit of that goal, they create the conditions for economic growth, maintain the rule of law, provide public goods such as policing and defence, try to ensure their populations are healthy and well educated, share out the proceeds of the country's growth, and regulate the behaviour of people and companies to ensure that no group is able to exercise its power at the expense of others. Different governments will have different priorities.

The ideal way to assess government performance would be to measure all the outputs that government produces or outcomes that it achieves, and compare these with the money it spends and resources it uses to assess its efficiency and productivity. This isn't possible, given how difficult it is to define and measure many of the outputs of government (although we look at specific outputs throughout this report). A proxy for performance is whether departments are using technologies and working practices which are believed to be productivity-enhancing.<sup>1</sup> Again, we cover a number of these throughout the report, such as turnover, diversity, engagement and transparency.

In this chapter, we mainly use government's own performance measures and polling on trust and satisfaction. Using government's own performance measures – currently Single Departmental Plans – is also difficult given the quality of some of those measures, but in only three cases is performance against specific departmental objectives getting worse. Using public trust as a proxy reflects well on the civil service but badly on politicians, while satisfaction in the Government is currently at its lowest since May 2010 – but still higher than in the later periods of the Callaghan, Thatcher, Major and Brown premierships.

### Further analysis

[www.instituteforgovernment.org.uk/performance](http://www.instituteforgovernment.org.uk/performance)

## Government uses Single Departmental Plans to measure performance

Since 1979, UK governments have measured their performance in different ways, from efficiency and financial management initiatives in the early 1980s, to Public Service Agreements under Labour in the late 1990s, to Departmental Business Plans under the Coalition. The current framework, introduced in 2016, requires each department to have a Single Departmental Plan (SDP), which sets out activities and monitors progress.

SDPs are updated annually, stating each department's priorities and indicating how these will be achieved. They are intended to help departments use their resources as efficiently as possible, and to serve as a performance monitoring framework. The full SDPs are for internal use and not published, so our analysis is limited to the public versions. Our understanding is that these are less detailed, particularly when it comes to information on spending and staff allocation.

The Institute for Government, the National Audit Office (NAO) and the Public Administration and Constitutional Affairs Committee all criticised early versions of SDPs for being ill-equipped to track performance, but more recent analysis by the Institute has shown that there have been some improvements.<sup>2</sup>

Figure 9.1 **Structure of a Single Departmental Plan**

Level	Description	Example (from Department for Work and Pensions SDP)
<b>Objective</b>	Top-level priorities for each department	1 "Build a more prosperous society by supporting people into work and helping them to realise their potential"
<b>Sub-objective</b>	Different elements that constitute an objective	1.1 "Deliver an effective labour market strategy and benefit design that ensures work always pays, pre- and post- EU exit"
<b>Action</b>	Specific activities through which departments will implement their priorities	"Develop evidence about what works to help people increase their earnings and progress in their careers" "Continue to supply additional support for young people, including those hardest to reach, through targeted initiatives working across government and with local partners"
<b>Measure</b>	Indicators which quantitatively assess performance	Overall UK employment rate (Source: ONS Labour Force Survey) Young people (18–24) not in full-time education in employment (Source: ONS Labour Force Survey).

Source: Institute for Government analysis of Department for Work and Pensions, Single Departmental Plan, May 2018.

All departments' SDPs are structured in a similar way. Departments have a set of objectives (ranging from three for the Cabinet Office to seven for the Home Office). Each of these is broken down into between one and 13 sub-objectives, which provide greater detail. Departments also list the activities that they will undertake to achieve these.

At the end of each objective, SDPs list (where possible) the quantitative measures that departments consider appropriate for evaluating performance against each objective. There are valid reasons why some departments may find it harder to measure success. For instance, the achievements of the Foreign Office in promoting British interests internationally are harder to quantify than those of the Department of Health and Social Care (DHSC) and others responsible for delivering services.

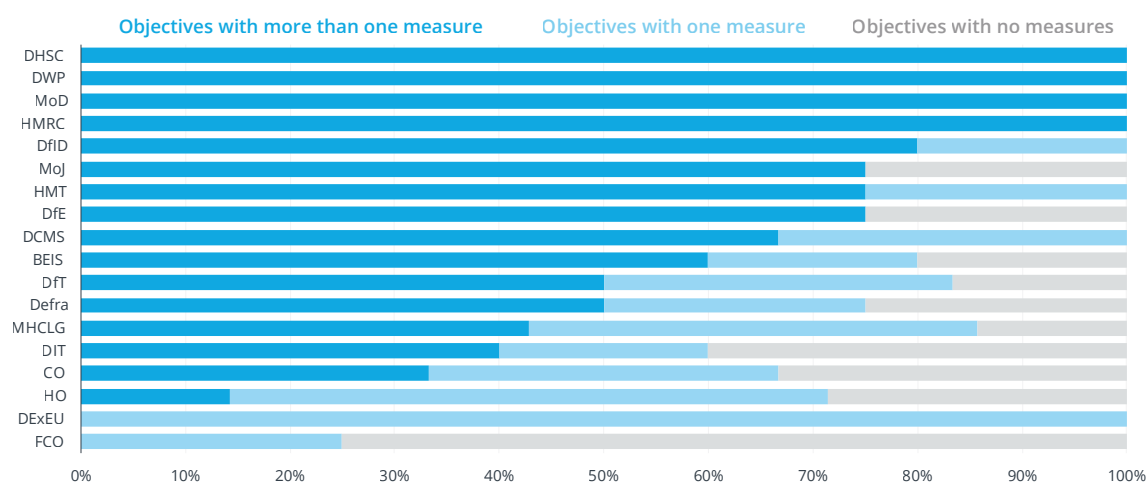
To assess departments' progress against their own objectives, we reviewed every measure specified in the SDPs and judged whether they had moved in the direction that government intended. Where the data allowed, we looked at change over the past five years.

We then applied a modified RAG rating:

- **red** declining performance
- **amber** broadly flat performance or no discernible trend
- **green** improving performance
- **grey** no data, or data not suitable for judging performance.

As an example, one of the measures at the Department for Work and Pensions (DWP) is 'UK employment rate' which, based on its objective to 'support people into work', we have assumed it would want to see increase. The Office for National Statistics' Labour Force Survey shows that between the second quarters of 2013 and 2018 the employment rate in the UK rose from 71% to 76%. We therefore considered this measure to represent improving performance and classified it as 'green'. We combined ratings for individual measures and applied an RAG rating to indicate performance for each objective as a whole.

Figure 9.2 **Percentage of SDP objectives with performance measures, May 2018**



Source: Institute for Government analysis of GOV.UK, Single Departmental Plans, May 2018 versions including subsequent updates as at 29 November 2018.

Altogether, the 18 central government departments have 87 objectives. Of these, 51 (or 59%) have two or more associated measures. There is significant disparity between departments in the number of measures each has identified: DHSC, DWP, the Ministry of Defence (MoD) and Her Majesty's Revenue and Customs (HMRC) have at least two measures for every objective, while the Foreign Office has only one measure in its entire SDP, despite having four objectives.

We did not analyse all the measures listed by departments because – in our view – around a third do not sufficiently capture performance against their objectives. There are two reasons for this:

- Some measures capture things outside of a department's influence. For example, the Department for Digital, Culture, Media and Sport (DCMS) lists data on 'Subjective wellbeing' as a measure of its success, even though wellbeing is influenced by factors that predominantly lie outside of that department's control.
- Other measures did not relate closely to their objective. For instance, it is not clear how the number of visits undertaken by ministers in the Department for International Trade (DIT) captures how well they are delivering on their objective to "use trade and investment to underpin the Government's agenda for a global Britain and its ambitions for prosperity, stability and security worldwide".

We excluded from our analysis any objective that had fewer than two sufficient measures, as defined by the criteria outlined above. We did this because we found that a single measure generally cannot capture a whole objective. For instance, the Home Office has an objective to 'Reduce terrorism', but its only performance measure is the number of people arrested for terrorism-related offences in a year. While this gives a partial indication of the Home Office's success in its objective to 'Reduce terrorism', it tells us little about the department's performance in other areas of its anti-terrorism activities.

However, more measures do not always enable more comprehensive performance monitoring. Even when an objective has multiple performance measures, these measures do not always cover all elements of an objective. For example, one of the objectives for HMRC is to 'Transform tax and payments for our customers', which is divided into three sub-objectives – 'Ensure a smooth and orderly EU exit', 'Support welfare and pension reform', and 'Transform for our customers'. Despite including seven performance measures, all of them relate to customer experience and offer no evaluation of success in relation to Brexit or welfare and pension reform. Since our assessment of performance is based on the measures supplied by departments, our overall ratings of objectives only reflect the aspects of an objective for which there are measures.

We were left with just 31 objectives (out of 87) that we judged to have two or more good enough measures to assess government's performance. For those objectives that remained, we then combined the ratings for individual measures to calculate an overall performance rating for the objective.

Figure 9.3 **Performance of departmental objectives according to Single Departmental Plan measures**

Dept	1	2	3	4	5	6	7
MHCLG	Deliver the homes the country needs	Home-ownership and homelessness	A sustainable future for local government	Stronger and more confident communities	Support for victims of the Grenfell Tower disaster	Smooth exit from the European Union	Maintain MHCLG as a great place to work
HO	Cut crime and the harm it causes	Manage civil emergencies	Protect vulnerable people and communities	Reduce terrorism	Control migration	Provide world-class public services	Maximise the benefits of EU exit
DCMS	Global - trade, investment, and values	Growth - creative economy and innovation	Digital connectivity - telecoms and digital	Participation - social action, culture and sport	Society - a safe, fair, and informed society	An agile and efficient department	
DfT	A stronger, cleaner, more productive economy	Connect people and places	Easy, modern and reliable journeys	Safe, secure and sustainable transport	Prepare for technological progress and EU exit	Departmental efficiency and productivity	
DHSC	Keep people healthy	Primary, community and social care	Support the NHS	Support research and innovation	Create an efficient and effective department	Commercial practice across DHSC and its ALBs	
DWP	Support people into work	Improve outcomes for disabled people	Ensure financial security for pensioners	Help separated parents and families in distress	Deliver an effective welfare system		
DfE	Children's services, early years and well-being	Schools	Post-16 and skills	Building our department together	Equality objectives		
DfID	Global peace, security and governance	Resilience and responding to crisis	Global prosperity	Extreme poverty and the world's most vulnerable	Deliver value for money and efficiency		
BEIS	The industrial strategy	Investment and EU exit	Competitive markets and responsible business	A reliable, low cost and clean energy system	A flexible, innovative and collaborative department		
DIT	Support UK businesses and international growth	Attract international investment to the UK	Building trade framework	Support a Global Britain	Build an effective department		
HMT	Public finances and public services	Macro-economic stability	Increase employment and productivity	Build a great Treasury			
MoJ	Prison and probation service	A modern courts and justice system	Promote a global Britain and the rule of law	Transform the department			
Defra	Post-Brexit regulations and frameworks	The natural environment	Food, farming and rural economy	Become most effective and efficient department			
MoD	Protect our people	Project our global influence	Promote our prosperity	Manage Department and Defence Enterprise			
DExEU	Secure the best deal	A smooth and orderly exit	Inform, engage, mobilise interested parties	Quality workforce and internal organisation			Worsening performance indicators
FCO	Protect our people	Project our global influence	Promote our prosperity	Manage our business			Broadly flat performance indicators
HMRC	Maximise revenues due	Transform tax and payments for customers	Professional, efficient, engaged organisation				Improving performance indicators
CO	The Union, security, and democracy	Government and Prime Minister's priorities	Public servants and efficient government				

Source: Institute for Government analysis of GOV.UK, Single Departmental Plans, February 2018 versions including subsequent updates as at 29 November 2018.

Out of the 31 SDP objectives that we were able to use to track performance, 12 (39%) indicate that the Government is making progress. On a further 16 (52%), departments have made no clear progress.

In some cases this is because some measures show improvement while others show decline. For instance, the objective of the Department for International Development (DfID) to 'Strengthen resilience and response to crisis' is evaluated by two measures which show different trends – while they are increasing the number of people reached through humanitarian assistance, they are spending less on climate adaptation.

However, the picture is often more complicated – for example, DCMS's objective to 'maximise social action, and participation in culture, sport and physical activity' has four measures. The percentage of adults physically active has shown little change, while the percentage of adults engaging in arts, heritage, libraries, museums and galleries is a composite measure where there is no discernible trend across the four individual sub-measures. Finally, awareness of First World War centenary activities has decreased, while visitors to DCMS-sponsored museums and galleries are increasing. In cases such as this we have given an amber rating since there is no clear positive or negative trend in performance.

It is encouraging that only three objectives are getting worse. However, two of them – 'Make home-ownership easier and reduce homelessness' at the Ministry of Housing, Communities and Local Government (MHCLG) and 'Support the NHS' at DHSC – are areas in which declining performance could have significant repercussions for people's health, safety and quality of life.

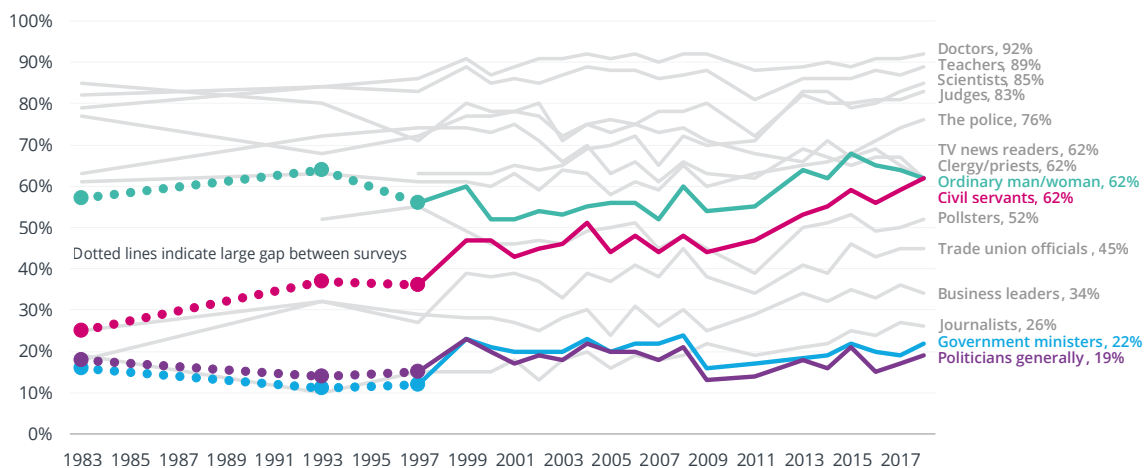


The final point the chart illustrates is that at present SDPs do not provide a comprehensive overview of government performance. Too many objectives have one or no measure, and out of the measures they do include, we found that many were not good indicators of performance. This may explain why neither individual departments nor the Treasury are consistently using SDPs to track performance. In a recent NAO survey of staff involved in business planning across all departments, 40% said that their department's use of "performance information/data for decision-making" was "neither strong nor weak", and 15% said it was "weak". The same report also found that Treasury spending teams "do not routinely refer to measures set out in SDPs when assessing departments' performance".<sup>3</sup> SDPs are meant to be the main government framework for tracking performance, but they are currently underused. Departments should improve measures so that both they and spending teams have better tools to evaluate success and identify potential problem areas.

SDPs don't just tell government how well it is operating – they are also meant to "enable the public to see how government is delivering on its commitments".<sup>4</sup> Improvements to the SDPs as performance management tools would therefore allow departments to demonstrate to the public that they were delivering on their promises. What the public think about government is important. The amount of trust that people place in the government can be a proxy for transparency and honesty. Similarly, levels of public satisfaction can tell us whether government is actually serving the needs of the electorate. Of course, the public view of a government's effectiveness is influenced by other factors such as individual political beliefs. But asking the people whether they are happy with how the country is being run provides a further way of understanding performance.

## Trust in the civil service has increased, but trust in politicians remains low

Figure 9.4 Trust in professions to tell the truth, 1983–2018



Source: Institute for Government analysis of Ipsos MORI, Veracity Index, 1983–2018.

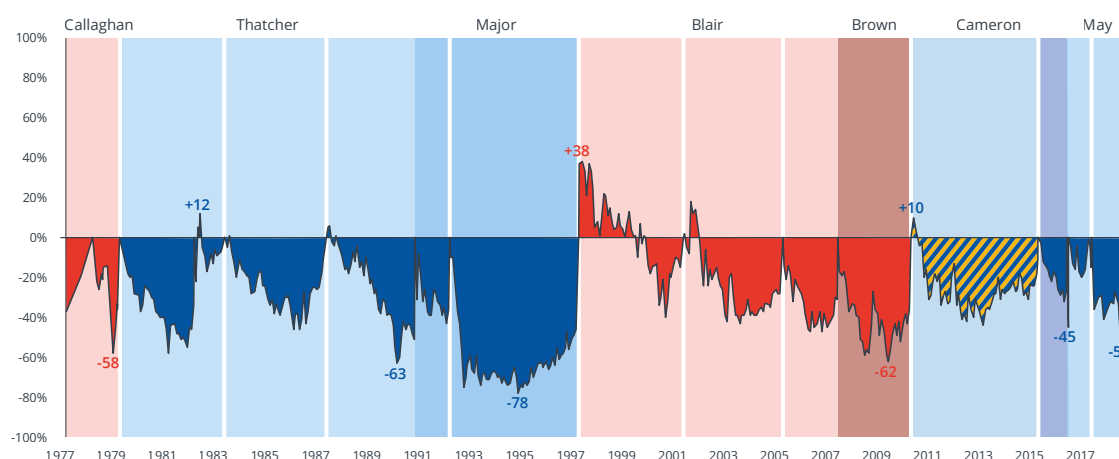


Ipsos MORI's Veracity Index presents the public with a broad list of professions and asks them, "For each, please tell me if you would generally trust them to tell the truth or not?"

The trend for civil servants is encouraging: when the survey began in 1983 only 25% of people trusted them, but this figure now stands at 62%. There is still room for improvement – they are not seen as any more trustworthy than the 'ordinary man/woman on the street' – but confidence in the civil service has more than doubled over the past few decades.

The Veracity Index paints a bleak picture of public perceptions of politicians. Since the survey began in 1983, 'Politicians generally' and 'Government ministers' have consistently been seen as the country's least trusted professions (with occasional competition from journalists). Regular polling, which started in 1997, showed that trust in both was lowest in 2009 – the year of the MPs' expenses scandal. However, the 2017 revelations of bullying and sexual harassment in Parliament do not appear to have negatively influenced the public view of politicians – Ipsos MORI conducted a second wave of polling following this scandal and found that trust had not decreased.<sup>5</sup>

**Figure 9.5 Net satisfaction with 'the way the Government is running the country', 1977–2018**



Source: Institute for Government analysis of Ipsos MORI, *Political Monitor*, March 1977 to December 2018.

How satisfied people are with the Government is another proxy for performance. If they see it as competent and as fulfilling its promises then they should be more satisfied. There are few regular polls asking the public explicitly what they think about this, and respondents may be answering based on their political views rather than an assessment of administrative effectiveness. Out of the different opinion polls, Ipsos MORI's *Political Monitor* series provides the best insight into changing perceptions of government. It has been conducted regularly (and now roughly monthly) since 1977, and asks the public a question that captures views on performance: "Are you satisfied or dissatisfied with the way the Government is running the country?"

In September 2018 net public satisfaction in the Government dropped to minus 52%. This is the lowest level recorded under the Coalition and Conservative governments – the last time the public were that dissatisfied was under Gordon Brown in 2009.

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The poll doesn't tell us *why* satisfaction with the Government is low. Several factors relating to Brexit may have driven negative perceptions: lack of consensus within the Conservative Party, public frustration with the slow pace of negotiations, and increasing concern over the potential impact of a no-deal Brexit.

Minus 52% net satisfaction may be a record low for governments since 2010, but it is by no means the lowest ever recorded. Current public satisfaction with the May Government remains higher than for Labour under Gordon Brown in 2009, much of John Major's second term, and the end of the Callaghan and Thatcher governments.

In this chapter we evaluated performance in two ways – government's own SDPs and public opinion. Our analysis of SDPs shows that performance for the majority of objectives is not getting clearly better or worse. However, the availability and quality of measures was an issue – we found that many objectives have fewer than two measures and that where they did have measures, these were not always good indicators of how well a department is performing. Public assessment of performance is also mixed – trust in civil servants continues to grow, but politicians and ministers are among the least trusted professions. Finally, the public have become more dissatisfied with government in the past year, taking satisfaction to its lowest point since 2009.



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# Methodology

## How we define departments (throughout)

Where possible, we group bodies into 'departmental groups' according to where ministerial responsibility lies, even when these are reported under a separate 'departmental' heading in the original data. For instance, we group Ofsted with DfE and not as a separate department.

We then make the following distinction within each departmental group:

- **department** – the core department and other bodies within the department that are line-managed within a structure that flows from the departmental leadership (for example, HM Prison and Probation Service within MoJ, the Education and Skills Funding Agency within DfE)
- **other organisations** – other bodies employing civil servants, like executive agencies and non-ministerial departments, for which ministers in the department have responsibility (for example, Ofsted in DfE and DVLA in DfT) but which are not part of the department's line management structure.

This isn't always possible, and there are some other occasions where we don't attempt to do so:

- We apply our definition of 'department' in our analysis of staff numbers, grade, age, gender, ethnicity, disability, professions/specialisms, Freedom of Information and ministerial correspondence.
- We use the wider 'departmental group' in our analysis of location.
- We use the department as defined by the data producer on engagement, pay, major projects, Freedom of Information, spend over £25,000 and organograms.

In our analysis of government funding to public bodies (page 68, Figure 4.4), we exclude any bodies we consider to be part of the department, such as the Education and Skills Funding Agency.

Acronym	Department	Other organisations
<b>AGO</b>	Attorney General's Office	Crown Prosecution Service; Crown Prosecution Service Inspectorate; National Fraud Authority; Revenue and Customs Prosecution Office; Serious Fraud Office; Treasury Solicitor
<b>BEIS</b>	Department for Business, Energy and Industrial Strategy	Advisory, Conciliation and Arbitration Service; Companies House; Competition and Markets Authority; HM Land Registry; Insolvency Service; Intellectual Property Office; Met Office; Office of Gas and Electricity Markets (Ofgem); Ordnance Survey; UK Space Agency
<b>CO</b>	Cabinet Office (excluding agencies) Office of the Parliamentary Counsel	Buying Solutions; Central Office of Information; Charity Commission; Crown Commercial Service; Government Procurement Service; National School of Government; UK Statistics Authority
<b>DCMS</b>	Department for Digital, Culture, Media and Sport	National Archives; Royal Parks
<b>Defra</b>	Department for Environment, Food and Rural Affairs	Animal and Plant Health Agency; Animal and Veterinary Laboratories Agency; Animal Health; Centre for Environment, Fisheries and Aquaculture Science; Food and Environment Research Agency; Government Decontamination Services; Marine Fisheries Agency; Ofwat; Rural Payments Agency; Veterinary Laboratories Agency; Veterinary Medicines Directorate
<b>DExEU</b>	Department for Exiting the European Union	
<b>DfE</b>	Department for Education	Education and Skills Funding Agency; Education Funding Agency; National College; National College for Teaching and Leadership; Office of Qualifications and Examinations Regulation; Ofsted; Skills Funding Agency; Standards and Testing Agency; Teaching Agency
<b>DfID</b>	Department for International Development	
<b>DfT</b>	Department for Transport	Driver and Vehicle Licensing Agency; Driver and Vehicle Standards Agency; Driving Standards Agency; Government Car and Despatch Agency; Highways Agency; Maritime and Coastguard Agency; Office of Rail Regulation; Vehicle and Operator Services Agency; Vehicle Certification Agency
<b>DHSC</b>	Department of Health and Social Care (excluding agencies)	Food Standards Agency; Meat Hygiene Service; Medicines and Healthcare Products Regulatory Agency; National Healthcare Purchasing and Supplies; NHS Business Services Authority; Public Health England
<b>DIT</b>	Department for International Trade	Export Credits Guarantee Department/UK Export Finance (from Q3 2016)
<b>DWP</b>	Department for Work and Pensions	Child Maintenance and Enforcement Commission; DWP Corporate and Shared Services; Jobcentre Plus; Pensions & Disability Carers Services; The Health and Safety Executive; The Rent Service



<b>FCO</b>	Foreign and Commonwealth Office (excluding agencies)	Foreign and Commonwealth Office Services; Security and Intelligence Services; Wilton Park Executive Agency
<b>HMRC</b>	HM Revenue and Customs	Valuation Office
<b>HMT</b>	HM Treasury	Asset Protection Agency; Debt Management Office; Government Actuary's Department; Government Internal Audit Agency; National Savings and Investments; Office for Budget Responsibility; Office for Government Commerce; OGC Buying Solutions; Royal Mint
<b>HO</b>	Home Office (excluding agencies)	Criminal Records Bureau; Her Majesty's Passport Office; Identity Passport Service; National Fraud Authority; National Crime Agency; UK Border Agency
<b>MHCLG</b>	Ministry of Housing, Communities and Local Government	Fire Service College; Planning Inspectorate; Queen Elizabeth II Conference Centre
<b>MoD</b>	Ministry of Defence	Defence Equipment and Support; Defence Science and Technology Laboratory; Defence Support Group; UK Hydrographic Office; Meteorological Office
<b>MoJ</b>	Ministry of Justice (excluding agencies)	Criminal Injuries Compensation Authority; HM Courts and Tribunals Service; HM Courts Service; Legal Aid Agency; National Archives; National Offender Management Service; Scotland Office (including Office of the Advocate General for Scotland); The Office of the Public Guardian; Tribunals Service; UK Supreme Court; Wales Office
<b>NIO</b>	Northern Ireland Office	

## Reshuffle analysis, pages 17–19

We consider a minister to have changed role if they move department, move rank (e.g. from Parliamentary Under-Secretary of State to Minister of State) or the policy areas their role covers substantially change or increase. Because our analysis tends to take place as a reshuffle is unfolding, ministerial responsibilities might occasionally change without us recording a minister as having changed role.

## Workforce analysis, pages 25–48

Numbers may not be exact, as the Office for National Statistics reports staff numbers in any given category to the nearest 10. It notes where numbers are less than five, which we have rounded up to three (for example, in our analysis of age).

The ONS also reports as 'Senior Civil Service' certain roles – such as health professionals, military personnel and senior diplomats – which the Cabinet Office does not consider to be part of the actual senior civil service. This is why we refer to 'senior civil service and equivalent' in our analysis of ONS data.

## Staff numbers, pages 26–31

For staff numbers, we use table 9 from the Office for National Statistics' quarterly Public Sector Employment series, which contains staff numbers (full-time equivalent, FTE) in all public organisations that employ civil servants. FTE counts part-time staff according to the time they work (e.g. a person working two days a week as 0.4); this is more accurate than headcount, which does not distinguish between full-time and part-time employees.

Our calculated rates of change in each period for each department are adjusted for reclassifications of staff between bodies. Reclassifications are usually noted by the ONS in footnotes to the data tables. The figures shown for each department in our 'change from baseline' charts take a geometric average of per period change rates from the baseline (for most departments, Q2 2016) to the latest period. In our analysis of the Department for Exiting the European Union, we have used the ONS's estimate of total headcount, which includes all members of staff on loan from other departments. This means that some employees will be counted twice (under DExEU and their home department).

## Professions/specialisms, pages 38–39

We have grouped the 27 different civil service professions reported by the ONS into four overarching categories as follows:

Profession	IfG category
Commercial	Cross-departmental specialisms
Communications	Cross-departmental specialisms
Corporate Finance	Cross-departmental specialisms (included in the Finance sub-category)
Digital, Data and Technology	Cross-departmental specialisms
Economics	Cross-departmental specialisms (included in the Analytics sub-category)
Finance	Cross-departmental specialisms (included in the Finance sub-category)
Human Resources	Cross-departmental specialisms
Inspector of Education and Training	Departmental specialisms
Intelligence Analysis	Departmental specialisms
Internal Audit	Cross-departmental specialisms
Knowledge and Information Management	Cross-departmental specialisms
Legal	Cross-departmental specialisms
Medicine	Departmental specialisms
Operational Delivery	Operational delivery

<b>Operational Research</b>	Cross-departmental specialisms (included in the Analytics sub-category)
<b>Planning</b>	Departmental specialisms (included in the Planning sub-category)
<b>Planning Inspectors</b>	Departmental specialisms (included in the Planning sub-category)
<b>Policy</b>	Cross-departmental specialisms
<b>Project Delivery</b>	Cross-departmental specialisms
<b>Property</b>	Cross-departmental specialisms
<b>Psychology</b>	Departmental specialisms
<b>Science and Engineering</b>	Departmental specialisms
<b>Security</b>	Departmental specialisms
<b>Social Research</b>	Cross-departmental specialisms (included in the Analytics sub-category)
<b>Statistics</b>	Cross-departmental specialisms (included in the Analytics sub-category)
<b>Tax</b>	Departmental specialisms
<b>Veterinarian</b>	Departmental specialisms

Please note: this is a change from our previous classifications, used most recently in *Whitehall Monitor 2017*.

## Financial transparency, page 61

We have ranked each government department according to how transparently it accounts for movements in spending plans.

For each financial year we compared the original spending plan, as published in Spending Review 2010, Spending Review 2013 or Spending Review 2015, with every reissue of a plan for that financial year in the Treasury's annual Public Expenditure Statistical Analyses (PESA) publication, noting whether the spending plan had changed and whether this change was explained in the PESA report.

We graded each department according to whether an explanation was given for changes and whether the explanation was full or partial, while also taking into account the size of the changes.

For each department in each financial year, we then calculated how many penalty points – awarded for not explaining changes – they had received as a percentage of total possible penalty points. The overall ranking in the table is based on the average across all financial years.

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## Managing public spending, pages 64–67

For each department we calculated the total amount of Resource Departmental Expenditure Limit (RDEL) minus depreciation, using 2017/18 data in HMT's Online System for Central Accounting and Reporting (OSCAR). This provided us with a 100% departmental spending figure. Individual spending lines for each department were then ranked from largest to smallest and calculated as a percentage of the total RDEL figure.

Each department's spending lines were categorised as direct management, sponsorship of public bodies, system and grant funding, or contracting. For each department we categorised approximately 80% to 100% of total RDEL spending. Negative spending lines (i.e. income, such as at the Home Office for UK Visas and Immigration) have not been categorised. In certain areas we used departmental Annual Reports and Accounts to supplement our understanding of spending.

The net result of this process was a percentage breakdown into four component parts of each department's total RDEL. This percentage breakdown forms the underlying basis of the heat map on page 64.

Each spending line in the OSCAR data is categorised as either 'programme' or 'administration' spending, providing us with the data to provide the breakdown of directly managed spending on page 66.

## Size of Freedom of Information teams, page 113

We submitted Fol requests to each government department asking for "the number of staff (full-time equivalent) in the team responsible for Freedom of Information requests" for 2010 and 2018 and any intervening years if the £600 cost limit was not exceeded.

Only three out of 22 departments held this information for the whole period – DfE, CO and HMRC. A further 12 departments provided us with figures for 2018, while seven – the Scotland Office, DfID, DHSC, MHCLG, DfT, MoD and DWP – were unable to provide staff numbers for last year. The Scotland Office and DfID told us that all staff are responsible for responding to Fol requests, and that as a result they could not provide us with figures. DfT told us that they "have no business need to record this type of information", but shared with us an earlier Fol which had figures from 2005 to 2012. DHSC told us that "where the number of individuals is fewer than or equal to five, we are unable to disclose the exact number of cases under section 40(2) of the FOIA, which relates to personal information of third parties." MoJ responded to our initial request seeking a clarification, but then failed to provide any further information.

Finally, DWP, MHCLG and MoD all refused our request on cost grounds, but the latter two departments did suggest that a narrower request (i.e. just staff numbers for 2018) might be successful.

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## Hospitality releases, pages 119–120

We are extremely grateful to Transparency International UK for originally compiling all quarterly hospitality releases published by government departments for ministers, special advisers and senior officials. It has a website which allows users to search the data at <https://openaccess.transparency.org.uk/>. Our analysis has looked only at the ministerial releases. Having been provided with a list of publication dates by Transparency International UK, we sought to fill in any gaps by looking at GOV.UK and through correspondence with the Cabinet Office.

We understand that departments are supposed to publish a quarter in arrears. We have given a few days' grace in our calculations, and so our analysis may be slightly more generous than the reality.

## Spending over £25,000, page 119–120

We searched for £25,000 spend data on GOV.UK and data.gov.uk for releases covering the period November 2010 to October 2018 in line with David Cameron's initial instruction to government departments and our own publication schedule.

Where we could not find a file, we corresponded with the Cabinet Office; we did the same if we could not find a publication date, and also used the history function on data.gov.uk. If a release still could not be located, we marked the file as 'not published' (and if its date could not be found, 'date unknown').

Treasury guidance says the releases should be published by the end of the following month (e.g. the September 2016 file should have been published by 31 October 2016). We extended the limit for 'on time' releases to 70 days from the first day of the month to which the data refers, to allow for weekends and public holidays and to give a few days' grace. The guidance is clear that each monthly release should be published separately, but some departments have published in bulk. We have generously counted those monthly releases that were in time as 'on time', and others as 'late'.

## Organograms, pages 118–120

We searched for organogram data on GOV.UK and data.gov.uk and recorded whether or not we could find the file for each six-month period. We corresponded with the Cabinet Office if we could not find a file. Guidance says departments should publish their 31 March organograms by 6 June, and the 30 September versions by 6 December. Our final data was collected on 12 December 2018 as departments were due to have published their organograms for September 2018 by 6 December. Some organograms may therefore have been published in the meantime, though they would still be late.

## Single Departmental Plans, pages 130–134

We defined a performance measure as any dataset, figure or other indicator included under the 'Our Performance' section of each SDP objective. Since SDPs use a broad range of measures, it was not possible to set quantitative boundaries for our different red/amber/green (RAG) categories. Instead we made qualitative judgements, which took into consideration the aspect of performance being measured and any relevant

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supplementary information found under the respective objective. Where necessary we examined longer-term patterns in a dataset to see whether changes during the period under analysis exceeded typical fluctuations.

To judge how sufficiently a measure captured performance, we subjected it to two tests: is the department responsible for changes in the measure, and is the measure connected to the objective? We assigned an RAG rating for each test, where green represented closely related, amber represented somewhat related, and red represented largely unrelated. For a measure to be considered usable for performance analysis, it had to receive one amber and one green rating, or two green ratings.

For our objectives performance RAG rating (Figure 9.3), there were several occasions where the average of all of an objective's measures fell between an RAG colour. In these instances we assessed individual measures and gave more weight to measures which had been scored as having higher relevance and/or displayed greater rates of change in performance.

Unless otherwise stated, references to SDPs concern the most recent versions. For most departments, these were last updated in May 2018, although some have received minor updates since then. For publication dates, we have relied on the 'full page history' function found on pages published on GOV.UK.

# Abbreviations

Acronym	Organisation name
<b>AGO</b>	Attorney General's Office
<b>APA</b>	Asset Protection Agency
<b>BEIS</b>	Department for Business, Energy and Industrial Strategy
<b>BIS</b>	Department for Business, Innovation and Skills
<b>CO</b>	Cabinet Office
<b>CxD</b>	Chancellor's Departments (APA, DMO, GAD, HMRC, HMT, NS&I, OBR)
<b>DCLG</b>	Department for Communities and Local Government
<b>DCMS</b>	Department for Digital, Culture, Media and Sport
<b>DECC</b>	Department of Energy and Climate Change
<b>DE&amp;S</b>	Defence Equipment and Support (part of MoD)
<b>Defra</b>	Department for Environment, Food and Rural Affairs
<b>DExEU</b>	Department for Exiting the European Union
<b>DfE</b>	Department for Education
<b>DfID</b>	Department for International Development
<b>DfT</b>	Department for Transport
<b>DH</b>	Department of Health
<b>DHSC</b>	Department of Health and Social Care
<b>DMO</b>	Debt Management Office
<b>DVLA</b>	Driver and Vehicle Licensing Agency (part of DfT)
<b>DWP</b>	Department for Work and Pensions
<b>ERG</b>	Efficiency and Reform Group (part of CO)
<b>FCO</b>	Foreign and Commonwealth Office
<b>GAD</b>	Government Actuary's Department
<b>GDS</b>	Government Digital Service
<b>HCS</b>	Home Civil Service (all civil servants in UK, Scottish and Welsh governments)
<b>HMRC</b>	Her Majesty's Revenue and Customs
<b>HMT</b>	Her Majesty's Treasury
<b>HO</b>	Home Office
<b>HofC</b>	House of Commons
<b>HofL</b>	House of Lords
<b>IPA</b>	Infrastructure and Projects Authority
<b>Law</b>	Law officers (AGO, Office of the Advocate General for Scotland)
<b>MHCLG</b>	Ministry of Housing, Communities and Local Government

<b>MoD</b>	Ministry of Defence
<b>MoJ</b>	Ministry of Justice
<b>MPA</b>	Major Projects Authority (part of CO)
<b>NAO</b>	National Audit Office
<b>NHS</b>	National Health Service
<b>NICS</b>	Northern Ireland Civil Service
<b>NIO</b>	Northern Ireland Office
<b>NS&amp;I</b>	National Savings and Investments
<b>OBR</b>	Office for Budget Responsibility
<b>ONS</b>	Office for National Statistics
<b>Scot</b>	Scotland Office
<b>SG</b>	Scottish Government
<b>Wal</b>	Wales Office
<b>WG</b>	Welsh Government

<b>Acronym</b>	<b>Definition</b>
<b>AME</b>	Annually managed expenditure
<b>AO/AA</b>	Administrative officer/administrative assistant (civil service grade)
<b>ACSES</b>	Annual Civil Service Employment Survey
<b>ALB</b>	Arm's-length body
<b>API</b>	Application Programming Interface
<b>AR</b>	Annual report
<b>BUD</b>	Budget
<b>CAME</b>	Capital Annually Managed Expenditure
<b>CDEL</b>	Capital Departmental Expenditure Limit
<b>CS</b>	Civil service
<b>DEL</b>	Departmental Expenditure Limit
<b>DLC</b>	Delegated Legislation Committee
<b>DPM</b>	Deputy Prime Minister
<b>EO</b>	Executive officer (civil service grade)
<b>EU</b>	European Union
<b>FTE</b>	Full-time equivalent
<b>FoI</b>	Freedom of Information
<b>G6, G7</b>	Grade 6 and Grade 7 (civil service grades)
<b>GaaP</b>	Government as a Platform
<b>GDP</b>	Gross domestic product



<b>GE</b>	General election
<b>HS2</b>	High Speed 2
<b>IfG</b>	Institute for Government
<b>IFRS</b>	International Financial Reporting Standards
<b>IMF</b>	International Monetary Fund
<b>IMG</b>	Inter-ministerial group
<b>InCiSE</b>	International Civil Service Effectiveness Index
<b>IT/ICT</b>	Information technology/Information and communications technology
<b>MoS</b>	Minister of State
<b>NCS</b>	National Security Council
<b>NDPB</b>	Non-departmental public body
<b>NGO</b>	Non-governmental organisation
<b>NISRA</b>	Northern Ireland Statistics and Research Agency
<b>ODM</b>	Opposition Day Motion
<b>OSCAR</b>	Online System for Central Accounting Reporting
<b>PaaS</b>	Platform as a Service
<b>PAC</b>	Public Accounts Committee
<b>PASC</b>	Public Administration Select Committee
<b>PESA</b>	Public Expenditure Statistical Analyses
<b>PM</b>	Prime Minister
<b>PMDU</b>	Prime Minister's Delivery Unit
<b>PPS</b>	Parliamentary private secretary
<b>PSA</b>	Public Service Agreement
<b>PUSS</b>	Parliamentary Under Secretary of State
<b>Q (Q1 etc.)</b>	Quarter
<b>QDS</b>	Quarterly Data Summary
<b>RAG</b>	Red/amber/green (rating scheme for delivery confidence in projects)
<b>RAME</b>	Resource Annually Managed Expenditure
<b>RDEL</b>	Resource Departmental Expenditure Limit
<b>SCS</b>	Senior civil service
<b>SDP</b>	Single Departmental Plan
<b>SEO/HEO</b>	Senior executive officer/higher executive officer (civil service grades)
<b>SI</b>	Statutory instrument
<b>SoS</b>	Secretary of State
<b>SR</b>	Spending Review/Spending Round
<b>SRO</b>	Senior responsible owner

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<b>SRP</b>	Structural Reform Plan
<b>TME</b>	Total managed expenditure
<b>UQ</b>	Urgent question
<b>VAT</b>	Value Added Tax
<b>WGA</b>	Whole of Government Accounts
<b>WMI</b>	Workforce Management Information

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