

Whitehall Monitor 2022

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About Whitehall Monitor

This is the ninth edition of *Whitehall Monitor*, our annual, data-driven report on the size, shape and performance of UK government. We aim to help those in government manage it more effectively and those outside to scrutinise it more easily.

This edition analyses the impact of Covid on central government and the prospects of government in 2022.

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Foreword

This is the ninth edition of *Whitehall Monitor*, our annual report on the size, shape and performance of the UK government – a regular stocktaking the government does not at this moment produce, for itself or for parliament. *Whitehall Monitor* draws together publicly available data on everything from the spending and staffing of central departments and their associated public bodies to the government’s record on transparency, the use and success of digital services and of course the ministers that oversee it all.

This edition shows how government has changed over the course of the pandemic and analyses what this means for its prospects in 2022. The new year – and the possibility that the worst of the Covid pandemic has passed – gives the government an opportunity to make good on the pledges it made in its 2019 manifesto. But at the start of 2022 the prime minister faces a worsening political storm – of the government’s own making – about ethical standards that threatens to knock his premiership off course and is taking the government’s time and energy away from its agenda.

That agenda reflects an admirable desire to address long-term problems like regional inequality within the UK and an unsustainable social care system, and make progress towards reaching net zero carbon emissions. The government made some progress in setting out its plans last year, but in 2022 – with probably little more than two years of the current parliament left – it will need to focus on action.

To do that the government will need to make changes. The twin shocks of Brexit and Covid showed that it can act urgently where necessary, for example by quickly setting up new employment support schemes or rolling out a nationwide vaccination programme. But they also highlighted longstanding problems with how government operates. The Declaration on Government Reform, published in the name of the prime minister and cabinet secretary in June 2021, put forward some important steps to address those problems; continued momentum on these will be crucial for the government to implement its other priorities. We hope to report progress next year.



Bronwen Maddox
Director, Institute for Government



Overview

The ongoing pandemic meant that 2021, like 2020, was a year in which decisions made by the government affected people's day-to-day lives in immediate and profound ways. The coronavirus response remained the dominant problem the government faced; the year began with another lockdown, alongside the largest vaccine rollout in the UK's history, and ended with the rapid spread of the Omicron variant forcing the government to backtrack on its "irreversible" roadmap for reducing restrictions, and expedite the booster programme.

The government also brought problems on itself, however, with a string of political scandals that worsened throughout 2021 culminating with No.10 being subject to investigations by both the senior civil servant Sue Gray and Metropolitan Police. Centred on alleged lockdown-breaking parties in Downing Street, both have the potential to seriously damage Boris Johnson's premiership, and have already taken government time and energy away from its agenda.

Beyond Covid, ministers sought to return their attention to major commitments made in the Conservatives' 2019 manifesto: 'levelling up' the economy, making progress towards net zero and securing meaningful agreements at the COP26 conference, overseeing the end of the Brexit transition period, and addressing long-term social care funding problems. Throughout the year, the government unveiled a raft of plans, from the Declaration on Government Reform to the net zero strategy, from the integrated review of defence and foreign policy to plans for the reform of social care. Actual progress on these pre-pandemic priorities was limited, however.

Making further progress in 2022 will be difficult given the political problems facing the government, which are already proving a distraction from its agenda. With Gray's report expected at the end of January (with the Met inquiry ongoing), the steady drip of allegations had reduced the prime minister's political authority and some Conservative MPs have publicly called on him to resign. Existing divisions among the Conservative backbenches on issues such as levelling up and net zero,

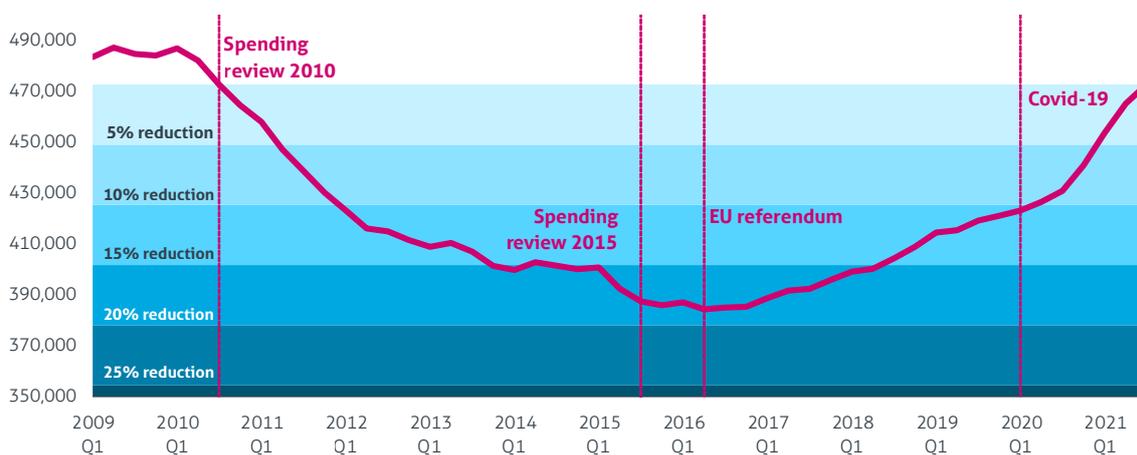
as well as forthcoming tax rises, have only been exacerbated by the recent allegations – meaning that despite the size of its majority the government will continue to face trouble in the Commons.

Whatever the personal fortunes of Johnson, the government will still need to make progress on its promises in 2022, and turn its plans into action. Its freedom of action to do this, however, will be constrained by the size of the budget deficit and the squeeze on departmental spending set out in the 2021 spending review. For the government to maintain the ability to respond to systemic shocks like Covid without being knocked off course from its long-term priorities is a huge undertaking – and one that will require lasting government reform.

This edition of *Whitehall Monitor* examines how the pandemic has continued to change government and assesses the consequences of those changes for its ability to translate its plans into action in 2022.

The pandemic changed the size and shape of government

Figure 0.1 Civil service staff numbers (FTE)

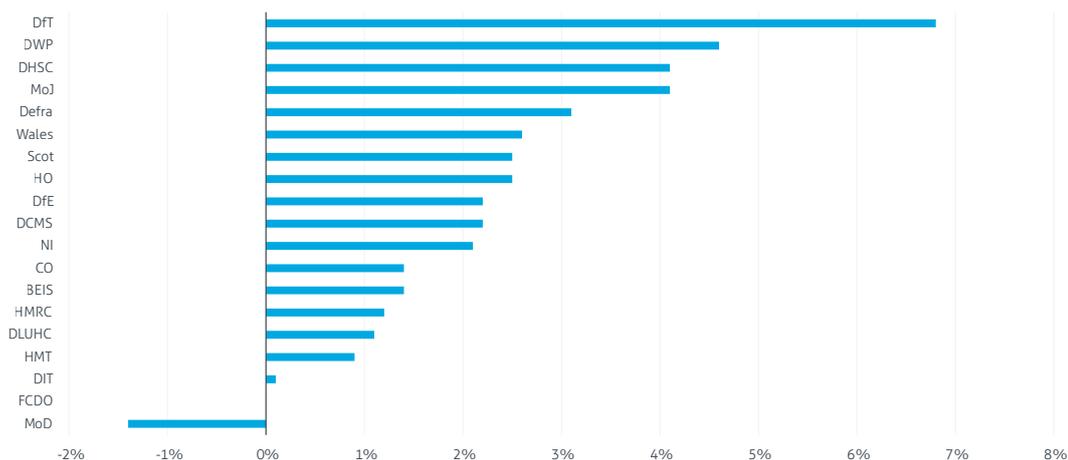


Source: Institute for Government analysis of ONS, Public Sector Employment Data (Table 9), March 2009 to September 2021. For more detail see Chapter 3, where this chart also appears.

To respond to Covid, the civil service grew sharply: in September 2021, there were 472,700 civil servants – a 10% increase on the year before. Every department except one (the Foreign Office) grew between 2020 and 2021, and the Department of Health and Social Care (DHSC) nearly doubled in size between September 2020 and September 2021.

This pandemic-led growth came on top of the steady increase in the number of civil servants since the EU referendum in 2016. In the 2021 spending review the chancellor, Rishi Sunak, set out plans to reverse this trend, with the government aiming to reduce the size of the civil service to pre-pandemic levels by 2024/25. Ministers will need to explain, however, how they will make these reductions while maintaining the capability needed to achieve the government's priorities.

Figure 0.2 **Planned average annual real-terms change in departmental day-to-day spending between 2021/22 and 2024/25**



Source: Institute for Government analysis of HM Treasury, *Spending Review 2021*, October 2021. Figures deflated using the GDP deflator. FCDO does not include £5bn of additional overseas aid spending planned for 2024/25 but not yet allocated to departments. CxD is HMRC and HMT, 'DLUHC Housing' is the departmental budget spent on housing and communities as opposed to local government grants. For more detail see Chapter 2, where this chart also appears.

The pandemic also led the government to spend far more than in recent years, as 2020/21 saw the largest annual fall in economic output in three centuries, and launch schemes to support businesses, households and public services. The last financial year (2021/22) saw spending fall as Covid restrictions eased, though the level of government support in the economy remained extraordinary.

This was the context in which the government set out the 2021 spending review – the first multi-year settlement in six years. Under its plans, departments' day-to-day spending allocations are expected to increase over the next three years, with most of the increase frontloaded between 2021/22 and 2022/23. Almost every department will see a real-terms rise. The average annual increases in day-to-day spending are the most generous since 2002 – but they come after a decade of cuts. By 2024/25, all but four departments will have lower budgets (in real terms) than they did in 2010.

The difficulty facing departments will be how to make progress on their priorities within these squeezed budgets – especially as demands on public services continue to grow.

Covid changed how the government works

The scale and length of the pandemic forced the government to operate differently in a number of ways. Some of these changes may prove temporary – for example, the greater emphasis on direct communications with the public through regular ministerial press conferences and higher spending on major advertising campaigns. But others may have a long-term effect on how the government works – positive or negative. Covid showed, for example, that the government could quickly develop and roll out large new digital services, like the vaccine booking system. Underpinning this was improved data sharing within government, with departments adopting more agreements to share data. Ideally, the lessons learned from such experience will bring long-term benefits to government.

Other effects of the pandemic on the government were negative. Some changes, while understandable during the initial emergency and uncertainty of the pandemic, continued for too long. The government's use of direct awards in procurement, rather than competitive processes, continued into early 2021 – a year after Covid first reached the UK. Signs that the proportion of contracts being awarded outside the normal procurement rules are falling are welcome.

The pandemic forced changes to the delivery of most major public services, again with positive and negative lessons to learn. Analysis in the Institute for Government's *Performance Tracker* report laid bare the scale of the backlogs that now exist in the NHS and in the courts system, despite some successes from initiatives including, for example, GP appointments, among other services. Finding a way to deal with these backlogs should be a priority for government in 2022.

Transparency in government continues to decline – and worsened during the pandemic

The government's greater use of direct awards in procurement not only continued long after the initial crisis of Covid had stabilised, it also operated with minimal transparency – something that has led to accusations of cronyism, court cases and political problems. In February 2021 the High Court ruled that the health secretary "breached his legal obligations" to publish details of contracts awarded within 30 days, and it was not until November 2021 that the government published the names of 50 companies who had been awarded contracts to supply personal protective equipment (PPE). The lack of transparency over these contracts limited scrutiny, making it difficult to ensure the contracts were properly awarded or represented value for money. In January 2022 the High Court ruled that the use of the 'VIP lane' for PPE contracts was unlawful.

During the pandemic the government struggled at times to release routine transparency information (for example, on ministerial meetings) or give timely responses to FoI requests or, in the cases of some departments, parliamentary questions. This was understandable – if regrettable – given the much greater demand for information from departments during the crisis. But it exacerbated a longer-term decline in transparency. The proportion of Freedom of Information requests partially or fully withheld continues to rise, and the speed with which departments respond to requests has been declining since before the pandemic. There are also ongoing problems with the quality of information released by the government, for example on ministerial hospitality and meetings, which is often incomplete or unhelpfully vague.

Even allowing for the strains placed on government by the pandemic, the approach of the Johnson administration to transparency limits effective scrutiny. The lack of transparency and changing responses of the government to allegations of parties held in No.10 and elsewhere during lockdown has only further underlined the impression that the government is not as open as it could and should be.

Commitments to government reform need to be backed up by action

Ministers have made it clear that they wish to reform government so that it will work more effectively, in part drawing on problems they believe were exposed by Brexit and Covid. In June 2021, the Declaration on Government Reform was published in the name of the prime minister and the cabinet secretary, with the then minister for the Cabinet Office, Michael Gove, taking a major role in its announcement. This included 30 action points on which the government wanted to make progress.

Some progress has been made on these points, including plans to relocate civil servants outside London: more than 30 office relocations have been announced, involving some 6,000 civil service roles (though recruitment during the pandemic meant that the number of civil servants in London has risen faster than elsewhere). And the government has made progress on its plans for improving its digital capability, with the reorganisation of the digital, data and technology function and changes in the way that digital is managed within government. But on other points progress has been slow: for example, the development of a single sign-on system for government services and the drawing up of new plans to further improve the diversity and inclusion of the civil service.

More fundamentally, the government's plans for reform do not address some of the thornier and perennial problems of UK governance, such as clarifying ministerial and civil service accountability. Making progress will require the government to go beyond the specific points set out in its action plan. It should be an important priority for Stephen Barclay, who replaced Gove as chancellor of the Duchy of Lancaster in the September 2021 reshuffle, to underline continued ministerial commitment to government reform.

Political scandal is distracting from the government's plans

While there is reason for hope that Covid may begin to recede and be less dangerous as it becomes endemic, considerable uncertainty remains. This means that in 2022, even after it ended Plan B restrictions in January, the government will still need to spend much of its time on Covid, as well as addressing the backlogs the pandemic has caused in key public services.

Alongside this, the government needs to make good on the plans it set out in 2021 for its other priorities. Many of these, not least net zero and 'levelling up', are complex and will require considerable time and energy from civil servants and ministers. Being realistic about what progress can be achieved will be crucial – not least as the government will need to retain the ability to respond to other shocks or unexpected events, for example in the security or foreign policy spheres. That is all the more reason to continue its work to improve how government operates, ensuring that it has the skills and resources it needs, and is structured to best serve the public.

Many of the priorities that the government has set itself will cause ministers political difficulties. Divisions among the parliamentary Conservative Party on levelling up and on net zero have already surfaced and are likely to intensify as the government seeks to move from plans to action. Although parliament has already agreed to tax rises due to take effect in April, some backbenchers – and even some ministers – have expressed concern about the potential for further hikes, especially amid fears of a cost of living crisis. Johnson’s Conservative MPs have also proven themselves willing to rebel: almost half (44%) have done so on parliamentary votes in the current parliament. More drastically, and concerningly for an increasingly embattled prime minister, in January 2022 an MP first elected in 2019 defected to Labour – the first time a Conservative joined the official opposition for more than a decade.

As MPs wait for the findings of the Gray report – and of the Metropolitan Police’s inquiry – the prime minister’s political position is fragile. But the long-term problems his government set out to address remain. The question facing the government is whether it will be able to make progress on any of these issues or if it will be overwhelmed by scandal.

This report

The rest of this report explores these themes in six chapters:

1. **Ministers:** the impact of the 2021 reshuffle and how Covid has led ministers to change how they use their time.
2. **Spending:** how government spending increased due to the pandemic and the impact of this on the decisions made by the government in the 2021 spending review.
3. **The civil service:** how the pandemic has changed the size and shape of the civil service, and the government’s plans for reform.
4. **Digital:** the renewed focus created by the pandemic on digital services.
5. **Arm’s length bodies:** the increase in numbers of staff in ALBs and stalled efforts at reform.
6. **Communications and transparency:** greater direct communication and reduced transparency as a result of the pandemic.

The report concludes with a short section looking ahead to the main tasks facing the government in 2022.



1. Ministers

After the February 2020 reshuffle, the first after the December general election, Boris Johnson steered clear of making big changes to his ministerial team as the pandemic took hold. This approach continued into 2021, despite persistent rumours in the media that he was planning to change his top team.¹ Following some mid-year turnover – some forced by scandal – the reshuffle eventually came in September 2021 with significant changes within the cabinet and in lower ranks. High-profile ministers were moved to work on the prime minister’s priorities, including Michael Gove on ‘levelling up’ and Liz Truss on ‘Global Britain’, while Nadhim Zahawi, a success as vaccines minister, moved to education. But despite the opportunity the reshuffle provided to refresh the prime minister’s agenda, the final months of 2021 and beginning of 2022 were instead characterised by political turmoil.

The end of 2021 saw the government’s controversial attempt to avoid a suspension for Conservative MP Owen Paterson, a lost by-election,² and a string of allegations about lockdown-breaking parties in Downing Street³ – all followed by the resignation of Johnson’s right-hand man on Brexit, Lord Frost.⁴ January 2022 saw another ministerial resignation, allegations of Islamophobia from a former minister,⁵ and fresh allegations of lockdown breaches at the heart of government leading to the Metropolitan Police investigating events in Downing Street.⁶ The question facing ministers for the rest of 2022 is whether they can make headway on their and the prime minister’s priorities, or if the government will once more be distracted by crisis management and the fallout of controversies.

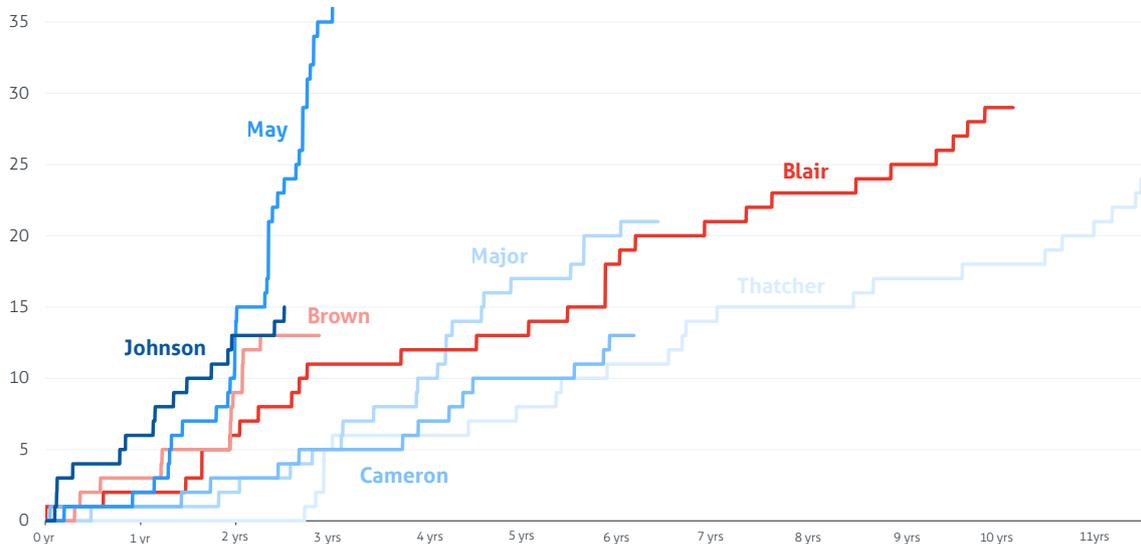
Resignations and a reshuffle meant ministerial turnover continued

When Boris Johnson became prime minister in July 2019, he made major changes to his predecessor’s ministerial team, with most of Theresa May’s cabinet leaving government. Johnson then held another reshuffle in February 2020, following the election two months earlier.⁷ After that, despite various reshuffle rumours in the first half of 2021, there was no further reshuffle until September 2021. This did not mean that there was no turnover, however, with resignations and other departures continuing throughout last year.

Johnny Mercer decided to resign in April as minister for defence people and veterans over a disagreement about immunity from vexatious prosecutions for veterans who had served in Northern Ireland – but on informing the whips of his intention he was dismissed from the government.⁸ Then in June, more dramatically, Matt Hancock was forced to resign as secretary of state for health and social care after being found to have breached social distancing regulations during an affair with Gina Coladangelo, a personal contact whom he had appointed to the board of his department as a non-executive director.⁹ Hancock’s exit led Johnson to bring Sajid Javid back into government to replace him.

Another big name to leave was James Brokenshire, who stepped down from the Home Office in July 2021 due to ill health (he sadly died in October).¹⁰ The resignations continued right to the end of the year, with Brexit minister Lord Frost unexpectedly stepping down a week before Christmas, citing concern both about the “direction of travel” on Brexit and on Covid restrictions, as well as the fact that his planned departure had been made public prematurely.¹¹ In January Lord Agnew, a minister at both the Treasury and Cabinet Office, stepped down, saying he could not defend the government’s track record on countering fraud in the Bounce Back Loan Scheme.¹² As we argued in *Whitehall Monitor 2021*, the way the scheme was set up – including a 100% loan guarantee, and with minimal checks leaving it “open to fraudulent claims”¹³ – meant that the problems Lord Agnew criticised were foreseen. At the time, the government judged these were risks worth taking to ensure money got to businesses more quickly.

Figure 1.1 **Number of ministerial resignations outside reshuffles, by prime minister, since 1979**



Source: Institute for Government analysis of sources, including Butler D and Butler G, *British Political Facts*; House of Commons Library; King A and Allen N, ‘Off with their heads: British prime ministers and the power to dismiss’, *BJPoLS*, 2010, vol. 40, no. 2, pp. 249–278; and IfG ministerial database. 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), and sackings. See Methodology for more detail.

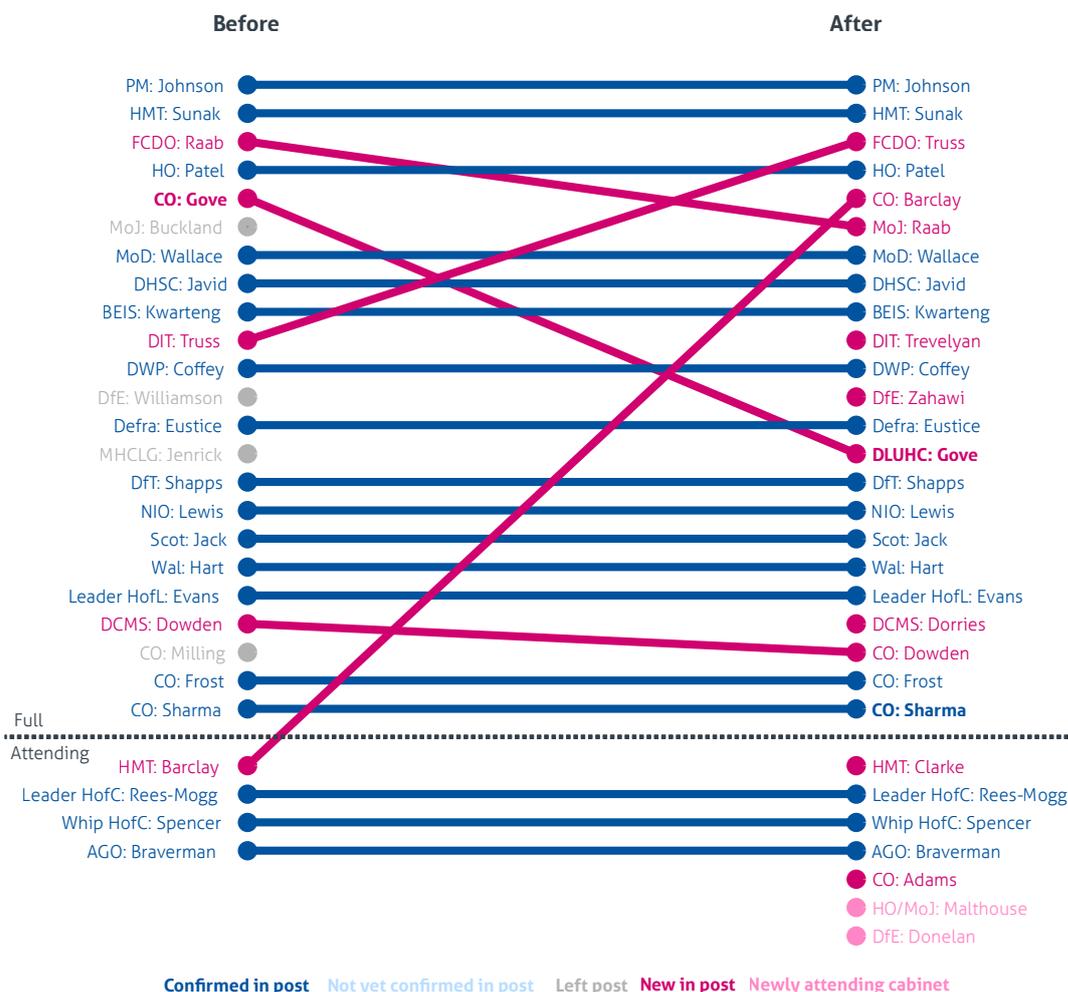
Aside from these resignations, Johnson held back from making further changes to his ministerial team for most of the year. As in previous years, he showed a determination to hold on to members of his team even when (or particularly when) they faced strong criticism in the media. As well as Matt Hancock, whom Johnson initially supported before Hancock opted to stand down, other ministers attracted criticism: Dominic Raab, the then foreign secretary, was criticised for failing to return from holiday during

the Taliban’s advance on Kabul;¹⁴ Gavin Williamson, as education secretary, received sustained criticism throughout much of the pandemic (including by the Institute for Government) for his approach to A-level and GCSE exam cancellations and grading. Although stability in ministerial ranks is generally conducive to effective government, tackling poor performance and holding ministers to account is equally important.

Having resisted immediate media and opposition pressure to remove ministers during the year, the prime minister used the reshuffle – which finally happened in September 2021 – to dismiss or move several ministers who had received the most criticism.¹⁵ Raab was moved to the Ministry of Justice (and became deputy prime minister), while Williamson was moved to the backbenches. So too was Robert Jenrick, from his post as housing secretary. In 2020 Jenrick had accepted that a “fair-minded and informed observer” could conclude there was a “real possibility of bias” in a decision he had made on a housing development in east London, due in part to his having sat next to the developer at a Conservative fundraising dinner.¹⁶

Ministers’ performance is not the only factor in the prime minister’s decision making during a reshuffle. Robert Buckland, who had attracted little controversy as justice secretary, was dismissed to make way for Raab;¹⁷ Liz Truss, one of the most popular ministers among Conservative Party members,¹⁸ was promoted from the Department for International Trade to take Raab’s former role at the Foreign Office.

Figure 1.2 Cabinet moves, 15 September 2021



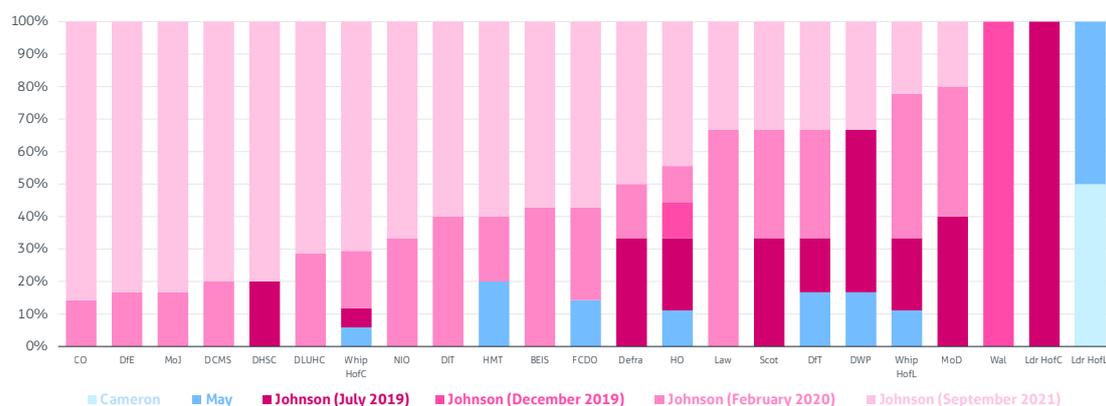
Source: Institute for Government analysis of gov.uk/government/ministers and press coverage.

The reshuffle improved the representation of female politicians in government, with Anne-Marie Trevelyan promoted to secretary of state for international trade and Nadine Dorries entering the cabinet as secretary of state for digital, culture, media and sport. Overall the number of female ministers rose slightly, from 31 to 32.

The reshuffle also saw the cabinet grow. Junior ministers Kit Malthouse, Nigel Adams and Michelle Donelan now all attend cabinet, bringing the total number of members and attendees to 29 (following Lord Frost's resignation). Larger cabinets have a reputation for being less effective forums for detailed discussion and decision making; a conversation between 29 individuals, all from different departments with different agendas, can be hard to manage.¹⁹ The recent increase in the size of the cabinet might also mark a shift away from the influence of the prime minister's former chief adviser Dominic Cummings, who advocated a smaller cabinet.²⁰

The September reshuffle was not just significant at cabinet level but also saw a lot of turnover at lower ministerial ranks, with the departure of some of the last ministers appointed by previous prime ministers. There are now only nine government ministers who were appointed to their post by Theresa May or David Cameron, reflecting Johnson's wider ambition to differentiate himself from his predecessors.

Figure 1.3 **Proportion of ministers per department, by appointing prime minister, and by reshuffle**



Source: Institute for Government analysis of Gov.uk and Parliament.uk. Analysis refers to when ministers were appointed to their current post – some were appointed to a different job in the same department at an earlier point. Dates refer to major reshuffles – any ministers appointed between reshuffles have been counted with the ministers appointed in the reshuffle closest to that date (e.g. Lord Grimstone of Boscobel Kt was appointed to his current position in March 2020 but is counted as February 2020).

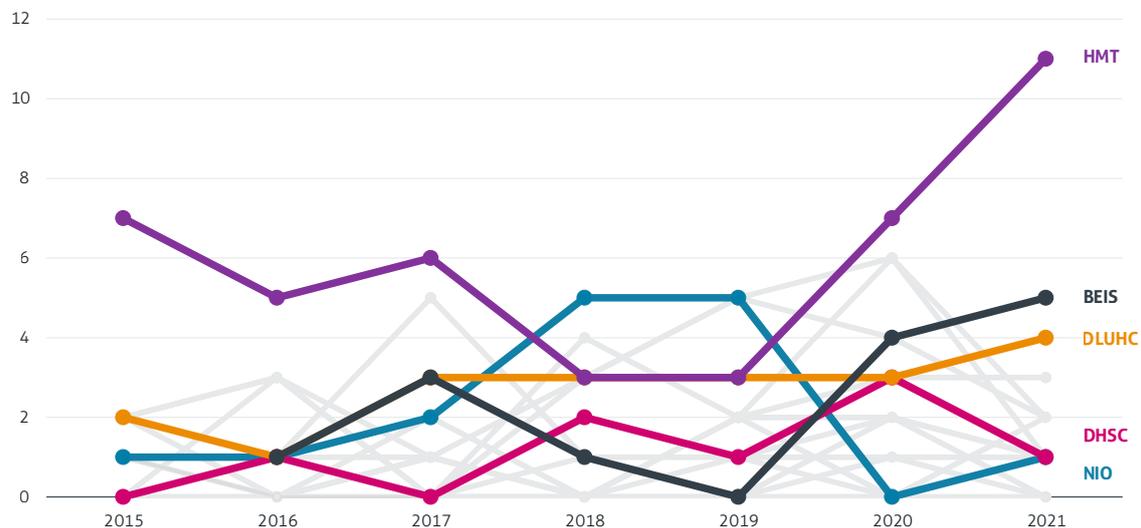
That the reshuffle – after months of speculation – took place in September, two months after all Covid restrictions were lifted,²¹ suggests that Johnson had decided that the time had come to shift focus from the pandemic to the government's other priorities. Two noticeable policy areas were affected: 'levelling up' and education. On the first, Johnson replaced the Ministry for Housing, Communities and Local Government with the Department for Levelling Up, Housing and Communities (DLUHC) and appointed Michael Gove – often seen within the Conservative Party as a successful reformer²² – as its secretary of state. On the second, the decision to sack Nick Gibb, who had spent the best part of a decade in the Department for Education working on schools, and replace Gavin Williamson with Nadhim Zahawi – the widely popular vaccines minister²³ – revealed a focus on clearing up the problems in education caused by the pandemic.

Conducting the reshuffle and appointing a new chief secretary to the Treasury (Simon Clarke replaced Steve Barclay) so close to the October spending review, which is always a fraught process, will have put pressure on ministers who had to take over spending negotiations after much of the preparatory work had been done and many decisions had already been made.

Ministers dealing with Covid and climate change saw their workloads increase

Just as the pandemic changed how government as a whole worked and its areas of focus, it also changed the way different ministers spent their time. Using information from Gov.uk and Parliament.uk we have looked at how different cabinet ministers have used their time since before the pandemic. Unsurprisingly, the pandemic has changed which ministers spend the most time delivering legislation and making speeches, with the health secretary and business secretary in particular seeing increased workloads.

Figure 1.4 Annual number of bills sponsored by department



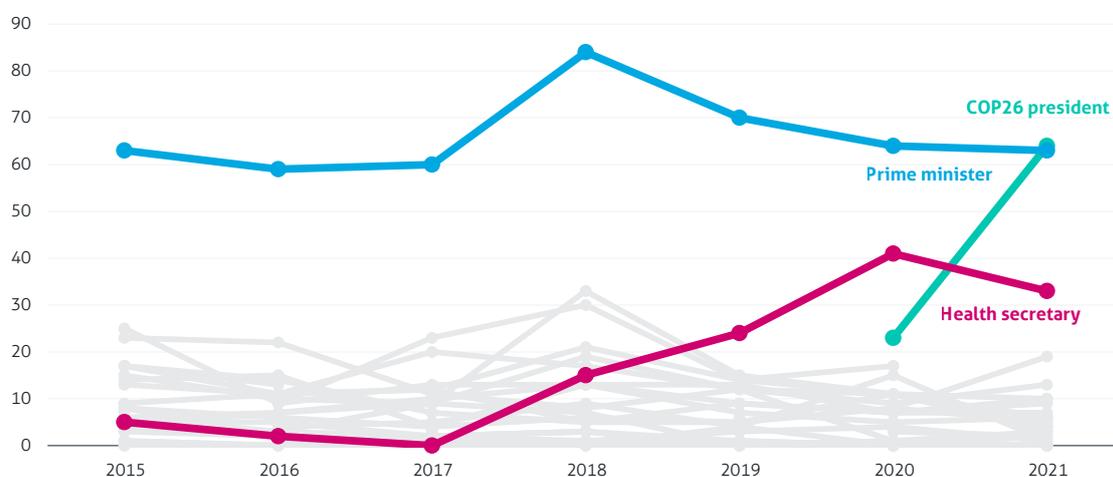
Source: Institute for Government analysis of bills.parliament.uk.

First, looking at the number of bills sponsored by each department each year helps to show where the government has been concentrating its attention. The Treasury generally has the highest number of bills in a year – in large part because of legislation that comes out of the budget – but in 2021 its lead over other departments increased substantially.

Treasury bills during the pandemic include, for example, the Contingencies Acts of 2020 and 2021, which increased the maximum capital of the UK's contingency fund (which allows departments to receive advances from the Treasury for unapproved spending).²⁴ Another notable piece of legislation sponsored by the Treasury in 2021 was the Ministerial and other Maternity Allowances Act – introduced to allow the attorney general, Suella Braverman, to become the first minister to take maternity leave, in March 2021. Baroness Penn, a Lords whip, made use of the new allowance later in the year, returning from her maternity leave in January 2022. The business department has also introduced more legislation to parliament than usual over the last two years, as it has dealt with the impact of the pandemic as well as legislating for net zero and leaving the EU.

The number of bills introduced by DLUHC and its predecessor departments, which was constant between 2017 and 2020, also increased in 2021, reflecting new responsibilities for the department, with DLUHC taking on reform of the elections process in the September 2021 reshuffle. Legislation introduced by DHSC unsurprisingly increased in 2020, not least with the Coronavirus Act 2020, which was passed quickly, but has since returned to pre-pandemic levels; most Covid rules have been introduced through secondary legislation, which has been contentious given the reduced level of scrutiny that secondary legislation faces. The reduction in primary legislation from DHSC shows that the government has the powers it needs and has set up relevant legal frameworks needed to deal with the pandemic. The Northern Ireland Office's (NIO) legislative business has returned to its usual low levels after parliament passed several bills relating to Northern Ireland between 2017 and 2019, when power-sharing in Stormont was not functioning.

Figure 1.5 **Annual number of speeches by selected cabinet ministers**



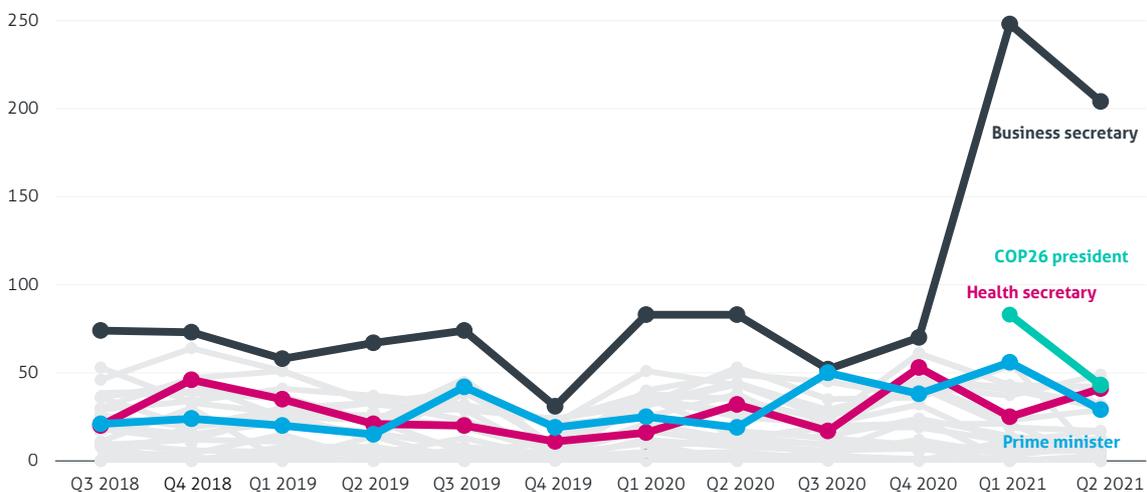
Source: Institute for Government analysis of news articles on Gov.uk. 2021 figures include up to 16 December 2021, when the House of Commons rose for Christmas recess. See Methodology for more detail.

The public profile of different ministers also reveals the government's changing priorities – especially in light of the pandemic. Figure 1.5 shows the number of speeches given by members of the cabinet (according to Gov.uk), categorised by post not individual, between 1 January 2015 and 16 December 2021. While the prime minister has typically been the most prolific speechmaker, peaking in 2018 when Theresa May was grappling with the complexities of Brexit, other ministers have also had high profiles in recent years.

Gov.uk classifies ministerial statements at the Downing Street press conferences as speeches, so it is not surprising that the former health secretary Matt Hancock made the second-highest number of speeches in 2020, given the government's focus on direct communication with the public during the pandemic. But in 2021, the COP26 president, Alok Sharma, overtook the prime minister and the health secretary, showing the importance of the COP26 summit to the government. Throughout the year, Sharma travelled the world to drum up support for the UK's objectives for the summit. Sharma will remain in post as COP26 president until November 2022, when Egypt takes over the COP presidency.²⁵ However, what this role will entail and whether the government emphasis on climate change and reaching net zero continues beyond 2021 is yet to be seen.

Figure 1.6 shows the number of meetings with external groups held by each secretary of state, as declared on Gov.uk, since April 2018 (figures do not include meetings with other governments). The business secretary has always had the highest number of meetings each quarter, but this spiked enormously at the start of 2021, when Kwasi Kwarteng took over from Alok Sharma. Kwarteng held 452 meetings between January and June 2021, many of them introductory calls to businesses as the new secretary of state. This is much higher than his predecessor, who averaged 72 per quarter in the previous year. In his new job as COP26 president, Sharma held the second highest number of external meetings by any cabinet minister, 126, in the first two quarters of 2021, in the run-up to the COP26 summit. (The Department for Education, Department for Digital, Culture, Media and Sport, the Foreign, Commonwealth and Development Office and the Home Office had not published any information on meetings in Q2 2021 by 21 December 2021.)

Figure 1.6 **Quarterly number of meetings of selected cabinet ministers**



Source: Institute for Government analysis of departmental ministerial gifts, travel, hospitality and meetings transparency releases, Gov.uk, July–September 2018 to April–June 2021. See Methodology for more detail.

Looking at the whole period, Q4 2019 saw a drop for all ministers, due to the election and the suspension of much of the normal business of government. Q3 2020 also saw a decrease in meetings generally compared to the previous quarter, due to summer recess. The health secretary (Matt Hancock for the period shown in Figure 1.6) saw a big increase in the number of meetings he had between Q3 and Q4 2020, from 17 during the former to 53 during by the latter, most likely reflecting the increase in Covid case numbers. However, unlike with speeches, Hancock does not stand out from the rest of his cabinet colleagues in terms of the number of meetings he held during 2020.

While this data allows us to compare how different ministers interact with interest groups, businesses and the public, it is harder than it should be to analyse. The documents that departments publish are inconsistently formatted, making it difficult for the transparency releases to be used in any comparative way. As a [report from the Institute for Government](#) last year found, departments anyway have a mixed record on publishing information on ministers' and other leaders' meetings.²⁶ As well as working to publish quality information on time, departments need to ensure that the information is useable and comprehensible to those outside government.

The number of special advisers continued to grow

Special advisers support ministers with political and policy advice and media handling. They work for individual ministers, although each appointment requires the approval of the prime minister. They are formally employed by their department, but also form part of a cross-government network co-ordinated by the prime minister's chief of staff.

In July 2021 the number of special advisers reached 117, the highest ever – a continuation of the growth since 2017 which accelerated under Johnson.* The main cause of this growth is that the number of special advisers per minister has grown over the last few years, rather than more ministers appointing advisers. The [ministerial code](#) says that cabinet ministers other than the prime minister can have a maximum of two special advisers, unless they get permission from the prime minister; clearly, Johnson has decided that he is happy for ministers to have more. As of July 2021, 17 of 26 ministers with special advisers (excluding the prime minister) had more than two: the chancellor, Rishi Sunak, had eight including the six who worked for both him and the prime minister; the then foreign secretary, Dominic Raab, had five; and the home secretary, Priti Patel, the Scotland secretary, Alister Jack, and the then chancellor of the Duchy of Lancaster, Michael Gove, all had four.²⁷

The prime minister's team has fluctuated since he entered No.10. After the 2019 election he had 44 special advisers, while a year later he had 51 working for him and seven working in the joint No.10/Treasury 'economic unit'. In July 2021 the number was back to 44.²⁸

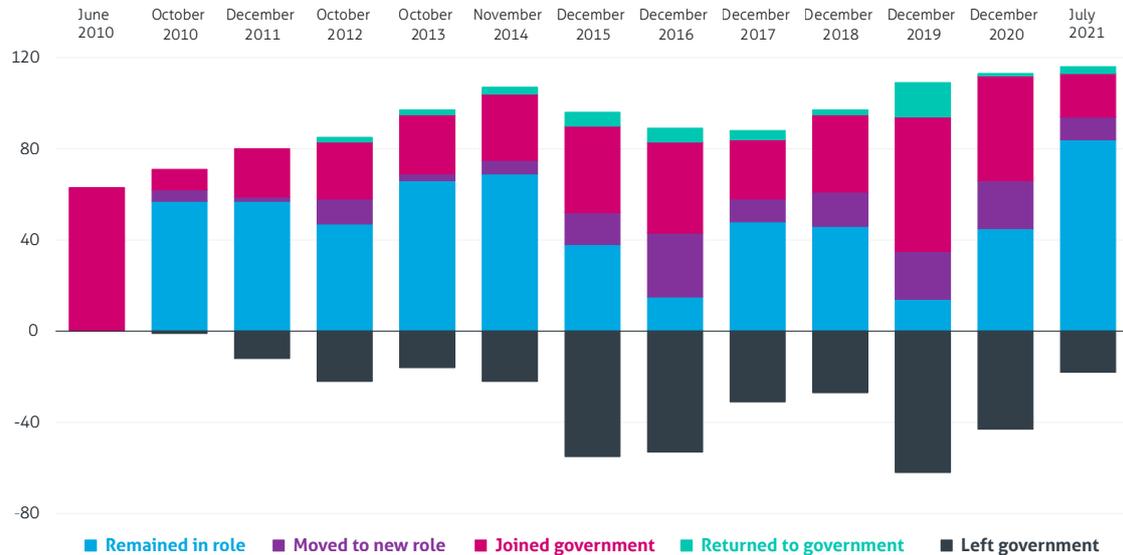
Under the ministerial code, ministers who attend cabinet (rather than those who are full members of the cabinet) may also appoint advisers if they have the approval of the prime minister. In July 2021, all four ministers attending cabinet took advantage of this option, with Mark Spencer (chief whip) appointing three advisers, Jacob Rees-Mogg (leader of the House of Commons) two and Michael Ellis (acting attorney general) and Steve Barclay (then chief secretary to the Treasury) both having one; the adviser who worked for Michael Ellis also worked for Lord Frost.

As special advisers work for individual ministers, their turnover tends to track that of ministers. Most advisers stayed in post between December 2020 and July 2021, reflecting the lower levels of ministerial turnover during the pandemic noted above. Turnover is likely to have gone up in the second half of 2021, given the reshuffle, but there is no way of being sure. The government is obliged to publish only one report on special advisers each year; since 2015 it has done so in December, but in 2021 it moved the report to July, meaning we do not know the effect of the reshuffle on special advisers.

* This did not include any special advisers for the health secretary, Sajid Javid, who had just taken office, so the actual number is likely to have been higher.

Regardless of when it is published, the fact that it is annual means that it is quickly out of date. For example, the 2021 report still includes advisers who have since left government, including the director of legislative affairs, Nikki da Costa, who left No.10 in the summer,²⁹ and Allegra Stratton, who had been working for Alok Sharma but resigned in December 2021 over a video that emerged from her time at No.10, showing her talking about Christmas parties while Covid restrictions were in force.³⁰

Figure 1.7 **Number and turnover of special advisers**



Source: Institute for Government analysis of Cabinet Office special adviser data releases, June 2010 to July 2021. Turnover calculated as change from previous data point, except October 2010 calculated as change from June 2010.

The number of ministerial directions went down from a record high in 2020

Ministerial directions are formal instructions from ministers to the permanent secretary in their department to proceed with a spending proposal despite their objection to the minister's intentions. Civil servants might object on any of the following grounds:

- Regularity: if the proposal is beyond the department's legal powers or agreed budgets
- Propriety: if it does not meet "high standards of public conduct", such as being ethically proper or appropriately overseen and governed
- Value for money: if something else, or doing nothing, would be cheaper and better
- Feasibility: if there is doubt about the proposal being "implemented accurately, sustainably or to the intended timetable".³¹

Before the pandemic the number of directions had been growing for some years as a result of preparations to leave the EU. Many of these were classified as 'technical directions', when departments were required to spend money before parliament had given them the legal power to do so, but when approval was expected in due course.³² The response to the pandemic saw the number of directions issued by ministers increase rapidly, with 19 issued in 2020 compared to five in 2019 and seven in 2018.

The high number of directions in 2020 led to concern that the upward trend might continue.³³ However such fears were not realised – there were only two ministerial directions issued in 2021, and neither was related to the pandemic: one covered support for exports to Ukraine and the other was to ensure recipients of historical abuse compensation were not penalised if they claimed any means-tested benefits.³⁴ This suggests that, in terms of the tests set for a direction at least, government business is returning to normal after the turbulence of Brexit and the pandemic.*

Figure 1.8 **Ministerial directions, by year (pre- and post-election) and grounds**



Source: Institute for Government analysis of Harris J, *Following the Pound: Accounting Officers in Central Government*, Institute for Government, September 2013, based on correspondence with HM Treasury, and of Gov.uk since that point.

Looking ahead

At the start of 2022, the government is trying to reorient its agenda to focus on its pre-pandemic priorities, alongside continuing to manage the pandemic and the continued controversies over allegations of lockdown-breaking parties – all with an eye on the next general election, which will take place by the end of 2024 at the latest. The prime minister used the reshuffle to signal what he wants to achieve in the coming years, with a new 'levelling up' secretary and a refreshed Department for Education. And although Alok Sharma remains as COP president until Egypt takes over the presidency in November 2022, there is a question about whether climate will remain as high a priority for the government in its agenda at home as it was in 2021.

As the government waits for the outcome of the investigations by the Metropolitan Police and senior civil servant Sue Gray, it risks becoming wholly distracted by scandal and party management. Turning the ambition of the 2019 general election campaign and the slogans since then – including 'levelling up' and 'Global Britain' – into reality will be the big challenge for 2022.

* This report only captures directions issued in 2021. There have already been two directions issued in 2022. For more information, see our explainer, www.instituteforgovernment.org.uk/explainers/ministerial-directions



2 Spending

For the second fiscal year in a row, government spending in 2021/22 is expected to top £1 trillion.* Both total spending and the deficit will be lower than in 2020/21, but this year has still been far from normal. The scale of government coronavirus-related support for public services, households and businesses is set to fall by half in 2021/22 from its 2020/21 level, but it is still extraordinary. While overall schemes have been successful, the government's approach to contracts and its failure to adapt coronavirus schemes has led to worse value for money than could have been achieved.

The major spending event in 2021 was the first multi-year spending review since 2015. The chancellor was generous, with increases in public service spending that rival the announcements in the New Labour years. But delivering the government's promises, such as net zero and 'levelling up', will still be difficult. Departments will feel squeezed after the cuts of the past decade, and spending directly on Whitehall operations will not increase nearly as quickly as spending elsewhere. This poses risks for effective delivery. Given the chancellor has already announced tax increases to pay for extra spending while sticking to his fiscal rules, a key focus for the next year will therefore be ensuring that the extra money is spent well and he does not come under pressure to spend even more.

In 2021/22, the government expects to spend £1.05 trillion, around £70 billion less than in 2020/21 but £160bn more than in 2019/20, before the pandemic.¹ Of this spending, around £11bn will be spent on central government departments directly, principally for staff costs, a small increase on last year. The remainder is: programme spending managed by departments and subject to firm limits (including, for example, NHS spending); spending that is not managed directly and does not have set limits (such as benefits); and spending undertaken by subnational governments (including the devolved administrations).

* Throughout this chapter, figures for 2021/22 are full-year forecasts based on the Office for Budget Responsibility's (OBR) Economic and Fiscal Outlook in October 2021.

This chapter looks at how Covid-related support has continued this financial year, the broader context of the government's finances, and the results of the spending review which will determine how government spending will change in the future.

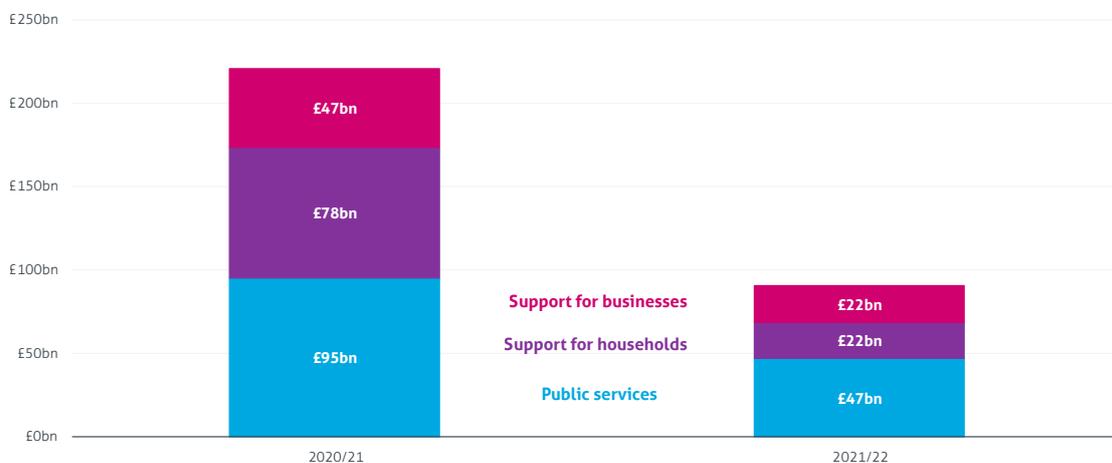
Government economic support remained extraordinary into 2021

In 2020/21, the government was dealing with the largest annual fall in economic output in 300 years.² It spent enormous amounts to support public services, businesses and households, while tax revenues fell dramatically due to lower economic activity. The deficit – the gap between government spending and receipts – was £320bn, or 14% of national income. It had only previously reached that level or higher during the two world wars. The fiscal year 2021/22 (starting in April) has been more 'normal'. Coronavirus restrictions were lifted steadily over the summer and almost entirely from 21 July, although some measures were reintroduced in response to the Omicron variant in December 2021. But even before restrictions were reintroduced, economic output was lower than it was before the pandemic for most of the year and public services are continuing to deal with the effects of high numbers of Covid cases and the need for infection control measures. As a result, the role of the government in the economy has still been far from 'normal'.

Covid-related programmes continued and spending remained far above pre-Covid levels

The continued social and economic disruption from the pandemic meant the government extended Covid support programmes into 2021/22. Total Covid-related support (including spending programmes and tax breaks) this financial year is forecast to be £91bn. This is only 41% as large as total support in 2020/21, but it still amounts to more than 4% of gross domestic product (GDP).³ If 'Covid-related spending' were a department, it would be the fourth biggest by spend in Whitehall, behind only the Department of Health and Social Care (DHSC), the Department for Education (DfE) and the Department for Work and Pensions (DWP).⁴ In any normal recession, support this large would be considered a big government response. For example, in 2009/10, the discretionary stimulus (measures announced to support the economy) amounted to 1.2% of GDP.⁵

Figure 2.1 Coronavirus-related economic support



Source: Institute for Government analysis of Office for Budget Responsibility, Economic and Fiscal Outlook, October 2021. Excludes deferred tax payments, but includes temporary tax cuts. A further breakdown is provided in Table 2.1.

Compared with 2020/21, a higher proportion of government support this year has gone to public services, with a sharper fall in support for households. This can be explained by the reopening of the economy. Most of the pandemic-related schemes ended within the first six months of the fiscal year, and even within those first six months the use of them was lower as the economy was more open than it had been for much of 2020/21.

Coronavirus-related economic support has been targeted more narrowly than in 2020/21

Table 2.1 Breakdown of coronavirus-related economic support

Type of support	2020/21	2021/22
Public services	£95bn	£47bn
<i>Of which</i>		
Health	£48bn	£28bn
Other central government departments	£22bn	£9bn
Local government (England)	£8bn	£2bn
Devolved administrations	£18bn	£7bn
Support for businesses	£47bn	£22bn
<i>Of which</i>		
Loan guarantees	£20bn	£1bn
Business grants	£12bn	£5bn
Business rates	£9bn	£7bn
Reduced VAT rate for hospitality	£3bn	£5bn
Other	£3bn	£4bn
Support for households	£78bn	£22bn
<i>Of which</i>		
CJRS (net)	£47bn	£7bn
SEISS (net)	£19bn	£5bn
Welfare	£8bn	£5bn
Other	£2bn	£4bn
Total	£221bn	£91bn

Source: HM Treasury, *Spending Review 2020*; HM Treasury, Budget 2021; and HM Treasury, Autumn Budget and Spending Review, October 2021. Breakdown of public service spending is based on Covid-ringfenced Departmental Expenditure Limits (DELs) from HM Treasury, scaled so that the total is equal to the OBR total. CJRS = Coronavirus Job Retention Scheme and SEISS = Self-Employment Income Support Scheme. Numbers may not sum due to rounding

Coronavirus-related support for public services in 2021/22 was mostly targeted at health and social care. DHSC accounts for more than 60% of the extra spending on public services, and more than 70% of extra public spending in England. Covid-related spending on health in 2021/22 is expected to be around three quarters of the 2020/21

level, but Covid-related spending on other services is expected to be much lower. This is because pressures on the health service are still extraordinary: Covid-related hospitalisations remain high, and the need for additional infection control measures means that hospitals cannot use their space as efficiently as before the pandemic.⁶ Meanwhile, most other public services have operated more normally in 2021/22 as there have been fewer restrictions on social contact.

Business support in 2021/22 is also lower than in 2020/21. Last year, the biggest cost was government loan guarantees. Guarantees only cost the taxpayer if and when they are not paid back, but the official Office for Budget Responsibility (OBR) forecasts imply that a large proportion of loans taken out will not be repaid.⁷ Fewer loans were taken out in 2021/22. Instead, most business support came in the form of grants and business-rate discounts. While the loans were open to all companies, grants and discounts were available only to retail and hospitality businesses.⁸ As a result, business support this year has been more targeted at the sectors most directly affected by coronavirus restrictions.

The flagship government programmes that supported households – the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS) – were extended to the end of September 2021. The extensions into 2021/22 are estimated to have cost £7bn and £5bn* respectively (or an average of £1.2bn and £830m a month respectively). This is far less than their net costs in 2020/21, at £47bn and £19bn (or an average of £3.9bn and £1.6bn a month) respectively, which reflects diminishing use of these schemes as lockdown restrictions were lifted and economic conditions recovered. A £20 a week uplift in Universal Credit – originally implemented for a year in April 2020 – was also extended until the end of September 2021, costing £3bn. All these policies ended in late September and early October 2021. In *Whitehall Monitor 2021*, the Institute for Government raised the prospect that these policies – and especially the Universal Credit increase – might prove difficult to remove.⁹ But the government has been able to end these policies so that they were ‘temporary’ as intended, albeit suffering heavy criticism over the ending of the Universal Credit uplift.¹⁰

In all cases, these were continuations of policies that applied in 2020/21, although they supported a narrower group of people in 2021/22 than they had in the previous financial year. For example, more than 11 million people used the furlough scheme at some point in 2020/21,¹¹ equating to about a third of the UK workforce. By contrast, the number of people on the furlough scheme at a single point in time in 2021/22 never exceeded four million, having reached almost nine million in April 2020.¹²

The continuation of policies designed at the start of the pandemic meant they kept the same drawbacks identified in March and April 2020. Fraudulent claims on the CJRS and SEISS are estimated to amount to almost £6bn – 7% of the total cost.¹³ This is in line with the government’s expectations when the policies were announced and the government accepted the loss as unavoidable given the need to distribute money so quickly. But as the policies eventually lasted for 18 months, the government should evaluate the design of such schemes to ensure that similar programmes are more effective should they be required in future crises.

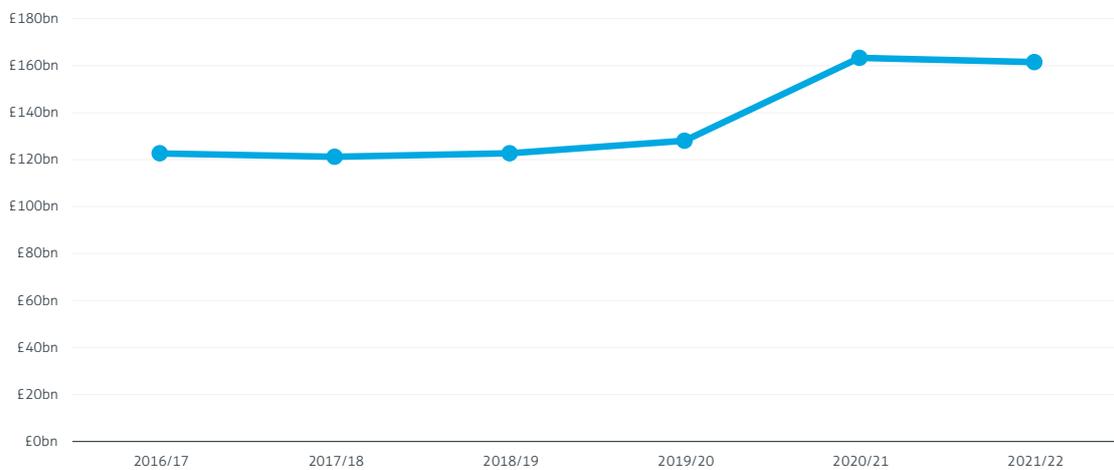
* The net cost accounts for the tax due on payments under the schemes.

Procurement operated in crisis mode into early 2021, although it has begun to return to normal

Another way in which the coronavirus economic response has led to reduced value for money is the government's approach to procurement. Around a third of day-to-day departmental budgets constitute 'procurement':¹⁴ the purchase of goods and services from private providers. This includes goods like personal protective equipment (PPE) and services such as consultancy.

A substantial part of the additional spending on public services related to coronavirus has been procurement – especially in health, where PPE and testing both cost substantial sums and have been provided by the private sector. In both 2020/21 and 2021/22, procurement spending is expected to be much higher than in previous years.

Figure 2.2 Procurement spending in day-to-day departmental budgets, 2021/22 prices



Source: Institute for Government analysis of HM Treasury, Public Expenditure Statistical Analyses, July 2021. Figures deflated using the GDP deflator.

Procurement is mostly conducted by contracting services or goods. Ordinarily, 'best practice' is for contracts to be subject to competition from prospective suppliers.* This helps to ensure that the taxpayer gets best value for money because the competitive bidding process reveals a 'fair' price. Previous evidence suggests that the government pays less for contracts when there are more bidders.¹⁵

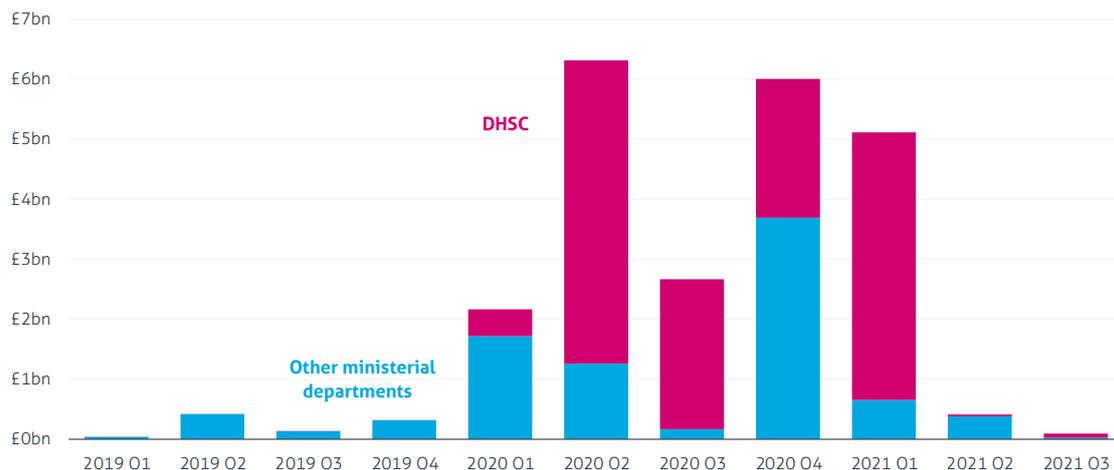
At the start of the pandemic, this competitive approach was – quite understandably – not the route that the government took. When it came to procuring PPE, it was in a race against time (and other governments) to get enough stock. Competitive processes tend to take longer, and the government mostly offered contracts directly to suppliers, either as 'direct awards' or as call-offs from existing 'framework agreements' (lists of pre-approved suppliers).

This approach came with risks. Not only did it risk poor value for money, but also the lack of transparency in the process has led to accusations of cronyism.¹⁶ Avoiding these pitfalls is a good reason why competitive processes should be employed where possible.

* For regular ongoing awards, the government also has 'framework agreements' (lists of pre-approved suppliers) for particular goods and services. Getting on the framework itself is a competitive process, but subsequent awards may not be.

However, Institute for Government analysis based on the contracts published on the Contracts Finder database* shows that central government procurement continued to rely more heavily on direct awards beyond the start of the pandemic and into the first quarter of 2021. This is less excusable given that the country was no longer in the initial phase of the pandemic, and shows that central government procurement continued to operate in 'crisis mode' well beyond spring 2020. This is especially notable in DHSC.

Figure 2.3 **Direct contract awards from ministerial departments on the Contracts Finder database**



Source: Institute for Government analysis of Cabinet Office, Contracts Finder database. The 2020 Q4 'Other ministerial departments' figure is driven by a large Ministry of Defence contract unrelated to coronavirus.

Given the value-for-money risks, it is important that the exceptional circumstances early in the pandemic do not lead to a culture of less competition in procurement. There are positive signs since the first quarter of 2021: direct awards in the second and third quarters are much lower. In the future, direct awards should be as rare or rarer than they were before the pandemic.

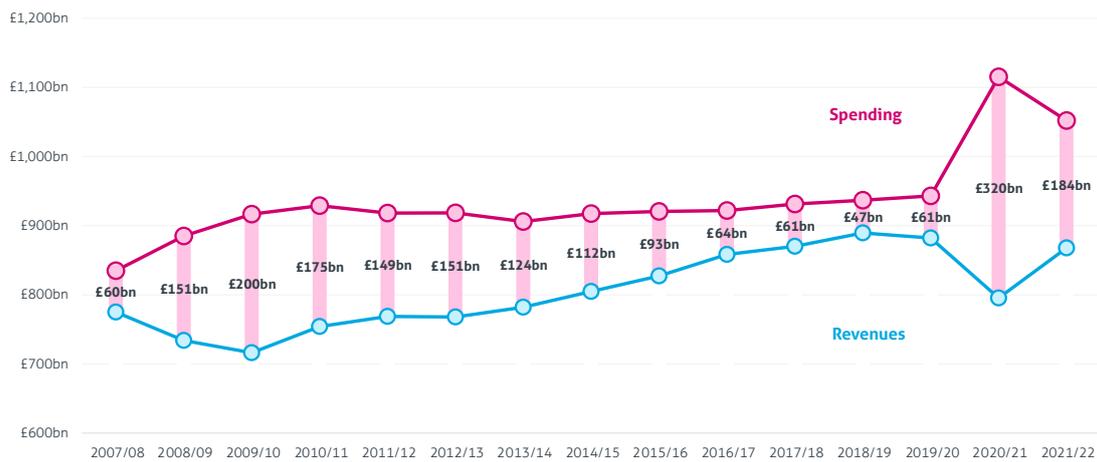
More economic activity means the deficit will be much lower than in 2020/21

Overall spending in 2021/22 is projected to be £63bn lower in real terms than in 2020/21. But the deficit is expected to be £138bn lower, reflecting a recovery in government revenues.

The collapse in economic activity in 2020/21 led to receipts being £111bn lower in that year than had been forecast before coronavirus. The economy has still been operating in 2021/22 at far below the level anticipated before the pandemic, but it has performed more strongly than the previous year. As a result, receipts this year are expected to be only £55bn lower than the pre-crisis forecast. Government borrowing in 2021/22 will still be high by historical standards as a share of national income. There have been only three years – outside of war time – when the deficit has been higher on this measure: 2009/10, 2010/11 and 2020/21.¹⁷

* We only looked at data up to 2021 Q1 because contracts are published with a delay (and a greater delay than official requirements, which should be 30 days). We address these transparency concerns in further detail in the Chapter 6.

Figure 2.4 **Government spending and revenues (2020/21 prices)**



Source: Institute for Government analysis of Office for Budget Responsibility, Public Finances Databank, November 2021.

The chancellor has announced tax increases to fund higher spending

Government spending decisions take place in the context of the broader public finances. The government has made major decisions on tax in the past year to facilitate higher spending – higher spending cannot be financed by higher borrowing indefinitely. We outline these tax changes, which will have implications for all households, before analysing the spending decisions which they have enabled.

The government has chosen to increase public spending throughout the parliament

As well as announcing temporary support for public services, households and businesses, the chancellor, Rishi Sunak, has also chosen to increase public spending beyond the pandemic. In the last pre-Covid forecast, total government spending was expected to reach 40.7% of GDP in 2024/25, £88bn higher than in 2019/20 in real terms. The latest forecast implies that spending will reach 41.6% of GDP in that year, £97bn higher than 2019/20 in real terms. Most of this increase is on public service spending, including higher spending on health, which we describe further below.

A worse economic forecast would normally mean lower tax revenues...

The government has committed to this higher spending despite coronavirus. The short-term impact of the pandemic on the government’s finances – outlined above – has been severe. But its longer-term impacts will also affect future government policies.

The OBR forecasts that the economy will be 2% smaller in the medium term than would have been the case without the pandemic – a long-term economic ‘scarring’. Even though this scarring is smaller than in previous recessions,¹⁸ it will still affect the public finances. The latest official forecast suggests that government revenues will be £26bn lower in real terms in 2024/25 than they would have been in the absence of the pandemic.*

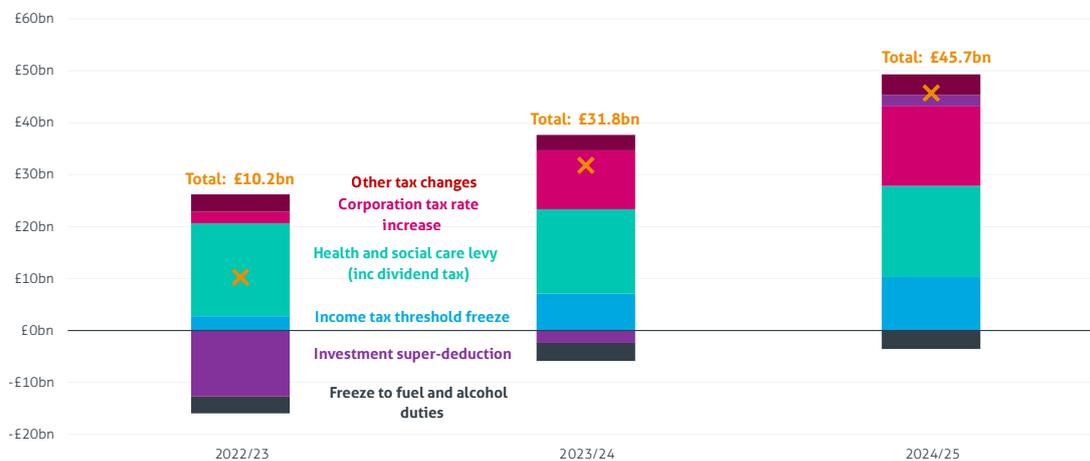
* Specifically, this is the change in the forecast for tax revenues before taking into account the impact of tax policy changes announced since March 2020.

... but the government has announced tax increases taking effect from April 2022

The tax measures announced since March 2020 (mostly in March and October 2021) are expected to raise more than £30bn in 2023/24 and more than £40bn in 2024/25 – more than offsetting the shortfall from a worse economic outlook.

Despite Sunak’s claim in his October 2021 budget speech that his “goal is to reduce taxes”,¹⁹ his record as chancellor so far is as one of the biggest tax-raising chancellors of recent times. In fact, the tax increases announced in 2021 are larger (as a share of GDP) than those announced in any year since 1993.²⁰ Some of the tax increases have also broken pledges made in the 2019 Conservative Party manifesto and reversed some of the policies that earlier Conservative chancellors introduced.²¹ This has caused some disquiet among Conservative backbenchers – which may intensify alongside concerns about a cost-of-living crisis.

Figure 2.5 Net effect of tax changes announced since March 2021 on government revenues



Source: Institute for Government analysis of HM Treasury scorecards in November 2020, March 2021 and October 2021; and Office for Budget Responsibility, Economic and Fiscal Outlook, October 2021.

The biggest tax increases announced have been:

- **Increasing the corporation tax rate** from 19% to 26% by April 2024, partially offset (for banks) by a reduction in the bank surcharge. This goes a long way to reversing the cuts that George Osborne as chancellor announced from 2010 onwards.
- **Freezing income tax thresholds:** keeping the personal allowance at £12,500 and the higher-rate threshold at £50,000, rather than uprating them in line with inflation. This also reverses the Osborne-era policy of increasing the personal allowance more quickly than inflation. Since this measure was first announced in March 2021, the forecast for inflation has risen. In effect, this means that the tax increase is larger than was originally envisaged.
- **The health and social care levy**, a 1.25 percentage-point increase in all rates of national insurance contributions. This directly breaks a manifesto commitment not to raise the rates of any of income tax, national insurance and VAT.

None of these policies has yet taken effect, although all will do so in April 2022.

Tax rises mean higher spending is consistent with the chancellor's new fiscal rules

Raising taxes to fund higher spending was necessary to meet the chancellor's definition of 'fiscal sustainability' as expressed in his fiscal rules. At the October 2021 budget and spending review, the government announced four fiscal rules that will guide its tax and spending decisions.²²

The 'primary' fiscal rule requires that debt must be forecast to fall as a share of national income between the third and fourth years of the forecast period (currently this means between 2023/24 and 2024/25). Of the three additional rules, the most relevant is the requirement that the current budget (that is, the gap between day-to-day spending and tax revenues) must be forecast to be in balance in the third year of the forecast (currently 2023/24).^{*} By increasing taxes, the chancellor has been able to announce spending increases while also giving himself some headroom against these fiscal rules – around £15bn in 2024/25. This gives him flexibility if the outlook for the public finances deteriorates or – if things stay the same or look better – he could cut taxes or raise spending further.

The spending review was generous, but does not unwind cuts since 2010

In October 2021, the government delivered its first multi-year spending review for six years, setting out how additional spending will be allocated across departments for the remainder of the parliament. In normal times, multi-year settlements are an effective way to manage public spending because they provide departments with certainty and the ability to plan over longer timeframes.²³ But the full spending review was delayed in both 2019 and 2020, with one-year announcements being made instead. In each case, the cause was understandable, with uncertainty surrounding Brexit (in 2019) and Brexit and the pandemic (in 2020) making multi-year plans too difficult.²⁴

The 2021 spending review covered three years: 2022/23, 2023/24 and 2024/25. It provided an opportunity for the government to set out its stall for the remainder of the parliament.

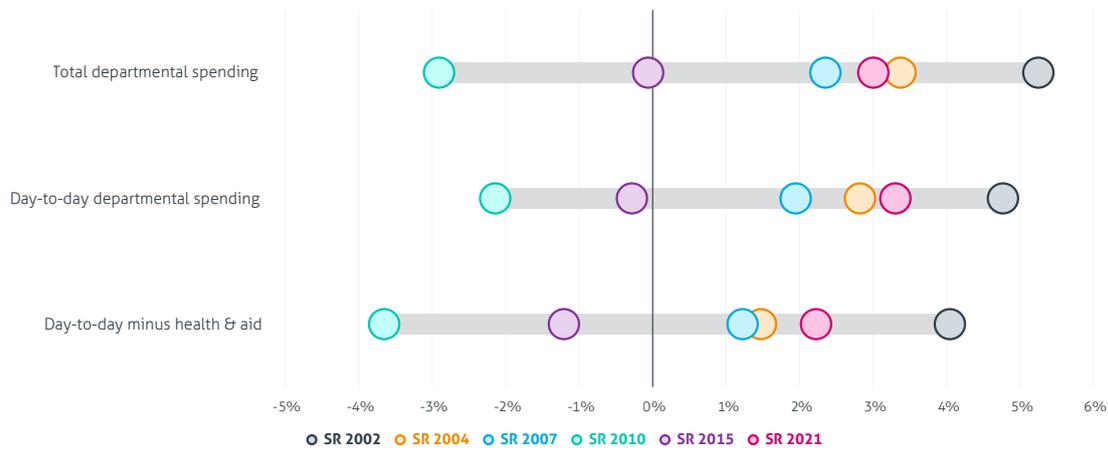
Spending increases in the 2021 spending review match those in the New Labour years

Looking at departmental budgets as a whole, the increases planned for the next three years are comparable to those in the New Labour years. While not as generous as the 2002 spending review, the latest plans are similar to those announced in 2004, and more generous than the plans in 2007.^{**} Focusing only on day-to-day spending (that is, excluding investment), this review is the most generous since 2002, and is the first since then to set out substantial spending increases beyond health and overseas aid. In the mid-2000s, departments outside those areas were awarded increases of less than 1.5% a year on average in real terms. This time, those areas will see increases of more than 2% a year on average.

* The other two fiscal rules require that net investment spending should not exceed 3% of national income and some welfare spending must stay below a pre-defined limit.

** In practice, the settlements announced at the 2007 spending review (covering the years up to 2010/11) were exceeded as the government increased spending in response to the financial crisis.

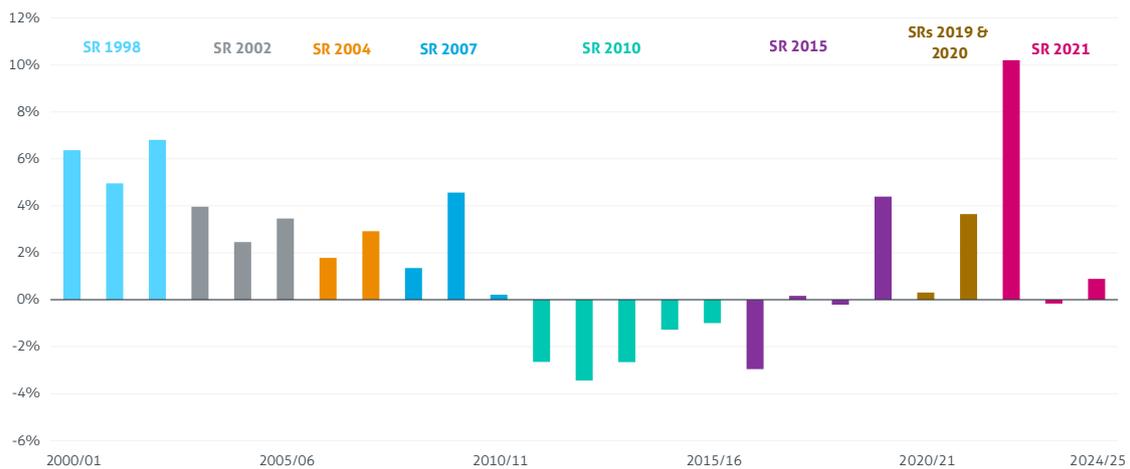
Figure 2.6 Average annual real-terms change in spending planned at successive multi-year spending reviews



Source: Institute for Government analysis of successive HM Treasury multi-year spending review documents. Figures adjusted based on the GDP deflator forecast at the time of each spending review. 'Day-to-day minus health and aid' excludes Department of Health/DHSC spending and Department for International Development spending up to the 2021 spending review and Foreign, Commonwealth and Development Office (FCDO) spending in the 2021 spending review.

The overall increase in departmental spending over the next three years is frontloaded – primarily to allow public services to deal with ongoing problems and backlogs associated with coronavirus. Ignoring Covid-specific spend, day-to-day departmental allocations are expected to increase by 10% in real terms between 2021/22 and 2022/23 and then barely increase after that (three-year averages are given in Figure 2.8). This will be the biggest boost to regular day-to-day spending since at least 2000/01.

Figure 2.7 Annual real-terms change in day-to-day departmental spending excluding the pandemic response

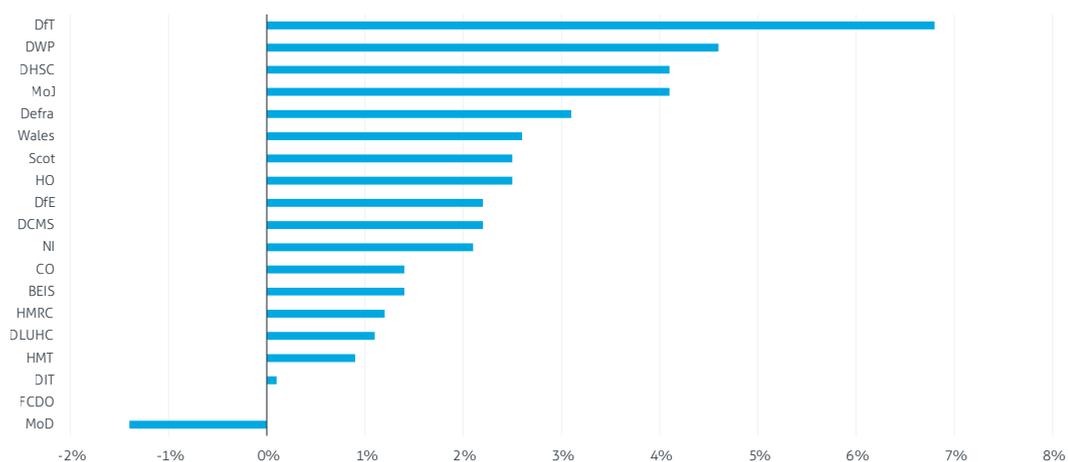


Source: Institute for Government analysis of successive HM Treasury, Public Expenditure Statistical Analyses, 2004–21. Calculated based on total resource DEL before 2005/06 and total resource DEL excluding depreciation thereafter. Figures deflated based on the latest outturn of the GDP deflator.

Almost all departments will have real-terms increases in their day-to-day spending over the review period, as Figure 2.8 shows. The biggest increases in spending among departments with substantial day-to-day budgets are in health,* which has tended to get above-average increases in all previous reviews, and justice, which had real-terms cuts pencilled in at all three multi-year spending reviews after the MoJ was set up in 2007.

Beyond defence, where a multi-year budget was agreed in 2019 and there are increases in capital spending, the relative losers are education, where increases are small and the money provided in the short term is unlikely to be sufficient to fund the necessary 'catch-up' of lost learning during the pandemic, and local government, which will see only small real increases once the cost of social care reform is accounted for. Institute for Government analysis indicates that, for most public services, the extra money should be sufficient to maintain public service standards at 2019/20 levels, undoing the effects of the pandemic, but it is unlikely to be enough to deliver much higher performance.²⁵

Figure 2.8 **Planned average annual real-terms change in departmental day-to-day spending between 2021/22 and 2024/25**



Source: Institute for Government analysis of HM Treasury, *Spending Review 2021*, October 2021. Figures deflated using the GDP deflator. FCDO does not include £5bn of additional overseas aid spending planned for 2024/25 but not yet allocated to departments. DLUHC Housing is the departmental (Department for Levelling Up, Housing and Communities) budget spent on housing and communities as opposed to local government grants.

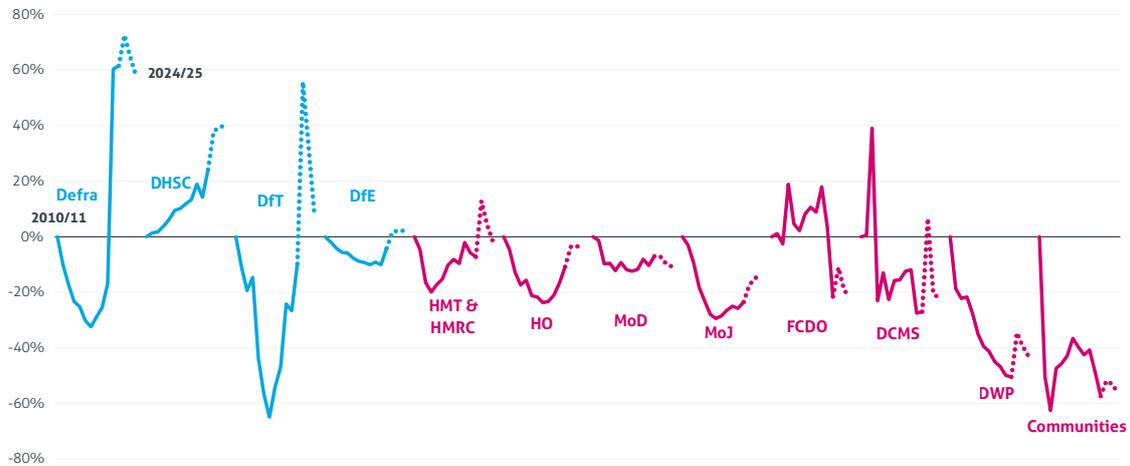
But real-terms spending remains below 2010 levels in most departments

Despite big real-terms increases in most departments' budgets, working out how to deliver all the departments' objectives within budget will still be difficult. The increases come after a decade of cuts to most departments. As a result, all but four are expected still to have lower budgets in real terms in 2024/25 than they did 14 years earlier. In many cases, the difference is substantial. For example, the Ministry of Justice's (MoJ) budget will be 14% lower in 2024/25 than in 2010/11. The housing and communities budget (which now forms part of the budget for the Department for Levelling Up, Housing and Communities; DLUHC) will be less than half its pre-austerity size. Even this analysis understates the squeeze on departments. Demands on public services have continued to grow as the population has increased.

* Most transport spending is investment (covered below). The main DWP-related expenditure (pensions and benefits) is not included within DELs.

The population is expected to be 8% larger in 2024/25 than it was in 2010/11.²⁶ So on a per-person basis, the cuts are even greater.

Figure 2.9 **Change in real-terms day-to-day spending for selected departments between 2010/11 and 2024/25**

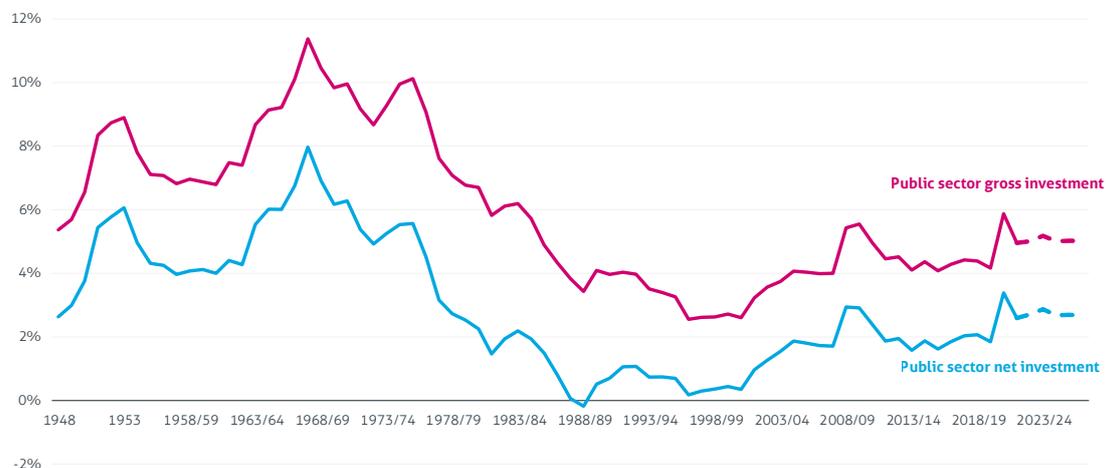


Source: Institute for Government analysis of HM Treasury, Public Expenditure Statistical Analyses, 2014–21; and HM Treasury, *Spending Review 2021*, October 2021. Figures deflated using the GDP deflator. Calculated based on percentage changes between years in the most recent HM Treasury document that contains figures for both years. A Department for Environment, Food and Rural Affairs (Defra) increase in 2020/21 reflects spending to replace EU funds to agriculture. The Department for Business, Energy and Industrial Strategy (BEIS) is excluded due to changes in its portfolio over time. Communities is the relevant non-local government funding for the relevant department over time.

Investment spending is set to be maintained at a high level relative to recent history

The picture for investment spending is different. While day-to-day spending in most areas will remain below the level it was at a decade ago, the government plans to spend more on investment as a share of GDP than it has done consistently at any time since the 1980s. The only recent years when investment has been higher as a share of GDP than it will be over the next period was as part of the stimulus package in response to the 2008 financial crisis and in 2020/21, when investment plans were mostly unchanged but GDP was much lower due to the pandemic.

Figure 2.10 **Public sector gross and net investment as a percentage of GDP**



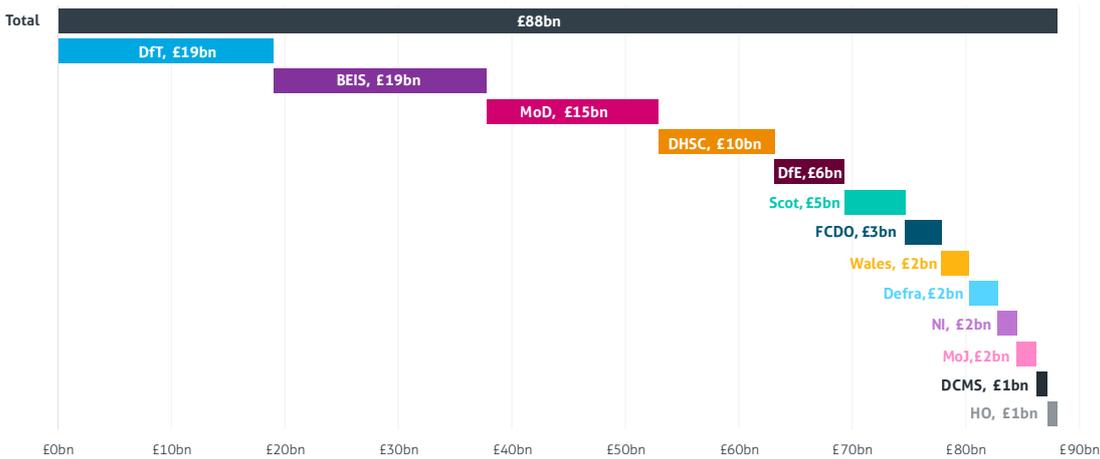
Source: Institute for Government analysis of Office for Budget Responsibility, Public Finances Databank, November 2021. Net investment equals gross investment minus depreciation and asset sales.

Overall, the government plans to spend £88bn a year (in 2021/22 prices) on departmental capital spending across the three years of the spending review. This is £15bn a year more than was spent on average during the preceding three years (2019/20 to 2021/22, again in 2021/22 prices), with increases for all departments. Across the next three years, 70% of investment will be spent by four departments: BEIS, the Ministry of Defence (MoD), the Department for Transport (DfT) and DHSC. The MoD increase reflects promises the government made before the pandemic, and the other three departments fit with the government’s main stated priorities.

BEIS and DfT are key departments for delivering the government’s pledges to achieve net-zero carbon emissions and to ‘level up’ parts of the UK that have lagged behind economically. Both objectives will require substantial investment if they are to be successful, and public provision of infrastructure will be important. Devoting the bulk of the capital budget to these areas will allow the government to undertake major projects to try to deliver these priorities. But infrastructure investments tend to pay off over the long term rather than immediately, and the government’s ambition in these areas is so large that both will require further public investment beyond this spending review period.

The increase in funding for DHSC will allow for more hospitals and greater investment in other capacity (such as diagnostics) to help the NHS see more patients and reduce the backlog. Other public services face similar needs to increase capacity. The relatively small capital budget of the Ministry of Justice (MoJ) will be on average 70% larger in real terms in the next three years than in the past three. This is to fund the court and prison capacity needed to address Covid-related problems in the criminal justice system and the additional demand expected to be created by the recruitment of 20,000 new police officers.

Figure 2.11 **Composition of average annual capital spending, 2022/23–2024/25**



Source: Institute for Government analysis of HM Treasury, *Spending Review 2021*, October 2021. The chart shows annual averages over the period, deflated to 2021/22 prices using the GDP deflator.

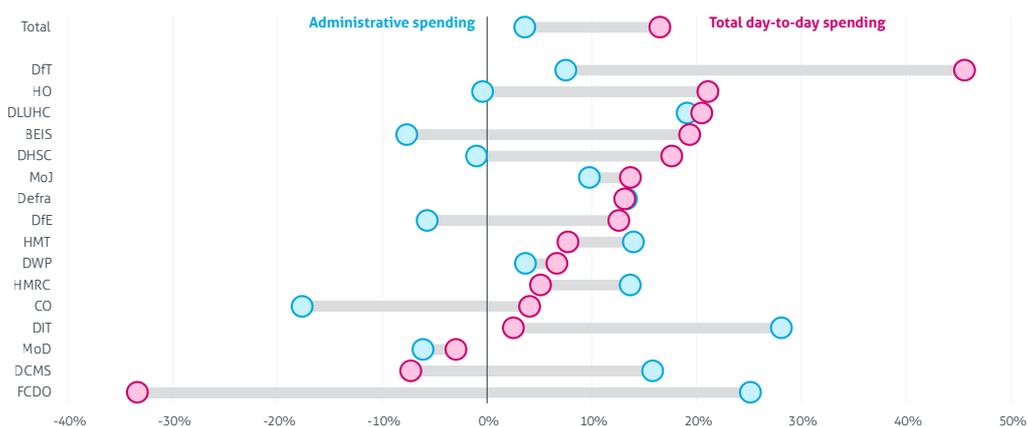
Spending on Whitehall will be squeezed by anticipated pay increases

Only a small fraction of total departmental spending is spent directly on central government operations. In 2019/20 (the last financial year before the pandemic), administrative spending accounted for only 2.9% of total day-to-day departmental budgets. Around 80% of these budgets are taken up by the wages of civil servants directly employed by departments (so not including NHS or school staff, for example),²⁷ while the remainder covers the procurement of goods and services and the renting of buildings essential to the operation of the civil service.

While administrative budgets are small, they are important. If the civil service is not well resourced, it will be difficult to spend money well. Previous Institute for Government research has found that departments struggled to spend their capital budgets effectively in the mid-2010s in part because there was not enough central resourcing to manage and track projects.²⁸ Capital budgets in the mid-2010s tended to be underspent by large margins. Based on that experience, the OBR expects that departments will also struggle to spend the big capital budgets announced at the 2021 spending review.²⁹ Equally, as day-to-day spending increases, it will be important to ensure that the money is spent well and delivers higher-quality public services. If the spending review increases do not deliver the hoped-for public service quality improvements, or deliver capital projects effectively, the government will struggle to achieve its objectives.

It is therefore notable that administrative spending will be only 3.5% higher in 2024/25 than it was in 2019/20 before the pandemic, while day-to-day spending overall will be 10.9% higher.* This pattern is true in most departments, especially so in 'delivery' departments like health, education, BEIS and transport.

Figure 2.12 **Real-terms change in total day-to-day spending and administrative spending between 2019/20 and 2024/25**



Source: Institute for Government analysis of HM Treasury, *Spending Review 2021*, October 2021. Total resource DEL includes programme and administrative budgets. Figures adjusted for inflation using the GDP deflator.

* Administrative budgets did increase in response to coronavirus, although not by as much as other day-to-day spending.

These settlements for administrative spending are even tighter than they appear because so much of this expenditure is on salaries. Staff costs only accounted for 35% of total day-to-day departmental spending in 2019/20, but 80% of administrative spending.³⁰ The OBR expects wages to grow more quickly than economy-wide inflation over the spending review period.* Between 2019/20 and 2024/25, wages are expected to have grown by 4.7% in real terms. If Whitehall departments offer wage increases in line with the wider economy, this would account for the entire increase in administrative budgets.

Spending on Whitehall operations will therefore face a squeeze over the next few years even as the budgets civil servants manage grow substantially. The government aims to reduce the civil service headcount back to 2019/20 levels by 2024/25 to keep spending within these constraints. Effective deployment of the civil service's resources, covered in more detail in Chapter 3, will be crucial to ensure that it can deliver good value for money as more is spent elsewhere.

Looking ahead

After two extraordinary years of emergency government support for public services, households and businesses, the spending review published in October 2021 looked beyond Covid and addressed other priorities. The review was generous and will mean more money for nearly all departments. But given the impacts of the pandemic and the legacy of austerity, it may not be sufficient to deliver the improvements in public services that ministers have promised. Capital spending will also increase quickly, but the government's objectives of reaching net zero and 'levelling up' are demanding and broad.

Over the next year, there are two main risks for the government's spending plans. First, can it spend the generous increases announced at the spending review well? This will be crucial if the money is to stretch far enough to deliver on its objectives. Second, will the government need to revise its spending plans beyond next year in the face of fiscal pressure? The chancellor has said that he would like to see taxes falling rather than increasing, and in early 2022 pressure has been growing for him to delay the tax rises that are due to take effect in April 2022 in the face of a cost of living crisis. If an initial delay to tax rises becomes a cancellation, or if the economic outlook deteriorates, the government's planned spending increases may no longer be consistent with its new fiscal rules. The chancellor might then need to find further tax rises, to cut back on spending plans, or to decide – as his predecessors have done – to abandon his rules instead. Such a decision would be politically tricky.

* Economy-wide inflation (the GDP deflator) is expected to increase less quickly than consumer price inflation over the forecast period.



3 Civil service

The civil service had to show resilience and adaptability in 2021 as its work continued to be dominated by the pandemic. But civil servants also increasingly spent time on the government's other priorities, including net zero, social care and 'levelling up'.

2021 strained the civil service, exposing existing weaknesses and demonstrating the importance of the government's plans to reform and strengthen its approach.¹ The Declaration on Government Reform² – a plan for changing how the civil service and government more broadly works – was intended to signal ministers' and senior officials' commitment to change. Progress has been made in some areas, including announcements about relocating civil servants outside London and continuing to increase the diversity of the workforce. But the government has not made as much progress in implementing the declaration as it intended to in 2021. And the declaration itself does not yet amount to a long-term plan to implement the most difficult reforms.

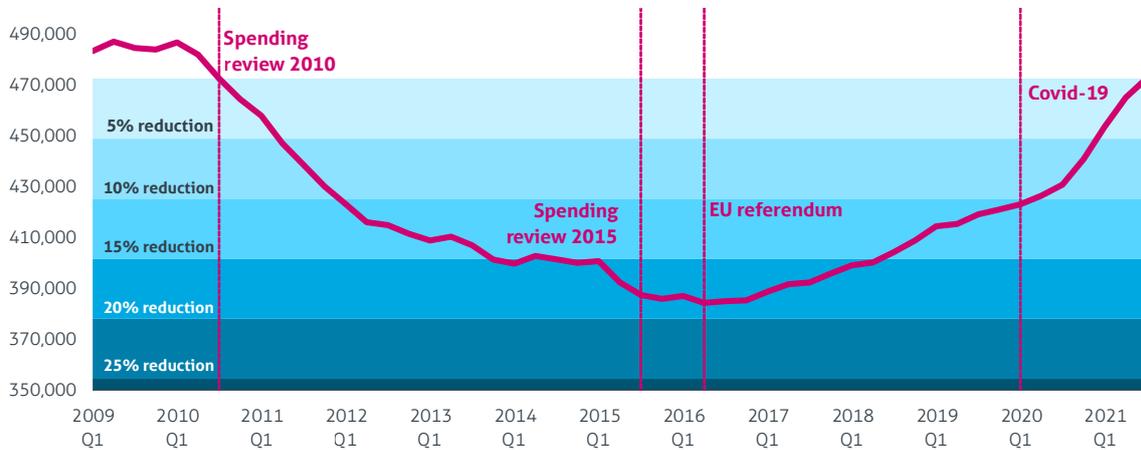
The scale of the policy tasks facing the government in 2022 and for the remainder of this parliament, from implementing the net zero strategy to realising ambitions to 'level up' the UK, make civil service reform all the more necessary. Ministers and officials will need to build on the declaration in 2022.

The civil service continued to grow throughout 2021 in response to Covid, expanding to 472,700 people in September 2021, a 10% increase on the year before.* During that time, every department grew in size except the Foreign, Commonwealth and Development Office (FCDO), which shrank by 7%. The biggest proportional growth came – not surprisingly – in the Department of Health and Social Care (DHSC), which nearly doubled in size compared with September 2020, reaching 4,110 officials. While this expansion can be largely attributed to the government's ongoing response to the pandemic, it is part of a longer-term trend of staff increases since the EU referendum in 2016.

* Here we define civil servants as officials working in the UK Home Civil Service, which supports the work of the UK's central government departments. This includes the agencies that employ civil servants such as executive agencies, non-ministerial departments and some non-departmental public bodies. For further detail on how we classify and count the staff of government bodies, see Methodology.

Ministers outlined plans in the October 2021 spending review to stem the growth of the civil service and reduce its headcount to pre-pandemic levels by 2023/24.³ A key question for 2022 will be how ministers and senior officials plan to make these reductions while maintaining the civil service capability needed to achieve the government’s priorities.

Figure 3.1 **Civil service staff numbers (full-time equivalent, FTE)**



Source: Institute for Government analysis of Office for National Statistics (ONS), Public Sector Employment Data (Table 9), Q1 2009 to Q3 2021.

The government has set out its priorities for reform but not a plan to realise them

The Declaration on Government Reform sets out ambition but is not a plan

In June 2021, Michael Gove, then chancellor of the Duchy of Lancaster and minister for the Cabinet Office, set out the government’s priorities for civil service – and wider government – reform. The Declaration on Government Reform was published in the name of the prime minister, Boris Johnson, and the cabinet secretary, Simon Case.

As well as describing the government’s approach to reform across the themes of “people”, “performance” and “partnerships”, the declaration included 30 actions to be completed in 2021. These included:

- relocating civil servants outside London
- enhancing the skills in government through recruitment and training
- increasing the diversity of the civil service
- improving policy making by fostering closer collaboration between ministers and officials
- supporting performance by reforming the accountability of senior civil servants, ministers and departments.

The declaration is ambitious in parts, and it is sensible for the prime minister and the cabinet secretary to unite to define their priorities for reform. The government has made some progress on these priorities since the declaration’s publication, including plans to relocate civil servants, but in other areas progress has been slow and the government is yet to realise the objectives it intended to complete in 2021.

More importantly, the declaration does not fully address some of the most complex, perennial problems of civil service reform, such as confused accountability between ministers and senior officials. Civil service reform is a difficult, iterative process. Pinning specific actions to overall objectives is a sensible approach but it will take more than a one-year list of actions to make progress. Now that the action plan has expired, the government should replace it with another series of actions, operating across different timeframes, to achieve the declaration's objectives in the short, medium and long term.

The September 2021 reshuffle saw Michael Gove replaced by Stephen Barclay as chancellor of the Duchy of Lancaster and minister for the Cabinet Office. There is a risk that this move signals a reduction in the importance of government reform, as Gove's personal leadership helped to ensure it remained a priority. But Barclay has an opportunity to achieve real change by switching from making plans to implementing reform in 2022.⁴ He will need to pick up where Gove left off, make his own mark by ensuring his priorities are included in the reform agenda, and hold colleagues across government to account for putting plans into practice.

The Declaration does not resolve the problem of ministerial and civil service accountability

Accountability within the civil service and between ministers and senior officials has long been poorly defined. This is causing problems for the UK government. Confused accountability leads to blame shifting between ministers and officials, making it difficult for government to learn lessons when things go wrong. The head of the civil service does not have the formal authority to lead the institution. Relatedly, the centre of government cannot adequately monitor the implementation of top priorities. And the long-term capacity of the civil service is poorly managed, weakening the state's resilience.

The Declaration on Government Reform identifies accountability as an issue that requires a solution. It sets out the government's aim to "bring greater clarity to the roles, responsibilities and accountability of Ministers and senior officials when taking decisions".⁵ The final two actions of the declaration, which were due to be completed by the end of 2021, are:

Complete a review of Civil Service governance, including consideration of the appropriate roles for senior officials, Non-Executive Directors and Ministers.

Complete a review of models of accountability for decisions, drawing on international best practice and experiences during the pandemic and taking account of the role and design of ministerial directions.⁶

The Institute for Government will shortly be publishing the conclusions and recommendations of its own research into the question of civil service accountability to help inform this work. Part of the answer will be to give the civil service a clearer statement of its definition and objectives, and to strengthen the oversight of the civil service as a whole.

The government has made some progress on reform, but not as much as it promised

The government has made progress on its ambition to relocate civil servants – its plans now need to be delivered

In the Declaration on Government Reform, the government reaffirmed its commitment to relocate 22,000 civil servants from London by 2030. In his June 2020 Ditchley Annual Lecture, Gove argued that “literally reduc[ing] the distance between Government and people” would lead to better policy outcomes. This would partly be due to a shift in mindset as civil servants “walk the streets” of Britain’s towns and cities, and partly because relocation allows for the recruitment of policy makers from “overlooked and hitherto undervalued communities”, particularly those who do not want to move to London.⁷ Relocations are also intended to contribute to the government’s ‘levelling up’ agenda, with the aim of promoting economic growth and job opportunities in deprived communities.

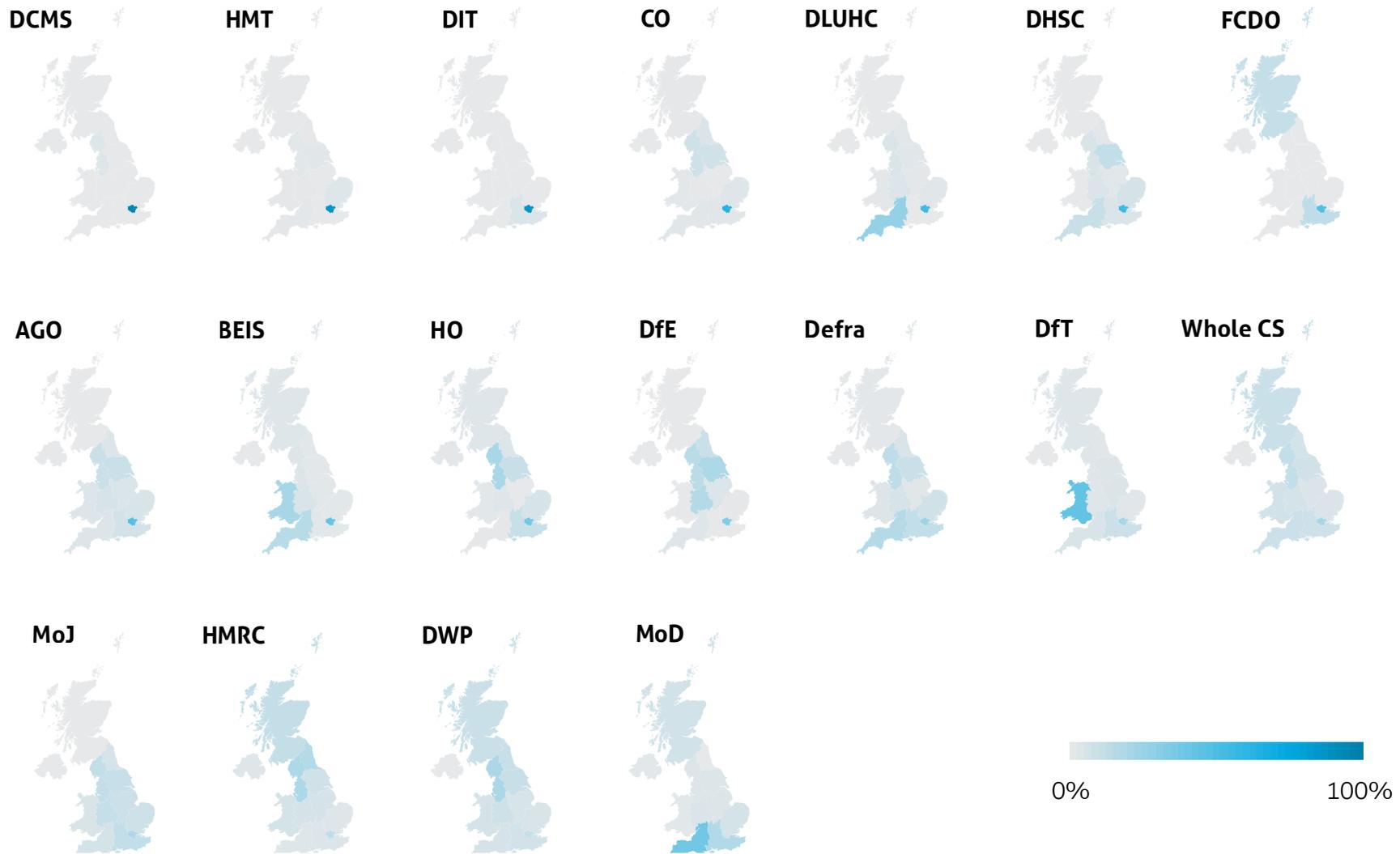
Almost 80% of civil servants already work outside London (Figure 3.2), although the proportion away from the capital varies between departments (Figure 3.3, overleaf). But the government wants to address the fact that around two thirds of the senior civil service, and more than 70% of officials working on policy with regular exposure to ministers, are currently based in London (Figure 3.4). Ministers argue that this means there is a disproportionate focus on London during the policy making process, and that views within the country’s capital are over-represented in policy, while that of other parts of the country – and particularly those which voted to leave the EU – are under-represented.

Figure 3.2 **Location of civil servants by grade (percentage of grade in each region, headcount), 31 March 2021**

	Whole civil service	AO/AA	EO	SEO/HEO	Grades 6 & 7	SCS
London	21%	9%	17%	27%	45%	67%
North West	12%	15%	14%	10%	8%	4%
Scotland	10%	12%	11%	10%	8%	5%
South West	9%	7%	8%	13%	10%	5%
South East	9%	10%	10%	8%	6%	3%
Wales	8%	9%	7%	7%	5%	4%
Yorkshire and The Humber	8%	8%	8%	7%	6%	4%
West Midlands	6%	7%	7%	5%	4%	3%
North East	6%	10%	6%	5%	3%	2%
East	5%	6%	6%	4%	2%	2%
East Midlands	4%	6%	5%	4%	2%	1%
Northern Ireland	1%	1%	1%	1%	0%	0%

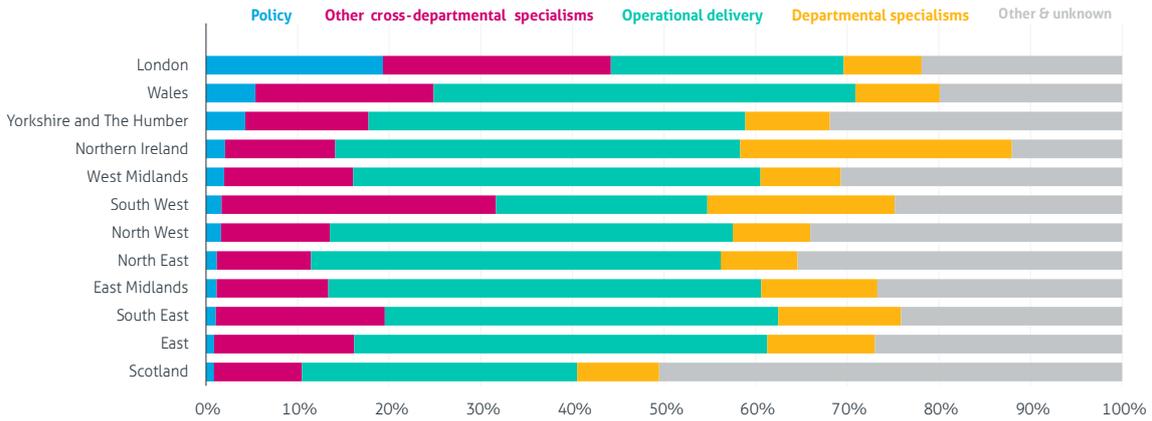
Source: Institute for Government analysis of Cabinet Office, Civil Service Statistics, 2021. AO/AA = administrative officer/administrative assistant; EO = executive officer; SEO/HEO = senior executive officer/higher executive officer; and SCS = senior civil servant.

Figure 3.3 Location of civil servants by department, 31 March 2021



Source: Institute for Government analysis of Cabinet Office, Civil Service Statistics, 2021. Ordered from highest percentage of staff in London to lowest. Departments include their civil servant staffed public bodies. A list of departmental abbreviations and further detail on how we define departments can be found in the Methodology.

Figure 3.4 Percentage of civil service profession types by region, 31 March 2021



Source: Institute for Government analysis of Cabinet Office, Civil Service Statistics, 2021.

While past rounds of relocation have sometimes fallen short of their initial ambitions, failing to change the geography of senior and policy-oriented roles, the current process has made a promising start.⁸ Since the 22,000 target was first set out in the March 2020 budget, the government has confirmed more than 30 relocations, encompassing the movement of more than 6,000 civil service roles.

Some movement of senior staff has already occurred, with the most visible example being two directors general (the second most senior rank of civil servant in a department), one from the Department for International Trade (DIT) and one from the Treasury, relocating to the Darlington-based campus shared by those departments and others.

Figure 3.5 Civil service relocations announced since the 2019 general election

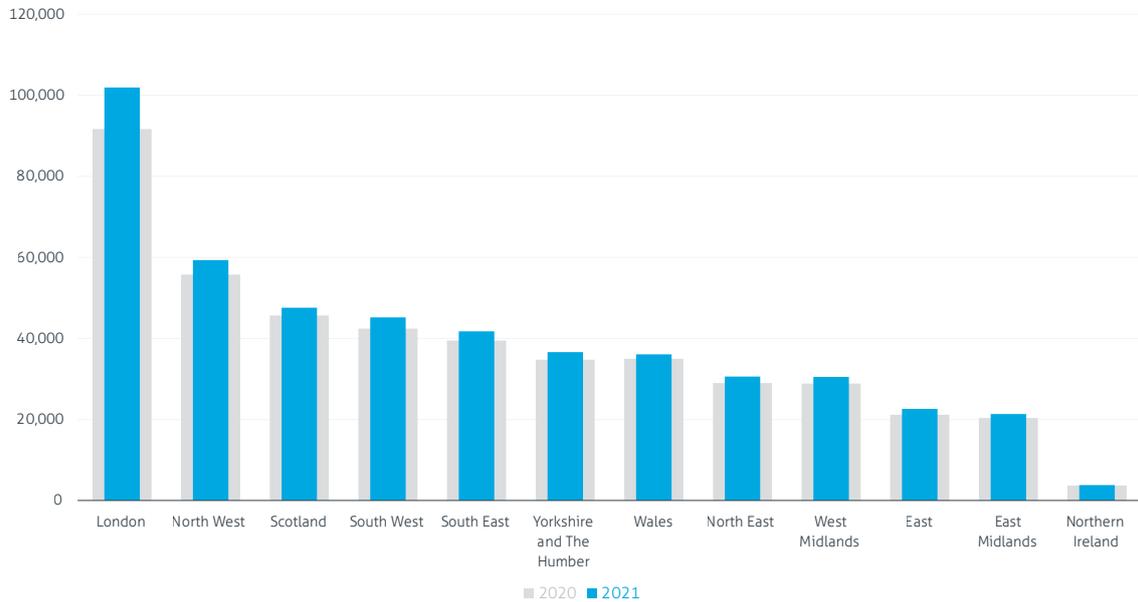


Civil service

Source: Institute for Government analysis of government announcements, 2019–21. Numbers are indicative due to the quality of the data. For further detail on how we map announcements of civil service relocations, see Methodology.

While the government has made a lot of announcements about relocations, during the pandemic the civil service has in fact grown disproportionately in London. The civil service in the capital grew by 11.2% between March 2020 and March 2021, a substantially higher growth rate than in other regions.

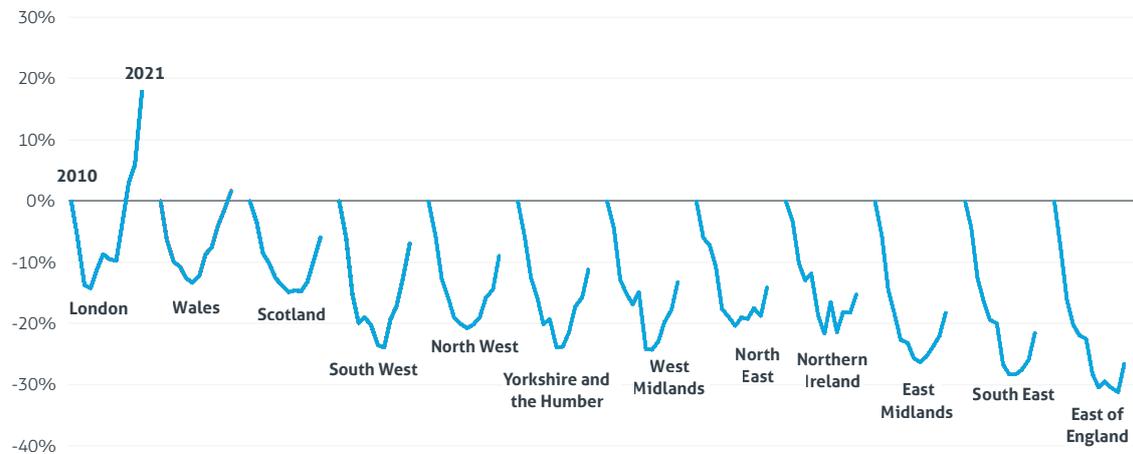
Figure 3.6 **Change in civil service staff numbers by region since 2020 (headcount)**



Source: Institute for Government analysis of Cabinet Office, Civil Service Statistics, 2020/21.

While this London-centric growth was largely due to the pandemic-fuelled expansion of DHSC and the Department for Work and Pensions (DWP), which combined hired almost 5,000 extra London-based staff and so accounted for nearly 50% of London's year-on-year growth, it continues a pattern stretching back more than five years. Most of the new roles added since the 2016 EU referendum have been in London, as explained below, in policy-focused positions.

Figure 3.7 **Change in civil service staff numbers by region since 2010 (headcount)**



Source: Institute for Government analysis of ONS, Civil Service Statistics, 2010–18; Cabinet Office, Civil Service Statistics, 2019–21.

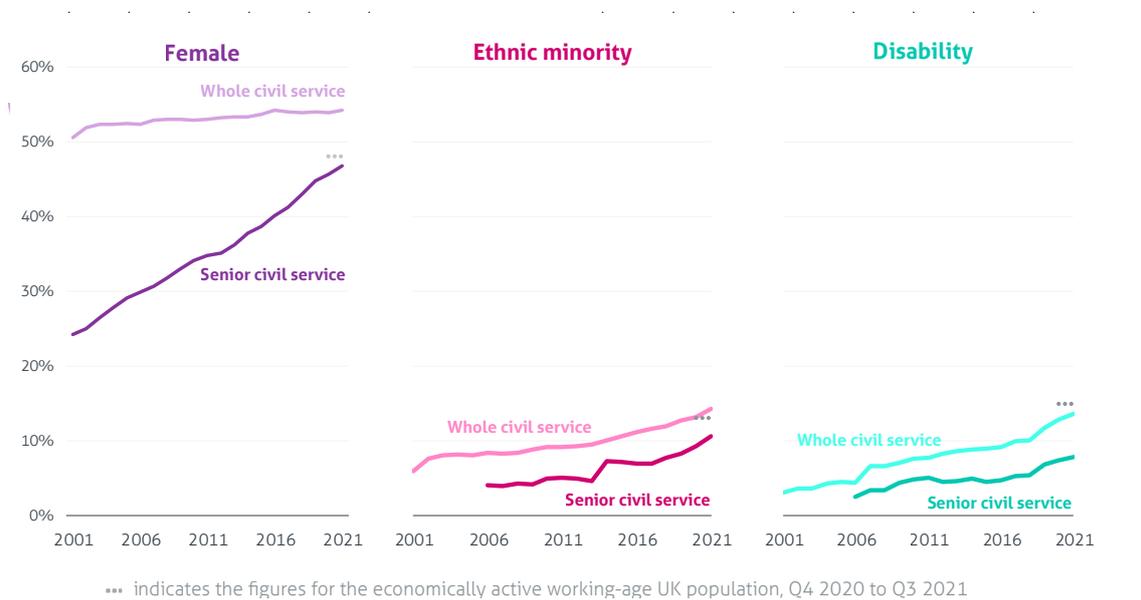
The increase in hybrid and remote working during the pandemic has the potential to help the relocation agenda. There has always been a tension between the need for regional offices to have access to a large workforce with particular skills that tend to be found in urban centres, and the stated desire of ministers to use relocation to ‘level up’ deprived areas, expose civil servants more to the experiences of people living outside the big cities, and hire staff who live away from metropolitan areas. Only having to attend the office in person for a portion of the working week means that civil servants can live further away from these campuses in urban centres, allowing departments to hire from a wider area around their sites.

But it is important to note that this is reliant on ministers and senior officials supporting permanent hybrid working arrangements, rather than demanding a full-time return to office-based working. Ministers criticised civil servants’ home working in 2021, suggesting this will remain an unresolved question in 2022.⁹

The civil service is becoming more representative of society but ministers must keep up momentum to increase all forms of diversity

In 2021, the civil service continued a long-term trend of becoming more diverse and representative of UK society. It is too soon for the objective in the Declaration on Government Reform to “set a new standard for diversity and inclusion” and attract “an even wider range of talent from more diverse backgrounds” to have had much effect, but there is a steady recent history of progress to build on.¹⁰

Figure 3.8 Diversity in the civil service (headcount, where known)



Source: Institute for Government analysis of ONS, Annual Civil Service Employment Survey, 2001–08; Cabinet Office, Senior Civil Service (SCS) Database, 2001–06; Cabinet Office, Civil Service Statistics, 2018–21; ONS, Table A02: Labour Force Survey summary: economically active total population and female population (UK, aged 16–64, Q4 2020 to Q3 2021); ONS, Labour market overview, UK, Table A08: Economic activity of people with disabilities aged 16–64: levels, UK, GSS Standard Levels (people), Q4 2020 to Q3 2021; and Table A09: Labour market status: economically active by ethnicity: people (not seasonally adjusted), Q4 2020 to Q3 2021. The benchmarks for the economically active working-age UK population with each of these characteristics are calculated as the average over the last four quarters, using the datasets detailed above. For further detail on how we measure workforce diversity and calculate population benchmarks, see Methodology.

Improvements can be seen in three key measures of diversity: gender, ethnicity and disability. By March 2021:

- 54% of civil servants were female, including 47% of senior civil servants, compared with 48% of the economically active population
- 14% of civil servants identified as coming from an ethnic minority background,^{*} including 11% of senior civil servants, compared with 13% of the economically active population
- 14% of civil servants identified as disabled, including 8% of senior civil servants, compared with 15% of the economically active population.

This means that people with all three of these characteristics are at least (or, in the case of disabled civil servants, nearly) as represented in the whole civil service as they are in wider society. The senior civil service has further to go, but steady progress is being made. The proportion of female senior civil servants has nearly doubled in the past 20 years, while the proportion of ethnic minority and disabled senior officials has more than doubled. But gaps in representation among the senior ranks remain and progress will need to continue in 2022 and beyond if the civil service is to become genuinely representative of the population it serves.

Recruitment of graduates from under-represented backgrounds through the Civil Service Fast Stream (an accelerated leadership development programme) is important to ensuring the future diversity of the civil service, including the senior civil service. It is promising that in 2021, for all three key measures of diversity, the proportion of applicants recommended for appointment was higher than in the economically active population.^{11,**} It is right that ministers and senior officials should continue to prioritise increasing diversity to make the civil service, and by extension the government as a whole, more effective.

The civil service is becoming more diverse, but the job is unfinished. And diversity and inclusion mean different things. The fact that the civil service workforce is increasingly representative of wider society does not necessarily equate to a welcoming and inclusive working culture. Both are important goals. Although the list of actions appended to the Declaration on Government Reform did not add much detail, one did commit that the government would “publish a diversity and inclusion strategy to better promote fairness and performance”.¹²

This was due to be completed in 2021 but, at the time of writing, has not yet been published. Until that happens and is implemented, it is unclear how the government intends to build on the progress that has been made in recent years.

* This uses the 2021 edition of the Civil Service Statistics, published by the Cabinet Office, in which “ethnic minority employees” are defined as those identifying as Asian, Black, Chinese, Mixed or Other. Civil servants identifying as White, and those who did not report their ethnicity, are excluded.

** 58% of applicants recommended for appointment were female, representing a higher success rate (1.9%) than male (1.6%) or other (1.4%) applicants. 23% of applicants with a known ethnicity recommended for appointment were from an ethnic minority background. However, while this is higher than the proportion of people from an ethnic minority background in the economically active population, this represented a lower success rate (1.4%) than white applicants (2%). 26% of applicants with a known disability status recommended for appointment were disabled, representing a success rate (3.6%) more than double that of non-disabled applicants (1.5%). Success rate is the number of applicants recommended for appointment as a proportion of all applicants, including those whose characteristics are unknown.

The government should address the socioeconomic diversity of the civil service, although not at the expense of other forms of diversity

The declaration also reflected ministers' aim to increase diversity of thought in the civil service by focusing on the geographic and socioeconomic background of officials. The government wants to draw "on the talents of the widest possible range of geographical, social and career backgrounds", with "career opportunities in every part of the country open to all".¹³

This aligns with the conclusions of research on socioeconomic background and career progression in the civil service that the Social Mobility Commission published in May 2021.¹⁴ That report found that people from high socioeconomic backgrounds are over-represented in the civil service, making up 54% of the workforce compared with 37% of the UK-wide workforce.¹⁵ It also found that in 2019 only 18% of senior civil servants came from low socioeconomic backgrounds, one percentage point lower than in 1967. It found that civil servants from high socioeconomic backgrounds were more likely to work in London near the centre of political power, in the Treasury or FCDO in the centre of government, and in 'accelerator roles' that lead to rapid promotion. In 2021, the success rate of applications to the Civil Service Fast Stream was highest for candidates from higher socioeconomic backgrounds, and those who had attended university at Oxford or Cambridge.^{16*} And external applicants who were from the east, south-east or south-west of England were the most successful, while applicants from Northern Ireland, Wales and the north-west of England were the least successful.¹⁷

Ministers are right to identify this as a serious problem. Socioeconomic background and geography are important aspects of diversity. Tangible plans to address them are now needed. These could include continuing to collect more data on the background of senior civil servants to improve understanding. More routes to top jobs for civil servants who start out in operational and project delivery roles would help. A 'reverse mentoring' scheme through which senior officials are paired with more junior employees from disadvantaged backgrounds would increase understanding. The civil service should ensure officials from disadvantaged backgrounds are encouraged to take up talent development schemes. And the opportunity of relocation should be used to increase the socioeconomic diversity of officials in policy roles.¹⁸

These efforts to increase socioeconomic diversity should happen alongside, and not instead of, ongoing work to improve diversity on the grounds of protected characteristics. In December 2020, the equalities minister, Liz Truss, explained her view of a new approach to equalities that "moves beyond" gender, race, disability and lesbian, gay, bisexual and transgender (LGBT) issues. She said that "while it is true people in these groups suffer discrimination, the focus on protected characteristics has led to a narrowing of the equality debate that overlooks socioeconomic status and geographic inequality".¹⁹ But improving the socioeconomic diversity of the workforce and addressing other forms of diversity and discrimination are not mutually exclusive.

* The Cabinet Office measures socioeconomic diversity through the Fast Stream Application Tracking System using several metrics. Applicants who had attended an independent or fee-paying school, who had not been eligible for free school meals, who had a parent or guardian with a degree-level qualification, who had a parent or guardian with a higher managerial, administrative and professional occupation, and who did not self-identify as coming from a lower socioeconomic background all experienced the highest success rates in 2021.

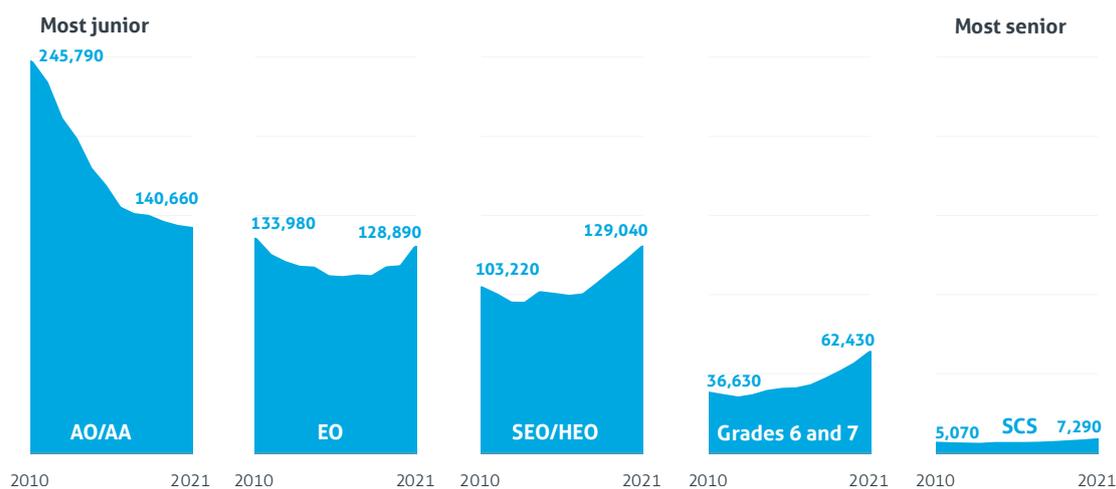
The relocation of civil servants out of the diverse urban centre of London already carries risks to progress made on diversity of ethnicity. The government’s diversity and inclusion strategy should set out a complementary approach that addresses diversity of all forms, rather than focusing on one at the expense of others.

Pay has risen, but long-term problems in the civil service’s pay structure remain

The median salary across the whole civil service increased by £1,000 to £29,180 between March 2020 and March 2021, £100 less than the increase the year before, but £470 more than the increase two years before.

The increasing seniority of the civil service is partly driving these increases in salary. A long-term trend of a decline in the number of staff in the most junior grades – administrative officer (AO) and administrative assistant (AA) – has continued, as has a rise in all other grades, particularly at senior executive officer (SEO) level and above. There are nearly 70% more staff at grades 6/7 than in 2010, and the senior civil service has grown by 44% during the same period.

Figure 3.9 Number of civil servants in each grade range (headcount)



Source: Institute for Government analysis of ONS, Civil Service Statistics, 2010–18; Cabinet Office, Civil Service Statistics, 2019–21.

Between March 2020 and March 2021, the number of civil servants earning below £20,000 a year reduced from 43,000 to 21,000. This was largely a result of natural pay increases, partly due to inflation, taking many roles with salaries from just below £20,000 to just above, and more junior roles being replaced with more senior ones.

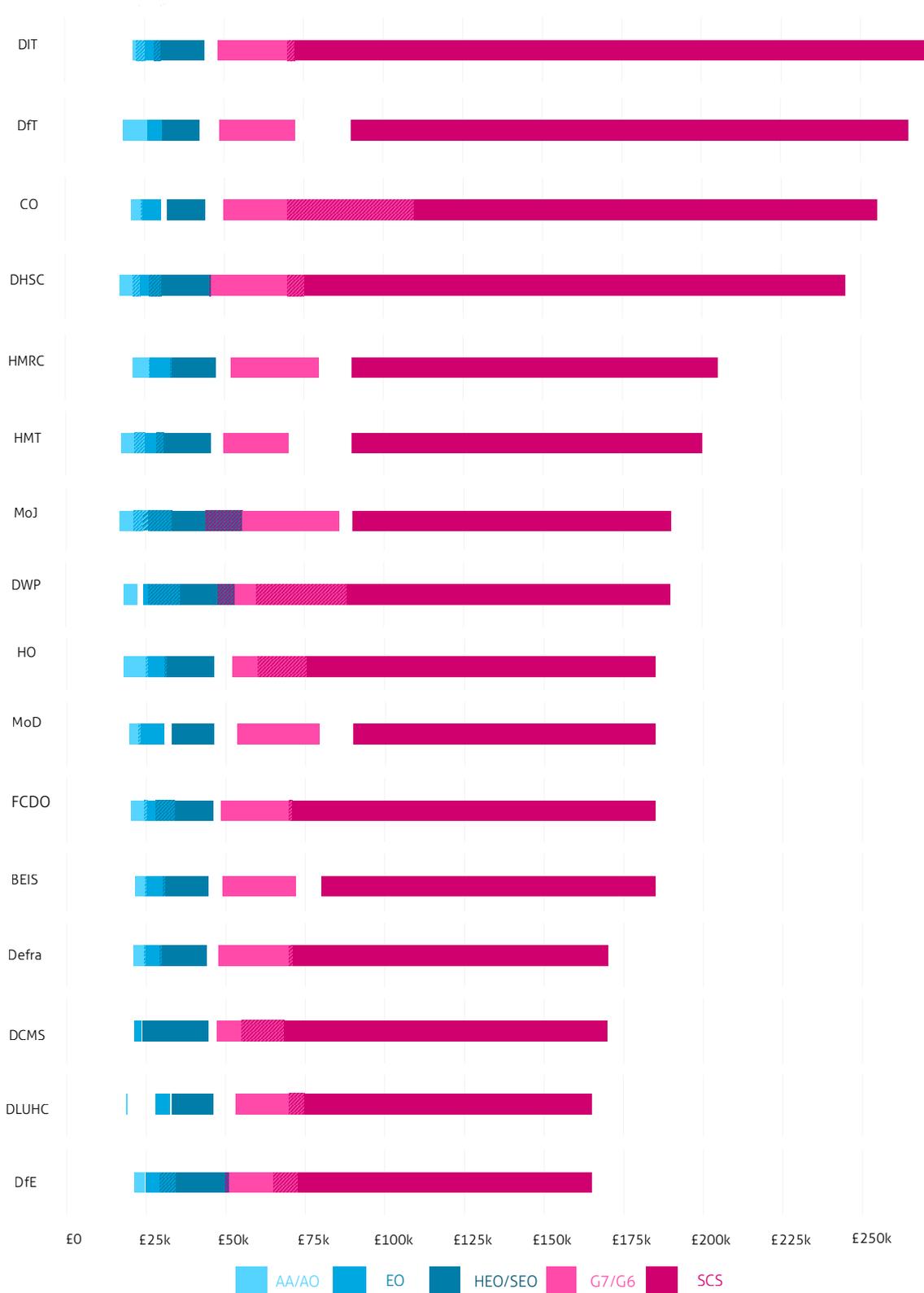
Figure 3.10 Number of civil servants in each pay range (headcount)



Source: Institute for Government analysis of Cabinet Office, Civil Service Statistics, 2020/21.

Long-standing problems with the civil service’s pay structure remain. Departmental organograms point to a substantial overlap between salaries across multiple grades, both within and between departments. Almost a quarter of Grade 6 officials earn more than the SCS1 minimum.²⁰ Sometimes this can make sense – for example, in situations where someone of a nominally lower grade has specialist skills or qualifications or is at the pinnacle of their profession. But, in general, unjustified overlapping pay between grades can demotivate staff and cause friction between senior staff and direct reports who are paid more than them.

Figure 3.11 Civil service pay ranges by grade and department, 2021



Source: Institute for Government analysis of departmental organograms published on Gov.uk. Hatched areas denote overlapping pay grades. We have only counted individuals who worked full-time (one FTE). For grade bands to be included, at least two data points within them had to be available. Departmental organograms are split into 'junior' organograms (Grade 6 and below) and 'senior' organograms (SCS) – for each department we used the most recent available for both. AA/AO = administrative assistant/officer; EO = executive officer; HEO/SEO = higher/senior executive officer; G7/G6 = Grade 7/6; SCS = senior civil service. For further detail on how we analyse departmental organograms, see Methodology.

Dissatisfaction with pay among senior civil servants remains a problem. In 2020, only 20% of senior officials described themselves as satisfied with their pay arrangements, continuing a trend of severe dissatisfaction since 2013 when surveys by the FDA* and Prospect unions began.²¹

In an attempt to address the long-standing problem of staff turnover among senior officials, the government pledged in the Declaration on Government Reform to change the way senior civil servants are paid, implementing capability-based pay by the end of 2021.²² This would link employees' base pay to their skills, knowledge and experience. While pilots have taken place, the government's commitment was not reached, and we understand it is now planning to introduce these reforms during the 2022/23 pay year.

The Institute for Government's November 2021 report on capability-based pay argued that it could be a useful tool as part of the government's wider drive to improve civil service performance.²³ A well-designed capability framework, if properly funded, would signal to civil servants that the government values deep subject expertise and specialist skills and that these are helpful for career progression. But it is unlikely to markedly reduce churn; the cultural expectation that moving jobs is needed for promotion is the most significant factor causing it. Public sector workers tend to be less motivated by money and more by job content, status and a desire for promotion. Efforts to minimise churn should address these factors, as well as pay.^{24,25}

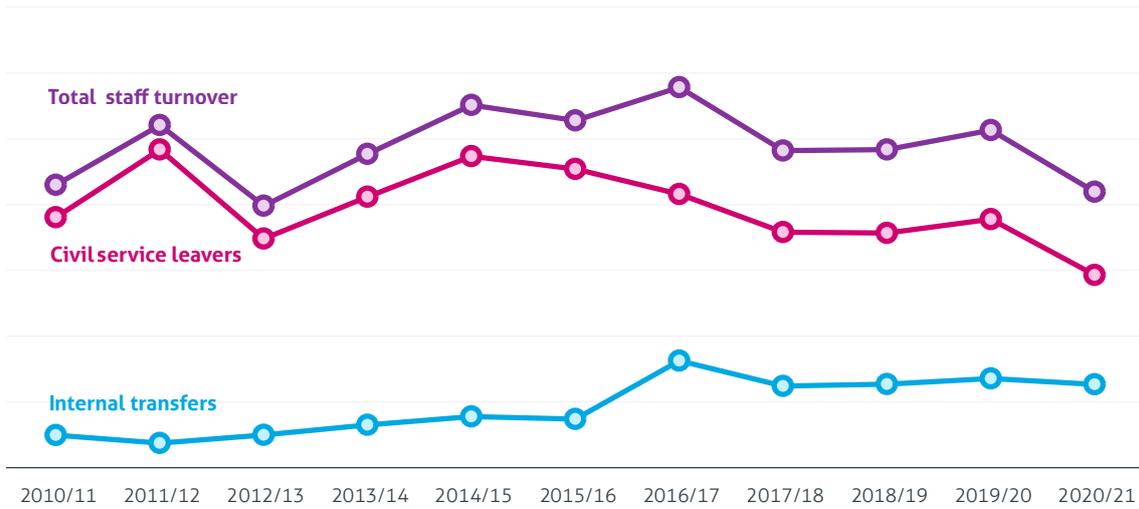
Staff turnover has reduced during the pandemic – but officials continue to move between roles too frequently

Between March 2020 and March 2021, 8.4% of civil servants (39,490 staff) either moved between departments or left the civil service entirely. This is a significant (1.9 percentage point) reduction in total staff turnover compared with the previous year, when it increased by 0.6 percentage points. Total turnover of civil service staff is now at its lowest level since 2013.

In 2019, the Institute for Government estimated that excessive turnover in the civil service cost the taxpayer between £36 million and £74 million each year in recruitment, training and lost productivity.²⁶ More significantly, churn reduces institutional memory, subject knowledge and expertise, while disrupting relationships and projects. This undermines the civil service's ability both to provide good policy advice and to implement longer-term policy effectively.

* The FDA is the trade union representing professions and managers in public service. See www.fda.org.uk/home/Aboutus/about-us-fda.aspx

Figure 3.12 **Total staff turnover, civil service leavers, and internal transfers as a percentage of the civil service workforce (headcount)**

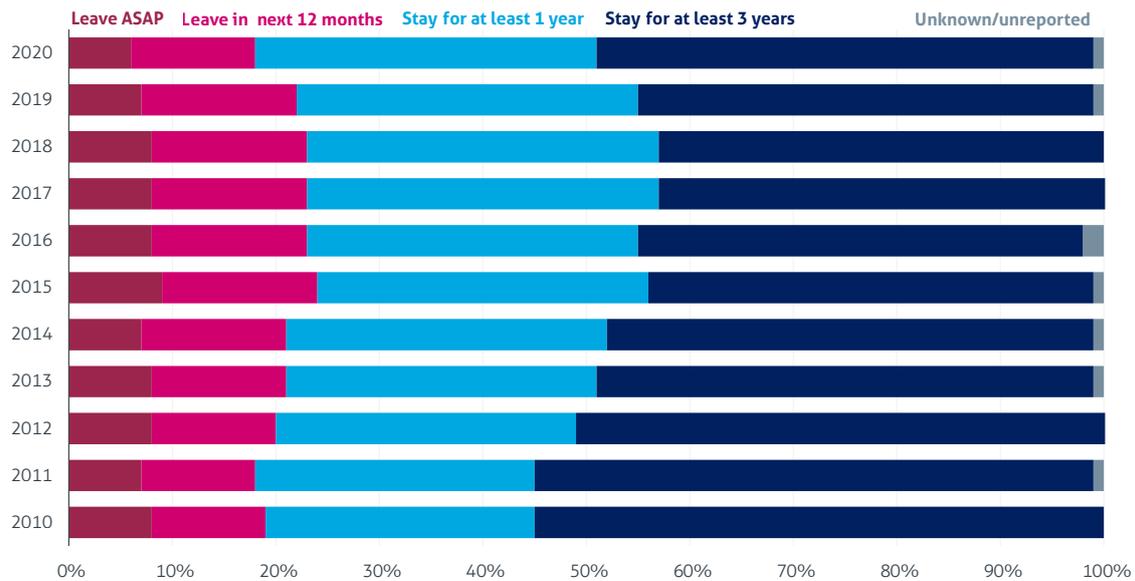


Source: Institute for Government analysis of data provided by the Cabinet Office, 2010–17; and Cabinet Office, Civil Service Statistics, 2018–21. For further detail on how we calculate staff turnover, see Methodology.

The Treasury experienced a particularly marked reduction in staff turnover last year – total turnover halved from approximately 20% to just over 10% of its workforce. While the Treasury had the third highest staff turnover of the major departments in 2018/19, in the latest figures it ranks around the middle of the pack. This is promising, as the Institute for Government has previously argued that a lack of staffing continuity particularly hinders the Treasury’s ability to manage departmental spending with a strategic, long-term view, and to effectively engage with key areas of the economy, such as financial services.²⁷

Recent reductions in civil service staff turnover are part of a wider trend across the public sector during the pandemic. For example, turnover of social workers also reduced over the course of 2020/21 by nearly 2%.²⁸ This is probably the result of economic uncertainty associated with the pandemic rather than a reaction to specific government initiatives. Fewer job opportunities incentivised people to remain in stable employment. At the end of March 2020, early in the first lockdown, 18% of civil servants intended to leave the civil service in the next 12 months or sooner – the smallest proportion recorded since 2011. However, fewer civil servants also intended to stay for three or more years than in 2011, suggesting continued appetite to move in the medium term.

Figure 3.13 Intention of civil servants to leave the civil service



Source: Institute for Government analysis of the Civil Service People Survey, 2010–20.

As the economy recovers from the effects of the pandemic, more job opportunities will become available, civil servants are likely to become more willing to leave for roles outside the civil service, and reductions in external turnover could reverse.^{29,30} The civil service should not expect this reduced external turnover to last in the medium to long term without further reforms to discourage rapid movement between jobs.

Internal churn remains a problem. Recent reductions in civil service staff turnover have been caused by fewer staff leaving the civil service entirely, rather than by fewer civil servants moving between and within departments. Internal turnover between departments has remained consistent at around 2.5% of the civil service workforce since 2017/18 (see Figure 3.11). In the longer term, it has more than doubled over the past decade. In 2010/11, just 1% of the civil service workforce left for an internal role in a different department.

However, these figures are an underestimate of internal movement within the civil service, because they only record internal transfers between departments, not the far higher number that happen within departments. The Declaration on Government Reform does not explain how the civil service intends to address excessive internal movement of staff. The government should not be complacent about the reduced staff turnover seen in 2021. In 2022, ministers and senior officials must take more steps to reduce and mitigate against excessive staff turnover in the coming years.

The government's ability to deliver its priorities depends on effective civil service reform

Now in the second half of the parliament, ministers want the government to focus on delivering the administration's wider priorities, especially given the amount of time spent on Brexit and the pandemic in the first half of its term. The outbreak of the Omicron variant in late 2021 showed that the government will not be able to leave crisis management entirely behind to focus on domestic priorities such as net zero, social care and 'levelling up'. But it must nonetheless learn to do both simultaneously, and strengthening the civil service through reform will be an important way to make that possible. As the third lockdown eased in the spring of 2021, the government began to take a series of steps intended to help ministers and officials make progress on its wider domestic agenda, illustrated in the timeline overleaf. The question for 2022 is whether these steps will help the civil service to implement the government's priorities. Improving the government's delivery capability will be a key task for the civil service in the year ahead.

The new No. 10 Delivery Unit has yet to find its feet

There has been no sign that Boris Johnson has dedicated the time and attention required to provide strong, personal leadership to the new No. 10 Delivery Unit created last year. While the unit's original head, Dr Emily Lawson, comes with extensive public sector delivery expertise, Lawson has – understandably – been redeployed back to her old role co-ordinating the NHS's vaccine deployment programme. The new unit is intended to strengthen the prime minister's hand in ensuring the government's public service priorities are implemented and have a positive impact on real-world outcomes. But delivery units rely on strong leadership from both a political leader and the team's head, without which their effectiveness is limited.³¹

The unit's remit is also too broad. Rather than focusing specialist expertise on a small number of specific public service targets, the team has been tasked with supporting the prime minister's five 'missions': 'levelling up'; net zero; education, jobs and skills; health; and crime and justice. If the unit is intended to act differently from a traditional performance team, monitoring the whole of the government's programme, this remit needs to be tightened up to specific areas the unit can add capability to.

Timeline 3.1 Government delivery events in 2021

April 2021

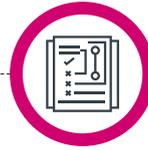
A new Number 10 Delivery Unit is set up to strengthen the prime minister's direct levers of implementation



April 2021

July 2021

Outcome delivery plans (ODPs) are published for every government department, setting out priorities across government



September 2021

The prime minister reshuffles his ministerial team and departmental structures by creating the Department for Levelling Up, Housing and Communities (DLUHC)



September 2021

Government announces reforms to the way social care is funded by individuals and government, including the health and social care levy



October 2021

The chancellor announces the first multi-year spending review since 2015, allocating the funding that departments will have to deliver their priorities



November 2021

The UK hosts the COP26 climate change conference in Glasgow, before which the government publishes its own net-zero strategy



February 2022

The levelling up white paper is expected to be published, outlining the government's approach to one of its top political priorities



2022

The government's aspirations to improve policy making need to be more specific

The Declaration on Government Reform described the current administration's desire to improve the way policy is made between ministers and officials. It expressed the intention to make this process more "open", "collaborative" and "non-hierarchical".³² The Institute for Government will shortly be publishing proposals for how the government should improve policy making and, in doing so, strengthen the UK's ability to address complex policy problems such as net zero and social care. The report outlines issues including:

- a bias towards short-term results rather than long-term outcomes
- poor understanding of how policies will be implemented
- a lack of 'domain expertise' (or expert knowledge) and established relationships with experts
- parochial attitudes towards incorporating expertise from the wider public sector.

It argues that the way to start addressing these problems is to:

- strengthen accountability for policy advice, decisions and outcomes
- develop more diverse, multidisciplinary teams with career 'anchors' to encourage deeper domain expertise
- reform institutions and processes to improve the planning, monitoring and evaluation of policy.

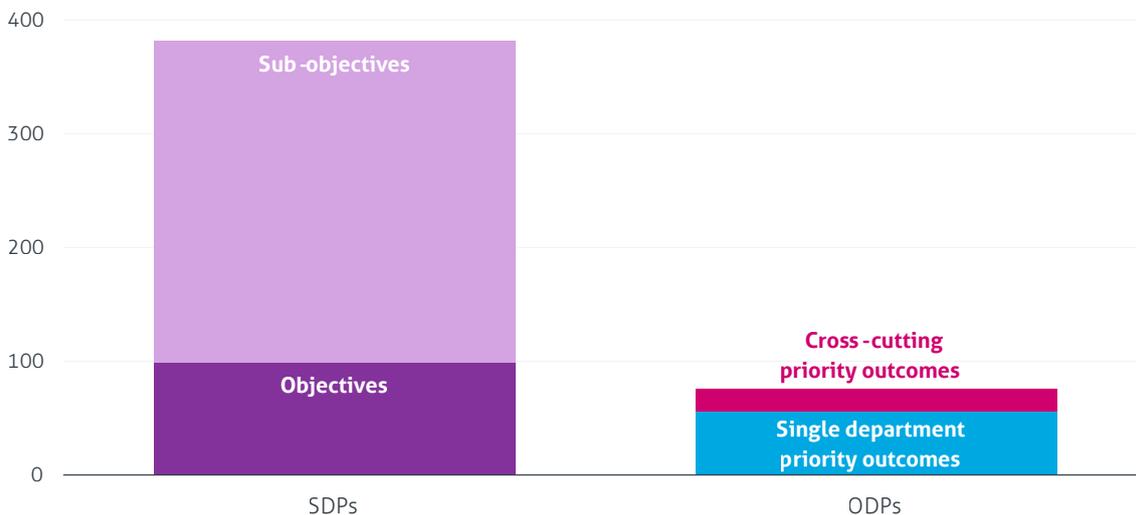
The Declaration on Government Reform described plans to use more multidisciplinary teams, "red teams" to scrutinise departments' plans, a new Evaluation Taskforce to stress-test policies, and closer collaboration between ministers and officials. This is a good start, and the Institute for Government has argued for the benefits that multidisciplinary teams can bring to policy making and implementation.³³ But the actions appended to the declaration do not show how the government will achieve its aims. More detailed public plans, which include a strengthened policy profession, would help the government to realise its policy making ambitions.

Weaknesses in the new performance framework need addressing

In July 2021, the government published its first set of outcome delivery plans (ODPs), part of a new planning and performance framework intended to help the centre of government hold departments to account. These outcomes were revised and re-published in the spending review in October 2021. ODPs are an improvement on the previous performance system built around single departmental plans (SDPs), but the government still has some way to go if it wants to realise the aim of the Declaration on Government Reform: "modernising the operation of government, being clear-eyed about our priorities, and objective in our evaluation of what is and is not working".³⁴

The new ODPs are more focused than SDPs, which in 2019 set out 99 objectives, 283 sub-objectives and more than 1,000 actions.³⁵ In attempting to provide a comprehensive plan for each department, SDPs failed to prioritise the government’s work effectively. The new ODPs published in July are more concise, setting out a total of 76 “priority outcomes”, which should help the civil service prioritise the work of departments.³⁶

Figure 3.14 **Number of objectives, SDPs (2019) and ODPs (2021)**

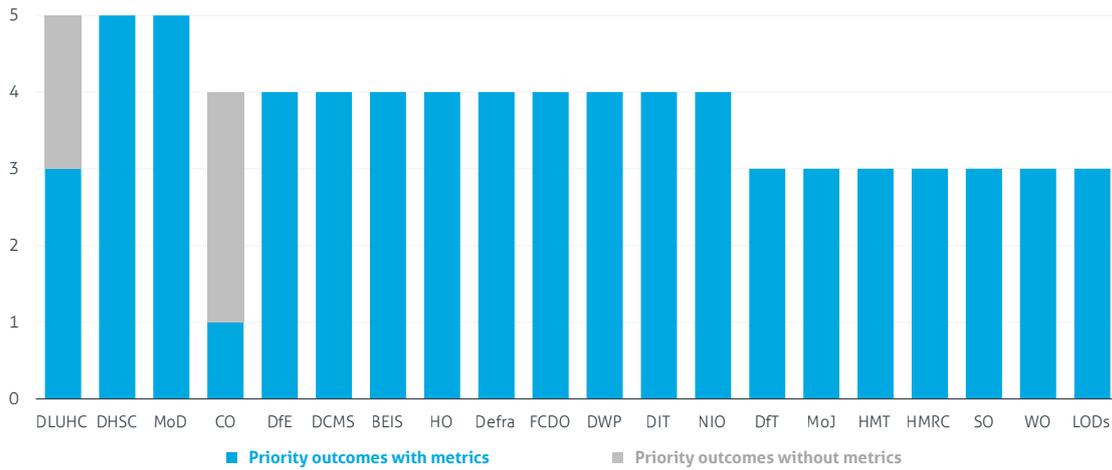


Source: Institute for Government analysis of Gov.uk, Single Departmental Plans, 2019; and HM Treasury, Spending Review 2021: Priority outcomes and metrics, 2021. This chart shows the updated priority outcomes published alongside the 2021 spending review in place of the priority outcomes published in the original ODPs earlier that year.

An effective performance framework would demonstrate how departments intend to spend public money to create inputs (such as the number of GPs) and outputs (such as the number of GP appointments) in order to, within the context of other factors, affect real-world outcomes. It would also explain how the success of that work can be measured by both metrics and qualitative information.

The old SDPs laid out detailed lists of policies and actions that departments planned to take over the coming year, but often failed to connect these to the outcomes departments wished to achieve, or the metrics by which success could be measured. The new ODPs place outcomes and metrics front and centre, often listing multiple metrics for each outcome. This is a welcome focus on real-world impact. But the outcomes are frequently too vague or high-level, and often disconnected from the metrics that purport to demonstrate their delivery. For instance, DWP’s aim to “improve opportunities for all through work, including groups that are currently underrepresented in the workforce” is measured solely through the disability employment rate gap.³⁷ Only a minority of plans demonstrate how departments believe they can effect positive change through specific actions.

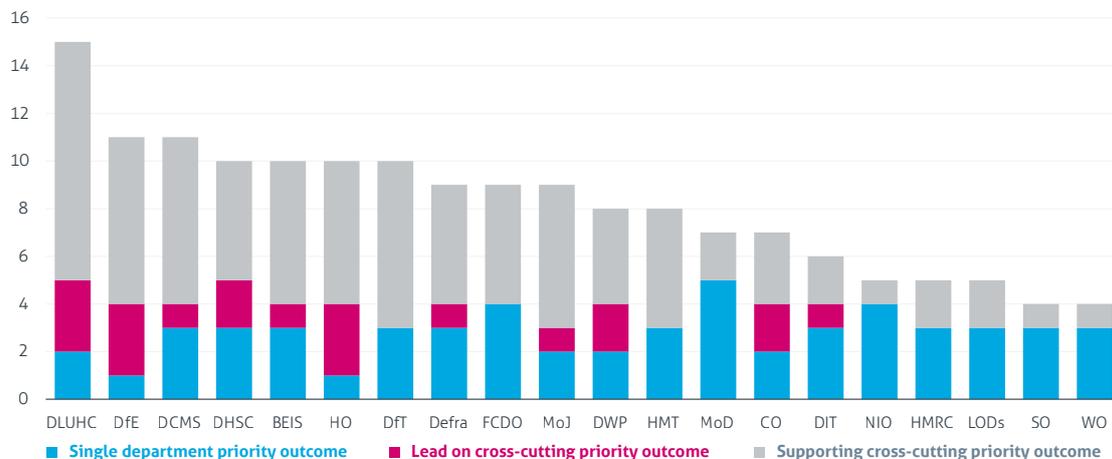
Figure 3.15 Number of priority outcomes with and without metrics by department, 27 October 2021



Source: Institute for Government analysis of HM Treasury, Spending Review 2021: Priority outcomes and metrics, 2021. This chart shows the updated priority outcomes published alongside the 2021 spending review in place of the priority outcomes published in the original ODPs earlier that year. It only shows the priority outcomes that each department is leading on delivering, not those which they are supporting.

Although the vast majority of priority outcomes are now linked to metrics by their lead department, some gaps remain. In particular, the Cabinet Office only assigns metrics to one of its four priority outcomes, promising “narrative reporting” for the other three.³⁸ In part, this may be due to ministers setting goals that are politically sensitive and difficult to measure, such as “seize the opportunities of Brexit”. However, it is less clear why objectives such as “advance equality of opportunity across the UK” have not been quantified. Where metrics have been assigned to objectives, they are sometimes insufficient to measure high-level outcomes. For instance, the Ministry of Defence’s aim to “understand and counter state and non-state threats” is measured simply by the number of operations undertaken and the general “impact of operations”.³⁹ And departments do not define a target number that would constitute success.

Figure 3.16 Number of single-department and cross-cutting priority outcomes by department, 27 October 2021



Source: Institute for Government analysis of HM Treasury, Spending Review 2021: Priority outcomes and metrics, 2021. This chart shows the updated priority outcomes published alongside the spending review in place of the priority outcomes published in the original ODPs earlier that year. LODs are Law Officers’ Departments.

More than a quarter of the government's new priority outcomes are cross-cutting, which means they are led by one department but supported by other named departments. This shows much greater emphasis on co-ordination between departments than in the old SDPs, which only identified a handful of cross-cutting objectives in 2018 and none at all in 2019. This signals a move back towards the model of the public service agreements introduced under New Labour, which in 2007 set out 30 cross-government priorities underpinned by 153 measures.⁴⁰ And it rightly recognises the reality that much of the government's work is complicated and interdependent, especially the government's flagship 'levelling up' policy.

While most departments are leading on just three or four priority outcomes, there are large differences in the number of cross-cutting objectives that each supports. Although DLUHC is one of the smallest departments in terms of staff numbers, it is supporting 10 objectives in addition to the five priority outcomes for which it leads, including such wide-ranging outcomes as:

- improving health and social care, the skills pipeline, digital connectivity and the environment
- supporting disadvantaged and vulnerable children through local services
- reducing crime
- achieving net zero.

This demonstrates the centrality of the 'levelling up' agenda to the way ODPs have been designed. The Department for Education (DfE), the Department for Digital, Culture, Media and Sport (DCMS) and the Department for Transport (DfT) are each supporting seven cross-cutting objectives. In contrast, the Ministry of Defence (MoD), DIT and HMRC are supporting just two priority outcomes, while the Offices for Scotland and Wales are supporting one each.

ODPs do not explain how work on cross-cutting priorities will be managed, for instance what interdepartmental structures have been set up to co-ordinate relevant policy or hold supporting departments to account for their contributions towards the priority outcome. This is compounded by a number of inconsistencies between departments' plans for cross-cutting priority outcomes. Often a department states that it is being supported in achieving an objective by another department, but the supporting department fails to note this in their own ODP. For instance, none of the named departments references in its own plans its support for DHSC's aim to "improve, protect and level up the nation's health, including reducing health disparities".⁴¹ Additionally, ODPs do not provide metrics for measuring a department's progress against the priority outcomes they are supporting, only for those that they are leading.

ODPs are better integrated into the spending review process than SDPs were, and so are more closely linked to financial allocations and performance across government. SDPs were developed separately from departmental spending bids and did not link spending plans to priorities.⁴² We do not yet know much about how the new outcomes were set and informed the spending review process in practice. But we do know that departments agreed their initial priority outcomes for the new ODPs with the Treasury as part of their bids for the 2020 spending review.⁴³ These then informed departments' bids during the 2021 spending review process. And nearly half of departments – including the Department for Business, Energy and Industrial Strategy (BEIS), DCMS, the Department for Environment, Food and Rural Affairs (Defra), DIT, DLUHC, DWP and the Cabinet Office – were able to set out at a very high level in their ODPs how budgets and human resources were allocated to each of their priority outcomes.

The success of the new framework will depend on how ministers and officials manage performance against these plans. So far, relatively little is known about how the government intends this process to work. In a speech at the University of Newcastle in October 2021, the cabinet secretary, Simon Case, announced that a new appraisal system had been introduced in which permanent secretaries are held responsible for progress against their departments' priority outcomes in their performance reviews, with regular 'stocktakes' conducted by officials from No. 10, the Cabinet Office and the Treasury, and reported to the prime minister and the relevant secretary of state.⁴⁴ The documentation published with the spending review also clarified that the chief secretary to the Treasury will hold departments to account through regular spending discussions.⁴⁵ But for this process to drive improvement, it cannot rely solely on meetings with the most senior officials. It must involve close collaboration between the relevant performance, insight and policy teams in departments, the Cabinet Office and the Treasury.

Progress on the ODPs will only be made public in reports published annually. Departments produce more detailed, internal business plans to manage their activities, monitored by the Cabinet Office and Treasury, but which are not made available to the public. Transparency of both the content of plans and the process by which they will be managed would improve the new performance framework, by exposing departments to scrutiny and fresh ideas from outside Whitehall. The next round of ODPs should build on the first by including more detailed, public information.

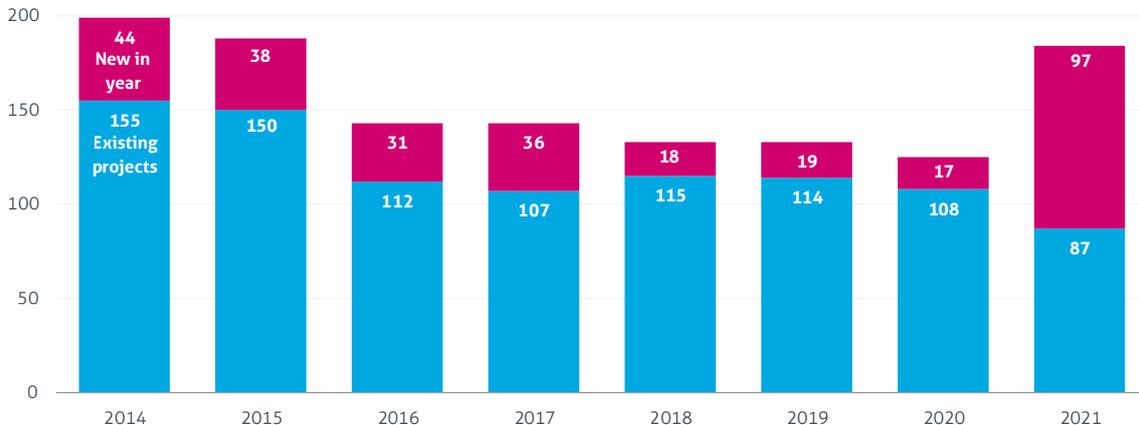
This new framework is promising but does not yet amount to a full step forward in government performance management or transparency. In 2022 the government needs to set more specific targets for the metrics it is using to measure outcomes, iron out inconsistencies between ODPs produced by different departments, share more information about how ODPs will be used to track performance, and commit to sharing more performance data with the public, more frequently.

The Government Major Projects Portfolio grew substantially in 2021

The success of the government in delivering its priorities depends on how well its flagship projects are managed, especially relating to 'levelling up'. In 2021, 97 new projects were added to the Government Major Projects Portfolio (GMPP, 'the portfolio'), a catalogue of government departments' most expensive and complex projects that receive extra support from the Infrastructure and Projects Authority (IPA). These included infrastructure developments such as the creation of a Midlands Rail Hub, large-scale programmes to improve public services such as the recruitment of 20,000 police officers by 2023, and military projects such as building a new medium-lift helicopter. This is the largest number of new items added to the portfolio in a single year since the publication of the IPA's first annual report in 2013. For comparison, fewer than 20 projects were added to the portfolio each year between 2018 and 2020. The government is currently managing 184 major projects – about 1.5 times as many as it did the year before. The portfolio is now at its largest size since 2015.

Successful delivery of major projects depends on effective administration by civil servants in the relevant departments. The number, cost and political importance of capital projects is increasing, making their management a key priority for the civil service in 2022. However, that also means that ministers should be careful to maintain enough administrative resources in their departments to help officials undertake these projects well, on time and to budget.

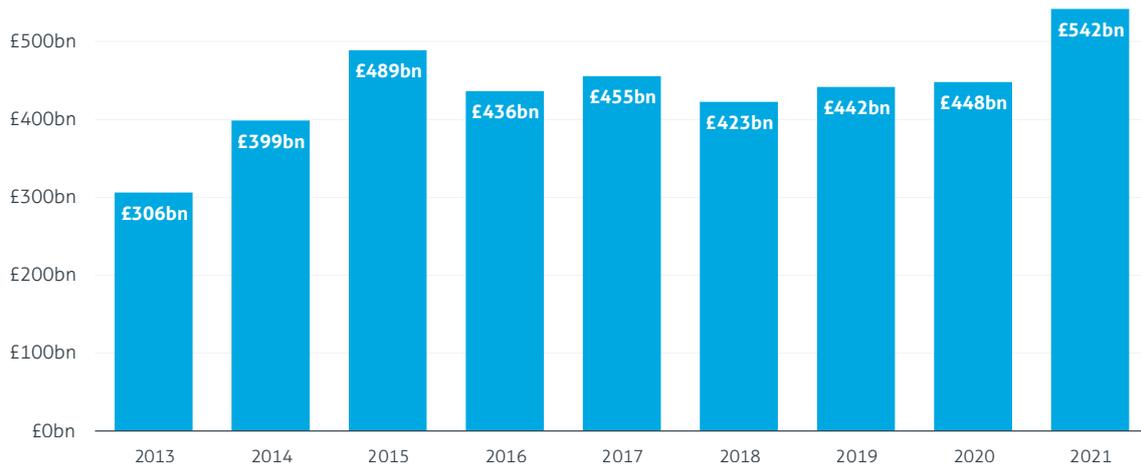
Figure 3.17 **Size and composition of the Government Major Projects Portfolio by year of project entry and exit**



Source: Institute for Government analysis of IPA, Annual Report on Major Projects, 2013–21.

The size of the portfolio means that its average whole-life cost has increased by £94 billion over the last year. In contrast, between 2019 and 2020, the portfolio's estimated cost increased by just £6bn. The total value of the portfolio is now at a record £542bn, higher than between 2013 and 2015 when it included more projects but at a lower cost.

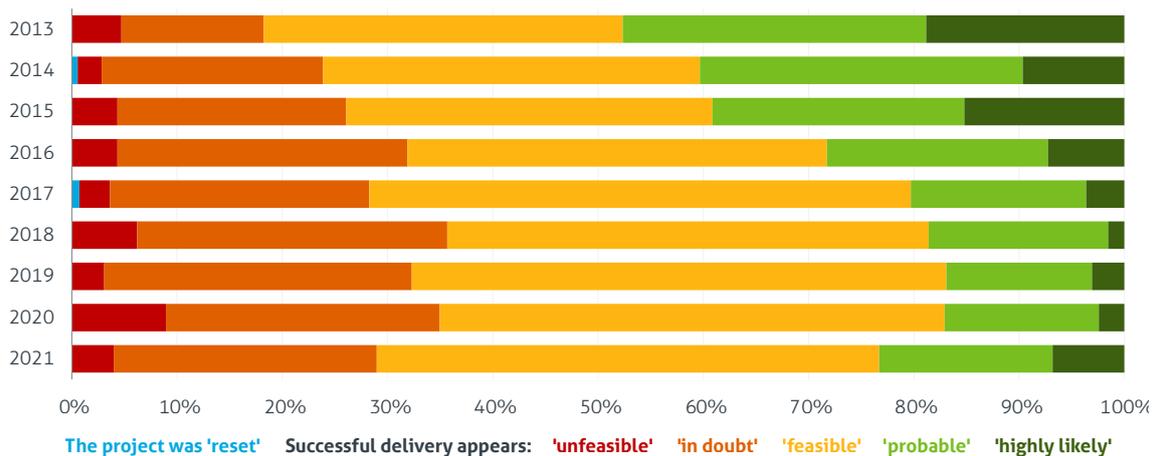
Figure 3.18 Average whole-life cost of the Government Major Projects Portfolio



Source: Institute for Government analysis of IPA, Annual Report on Major Projects, 2013–21.

Despite the increased size and cost of the portfolio, its overall risk profile improved slightly last year. Only seven major projects were judged 'unfeasible' in 2021, fewer than the 11 identified in the previous year. Just 28% of projects were rated either 'unfeasible' or 'in doubt', compared with 34% in 2020, while the proportion of projects judged 'probably' or 'highly likely' to be delivered successfully increased from 17% to 22%. This is especially notable considering the recent influx of new projects. Programmes tend to see their confidence rating improve as they come closer to delivery, with newly added projects considered inherently riskier than well-established ones.⁴⁶ With so many projects added this year, we would ordinarily expect overall confidence in the portfolio to decline. It is worth noting, though, that the portfolio's risk remains worse than it was in the years leading up to the EU referendum in 2016, when more projects were probably or highly likely to be delivered successfully.

Figure 3.19 Composition of the Government Major Projects Portfolio by confidence rating



Source: Institute for Government analysis of IPA, Annual Report on Major Projects, 2013–21.

The Institute for Government has previously argued that the government should aim to reduce the size of its GMPP, concentrating its expert project delivery resource on a smaller number of schemes in order to implement them more effectively.⁴⁷ But given the government's drive to invest in local infrastructure as part of its 'levelling up' agenda, the growth of the portfolio over the past year is understandable. Capital investment in local infrastructure was included in Boris Johnson's speech on the subject in July 2021,⁴⁸ and is the cornerstone of the main policies associated with 'levelling up' announced so far, such as the creation of the Levelling Up Fund, Towns Fund and UK Infrastructure Bank.⁴⁹

Departmental capital spending is set to further increase to £88bn a year over the course of this spending review – £15bn a year more than was spent on average between 2019/20 and 2021/22. However, in the spending review the chancellor also set a target to reduce non-frontline civil service staff numbers to pre-pandemic levels by 2024/25. In 2021, there were more than 1,200 additional civil servants in the project delivery profession compared with 2019. Insufficient civil service capacity to properly manage the delivery of projects has undermined ambitious capital spending programmes in the past.⁵⁰ In making cuts, the government should be careful to retain sufficient numbers of project managers and other skilled staff to spend capital budgets efficiently and deliver its major projects effectively.

Departmental change reflects the prime minister's desire to focus on delivery

The departments into which civil servants are organised influence the work and focus of the civil service. That is one reason why prime ministers often use machinery-of-government changes to try to ensure officials are focusing on the government's top priorities.

There was one such change to the structure of government departments in 2021: the Ministry of Housing, Communities and Local Government (MHCLG) became the Department for Levelling Up, Housing and Communities (DLUHC) when Michael Gove transferred from being the chancellor of the Duchy of Lancaster in the Cabinet Office to become secretary of state in the September reshuffle. As well as a new name, the change meant that the department expanded. Staff from the Cabinet Office's Union and Constitution Group followed Gove to DLUHC. The new department is responsible for "policy on governance in the United Kingdom and elections" as well as MHCLG's portfolio of "relationships with local communities, local government and the housing sector".⁵¹

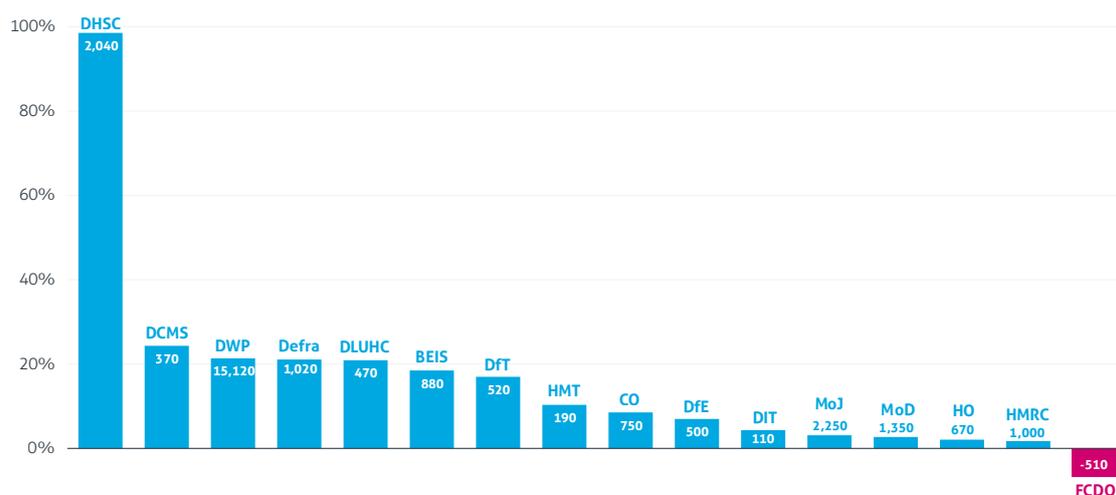
The prime minister aimed to use this machinery-of-government change – as well as the changes among his ministers discussed in Chapter 1 – to signal his focus on delivering his government's flagship policy – 'levelling up'. While adding this slogan to the name of a department allows the prime minister to say that his government is working to deliver this priority, working out the details of how it does so is a longer and much more difficult piece of work, with further detail expected in early 2022 in the delayed and much-anticipated white paper on the topic.

Civil service cuts should be based on long-term workforce plans

The civil service has continued to grow as a consequence of the pandemic

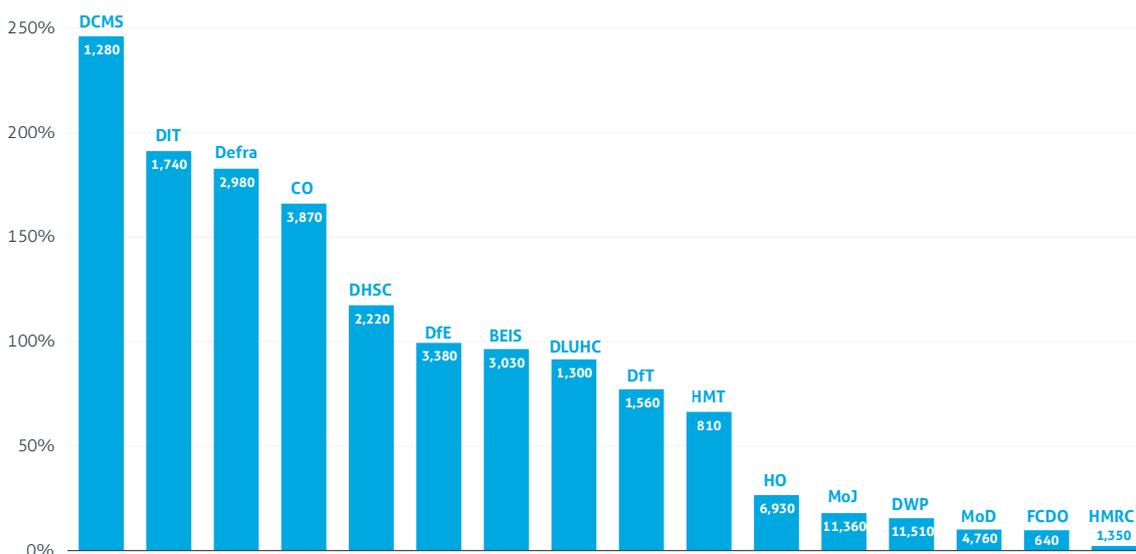
The 42,000 additional officials hired into the civil service in the 12 months to September 2021 can largely be attributed to the government's response to the pandemic, with growth falling heavily on departments central to the UK's response. DWP added 15,120 officials as demand for welfare services grew in the context of the economic impact of lockdown. At the same time, DHSC almost doubled in size, reaching 4,110 officials, to manage the NHS Test and Trace programme and the vaccine rollout.

Figure 3.21 Change in the size of Whitehall departments (FTE staff), Sept 2020 to Sept 2021



Source: Institute for Government analysis of ONS, Public Sector Employment Data (Table 9), Q3 2020 to Q3 2021. These figures exclude transfers of staff that were the result of machinery-of-government changes. The source table was updated on 5 January 2022, after MHCLG was renamed DLUHC. The numbers for each department denote net change in FTE staff.

Figure 3.22 Change in the size of Whitehall departments (FTE staff), June 2016 to Sept 2021



Source: Institute for Government analysis of ONS, Public Sector Employment Data (Table 9), Q2 2016 to Q3 2021. These figures exclude transfers of staff that were the result of machinery-of-government changes. The figures for FCDO before the combination of the Foreign and Commonwealth Office (FCO) and the Department for International Development (DfID) are assumed to be equivalent to the sum of the figures for the two component departments. This table was updated on 5 January 2022, after MHCLG was renamed DLUHC. The numbers for each department denote net change in FTE staff.

This growth is part of a longer-term trend. The civil service has expanded continuously over the more than five years since the 2016 EU referendum, reversing all of the workforce reductions made between September 2010 and 2016. Since the EU referendum, the civil service has grown by around 88,500 people, or 23%. The scale of the task the UK government faced in negotiating with, and preparing to exit, the EU has largely driven that growth. As well as creating and growing DIT (and, until it was abolished, the Department for Exiting the EU), the departments that have proportionally grown the most since the referendum include Defra, BEIS, the Cabinet Office and DCMS, all of which had significant and varied responsibilities preparing for Brexit.

Impending civil service cuts should be informed by targeted workforce planning

Ministers wish to reverse the trend of civil service growth. As part of the 2021–24 spending review announced by the chancellor in October 2021, the government aims to “reduce non-frontline civil service headcount to 2019-20 levels by 2024-25”.⁵²

The government is yet to define which roles it considers to be “frontline”, and therefore what the extent of the staff cuts will be. Reducing the whole civil service to its 2019–20 headcount would mean cutting approximately 55,000 jobs by 2025. It is estimated that around half the workforce undertake delivery roles directly with the public. If the government were to exclude these roles from consideration, that would still leave around 28,000 roles to be cut.⁵³ And this must be done without undermining the government’s capability or restricting skills the government wishes to prioritise in the future.

The pressures of Brexit and Covid that caused the growth of the civil service have not abated, which will make it more difficult for ministers to meet the new target for staff cuts without damaging capability. The government must continue to manage a wide range of permanent, post-Brexit responsibilities introduced in the past three years, including a new immigration system, an agriculture support regime and suites of regulation. And the pandemic will continue to demand resource across departments for the foreseeable future, as the outbreak of the new Omicron variant in late 2021 has demonstrated. The pandemic has exposed the risk of running Whitehall departments with bare minimum staffing, which should alter how the civil service prepares for future crises. The recent joint report by the House of Commons Health and Social Care and Science and Technology Select Committees into lessons learned from the pandemic argued this was true for the Civil Contingencies Secretariat, which “did not have adequate resources” to prepare for and respond to the pandemic.⁵⁴ But in departments across Whitehall, ministers will need to consider what resource will be required to support their departments’ response to unforeseen shocks.

Decisions about civil service staffing levels should be informed by a clear view of the workforce the government will require to achieve its plans. The chancellor’s target to return to pre-Covid staffing levels is arbitrary, so far missing this clear view of the workforce needed to achieve the government’s priorities. But the target is not due to be met until 2024, so ministers and officials have time to make sure the cuts help, or at least do not hinder, the government’s capabilities. Specifically:

- lessons should be learned from the response to the pandemic
- new post-Brexit responsibilities should be properly resourced
- understanding of the existing civil service workforce needs to be improved
- clear decisions about which skills are to be prioritised need to be made.

This process will require departments to collect much better data on the skills and experience of existing civil servants. Data currently collected is poor and shared inconsistently with the centre of government. The government’s chief people officer told the Public Accounts Committee in November 2020 that the civil service remained a number of years away from knowing what skills individual civil servants have.⁵⁵ In 2021, nearly a quarter (24%) of civil servants’ professions were unknown – the second largest category after the operational delivery profession. And the civil service does not systematically capture data on the broader sets of skills that individual civil servants hold, only those linked to their role description – for instance, the government does not know whether a project manager also has financial or scientific expertise.

Figure 3.23 Professions of civil servants (FTE staff), 31 March 2021



Source: Institute for Government analysis of Cabinet Office, Civil Service Statistics, 2021. For further detail on how we categorise professions and functions within the civil service see Methodology.

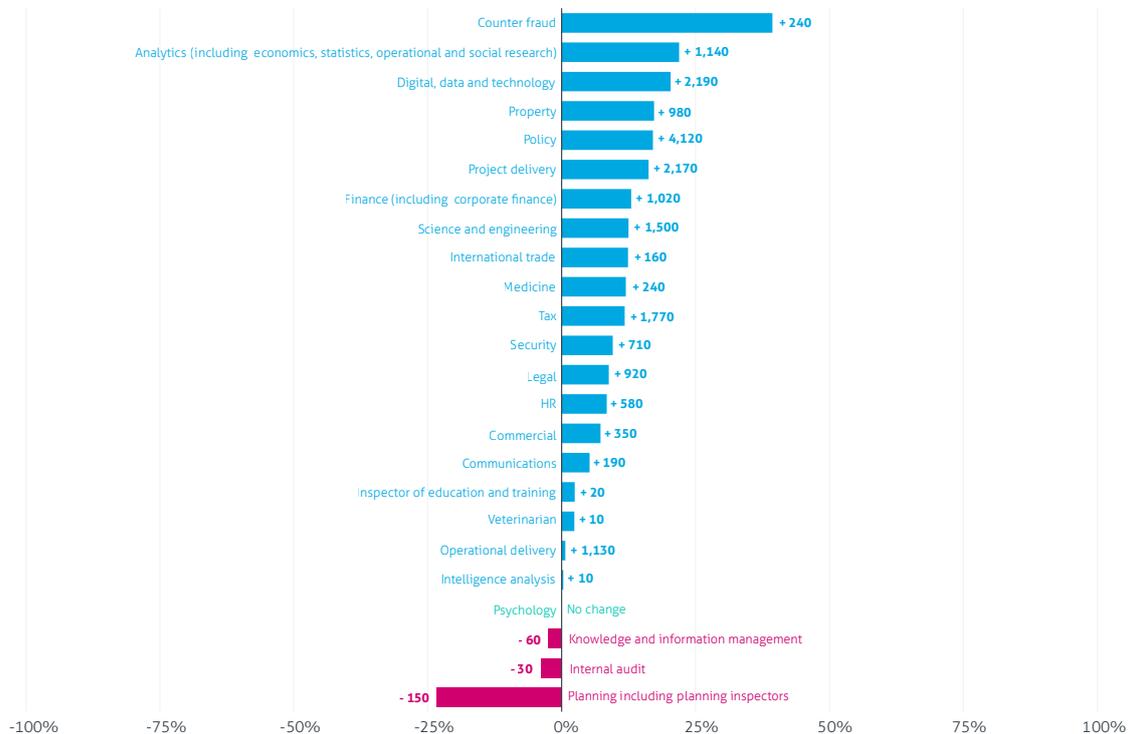
Decisions about staffing levels in the civil service should be made within the context of the government's efforts to develop the skills of its existing workforce. In the Declaration on Government Reform, the government committed to establishing a new curriculum and training campus for government, with a new digital way to access learning, a mandatory induction package, and a data masterclass for the senior civil service.⁵⁶ In January 2021, the Cabinet Office outlined the five 'strands' of the new curriculum.⁵⁷ New online courses have been launched on the Civil Service Learning platform, on topics including understanding parliament, devolution and the role of the civil service, as well as skills such as navigating legal processes, advising, briefing and drafting.⁵⁸

In May, the Government Skills and Curriculum Unit started piloting a new online induction course for civil servants, which 2,000 new officials had completed by November 2021 – representing a small fraction of the staff who joined the civil service that year.⁵⁹ A data masterclass for the senior civil service was developed by the No. 10 data science team and piloted in late 2020.⁶⁰ Seventy-six senior officials had completed the course in February 2021.⁶¹ These pilots mark a good start to the government's commitment to develop the skills of the existing workforce of the civil service, but will need to be expanded and adopted by more of the civil service in 2022.

Better data on the skills and experience of civil servants should be used to inform a long-term workforce strategy. The 2016–20 civil service workforce plan has expired. It must be replaced before ministers and senior officials make decisions about where to cut their departments. The new plan should describe the skills government will need to achieve its aims in the years to come, including those prioritised in the Declaration on Government Reform – such as digital, data, science, engineering, project and commercial delivery skills. It should identify those skills in short supply and those that will be needed less in the future. And it should be built on detailed, department-by-department workforce planning to ensure the strategy can help inform practical decisions about staffing levels.

To meet its workforce target, the government will need to slow the growth of the policy profession

Figure 3.24 Change in the size of civil service professions since March 2020 (FTE staff)

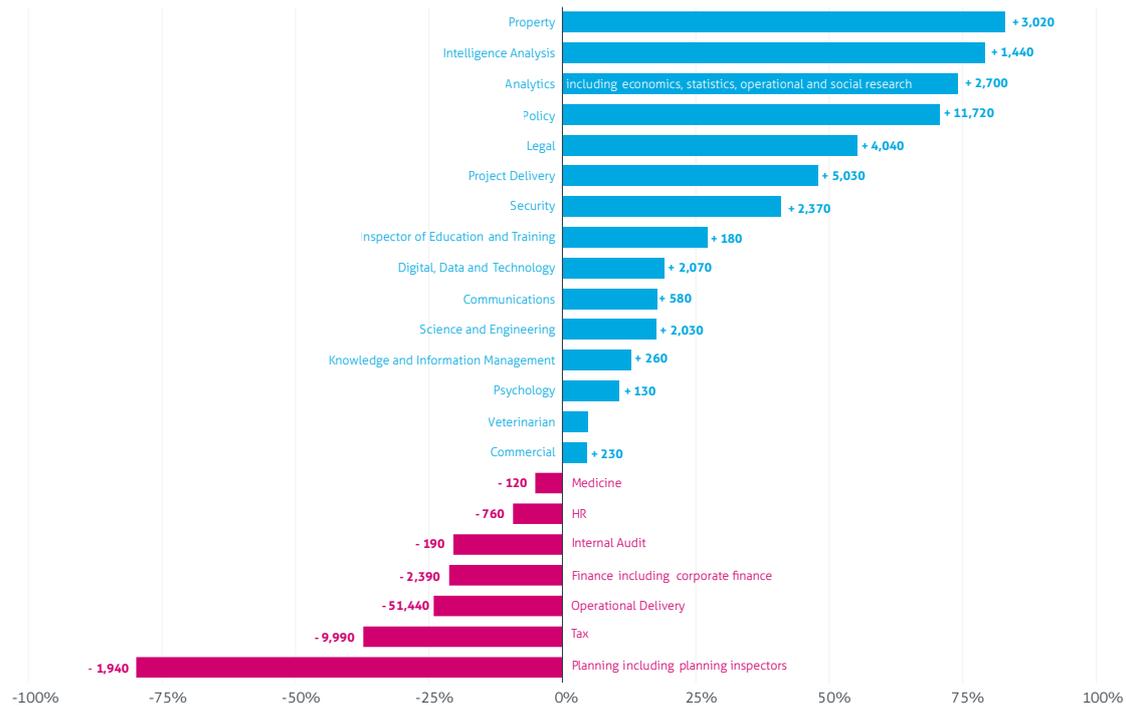


Source: Institute for Government analysis of Cabinet Office, Civil Service Statistics, 2020 and 2021. The numbers for each profession denote net change in FTE staff.

Recent increases in civil service staff numbers have been driven disproportionately by the recruitment of policy specialists, hired to deal with the heavy workload created by Brexit and the pandemic. Between March 2020 and March 2021, the policy profession grew by 4,120 staff, an increase of 17%. DHSC alone had 1,000 more than it did at the start of the pandemic, while BEIS, involved in the vaccine rollout, increased its number of policy specialists by 810.

The digital, data and technology profession, which saw the next largest increase, grew by a more modest 2,190 staff. Other professions relating to skills which the government is keen to develop in the longer term, including project delivery and science and engineering, also grew between March 2020 and March 2021, by 2,170 and 1,500 civil servants respectively.

Figure 3.25 **Change in the size of civil service professions since March 2016 (FTE staff)**

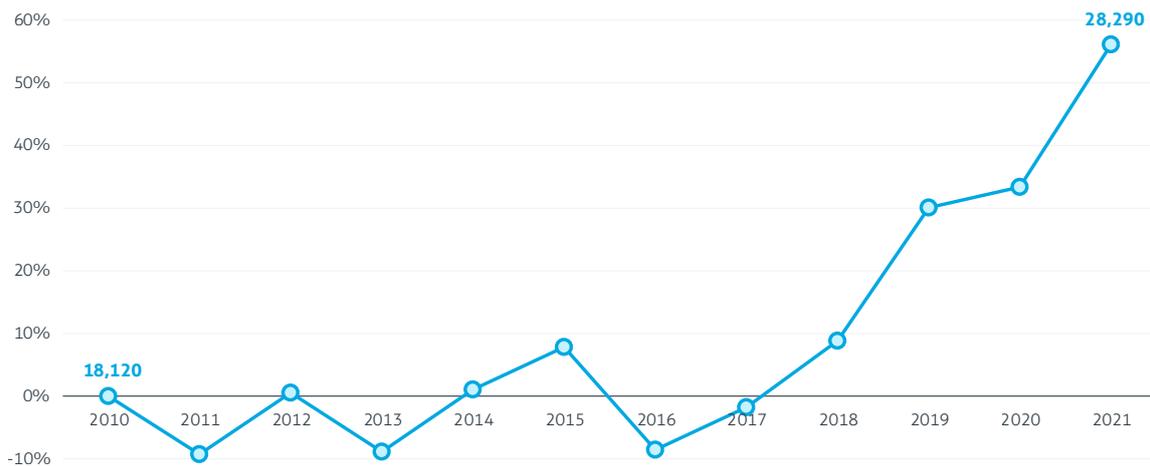


Source: Institute for Government analysis of ONS, Civil Service Statistics, 2016–18; and Cabinet Office, Civil Service Statistics, 2019–21. This chart excludes professions that did not exist in 2016. The numbers for each profession denote net change in FTE staff.

This expansion of the policy profession is part of a longer-term trend. Between 2010 and 2016, the number of policy specialists in the civil service remained relatively stable. But since March 2016, just before the EU referendum, the policy profession has grown by 11,720 staff – an increase of 71%. This is more than twice the next largest growth in staff, in the project delivery profession, which increased by 5,030 civil servants. The departments most affected by Brexit have most radically increased their numbers of policy specialists. BEIS now employs three times the number of policy professionals than it did in 2016, while numbers at Defra and the Home Office have more than doubled.*

* BEIS was created in 2016 through a merger of the Department of Energy and Climate Change (DECC) and the Department for Business, Innovation and Skills (BIS). The number of policy professionals employed by BEIS in 2016 is calculated as the sum of those employed by DECC and BIS in March 2016.

Figure 3.26 **Change in the size of the policy profession since March 2010 (FTE staff)**



Source: Institute for Government analysis of ONS, Civil Service Statistics, 2010–18; and Cabinet Office, Civil Service Statistics, 2019–21. The figure for each year denotes the number of FTE staff that belonged to the policy profession that year.

The Declaration on Government Reform set out the ambition to hire more entrants with high-demand skills, particularly scientists and engineers. But at the same time, ministers and senior officials will need to make difficult decisions about how to meet the target to reduce the civil service headcount by 2024/25. The government has stated that frontline roles will not be included in these cuts. If the civil service is going to be able to hire more entrants into high-priority back-office areas such as science, engineering and digital, while meeting the targets for staffing cuts, then the government will have to address the growing number of policy officials. However, while the policy profession has grown substantially in recent years, it has grown in response to increasing policy demands that are not set to diminish. The extra funding allocated in the spending review, the net-zero strategy and the forthcoming levelling-up white paper will all place pressure on policy specialists advising ministers on how best to make and administer policy across government. Cutting central policy resource too much will have consequences.

Looking ahead

Alex Chisholm, the chief operating officer of the civil service, has said that “if 2021 was about designing the reform effort and publishing our plans” then “2022 is about delivering on our promises”.⁶² Departments will still have to grapple with the ongoing impact of coronavirus, but officials will simultaneously need to ensure that sufficient progress is made on the government’s other aims, especially implementing the net-zero strategy, health and social care reform and ‘levelling up’.

Plans to reduce the size of the civil service should not undermine this effort. Instead, reform of the civil service should be stepped up to contribute to the government’s capability. After reporting on the progress made towards the initial 30 actions of the Declaration on Government Reform, the government should prioritise replacing this list with a new action plan for the year ahead, which clearly contributes to well-defined medium- and long-term objectives.



4. Digital

After a period of rapid progress in the early 2010s with the creation of the Government Digital Service (GDS) and the digitisation of a range of key services, the government's digital agenda has been losing momentum in recent years. Progress slowed and GDS had begun to lose authority across the government.

In this context the pandemic severely tested the government's digital capability, with the sudden need to trace local Covid outbreaks across the country, share data on vulnerable citizens and facilitate the booking of millions of vaccine appointments. There were notable successes. But the Covid response stretched the limits of the state's digital infrastructure and the civil service's skills, and depended on much use of external consultants – at considerable cost. Arguably, therefore, it made the case for long-term investment in digital reform.

The government acknowledged the need for change in digital leadership and used 2021 as an opportunity to put new structures in place. In January 2021, it announced that it was splitting the responsibility for strategic decision making on digital issues and the implementation of digital reform across government between the new Central Digital and Data Office (CDDO) and GDS respectively. This puts the government in a stronger position to make long-term plans to improve digital technology in the public sector.

The main GDS performance platform was closed in March 2021. That means much of the data the Institute for Government has previously used to analyse the government's digital performance is not available. While we would expect performance metrics to be updated as digital government matures, the government must be clearer about how it intends to measure its digital performance and the data it will use, and make available, to do so.

This year's Digital chapter focuses on the key questions on digital reform facing the government:

- How well do these new structures support reform programmes?
- What lessons can the government learn about digital from the pandemic?
- What should the CDDO and GDS prioritise in 2022?

To succeed, the work of the CDDO and GDS needs to begin with a complete map of the state's legacy IT systems – their strengths and weaknesses. The two organisations should then set out how the government intends to strengthen data sharing, launch its single sign-on system and improve Gov.uk services. These plans should be based on a clear set of long-term priorities for digital, informed by detailed workforce planning to identify the digital skills the civil service has, and those it will need, and in the case of the latter how it will secure them.

New management has given fresh energy to digital reform

After progress in the early 2010s, digital reform slowed in the years leading up to the pandemic,¹ with the UK falling to seventh in the most recent UN E-Government Survey in 2020 (from first in 2016).² This is at least in part a result of GDS lacking the authority to ensure departments engaged in reform programmes, and long-term priorities for the improved use and sharing of data were then held back by incompatible legacy systems. Departments continued with their own digital developments, which led for example to the development of two separate online identity verification systems, Verify by GDS and Government Gateway by HMRC. GDS has also experienced ever-changing leadership since July 2019 – including three civil service leaders in 18 months following the resignation of Kevin Cunnington, and 10 ministers since Francis Maude stepped down in 2015.³ As a result, the UK squandered its early lead in digital government. The government now needs to use recent examples of success during the pandemic to reinvigorate digital reform.

To refresh leadership and progress digital reforms, the government established the CDDO in January 2021 within the Cabinet Office to provide central leadership of the government's digital work. A year into its existence, the CDDO has defined its role as setting digital strategy, leaving GDS to focus on improving digital public services and interactions with Gov.uk. The CDDO will also take over the management of the Digital, Data and Technology (DDaT) profession from GDS. That means GDS, under its new chief executive, Tom Read, has an opportunity to focus on implementing changes to digital services and data standards across government. The reorganisation has given GDS, on its 10th anniversary, a clearer remit to help departments deliver digital projects and maintain data standards across government. The CDDO, also with a new executive director, Joanna Davinson, is better positioned to take long-term decisions about the government's digital priorities.

* The UN E-Government Survey has been conducted since 2010 to compare nations' abilities to deliver digital public services, through digital governance, the necessary infrastructure and skills. The methodology for the survey has been broadly consistent across each two-year period, with minor alterations to reflect the relevant trends in digital government. The UK's fall in the ranking is a result of slightly falling scores across all measured categories, but remains within 5% of Denmark at the top of the ranking.

The structural change is accompanied by new ministerial leadership. Stephen Barclay, the chancellor of the duchy of Lancaster and minister for the Cabinet Office since the September 2021 reshuffle, has been a vocal advocate for digital reform. In a speech in 2020 he urged the Treasury to be “the new radicals” when it came to “obtaining, analysing and enabling open access to data”.⁴ Strong political sponsorship from Barclay will be needed for the civil service to reform across government. This will need to be sustained with clear and consistent messaging from the top of the civil service, including stable digital leadership in the CDDO and GDS.

2021 demonstrated the strengths and weaknesses of existing digital capabilities

The pandemic led to logistical and policy problems that required new, rapid digital solutions. Pressure came from, for example, the need for robust digital systems that could handle very large numbers of users (up to the whole population for vaccine booking) and a new understanding of the whole population based on existing but patchy data (for example, to offer shielding advice). The government had to deal with these pressures while reassuring the public about how it was using and sharing data across the public sector, at a time of increased scrutiny and public interest in personal data.

Existing services such as Notify – which allows public sector organisations to send automated messages using their own digital services, for example on vaccine eligibility and availability – had to deal with a surge in demand. Other services, such as Universal Credit, were quickly expanded and capitalised on what proved to be robust digital platforms that could sustain functionality through periods of unprecedented demand. Providing new services at speed, like the vaccine booking system, was made possible by previous investment by GDS in a ‘modular’ Gov.uk platform, which streamlined the creation of new services while keeping them to a familiar – and therefore often more user-friendly – government style. NHS Digital used the platform in combination with its own databases to rapidly create new systems. These were generally successful: demand was largely managed during first and second vaccination drives – though the system did collapse briefly during the Omicron surge in December 2021 after the government announced that everyone over the age of 18 was eligible to book a booster.⁵

Other aspects of the response required data to be shared between departments and public sector organisations with urgency and at scale. Data sharing agreements (or gateways) were quickly set up between departments, local councils and public bodies. HMRC and the work and pensions department shared data to support furlough payments, as did the housing and communities department with the health department to identify the clinically extremely vulnerable population in need of support. Successful data sharing was achieved where necessary in 2020–21, which required data to be quickly made compatible and the establishment of appropriate legal agreements between organisations.

Legal gateways were quickly established to facilitate data sharing during the pandemic, but issues with data quality and compatibility had to be overcome at speed. Private sector organisations including Palantir and Faculty were brought in to overcome incompatible IT systems and quickly clean and standardise data for effective sharing. Their success at cleaning the data confirmed that the government can overcome barriers to sharing more data, in a crisis and with the right skills, money and motivation available. But without these, which in 2020–21 were made available due to the severity of the crisis, the government is not well equipped to manage such tasks itself and suffers from long-standing problems with data quality within, and data-sharing between, public sector organisations.

These data quality and compatibility barriers slowed the government's ability to respond to the pandemic. In the first weeks of the pandemic in 2020, it took three weeks to identify the 1.3 million people in the clinically extremely vulnerable group due to the inconsistent data storage and quality across NHS trusts and GP practices.⁶ Though the systems were improved as the pandemic continued, some barriers still exist: where these relate to data protection rules (sometimes perceived rather than actual) the government should offer better guidance for creating and sustaining data sharing agreements in a timely way. The government has a register of data sharing agreements so that civil servants have examples of how this has been done previously – though it is still incomplete, with departments' records of updating it sporadic at best.

The government was right to prioritise the ongoing pandemic response in 2021, where its use of technology rapidly provided new Covid-related services including the vaccine booking system, and bringing in additional capacity from the private sector where necessary. But it must also learn lessons from its earlier handling of the pandemic and capitalise on its new digital leadership, particularly regarding how best to share data and how to boost digital skills.

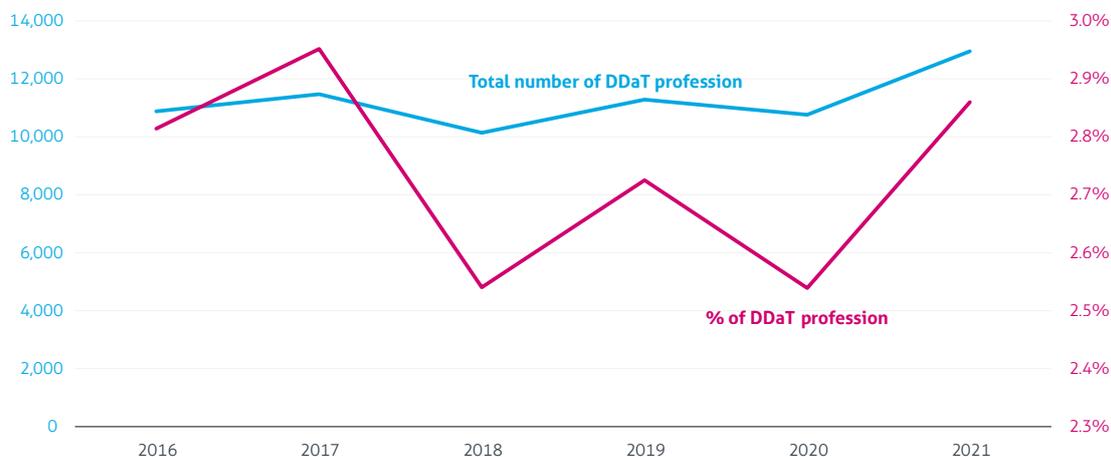
The civil service needs to prioritise digital skills and awareness, especially at senior levels

Digital and data are recurrent themes throughout the Declaration on Government Reform published by the prime minister and cabinet secretary in June 2021 as a statement of the government's priorities for changing the way the civil service, and government more broadly, works. The declaration set out the government's aim to improve the digital skills held within the civil service.⁷ More digital skills, both in front-line technical expertise and in building understanding among civil service leaders, will be essential to advance digital services and overhaul existing systems. The CDDO will have to identify the digital skills the civil service already has, those skills it will need to achieve the government's digital priorities, and how it should go about securing these skills through training, recruitment and external support.

The CDDO has taken over responsibility for leading and developing the Digital, Data and Technology (DDaT) civil service profession, the third largest cross-departmental specialism since 2018. Its staff increased by a fifth, to 2,190, between 2020 and 2021 and it now makes up just under 3% of the civil service (full-time equivalent). This increase has come alongside an updated DDaT professional capability framework that breaks the profession into six categories of role, with each having different seniority levels.

This offers clearer definitions of duties between roles and a better sense of career progression for the profession. The new framework has improved awareness of what the DDaT profession offers departments beyond simple IT support, rectifying a previous flaw in how the profession was perceived.⁸

Figure 4.1 **Total number of DDaT profession and as percentage of total civil service (FTE)**

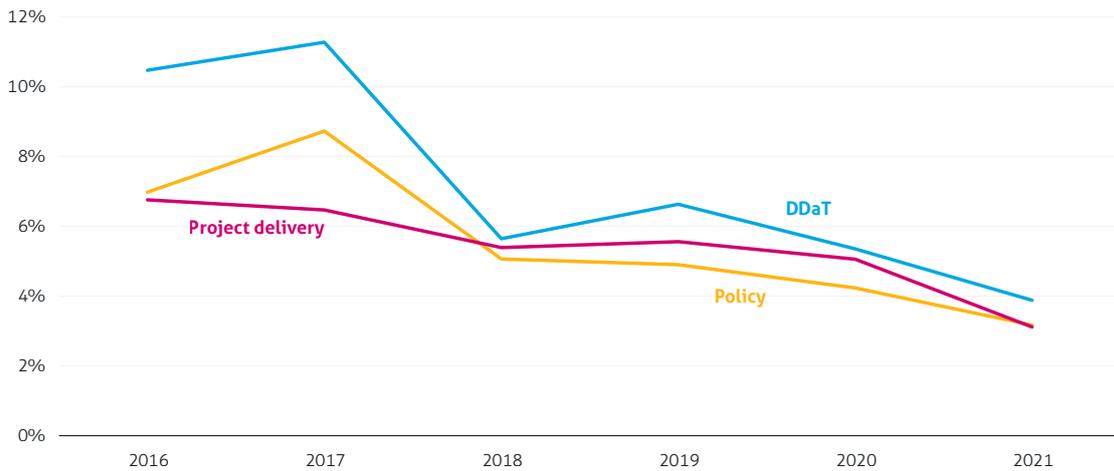


Source: Institute for Government analysis of ONS, 'Public sector employment data', 2016–2021.

Digital skills in the public sector generally suffer from high staff turnover. Reasons cited for this often included low pay, less innovative work cultures and limited opportunity for career progression. It is noteworthy therefore that DDaT pay remains above the median of professions across the civil service.⁹ More importantly, people with digital skills prefer to work for organisations with innovative work cultures, a greater appetite for risk when creating new services, and the chance for direct ownership of projects, more commonly found in the private sector.¹⁰ But opportunities for career progression have been improved through the capability framework, which has contributed to the reduction in the number of staff leaving the DDaT profession each year from 10% to 6%, as civil servants can better see how they progress through to leadership roles. Ultimately, high turnover in the DDaT profession limits the number of civil servants with both digital skills and the project leadership qualities needed to make digital change, and the government must diversify the pool of potential future leaders beyond those starting with digital skills.

The government has recognised that it lacks experienced DDaT members with delivery leadership skills. It must now decide how to bring these skills into the workforce in a competitive recruitment market. This will require a workforce plan that clearly sets out how much the civil service should prioritise training existing staff, how much to hire from outside, and how much to contract out to achieve the government's immediate goals. Any plan must also look to the long term, describing how the DDaT profession will fit into the future civil service, in the wider context of overall staff reductions over the next four years stipulated in the 2021 spending review.

Figure 4.2 Annual leavers from DDaT profession as percentage of total DDaT profession, compared to policy and project delivery professions



Source: Institute for Government analysis of ONS, 'Public sector employment data', 2016–2021 and Cabinet Office, 'Civil Service entrants and leavers by department and profession', 2021.

The CDDO has also committed to training senior civil servants to make better use of the DDaT specialists in their departments.¹¹ The Cabinet Office has recognised that it must do more than offer narrow technical training (such as coding skills) and instead ensure the whole civil service leadership community is 'digitally competent' with greater confidence in digital business models and their potential to improve government.¹² Better digital literacy in the senior civil service will mean more interesting work for the DDaT professionals and increase staff retention as a result. The CDDO must ensure digital training is provided to all senior civil servants via the new civil service training curriculum, announced in January 2021, which will also strengthen the training on offer to the wider civil service.¹³

Improvements to digital leadership are still in their early stages. For example, a digital and data sub-board of the Civil Service Board was formed in April 2021 and, as of November 2021, had met only twice. And only half of departmental executive teams contain senior officials with digital expertise.¹⁴ This lack of consistent digital expertise among senior civil servants increases the government's reliance on external suppliers.¹⁵ So in 2022, the government must be more ambitious in its digital training of senior civil servants and in providing digital expertise across all executive teams.

The government must take the time to build public confidence in digital change

Public trust in digital government has been repeatedly tested in recent years. In 2021, the government had to abandon plans to share GP records due to widespread public resistance. This came shortly after problems with the use of algorithms in public services that had the potential to cause discriminatory results. The use of algorithms for live facial recognition by the police force has faced multiple legal challenges,¹⁶ while the system for automated checking of passport application photos by the Home Office had known issues in recognising facial features of some people with very light or dark skin shades.¹⁷

The sharing of data has been a particular concern. The government's most high-profile data sharing failure occurred when the general practice data for planning and research (GPDPR) was postponed in July 2021.¹⁸ The initiative, which required the sharing of personal health records and characteristics via a single database accessible to the whole healthcare system, select researchers and private organisations, was presented in part to monitor the long-term impact of coronavirus, especially how to manage and inform policy on the health impacts of long Covid. GPDPR was met by broad public resistance largely because of a lack of public engagement in its creation, with only a short consultation and opt-out period. Having to reverse course should have been a reminder to the government about the public's strong feelings on data sharing.

During the pandemic the use of algorithms proved again to be controversial, when one was used to grade GCSE and A-level pupils in 2020 in lieu of exams, prompting allegations of discrimination against pupils from deprived communities and widespread criticism of the education department. In response to concerns about algorithms, the CDDO has launched a new standard on algorithmic transparency to build public confidence in their use by government to replace or aid human decision making.¹⁹ The standard asks all public organisations using algorithms to explain and justify them, and for those algorithms making critical decisions to indicate their training data and potential for bias. The government wants to use the standard to overcome ethical concerns by being transparent with their involvement in decision making and how their impacts are being addressed, by publishing information on a public register. This transparency is welcome, but it will only alleviate public concern if public engagement and consultation is conducted properly to explain proactively where and why algorithms are being used. And the register will only be useful if public sector organisations use it properly and publish all their algorithmic information in a timely and accessible way (as is not, as mentioned above, currently happening with data sharing information).

The government has a responsibility to build confidence by properly engaging the public when it makes algorithm-led decisions or decisions about the public's personal data more broadly. Registers, such as those detailing where algorithms are used, are a positive step towards providing information, but only if they are consistently used. But more must be done, including proactive public engagement explaining where algorithms are being used and their societal benefits, as well as providing indefinite opt-out periods when appropriate.

GDS is right to prioritise a single sign-on and 'whole services' for Gov.uk

In 2021, GDS returned to its original focus of improving the public experience of government. This has seen it take a more hands-off approach to managing the digital needs for each department and even close its performance platform, which provided a central hub for data on government service performance, as well as its canonical data registers service* in March 2021.²⁰ This change will leave individual departments responsible for publishing their own service performance data, though this brings with it the risk of greater inconsistency in timeliness and quality.

* The registers service provided complete, structured datasets of specific government information, for example, a complete list of all countries recognised by the UK.

However, closing these central resources – whose upkeep required constant work – will provide GDS with more capacity to provide a unified sign-on process across all of government via Gov.uk, which stands to improve the public's access to digital services.²¹

Despite GDS's success at putting the most commonly used public services online, around 4,000 other services have not yet been digitised.²² Rather than take on the conversion of these outstanding services themselves, GDS is providing standard online templates for departments to use when converting paper- and pdf-based services onto the website without the need for specialist technical support.²³ It is currently piloting the online templates with several departments, which should be expanded across government in 2022. This will encourage departments to take on more responsibility for their digital services but operate within a data structure defined centrally.

The most difficult task will be the launch of a single sign-on service to end the requirement for users to repeatedly input their information into different departmental web systems. This is a deceptively complex problem that governments have been trying to resolve since the creation of GDS a decade ago. It will require improved data sharing across departments and organisations to work effectively, and increased public engagement to raise awareness of the benefits of a single-identifier system. The transparency of GDS's approach in 2021 via their regularly published blogs on the topic is welcome.²⁴ But ministers and senior officials should not underestimate how difficult this commitment is likely to be. It will require sustained focus, investment and political support in 2022 for GDS to make sufficient progress and for the CDDO to ensure that departments co-operate.

The second priority for GDS is the creation of 'whole services' for users, currently being trialled in some departments. These are designed to aid users' navigation through multiple complementary digital public services when they need to interact with government through a single event or process, from starting a business to having a baby. The aim is for the Gov.uk platform to identify the sequence of likely interactions with public services and make them more prominent and clear to the individual.²⁵ This would make it a more consumer-friendly product, benefiting from access to more personal data than is currently the case. GDS's trial will be expanded in 2022 as departments begin to use the single sign-on service.

GDS has taken on difficult tasks that require new technical solutions and departmental buy-in to succeed. But it is right to pick these priorities and if successful they will improve public interaction with digital services. GDS, though, will be heavily reliant on the CDDO's ability to ensure full departmental participation for the new systems to work effectively.

The CDDO must deal with legacy IT systems and build new skills

While GDS focuses on transactional digital public services, the CDDO must act to improve data use inside government by dealing with the compatibility of legacy IT systems, building up the necessary digital skills within the civil service and improving public confidence in the government's data processes.

The government has started to set out its plans to overcome barriers to data sharing. A 2021 consultation that focused on how to better facilitate data sharing gateways between departments is awaiting a government response. The CDDO will have a key role in encouraging departments to share data and it should use the recent experience of the pandemic to increase the number and quality of data sharing gateways in government. The Public Accounts Committee has argued that the CDDO should be able to compel departments to abide by digital standards set centrally, which would resolve future data incompatibility issues across departments and present more opportunities to benefit from effective data sharing.²⁶

Legacy IT systems present another barrier to practical data sharing across government. These are systems that run on outdated or obsolete technology, and have an annual maintenance cost of £2.3 billion as of 2019.²⁷ For example in 2021, a 1980s-era computer system was responsible for underpayment of state pensions by around £1bn,²⁸ and an even earlier system, from the 1970s, that was undergoing a routine update led to the loss of more than 400,000 evidence records from the Police National Computer.²⁹ The various legacy systems are expensive to maintain, reliant on specialist technical expertise and are often incompatible and have different data standards, all of which played a part in necessitating the use of private companies during the pandemic to clean and share data at speed.

As a priority the CDDO should build the first complete map of the government's legacy systems. This would identify weaknesses in the government's digital infrastructure and crystallise the reforms required to improve data sharing and the use of technology in the future. Such a technology map would be the foundation of a long-term strategy for digital reform, aiding project prioritisation and rollout. The CDDO must build on this and its initial piloting work to lead a full overhaul of legacy systems in 2022.

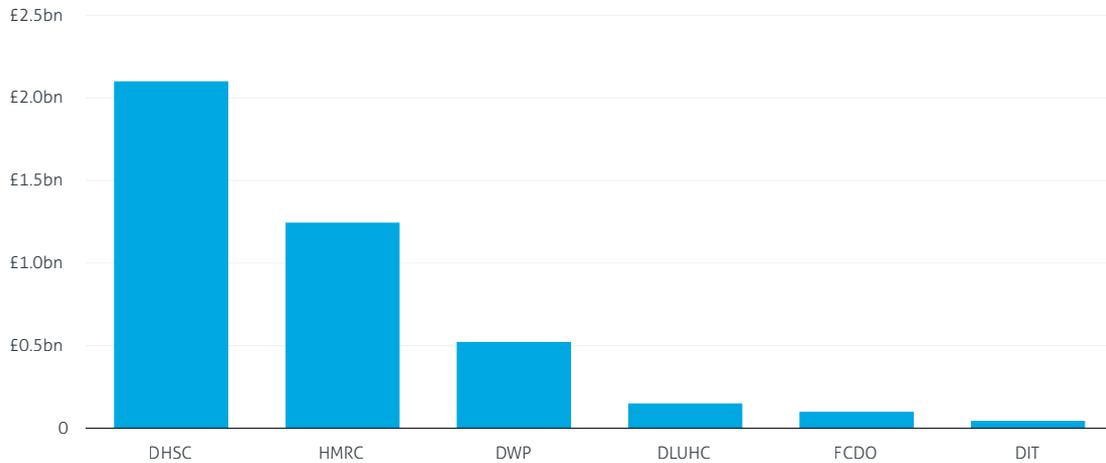
The government must sustain investment in digital for improvements to be realised

The ambitions stated in the Declaration on Government Reform are ambitious, and will be expensive to meet. Reform of data and IT systems in particular will need substantial funding, which previous governments have been reluctant to provide. So this government was right to allocate £4.2bn for identified IT improvements across several departments, with a clear focus on the health department, in the 2021 spending review (compared to £2.25bn in the 2015 spending review – see Figure 4.4, overleaf), with further spending commitments made as part of wider budget allocations.³⁰

Some £1.5bn of this is to improve or upgrade legacy IT systems and strengthen the UK's cyber security within departments. In all, £2.6bn has been allocated to the National Cyber Security Programme to upgrade legacy IT systems and improve government cyber security, as announced in a strategy published in December 2021.

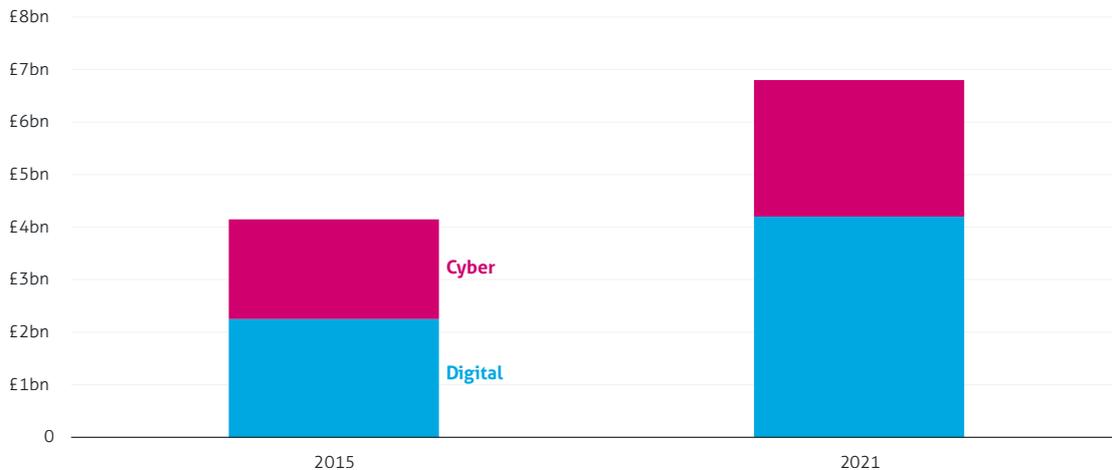
This increased investment is necessary to link digital systems across government to enhance data sharing and increase the security of data. Investment in the digital infrastructure of government will be needed for the foreseeable future.

Figure 4.3 **Identified new spending on digital improvements by department in the 2021 spending review**



Source: Institute for Government analysis of HM Treasury 'Autumn budget and spending review 2021'.

Figure 4.4 **Comparison of digital spending between 2015 and 2021 spending reviews**



Source: Institute for Government analysis of HM Treasury 'Autumn budget and spending review' 2015 and 2021. Spending attributed to improving digital public services has been classified as 'digital' and spending for cyber security improvements as 'cyber'.

The overhaul of IT systems and data practices will be expensive and require new project governance processes to be managed outside traditional spending review periods, given their duration and complexity. Some, like those within NHS trusts, are subject to multi-decade-long renewal processes and therefore prone to compromise by ministerial and policy changes. The CDDO will need continued ministerial support to achieve IT systems that facilitate the data sharing required by government and must start prioritising updating the systems that offer the most value to government.

Looking ahead

In 2021 the government's priority was, rightly, to restructure its digital organisation and allow its new leadership to bed in while also providing public services with the digital capabilities needed to manage the ongoing pandemic, not least in facilitating a whole-population vaccination booking system. In 2022 there should be a fresh focus on how the government intends to strengthen its digital infrastructure and improve its long-term skills.

This will require detailed workforce planning for the size and skill-base of digitally trained civil servants both in the DDaT profession and across the rest of the civil service. New training should expand to ensure that every senior civil servant is supported to become more digitally literate by the end of 2022.

In 2022 GDS will have the space and licence to develop a robust plan for how the government will achieve its long-held ambition for a single sign-on system and whole services via Gov.uk. And following its 2021 consultation CDDO should set out the future for data-sharing and the regulation of data, learning from the experience of the pandemic.

These efforts must be informed by a comprehensive map of the government's remaining legacy IT systems, a clear description of the government's long-term priorities for digital reform, and a strategy to achieve them.



5. Arm's-length bodies

Arm's-length bodies (ALBs) have come under renewed focus during the pandemic. Crucial to delivering many public services, ALBs have been criticised by politicians for perceived failings, most notably leading to the resignation of the chief executive of Ofqual, the exams regulator for England, over GCSE and A-level grading in August 2020 and the abolition of Public Health England (PHE) in October 2021. High-profile rows around the appointment of chairs of regulators like Ofcom and the Charity Commission have also erupted, as the government has sought to appoint candidates more aligned to its agenda to ALB leadership roles.

These issues partly stem from ongoing and largely unresolved questions about how ALBs should be used, and what sort of relationship they should have with ministers. Government efforts to reduce the role of ALBs after 2010 resulted in a significant drop in their numbers, but this trend has slowed in recent years, in part because responding to Brexit and Covid has been a higher priority than ALB reform. The transparency of ALBs has also declined. But the government is beginning to show a renewed interest in wider reform. The Declaration on Government Reform, published in June 2021 by the prime minister and cabinet secretary, committed to improving the sponsorship (department-level management) of ALBs, something recent National Audit Office (NAO) and Public Accounts Committee reports have noted as an area of neglect by government.¹

Though the number of ALBs has fallen since 2015, their total spending is increasing, largely due to the growing budget of NHS England.² Staff numbers have also grown over the same period.³ This is in line with other parts of government, with civil service numbers increasing following the Brexit vote, and has partially similar causes – many ALBs, and especially regulators, have had to take on new responsibilities after Brexit.

These changes demonstrate that the reform efforts of the past 10 years have found it easier to merge bodies or abolish smaller ones, rather than moving significant functions out of the scope of ALBs. With reform back on the agenda, ministers have a chance to achieve positive change in the coming years if they focus on the sponsorship, transparency and accountability of ALBs and on problems with the appointments system, rather than returning to the numbers-focused approach of previous reform programmes. But they will need to adapt their approach to recognise that many ALBs are under pressure from Covid-related backlogs, stresses on the appointments system and continuing adjustment to new post-Brexit responsibilities.

ALBs remain complex and difficult to categorise

ALBs are fully or partly publicly funded central government organisations that are not ministerial departments, and have varying degrees of independence from government. They deliver many of the key public-facing services provided by government, provide independent expertise to government, and regulate most sectors of the economy. They are a subset of [public bodies](#), which also include public corporations and parliamentary bodies.

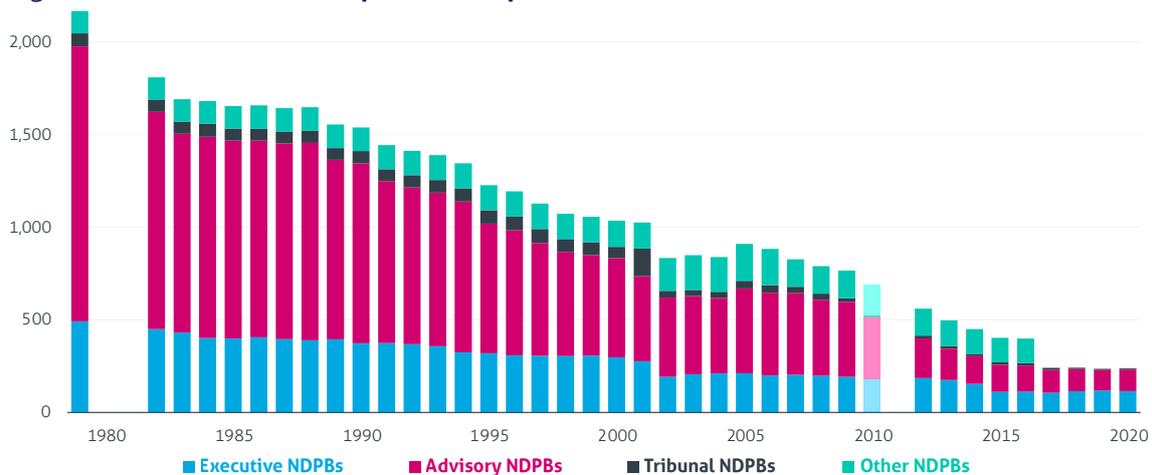
Despite many attempts to reform public bodies, the categories the Cabinet Office uses to describe and analyse ALBs are still messy and inconsistent, and lack a clear alignment between form and function. For instance, bodies performing regulatory functions include public corporations, executive agencies, executive non-departmental public bodies (NDPBs) and non-ministerial departments. The key types of ALBs and their relationships to ministerial departments are described in the table overleaf.

The number of ALBs has been falling for decades

Public bodies have been subject to [repeated reform efforts](#) and their number has fallen steadily over the past four decades. Taking only NDPBs, the largest group, there has been a fall of around 85% since 1979. This has made it easier for the public, parliament and ministers to keep track of bodies and hold them accountable. But reductions in the number of ALBs have not necessarily resulted in fewer services being delivered or less spending at arm's length.

For instance, under Margaret Thatcher and John Major the number of executive NDPBs fell by a half, but their government-funded spending nearly doubled after accounting for inflation.⁴ In contrast, the NAO has argued that the coalition government's first round of reforms, between 2010 and 2013, did result in significant changes to "accountability for public spending" as services moved into departments from ALBs, and achieved at least £1 billion in administrative savings.⁵

Figure 5.1 **Number of non-departmental public bodies**



Source: Cabinet Office, public bodies datasets 2000–20. Early data summarised in 2000 report. Government did not publish data on the number of NDPBs in 1980, 1981, 2010 or 2011. Numbers for 2010 were calculated by the Institute for Government based on analysis of departmental annual reports, and so are not completely consistent with previous and subsequent datasets.

Table 5.1 UK public bodies

	More independent of ministers 				
Type of body	Executive agency	Non-ministerial department	Advisory NDPB	Tribunal NDPB	Executive NDPB
What do they do?	Service delivery, often of public services	Service delivery, often regulation	Provide independent expert advice	Make legal decisions	Service delivery
Separate legal personality from the department?	No	Yes	No	Yes	Yes
How much control does the department have?	Department sets policy	Sets own policy, department can set strategic framework	Department usually sets its strategic framework	Department usually sets its strategic framework	Department usually sets its strategic framework
Status of staff	Civil servants	Civil servants	Generally supported by staff from the department	Generally supported by staff from the department	Public servants
Funding	Included in departmental estimate	Usually has own estimate	Included in departmental estimate	Included in departmental estimate	From department – usually grant-in-aid
Examples	DVLA, Met Office	Crown Prosecution Service, Ofsted	Law Commission, Boundary Commission	Pensions Ombudsman	NHS England, Environment Agency

Source: Cabinet Office, *Public Bodies Handbook – Part 1: Classification Of Public Bodies: Guidance For Departments*, April 2016, Annex B.

Cuts to the number of ALBs since 2010 have been concentrated among smaller NDPBs rather than executive agencies or non-ministerial departments. The number of advisory, tribunal or other NDPBs fell by more than 75% between 2010 and 2020, far more than the number of executive agencies, which was reduced by 41%; the number of non-ministerial departments has stayed the same.

In addition, advisory bodies were more likely to be completely abolished (as with the Renewables Advisory Board), whereas executive agencies were more likely to be merged (the Courts Service and the Tribunals Service) or absorbed into a department (Jobcentre Plus, which moved into the work and pensions department). The abolition of most of the government's advisory NDPBs had relatively little financial impact, as these bodies generally have few or no employees – many were managed by departmental staff – but will have reduced the number of channels by which ministers can receive evidence-based, independent advice on technical topics. The government should think carefully about the expertise it will lose before further reducing its advisory bodies.

Mergers of large bodies have also had a mixed impact. Mergers may result in cost savings, as bodies are able to share backroom staff and offices. But they risk depriving ALBs of their advantage as specialist, focused bodies, if they are required to fulfil multiple competing functions. This may result in some functions being neglected.

For instance, PHE was formed in 2012 out of a merger of bodies delivering health protection work (including safeguarding against novel pandemics) and those managing health prevention programmes combatting smoking and obesity. But critics have suggested it neglected the health protection side before the pandemic, and its perceived poor performance during the Covid crisis led to its abolition.⁶ Its two functions have subsequently been split into separate bodies once again, in the form of the UKHSA and the new Office for Health Improvement and Disparities.

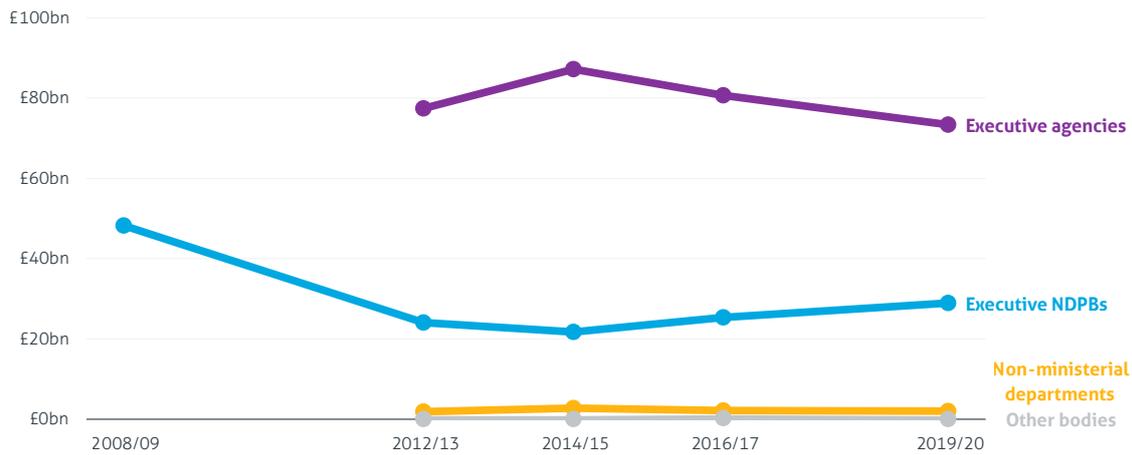
ALB spending has not fallen as the number of ALBs has reduced

As outlined above, the level of spending by executive NDPBs fell in the early years of the coalition government, as functions were moved in-house or contracted out to private providers, and mergers resulted in some administrative savings. However, there is no data on the spending of executive agencies in this period, which may have increased as some executive agencies picked up functions previously provided by NDPBs, such as skills funding.⁷

Since 2013, despite a fall of nearly half in the number of ALBs, funding for them as a whole has remained steady. Executive agencies increased their spending between 2012/13 and 2014/15, but their spending has fallen since 2015, largely due to government spending less money through PHE and the Education and Skills Funding Agency (ESFA).

But even excluding NHS England, whose funding has increased by over 10% since 2015, executive NDPBs have seen a significant uplift in funding and spending since the end of the Coalition government. Real-terms spending by executive NDPBs is now a third higher than it was in 2014/15.

Figure 5.2 **Real-terms government funding of different categories of ALB, excluding NHS England and HMRC**



Source: Cabinet Office public bodies dataset 2009–20; inflation-adjusted figures produced using HMT GDP deflator, September 2021. Excludes NHS England because it would skew this data (it spends about as much as all these bodies combined), and HMRC because it is only included in the dataset from 2017/18 onwards. Data on NDPBs is missing for 2009/10 and 2010/11, and for all other categories is missing before 2012/13.

These numbers show that a focus on the number of bodies alone will not necessarily have an impact on how much government spends through ALBs, or even how many functions are performed by them. If government wants to reduce the importance of ALBs, it should look at specific services that may be better performed elsewhere on a case-by-case basis, rather than attempting to reduce the number of ALBs as an aim in itself. Better still, it should focus on improving the scrutiny it applies to ALBs and clarifying their remits and governance, to improve the performance and public understanding of the ALBs that already exist.

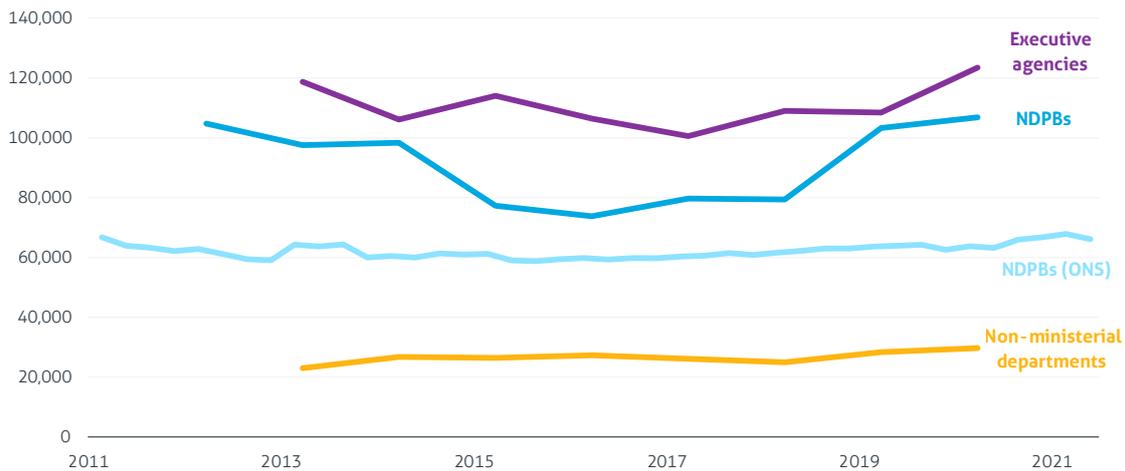
ALB staff numbers are generally higher than in 2013

Despite the fall in the number of bodies, overall staffing in ALBs has increased in recent years. Numbers have followed a similar trend to the civil service (the staff of executive agencies and non-ministerial departments are civil servants) – falling from 2013 until 2016 and then increasing following the EU referendum, as bodies prepared to take on more responsibilities after Brexit and funding constraints were loosened.

Overall staff numbers at ALBs (excluding HMRC) are now 8.7% higher than they were in 2013.⁸ However, much of this change is due to the recategorisation of bodies. For instance, the rise in executive agency employment between 2019 and 2020 is entirely explained by the addition of Defence Equipment and Support (DE&S) after it was reclassified as an executive agency. But DE&S had existed since 2014, and its staff numbers or cost to the government did not significantly change between 2019 and 2020 – it was simply added to the statistics for the first time.*

* The numbers above come from Cabinet Office data. The ONS releases alternative data on employment by NDPBs alone, which uses more consistent categories across time. This shows a similar pattern to the Cabinet Office dataset – modest decline until 2015, followed by a slow rise – but with much less variation over time.

Figure 5.3 **Staff numbers (full-time equivalent) by category of ALB**



Source: ONS public sector employment 2011–21 where stated, Cabinet Office public bodies dataset 2013–20 otherwise. Executive agency and non-ministerial departmental staff numbers are also included in the civil service staff numbers in Chapter 3. Data excludes HMRC, as it was only included in the dataset from 2018. For further detail on how we calculate these figures, see Methodology.

A few departments, especially the Department of Health and Social Care (DHSC), have taken on the bulk of new staff. DHSC’s ALB staff numbers have nearly tripled since 2013 as NHS England has grown and taken on more responsibilities.⁹

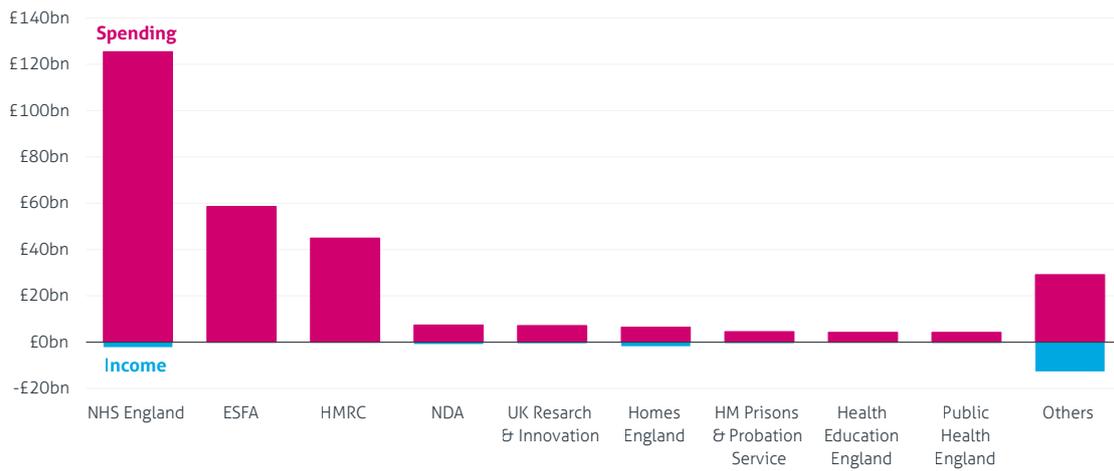
The fact that employment in ALBs has risen over the past five years despite the number of ALBs falling shows that the focus on reducing ALB numbers alone does not necessarily result in savings to the government, or reduced ‘bureaucracy’. It also reflects the fact that many bodies were simply merged or recategorised, with their functions still being delivered by ALBs.

ALB spending continues to be dominated by NHS England and big grant-making bodies

Most spending by ALBs is concentrated in a few bodies, as in previous years. In 2019/20, around four fifths of government money spent through ALBs went to NHS England, the ESFA (which funds state schools in England, as well as apprenticeships) and HMRC (which distributes child benefits and tax credits).

These bodies do not spend most of this money themselves. NHS England is the umbrella body that manages health spending and provides specialist services, but it distributes most of its funding directly to local NHS bodies, which provide most services. Similarly, the ESFA passes most of its budget on to schools and to businesses supporting apprenticeships, and HMRC to benefits recipients. While together they account for the vast majority of ALB spending, they employ less than a quarter of ALB staff. However, they play an important role in ensuring money is distributed correctly, accounting for how it is spent to ministers and to parliament, and co-ordinating how services are delivered between local bodies.

Figure 5.4 **Spending and income of ALBs, 2019/20**



Source: Cabinet Office public bodies dataset, 2020. ESFA = Education and Skills Funding Agency; NDA = Nuclear Decommissioning Agency.

Many ALBs are very small – more than 40% (132) have 10 or fewer staff. Around 20% (67) operate at no net cost to the taxpayer, generally because they are funded through industry levies or by charging fees for services. This includes some fairly large bodies, such as the Driver and Vehicle Standards Agency, which earned more than £350 million in 2019/20 from fees charged for services like driving theory tests¹⁰ (although overall the vast majority of ALB spending is funded by central government).

Reductions in ALB numbers have slowed

The reduction in the number of ALBs has slowed in recent years, and in some cases been reversed. The number recorded in Cabinet Office datasets stayed the same between 2019 and 2020 – the first time it has not reduced for 15 years.¹¹ This is partly because the government has run out of the more obvious bodies to cut or merge. But it is also because its responsibilities, including those of many ALBs and especially regulators, have grown as a result of the UK’s exit from the EU. This has resulted in the creation of new ALBs to take on functions formerly carried out by the EU, like the Office for Environmental Protection and the Trade Remedies Authority.¹²

Some bodies have also been split into multiple new bodies in recent years, a reversal of the previous trend towards the consolidation of different functions in one body. As well as the example of PHE noted above, this can also be seen with the Homes and Communities Agency, which in 2018 was separated into Homes England and the Regulator of Social Housing.

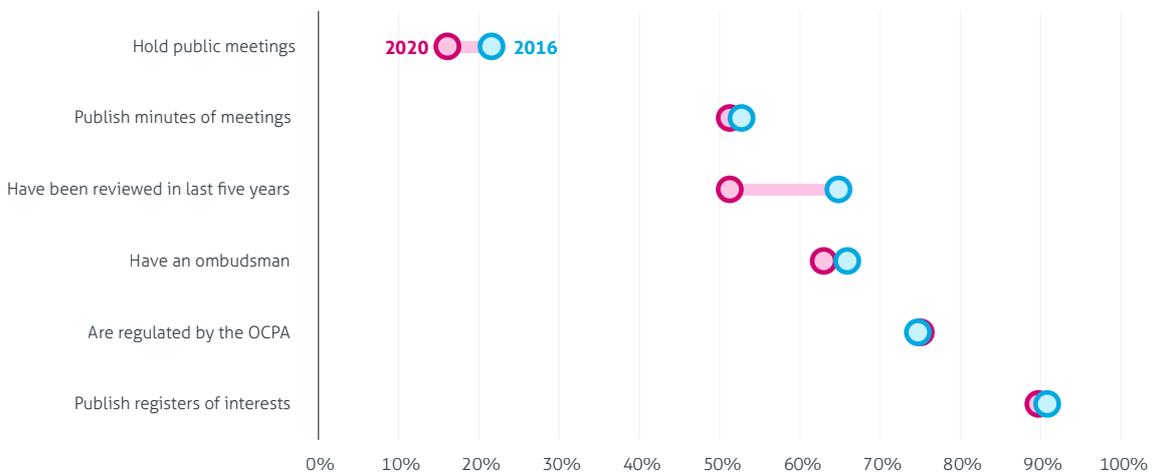
The recent stability in ALB numbers also reflects the fact that the last two governments have been less focused on ALB reform than the Cameron administration, with issues such as Brexit and coronavirus taking priority. This was noted by the NAO in its recent report into central oversight over ALBs, which criticised the Cabinet Office for slow progress on the development of a public bodies reform programme.¹³

Transparency is declining in ALBs

In addition to the slowing of change in the number of ALBs since 2016, there is also evidence that they are less transparent than in 2016. ALBs are sometimes accused of being opaque and difficult for the public and even members of parliament to understand.¹⁴ It is important that they publish data on their performance and are open to review and regulation. The Cabinet Office collects some data on how transparent and accountable ALBs are, although this is based on limited criteria such as whether they hold their meetings in public or are subject to the rulings of an ombudsman. This data shows a slight fall in transparency since 2016. Perhaps more worryingly, there is now less data readily available on this subject than previously.

Comparing only bodies for which data exists in 2016 and 2020, we found a slight regression on key transparency metrics over the past five years. Fewer bodies hold public meetings or publish the minutes of those meetings, and fewer release registers of interests for board members. The most striking change is that the number of bodies that have been subject to a formal review in the past five years has fallen from 66% to 51%. This is despite a government target to review each body at least every five years.¹⁵ As the NAO has pointed out, reviews are often seen as an ineffective 'box-ticking' exercise both by bodies and departments, and lack a rigorous external perspective, which may partly explain why they are being used less frequently.¹⁶

Figure 5.5 **ALB transparency, 2016 vs 2020, proportion of bodies who:**



Source: Cabinet Office public bodies datasets 2016 and 2020; OCPA annual report 2020/21. OCPA = Office of the Commissioner for Public Appointments – this regulation usually applies to the chairs and boards of bodies, although it sometimes applies to executive positions too. Only bodies that existed in both datasets were compared, to avoid any distortion due to compositional effects. The data on how many bodies were regulated by the OCPA was collected manually for 2020 by comparing the list of regulated positions in the OCPA annual report (2020/21) with the 2020 public bodies dataset. For further detail on how we calculate these figures, see Methodology.

However, the Cabinet Office is planning to reform how reviews are conducted, with an emphasis on reviewing the sponsor relationship rather than just the public body itself and the introduction of more of an external element. This should result in reviews being used more frequently, especially for the half of bodies that have not been reviewed since 2016.

The Cabinet Office also releases less accessible data on public body accountability than it used to. For instance, it no longer collects data on how recently a body has released an annual report.¹⁷ In addition, the recategorisation of 143 bodies outside of

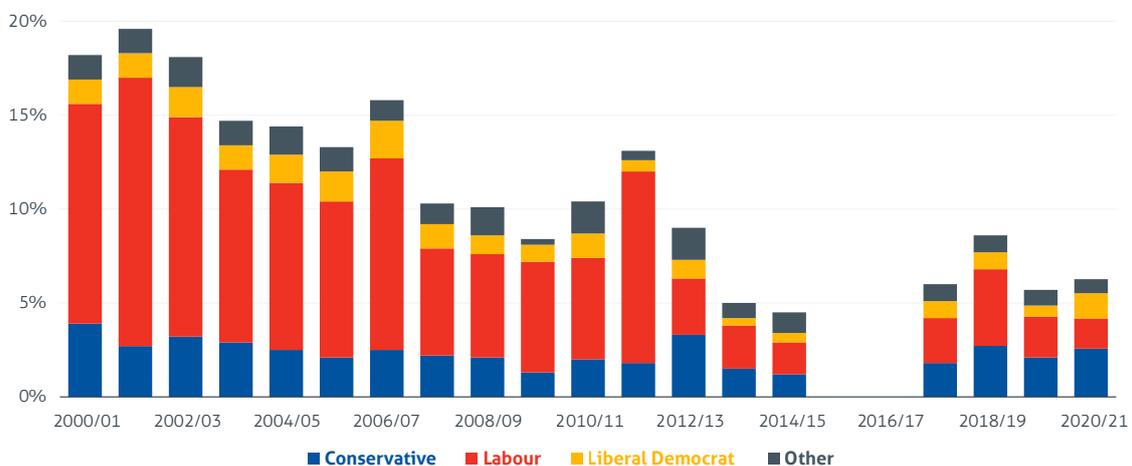
the boundary of an ALB between 2016 and 2019¹⁸ excludes them from this dataset, meaning the Cabinet Office is no longer required to publish data on their transparency. This makes it more difficult for bodies and ministers to be held to account on how transparent they are.

Politically active appointees are still rare – but the appointments system is under pressure

Appointments to leadership roles in public bodies have been the focus of increasingly intense criticism in recent years. High-profile selection processes for appointing the chairs of Ofcom, the Charity Commission and the BBC, among others, have been subject to media discussion and allegations of political pressure.¹⁹ The outgoing commissioner for public appointments has complained of government attempts to appoint politically affiliated people as independent panel members and press briefings in favour of certain candidates, which undermined the integrity and efficacy of the public appointments process.²⁰

In general, however, regulation of and public pressure for non-partisan appointments seems to have prevented much growth in the appointment of explicitly political candidates. The latest data on the number of public appointees who are 'politically active' – defined as publicly speaking for, recording donations for, or holding or standing for office for a political party in the past five years – shows only 6.2% of appointments and reappointments in 2020/21 were to 'politically active' candidates for any party. This is a slight rise on 2019/20 (5.7%), but considerably lower than in any year between 2001/02 and 2012/13.²¹

Figure 5.6 Proportion of public appointees and re-appointees who declared political activity



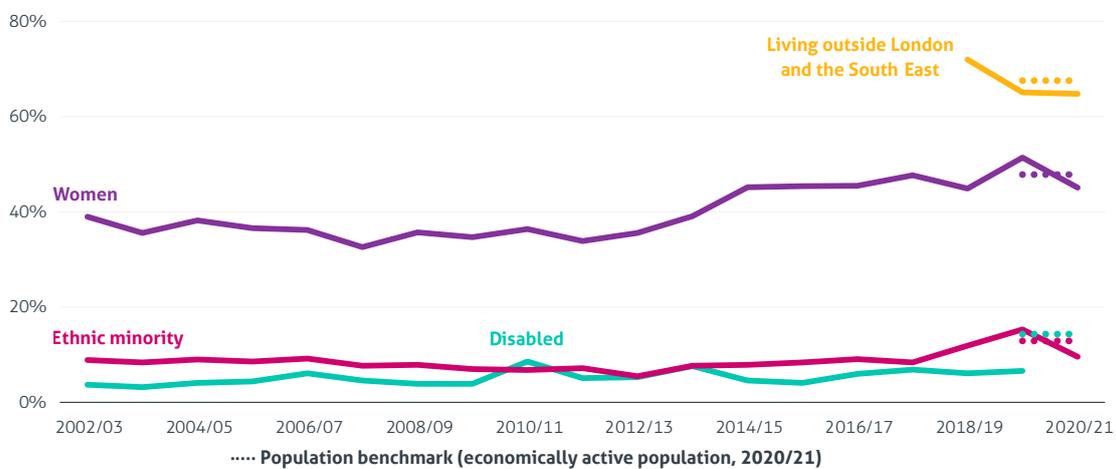
Source: Office of the Commissioner for Public Appointments, annual reports 2011/12 to 2020/21. Data on political activity was not included in the OCPA reports in 2015/16 and 2016/17.

However, for the first time since 2012/13, there were more politically active public appointees from the Conservative Party than from Labour. This trend was particularly striking among new chairs appointed – of those who declared themselves to be politically active, eight out of nine were Conservatives. This may show that political partisanship is playing more of a role in the biggest appointments than in appointments to less powerful board roles. It is not possible to confirm a trend towards an increase in appointments of people with personal links to politicians or party membership.

Appointment diversity has been improving in recent years, but appointments are taking longer than they should

The commissioner for public appointments is also responsible for ensuring public appointees reflect the diversity of the population at large. People from minority ethnic groups and women have historically been under-represented in public appointments. But recently this has reversed, with the proportion of candidates from these backgrounds exceeding the proportion in the UK's economically active population for the first time last year. For instance, 51% of appointees were women in 2019/20, against 48% of the economically active population, and 15% of appointees were from minority ethnic groups, against 13% of the economically active population.²² However, these proportions fell in 2020/21, and people with a disability are still very under-represented among public appointees.

Figure 5.7 Diversity of public appointees and re-appointees



Source: Public appointments data: OCPA annual reports 2011/12 to 2020/21; ONS, Table A02: Labour Force Survey Summary: economically active total population and female population (UK, aged 16–64); ONS, Labour market overview, UK, Table A08: Economic activity of people with disabilities aged 16–64: levels, UK, GSS Standard Levels (People); ONS, Labour market statistics time series, economically active population by region of the UK, and Table A09: labour market status: economically active by ethnicity: People (not seasonally adjusted). For further details on how we calculate these figures, see Methodology.

There are also major problems with delayed appointments. Most appointments are not concluded within three months of the advertisement closing, the government target set out in the public appointments code.²³ These delays put off some candidates from applying²⁴ and result in vacancies on many boards of public bodies. Although data is poor on how long appointments processes take – the Public Accounts Committee recently called for the Cabinet Office to improve its data on delays²⁵ – the most recent available evidence from 2019 suggests that less than half of appointments are being completed within the three-month target.²⁶ Ministers who micro-manage appointments and introduce additional political checks into the process contribute to the increased delays.²⁷

Stemming from this, the number of temporary appointments made without competition, generally to fill vacancies left by delayed appointments, rose from 24 in 2017 to 65 in 2020. This is partly explained by the disruption caused by the pandemic, but there were a further 44 temporary appointments in the first nine months of 2021, when the case for exceptional circumstances had reduced.²⁸ Ministers and departmental appointments teams should ensure this reliance on temporary appointments to fill vacancies does not become a permanent feature.

Looking ahead

The Cabinet Office is taking an increasing interest in public bodies reform. The Declaration on Government Reform committed the government to beginning a public bodies review programme,²⁹ and the government will set out more details of this programme in its response to the Public Accounts Committee in January 2022.³⁰ The Cabinet Office also plans to release new guidance on reviewing ALBs, and new information on best practice in sponsorship teams in 2022.³¹ So far, the tone set by this government suggests it will not return to previous governments' focus on reducing the number of public bodies – a more pragmatic approach that is to be welcomed.

This year will also be crucial for the appointments process. New chairs of Ofcom and the Charity Commission should be announced in the coming 12 months, casting light on how the appointments system is responding to political pressure on key appointments. If the politicised tone of discussions around public appointments continues, this may have a negative effect on the quality and diversity of candidates who apply for and get these jobs.

Many public bodies will be facing new challenges in 2022, especially delivery bodies that need to reduce backlogs (such as HM Courts and Tribunals Service) and regulators still adjusting to post-Brexit responsibilities. The government will need to ensure that its reform agenda is sensitive to the requirements of bodies facing difficult delivery challenges, and ministers will need to build constructive relationships with the chairs and CEOs who deliver against their objectives. They will also need to ensure reform is focused on scrutiny, transparency and sharing of best practice rather than imposing unwarranted additional burdens on the public bodies they oversee.



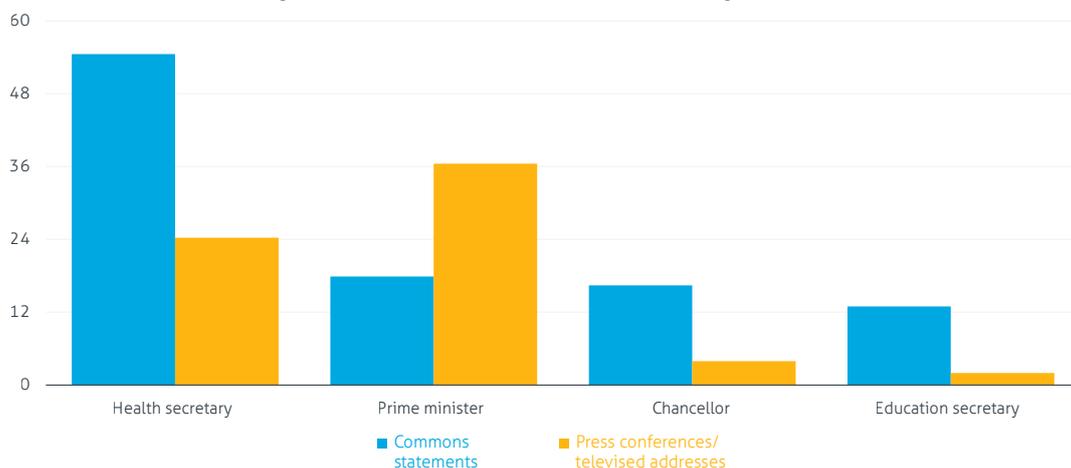
6. Communications and transparency

Throughout 2021, direct communications with the public remained a core part of the government’s response to the pandemic – particularly through campaigns encouraging people to get vaccinated and later boosted, as well as to follow the rules as lockdown restrictions gradually eased into the summer. The Cabinet Office continued to spend large amounts (some £250.6 million between January and October) on advertising campaigns and held regular press conferences with ministers and officials – though its plan in early 2021 for daily televised briefings was later scrapped.

But the quality of these communications was often limited by policy confusion or indecision. The authority of ministers’ messages was undermined by allegations about behaviour inside government during the pandemic, which damaged public trust and risked reducing the public’s willingness to follow the ‘Plan B’ Covid restrictions announced in winter 2021. These allegations were one example of the Johnson government’s approach to ethical standards, which by early 2022 had begun to cause political and communication problems for ministers.

Direct communications with the public remained central to the government’s pandemic response

Figure 6.1 Time (hours) spent on coronavirus press conferences and statements in the House of Commons by selected cabinet ministers, January 2020 to December 2021



Source: Institute for Government analysis of House of Commons, Hansard; and 10 Downing Street YouTube channel. Analysis includes all those who served in these roles during 2020 and 2021. For further details, see Methodology.

Throughout the different stages of the pandemic the government often chose to communicate directly with the public. Televised press conferences featuring ministers and senior officials were an important part of this approach to messaging, along with radio, television and other campaigns.

As Figure 6.1 shows, key cabinet ministers spent large amounts of time giving televised press briefings and addresses to the nation – a total of 43 hours in 2020 and 24 hours in 2021.* The prime minister and the secretary of state for health and social care – initially Matt Hancock and then Sajid Javid – were the key figures in these press conferences, spending 17 and 6 hours respectively throughout 2021 (a fall on the time spent by both in 2020), indicating the changing nature of the pandemic.

This strategy was a big departure from the norm and one that underlined the scale and nature of the crisis, where it was crucial to ensure that the greatest number of people possible heard and understood the changing restrictions. Throughout the pandemic, senior cabinet ministers – especially the health secretary – spent large amounts of time updating the Commons, as well as regularly participating in press conferences. The prime minister, unlike other senior ministers, spent double the time in press conferences and televised addresses than in the Commons, reflecting his focus on communicating directly to the public. But the government's changing approach to communications went beyond how ministers spent their time. Repeatedly – even as the pandemic moved into its second year and the initial sense of crisis faded – ministers made major policy announcements to the public before they informed MPs directly. While ministers have previously used press conferences to announce policies in some circumstances, the increased use of this method invited considerable criticism from the Speaker of the Commons, Lindsay Hoyle, as well as from a number of MPs, who felt that it undermined parliamentary scrutiny. Although the government did at times attempt to announce policy changes in press briefings and the Commons at the same time, they did not stick to this: for example, in December 2021, the PM announced changes to the rollout of the booster programme in a press conference the day before the health secretary made a statement to MPs.

The pandemic made these changes in government communications urgently necessary – but Johnson had anyway been keen to promote more direct communication with the public. In 2020, it was reported that the government was recruiting a press secretary to host daily, televised press briefings from Downing Street – as happens in the White House. Allegra Stratton was appointed to the role, and £2.6 million was spent revamping a briefing room in Downing Street as the stage for her briefings.¹ But the start of the daily briefings was repeatedly postponed, before being scrapped in April 2021, with Stratton moving to a role focused on the COP26 climate summit and subsequently resigning from government in December 2021.²

* For further detail on how we calculate the time ministers spent on Covid press conferences and on statements in the House of Commons, see the Methodology.

Spending on communications remained high – though the government’s messaging was often confused by late or contradictory policy decisions

Figure 6.2 Cabinet Office monthly spending on media, marketing and advertising campaigns



Source: Institute for Government analysis of Cabinet Office monthly expenditure over £25,000 data, January 2019 to October 2021.

Mass advertising campaigns were the other important method used by the government to communicate with the public directly about the pandemic throughout 2021, though the clarity and consistency of the messages communicated was mixed.

Much of the government’s messaging on Covid was managed by the Cabinet Office. The department dramatically increased its spending on media and advertising campaigns during 2020, largely driven by the pandemic – and, to a lesser extent, by campaigns to prepare for the end of the Brexit transition period. In 2021, spending further increased – some £250.6m between January and October (the latest month for which there is data), compared to £232.2m over the whole of 2020. The Cabinet Office’s spending on media and marketing peaked in March 2020 (£51.5m), which is likely to have been related to the easing of pandemic restrictions and the ongoing vaccination campaign. By October 2021, this spending had fallen to £8.1m – the lowest monthly amount since May 2020 – as the pandemic seemingly eased. It is possible that spending increased at the very end of the year, as the rapid spread of the Omicron variant led the government to urgently encourage the public to get their boosters.

As the government’s former director of communications Lee Cain, who left his role in December 2020, has subsequently argued in a paper for the Institute for Government, the pandemic led to some improvements in how the government communicated with the public. For example, pandemic communications were centralised in the Government Communications Service, helping improve the consistency of messaging.³ The government was able to develop campaigns informing people of lockdown restrictions, or encouraging them to get vaccinated, that worked across broadcast, print and digital media.⁴ The pandemic also led the government to abandon its previous reluctance to send ministers on to some major programmes, including Radio 4’s *Today* programme.⁵

At the same time, there were notable instances of government communications that were confused or contradictory – leading to public uncertainty about pandemic policy that risked undermining public health measures or affect economic activity. For example:

- throughout December 2020 ministers made clear that they had no plans to close schools in England. They then announced closures of primary schools in some areas in January 2021 – before determining on the evening of the day that schools returned after Christmas that all schools would close in England until late February.
- As the roadmap led to the easing of lockdown restrictions over the spring and summer of 2021, the prime minister’s and wider government messaging stressed these changes as “irreversible”.⁶ However, as the spread of the Omicron variant in late 2021 eventually proved, this was never the case given the potential for new strains to escape vaccine protection.
- After being appointed health secretary in June 2021, Sajid Javid reiterated the importance that England avoid further Covid-19 restrictions because the NHS needed to focus on treatment for cancer patients and other backlogged priorities. However, as Chris Whitty, England’s chief medical officer, argued in December 2021, it was not that the NHS prioritised treatment of Covid-19 over other illnesses, but rather that Covid-19 must be contained in order to ensure the NHS has the resource required to address these other priorities.⁷
- In December 2021, as the Omicron variant increased cases of Covid in the UK, the prime minister and chief medical officer appeared to contradict each other, with Whitty urging the public to limit social contacts while Johnson encouraged people to still attend Christmas parties.⁸ Guidance could have consistently warned people to apply caution while maintaining some of their Christmas plans, but the apparent contradiction of senior government representatives undermined the clarity of the public health message.
- In 2020, government ministers expressed a range of views on whether scotch eggs constituted a ‘substantial meal’ for the purposes of deciding whether pubs under tier two restrictions could serve food alongside alcohol – distracting from the purpose of the restrictions and confusing the government’s messaging.⁹

Senior staff turnover within No.10 – including the recruitment (then movement and later resignation) of Stratton, as well as the departure of Lee Cain and his replacement, James Slack – is unlikely to have helped with the consistency of messaging.

The credibility of government communications about the pandemic was undermined by a lack of transparency and by scandals over behaviour

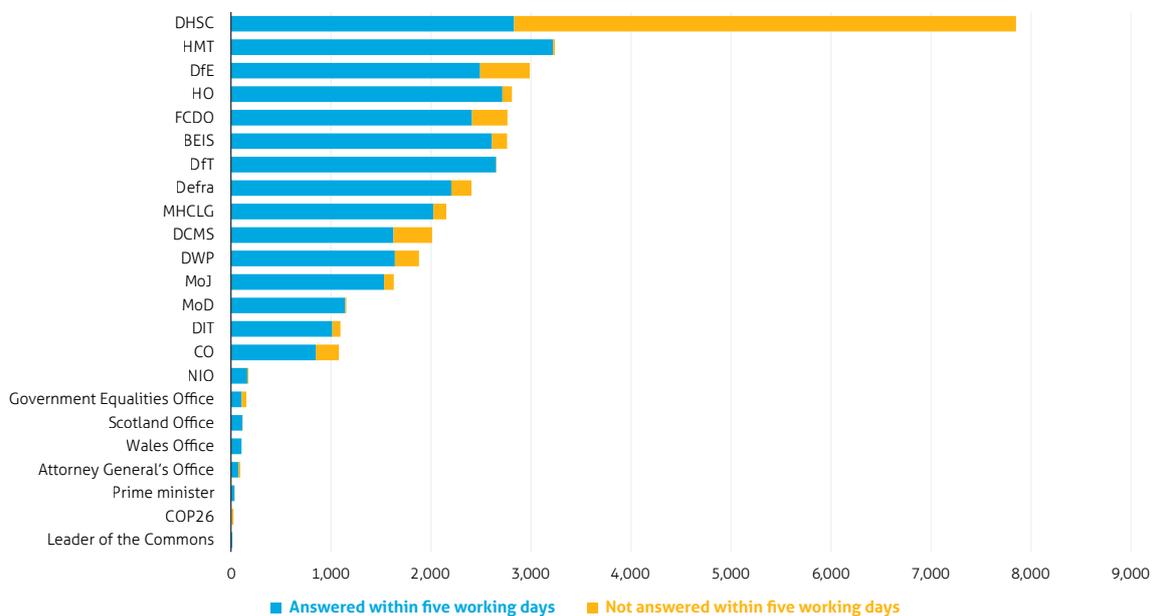
As Covid first hit the UK in spring 2020, the government scrambled to get hold of urgently needed goods such as personal protective equipment (PPE) and ventilators. To address this, the government adopted a different approach to procurement, awarding large numbers of contracts without going through the usual competitive processes. As outlined in the Spending chapter of this report, this approach continued even as it became less justifiable. A lack of transparency over these contracts limited scrutiny, making it difficult to ensure that the contracts were properly awarded or represented value for money.

The Good Law Project and a cross-party group of MPs brought legal action against the government for its failure to disclose information about Covid-19-related contracts. In February 2021 the High Court ruled that the health secretary “breached his legal obligations” to publish details of contracts awarded within 30 days.¹⁰ Repeated problems accessing communications between ministers, officials and companies over contracts – for example, due to lost phones¹¹ or deleted WhatsApp messages¹² – only made it harder for the government to explain its actions, and risked damaging public trust.

This was compounded by the behaviour of the then health secretary, Matt Hancock, whose affair with an aide – which itself broke lockdown rules – led to his resignation in summer 2021. Later in the year further allegations were made against senior government figures – including the prime minister and cabinet secretary – over potential breaches of lockdown restrictions at various points during the pandemic.¹³ These allegations emerged at the same time as the Omicron variant began to take hold in the UK, undermining the credibility of the prime minister and broader government in announcing new restrictions. The effect could start to be seen by YouGov polling that showed the Conservatives falling behind Labour in voting intention, and Boris Johnson trailing Keir Starmer as the best prime minister, in November and December 2021.¹⁴ In January 2022, further revelations emerged about a party allegedly organised by the prime minister’s principal private secretary and held in Downing Street in May 2020, at the height of lockdown.¹⁵ Two inquiries – one by the senior civil servant Sue Gray, and one by the Metropolitan Police – were launched, with the Gray inquiry expected to report at the end of January.

Departments continued to face greater demands for information than before the pandemic

Figure 6.3 Number of written questions (for ordinary answer) tabled per government department, 2019–21 session, and proportion answered within five working days

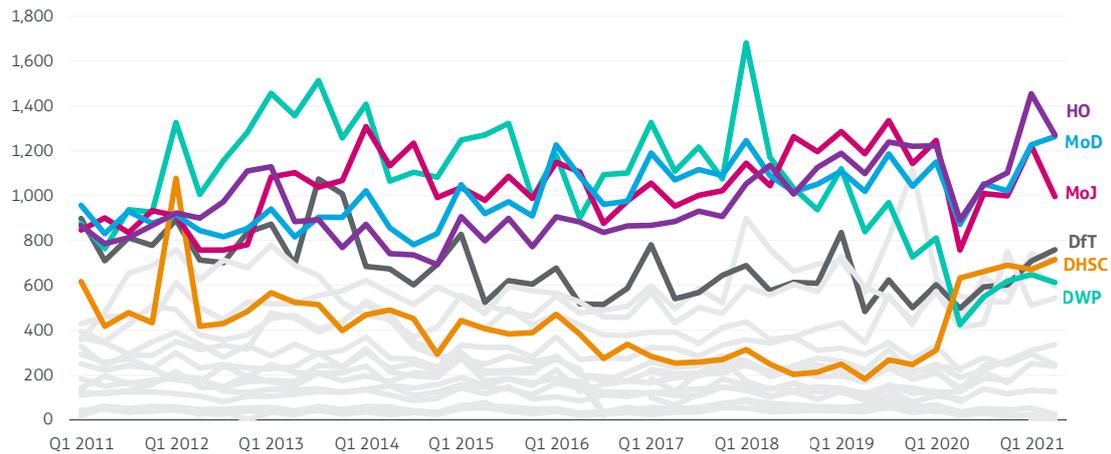


Source: Institute for Government analysis of House of Commons Procedure Committee, 'Written Parliamentary Questions: Departmental performance in 2019/21', 19 July 2021.

The pandemic affected so many aspects of daily life – and government policy – that the government continued to face high demands for information throughout 2021. Departments, especially those whose work was most directly affected by Covid, struggled to respond.

This was particularly the case in relation to written parliamentary questions (PQs), an important means for MPs to hold the government to account. Across the 2019–21 parliamentary session, which encompassed the first two main waves of the pandemic, MPs asked 18% more questions than in the previous parliament. Departments had to field a total of 331 questions per Commons sitting day, higher than at any other point in the last decade. Unsurprisingly, those departments whose work most directly related to the pandemic faced particularly large numbers of questions. The Department of Health and Social Care (DHSC) received more than 13,000 written parliamentary questions, more than double the number received by HM Treasury, which had the second highest tally.

Figure 6.4 Number of FoI requests received by government departments



Source: Institute for Government analysis of Cabinet Office, Freedom of Information Statistics, Q1 2011–Q2 2021.

The same was true of Freedom of Information (FoI) requests, which increased for most departments during the first quarter of 2021, before falling back for a small number of departments in the second quarter – though remaining higher than for much of the previous year.

Of the six departments with the highest numbers of requests, most were heavily involved in the government’s pandemic response, including DHSC, the Ministry of Justice (MoJ) and the Department for Work and Pension (DWP). Other departments receiving high volumes of requests, including the Home Office, Ministry of Defence (MoD) and Department for Transport (DfT), also saw aspects of their work affected by the pandemic, for example through travel bans imposed by the government.

Many of these departments received FoI requests at much higher levels than over the previous few years. The higher volume of requests – like the higher number of parliamentary questions – is likely to have placed strain on their administration.

The government struggled to keep pace with rising demands for information

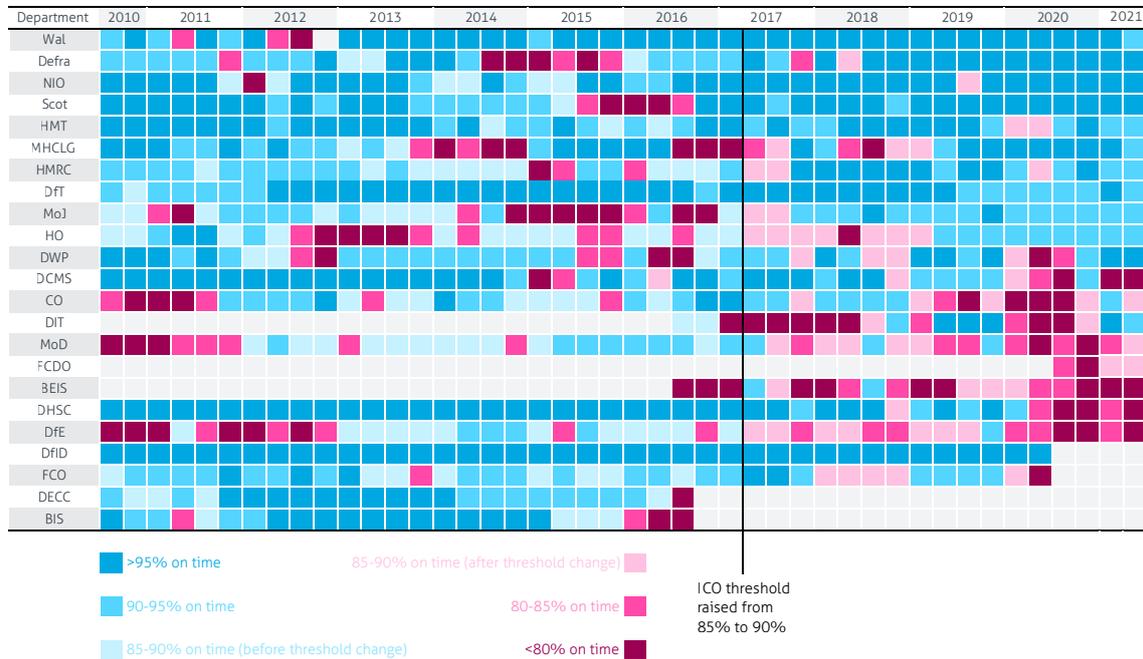
Data on both parliamentary questions and FoI requests shows that some departments found it difficult to deal with increased demands for information, missing targets for their response times.

During the 2019–21 parliamentary session, the proportion of all ‘ordinary’ PQs (which do not require answer by a set date) that were answered within five working days was 79% – compared to 91% and 92% in the previous two sessions. This overall decline in performance was driven largely by DHSC, where just 36% of ‘ordinary’ questions were answered within five working days: excluding this, overall performance by the government remained largely consistent with previous sessions.¹⁶

MPs repeatedly expressed frustration with delays in receiving responses to questions, raising multiple points of order and even an urgent question in the Commons on the issue, with the Speaker also taking the government to task. DHSC put in place a plan to improve its performance, including increasing the number of civil servants involved in responding to questions.¹⁷ More recent data is not yet available to indicate whether

things have improved. While it is important that the government answers MPs' questions quickly, ministers should ensure that the quality of answers is maintained. MPs and those outside the government can only hold ministers and civil servants to account effectively when they have timely and accurate information.

Figure 6.5 **Timeliness of responses to FoI requests, by government department**



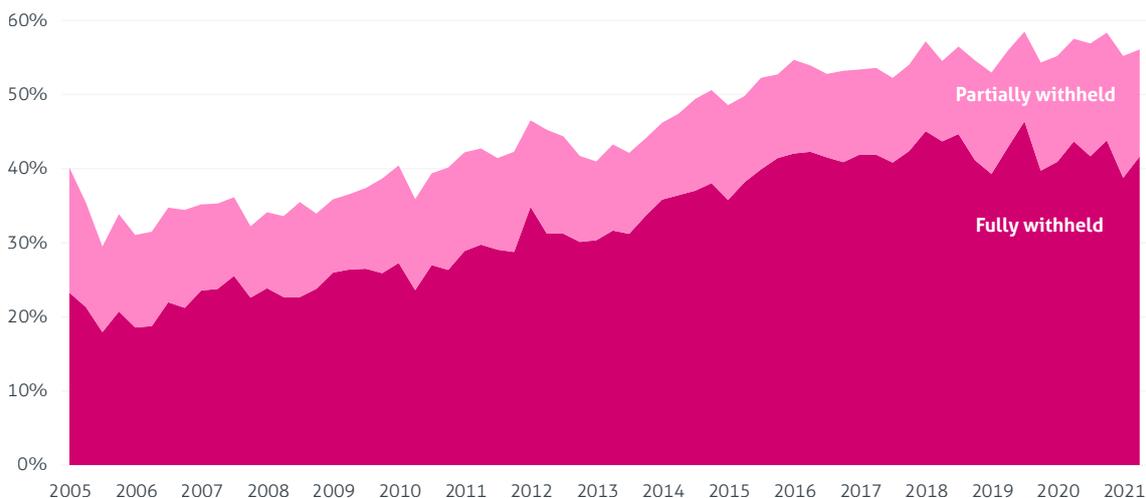
Source: Institute for Government analysis of Cabinet Office, Freedom of Information statistics, 2010–Q2 2021.

Data on the response times of government departments to FoI requests indicates that they struggled to keep pace with the greater demands generated by the pandemic. Government departments are required to respond (or seek extensions) to FoI requests within 20 days if their response is to be considered 'on time'. If a department does not meet this target for at least 90% of the requests that it receives, the Information Commissioner's Office (ICO) may opt to place it under special monitoring. In the first two quarters of 2021, seven of nineteen departments (37%) failed to meet this target at least once.

Many of those departments were ones whose work was heavily affected by the pandemic. Throughout 2020 the proportion of DHSC's responses meeting the target time steadily fell, and despite a brief improvement in the first quarter of 2021, the department's performance again fell back, with fewer than 80% of requests dealt with on time. The same was true of the Department for Education (DfE), which is likely to have faced many requests over Covid-driven school closures and assessment plans. The Department for Digital, Culture, Media and Sport's (DCMS's) performance was patchy throughout 2020, and after briefly meeting response time targets in the first quarter of 2021 again slipped back, as did the Cabinet Office. Some departments – including the Department for International Trade (DIT), the Department for Business, Energy and Industrial Strategy (BEIS) and the MoD – responded to more requests on time than during 2020, though this improvement was limited, with neither BEIS nor the MoD meeting the ICO's target threshold in the first half of 2021.

The proportion of withheld FoI requests continued to rise

Figure 6.6 Proportion of all FoI requests partially or fully withheld



Source: Institute for Government analysis of Cabinet Office, Freedom of Information statistics, 2005–Q2 2021.

Since 2005 – when the Freedom of Information Act came into effect – there has been a steady increase in the proportion of FoI requests across government that are either partially or fully withheld. This long-term trend continued in the first half of 2021 (the most recent quarters for which data has so far been published).

In the first quarter of 2021, information was either partially or fully withheld in response to 55.2% of all resolvable FoI requests – rising to 56.1% in the second quarter. While meaning that fewer than half of requests resulted in information being fully released, it represented a slight improvement on the 57% of requests (on average) across 2020 where information was partially or fully withheld. This is a continuation of a long-term trend under successive governments in which less information has been released. The last time that more than half of FoI requests were fully granted was in 2015.

There are likely to be several reasons for this trend. One is the changing nature of FoI requests, which may be becoming more complex, expensive or vague as the scale and scope of the government’s work expands. The increasing amount of information proactively released by government may also mean that FoI requests are more likely to seek sensitive information, which the government may have legitimate reason to withhold. Another explanation is around the approach of ministers. They may simply place full and timely FoI responses lower down their lists of priorities, especially in times of crisis.

There have been signs that the Johnson government is more hostile than its predecessors to the FoI process. In July 2021 the Public Administration and Constitutional Affairs Committee (PACAC) launched an inquiry into the government’s use of a ‘clearing house’ for FoI requests in the Cabinet Office, following campaigning by the OpenDemocracy group.¹⁸ The government then declined the ICO’s offer to conduct a “voluntary audit” into the issue. It is important ministers and senior officials are transparent about how exactly the government addresses, and clears, FoI requests.

Shortly before leaving her role as the information commissioner in November 2021, Elizabeth Denham suggested that the law has “fallen behind”, especially given the increasing proportion of public services delivered through private companies, which are not subject to the FOI Act.¹⁹ However, there are no indications that the government is considering making changes to the scope or operation of FOI legislation.

The publication of transparency data was patchy and worsened during the pandemic

The government is committed to publishing a range of transparency data, including on who ministers, special advisers and senior civil servants meet as well as on the gifts and hospitality that they receive. Given the questions that have been raised about lobbying during the pandemic and the approach of this government to ethical standards, transparency on these issues is particularly important. But research published by the Institute for Government in October 2021 found that departments’ release of this information has been patchy since 2015 – and worsened during Covid.²⁰

The requirement to regularly publish data on meetings and hospitality was introduced by David Cameron, and his successor, Theresa May, emphasised the importance of the “quality, reliability and accessibility” of this data.²¹ Boris Johnson committed himself to this when he became prime minister. But over time, departmental performance on the publication of ministerial meetings, gifts and hospitality data has been patchy:

- No department has published its data within one quarter – approximately 90 days, the expected timeframe – since the end of 2019
- The average publication time is 108 days, having declined during the pandemic (in the last quarter of 2019, only four departments did not publish their data within one quarter)
- Six departments since 2015 failed to include some of their ministers in published data – and it is not possible to know whether this was because there was nothing to report, or because the data was missing
- Departments give highly variable – and often completely uninformative – descriptions of the purpose of ministerial meetings.²²

Following revelations in summer 2021 about David Cameron’s lobbying for the finance firm Greensill Capital at the height of the pandemic, the solicitor Nigel Boardman was invited to undertake a review of the government’s management of lobbying and the transfer of people between the public and private sectors. While the resulting report called for departments to publish data on ministerial meetings more frequently, there is a lot of progress required to even meet current transparency requirements.²³

Looking ahead

It is in the government's interests to make effective decisions. And transparency makes government decision making more effective by opening it up to outside input, expertise and scrutiny. The better and more timely the information published by government, the better it can make policies.

That is why the Johnson government's lack of transparency is a barrier to government working well. It has begun to cause political problems. The 'Plan B' restrictions imposed as a result of the spread of the Omicron variant in winter 2021 risked being undermined by allegations about parties held in government during previous lockdowns. The findings of the Gray inquiry may further reduce the authority that ministers can muster when they discuss restrictions necessary to control the pandemic.

Beyond problems with its credibility, the government will also need to ensure that the communication of any new restrictions or public health measures during 2022 is clear and consistent. A lack of clarity, or confusion, makes it less compelling for people to follow restrictions – as well as for families and businesses to plan ahead. The confusion around the announcement of potential further restrictions in late December 2021 suggested that the government still has a long way to go to improve its communications.

There are also no indications that the pattern of deterioration in transparency will be reversed. Although it will be tempting for ministers to opt to focus on the pandemic as well as on their efforts to reset their domestic agenda, failing to view communication and transparency as a priority will undermine these objectives in the longer term.



2022: the year ahead

Controversies over standards are making the government's priorities harder to deliver

Allegations of breaches of lockdown rules at the heart of government, and the subsequent investigations by the senior civil servant, Sue Gray, and the Metropolitan Police, mean that 2021 drew to a close and 2022 began with a political storm that is distracting ministers and some senior officials from the government's business. These scandals slow the government's decision making and implementation. This makes the government's priorities to address, for example, regional inequality, health and social care and net zero, even more difficult to achieve. Regardless of Boris Johnson's future, and even if policy decisions were to change with a new leader, these issues will continue to be the ones that any UK government will need to address in 2022. That will require a shift from the policy making of 2021 to implementation over the next 12 months.

The government will need to switch from making plans to achieving results

Once the rollout of the vaccine programme in 2021 made it possible for ministers to turn some of their attention to other priorities, the government sought to articulate its wider ambitions. Ministers set out their policy intentions, including in a white paper for health and social care reform; a national net zero strategy before the November 2021 COP26 conference; the Declaration on Government Reform and an accompanying 30-point list of actions; and the first multi-year spending review since 2015.

The government is now half-way through its parliamentary term. That ministers focused during 2021 on setting out their plans is understandable, given the time and money absorbed by Brexit and Covid since the election in 2019. But ministers do not have long now before the next election, when they will want to demonstrate to the electorate that they have made good on their promises. The government has completed, or is on track to complete, just over half of the commitments made in the 2019 Conservative manifesto.¹ But it is off track on some of its flagship policies. There remain big unresolved questions about the purpose, scope and intentions for 'levelling up' (with a much-vaunted white paper repeatedly delayed);² the government's vision of 'Global Britain' has not materially progressed; that the UK is on the path to net zero by 2050 is far from certain; and plans to hire more NHS staff are also off track, despite the critical need created by the pandemic and related backlogs.

In 2022, ministers cannot afford to miss the opportunity to put their plans into action, including by:

- departments spending the extra money allocated in last year's spending review effectively, to improve public services and achieve results, and measuring their success
- making progress with health and social care reforms, including by developing integrated care systems
- implementing the government's net zero strategy, and using the remaining months of the UK's COP presidency to ensure other countries follow through on commitments made in November³
- quickly shifting from preparing the levelling up white paper to implementing it, including making rapid progress with any necessary legislation
- reducing backlogs, catch-up gaps and waiting lists caused by Covid in the NHS, schools, the criminal justice system and other public services.

Last year featured milestones, roadmaps, white papers, legislation and conferences. This year needs to see action and delivery. But that will first require the government to resolve the controversies dominating UK government and politics at the start of the year, including by introducing urgent reforms to improve standards in public life.⁴

Crisis management cannot eclipse long-term priorities

The outbreak of the Omicron variant in late 2021 showed that the government will be unable to fully leave crisis management of the pandemic behind. In early 2022 the UK is braced for a cost of living crisis fuelled by rising inflation, the energy crisis and the planned increase to the energy price cap, and tax rises due to be implemented at Easter. And nor can ministers consider Brexit 'done', between new domestic responsibilities that will need attention, negotiations over the Northern Ireland protocol and diplomatic flare-ups.

It is the job of any government to put into practice the priorities it was elected to deliver while responding to crises that face the country. But 2021 showed the scale of the task this can entail. For ministers and senior officials to be able to absorb shocks and respond to unforeseen events while making progress on long-term priorities, and without being knocked off course, the capability of government will need to improve. This makes the reform of government – including at the centre of government in No.10 Downing Street, the Cabinet Office and the Treasury – all the more important.⁵

Ministers will also need to consider the capabilities and resources of the civil service when deciding how to meet the government's target to reduce its size to its pre-Covid headcount by 2024/25. Important staffing decisions will need to be made in 2022, which should be informed by a clear view of the workforce the government will require to achieve its priorities.⁶

Reform is crucial

There is a risk that government and civil service reform falls down ministers' lists of priorities this year. Stephen Barclay has replaced Michael Gove – who led much of the reform agenda through high-profile speeches – at the Cabinet Office, and the government faces up to the scale of policy delivery it must undertake on other topics including net zero and 'levelling up'. But the prime minister also needs to ensure that momentum is kept up on government reform, if his government is to achieve its wider priorities.

The Declaration on Government Reform was a useful statement of intent from the prime minister, cabinet secretary and then chancellor of the Duchy of Lancaster. Its outstanding actions need to be completed, including by resolving confused government accountabilities, relocating more civil servants outside London, improving recruitment and training, and making good on commitments for the civil service to become a more diverse and inclusive employer. Barclay and his senior officials will then need to build on these actions, setting out more detailed plans for civil service reform and explaining how these plans will contribute to the ambitions set out in the declaration itself.

Whitehall's success depends on relationships across the union

The UK's response to the pandemic has demonstrated that the performance of central government depends on how well it works with other levels of government, public bodies and services across the UK. This report has focused on the changes in and performance of central government, but the Institute has long argued that Whitehall cannot operate independently of local and devolved government and other public services if it is to deliver for citizens.

Close co-operation between these parts of the state is crucial for effective government. But the pandemic also demonstrated that the relationships between central and local government are in urgent need of repair.⁷ While councils' spending power will increase as a result of the 2021 spending review, questions remain about whether this will be sufficient to cover increasing social care demand and other Covid-related costs.⁸ And the lack of a long-term financial settlement will not help to strengthen ties between local and central government in England. Local elections in May 2022, including to all London boroughs, Birmingham City Council, and local authorities across Wales and Scotland, will be important to the relationships between central and local government.

Whitehall's co-operation with the devolved governments in Wales, Scotland and Northern Ireland is equally important to the performance of central government, and has been similarly strained during the pandemic. The next election to the Northern Ireland assembly will also take place this year, and will be influential for the politics of the union and the UK government's approach to safeguarding the union's future.

The year ahead is unlikely to be any less difficult for the government than the last – not least with the pressure mounting on Boris Johnson's premiership reaching ever higher levels. The pandemic is not over, and the government's other priorities need to be met. But 2022 brings ministers and civil servants an opportunity to make the state more effective and, in doing so, achieve better results for UK citizens.



Methodology

Defining 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 ONS Public Sector Employment data. For instance, we group Ofsted with the DfE departmental group and not as a separate department.

In such cases where source data reports organisations as independent from core departments, we have identified the departmental group to which those organisations belong by using the 'sponsor department' identified by the most recent (2020) [Public Bodies report](#) published by the Cabinet Office.

We then make the following distinction within each departmental group:

Department: the core department, and other bodies within and linked to it, that are directly line managed by the department (for example, Her Majesty's Prison and Probation Service within MoJ, and the Education and Skills Funding Agency within DfE).

Other organisations: other bodies employing civil servants – executive agencies, non-ministerial departments and Crown non-departmental public bodies – for which ministers in the department have responsibility (for example, Ofsted in DfE, the DVLA in DfT) but which are not part of the department's line management structure.

We have made these distinctions using publicly available evidence of organisations' governance and structure, such as departmental organograms and governing documents.

We use this distinction as most appropriate in specific parts of the report, for example:

- We apply our definition of 'department' in our analysis of staff numbers
- We use the wider 'departmental group' in our analysis of grade, location and profession
- We use the department as defined by the cited source data on pay and departmental organograms, turnover, Freedom of Information, and spend over £25,000.

If you have any questions about the methodology used throughout this report, please contact enquiries@instituteformgovernment.org.uk

A table listing the departments and their associated organisations is found below. We have not included previous organisations that no longer exist, for example because they have been merged with other bodies or renamed. However historic organisations are counted in our figures for change over time, and details of historic organisations used in our analysis are available upon request.

Acronym	Department	Other organisations/ units
AGO	Attorney General's Office	Crown Prosecution Service; Crown Prosecution Service Inspectorate; Government Legal Department; Serious Fraud Office
BEIS	Department for Business, Energy and Industrial Strategy	Advisory Conciliation and Arbitration Service; Companies House; Competition and Markets Authority; HM Land Registry; Insolvency Service; UK Intellectual Property Office; Met Office; Office of Gas and Electricity Markets (Ofgem); UK Space Agency
CO	Cabinet Office; Government Property Agency	Crown Commercial Service; UK Statistics Authority
DCMS	Department for Digital, Culture, Media and Sport	Charity Commission; National Archives
Defra	Department for Environment, Food and Rural Affairs	Animal and Plant Health Agency; Centre for Environment, Fisheries and Aquaculture Science; Ofwat; Rural Payments Agency; Veterinary Medicines Directorate
DfE	Department for Education Education and Skills Funding Agency; Standards and Testing Agency; Teaching Regulation Agency	Office of Qualifications and Examinations Regulation; Ofsted; Institute for Apprenticeships and Technical Education
DfT	Department for Transport	Driver and Vehicle Licensing Agency; Driver and Vehicle Standards Agency; Maritime and Coastguard Agency; Office of Rail and Road; Vehicle Certification Agency
DHSC	Department of Health and Social Care	Food Standards Agency; Medicines and Healthcare Products Regulatory Agency; Public Health England
DIT	Department for International Trade	Export Credits Guarantee Department
DLUHC	Department for Levelling Up, Housing and Communities (formerly the Ministry of Housing, Communities and Local Government)	Planning Inspectorate; Queen Elizabeth II Conference Centre
DWP	Department for Work and Pensions	The Health and Safety Executive
FCDO	Foreign, Commonwealth and Development Office Wilton Park Executive Agency	FCDO Services
HMRC	Her Majesty's Revenue and Customs	Valuation Office Agency

HMT	Her Majesty's Treasury	Debt Management Office; Government Actuary's Department; Government Internal Audit Agency; National Savings and Investments; Office for Budget Responsibility; National Infrastructure Commission
HO	Home Office	National Crime Agency
MoD	Ministry of Defence Defence Equipment and Support; Defence Electronics and Components Agency; Submarine Delivery Agency	Defence Science and Technology Laboratory; UK Hydrographic Office
MoJ	Ministry of Justice HM Courts and Tribunals Service; Legal Aid Agency; Her Majesty's Prison and Probation Service; Office of the Public Guardian; Criminal Injuries Compensation Authority	UK Supreme Court
NIO	Northern Ireland Office	
Scot Gov	Scottish Government	Accountant in Bankruptcy; Crown Office and Procurator Fiscal; Disclosure Scotland; Education Scotland; Food Standards Scotland; Forestry and Land Scotland; National Records of Scotland; Office of the Scottish Charity Regulator; Registers of Scotland; Revenue Scotland; Scottish Courts and Tribunals Service; Scottish Fiscal Commission; Scottish Forestry; Scottish Housing Regulator; Scottish Prison Service; Scottish Public Pensions Agency; Social Security Scotland; Student Awards Agency for Scotland; Transport Scotland
SO	Scotland Office (including Office of the Advocate General for Scotland)	
Welsh Gov	Welsh Government	ESTYN; Welsh Revenue Authority
WO	Wales Office	

Civil service staff numbers (throughout)

To analyse civil service staff numbers in the Overview and Chapter 3, we use Table 9 from the ONS's quarterly Public Sector Employment series, which contains staff numbers (headcount and full-time equivalent, FTE) in all public organisations that employ civil servants. Unless stated otherwise, we use FTE figures, which count part-time staff according to the time they work (e.g. a person working two days a week as 0.4 FTE); 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. We adjust for reclassifications in our rates of change calculations to more accurately portray the changing size of departments, rather than changes to the way officials are counted and reported.

The Foreign and Commonwealth Office (FCO) and the Department for International Development (DfID) were merged to form the Foreign, Commonwealth and Development Office (FCDO) in Q3 2020. Our calculated rates of change for FCDO over time (such as Figure 3.22) are assumed to be equivalent to the sum of the figures for the two component departments for quarters prior to Q3 2020.

For operational security reasons, staff from Central Government Security (formerly Security and Intelligence Services) have been excluded from civil service statistics published since Q2 2016. We adjust for this by manually excluding Central Government Security staff from our datasets before this date, too.

To analyse other characteristics of the civil service, such as age, pay, profession, location and ethnicity, we use the Cabinet Office's annual Civil Service Statistics release.

Staff numbers are generally reported to the nearest 10. The ONS and the Cabinet Office (for its Civil Service Statistics) report staff numbers lower than five as "...". We have rounded any staff numbers lower than five to three.

For further information about the Institute's analysis of civil service staff numbers, see our [explainer](#) on the topic.

In Chapter 5, the ONS staff numbers presented are the sum of the full-time equivalent (FTE) employment of executive NDPBs found on Table 10 of the ONS Public Sector Employment dataset. It should be noted these figures are likely to be a small undercount on the total for NDPBs as a whole, as they exclude all NDPBs with fewer than 20 employees, do not count the employees of Crown NDPBs such as the Advisory, Conciliation and Arbitration Service, the Health and Safety Executive, the Institute for Apprenticeships & Technical Education and the Office for Budget Responsibility (as their Crown NDPB employees are civil servants), and does not count the employees of advisory NDPBs.

For the Cabinet Office staff numbers of ALB employees, the data presented is a sum of the FTE employment of all bodies in the relevant category on 31 March of that year. The British Council has been categorised as an NDPB in Figure 5.3 and other charts to be consistent: although it was described in the 2017 and 2018 datasets as an “NDPB and a non-financial public corporation”, in subsequent and previous data it was only referred to as an NDPB.

Ministerial resignations – Chapter 1

Our tally of resignations includes only those outside of reshuffles; those during reshuffles are often difficult to discern from sackings (although we do include Jonathan Aitken’s resignation in 1995, where he resigned to fight a libel action). We do not count those who announced in advance they would step down at the next reshuffle, or those who were sacked, except Johnny Mercer, who was planning to resign before being sacked. Firings are, however, listed in our open spreadsheets of resignations at <http://bit.ly/2OXZ81a> and <http://bit.ly/2DOVxr6>. This means our numbers may differ very slightly from others’. We also do not include Alok Sharma’s resignation from the post of secretary of state for BEIS in January 2021 as he did not leave the government but resigned to focus on his other post, president of the COP26 climate conference, and he still attends cabinet.

Number of speeches by cabinet minister – Chapter 1

We downloaded every Gov.uk article – those that feed through to the news and communications page – published between 1 January 2015 and 16 December 2021, when parliament rose for the Christmas recess. We matched this to details of ministerial appointments, based on the name of ministers and departments tagged in the articles, tallying articles by year and Gov.uk category. The analysis included here focuses on articles categorised on Gov.uk as speeches. We only included speeches given by cabinet ministers in the chart, and then highlighted those ministers who had given a particularly notable number of speeches and/or had a high profile in recent years.

Number of meetings of cabinet ministers – Chapter 1

We downloaded and compiled ministerial meeting transparency releases for all departments covering the period since July 2018 (that had been published by 16 December 2021, when parliament rose for the Christmas recess). For most departments this resulted in a dataset covering the period Q3 2018 to Q2 2021. We then produced quarterly tallies of meetings attended by ministers applying some simple rules to fix meeting dates that appeared erroneous. We only included meetings attended by cabinet ministers in the chart, and then highlighted those ministers who had held a particularly notable number of meetings and/or had a high profile in recent years.

Number of bills led by department – Chapter 1

We looked at every government bill available on bills.parliament.uk that had a first reading date between 2015 and the end of 2021. Bills originating from both the House of Commons and House of Lords were considered. We assigned each bill a minister and department based on the 'sponsoring departments' given with the bill. Bills that were co-sponsored by multiple departments were counted as sponsored by the department of the minister who first introduced the bill, be that in the Commons or Lords. We counted the annual number of bills for each department based on the year the bill reached royal assent. We then highlighted those departments that had passed a particularly notable number of bills and/or had a high profile in recent years.

GDP deflator – Chapters 2 and 5

For financial information that spans multiple years, we use the GDP deflator to present numbers in consistent prices. The GDP deflator is a measure of economy-wide inflation and so is appropriate for considering changes in fiscal variables. We use the GDP deflator published alongside the October 2021 budget and spending review, unless otherwise stated.

Contract awards from the contracts finder database – Chapter 2

We downloaded data from Contracts Finder on all contracts awarded between 1 January 2019 and 16 December 2021 (when parliament rose for the Christmas recess), where the contract had been published by this latter date. We then identified contracts awarded by ministerial departments, predominantly based on the organisation name variable in the data. We categorised contracts based on awarded procedure type, counting contracts as direct awards based on [an Open Contracting Partnership categorisation](#) (itself based on information from the 'tender/procurement method' and 'tender/procurement method details' fields of Contracts Finder's Open Contracting Data Standard API). We then cumulated contracts by quarter and contract value.

Effect of tax changes on government revenues – Chapter 2

For every tax measure announced in the budgets in November 2020, March 2021 and October 2021, we took the most recent costing (from October 2021 if available, or from a previous publication if not). We then calculated the combined impact of these tax rises across the financial years 2022/23, 2023/24 and 2024/25. For smaller measures, we calculated a combined "other tax measures" category.

Change in spending at successive spending reviews – Chapter 2

For each spending review since 2002, we took the day-to-day departmental spending allocations reported in the initial document. Before 2010, this was Resource DEL. From 2010 onwards, it was Resource DEL excluding depreciation. We then used the GDP deflator published at the time of each review and deflated figures to calculate a contemporaneous planned real-terms increase for the years covered by the review compared with the year prior. We then calculated an average per-year increase in order to compare spending reviews that spanned different periods.

Defining civil servants – Chapter 3

We define civil servants as politically impartial, appointed officials of the UK Home Civil Service, which supports the work of the UK's central government departments. This includes agencies that employ civil servants such as executive agencies, non-ministerial departments and some non-departmental public bodies.

Our definition includes staff of the three Whitehall-based territorial offices that manage the UK's relationship with Scotland, Wales and Northern Ireland. And we include the civil servants employed by the devolved governments of Wales and Scotland, but not the staff of the Northern Ireland Civil Service, which is administratively distinct.

In this way, civil servants are defined more narrowly than public sector workers: police, teachers, NHS staff, members of the armed forces or local government officers are not counted as civil servants. Nor do we include the UK's diplomatic service in our analysis since it, too, is administratively separate from the UK Home Civil Service.

Civil service staff turnover – Chapters 3 and 4

Data on civil service staff turnover is derived from the Cabinet Office Civil Service Statistics dataset (Tables 20, 42 and 43), published at the end of March each year. We use headcount rather than full-time equivalent staff for all staff turnover calculations.

External staff turnover is calculated as the number of civil servants who left the civil service entirely over the course of a given year, as a percentage of the average civil service headcount during that period. Average civil service headcount is calculated as the mean of civil service headcount at the beginning and end of the interval (for instance, headcount in March 2020 and March 2021 for the period 2020–21). We use average headcount to account for the fact that the number of civil servants changes over the course of the year.

Internal staff turnover ('churn') is calculated as the number of civil servants who transferred to another department over the course of a given year, as a percentage of the average civil service headcount during that period. This is an underestimate of real internal turnover in the civil service because it does not include civil servants who transferred to another role within the same department. Unfortunately, data on staff transfers within departments is not publicly available.

Total staff turnover is calculated as the number of civil servants who either left the civil service entirely or transferred to another department over the course of a given year, as a percentage of the average civil service headcount during that period. This is an underestimate of real total staff turnover in the civil service for the same reasons detailed above.

Mapping civil service relocations announced since the 2019 general election – Chapter 3

We compiled all announcements made on Gov.uk or in parliament regarding civil service relocation since the 2019 general election. In rare cases journalistic sources were used to supplement official announcements to clarify any unclear elements, such as the expected number of roles moving to a new location. Journalistic sources were never used in absence of an official announcement. Many announcements were framed in terms of the total number of new roles being split across multiple areas – for example, Figure 3.5. In these instances we equally split the overall number of relocated roles announced between the places announced to be receiving them. This is why its source refers to the indicative nature of the numbers.

Workforce diversity and population benchmarks – Chapters 3 and 5

The benchmark for the economically active working-age UK population that is female is calculated from the ONS Labour Force Survey dataset. It is the economically active female population aged 16–64 as a percentage of the total economically active population aged 16–64.

The benchmark for the economically active working-age UK population that is from an ethnic minority background is calculated from the ONS 'A09: Labour market status by ethnicity' dataset. It is the economically active population aged 16–64 which self-identified as of 'Mixed', 'Indian', 'Pakistani', 'Bangladeshi', 'Chinese', 'Black/African/Caribbean' or 'Other' ethnicity, as a percentage of the total economically active population aged 16–64.

The benchmark for the economically active working-age UK population that has a disability is calculated from the ONS Labour Force Survey dataset. It is the number of economically active people aged 16–64 who meet the Government Statistical Service harmonised standard definition of disability, as a percentage of all economically active people aged 16–64 whose disability status is known (i.e. excluding those respondents who did not state their health situation).

The benchmark for the proportion of the economically active population who live in London or the South East is calculated from the ONS Labour Force Survey dataset. To obtain the figure, we calculated the total economically active population of the London and South East regions, as a percentage of the total economically active population of England and Wales (considering the data only covers appointments by the UK and Welsh governments). Unlike the other benchmarks, this calculation includes all economically active people rather than only economically active people between the ages of 16–64.

To adjust for season variations in employment data, in Chapter 3, we calculate the average for each benchmark over the last four quarters of available data (in this publication, Q4 2020 to Q3 2021).

In Chapter 5, we have used the 2020/21 financial year (Q2 2020 to Q1 2021) to be consistent with the periodisation of the data released by the Office of the Commissioner for Public Appointments (OCPA), which also operates by financial year. The numbers used here may therefore vary slightly from the benchmarks used in Chapter 3.

Civil service pay ranges by grade and department – Chapter 3

We compiled each department's most recently published junior and senior organogram data (as of 12 January 2021) from Gov.uk. For departments where grades did not match the standard civil service pay bands beginning with administrative assistant (AA) and ending with permanent secretary (SCS4) and this had not been previously addressed by the Institute for Government [grade structures explainer](#) we approached the department for clarification. Some organograms added additional information after stated grades; these people were considered to be part of the overarching grade band. For example, in the MoD dataset "E1 – external apprentice" was considered to belong to grade E1. On the rare occasions where staff had purely descriptive text to describe their grade, and the department did not offer a clarification upon request, we did not include those employees' salary data in our analysis. We also did not include OF-grades in our MoD data analysis.

Professions and functions – Chapters 3 and 4

We have grouped the 29 civil service professions reported by the ONS into three overarching categories: operational delivery; departmental specialism; and cross-departmental specialism.

Profession	IfG category
Commercial	Cross-departmental specialism
Communications	Cross-departmental specialism
Corporate finance	Cross-departmental specialism (included in the finance sub-category)
Counter fraud	Departmental specialism
Digital, data and technology (DDaT)	Cross-departmental specialism
Economics	Cross-departmental specialism (included in the analytics sub-category)
Finance	Cross-departmental specialism
Human Resources (HR)	Cross-departmental specialism
Inspector of education and training	Departmental specialism
Intelligence analysis	Departmental specialism
Internal audit	Cross-departmental specialism
International trade	Departmental specialism
Knowledge and information management	Cross-departmental specialism
Legal	Cross-departmental specialism
Medicine	Departmental specialism
Operational delivery	Operational delivery
Operational research	Cross-departmental specialism
Planning	Departmental specialism
Planning inspectors	Departmental specialism (included in the planning sub-category)
Policy	Cross-departmental specialism

Project delivery	Cross-departmental specialism
Property	Cross-departmental specialism
Psychology	Departmental specialism
Science and engineering	Departmental specialism
Security	Departmental specialism
Social research	Cross-departmental specialism (included in the analytics sub-category)
Statistics	Cross-departmental specialism (included in the analytics sub-category)
Tax	Departmental specialism
Veterinarian	Departmental specialism

Additionally, we classify legal professionals from the Crown Prosecution Service separately under the 'prosecutor' profession (as a departmental specialism).

The Cabinet Office includes "other" professions as a category in its annual Civil Service Statistics dataset. Where civil servants' profession is not recorded at all we classify them as "unknown".

Reforms since 2013 have helped to develop a series of centrally managed, cross-government 'functions' to improve the way the civil service conducts activities that rely on specialist skills. These functions overlap with the civil service's existing professions, but there are some differences between the two. Professions are groupings of officials with similar expertise, such as veterinarians, and focus on skills. All civil servants are members of a profession, although due to poor data collection the professions of many civil servants are unknown. Functions are instead focused on activities that occur across departments, such as finance, commercial or project delivery. They provide expert advice, and are responsible for setting cross-government strategies and standards to ensure that activities are delivered widely and consistently across the civil service. Around a quarter of civil servants belong to a function.

Functions		
Analysis	Digital, data and technology	Project delivery
Commercial	Finance	Property
Communication	Grants	Security
Counter fraud	Human Resources	
Debt	Internal audit	

The number of individuals in functions or professions is calculated based on the data reported by individuals on their departmental HR system, rather than an objective classification. Since it is based on individuals' decisions to self-identify with a specific function or profession, any changes in numbers over time are likely to be caused by an increase in the number of people self-identifying rather than an increase in the numbers, although this is difficult to untangle.

Transparency of arm's-length bodies – Chapter 5

These figures are derived from the Cabinet Office public bodies datasets for 2016 and 2020. To be consistent over time, we only analysed the data for the 273 bodies that were listed in both datasets. These figures show the number of bodies answering “yes”, giving the name of an ombudsman (on the ombudsman question) or declaring they had been reviewed in any of the past five calendar years (i.e. 2016 or later for 2020) or that a review was ongoing (for the review question), divided by the total number of bodies analysed (273). Bodies that gave blank answers or answered “N/A” were assumed not to meet the criteria.

For the number of bodies regulated by the OCPA in 2020, this was analysed manually by comparing the Cabinet Office public bodies list with the list of regulated positions in the Commissioner for Public Appointments’ 2020/21 annual report.

Time spent on Covid press conference and statements in the House – Chapter 6

We use the House of Commons Hansard to find Covid-related statements made by selected cabinet ministers between January 2020 and December 2020 (including all people who held those posts over that time, e.g. health secretary includes the tenures of Hancock and Javid). The durations of statements were calculated using timestamps in Hansard. Statements that were already scheduled but that were dominated by Covid (for example, the budget statement) are included. Data for Downing Street press conferences and television addresses on Covid is taken from No.10’s official YouTube channel.

Cabinet Office monthly spending on media, marketing, and advertising – Chapter 6

Data is taken from the Cabinet Office’s monthly list of spending over £25,000. We include anything categorised by the Cabinet Office as media, marketing, or advertising spending.

List of abbreviations Departments and organisations

Acronym	Definition
AGO	Attorney General's Office
BEIS	Department for Business, Energy and Industrial Strategy
BERR	Department for Business, Enterprise and Regulatory Reform (until the creation of BEIS)
BIS	Department for Business, Innovation and Skills (until the creation of BEIS)
BBC	British Broadcasting Corporation
CDDO	Central Digital and Data Office
CO	Cabinet Office
DCA	Department for Constitutional Affairs
DCSF	Department for Children, Schools and Families
DCLG	Department for Communities and Local Government (now DLUHC)
DCMS	Department for Digital, Culture, Media and Sport
DECC	Department for Energy and Climate Change (before BEIS and Defra)
Defra	Department for Environment, Food and Rural Affairs
DETR	Department of the Environment, Transport and the Regions
DExEU	Department for Exiting the European Union
DE&S	Defence Equipment and Support
DfE	Department for Education
DfEE	Department for Education and Employment
DfES	Department for Education and Skills
DfID	Department for International Development (before merger with FCO to form FCDO)
DfSS	Department for Social Security
DfT	Department for Transport
DHSC	Department of Health and Social Care
DIT	Department for International Trade
DIUS	Department for Innovation, Universities and Skills
DLUHC	Department for Levelling Up, Housing and Communities
DNH	Department for National Heritage
DPCP	Department for Prices and Consumer Protection
DTLR	Department for Transport, Local Government and the Regions
DVLA	Driver and Vehicle Licensing Agency
DWP	Department for Work and Pensions
ESFA	Education and Skills Funding Agency
EU	European Union
FCDO	Foreign, Commonwealth and Development Office
FCO	Foreign and Commonwealth Office (before merger with DfID to form FCDO)
GDS	Government Digital Service
HMCTS	Her Majesty's Courts and Tribunals Service

HMRC	Her Majesty's Revenue's and Customs
HMT	Her Majesty's Treasury; the Treasury
HO	Home Office
HoC	House of Commons
HoL	House of Lords
ICO	Information Commissioner's Office
IPA	Infrastructure and Projects Authority
Law	Law officers (AGO, Office of the Advocate General for Scotland)
MHCLG	Ministry of Housing, Communities and Local Government (before the creation of DLUHC)
MoD	Ministry of Defence
MoJ	Ministry of Justice
MPA	Major Projects Authority
NAO	National Audit Office
NHS	National Health Service
NDA	Nuclear Decommissioning Agency
NICS	Northern Ireland Civil Service
NIO	Northern Ireland Office
NISRA	Northern Ireland Statistics and Research Agency
OBR	Office for Budget Responsibility
OCPA	Office of the Commissioner for Public Appointments
ODM	Ministry of Overseas Development
ODPM	Office of the Deputy Prime Minister
ONS	Office for National Statistics
OPS	Office of Public Service
OPSS	Office of Public Service and Science
PHE	Public Health England
Scot	Scotland Office
SG/Scot Gov	Scottish Government
UKHSA	UK Health Security Agency
UN	United Nations
Wal	Wales Office
Welsh Gov	Welsh Government

Other abbreviations

Acronym	Definition
ALBs	Arm's length bodies
AO/AA	Administrative officer/administrative assistant (civil service grade)
CA	Combined authority
CJRS	Coronavirus Job Retention Scheme
COBR	Civil Contingencies Committee (which meets in Cabinet Office Briefing Rooms)
COP26	The 26th United Nations Climate Change Conference of the Parties, held in Glasgow in October and November 2021
CS	Civil service
DDaT	Digital data and technology profession
DEL	Departmental expenditure limit
EO	Executive officer (civil service grade)
FTE	Full-time equivalent
FoI	Freedom of Information
FSM	Free school meals
G6/G7	Grade 6 and Grade 7 (civil service grades)
GDP	Gross domestic product
GPDR	General Practice Data for Planning and Research
GE	General election
GMPP	Government Major Projects Portfolio
GP	General Practitioner, doctor
IfG	Institute for Government
IT	Information technology
JSS	Job Support Scheme
LBTT	Land and buildings transactions tax
LGBT	Lesbian, gay, bisexual and transgender
MIG	Ministerial implementation group
MoS	Minister of state
MP	Member of parliament
NDPB	Non-departmental public body
ODPs	Outcome delivery plans
OSCAR	Online System for Central Accounting and Reporting
PACAC	Public Administration and Constitutional Affairs Committee
PM	Prime minister
PPE	Personal protective equipment
PQs	Parliamentary questions
Q (Q1 etc.)	Quarter
SCS	Senior civil service/ senior civil servant
SDLT	Stamp duty land tax

SDPs	Single Departmental Plans, forerunner of ODPs
SEO/HEO	Senior executive officer/Higher executive officer (civil service grades)
SEISS	Self-Employment Income Support Scheme
SI	Statutory instrument
SoS	Secretary of state
SR	Spending review/Spending round
SSPS	Statutory Sick Pay Scheme
VAT	Value added tax
WFH	Working from home

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