The State of the Service

A review of Whitehall’s performance and prospects for improvement

Simon Parker, Akash Paun and Jonathan McClory
supported by the Institute for Government research team

July 2009
The Institute for Government is an independent charity with cross-party and Whitehall governance, working to increase government effectiveness. Our funding comes from the Gatsby Charitable Foundation, one of the Sainsbury Family Charitable Trusts.

We work with all the main political parties at Westminster and with senior civil servants in Whitehall, providing evidence-based advice that draws on best practice from around the world.

We undertake research, provide the highest quality development opportunities for senior decision makers and organise events to invigorate and provide fresh thinking on the issues that really matter to government.
Headline findings

This report brings together a wealth of information on Whitehall’s performance to create an overview of the state of the UK civil service. It identifies high-performing organisations within the civil service and internationally to encourage further learning and improvement in government:

1. **Whitehall in global context:** the UK is among the world’s highest performing governments. The civil service has a relatively positive public image. However, Whitehall is consistently outperformed in international comparisons by a cluster of Scandinavian and Commonwealth countries.

2. **Performance:** Whitehall’s performance record is patchy. Capability reviews show improvement in almost every area measured, but many of the 2005-08 round of Public Service Agreement (PSA) targets were not met, in part because some targets were poorly conceived in the first place. PSAs that were shared between departments were less frequently achieved. The civil service appears to have delivered significant efficiency savings as part of the Gershon process, but poor data quality means some savings are open to question.

3. **Leadership and people:** civil servants display high levels of pride and commitment, but many lack confidence in their department’s senior leadership. Civil service culture appears to be relatively conservative, which may limit the potential for innovation. Recruitment of senior officials from outside Whitehall is growing, with uncertain implications.

4. **The role of the centre:** within Whitehall, the UK operates a relatively decentralised model of government, with departments enjoying high levels of autonomy when compared to the rest of the OECD. This may contribute to silo working within central government, making collaboration and cross-departmental innovation more difficult.
1. Introduction

2. Whitehall in global context

3. Performance

4. Leadership and people

5. Role of the centre

6. Conclusion: fit for the future?

7. Acknowledgments, glossary and bibliography
Introduction

Over the past five years, Whitehall has produced an unprecedented amount of information about its own corporate performance. But the data emerging from capability reviews, performance reports and staff surveys has rarely been brought together in an accessible format.

This report aims to do just that, using the latest publicly available data to provide readers with a clear guide to Whitehall’s people, performance and prospects for improvement. We have also drawn on international comparisons to show Whitehall’s performance in context. This report is intended to help UK departments learn from each other and from the best international practice.

This document is an interim analysis to provoke discussion and provide the basis for a final report to be published later this year. Given the limitations of the available data, our analysis should be regarded as exploratory rather than offering a set of firm conclusions. We welcome comments.

The data reaffirms Whitehall’s significant strengths – a committed workforce, skilful strategy development and rising levels of public esteem. But it also highlights some significant challenges:

• Civil servants are highly committed, but many are not confident in the quality of leadership in their departments
• Whitehall is improving in some areas, but performance is highly variable across departments and PSAs have not yet developed into an effective way of ensuring delivery of all government priorities
• The UK has a relatively weak centre of government, which may make it more difficult to lead improvement and coordinate policy across strong departments.

Whitehall possesses many examples of high performance, but the civil service needs to improve further and more consistently to become fit for the future. Departments will have to do this in a much tighter fiscal climate. This report sets out some of the key issues that we believe the civil service must address to rise to this challenge.
Whitehall departments: the basics

- Total government spending in 2009/10 is forecast to reach £662bn, equivalent to 43% of GDP. This is a rise of about 5% as a proportion of GDP over the past decade.

- In 2008, the home civil service employed 516,000 people (483,000 full-time equivalents), of which senior managerial grades (SCS) comprise just 1%.

- Some 200,000 civil servants are employed directly by Whitehall departments, with a further 22,000 employed by Scottish and Welsh devolved administrations. The rest work for government agencies and other public bodies.

- The four largest delivery departments – DWP, HMRC, MoJ and MoD – employ almost three quarters of the civil service.

- The size of the civil service has decreased by over 30,000 people since 2004, and by 250,000 since its pre-privatisation peak in the 1970s.

Sources: Public Expenditure Spending Analysis 2009; Civil Service Statistics 2008
Hundreds of non-departmental public bodies and agencies comprise a complex world beyond Whitehall

• There are some 800 non-departmental public bodies (NDPBs) answerable to Whitehall departments. There are now 404 fewer than in 1997, but this is largely due to the transfer of some bodies to devolved administrations in Scotland and Wales. Once these are accounted for, the actual reduction in NDPBs is 67.

• The Institute for Government is currently conducting a separate research project looking at the roles and effectiveness of NDPBs.

• A large proportion of civil servants are employed by executive agencies, such as Job Centre Plus, rather than directly by Whitehall departments. The largest ten employ 41% of all civil servants.

Sources: Cabinet Office 2009; Civil Service Statistics 2008
Whitehall in global context
Key findings

“Some [British public] services are not as far advanced as in some other countries in ensuring that all professionals take leading roles in defining excellence and driving forward the quality agenda, or in moving away from traditional organisational forms”
Prime Minister’s Strategy Unit, July 2009

This section brings together international comparative data to provide an overall picture of the UK government’s standing among other developed countries.

• Whitehall is firmly within the global government premier league. It also enjoys high levels of public confidence compared with the civil services of many other developed countries.

• UK government is mid-table when compared to the rest of the OECD, consistently outscored by a group of Scandinavian, Northern European and Commonwealth countries such as Australia, New Zealand and Canada. There remains much scope to learn from these successful countries.

• Other countries have been able to secure better league table positions with lower levels of public spending. This raises the question of whether the UK is ‘punching below its weight’, although the differential performance partly reflects the varying extent of the underlying social, economic and environmental problems governments need to address.

• None of the current international indices provide a full picture of government performance. The Institute for Government plans to develop more sophisticated measures as part of its ongoing research programme.
The UK is within the ‘premier league’ of global governments, but can learn from Scandinavia and the Commonwealth.

International rankings of government performance suggest that the UK government sits comfortably within the global ‘premier league’. However, within that league it tends to occupy a mid-table position. Countries that consistently outperform the UK include the Scandinavian nations, Canada, the Netherlands and Australia.

The complexity of government means that this kind of international comparison will always be open to challenge, but it does provide a useful indication of the UK’s standing. The two indicators used on this page are explained in the following slides.

Source: Bertelsmann Sustainable Governance Indicators 2009; World Bank Worldwide Governance Indicators 2008
The World Bank suggests that the UK is the 10th most effective government in the OECD

- The World Bank index combines 441 variables reflecting government effectiveness. The data comes from 35 sources, including surveys and information from NGOs and private sector bodies.

- The UK has improved its position over the last five years. In 2003, it was 14th in the OECD.

- Sources used to compile the UK indicator include the Economist Intelligence Unit, the World Economic Forum global competitiveness survey and measures of political risk.

The UK is mid-table on the Bertelsmann sustainable governance indicators

- The sustainable governance indicators use a combination of government statistics and surveys of country experts to create two indexes – one that measures the need for policy reform in a country and another which measures government capacity to deliver reform.

- **Status Index**: measures a range of economic and policy outcomes, including family policy, pensions, social cohesion and the quality of democracy. The UK ranks 13\textsuperscript{th} out of the OECD 30 on the status index.

- **Management Index**: measures executive capacity, policy coordination, implementation and accountability. The UK ranks 16\textsuperscript{th} of the OECD on this index.

Source: Bertelsmann Sustainable Governance Indicators 2009
Other countries appear to achieve more in terms of outcomes despite spending less on public services.

- The UN’s human development index shows that many countries are able to secure better outcomes despite lower levels of public spending.

- The HDI measures factors that include life expectancy, literacy, educational enrolment and GDP per capita.

- Countries such as Australia, Ireland, the US and Canada perform better than the UK. The UK appears in a similar position if the Bertelsmann indicators are used in place of HDI.

- The figures used here only reflect government spending. In some countries, services like health are partly funded by private contributions.

Source: United Nations Human Development Index 2008 (based on 2005 data); OECD Economic Outlook 85 Database
The UK is relatively centralised for a country of its size

- Across the OECD there is a broad relationship between size of country and levels of financial centralisation.

- New Zealand, with 4.1m people, spends most of its money in Wellington while Canada, Australia and Spain spend more at federal and regional levels.

- The UK, along with France, seems to be characterised by relatively high levels of centralisation, with only a quarter of public expenditure controlled at the local level, though this does not take account of spending by the three devolved governments (up to 10% of total expenditure).

The civil service enjoys high and improving levels of public confidence and relatively low perceptions of corruption

The public has a relatively high level of confidence in the civil service – only six OECD countries do better. Perceptions of corruption are lower than the EU average, suggesting that the civil service is seen as having relatively high levels of probity.

Whitehall’s public image has improved markedly over the past 25 years. In 1983, only 25% of the public trusted the civil service to tell the truth. In 2008, this had risen to 48% - compared with just 21% for politicians.

Sources: World Values Survey, 2005-07; Global Corruption Barometer 2009, Ipsos Mori Veracity Index 2008
Performance
This section brings together performance information for Whitehall departments, including capability reviews and PSA scores. Key findings include:

- Whitehall is improving – capability review scores have risen almost universally in the second round of inspections, with the strongest improvements in delivery capacity.

- But performance against PSA targets has been mixed. Only 40% of the 2005-08 round of PSAs were hit. PSAs that were shared between departments were met less frequently, reflecting the complexity of issues such as teenage pregnancy as well as the difficulty Whitehall has in joining up across departments.

- Whitehall’s performance measures do not yet provide a robust sense of whether the civil service is delivering effectively. The 2005-08 round of PSAs set targets of varying quality, while capability reviews have so far explicitly excluded performance.
The capability reviews appear to have driven significant improvements in departments

- The first round of capability reviews (2006-07) revealed a number of weaknesses in Whitehall delivery, leadership and capability building.

- The second round of capability reviews (2008-09) highlights the significant improvements being made by many departments, albeit from a low base.

- Improvements are most notable for delivery capability. But both delivery and leadership capacity remain highly variable between departments, a sign of room for improvement.

Source: Departmental Capability Reports, 2006-09
The PSA system has not led to delivery on many of the government’s key policy objectives

• Across Whitehall, only 40% of all PSA goals were fully met in the 2005-08 round, with joint targets less likely to be successful.

• This may be because goals were poorly framed or over-ambitious rather than reflecting a failure of departmental performance. For instance, DfID faced a series of demanding targets relating to the Millennium Development Goals, over which the UK has limited influence.

• Either way, the low success rate casts doubt over the effectiveness of the PSA system at delivering government goals.

• Further evidence of weak performance management comes from survey data, which finds that a majority of staff in all departments think poor performance is not effectively tackled.

Sources: Institute for Government analysis of 2008 departmental annual and autumn performance reports; departmental staff surveys 2007-8
Shared targets have proven particularly hard to deliver

• In the 2005-08 spending review period, there were 20 jointly-owned PSA targets which included high-profile pledges on child poverty, carbon emissions, and teenage pregnancy.

• Only seven joint targets (35%) were reported as fully met. This may reflect difficulties in working across departmental boundaries or the complexity of the issues being addressed.

• A total of 16 departments were involved, with the hubs of this complex system being BERR, DCSF, DWP and HMT.

NB. Targets are coded green or red to indicate whether they were fully met (meaning all sub-elements were met) as reported in December 2008. For one target (child obesity) it was considered too early to judge performance – we have counted this as not fully met.

Source: Institute for Government analysis of departmental performance reports
Whitehall has exceeded its efficiency goals, but poor financial information is a cause for concern

• Departments have outperformed Gershon efficiency goals and headcount reduction targets. This may put the service in a strong position to manage future expenditure reductions, but the push for savings may be hampered by poor data.

• The National Audit Office (NAO) believes the headcount reduction figures to be robust, but in 2007 it encountered difficulty in validating 23% of the Gershon savings.

• This lack of good financial data was emphasised in 2008 by the Public Accounts Committee: *There are no definitive numbers available for the operating costs of HR and finance in government.*

• Treasury data compiled since then shows wide variations in estimates of public sector back office spending – overall costs could be anywhere between £16-20bn. The lack of value for money information – linking spend to outcomes – is a fundamental concern.

Source: HM Treasury 2008; Operational Efficiency Programme 2009
Leadership and people
Key findings

“This saying to senior managers, do this and if you make a mistake, I’ll cover for you and help you out. This is not normally found in the Civil Service. It’s risk averse.”
Senior civil servant, 2009

This section brings together data on the quality of Whitehall’s leadership, people management and culture. The statistics show that:

- Whitehall’s greatest asset is the commitment of its people – many civil servants display high levels of pride in their work, with the senior civil service most committed. Leadership in government is getting better – capability review scores show that many departments have improved.

- Many civil servants lack confidence in their department’s leadership and ability to manage change. However, there is a significant ‘grade effect’ where less senior staff tend to be less satisfied. This contributes to relatively low scores for large delivery departments such as DWP and HMRC.

- High levels of recruitment from outside the civil service in recent years raise important questions about how Whitehall develops talent for the future.

- We have used 2008 survey data in all cases except for DCMS, DfID and the Foreign Office, which last published their surveys in 2007.
Most senior civil servants are proud to work for their department

• One of Whitehall’s greatest assets is the commitment of its senior people. Over 80% of senior civil servants are proud to work for the government.

• However, attitudes to the workplace vary by seniority, with higher grades being the most committed and lower grades displaying a greater degree of dissatisfaction even within the SCS.

• Officials just below the ‘top 200’ senior leaders are also significantly less confident that they can safely challenge the way their departments operate – a possible indication that the culture of Whitehall breeds conformism.

• Below the SCS, pride and other measures of job satisfaction tend to be lower with significant variation between departments. Smaller departments tend to display higher levels of pride.

Source: Civil Service Staff Surveys, 2006-08
UK civil servants have relatively low levels of confidence in their senior leaders

The UK civil service has relatively low levels of confidence in departmental management. Asked whether they thought their department as a whole was well-managed, 45% of Australian officials and 41% of Scottish officials agreed. Only four UK departments exceed these figures. The private sector benchmark is higher still.

The pattern is similar when the UK is compared with Canada - 53% of civil servants there are confident in their senior managers, while a similar number of American officials have a “high level of respect” for their senior leaders. Only three UK departments surveyed meet or exceed these figures.

Source: Civil Service Staff Surveys, 2007-08
Poor internal communication is associated with low confidence in leadership

There is a strong positive correlation between civil servants’ confidence in their leaders and two indicators of internal communications: the extent to which staff are kept informed about matters affecting them (+0.89 correlation) and the extent to which they understand how their work contributes to departmental objectives (+0.74 correlation).

Departments scoring poorly in terms of staff confidence could learn lessons from those further up the league table. Many of the poorer performers are the largest departments making the challenge of internal communication greater, though the relationships between confidence in leadership and being kept informed remains significant even when controlling for department size. 26

Source: Civil Service Staff Surveys, 2007-08
Departmental boards can contribute to high performance, but they have very different priorities.

Departmental boards were introduced across Whitehall by 2005 HMT guidance, with the aim of providing more effective governance.

The structure and focus of these boards reflects the diversity of Whitehall departments. As part of a broader research project on boards, the Institute for Government has analysed the minutes of six boards over 2008 to establish the frequency with which different topics appear on the agenda.

More detailed analysis suggests that the quality of boards can contribute to departmental success, and that the issues which boards focus upon may be key to their quality. These issues will be the focus of ongoing IfG research over the next six months.

Source: IfG analysis of board minutes, forthcoming IfG work on board effectiveness
Whitehall needs to look outwards and across institutional boundaries in search of innovation

- Civil servants tend to see their own senior managers as the primary source of innovation in government, with little input from frontline staff or others.

- At the same time, civil servants consider the key barriers to innovation to be: working with stakeholders, fragmentation or silos within government, and cultural resistance to change.

- International surveys of innovation have found that successful new practice emerges most often at the frontline and where organisations work together or with the public to solve a shared problem.
Civil service culture may create barriers to innovative ways of working.

UK civil servants appear to be committed but somewhat conservative. Research based on the European Values Survey suggests that UK officials are motivated less by power or personal pleasure and more by conformity to social norms.

In contrast, the French are more motivated by hedonism and tradition, while the Dutch are less traditional and value autonomy and stimulation.

Source: Rouban 2006, derived from European Values Survey data
The UK civil service has become more open to external competition for senior jobs

External candidates have established a firm foothold in the senior civil service, with outsiders winning over half of openly advertised jobs in most years since 2003-04, including a third of all Director General appointments in 2007-08. The UK civil service has the second most open recruitment processes in the OECD, after the Netherlands.

External hires can command a pay premium of around 10% and have a higher turnover rate than internal promotions. They are particularly well-represented in finance, HR and commercial directorships. External hiring allows the civil service to bring in scarce skills, but it also raises questions about how effectively Whitehall is growing its own talent. The Normington review concluded that: *we do not believe that it can or should be a long term strategy to rely so heavily on external recruitment at senior levels.*

Sources: Civil Service Commissioners, Cabinet Office, Normington Review, OECD 2008
Permanent secretary tenure has remained steady since the 1950s

The average length of appointment for a permanent secretary has remained remarkably steady in the post-war decades. Over the past decade, the average tenure for a permanent secretary has been just under four years – the recommended period for all senior officials.

The average tenure for cabinet secretaries has fallen markedly over the same period, with relatively short appointments for Richard Wilson and Andrew Turnbull. The average tenure for a minister is shorter still, averaging around two years in the parliament of 2001-05.

Source: IfG analysis, Political Facts Since 1975, Dod online, Demos
Role of the centre
Key findings

“The philosophy is that accountability and responsibility for what you do rests out there, and it’s not for the centre to second guess that”
Senior civil servant, Cabinet Office, 2009

This section brings together international comparisons on the role of the centre of government as ‘head office’ for the civil service, highlighting the high levels of autonomy granted to Whitehall departments. Our key findings are that:

• The UK’s model of government provides departments with significant freedom to manage compared to other OECD countries.

• Despite the perception that UK government is very centralised, its central institutions are actually smaller and may be less powerful than those of many other OECD countries.

• While the centre of government has assumed a major role in setting targets for the rest of Whitehall, there are few consequences if these targets are not met.
The UK’s centre of government is relatively small, but Downing Street has grown significantly

- Despite perceptions of centralisation, the cluster of ‘head office’ departments at the heart of Whitehall are actually relatively small compared to some other countries.

- Compared to the UK, the centres of government in Canada and France are twice as big a proportion of the total civil service.

- However, the number of staff in Downing Street has increased markedly over the past decade, suggesting a strengthening of the political centre of government.

- This chart takes ‘the centre’ to mean the central political coordination and strategic functions of government, as well as central providers or coordinators of corporate services such as HR and financial management.
UK departments have relatively high levels of freedom to manage their personnel

- UK departments appear to be among the most independent in the OECD, with high levels of freedom over how they recruit and manage personnel.

- The human resource management (HRM) index reflects the ability of a department to manage its own recruitment, terms and conditions and levels of staffing.

- OECD surveys also shows that the UK civil service makes relatively high usage of performance related pay – it has the third highest level of use, behind Australia and Korea.

- However, UK departments make only average use of performance assessments when taking decisions about staff pay and progression.

Source: The State of the Public Service, OECD 2008
UK departments have high levels of budget flexibility compared to the rest of the OECD

Whitehall departments have a relatively high level of budget autonomy compared to the rest of the OECD. This chart shows which countries use a range of budgetary mechanisms that are commonly considered to empower ministries – it is based on a set of OECD survey questions that capture fiscal responsibility and budget flexibility.

UK departments have multi-year spending allocations and can carry money over between years without restrictions. They can charge each other for services, and they regularly make use of this power. The only restriction captured by the OECD survey is that the Treasury sets indicative ceilings for departmental spending requests, limiting what they can ask for in each funding round.

Source: OECD budget practices survey, 2007
There are few penalties for failing to meet centrally set targets

• UK civil servants are unlikely to face sanctions if they fail to hit a government target. The main tool the centre uses to tackle under-performance is enhanced monitoring.

• Other successful countries make more frequent use of a wider range of sanctions, which include eliminating underperforming programmes, budget reductions and pay or career consequences for senior officials.

• This index is based on the OECD budget practices survey. The chart shows how frequently countries apply the sanctions listed above, with a score of 0 meaning the practice is almost never applied and 4 meaning it is almost always applied.

Source: IfG analysis of OECD budget practices survey, 2007
Conclusion: fit for the future?
Key findings

“Our challenge is to raise the whole civil service to the level of the very best: building a culture of excellence everywhere in the service”
Sir Gus O’Donnell, Cabinet Secretary

This section draws together evidence on the challenges facing Whitehall over the next decade. The key findings are:

• From tackling complex cross-departmental problems to becoming more innovative, there is a broad consensus about the issues the civil service must address to become future ready.

• Whitehall has traditional strengths in areas such as strategy, but the capability reviews show that the civil service’s weaknesses lie in the skills it will need for the future. These include developing innovative delivery models.

• The civil service also needs to increase its capacity to ‘join up’ effectively if it is to deliver on the government’s strategic goals, which often involve dealing with complex social, economic and environmental problems.

• Capability building needs to remain a key focus for Whitehall over the next decade. The civil service needs to consider how to tackle a number of challenges that include talent management, increasing the credibility and authority of departmental boards and reviewing the relationship between departments and the centre of government.
Interviews with senior Whitehall officials confirm many of the findings of major reports published about the civil service over the past five years, which reveal a broad consensus about the challenges Whitehall faces:

- **Reducing the budget deficit** – the Institute for Fiscal Studies estimates that £90bn will have to be cut from public spending by 2016/17 to bring the budget deficit back to a manageable level. This will require much greater prioritisation of the key functions the state should provide and more effective strategic focus on a small number of government priorities.

- **Tackling complex problems** – from climate change to obesity, governments face challenges where progress can only be made through influencing massive delivery systems and changing public behaviour. Meeting these challenges will require higher levels of collaboration, innovative new ways of working and mastery of new skills such as behavioural economics and co-production.

- **Becoming more accessible** – departments need to become more outward-facing and open with the public in the way they make policy, while central government services need to provide higher standards of seamless customer care. This will require the skilful deployment of new technology to engage with citizens.

- **Talent management** – given these challenges, the civil service needs to consider how it can develop the right skills among its staff to generate the public service leaders and facilitators of tomorrow.

Source: IfG analysis of various reports
The civil service has to manage change against a tough fiscal backdrop

- The current state of the public finances means that any civil service reform will need to be accomplished alongside a major programme of budget balancing.

- The government balance for 2009 and 2010 shows a major deficit, of c.10% of GDP (£140-150bn per annum).

- Recent Institute for Fiscal Studies’ predictions suggest that public spending will need to be reduced by £90bn by 2017/18 (equivalent to 13% of total spending, or £2,840 per family).

- On average, Departmental Expenditure Limits are forecast to grow by 2.7% from 2008 to 2011, then contract by 2.3% a year in real terms in the following three years.

- The Institute for Government is currently exploring the implications of the fiscal squeeze in a separate project.

Source: IMF World Economic Outlook April 2009; Institute for Fiscal Studies May 2009
The civil service must find new ways to address complex, cross-departmental issues

• The 2008 round of PSAs has created a complicated new web of linkages between Whitehall departments.

• The new shared PSAs will require the civil service to develop its ability to collaborate across barriers. While there are signs of progress, this approach to delivery remains counter cultural.

• As this map suggests, a handful of departments have become ‘junction boxes’ for the new delivery system – notably the Home Office, CLG and DCSF. Following machinery of government changes, the newly Department of Business and Skills (BIS) has also become a key hub.

NB. Lines between two departments represent the number of PSAs led by one or other department in which the other participates. Red lines indicate there are more than four such links; amber lines indicate 3-4 such links; green lines 2 such links. Where there is a single link between departments this is not shown. Links with departments other than those shown never exceed two.

Source: Institute for Government analysis of PSA Delivery Agreements – see also *Performance Art*
The civil service is weakest in the key capabilities needed to meet future delivery challenges.

Capability review factor

- S2 - Base choices on evidence
- L1 - Set direction
- D3 - Manage performance
- L3 - Take responsibility for leading delivery and change
- L2 - Ignite passion, pace and drive
- S1 - Focus on outcomes
- S3 - Build common purpose
- D1 - Plan, resource and prioritise
- L4 - Build capability
- D2 - Develop clear roles, responsibilities and delivery model(s)

Source: Departmental Capability Review Reports
Some departments have a credibility gap in their ability to lead improvement

- Departments obviously have a critical role to play in building skills for the future, but only a minority of civil servants are confident that their department is well placed to manage change.

- Departmental boards are designed to play a key role in capability building, but their performance is variable, according limited availability of data. Nine departments include staff survey questions about boards. While these questions vary in wording, in no department do a majority of staff have positive perceptions of their department’s board.

- Taking into account capability review scores – assessed using the L3 variable (“Taking responsibility for leading delivery and change”) as well as staff survey results, the DCSF board seems to emerge as the highest performing.

Source: Civil Service Staff Surveys, 2007-08, Capability Reviews
Our ongoing research highlights international practice the UK can learn from

**Joining up government in the Netherlands**

The Dutch are experimenting with programme ministers to manage cross government priorities. Instead of taking on a departmental portfolio, the deputy prime minister has a ‘virtual ministry’ for youth, based in the health departments but working across government to develop and implement policy. The government also has eight cross-cutting policy programmes, each with a budget that is only released once the relevant departments have agreed on how to spend it.

**Canada’s public management department**

Canada’s Treasury Board Secretariat is effectively a civil service department. Its major focus on capacity building has led to several innovative improvement initiatives, including the renowned ‘Service Canada’ approach to citizen satisfaction and an early version of capability reviews. TBS also provides support to departments on evaluation and governance for cross-departmental initiatives.

**Programme evaluation in France**

France is developing systems to evaluate the performance of every government programme. Each department must identify the cost and suitable performance measures for each of its spending programmes. The minister must report performance to parliament annually. There are currently moves to link performance pay to achievement of programme objectives.

**The Scottish Government’s strategic board**

The Scottish Government has a corporate strategic board to oversee the work of the government as a whole. It is composed of the permanent secretary, six directors general and two non executive directors, to provide external challenge. The board monitors progress against the five strategic objectives that underpin the overall government programme.

Source: IfG interviews in each country
But there are big questions left to answer

This review of civil service data highlights some key issues for the future of the civil service:

• In international terms, Whitehall’s ‘centre’ appears to be relatively small with relatively few formal powers. Does the Cabinet Office have the resources and authority to lead joined-up working, capability building and public service improvement? Or is there a viable alternative driver of change?

• Boards in some departments need to improve their credibility with staff. How can top teams deliver more effective and visible leadership?

• Whitehall can be conformist and departmental, hampering innovation and joined-up working. What can the civil service do to create a still more dynamic culture?

• What are the new skills and capabilities to make Britain a successful nation over the coming decade? How can the civil service ensure that it develops a large proportion of these skills internally?
Reshaping the centre – our next steps

Over the next six months, the Institute for Government is undertaking research on many of the questions raised by this report.

Our flagship project – *Reshaping the Centre* – will examining the inner layers of Whitehall governance to establish effective ways to lead the process of capability development over the next decade. It will particularly examine:

- The role of the Cabinet Office
- Effective joined-up government
- More effective departmental boards

We would welcome feedback and comments on both this document and the overall direction of the Institute’s work.

Contact: Simon.parker@instituteforgovernment.org.uk
<table>
<thead>
<tr>
<th>Glossary</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>BERR</td>
<td>Department for Business, Enterprise and Reducing Regulation (Now Department for Business, Innovation and Skills)</td>
</tr>
<tr>
<td>BIA</td>
<td>Borders and Immigration Agency</td>
</tr>
<tr>
<td>Capability Review</td>
<td>Process led by the Cabinet Office in which every department is externally reviewed and inspected to determine whether it has the right leadership, strategy and delivery skills to succeed in future.</td>
</tr>
<tr>
<td>CLG</td>
<td>Department for Communities and Local Government</td>
</tr>
<tr>
<td>CO</td>
<td>Cabinet Office</td>
</tr>
<tr>
<td>CPS</td>
<td>Crown Prosecution Service</td>
</tr>
<tr>
<td>DCA</td>
<td>Department for Constitutional Affairs, now Ministry for Justice</td>
</tr>
<tr>
<td>DCMS</td>
<td>Department for Culture, Media and Sport</td>
</tr>
<tr>
<td>DCSF</td>
<td>Department for Children, Schools and Families</td>
</tr>
<tr>
<td>DECC</td>
<td>Department for Energy and Climate Change</td>
</tr>
<tr>
<td>Defra</td>
<td>Department for Food and Rural Affairs</td>
</tr>
<tr>
<td>DIID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>DIT</td>
<td>Department for Transport</td>
</tr>
<tr>
<td>DH</td>
<td>Department of Health</td>
</tr>
<tr>
<td>DIUS</td>
<td>Department for Innovation, Universities and Skills (now part of Department for Business, Innovation and Skills)</td>
</tr>
<tr>
<td>DWP</td>
<td>Department for Work and Pensions</td>
</tr>
<tr>
<td>FCO</td>
<td>Foreign and Commonwealth Office</td>
</tr>
<tr>
<td>FTE</td>
<td>Full-time equivalent: a way of measuring headcount that includes part time staff by adding up their hours and dividing by the hours worked by a full-timer.</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross domestic product: the amount of wealth a country produces every year</td>
</tr>
<tr>
<td>HMRC</td>
<td>Her Majesty's Revenue and Customs</td>
</tr>
<tr>
<td>HMT</td>
<td>Her Majesty's Treasury</td>
</tr>
<tr>
<td>HO</td>
<td>Home Office</td>
</tr>
<tr>
<td>MoD</td>
<td>Ministry of Defence</td>
</tr>
<tr>
<td>MoJ</td>
<td>Ministry of Justice</td>
</tr>
<tr>
<td>NAO</td>
<td>National Audit Office: central government spending watchdog</td>
</tr>
<tr>
<td>NDPB</td>
<td>Non-departmental public body</td>
</tr>
<tr>
<td>NIO</td>
<td>Northern Ireland Office</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development: an international think tank for developed countries.</td>
</tr>
<tr>
<td>PSA</td>
<td>Public Service Agreements: targets set by the chancellor that each department is expected to achieve over three years.</td>
</tr>
<tr>
<td>SCS</td>
<td>Senior Civil Service: the top five senior manager grades of the civil service as a whole</td>
</tr>
<tr>
<td>WGI</td>
<td>World Bank Good Governance Index</td>
</tr>
</tbody>
</table>
Acknowledgements

Many people contributed to gathering and analysing the data for this report. We are particularly grateful to our co-authors in the Institute for Government research team – Jerrett Myers, Michael Hallsworth, Rory Geogheghan and James McGibney. Sir Michael Bichard, David Halpern and Tom Gash provided invaluable support and quality assurance.

We would also like to thank our project advisory group for their invaluable comments:

- David Bennett, former head of the No. 10 Policy Unit and Strategy Unit
- Natalie Ceeney, Chief Executive of the National Archives
- Diane French, Manager, Performance Measurement Practice, NAO
- Susie Gear, former Director of Change, Cabinet Office
- Jill Rutter, Director, Strategy and Sustainable Development, Defra
- William Solesbury, Director of William Solesbury & Associates, and Senior Visiting Research Fellow at King’s College London

All members of the advisory group are participating in a personal capacity.

Any errors or omissions remain our own.
Bibliography


Civil Service Commissioners, Annual Report 2008-9, available at: www.cscannualreport.info/, accessed on 20/7/09

Civil Service Staff Surveys, available at: www.civilservice.gov.uk/about/who/statistics/staff-surveys.aspx, and on various departmental websites, accessed on 20/7/09


Cleary, H. and R Reeves, The Culture of Churn for UK Ministers, Demos, 2009, available at: www.demos.co.uk/publications/the-culture-of-churn-for-uk-ministers, accessed on 20/7/09

Departmental autumn performance reports, for instance for the Home Office, BERR and DFID: www.homeoffice.gov.uk/documents/autumn-performance-report-08
www.berr.gov.uk/files/file49263.doc


