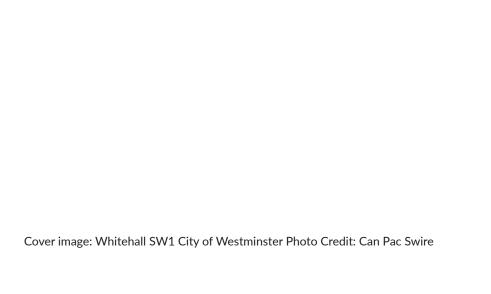
Whitehall Reimagined



A strengthened Civil Service for a post-Brexit Britain

Iain Mansfield and Warwick Lightfoot Foreword by Dame Patricia Hodgson





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Foreword

Dame Patricia Hodgson

Impartiality, integrity and commitment to public service; these Civil Service values have been the foundation of good government in this country for more than a century. Britain is blessed in the professionalism of permanent support for government as it wrestles with the most challenging issues of our lifetime. In short order, the UK must now define its post-Brexit role in the world and rise to the challenge of a new level of decision making, independent of EU structures. It must bring the nation together round a tranche of new policies on public services, infrastructure investment and the management of the most explosive and fast developing technical revolution of all times in the shape of digital services, big data and artificial intelligence; technologies that touch all of us and will remake our economy and society.

The Civil Service has to rise to these challenges in the face of its own problems; recruitment freezes, below inflation pay rises and cuts to operational budgets in the last ten years that have put the system under strain. I have worked with civil servants for thirty years, in broadcasting and telecommunications, competition issues and Europe, schools and higher education and been hugely impressed. But, in the last ten, I have also seen the service struggling. Some London Departments are losing 20-25% of staff each year, with remaining talent spread thinly and too often moved to new challenges just as they become useful. Budgetary constraints limit access to external advice with the result that confidence wavers; and caution or too much reliance on process can become a substitute for action. At the same time, the structure of arms-length bodies has meant a critical mass of knowledge and experience has moved outside Whitehall, creating barriers to policy development.

For government to work as is now required, Whitehall needs more access to talent, streamlined processes and the confidence to work closely with outside experts and with political advisers able to provide improved support for Ministers, including Junior Ministers. The best civil servants can and do work seamlessly with the Cabinet Office and No 10 to ensure speedy agreement and delivery of policy. But log jams here too often delay or prevent good decision making. The No 10 operation should be significantly strengthened to cope with the increasing flow of business.

Policy development and delivery can and must be improved by state-of-the-art use of data and intelligent computer systems. Whitehall's history of IT and digital development is littered with expensive mistakes. But the issue cannot be ducked as innovation in business and communications is being transformed so rapidly by machine- based intelligent data use.

The prize includes data sharing across departments for better informed policy making and the design of improved public services delivered to individuals. We can surely provide more customised help with job searches, benefit issues or health care. But we need to balance the benefits of this technology with robust controls to ensure personal privacy and protect individuals from over-mighty government.

More broadly, civil service systems and structures should be aligned with those used in the most effective organisations. Procurement must be streamlined and legal advice strengthened. Expertise, impartiality and courage are the hallmarks of the best in Whitehall. They derive from principles, training and experience. Accountability is not delivered through risk avoidance and box ticking but by well informed policy development, challenging internal discussion and a culture of high standards.

This report is focused on Whitehall and its associated public bodies finding, recruiting, retaining and consulting the talent they need. you attract talent, it finds a way to deliver, but current senior recruitment processes to public bodies seem almost designed to fail. Refusing to use a good head-hunter for budget reasons is a false economy. The lists held in the Cabinet Office and No 10 also need to be professionally managed, and processes must be flexible. It is my personal experience in recruiting to Ofcom or sitting on Departmental appointment boards, that a top individual in a particular field may well be willing to take a substantial pay cut and move into public service when they believe in the task. But few at this level will put their life on hold for four to five months, perhaps turning down other approaches, with no certainty of appointment and the constant threat of leaks and media attention. Due diligence is often done automatically by headhunters in respect of their lists and so can be quickly rechecked in relation to a particular job negotiation. Government should do this and be prepared to appoint to public bodies through accelerated It is important to appoint leaders of public bodies whose own culture and values align with government's strategic purpose for that organisation. This is not about appointing political friends but delivering agreed strategy. Calibre checks are vital, but these need not consist of months of process. It is about appointing the best and, when that is achieved, the appointment speaks for itself.

More is being required of our machinery of government and there is no time to waste. This paper is designed not to overturn the civil service, but to strengthen it. The Civil Service can only deliver if we recruit the best, require the best and properly manage and reward the best.

Dame Patricia Hodgson

Trustee of Policy Exchange, Board Member of the Centre for Data Ethics and Innovation and formerly Chair of Ofcom.

The Case for Reform

The UK Civil Service is a foundational strength of British government. Its impartiality, integrity and commitment to public service are unrivalled and individuals of the highest calibre can be found at every level within it. Civil servants routinely develop major policy reforms, implement ground-breaking legislation and deliver multi-billion pound public service programmes – all without the bonus culture and share incentives deemed to be required in the private sector.

In recent years the civil service has also faced phenomenal challenges. The Great Recession, the major public service reforms of the Coalition and, most notably, the preparation for Brexit and the creation of two entirely new departments, have been tremendous undertakings. Furthermore, they have come at a time when the Civil Service has been under unprecedented strain. A recruitment freeze and almost a decade of below inflation pay rises, followed by a need for rapid expansion and development of new capabilities in areas such as trade negotiation have all strained the traditional civil service model in areas such as of reward, progression and talent acquisition. While the civil service has largely risen to these challenges, it has not been without impact on organisational morale, personnel and overall capability.

We are, however, facing a time of unprecedented change. The challenges facing the system are unprecedented in the post-war period occurring in a world which is increasingly complex, connected and unpredictable. Brexit will not only transform our relationship with the EU, but will require Whitehall to regain competency in areas ranging from agricultural policy to chemicals regulation. Skills must be regained, agencies empowered and modes of operation implemented seamlessly, efficiently and in a way which restores full democratic control.

Trade is the most obvious area of regained competency and offers the greatest opportunities: Policy Exchange's stance on this is covered in our report, The First Hundred Days¹: the UK must take a nimble, pro-liberal and flexible approach to negotiating trade agreements, emulating Switzerland or New Zealand, rather than adopting the sclerotic processes of the EU. But while the creation of the Department of International Trade was a positive start, but its (understandable) challenges in recruiting staff swiftly enough have been well-documented². Trade is also simply one part of the holistic, confident and self-aware foreign policy that must be adopted by Global Britain, one that is fit for a multipolar world in which the challenges and opportunities of China, global instability and the increasing prevalence of unconventional threats such as cyber warfare must all be balanced to

^{1. &}lt;a href="https://policyexchange.org.uk/wp-content/up-loads/2019/12/The-First-Hundred-Days.pdf">https://policyexchange.org.uk/wp-content/up-loads/2019/12/The-First-Hundred-Days.pdf

https://www.politicshome.com/news/europe/ eu-policy-agenda/brexit/news/92322/liam-foxstrade-department-%E2%80%98struggling-meetdeadlines

safeguard the UK's national interests.

Even more fundamental is the existential challenge of tackling climate change. While the Conservative Manifesto committed to a strong range of actions to address the issue – and these are largely supported by opposition parties – the Committee for Climate Change has made clear that transformational changes will be needed across the economy if Britain is to achieve the target of reaching net zero carbon emissions by 2050³. To add to the challenge, this will be taking place at a time when the economy is undergoing increasingly rapid transformation from the fourth industrial revolution, with new digital, computational and connectional technologies beginning to fundamentally reshape the way we do business, educate our children and even interact as a society.

Is Whitehall structured to meet these challenges? It may not be true to say the civil service remains a 19th century organisation in a 21st century world, but undoubtedly further reforms are needed to unlock the potential of its people. The Fulton Report (1968)⁴ and the more modest reforms instigated by Francis Maude in the early 2010s have had only a modest impact on a system of government which would still be instantly recognisable to the inhabitants of C. P. Snow's novel, Corridors of Power.

Organisational design, culture and processes are fundamental. The historic values established by Northcote and Trevelyan in 1854 – political impartiality, recruitment on merit, integrity and objectivity – remain as relevant today as ever⁵. But since then, an extensive literature has developed on how to create effective organisations and make optimal decisions reliably in a world of increasing complexity, the learnings of which are not yet reflected in governmental decision-making processes. These, despite considerable efforts by civil service reformers, remain largely organised along traditional hierarchical and siloed lines. Compliance with mandatory processes, including those imposed by the external factors of poorly thought-through legislation and the increasing threat of judicial review, prevail over the use of decision-making techniques that are proven to be ineffective in complex environments.

The charges of political bias that have been levelled at the civil service are baseless. The position of the Treasury on Brexit can be wholly explained by the fact that both George Osborne and Philip Hammond were staunchly in favour of remaining in the EU, with no need to invent a conspiracy by officials. Nevertheless, the civil service could do more to actively cultivate viewpoint diversity. A challenge for Ministers of all parties is the phenomenon of 'Ministry policy', whereby a prevailing wisdom can become embedded within a department, without significant challenge. From the independence of the Bank of England to Michael Gove's education reforms, fresh policy solutions have typically come from outside the civil service, while better processes, including a more effective use of specialists, a more self-critical approach to evidence and the creation and systematic use of 'red teams' could help challenge success and ensure policy making is robustly tested.

Whitehall culture, in particular the priority placed upon consensus

https://www.theccc.org.uk/publication/reducing-uk-emissions-2019-progress-report-to-parliament/

^{4.} https://www.civilservant.org.uk/csr-fulton_report.

https://www.civilservant.org.uk/library/1854_ Northcote_Trevelyan_Report.pdf

and the inertia of ministry policy, can sometimes be inconducive to an incoming government or minister effectively implementing their policy programme. Similarly, the transmission and flow of policy development between No. 10 and ministerial departments is not always seamless. At the heart of improving this is cultural change, through increased closer working of the permanent civil service and political appointees, a reduction in parallel processes, a strengthened role for No. 10 and a significantly increased policy making capacity for departmental ministers via the restoration of extended ministerial offices.

Another important area is technology and digital capability, where government IT projects have become a byword for cost overruns and failure. More significant, if less immediately salient, is the opportunity cost. In the last decade, the ability of AI and big data to transform organisational effectiveness has become evident and is now routinely deployed to significant effect in sectors as diverse as retail, advertising and banking. To date, however, implementation of the latest commercial techniques within Whitehall remains modest.

The extensive use of arm's-length bodies, frequently with major policy setting responsibilities and multi-billion pound budgets, creates additional challenges of accountability and responsibility. While such bodies have clear benefits in many cases, it is essential that a full degree of democratic accountability is maintained with such bodies being clearly answerable to government, parliament and, ultimately the electorate. Central to achieving this is a wholesale reform of the public appointment process, to ensure a more professionalised approach, effective involvement and ownership by ministers and special advisers from the outset and a more rigorous assessment of candidates both for experience and ability and to ensure their approach to their roles will align with that of the democratically elected government of the day.

If adopted, the reforms set out in this paper will support the UK's already admirable Civil Service to achieve its full potential. Better decision making, streamlined processes and improved accountability will in turn drive improved policy making and legislation, more effective delivery and improved public services, benefiting every citizen of the UK.

Summary of Recommendations

- 1. Significantly enhance the capacity of No. 10 to develop and direct policy change through Whitehall.
- 2. Promote systemic cultural reform to increase efficient working practices between the permanent civil service and political advisers
- 3. Restore Extended Ministerial Offices and enhance policy support for junior ministers.
- 4. Consolidate departments and revitalise Cabinet Committees
- 5. Reform of civil service recruitment and progression to enhance expertise, accountability and institutional memory
- 6. Improve digital capabilities and ethically harness the opportunities of AI and Big Data.
- 7. Strengthen the role of internal and external specialists in formulating policy and advising ministers.
- 8. Reform Whitehall processes to streamline policy making and strengthen the ability of ministers to obtain robust legal advice.
- 9. Streamline public procurement to make the tendering process faster, more flexible and more supportive of British jobs.
- 10. Reform the Public Appointments Process to enable it to better appoint the highest calibre individuals to roles where they will deliver the government's objectives.

1. Strengthening No. 10

Significantly enhance the capacity of No. 10 to develop and direct policy change through Whitehall.

No. 10 is a pivotal part of driving change. Ensuring it has the capability to do so is essential to effective government. Similarly, when there is significant competition to the central leadership role of No. 10, the conduct of government business suffers⁶.

Organisational leadership requires more than the ability to generate ideas. It must include the ability to operate in a highly complex and rapidly changing environment in which the demands on civil servants, special advisers and the Prime Minister are tremendous and the 24 hour news cycle fueled by social media create an environment where it has never been easier to lose focus or control of the agenda. It can be easy, operating in such an environment, for a government to be distracted and blown off course⁷. Integration of political and civil service advice is essential in such an environment and, both historically and currently, No. 10 has been highly effective at creating a culture in which the permanent civil service and special advisers work towards a common purpose.

No. 10 is at the heart of any effort to transmit effective administration throughout Whitehall. While reforms must ultimately be embedded in departments, the example of No. 10 is vital in setting the tone and direction for Whitehall as a whole. The well-established lessons on how organisations can successfully manage uncertainty and deliver in highly complex environments, such as Tetlock and Gardner's insights on forecasting⁸, must be owned and embraced by No. 10. Similarly, No. 10 is the obvious place to establish structures such as 'red teams', first introduced by the Prussian Army to challenge and test accepted wisdom⁹, to prevent group think and challenge ideas arising from both government departments and within No. 10 itself.

Finally, it is important that No. 10 is able to engage effectively with other Whitehall departments and ensure that its priorities are delivered. To do this requires the ability to not only generate ideas but to engage critically with departments on them, including the ability to support Departmental Ministers and Special Advisers to overcome the departmental inertia

Key Actions

• Enhance the capacity of the Prime Minister's Policy Unit and Prime

- Blair-Brown feud was 'hugely destructive' Damian Mcbride. https://www.theguardian.com/politics/2013/sep/23/blair-brown-feud-destructive-labour-government-damian-mcbride
- Some examples are depicted in https://dominic-cummings.com/2014/10/30/the-hollow-men-ii-some-reflections-on-westminster-and-whitehall-dysfunction/
- 8. Superforecasting: The Art and Science of Prediction (Philip E. Tetlock and Dan Gardner)
- War, Strategy and Military Effectiveness (Murray Williamson)

- Minister's Delivery Unit by approximately 50%.
- Create a Red Team comprised of 10-15 high calibre individuals, with an explicit mandate to challenge received wisdom and critically examine new policy proposals in No. 10, Treasury and Government Departments. The head of the Red Team should report directly to the Prime Minister's chief of staff and have at least one meeting a week with the Prime Minister.
- Transfer the Economic and Domestic Affairs Secretariat from the Cabinet Office to No. 10, uniting central policy making functions under the Prime Minister.
- Ensure the existing level of effective integration between special advisers and permanent civil servants that already exists in much of No. 10 is sustained across all parts of the revised structure.

2. Cultural Reform

Promote systemic cultural reform to increase efficient working practices between the permanent civil service and political advisers

The strength of the UK's civil service rests in its political impartiality. The historic values established by Northcote and Trevelyan in 1854 – political impartiality, recruitment on merit, integrity and objectivity – remain as relevant today as ever¹⁰. We are firmly of the view that this should continue and that civil servants, including those at the highest level, should continue to be selected, promoted and evaluated independent of political interference.

The role of Special Advisers is important in maintaining the impartiality of the civil service. To quote the Special Adviser Code of Conduct, "Special advisers are a critical part of the team supporting Ministers. They add a political dimension to the advice and assistance available to Ministers while reinforcing the political impartiality of the permanent Civil Service by distinguishing the source of political advice and support.¹¹ This distinction is important and should be maintained. Furthermore, we do not consider there to be a need to significantly increase the number of special advisers. Careful consideration should continue to be given to the skills and specialisms of special advisers and we welcome the fact that this government has appointed a high proportion of individuals with specialist expertise, whether in policy areas or in competencies such as communications.

Where there is an opportunity for improvement is in cultural change. The Special Adviser Code states that, "Special advisers should be fully integrated into the functioning of government."12 From conversations with a wide range of civil servants and special advisers in different departments, it is clear that the extent to which this aspiration can vary. At its best, special advisers and civil servants are united around the common goal of delivering Ministerial objectives to deliver the best possible results for the nation; at its worst, the relationship may be marked by mutual distrust, an 'us vs them' culture and adversarial processes such as parallel email chains which duplicate effort and exclude one party from key elements of policy formation. New digital ways of working can in theory mitigate this but, can also, either deliberately or inadvertently exacerbate it. It should be emphasised that, in cases where relationships break down, the culpability typically rests as much with special advisers as much as with the permanent civil service: miscommunications and misunderstandings on both sides can create a self-reinforcing cycle of distrust.

^{10. &}lt;a href="https://www.civilservant.org.uk/library/1854_Northcote_Trevelyan_Report.pdf">https://www.civilservant.org.uk/library/1854_Northcote_Trevelyan_Report.pdf

^{11.} Special Adviser Code of Conduct https://www.gov.uk/government/publications/special-advisers-code-of-conduct

^{12.} Ibid

Although it is essential that political advice continues to be clearly delineated, the majority of work carried out by special advisers is not party political in its nature¹³. For such activities it is important for activities and working practices should be fully integrated, to ensure a maximum focus on delivering for the government of the day.

Key Actions

- Permanent Secretaries to consider the culture of working with special advisers within their department and take steps where necessary to reduce 'us vs them' culture.
- Departments to take active steps to eliminate parallel processes and integrate policy development more closely, continuing to clearly delineate political advice where appropriate.
- Introduce a formal 1-2 day induction process for special advisers, delivered by an experienced special adviser, to increase awareness of how Whitehall works and how they can operate in it most effectively.

3. Extended Ministerial Offices

Restore Extended Ministerial Offices and enhance policy support for junior ministers

The creation of Extended Ministerial Offices was recommended by the Institute for Public Policy Research (IPPR) in 2013 and subsequently implemented by the government¹⁴. The intention was that Secretaries of State should be supported by "an extended office of Ministerial staff that they personally appoint and who work directly on their behalf in the department. Ministerial staff should comprise a mixture of officials, external experts, and political advisers."

Not all departments adopted the model but, despite some initial success – Liz Truss reported in 2016 she was 'a huge fan'¹⁵ - the innovation was quietly shelved at the end of 2016, with reference to them being removed from the Ministerial Code. Today's Ministerial Code continues to contain no reference to them¹⁶. The reasons for their abolition are unclear, though the Institute for Government has suggested that an undue focus on cost-cutting or concerns about the bureaucratic hoops required to establish one may be to blame¹⁷.

We consider the original arguments advanced for the creation of Extended Ministerial Offices remain compelling. For Secretaries of State to have a group of people who work directly on their behalf in whom they have complete trust, would enhance the ability for ministers of all parties to implement their agenda and, as discussed above, significantly aid the transmission and development of ideas between Secretaries of State and Number 10. Furthermore, when implemented, Extended Ministerial Offices have demonstrated their effectiveness at bringing specialist expertise into Government¹⁸.

There is also significant advantage in junior ministers having the ability to bring in such expertise, where appropriate, to provide them with personal advice. The use of a 'Teacher in Residence' position by Schools Minister Nick Gibb has been invaluable at bringing direct teaching experience into the heart of policy making; the appointment by Science Minister Jo Johnson of innovation expert Stian Westlake is another positive example. There is, however, no automatic right for a Minister to make such an appointment and negotiation for the right to appoint such an adviser can be long and tedious.

Accountability and responsiveness in the senior civil service, IPPR 2013 https://www.ippr.org/publica-tions/accountability-and-responsiveness-in-the-se-nior-civil-service

^{15. &}lt;a href="https://www.gov.uk/government/speeches/speech-for-the-institute-for-government">https://www.gov.uk/government/speeches/speech-for-the-institute-for-government

^{16.} https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/ file/826920/August-2019-MINISTERIAL-CODE-FI-NAL-FORMATTED-2.pdf

^{17. &}lt;a href="https://www.instituteforgovernment.org.uk/blog/scrapping-extended-ministerial-offices-mistake">https://www.instituteforgovernment.org.uk/blog/scrapping-extended-ministerial-offices-mistake

^{18.} The Permanent Secretary of Defra, Claire Moriarty, said that it had functioned "like an enriched strategy unit", and brought a "diversity of thinking styles" to the department which had helped to bridge "the gap between what ministers think and how civil servants traditionally operate". https://www.civilserviceworld.com/articles/news/existing-extended-ministerial-offices-be-dismantled-cabinet-office-confirms

Key actions

- Restore Extended Ministerial Offices as initially envisaged by the IPPR, but with a simplified process for establishment.
- Junior ministers to be granted an automatic right to appoint at least one policy adviser.
- Staff in both cases should be politically impartial; however, there must be sufficient flexibility to rapidly appoint individuals with the required expertise, whether inside or outside the civil service, bringing in staff on temporary contracts where appropriate.

4. Departments and Cabinet Committees

Consolidate departments and revitalise Cabinet Committees

The Union

Brexit has placed a strain on the Union and it is time for the UK Government to redouble its efforts and demonstrate the value of the Union across the UK. As Policy Exchange has consistently argued, including in Modernising the UK¹⁹ and in The First Hundred Days²⁰, the Government should put strengthening the Union at the heart of its domestic policy agenda.

This focus on the union needs to be reflected within Whitehall. The most natural solution is the establishment of a powerful Department for the Union, headed by a senior Cabinet Minister. This would be able to champion the interests of the Union and provide a coherent voice within Whitehall, with the devolved governments and across the UK on Union matters.

Foreign Affairs, Trade and International Development

The government currently has four departments of foreign affairs: the Foreign & Commonwealth Office (FCO), the Department for International Development (DFID), the Department for Exiting the European Union (DEXEU) and the Department for International Trade (DIT). This hinders the development of an effective and coordinated foreign policy. In the words of Tom Tugendhat, the Chair of the Foreign Affairs Select Committee,

"This has created silos in our foreign policy and a culture in which different departments fight each other for resources at home and abroad. The consequence of all this is that successive, talented foreign secretaries...have been hobbled. They've had the title, but they haven't had the power."²¹

The concern by aid agencies that this would lead to a reduction in the UK's commitment to international development is unfounded: the Conservative Manifesto explicitly pledged to continue spending 0.7% of GDP on foreign aid²². Nor does consolidating departments mean the abolition of the International Development Act or the return to the days of Pergau Dam. But post-Brexit Britain must pursue a coordinated, intelligent and strategic foreign policy, that operates clearly in the enlightened national interest – a term which must continue, as it is does now, to mean an interest which endorses multilaterism, human rights and the rule of law – and

https://policyexchange.org.uk/wp-content/uploads/2019/08/Modernising-the-UK.pdf

^{20.} https://policyexchange.org.uk/wp-content/up-loads/2019/12/The-First-Hundred-Days.pdf

^{21.} https://www.conservativehome.com/parliament/2018/05/we-need-to-make-the-foreign-office-the-strategic-engine-of-our-foreign-policyagain-tugendhats-rusi-speech.html

^{22.} https://assets-global.website-files.com/5da42e-2cae7ebd3f8bde353c/5dda924905da587992a-064ba_Conservative%202019%20Manifesto.pdf

this is something that cannot be achieved with a balkanised departmental structure.

Trade will, of course, be a national priority as the UK maximized the opportunities of Brexit to form strong new trading relationships with nations around the world. In line with the recommendations of the Policy Exchange report Global Champion, the Government should commit to maximum openness in trade policy as we leave the EU, by starting to pursue unilateral free trade through eliminating tariffs and reducing non-tariff barriers, and pursuing a pragmatic combination of high quality plurilateral and bilateral free trade agreements, including opening negotiations to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. Within the new Foreign and Commonwealth Office, the President of the Board of Trade should be established as the second most senior ministerial role within the department, attending Cabinet, in a manner analogous to that of the Chief Secretary of the Treasury within the Treasury.

Cabinet Committees

When used effectively, Cabinet Committees can be transformational to the ability of galvanizing action and taking decisions across Whitehall. When not used well, they can become a form of virtue signaling, in which a matter is raised to signal it is important, rather than to enable decisions — and at their worst, they can become a process that is 'pure Potemkin village'.²³

The use of Cabinet Committees has varied over the decades²⁴. Two examples of effective structures have been the Quad²⁵ – not actually a Cabinet Committee – in the Coalition years and, more recently, the so-called 'XS' and 'XO' committees²⁶ established by Prime Minister Boris Johnson for the purposes of delivering Brexit. Notable to the success of these were the fact that they had the right ministers on them (and were chaired by, respectively, the Prime Minister and the Chancellor for the Duchy of Lancaster); they met regularly; the papers they received proffered genuine choices; they were empowered to make decisions (and were able to direct resources and departmental actions accordingly); and the civil service was clearly directed to deliver and act upon their decisions, and responded accordingly²⁷.

The Prime Minister should ensure the lessons from the effective working of these committees are learned when establishing and operating the new structure of Cabinet Committees that will operate throughout the next Parliament – including the promised new Cabinet Committees on space and on climate change. The latter, in particular, will be vital in tackling one of the most important issues facing the UK.

Key Actions

- Create a new Department of the Union headed by a senior Cabinet Minister.
- Merge the Department for International Development and

- 23. https://dominiccummings.com/2014/06/
- 24. https://www.instituteforgovernment.org.uk/publication/whitehall-monitor/whitehall-explained/cabinet-committees
- 25. https://www.spectator.co.uk/2012/02/politics-brit-ains-new-gang-of-four/
- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/ file/821544/Committee_lists_for_GOV.UKv2.pdf
- https://www.politico.eu/newsletter/london-playbook/politico-london-playbook-countdown-returns-braveheart-in-xs/

- Department for International Trade into the Foreign & Commonwealth Office.
- Establish the office of President of the Board of Trade as the second most senior ministerial role within the new Foreign & Commonwealth Office, attending Cabinet.
- Ensure Cabinet Committees are operating effectively with appropriate chairs, members, procedures and decision-making abilities.

Recruitment, Progression and Turnover

Reform of civil service recruitment and progression to enhance expertise, accountability and institutional memory

The civil service justifiably has a reputation of one of the best employers in the country²⁸. Recently, however, a number of events have strained the civil service's capacity to recruit, retain and develop staff. Recruitment freezes, repeated rounds of redundancy and almost a decade of below inflation pay rises, followed by a need for rapid expansion and development of new capabilities in areas such as trade negotiation have all had an impact on institutional memory, talent retention and overall capability.

A major challenge, well documented by the Institute for Government (IfG) earlier this year in their report Moving On, is increasingly rapid turnover of staff²⁹. While civil servants have always moved roles more rapidly than in the private sector, the problem has become acute since 2011. To quote, "Several London-based departments consistently lose 20–25% of staff each year. In six departments, a new minister will find four in 10 of their senior officials have been in post less than a year, while permanent secretaries only average around three." The issue becomes even more acute when one considers staff who move between roles within a department.

Staff turnover has increased for a number of reasons, but major causes include the effective ending of salary progression in post – meaning that the only way to receive a pay rise above inflation is to move – and, more recently, the creation of several major new departments. In the mid-2000s, the Civil Service set an expectation that Senior Civil Servants remain in post for four years, with less formal expectations that Grade 6 and 7 staff (middle management) should remain in post for two to three years; now, the majority of senior officials stay in post for under two years³⁰.

In addition to increased turnover, a number of reforms to HR practices have reduced the historic emphasis on skills and expertise that were the mainstay of the UK civil service's historic expertise. Numeracy and literacy tests were abolished from the Civil Service Fast Stream selection process in 2016, despite both writing and data interpretation being essential skills for almost all mid-level or senior civil servants. The gradual phasing out of internal promotion boards in almost all departments has also meant the removal of an important safeguard for maintaining the gold standard capabilities of the UK civil service. While the private sector has used the

For example, voted 2nd in the Evening Standard's league of top graduate employers: https://www.standard.co.uk/futurelondon/skills/uk-graduate-schemes-2019-london-employers-best-grad-jobs-a4138311.html

https://www.instituteforgovernment.org.uk/sites/ default/files/publications/IfG_staff_turnover_WEB.

³⁰. Ibid

potential of digital technology to revolutionise recruitment and capability assessment, the civil service has gone backwards.

In some departments, misguided HR policies have exacerbated the problem. Some departments forbade the use of recruiting managers from viewing important information such as internal candidate's performance records or professional qualifications, removed current line managers from any input into assessments for promotion (whilst also not using boards) and did not routinely take up references.³¹ Whilst well intentioned as a means to increase diversity, such policies again hinder effective development of capability. They are also likely to be counterproductive: while removing irrelevant information (such as name-blind applications) can enhance diversity, studies have shown that removing useful, relevant information makes recruiters more, not less, likely to discriminate³².

There are many areas where the civil service deserves plaudits, not least the way it has risen to the challenge of Brexit despite a highly tumultuous political environment. It has significantly increased the number of women in senior roles³³ and made a transformational commitment to mainstreaming forms of flexible and part-time working. Its commitment to fostering specialist skills in procurement, finance and project delivery are also investments that should pay dividends in the future. But despite these positive measures, a number of steps should be taken to ensure the UK civil service remains the envy of the world.

Key Actions

- Restore pay progression in post for civil servants who are delivering effectively, so the majority of staff have a greater incentive to remain in post for longer.
- Set and enforce the former expectation that Senior Civil Servants should normally remain in post for at least four years, with other staff remaining in post for at least two years.
- Explicitly evaluate senior managers on their ability to manage turnover.
- Reinstate basic numeracy and literacy tests for Fast Stream recruitment and restore the use of cross-Whitehall Assessment Boards for promotion to the Senior Civil Service.
- Review internal and external recruitment processes to ensure recruiting managers have access to relevant information, including past performance records and relevant qualifications, and that references are routinely taken up.

Such or similar policies were in place, at various times, in the Departments for Business, Innovation and Skills and the Department for Education between 2014 and 2018.

^{32.} Does "Ban the Box" Help or Hurt Low-Skilled Workers? Statistical Discrimination and Employment Outcomes When Criminal Histories are Hidden (2016), Doleac and Hansen

Civil Service Statistics, Cabinet Office (2019) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/ file/836373/Statistical-bulletin-Civil-Service-Statistics-2019-V2.pdf

6. Digital Reform

Improve Digital Capabilities and Ethically Harness the Opportunities of AI and Big Data

Politicians of all parties should be alarmed by the fact that the UK is slowly dropping down international eGovernment rankings, not least because these studies should, in theory, favour the UK by taking into account elements outside eGovernment such as the wider business and innovation environment.³⁴ As Policy Exchange has pointed out previously, Whitehall's departmental structure makes it intrinsically difficult to pursue a coordinated approach to digital, data and IT.³⁵ Departments often spend millions developing their own systems and databases, tailored specifically to their needs, and their needs alone. Moreover, the Government spends significant funds on external consulting firms for digital and data projects. These could arguably be done more effectively and less expensively by in-house professionals.

Although there have been a number of cross-Government strategies, Whitehall has historically focused more on basic services (such as data compliance) rather than on transforming public services and harnessing the opportunities offered by cloud computing, big data and AI. Making the most of these technologies offers major opportunities for increased efficiency and better public outcomes, but must be done in an ethical and transparent way which fully respects the right of individuals to control their own data³⁶. This could include statutory sign off for any contentious changes in data use; improved mechanisms by which personal data is accessed, transferred and secured to ensure that individuals consent to the use of their data; the prevention of unauthorised access to sensitive databases; locks to anonymise data by removing direct and indirect identifiers; and a robust independent oversight mechanism which scrutinizes how securely public data is kept, whether sharing has been done appropriately, that data has been properly anonymised, and there are accountabilities in place.

The Government recently announced the creation of a Chief Digital and Information Officer who will lead all cross-government strategies for digital transformation, data, cyber security, and innovation.³⁷ For the new CDIO to be effective and accountable, they should have heads of digital and technology in each department who report to the CDIO, and not just their Department's Permanent Secretary. They should also have a team embedded in the Treasury to help the next Chancellor to get real information and expertise. Moreover, instead of appointing a series of

- 34. Helen Margetts and Andre Naumann, "Government as a Platform: What can Estonia show the world?", Oxford, Institute, (2017), p 7
- 35. PolicyExchange,TheSmart State, link
- 36. https://www.nao.org.uk/wp-content/up-loads/2019/06/Challenges-in-using-da-ta-across-government.pdf
- Cabinet Office, Minister's speech at Sprint 19 Conference,
 19 September 2019, link

Director Generals to work underneath the CDIO, the Government should appoint a Chief Data Officer to oversee data flows, use and ethics across Government, a Chief Product Officer to oversee the adoption of common platforms and the personalisation of Government services and a Chief Transformation Officer to focus entirely on legacy IT.

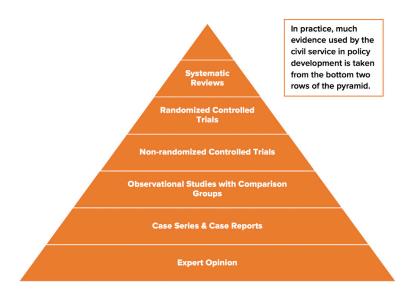
Key Actions

- Create new digital leadership structure under the Chief Digital and Information Officer (CDIO).
- GDS, under the leadership of the CDIO, should be given the unequivocal authority to lead digital policy and delivery so that it can break down department silos and establish a uniform digital strategy across Government.
- Establish and implement a set of cross-government data standards and common rules for the storage, management and collection of data by January 2021.
- Allow GDS to bid for digital contracts alongside consultancy firms.
- Create a Big Data and AI unit, modelled after the highly successful Behavioural Insight Unit, tasked with the development of live connected flows of data to improve analysis of Government services, and ensure it has the appropriate ethical oversight.

7. Specialists

Strengthen the role of specialists in formulating policy and advising ministers

The civil service, rightly, places a strong emphasis on the use of evidence in policy making³⁸. Evidence can, however, be used in a variety of ways not all of which are equivalent. If the only evidence to support a course of action is a small set of case studies, or a correlation without clear causal link, the evidence base is considerably more uncertain than if there were a duplicated randomised control trial or meta-analysis. The fact that the evidence for a course of action is less strong does not mean that it must not be pursued; however, where evidence is weak, civil servants should not overemphasise its weight when advising for or against a particular policy.



It is also vital for civil servants to understand the difference between genuine evidence, and what was described by the Nobel Laureate Richard Feynman as 'cargo-cult science'.³⁹ Good evidence derives from the sort of investigation which is self-critical and conducted with an unbending commitment to the truth, rather than just information which leads in one direction or the other. It should be noted that whether or not something falls into this category is immutable: Feynman described education research as cargo-cult science and, while much no doubt continues to be worthy of that name, organisations such as the Education Endowment Foundation are beginning to increase our knowledge of what really works through the

^{38.} See, for example, Policy Profession Standards: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/ file/851078/Policy_Profession_Standards_AUG19.

^{39. &}lt;a href="http://calteches.library.caltech.edu/51/2/Cargo-Cult.pdf">http://calteches.library.caltech.edu/51/2/Cargo-Cult.pdf

use of over 160 rigorous, independently evaluated randomised control trials⁴⁰.

The use of specialists is a vital tool in ensuring evidence is used appropriately. The civil service has been successful at embedding specialists within government, with most departments now having scientific advisers, economists and statisticians represented at senior grades. Although 'expert opinion' is on the bottom row of the evidence pyramid, such individuals can play a vital role in interpreting data and ensuring that ministers are aware of more robust studies and evidence that would impact their policy. The culture of seeking consensus within Whitehall, however, can mean that the views of such individuals are muffled in the process of creating policy advice: it is therefore important that Ministers are able to directly access the views of specialists both within and outwith the civil service.

The rise of digital capabilities, big data and AI also means that digital specialists need to be embedded as core across all of policy making and delivery, not siloed as part of IT delivery, otherwise civil servants and ministers will simply not be aware of the capabilities that they are not considering. Yet digital specialists currently have far less status and input into policy making than more traditional specialists such as economists, statisticians or lawyers.

Finally, it is important to be aware of the limitations of evidence. Firstly, the consensus of experts may be wrong, as when the majority of economists favoured joining the Economic Rate Mechanism or the overconfident credit-ratings given to financial instruments in advance of 2008. Secondly, while evidence can provide knowledge, it cannot replace values. Evidence may (or may not) be able to tell us something about the economic impact of leaving the EU, the impact of sentence lengths on recidivism or the effect of road network design on traffic flows – but it can tell us nothing about the value of sovereignty, the nature of justice or the beauty of a landscape. As such, evidence should inform, but must never be allowed to replace, political decision-making based upon a democratic mandate.

Key Actions

- Adopt a more self-critical approach to using evidence, mainstreaming awareness of the evidence pyramid and the concept of cargo-cult science amongst the policy profession.
- Better enable Ministers and special advisers to seek advice directly from internal and external specialists.
- Actively seek out a wider range of experts, including practictioners, experts from other countries and those with alternative views within the academic community.
- Increase the use of robust methods of evidence gathering, including the funding of randomised controlled trials and meta-analyses.
- Explicitly recognise the role of values as well as evidence within civil service training on evidence-based policy making.

40. https://educationendowmentfoundation.org.uk/

Policy Making and Legal Advice

Reform Whitehall processes to streamline policy making and strengthen the ability of ministers to obtain robust legal advice.

The government is rightly subject to the rule of law. It is important that action by executive branch of government should be open to challenge in the courts, especially when the ground of challenge is that the government has exceeded the bounds of its lawful powers. The law, however, reaches increasingly far and the risks of government action being challenged by way of judicial review or human rights law proceedings has risen sharply across the last three decades.

Accordingly, it is vital that Ministers, policy officials and special advisers have ready access to reliable legal advice about the legal framework within which the government is required to act, advice which makes clear the risk of legal challenge to possible courses of action. The government, furthermore, has a moral duty to comply with domestic law, even if it considers the risk of legal challenge is low. This advice should inform decision-making but should not distort it and advice should extend to ways in which legal risk may be minimised or avoided, including by exercising statutory powers or making legislative changes.

To ensure that ministers are able to access the best possible legal advice, there should be a streamlined and more readily available route to seek a second opinion from external counsel—questions of law are often complex and a multiplicity of opinions increase the confidence with which one can determine the correct legal position. Ministers and special advisers should have clear sight of the commissioning documents for such advice. The additional cost of this would be far outweighed by the savings resulting in fighting, and losing, fewer judicial reviews. The government should also establish an ongoing assessment of the costs of litigation and consider a means of funding such costs centrally, such that unexpected costs arising from a challenge do not unduly impact the area affected.

When legal advice concerns human rights law, particular care should be taken to avoid advice about legal risk displacing or distorting the government's deliberations about how best to protect rights or to secure the public interest. It is Parliament's constitutional responsibility to decide how or if legislation is to change in response to judicial decisions and legal advice to government should not fetter the government's freedom in Parliament.

When legal advice concerns international law, including international human rights law, care should likewise be taken to avoid policy making effectively being outsourced to lawyers or judges. The government should make clear that the question of compliance with the UK's international legal obligations is for ministers, accountable to Parliament, to decide. The civil service's responsibility to follow the law does not extend to following international law save to the extent that it has been incorporated into domestic law by Act of Parliament.

The government should always comply with judgements of domestic courts and the Lord Chancellor has a statutory duty to uphold the rule of law. But ministers are entitled to disagree with judgments, to explain why they disagree, and to take action, including proposing legislation, to unwind or reverse a judgment and its further consequences. Neither legal advice nor civil service advice should rule this out.

Key Actions

- Put in place a streamlined and more readily available route to seek a second opinion from external counsel.
- Establish an ongoing assessment of the costs of litigation and consider a means of funding such costs centrally.
- Set out explicitly the supremacy of Parliament and domestic law, including that:
 - It is Parliament's responsibility to decide how or if legislation is to change in response to judicial decisions.
 - Legal advice to government should not fetter the government's freedom in parliament.
 - The civil service's responsibility to follow the law does not extend to following international law save to the extent that it has been incorporated into domestic law by Act of Parliament.
 - While the government should always comply with judgements of domestic courts, ministers are entitled to disagree, to explain why and to take action, including proposing legislation, to unwind or reverse a judgement.

9. Public Procurement

Streamline public procurement to make the tendering process faster, more flexible and more supportive of British jobs

Civilian

Every year, the UK spends between £200 and £250 billion on public procurement⁴¹ – everything from medical equipment for the NHS to warships for the Royal Navy. In 2019-20, this amounts to between 24 and 30 per cent of total public spending.⁴² Given the amounts involved and the importance of the British state being supplied with the things it needs, the goal of having the system run as smoothly as possible should be a top government priority. However, over the years, public procurement and outsourcing have become a byword for high profile government failures. From the bankruptcy of Carillion in 2017 to the ongoing problems with escalating cost of High Speed 2, it is clear that there is something very wrong with the way that the machinery of government interacts with private commercial organisations.

The problem is essentially one of incentives. The state has a theoretically unlimited amount of money, overseen by staff who frequently do not have a commercial background and are not driven by the pressures of the bottom line. On the other side of the table are private, well-resourced commercial actors. This mismatch is recognised and therefore tightly regulated by an inflexible, rules-based process, which is also designed to prevent corruption. However, it only makes things worse – it creates a lucrative cottage industry of procurement lawyers, lobbyists and consultants who specialise in navigating the process to their client's advantage. The civil service has in recent years made a number of positive steps to improve its commercial capability, such as the establishment of the Government Commercial Organisation (GCO) as a single employer of top commercial staff in government with more attractive remuneration and career progression opportunities.⁴³ But the scale of the problem means reform must go much further.

After Brexit, there is opportunity to fundamentally reform how the UK conducts public procurement and manages complex projects, free of the bureaucratic and anti-commercial requirements of the Official Journal of the European Union. Much of the law in this area is derived from European Union, which pursuant to creating a single European market, mandates burdensome anti-discrimination tender procedures for both the bidder and the tendering body. This creates a situation where, firstly, only large suppliers have the resources necessary to even submit a bid, and secondly, the tendering body does not have the operating flexibility required to

^{41.} HM Treasury, Public Expenditure Statistical Analyses, July 2019, p42-43, *link*

^{42.} Spending Round 2019, Total Managed Expenditure for 2019-21, link

^{43.} GCF, 'Government Commercial Organisation', 5 June 2018, link

prepare, tender and manage complex contracts, leading to a small number of large suppliers profiting excessively from poorly delivered projects, while procurement specialists in government focus on adhering to very specific, tick-box procedure instead of managing the project. The ease with which well-resourced suppliers can judicially challenge a tender decision leads to delays, legal costs, prolonged uncertainty and a tendering process where full and strict adherence to procedure takes up too much time.

Defence

We are at a critical juncture in UK strategic defence planning. Despite constant growth, the defence budget is insufficient to support the force structure and military capabilities set out in the 2015 Strategic Defence and Security Review. Waste and dysfunction in the MOD's procurement practices themselves are only partly to blame. The fundamental problem is that what we are buying is driven less by hard-nosed, complex strategic calculations designed to develop smart asymmetric advantages against opponents, than by single-Service interests and ossified concepts such as the "balanced force". The focus is on maintaining not just a full-spectrum capability but also a budgetary equivalence between the three services as a matter of principle and institutional interests rather than out of a clear strategic need. In the equipment programme, for example, the Army's share is around £19 billion, same as for the Navy, while the RAF's is around £18 billion. It is not clear at all, however, that the risks to the UK, and our interests, are spread is such a neat and equal fashion across land, sea and air.

At present Britain's annual defence expenditure roughly approximates that of Russia – some £38 billion compared to an equivalent of £35 billion spent by $Moscow^{44}$ – yet the difference between the military establishments each country maintains at the same overall cash cost is colossal. It is instructive to consider how much more military capability Britain could maintain for about the same amount of money in 1992 compared to 2019 (note that the figures include only Regular forces; the 1992 military included vast reserve forces as well):

	1992	2019
Submarines	20	10
Cruisers, destroyers and frigates	43	19
Mine counter-measure	31	13
Regular Royal Armoured Corps		
regiments	19	11
Regular infantry battalions	55	32
Regular Royal Artillery regiments	55	14
Strike/attack aircraft squadrons	9	7
Air defence squadrons	9	2-
Maritime patrol squadrons	4	1-

Selected defence resources, 1992 vs 2019⁴⁵

44. The Russian Federal Budget specifies a level of core "national defence" spending of around 2.7-2.8 trillion roubles in 2018/19. (Total military-related expenditure through other spending lines could be up to 40-50% higher). Government of the Russian Federation (2017), 'O federal'nom byudzhete na 2018 god i na planovyy period 2019 i 2020 godov. Prilozheniye No.7.

[On the federal budget for 2018 and the planning period of 2019 and 2020. Appendix No.7], p. 4, http://sozd.parlament.gov.ru/bill/274618-7, cited in: Richard Connolly and Mathieu Boulegue, "Russia's New State Armament Programme", Chatham House, May 2018; available at: https://www.chathamhouse.org/sites/default/files/publications/research/2018-05-10-russia-state-armament-programme-connolly-boulegue.pdf

45. Note: for 2019, the F-35 force is counted under "air defence" as it currently lacks a specialised ground attack capability. The new Poseidon MPA force (only 9 aircraft) is still forming.

MOD, "Defence Statistics", 1992 edition (National Archives); available at https://webarchive.nationalarchives.gov.uk/20140116144657/http://www.dasa.mod.uk/publications/UK-defencestatistics-compendium/1992/1992.pdf. Figures for 2019 are from: MOD, "UK Armed Forces Equipment and Formations 2019", 9 August 2019; report and data sets available at: https://www.gov.uk/government/statistics/uk-armed-forces-equipment-and-formations-2019

The Ministry of Defence must start grounding its procurement decisions in evidence-based strategic analysis, unencumbered by institutional interests and old conventional wisdoms. In November 2018 Policy Exchange published a major study on the subject of net assessment, with a foreword by the former Chief of the Defence Staff, General The Lord Richards of Herstmonceux, and with an endorsement by the then Defence Secretary, Rt Hon Gavin Williamson MP. Our report called for the establishment of a UK Office of Net Assessment reporting directly to the Defence Secretary. This is a critical requirement but it has not yet been met. The Strategic Net Assessment (SNA) unit. However, as Policy Exchange feared, this unit has quickly become subject to "institutional capture". It reports to the head of the MOD's Strategy Unit, who in turn reports to the Ministry's Permanent Secretary. This arrangement defeats the main purpose of having a net assessment unit in the first place. We consider the arguments for creating an Office of Net Assessment, as originally established, remain as compelling as they did in 2018.

Key actions:

- The Government should go further in attracting and retaining commercial staff with significant performance-related remuneration and career progression incentives
- Rules governing the tendering process must be made more flexible and outcomes-based rather than process-based, to allow the tendering body the flexibility needed to manage the contract (as previously recommended by Policy Exchange. 46)
- Grounds on which tender selection can be legally challenged should be scaled back
- Tender evaluation criteria should be should be made more sensitive to the realities of commerce and the impact public procurement can have on local economies, to allow government to use the impact on so the creation of British jobs as one criteria for evaluation, provided the supplier is capable of delivering cost effectively.
- For smaller contracts, if a local supplier is capable of delivering on the project or contract, engaging them directly should be made possible, with appropriate safeguards against corruption and capability checks.
- Create an Office of Net Assessment, reporting directly to the Defence Secretary.

^{46.} Airey J et al, 'Modernising the United Kingdom' 3 August 2019, p58-59, link

10. Public Appointments

Reform the Public Appointments Process to enable it to better appoint the highest calibre individuals to roles where they will deliver the government's objectives

Ministerial appointments to arms-length bodies are fundamental to a government being able to achieve its objectives in a manner compatible with proper democratic accountability. Arms-length bodies frequently have policy setting responsibilities and multi-billion pound budgets and are therefore critical as to whether or not a government is able to deliver the democratic mandate upon which it was elected. In many cases such bodies are operationally independent, with the principal way in which Ministers exercise influence being the appointment of senior staff: as such, these appointments are of fundamental importance.

There is currently insufficient attention paid to this task. Junior ministers do not always recognise how critical these roles are to delivering their vision. Special advisers and ministers do not always involve themselves early enough in the process and too often simply choose from lists put to them. And the attention paid by No. 10 to this over the last decade has varied.

This lack of focus has extended to a lack of consideration about whether appointees were aligned with the objectives and values of the government of the day. While political affiliation does not paint a complete picture, it nevertheless serves as a proxy. Yet in 2011-12, of people who were appointed to a public position and had a known political allegiance, 77% were Labour, 14% Conservative and 4% Liberal Democrat; in 2018-19 the equivalent figures were 47% Labour, 32% Conservative and 11% Liberal Democrat.

It is certainly possible that some individuals from other parties might be aligned with a Conservative government on a particular issue and ministers should be prepared to appoint such individuals where appropriate. But it seems vanishingly unlikely that over two thirds of such appointees would naturally be in such position. It should be noted, further, that this is in sharp contrast to the historical position, whereby the majority of public appointees with declared allegiances would be in line with the government of the day. In the last year in which John Major was in office 57% of people who were appointed to a public position and had a known political allegiance were Conservatives, 32% were Labour and 5% were Liberal Democrats, while in the last full year of Labour's time in power, 70% of people with a political allegiance winning public positions were aligned

to Labour, 16% were Conservative and 11% were Liberal Democrats⁴⁷. For a government to consistently award a majority of these highly influential public roles to its ideological opponents, as the Conservatives have done over the last decade, is as unprecedented as it is foolish⁴⁸.

We do not advocate 'jobs for the boys'. Public appointments should be of the highest calibre, the best possible talent and experience combined with objectives that are aligned with those of the appointing minister. Yet the current system militates against this. Despite some improvements made by the Grimstone Review (2016)⁴⁹, the system is bureaucratic and cumbersome. The long, complex and formulaic process, frequently taking 4-6 months can deter highly qualified potential appointees, many of whom simply would not or could not submit themselves to such a process. The assessment process is also used to artificially restrict ministerial choice, with civil servants declaring individuals who have successfully run major companies, educational institutions or public bodies as 'unsuitable' on the basis of an application form or interview.

The system needs to be fully professionalised, with clear oversight and focus from No. 10 and the Cabinet Office. Political oversight at senior level is essential, as is a laser-like focus on securing the best possible individuals, including being willing to use high quality head hunters where necessary. Above all, the process needs to be streamlined and made more flexible: for individuals with a long and distinguished public record, that record in itself should be a suitable basis for making an appointment, with both assessments of suitability by the professional civil service and ministerial decisions made on the basis of that record.

Key actions

- Fundamentally review the guidelines for the Public Appointments
 process to enable it to better appoint the highest calibre individuals
 to roles where they will deliver the government's objectives. This
 should also include a consideration of the interaction of the public
 appointments process and the honours system.
- A dedicated Public Appointments process to be established within No. 10, headed by Special Advisers and appropriately resourced, to support departments in identifying suitable individuals and with the ability to veto appointments where necessary.
- Ministers and Special Advisers to take greater ownership of the appointments process.
- The Public Appointments process to be made significantly more flexible, including the ability to appoint individuals with a strong public record on the basis of that record alone, subject to assessment of suitability by the civil service.

^{47.} http://www.conservativehome.com/ thetorydiary/2012/10/in-the-last-year-five-timesmore-labour-people-were-appointed-to-public-bodies-than-tories.html

^{48.} https://publicappointmentscommissioner.independent.gov.uk/publications/annual-reports/

https://www.gov.uk/government/publications/better-public-appointments-review-of-the-public-appointments-process



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