

Reform of Government

What do we want from the next Prime
Minister?

Benjamin Barnard



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Introduction

The Context

Comprehensive modernisation of government can no longer be treated as a worthy but non-essential pursuit, of secondary importance to the day-to-day problems facing the country. The success of every policy initiative depends upon the capacity and capabilities of government itself. The next Prime Minister must embark on a comprehensive programme of government reform. Otherwise, far from delivering a dynamic and innovative policy agenda, the Government they lead will be restricted to the delivery of outcomes shaped not by the problems we face, but by the limitations of the United Kingdom's present, and too often inadequate, administrative procedures and structures.

The challenges currently facing the United Kingdom are unprecedented in the post-war period. Radical reform to our institutions of government is required if the next Prime Minister is to successfully tackle the cost of living crisis, cope with a potential resurgence of COVID 19 and address the effects of rising commodity and energy prices following war in Ukraine. In the long term, the UK's current system of public administration must change dramatically if the UK is to meet its 2050 net-zero target, adapt to rapid technological change, confront the demographic challenges of an ageing population and prepare for unpredictable future crises and threats.

National crises have previously precipitated effective and lasting reforms to government in the United Kingdom. Such change, however, has not yet materialised in the immediate aftermath of the Coronavirus crisis. Although there has been important progress, it has been slow. In May 2021, the Johnson Government issued a *Declaration on Government Reform*, signed by every single permanent secretary and Cabinet Minister.¹ The *Declaration* set out 30 priority actions for 2021. However, by the conclusion of 2021, just 6 of these 30 actions had been implemented.² One year after the publication of the *Declaration*, just 8 of its 30 priority actions had been completed.³

About this paper

Over the past few decades, the state has become vastly more complex. Both of the candidates to be the next Prime Minister have outlined a vision of a smaller, yet more effective state. This paper sets out immediate actions that must be taken in the next 18 months. It contains over 60 practical recommendations to improve central government in the United Kingdom

1. Cabinet Office, *Declaration on Government Reform*, 15 June 2021, [link](#)
2. Cabinet Office, *Letter from the Chancellor of the Duchy of Lancaster to the Chair of PACAC about progress on government reform*, 7 March 2022, [link](#)
3. Institute for Government, *Anything to declare?*, April 2022, [link](#)

that might plausibly be implemented in the next 18 to 24 months. Many of the actions outlined in this paper are already underway. There is a danger, however, that progress could stall upon a change in Prime Minister. More than £3.4 billion was saved by the government in 2020/21 by improving operating efficiency and effectiveness.⁴ Improving the capabilities of Government will encourage efficiency savings and will encourage a more efficient allocation of existing resources. It is essential that the progress made over the past three years is not undermined and momentum lost.

This paper builds upon the recommendations of Policy Exchange’s previous reports into reform of government. These papers include:

- **Whitehall Reimagined (December 2019):** Published two weeks after the general election, *Whitehall Reimagined* heralded the start of a major rethink about the future of the Civil Service among senior ministers and officials.⁵ Endorsed by Lord Sedwill during his lecture at The Blavatnik School of Government, it argued that the Government should use the opportunity of the stability created by the election result to reform the Civil Service to make it more democratically accountable and better able to deliver on the mandate of the government of the day.⁶
- **Government Reimagined: A Handbook For Reform (May 2020):** Just months after the publication of *Whitehall Reimagined*, the UK was struck by a global pandemic that plunged the UK into the deepest recession in its history and required the biggest Government intervention in British peacetime history. Policy Exchange convened a cross-party Reform of Government Commission, chaired by Dame Patricia Hodgson, to learn the lessons from the Government’s response to the pandemic and to determine how the government can be modernised and equipped for this new world. The Commission took both informal and formal evidence from a range of figures from academia, politics, business, arms-length-bodies and the Civil Service to inform its work. The Commission’s final report, *Government Reimagined*, was endorsed by a range of figures including Sir Howard Bernstein (former Chief Executive of Manchester City Council), Lord Sedwill (former Cabinet Secretary), Rt Hon Lord Blunkett (former Home Secretary), Dame Sue Owen (the former Permanent Secretary at DCMS) and Rt Hon Michael Gove MP (Chancellor of the Duchy of Lancaster).⁷
- **Open, Meritocratic and Transparent (November 2021):** Featuring a Foreword by Lord Macpherson of Earls Court and an endorsement by Chancellor of the Duchy of Lancaster Steve Barclay, *Open, Meritocratic and Transparent* calls for an urgent overhaul of Civil Service appointments in light of recent revelations about the appointment of Lex Greensill.⁸ In May 2022, the Government implemented Policy Exchange’s proposals, announcing that all Senior Civil Service (SCS) jobs must be advertised externally in one of the biggest shake-ups of Civil Service recruitment rules in a decade.⁹

4. Cabinet Office, *Government efficiency savings, 2021* [link](#)

5. Policy Exchange, *Whitehall Reimagined*, December 2019, [link](#)

6. Lord Sedwill, *Cabinet Secretary Lecture at The Blavatnik School of Government*, 27 July 2020, [link](#)

7. Policy Exchange, *Government Reimagined*, May 2020, [link](#)

8. Policy Exchange, *Open, Meritocratic and Transparent*, 8 November 2021, [link](#)

9. Cabinet Office, *All Senior Civil Service jobs to be advertised externally from today*, 13 May 2022, [link](#)

The United Kingdom, rightly, has a worldwide reputation for the quality of its institutions of Government and its high standards of public administration. Impartial civil servants regularly design and implement ground-breaking legislation, deliver multi-billion pound programmes and projects, and develop complex policy and regulation. This is achieved without the incentives familiar to the private sector, such as a bonus culture, share incentives or high levels of executive pay.

After a decade of pay freezes, Civil Service morale is low. With disputes about staff numbers and pay on the horizon, there is a considerable chance of public sector industrial action over the winter. The primary objective of any reform programme should be to empower the many talented public servants so they can deliver upon the manifesto commitments of elected governments of all stripes and, thereby, transform the life chances of citizens across the United Kingdom. Furthermore, as is explored in Chapter 2, reform of Government is not synonymous with reform of the Civil Service. Reform of political institutions is an equally important ingredient for reform.

1. Reform of the Civil Service

1. Civil Service Recruitment, Training and Skills

The Civil Service must recruit, maintain and develop a skilled, talented, and capable workforce that can implement the manifesto commitments of elected Governments. The successful implementation of wider reform initiatives is reliant upon the development of these capabilities. Excellence can be found at every level of the UK Civil Service. However, as the Cabinet Secretary himself admitted in a letter to *The Times*, many officials lack “technical and specialist knowledge”.¹⁰ Urgent steps must be taken to tackle the “devastating lack of skills and experience in science, industry, commerce and manufacturing [across Government]” identified by the Former Chair of the UK’s Vaccine Taskforce, Kate Bingham DBE.¹¹

Open recruitment is the best way of improving the standard of public administration. Not only does it allow the many gifted and talented civil servants to rise through the ranks more quickly, but open recruitment also makes it easier for experienced outsiders to join the service. Whilst all senior jobs are meant to have been advertised “externally by default” since 2016, permanent secretaries had the authority to deviate from this rule until May this year.¹² As a result, the proportion of appointments to the Senior Civil Service from external applicants halved from 42% in 2010 to 20% in 2020.¹³

This section will outline how to improve the training, recruitment and diversity of the Civil Service further so that it can deliver better outcomes for its citizens. Change is sorely needed. The proportion of senior civil servants from lower socio-economic backgrounds was higher in the 1960s than it is today (19% in 1967, compared with 18% in 2019).¹⁴

1. The Government should end the UK’s status as an international outlier by ensuring that internal recruitment is not excluded from legislative supervision. At present, the appointment and advancement of existing civil servants is not subject to the statutory requirement to conduct fair or open competitions, or make appointments made on merit. Section 10 of the Constitutional Reform and Governance Act (2010) should be amended to make clear that, save for very limited exceptions, the merit principle applies to recruitment for all Civil Service positions, whether advertised internally or externally.¹⁵ This change would allow the Civil Service Commission to investigate both internal and external recruitment competitions. The Act should also be amended to make clear that ministerial authorisation must be required before a ‘closed’ recruitment competition can take place at SCS level, cementing recent administrative changes in law.

10. The Times, *We lack necessary skills in Whitehall, admits cabinet secretary*, November 26 2021, [link](#)

11. University of Oxford, *Another War Is Coming*, Kate Bingham DBE, delivers Romanes lecture, 24 November 2021, [link](#)

12. There was also a powerful incentive for senior officials to find reasons not to advertise vacancies to external applicants. Under the terms of the Constitutional Reform and Governance Act (2010), there is no independent oversight by the Civil Service Commission to assure the probity of a Civil Service appointment process or any legal obligation to select a candidate on merit unless a vacancy is advertised to external applicants. Following recommendations made by Policy Exchange, Ministers will now have to personally approve any request to recruit into a SCS post without advertising externally.

13. Cabinet Office, *Letter from the Chancellor of the Duchy of Lancaster to the Chair of PACAC about progress on government reform*, 7 March 2022, [link](#)

14. Social Mobility Commission, *Navigating the Labyrinth*, May 2021, [link](#)

15. Constitutional Reform and Governance Act 2010, [link](#)

2. There must be mandatory reporting requirements detailing when, why, and how exemptions to the ‘external by default’ rule are exercised for SCS vacancies. In May, following Policy Exchange recommendations, the Government announced that ministers will be able to veto any requests to recruit senior positions only from the ranks of existing civil servants.¹⁶ However, Parliament and the Minister for the Civil Service need sufficient data to understand the real-world effects of management initiatives relating to recruitment. The Cabinet Office should publish a list of all Senior Civil Servants who have been appointed through a closed recruitment process each financial quarter.

3. The Government, in consultation with the Civil Service Commission, should update the Civil Service Success Profile Framework. At present, civil servants are recruited on the basis of The Success Profile Framework.¹⁷ Arguably, the Success Profile Framework does not place a great enough weight on experience and specialist knowledge. The government should consider removing, or at least reducing, the behavioural elements of the success profile framework, which require applicants to demonstrate so-called “Civil Service Behaviours”.

4. Job descriptions for Civil Service vacancies should be written in such a way as to ensure that external candidates can apply. Whilst it may be compulsory to advertise positions to external candidates, external candidates may still be indirectly prevented from applying if job descriptions specify experience or qualifications that could only be held by existing civil servants. Whilst this may be inevitable for a very small proportion of civil service vacancies, equivalent and transferable private sector experience should always be encouraged in job descriptions.

5. The Civil Service Commission should undertake an international benchmarking exercise to ensure that the UK has the most responsive recruitment process in the OECD. It is essential that the time between a vacancy arising, the publication of an advertisement for that vacancy, and the completion of the recruitment competition is as short as possible. Inefficiency in this process creates strong incentives for officials and ministers to run an internal recruitment competition, or even bypass competitions altogether, in order to ensure a candidate is appointed quickly, even if that candidate is not particularly well suited to the position.

6. The Civil Service Commission must be adequately resourced to perform its statutory functions. The Commission has a statutory duty, under the Constitutional Reform and Governance Act (2010), to uphold the merit principle in external appointments and to investigate potential breaches of the Civil Service Code that are brought to its attention by civil servants. Despite the importance of this function, the UK’s First Commissioner is a part-time office holder, paid considerably less (albeit pro rata) than a middle-management grade Civil Servant, and is supported by a group of fee-paid Commissioners who can devote only limited time to their duties. The Commission has a secretariat of just 17.8 full time equivalent (FTE) staff (equivalent to one staff member per 27,000 civil servants), all of whom are seconded civil servants.¹⁸ If the Commission

16. Cabinet Office, *All Senior Civil Service jobs to be advertised externally from today*, 13 May 2022, [link](#)

17. Cabinet Office, *Success Profiles*, [link](#)

18. Civil Service Commission, *Annual Report and Accounts 2019–20*, [link](#)

is to oversee both internal and external recruitment competitions, as recommended in this report, it must be adequately resourced and independent from the wider Civil Service.

7. The Government should commission independent research into the issues external hires face when joining the senior levels of the Civil Service. One of the key recommendations of the Baxendale Report (2014) was that “the Civil Service should return to this topic in 6 to 12 months and conduct a further series of in-depth interviews to check what has changed.”¹⁹ This did not happen and many of Baxendale’s original recommendations have not been implemented.²⁰ This exercise should now be repeated and a skilled outsider should be brought back to evaluate the progress made since the Baxendale report was published.

8. The Civil Service Commission should oversee the process by which temporary promotions are filled. The Civil Service Diversity and Inclusion Strategy includes a commitment to “ensure temporary promotions are being filled consistently through Expressions of Interest (EoIs) or a similarly fair and transparent process.”²¹ It is not uncommon for those who are temporarily promoted to fill a vacancy on a permanent basis. At present, however, the temporary appointment process is not subject to independent oversight to ensure that the process is either fair or transparent. Civil servants should be able to bring complaints to the Civil Service Commission if they feel that a temporary promotion has been awarded unfairly, or has developed into a permanent post without open competition.

9. The Government should establish a dedicated programme of secondments. The *Declaration on Government Reform* included a pledge to “develop a pipeline of secondments from the Civil Service into major organisations within the UK and internationally, including other governments, led by professions and departments, with support from Non-Executive Directors, as a core part of talent development.”²² The secondment programme should be rolled out as soon as possible. Furthermore, the Civil Service Commission should oversee the secondment programme to ensure that secondments will be awarded based on merit following a fair and open competition.

10. The Government should press ahead with its New Curriculum and Campus for Government Skills. Functions and units which have designed successful and robust training programmes in their specialisms should be supported to provide this training for the whole of the Civil Service. The development of civil service training should draw on external best practice, including from the private sector and best practice from abroad.

11. In the spirit of Northcote-Trevelyan, the Government should establish a new assessment and accreditation programme for existing officials. Such qualifications must, however, be based upon robust external examination. A pay ‘capabilities’ premium should be introduced to reward staff who have or acquire recognised professional qualifications. As recommended in the Maude Review of cross-cutting Functions:

19. Cabinet Office, *Baxendale Report: How to best attract, induct and retain talent recruited into the Senior Civil Service*, 27 March 2015, [link](#)

20. CSW, *Civil service ‘failed to prioritise’ reforms to external recruitment*, 7 November 2017, [link](#)

21. Cabinet Office, *Civil Service Diversity and Inclusion Strategy: 2022 to 2025*, 24 February, [link](#)

22. Cabinet Office, *Declaration on Government Reform*, 15 June 2021, [link](#)

- The National Statistician should undertake an audit of analytical capability in the policy profession based on a new rigorous assessment and accreditation programme;
- The Head of the Government Finance Function should establish an assessment and accreditation programme for financial management personnel across government, including Arms-Length Bodies; and
- The Government Property Function should undertake an assessment and accreditation process for property professionals across government.

Other Government functions and professions should establish similar assessment and accreditation programmes. The Government should ensure that the development of such programmes do not prevent skilled and experienced outsiders from joining the Civil Service, or operating effectively within it.

12. Following its annual suspension, the Government should restructure the Civil Service Fast Stream. Specifically, the Government should reduce the numbers recruited into the Generalist Fast Stream, and increase the numbers recruited into specialist schemes. In particular, the Digital, Data and Technology, Science and Engineering, and Project Delivery Streams should be expanded. Furthermore, the process by which fast-stream placements are awarded should be made much more transparent.

13. Civil Service Fast Stream recruitment diversity data should be published annually. In the past, the Cabinet Office has been incredibly reluctant to publish Civil Service Fast Stream diversity data. In 2022, three years worth of data were published simultaneously.²³ The data release did not include breakdowns for the diversity of each scheme within the Civil Service Fast Stream. The release did, however, show that Black Britons seeking to join the fast stream had a success rate of one in 137, compared with one in 44 for white applicants.²⁴ There may be even larger disparities between schemes. Fast stream diversity data must be published on time each year and include breakdowns of each scheme within the Fast Stream.

14. The Government should encourage graduates who might have applied to the fast stream to apply instead to front line public sector graduate recruiters. During the annual suspension of the Civil Service Fast Stream, the Government should establish a 'Public Sector Fast Stream' by partnering with organisations such as TeachFirst and UnlockedGraduates. This would ensure that bright graduates continue to enter wider public service, where recruitment is still necessary, without undermining efforts to reduce the size of the Civil Service. If successful, the Government should expand partnerships with such organisations, given the obvious benefit of civil servants (particularly policy professionals) having experience of front line public services. The Government should also do more to advertise Civil Service vacancies that would be appropriate entry-level positions for Graduates.

15. The Civil Service's reliance on external contractors and consultants should be addressed. Not only is the use of such contractors

23. Cabinet Office, *Civil Service Fast Stream: recruitment data 2019, 2020 and 2021*, 10 December 2021, [link](#)

24. CSW, *White applicants to Fast Stream three times more likely to be successful than black candidates*, 25 Jan 2022, [link](#)

expensive, but it also deprives public servants of the opportunity to work on the most challenging and fulfilling policy issues. Central controls on consultancy spend should be exercised more forcefully and more must be done to monitor the use of consultants by Arms –Length Bodies.

16. The Government should establish its own recruiter to support the hiring of external talent. Such a recruiter should be set up as a private company, owned by the Government. Focused solely on public sector appointments, it should be commissioned on the basis of ‘payment by results’.

2. Civil Service Governance, Accountability for Delivery and Leadership of Reform

The implementation of the next Prime Minister’s wider policy agenda will require official — as well as political — leadership. So too, will any programme of Government reform. As Sir John Kingman explained recently, “the reforms that might encourage more expertise; less manic turnover of officials in jobs; more competence in execution and delivery; stronger commercial, IT and project capability; more interchange with the outside world; better management of underperformance — are wholly in the mandarins’ gift to make happen.”²⁵

The Government is fortunate to be supported by talented and capable senior officials. Whilst ministers are accountable for all that occurs within their department, they are without the direct power and authority to manage the Civil Service. For example, they are unable to remove civil servants whom they regard as under-performing or obstructive, despite being held accountable for the performance of their department. Such powers have been delegated from the Minister for the Civil Service to permanent secretaries and other officials, who should be equipped with the requisite skills and experience to deliver ministerial priorities.

This section sets out how to improve accountability for delivery. Unfortunately, as the *Declaration on Government Reform* acknowledged, “accountability for delivery of services has at points been confused”.²⁶ Indeed, Lord Maude is currently undertaking a review into Civil Service governance and accountability.²⁷ Furthermore, the difficulties in implementing the *Declaration on Government Reform* demonstrates that, despite willingness to reform from both ministers and officials, the tools available to the Civil Service’s leadership to implement reform are perhaps lacking in potency. A new modernisation and reform programme is dependent upon overhauling the Civil Service’s governance structures so that Civil Service leaders are sufficiently empowered to lead reform efforts.

1. The Maude review into Civil Service Governance and Accountability should be completed swiftly. In July 2022, the Government announced that Lord Maude of Horsham will complete a review into the Civil Service’s Governance and Accountability. The review’s terms of reference make clear that it will explore the relationship between ministers and their permanent secretaries, the effectiveness of

25. Institute for Government, Why is civil service reform so hard? Sir John Kingman in conversation with Bronwen Maddox, Wednesday 16 December 2020, [link](#)

26. Cabinet Office, *Declaration on Government Reform*, 15 June 2021, [link](#)

27. Cabinet Office, *Review of Governance and Accountability*, 27 July 2022, [link](#)

the Civil Service's governance arrangements and how the powers of the Minister for the Civil Service have been delegated.²⁸

2. The Public Accounts Committee should launch an inquiry to establish why so few of the priority actions in the Declaration on Government Reform were delivered on time. It is essential that lessons are learnt if future reform programmes are to be successful. All ministers and permanent secretaries signed up to the programme; the delays in delivering its commitments are not due to a lack of willingness to reform. Whilst the next Prime Minister may need to establish collective agreement for a renewed reform programme, there is a danger that the Declaration's existence will establish a precedent that it would be impossible to embark on a reform programme unless every member of the Cabinet or every permanent secretary agrees to it through a formal public declaration. This may deter future governments from pursuing reform programmes and may lead to reform programmes being watered down.

3. The Government should publish a list of all the Committees that exercise functions in relation to the management of the Civil Service. This list should include information about the membership, the mandate and the rules of procedure of each committee. Meeting minutes should also be published in a regular and timely fashion. Without wishing to preempt the findings of the Maude Review, as Policy Exchange have explored previously, the Civil Service's governance is highly opaque. For example, all decisions about filling vacancies within the "Top 200" Civil Service jobs do not go through the ordinary procedures for other vacancies in the Senior Civil Service. They are instead reserved to a body called the "Senior Leadership Committee of the Civil Service".²⁹ This Committee can authorise the appointment of a candidate without having to undertake a recruitment competition.³⁰ The Committee's approval is required before the creation of any job above SCS pay band 3 (£125,000+).³¹ Despite this, the Committee's membership, exact terms of reference, rules of procedure, and the frequency with which it meets are unknown. No minutes of its deliberations have ever been published. Parliament must be able to hold such committees to account for their actions and decisions.

4. Higher salaries will need to be paid in key areas to attract and retain high calibre Civil Service leaders. As Policy Exchange's Reform of Government Commission highlighted, changes to the pay of Senior Civil Servants should be focused rather than general (across the board) and a new pay grade should be introduced. Any changes to the pay of senior civil servants would have to be introduced gradually as each role is re-evaluated in line with the expectations of the private sector. This could result in less job security and a higher degree of accountability for Senior Civil Servants. Furthermore, the Government should press ahead with plans to introduce capability-based pay for the Senior Civil Service.³²

5. Renewal of permanent secretaries' contracts should be conditional on departmental performance. Since 2014, permanent secretary appointments have been made for five-year fixed tenures.³³ Performance targets should be agreed by both ministers and permanent secretaries.

28. Cabinet Office, *Review of Governance and Accountability*, 27 July 2022, [link](#)

29. Policy Exchange, *Open, Meritocratic and Transparent*, 8 November 2021, [link](#)

30. Civil Service Commission, *Civil Service Senior Appointments Protocol*, 2011, [link](#)

31. Cabinet Office, *Job evaluation for senior posts: good practice guide*, May 2014, [link](#)

32. Cabinet Office, *Government Evidence to the Review Body on Senior Salaries on the Pay of the Senior Civil Service*, April 2022, [link](#)

33. Hansard, *Public Appointments: Permanent Secretaries, Question for Cabinet Office*, UIN 463, tabled on 15 October 2019, [link](#)

They should be set out in each department's Outcome Delivery Plans.³⁴

6. Outcome Delivery Plans must include more focused targets and performance metrics. In July 2021, every Government Department issued an Outcome Delivery Plan. Upon a change in administration, all outcome delivery plans will have to be updated in line with the priorities of the new Government.³⁵ If Outcome Delivery Plans are to be a more effective measure of performance across government in future, then the targets they set out should be more focused. They should draw upon the priority outcomes and metrics outlined in the Spending Review. Ministers must use Outcome Delivery Plans to hold their own department to account.³⁴

7. Functional leads should be elevated to the status of permanent secretaries. Professional and functional leads in the Civil Service must be able to speak to policy leads from a position of parity of esteem and status, without fear that doing so might imperil their professional advancement. It is essential that functional leaders should be appointed at either permanent secretary or director general level, in line with the recommendations of the Maude Review of cross-cutting functions.³⁶

8. The Government should increase the number of Senior Responsible Owners (SROs). Senior Responsible Owners oversee project implementation and are accountable personally to parliament. At present, SROs are often responsible for more than one multi-million pound project, limiting the time that they could spend on each project. The Government should explore whether to introduce formal limits on the number of projects on which SROs can work at any one time and for which projects an SRO is appropriate. SRO appointment letters should include detailed targets and performance metrics. The Government list of SROs must also be updated every time a new SRO is appointed. There must also be a more transparent process for removing SRO responsibilities from an underperforming SRO.

9. The Government should consider splitting accounting officer duties from the role of permanent secretary. As Accounting Officers, permanent secretaries have personal responsibility for the management of spending in their departments. It should be questioned whether it is feasible for even a well-supported permanent secretary to both run a department on a day-to-day operational basis, act as policy counsellor-in-chief to the Secretary of State and to serve as an accounting officer for the whole department. Accounting Officer duties should be separated from the permanent secretary role. This would free up permanent secretaries to focus on ministerial priorities and other pressing areas of concern.

10. All Senior Civil Servants should be employed on the basis of a four-year fixed placement. In 2004, Tony Blair pledged to establish "a new norm that all senior Civil Service jobs will be four-year placements, with no presumption of permanence in post."³⁷ Whilst permanent secretaries are employed on a fixed tenure, this was never implemented for the rest of the Senior Civil Service.

34. HM Treasury, *Spending Review 2021: Priority outcomes and metrics*, October 2021, [link](#)

35. Cabinet Office, *Outcome Delivery Plans*, 15 July 2021, [link](#)

36. Cabinet Office, *Review of the cross-cutting functions and the operation of spend controls*, 22 July 2021, [link](#)

3. Turnover, workforce planning and pensions

The next Prime Minister must embrace the principle of a smaller and more strategic Civil Service that delivers services in a more efficient way. With the global economy under increasing inflationary pressure, UK Government debt interest spending hit a record high in July 2022.³⁷ Indeed, following the Coronavirus crisis, UK public debt is now double the 40 per cent of GDP projected by the Treasury in the UK's first long-term public finance report published two decades ago.³⁸

There have been a number of announcements about the shape, size and structure of the Civil Service workforce over the past three years. The UK government has committed to moving 22,000 Civil Service jobs out of London by the end of the decade.³⁹ It has also committed to reducing the size of the Civil Service by 91,000 with the aim of saving £3.5bn.⁴⁰ Furthermore, whilst there has been lots of attention on issues such as remote working, comparatively little attention has been paid to the public service pensions landscape, which has changed significantly since the Independent Public Service Pensions Commission, chaired by Lord Hutton (the Hutton Review), reported in 2011.⁴¹

This section sets out how the next Prime Minister should manage the Civil Service workforce. It explores issues such as pensions, staff turnover, relocation, and departmental capability. However, it is cognisant that these problems must be tackled in light of job losses, a decade of pay freezes and the prospect of Civil Service industrial action over the winter ahead. Balancing the urgent need for a renewed efficiency drive, with the management of a workforce facing significant pressure from the cost of living will be a key challenge for the next Prime Minister and for Civil Service leaders.

1. The Civil Service should take drastic steps to reduce unnecessary turnover and movement within the Civil Service. The Coalition Government's decision to end salary progression in post meant that, for some civil servants, the only way to receive a pay rise above inflation was to move job. The result has been excessive movement within the Civil Service, preventing civil servants from developing expertise in any one policy area. This trend is likely to worsen as inflation rises. Promotion and pay progression in post, when merited, should be encouraged, but only if more robust mechanisms of evaluating employee performance are developed. Furthermore, the Government should streamline the application process for the Pivotal Role Allowance (PRA) and to expand its use. This was introduced in 2013 to retain key staff. The Pivotal Role Allowance enables the payment of a salary increment in instances where the retention of a particular individual is deemed to be "business critical". It has been severely underutilised.

2. The Government must ensure that Civil Service pensions are placed on a sustainable long-term footing. Public service pensions have become more expensive over time as the number of people receiving them has increased and those receiving pensions live longer. Furthermore, public sector pensions policy has become increasingly complicated following a

37. OBR, *Higher inflation delivers record debt interest spending*, 21 July 2022, [link](#)

38. HM Treasury, *Long-term public finance report: an analysis of fiscal sustainability*, November 2002, [link](#)

39. FT, *UK to move 22,000 civil servants out of London*, 11 Mar 2020, [link](#)

40. Daily Mail, *Unions threaten NATIONAL STRIKE over Boris Johnson's plan to slimline the Civil Service and axe 91,000 jobs as Jacob Rees-Mogg says cull to save £3.5 billion WILL work because Brexit is done and they are no longer needed*, 13 May 2022, [link](#)

41. HM Treasury, *Independent Public Service Pensions Commission: final report by Lord Hutton*, 10 March 2011, [link](#)

Court of Appeal judgment in 2018 (known as the ‘McCloud judgment’) which found that protections offered to those closest to retirement were discriminatory on the basis of age. Civil Service pensions must be placed on a sustainable long-term footing. Public sector pensions are a complex topic, which Policy Exchange will explore in more detail in the months ahead.

3. The Cabinet Office should continue to publish monthly data outlining working from home practices. In the post-COVID world, hybrid work has become increasingly common. As a result, the Government should publish the number of daily average staff in each departmental headquarters and the wider estate as a proportion of each department’s capacity. From an estates perspective, this will ensure that the Government isn’t renting expensive office space unnecessarily.

4. All government departments should publish detailed departmental organograms that are updated in real time. Such organograms should set out, in detail, policy responsibilities, pay (subject to legal restrictions) and job titles beyond the Senior Civil Service. At present, departmental organograms are of differing quality, are incredibly difficult to use and understand, do not set out clearly the responsibilities of civil servants and are updated too infrequently.

5. The Government should press ahead with plans to move civil servants out of London. The UK Government has committed to moving 22,000 Civil Service jobs out of London by the end of the decade.⁴³ Measures to reshape the geographical distribution of civil servants into regional hubs will lead to efficiency savings, encourage regional economic growth, widen the labour market from which civil servants are recruited, and help to challenge the perspectives of civil servants by bringing them closer to the people they serve. Decisions on relocation should be made in such a way as to break down departmental silos. Teams from different departments working on related problems should be relocated together. Furthermore, the Government should commission an independent review to estimate the cost of relocating officials and to identify ways in which these costs could be reduced.

6. The Government should publish all departmental staff handbooks. Each department publishes a staff handbook which sets out the terms and conditions of service of staff in that department, along with office rules and information on other issues. The Civil Service Chief People Officer should review each departmental staff handbook to consider (a) whether there are discrepancies between handbooks of different departments and (b) whether there are discrepancies between Handbooks and HR guidance issued by the Cabinet Office.

42. HM Treasury, *Budget 2020*, March 2020, [link](#)

2. Empowering Success: Ministerial Capability and Support

In recent years, the relationship between ministers and Senior Civil Servants appears to have deteriorated considerably. Ministers have been found to have been “let down by officials” and “not supported as ... [they] should have been”.⁴⁴ There have also been a number of hostile briefings against senior officials and the wider Civil Service, which have further undermined trust between ministers and the Senior Civil Service. A culture of briefing and hostility on all sides is not conducive to good government.

It is essential that ministers have access to advice of the highest quality. Ministers must also foster an environment in which officials can offer honest advice. Unfortunately, as the Civil Service Reform Programme in 2012 identified, “too often policy advice draws from too narrow a range of views and evidence, and does not ensure that policy is capable of practical implementation”.⁴⁵

This section sets out how to support ministers so that they have the ability, and also the political incentive, to tackle long-term problems.

It is vital that the management of ministerial careers is improved in order to ensure that there is greater stability in office. If ministers are to be truly accountable to Parliament and to the public for the policies, decisions and actions of their departments and agencies, then it is vital not only that departments are responsive to their leadership and direction, but that ministers too gain the skills required to lead a department successfully. The process of improving the efficiency and effectiveness of government is not simply one of reforming the Civil Service. Ministers must also take greater responsibility for their role in leading departmental change.

1. The Government should consult on amending the Ministerial and other Salaries Act (1975) to ensure that all ministers in the House of Lords are paid. It is essential that the Government is equipped with enough ministers in the Lords. Otherwise, the Upper House will be unable to question the Government, scrutinise legislation and debate issues and policies. At present, a worryingly large proportion of ministers in the Upper House are unpaid. The lack of paid positions can make it difficult to recruit members to the Front Bench and may restrict appointment to those who can afford to take the position. The demands on Lords ministers are heavy. It is not uncommon for them to be seeing multiple pieces of legislation through the House at the same time, all while

43. BBC News, Ex-Home Secretary Amber Rudd ‘let down by officials’; 2 November 2018, [link](#); Home Office, Sir Alex Allan review: executive summary, 28 November 2018, [link](#)

44. Cabinet Office, *Civil Service reform plan*, 10 June 2012, [link](#)

responding to daily questions on behalf of their whole department and the Government. Stretching Lords ministers too thinly risks undermining effective parliamentary accountability. Under the terms of the Ministerial and Other Salaries Act, the Government can appoint a maximum of 109 paid ministers (including the Prime Minister).⁴⁶ The Government should consult on proposals to increase the number of paid ministers to ensure that an appropriate number of Lords ministers are paid. Salaried ministers in the Lords cannot claim an allowance for attending the House; this rule should be maintained. The House of Commons Disqualification Act 1975 caps the number of ministers that can sit in the House of Commons at one time at 95. This cap should also remain unchanged.⁴⁷

2. The Government should introduce a range of ministerial training courses. These courses should emulate the one set up in conjunction with Infrastructure Projects Authority and Oxford's Saïd Business School on infrastructure spending.⁴⁸ Prospective ministers should have the opportunity to attend ministerial training courses. Courses should cover technical and practical subjects such as procurement, project management, digital delivery, and legal and constitutional affairs.

3. The Government should restore Extended Ministerial Offices (EMOs). The creation of Extended Ministerial Offices was first recommended by the Institute for Public Policy Research (IPPR) in 2013. The motivation for introducing EMOs 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."⁴⁹ Whilst Secretaries of State can, do and should appoint policy advisers to their private offices, the innovation was quietly shelved at the end of 2016.⁵⁰ All references to them were removed from the Ministerial Code. The original arguments advanced for the creation of Extended Ministerial Offices remain compelling and they should be reintroduced, albeit with a simpler process for their establishment and without a requirement for members of an EMO to report to the Cabinet Office.

4. The Government should launch a new pilot scheme to assess the capabilities of government departments. There is historical precedent for such a scheme, most notably the Civil Service Capability Review programme which was established under the Blair Government.⁵¹ The Civil Service Commission should deploy a panel of experts (such as former permanent secretaries, economists, former ministers, and others) to evaluate all of the output of every business unit in a department over a period of three months. This exercise would evaluate the quality of submissions and advice, track the implementation of decisions, and evaluate the professional competency of each business unit. The results of this audit should be published.

5. The Government should establish an Office for Expert Advice. Ministers should be able to commission this office to locate, hire and to draw upon experts, particularly at moments of crisis. The Office for Expert

45. House of Commons Library, *Limitations on the number of Ministers*, [link](#)

46. House of Commons Disqualification Act 1975, [link](#)

47. Conservative Home, *Jesse Norman: My revolutionary experiment with other Ministers today in delivering better value for taxpayers*, 16 July 2020, [link](#)

48. IPPR, *Accountability and responsiveness in the senior civil service*, 17 June 2013, [link](#)

49. Policy Exchange, *Whitehall Reimagined*, [link](#)

50. NAO, *Assessment of the Capability Review programme*, 2009, [link](#)

Advice should also establish a ‘knowledge register’ which would help to locate subject matter experts in government and the wider public sector.

6. The Government should strengthen the ability of ministers to obtain robust legal advice. The Government should put in place a streamlined and more readily available route, with extra funding, to seek a second opinion from external counsel. In particular, there should be a budget to allow No 10 to seek legal advice.

3. The Machinery of Government and Cross-Government Working

1. Functions, Cross-Government Working and Changes to the Machinery of Government

Government must constantly manage complex and dynamic cross-cutting policy issues. Despite this, it is still structured according to narrow departmental ‘silos’. As the Performance and Innovation Unit Report *Wiring it Up* explained in 2000, “many of the biggest challenges facing the Government do not fit easily into traditional Whitehall structures.”⁵² Reform to the structures of modern government has not kept pace with our increasing understanding of the complexity of today’s policy and delivery challenges. The structure of Whitehall can determine the shape of public policy response and can encourage interventions that can ignore or discount the systemic nature of problems.

Departments are not adequately incentivised to aid other departments on issues which require cross-departmental action. Over the past two and a half decades, successive prime ministers have attempted to overcome this problem by either changing the machinery of government to bring together related policy areas, or by centralising policy-making and administrative resources. The result has been that the Cabinet Office (whose traditional role was to ensure that collective agreement was established between departments) has taken on considerable delivery and policy responsibilities.⁵³ Whilst the centre **must** have the tools and capability to exercise more effective control over departments at times of crisis (the so-called ‘tight-loose’ principle), there are limitations to over-centralising power in the centre. This section sets out how to encourage cross-departmental collaboration in Government.

Furthermore, every department has to perform some identical functions. Such functions relate, for example, to financial management, human resources, digital and IT, property, and project management. Despite this, departments have traditionally performed these functions, many of which are purely operational, individually. Not only does this give rise to inefficiencies in the use of public expenditure, but it also makes it more difficult to manage and understand the resources of the Government as a whole. The ‘functional model of Government’ has been established

51. Performance and Innovation Unit, *Wiring it Up*, 2000, [link](#)

52. As at March 2021, there were 950 Senior Civil Servants based in the Cabinet Office (Cabinet Office, *Number of civil servants working at Senior Civil Service (SCS) level by profession of post, function and department*, February 2022, [link](#))

over the past decade to work horizontally across different government departments, coordinating efforts between them.

1. The Government should establish a range of cross-departmental task forces on key issues, modelled after the Vaccine Taskforce.

Composed of Life Sciences industry professionals, civil servants and scientists, the vaccine taskforce was based outside the Department of Health and Social Care physically and in reporting terms. The team was based in the Department for Business, Energy and Industrial Strategy and its leader, Kate Bingham reported directly to the Prime Minister. To quote the Health and Social Care, and Science and Technology Committees:

It is clear that the bespoke structure of the Vaccine Taskforce together with Kate Bingham's direct approach to leadership, including building a high performing team around her, were of great importance. It is also very clear that much of the success of the UK vaccine project was attributable to the Vaccine Taskforce, and in particular its bespoke role within the official system—a diverse group of people, led by an independent, industry-experienced individual, and sitting outside the Whitehall hierarchy.⁵⁴

The next Prime Minister should establish other task forces, modelled on the Vaccine Taskforce, lead by outside experts, insulated from the Whitehall hierarchy, to lead on specific problems in the months ahead.

2. The Government should develop a dedicated and highly specialised capability to ensure that Machinery of Government changes are smoother, quicker and cheaper.

Restructuring the machinery of Government can often actively undermine the very policy work that the combination of new responsibilities was intended to encourage. This is because, instead of focusing on policy problems, ministers and civil servants are forced to spend time establishing the new department and managing mergers or demergers. Carrying out restructures of organisations, teams and staff is a highly specialist skill. Government should develop a dedicated capability (with an adequate budget and access to high quality external advice) to support Machinery of Government changes. This will ensure that the process of reorganising government is smoother, quicker and cheaper. This capability should have an adequate budget and access to high quality external advice.

3. The Government should streamline the number of Cabinet Committees.

When used effectively, Cabinet Committees can be transformational to the ability of galvanising action and taking decisions across Whitehall by establishing collective agreement for a course of action quickly. The so-called 'XS' and 'XO' committees established by Prime Minister Boris Johnson for the purposes of delivering Brexit were particularly effective. However, there are too many cabinet committees. This can undermine their efficacy. The next Prime Minister should streamline the number of Cabinet Committees around their priorities. They should ensure that there is an up-to-date list of Cabinet Committees and subcommittees, with their terms of reference and their membership. They must also ensure that there is a Cabinet Committee focused entirely

53. Health and Social Care, and Science and Technology Committees, *Coronavirus: lessons learned to date*, 12 October 2021, [link](#)

on reform of government so that collective agreement for reform can be established more easily.

4. The Government should make greater use of joint ministers and joint funds. It should also establish more robust and comprehensive evaluation procedures for the performance of joint funds and cross-departmental funding mechanisms.

5. The Government should explore how to reform the write-round process. Whilst it is essential to ensure that collective agreement is established for important decisions, the write-round process (the process by which collective agreement is established through written correspondence) can lead to considerable delays. Furthermore, many government leaks emanate from the process, which can be exploited by those seeking to prevent reforms or new policies by presenting them prematurely and unfavourably to the media before they are announced.⁵⁵ The Government should explore alternative methods of establishing collective agreement.

6. The next Prime Minister should radically overhaul the Government Communications Service (GCS). At present, the Government Communication Service is overwhelmingly large, suffers from an unclear command structure and is disproportionately focused on traditional print media over digital communications. Press operations should be capped at 30–40 members per department. Furthermore, as recommended in the Maude Review of the cross-cutting functions, “the Head of GCS should run an assessment and accreditation programme — a licence to practice — and better incentives for communications specialists to progress.”⁵⁶

2. HM Treasury and its relationship with the rest of Government

HM Treasury is uniquely powerful, combining responsibilities for government budgets, finances, economic policy and tax policy. It can, to some extent, control the shape of nearly every government initiative by exercising control of overall public expenditure. This gives it the ability to arbitrate and even initiate domestic policy, going well beyond its core roles of overseeing the macro-economy and managing the government’s finances.

Supported by some of the UK’s most talented civil servants, the Treasury can electrify or suffocate policy initiatives. It also plays the important role of acting as an effective brake on the spending whims of departments. However, many argue that the effect of the increasing power of the Treasury has been to both disempower departments and to stretch the Treasury beyond its capabilities. Indeed, the Treasury’s relationship with departments revolves primarily around establishing budgets for programmes and ensuring that those budgets are not exceeded. Its concern is not necessarily with the overall performance of a programme. Should a policy intervention fail, it is the department and not the Treasury

54. Policy Exchange, *Government Reimagined*, May 2020, [link](#)

55. Cabinet Office, *Review of the cross-cutting functions and the operation of spend controls*, 22 July 2021, [link](#)

that is held accountable, even if the primary reason for failure was a lack of financial resources. This, in turn, can create a perverse incentive for departments to hide their financial resources from the centre.

There have been previous efforts to break up the Treasury, most of which have not been successful. Arguably, the division of economic responsibilities between Morrison and Dalton under the Atlee administration led to and aggravated the Convertibility Crisis in 1947. Likewise, Harold Wilson put Labour's deputy leader, George Brown, in charge of the newly created Department of Economic Affairs in 1964, with responsibility for national planning and a roving brief to interfere with the work of the Treasury under James Callaghan. More recently, the Blair Government, led by John Birt, devised a plan entitled "Project Teddy Bear" to split the Treasury into two parts and establish: a Ministry of Finance (overseeing macroeconomic issues, taxation, and financial services) and an Office of the Budget and Delivery (to manage departmental spending).

1. The Government should review Treasury consent for use of public funds and consider delegating greater expenditure authority to departments. Government departments must obtain Treasury consent before undertaking expenditure. This can vitiate initiatives and cutting edge approaches to public policy problems. For example, *Managing Public Money* makes clear that the Treasury's consent must be required before "transactions which set precedents, are novel, contentious or could cause repercussions elsewhere in the public sector".⁵⁷ It also makes clear that consent is required "even if the amounts in question lie within the delegated limits." The requirement to seek Treasury approval before "contentious and novel" expenditure should be lifted and departments should be encouraged to adopt novel approaches to public policy dilemmas within departmental spending limits.⁵⁸

2. The Government should consider extending the fiscal rules period. Policy Exchange has previously recommended replacing fiscal rules with some principles to guide future policy.⁵⁹ Despite this, the Government set out its four new fiscal rules in the Autumn Budget And Spending Review in 2021.⁶⁰ These rules included the provisions (1) that debt should be on course to fall as a share of national income in three years' time (2) that the current budget should be in surplus in the third year of the forecast period (3) public sector net investment should be below 3% of GDP on average over the forecast period.⁶¹ The structure of the UK's fiscal rules creates an incentive to overinvest at the start of the forecast period and to underinvest at the end of the period in order to demonstrate conformity with the rules. The Government should review its fiscal rules to ensure that it doesn't create perverse administrative incentives that undermine effective economic policy.

3. The Treasury should make a commitment to making more of its economic models available as open source. The Treasury produces a range of economic forecasts. Likewise, the Regulatory Policy Committee critically appraises impact assessments for new regulations. Whilst the headline figures of such forecasts are published, the underlying data,

56. HM Treasury, *Managing public money*, 4 March 2022, [link](#)

57. HM Treasury, *Managing public money*, 4 March 2022, [link](#)

58. Policy Exchange, *Fiscal Principles for the Future*, 30 November 2020, [link](#)

59. HM Treasury, *Autumn Budget and Spending Review 2021*, 27 October 2021, [link](#)

60. HM Treasury, *Autumn Budget and Spending Review 2021*, 27 October 2021, [link](#)

methodologies and models are sometimes unavailable to the public. The Treasury should make a commitment to making more of its economic models available as open source. This will help to improve scrutiny of forecasts and impact assessments.

4. The Government should press ahead with the Procurement Bill.

Amounting to around £300 billion, public procurement accounts for around a third of all public expenditure every year. After Brexit, there is an 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. At present, the UK's procurement regime mandates burdensome anti-discrimination tender procedures for both the bidder and the tendering body. As a result, often only large suppliers have the resources necessary to submit a bid and the tendering body does not have the operating flexibility required to prepare, tender and manage complex contracts. This can lead to a situation in which a small number of large suppliers profit excessively from poorly delivered projects. The ease with which well-resourced suppliers can judicially challenge a tender decision also leads to delays, legal costs and prolonged uncertainty. The Procurement Bill, currently at Committee stage in the Lords, will take advantage of the benefits of Brexit by reforming the UK's public procurement regime to create a simpler and more transparent system that better meets the country's needs, rather than being based on transposed EU directives. It should be a priority of the next Prime Minister.

3. Ending “Digital by Delay”: Harnessing Digital, Data and Technology

Digital, data and technology can transform the policy-making process and improve the delivery of public services. Whitehall’s departmental structure makes it intrinsically difficult — though not impossible — to pursue a coordinated and innovative approach to digital, data and IT. The purchasing of new technologies and the development of digital systems often occurs in parallel across government departments, even though the requirements or business operations of the technology being used are often identical. This makes it difficult to design citizen-facing services that span across multiple departments and difficult for departments to access and use relevant high-quality data.

The digital transformation of Whitehall is a Sisyphean challenge. In June, the Government published a new roadmap for digital and data in the public sector, which sets out 21 actions based on six missions.⁶² The ideas, ambitions and principles outlined in the roadmap have not changed substantially from those put forward in *Government Transformation Strategy* in 2017 or even the 2005 strategy, *Transformational Government: Enabled by Technology*.⁶³

The Government must reimagine and reinvent the way public services are operated, conceived, designed and managed. Whilst its new roadmap is incredibly welcome, it is insufficiently ambitious and does little to simplify the digital government landscape, which has become incredibly complex. This section sets out a series of recommendations to overhaul the UK Government’s digital and data infrastructure.

1. The Government should urgently clarify the leadership of Digital, Data and Technology in Whitehall. In July, nearly three years after the post was first advertised, the Government finally announced that Mike Potter will be the new Government Chief Digital Officer (GCDO).⁶⁴ The new GCDO will lead the Central Digital and Data Office (CDDO). The Government should also establish a new leadership structure underneath the new GCDO, including a Chief Data Officer, a Chief Product Officer, and a Chief Transformation Officer. As recommended in the Maude review, the GCDO’s mandate should include authority over the user experience across all government online services and, through the operation in real time of the digital spend control, the power to direct all government online spending. The GCDO’s mandate should also include leading the

61. CDDO, *Transforming for a digital future: 2022 to 2025 roadmap for digital and data*, 9 June 2022, [link](#)

62. Department of Culture, Media and Sport, *National Data Strategy*, 8 July 2020, [link](#); Cabinet Office, *Government Digital Service*, *Government Transformation Strategy*, 9 February 2017, [link](#); Cabinet Office, *Transformational government: enabled by technology*, 2 November 2005, [link](#)

63. “In September 2019, the position of government chief digital and information officer was advertised but, ultimately, never filled. Less than a year on from that – and with an extra £20,000 added to the salary – a new advert was published for a vacancy as government chief digital officer. Once again, no one was appointed to this post and, in January 2021, it was announced that the government would instead create the CDDO.”

recruitment, appointment, appraisal and remuneration of chief digital officers in the line departments.

2. A Digital and Data Audit Office should be established, accompanied by a corresponding parliamentary Select Committee. Modelled after the NAO, it should provide technical and ethical scrutiny of digital products and services, exploring their code base, user experience and technical resilience.

3. The Government should publish a dedicated digital procurement strategy. Such a procurement strategy should focus on removing the structural barriers and obstacles that exclude start-ups and SMEs from bidding for Government contracts. The Government should also increase the size of the UK GovTech Catalyst fund.

4. The Government should establish a dedicated ‘Data Science Profession’. The Civil Service is divided into over 25 specialist professions, including one for Digital, Data and Technology (DDAT). The Government should establish a new data science profession, separate from the Analysis and DDAT Professions. It must ensure that the profession is established based on dual-track career development. This would allow increased pay for some members of the profession without requiring that they be placed into supervisory or managerial positions. It is essential that pay progression does not require DDAT professionals to take on less technical roles, particularly given that pay for such roles in the private sector can be incredibly high. Urgent consideration should be given to this, not least due to the fact that the fast pace of technological innovation means that the skills required of CS data scientists changes in a short space of time. This is not the case within some other professions (such as contract management, for example). If successful, this principle should be applied to the wider DDAT profession.

5. Each department’s Outcome Delivery Plan should include an explicit account of its progress in implementing digital transformation. The new digital and data audit office should score it on its progress and the CDDO should step in where necessary to ensure that progress is made and momentum is maintained. The Government has promised to “make all ‘critical’ data assets available and in use across government through trusted APIs and platforms such as GDX and IDS”.⁶⁵ This should be made a priority and there should be an explicit target for the development of APIs set out in each department’s ODP.

6. The Government should encourage the personalisation of Government Services. The Central Digital & Data Office (CDDO) should join up digitization efforts between the GDS and large Departments to streamline user journeys for common advice and interactions that span across multiple government departments. It must also accelerate the development of GOV.UK Accounts and clarify whether GOV.UK Accounts will conform with the UK digital identity and attributes trust framework being developed by DCMS.⁶⁶

7. The Government Digital Service (GDS), under the supervision of the Central Digital & Data Office (CDDO), should develop an internal

64. CDDO, *Transforming for a digital future: 2022 to 2025 roadmap for digital and data*, 9 June 2022, [link](#)

65. DCMS, *UK digital identity and attributes trust framework - beta version*, 13 June 2022, [link](#)

consultancy function. It should be allowed to bid for Government contracts alongside private sector companies. Each year the Government spends millions on digital consultants. Their reliance on consulting firms needs to be addressed and GDS needs to have the capacity both to bid for these contracts, and to deliver upon its bids.

8. The new CDDO should task the GDS with the creation of new services to help Digital Data and Technology (DDAT) teams improve, publish and iterate accessible forms. This will help to improve the quality of government data and the speed at which new services can be designed and deployed.

9. The next Prime Minister should appoint a new set of innovation fellows. The No.10 Innovation Fellowship Programme was announced as part of the National Data Strategy. The programme was based on the US Presidential Innovation Fellowship Programme, which was established to attract talented individuals from technology companies, start-ups, and academia to develop new products and services. The next Prime Minister should appoint a second cohort of Innovation Fellows in 2022. Furthermore, to attract international talent to the fellowship, the next Prime Minister should ensure that the programme offers a relocation package to fellows.

10. The next Prime Minister should ensure that Downing Street continues to be supported by a data science and analytics team. In mid-2020, the Government established 10DS (‘10 Data Science’), with a remit to improve the way in which key decisions are informed by data, analysis and evidence. The next Prime Minister should ensure that this Unit becomes a permanent part of the No 10 operation as this will help to ensure that Downing Street can utilise the best available evidence and cutting-edge data science throughout the policy and decision-making process. The Government should explore establishing similar teams in other major Government departments, particularly those with complex delivery responsibilities.

11. The Government should set out the criteria by which it will assess the standard of digital services. By 2025, at least 50 of the Government’s top 75 identified services will move to a ‘great’ standard, against a consistent measure of service performance. However, the Government is yet to set out what would constitute a ‘great standard’. The task of assessing the standard of digital services should fall to the proposed Digital and Data Audit Office.

4. Reform of Public Bodies and Public Appointment

The next Prime Minister must reform the wide array of public bodies in order to make them more accountable and effective. The pandemic has highlighted how citizens' lives are dictated by the work and decisions of organisations that are in some way independent from central government and elected ministers (and sometimes not obviously so).

Previous efforts to reform the public bodies landscape have enjoyed mixed success. The Public Bodies Reform Programme from 2010 to 2015 reduced the number of public bodies by a third (from 904 to 610) and reduced their administrative spend by a cumulative £3 billion. By contrast, the *Public Bodies Transformation Programme*, which ran from 2016-2020, was a complete failure. As part of the programme, every single Arms-Length Body (ALB) was supposed to undergo a so-called 'tailored review'. Only 101 (or 34%) of the 295 planned reviews actually took place. As the NAO has pointed out, even those which did happen "lacked a consistent approach". Perhaps more worryingly, not one of the 24 business cases for new ALBs that were submitted and approved between 2016 and 2020 met all the requirements for establishing a new ALB.⁶⁷

Reform of Public Bodies has been significantly under-prioritised over the past two years. It had been known since 2015 that *The Public Bodies Transformation Programme* would come to an end in 2020.⁶⁸ Nevertheless, it took until April 2022 for a successor programme to be formally announced. The next Prime Minister will have to ensure that reform to public bodies is prioritised if the next Government is to cut the targeted £800m of public body expenditure.⁶⁹

1. The Government should establish clear targets for its new public bodies reform programme. Although the Cabinet Office has produced new guidance that outlines how to evaluate and create new Arms-Length Bodies, it is essential that the Government completes a review of **every single** public body by the end of the programme, given the low number of reviews that were completed in the previous *Public Bodies Transformation Programme* (see above). Each department's Outcome Delivery Plan should include a timetable outlining how they plan to review each ALB sponsored by the department.

2. The Government should establish a dedicated central unit that can complete evaluations of Arms-Length Bodies on instruction from sponsoring departments. Whilst the Cabinet Office can provide advice and challenge to departments, sponsoring departments are responsible

66. Policy Exchange, What happened to the reform of public bodies?, 1 February 2022, [link](#)

67. Policy Exchange, What happened to the reform of public bodies?, 1 February 2022, [link](#)

68. Cabinet Office, *New public bodies review programme launched*, 26 April 2022, [link](#)

for undertaking reviews of ALBs. As a result, the standard of evaluations differs across government departments. The Government should establish a specialist team that can complete evaluations and reviews of ALBs on behalf of sponsoring departments. Sponsoring departments should be able to commission this team to complete the evaluations if they are overly stretched. ALBs that do not undergo a formal departmental review should automatically be reviewed by this team.

3. The Government should review all framework agreements between ALBs and the Government to ensure that they are fit for purpose. It should also design more flexible or stricter agreements where appropriate. All framework agreements between Departments and ALBs should be published.

4. The Government should continue to publish a comprehensive annual list of all public bodies, not just ALBs. This information should include information relating to their budget, classification and accountability structure. So far, reform has focused disproportionately on reform of Executive Agencies ('EAs'), Non-Departmental Public Bodies ('NDPBs') and Non-Ministerial Departments ('NMDs'). There must be a dedicated reform programme focused on so-called 'unclassified' public bodies.

5. The Government should review the emergency powers and procedures available to ministers to take control of failing public bodies or in crises. The Cabinet Office should also set out in which circumstances such a move would be appropriate.

6. The Public Appointments process should be made significantly more responsive. Public appointments should be of the highest calibre. Yet the current system militates against this. Despite some improvements made by the Grimstone Review (2016), the system is bureaucratic and cumbersome.⁷⁰ 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. As Policy Exchange argued in *Whitehall Reimagined*, the assessment process can also artificially restrict ministerial choice, with appointment panels declaring individuals who have successfully run major companies, educational institutions or public bodies as 'unappointable'.⁷¹ Government should draw on private sector expertise to assist its talent management processes, including the use of external HR consultants and headhunters when appropriate.

69. Cabinet Office, *Better public appointments: review of the public appointments process*, 11 March 2016 [link](#)

70. Policy Exchange, *Whitehall Reimagined*, December 2019, [link](#)



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