



# Finding the right skills for the civil service



# **About this report**

This paper examines the skills that the civil service has and those it needs to meet the demands of government in the coming years. It considers how the civil service workforce is managed and reviews progress made in recent years. The report also offers suggestions for what the government should prioritise as it works to improve the skills of its staff.

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# Summary

On coming into office in summer 2019, the prime minister and his cabinet quickly put civil service reform near the top of their priority list. They saw enhancing the civil service as the first stage in delivering other objectives. Ministers are right to focus on this issue; identifying, attracting, developing and deploying the right civil service skills will be critical to the success of this government and its successors.

#### Some progress on enhancing skills has been made in recent years

Reforms since 2013 have helped to create and develop a series of cross-government 'Functions' to improve how government builds its specialist skills such as Project Delivery, Finance and Commercial. These are now at varying levels of maturity but have undoubtedly become more effective over the past decade, strengthening aspects of government's response to crises and to new policy priorities.

# Very poor data means that the civil service under-uses the wide range of skills it should be able to access

The perception that the civil service is mostly made up of generalists is not accurate. More than half of civil servants are Operational Delivery specialists working with citizens on the front line of public services. The UK government is a large employer of a range of specialists, including scientists and engineers, data, digital and technology experts, commercial professionals, analysts and project managers.

But the data collected on who has these skills, and to what level of competence, is poor. Consistent information is lacking and different data collection systems across departments mean that civil service leaders do not know enough about their workforce or how best to deploy it.

## Responsibility and accountability for skills development is fragmented

The accountability for running departments sits with permanent secretaries, while that for specialist skills development rests heavily with the leaders of the civil service's Functions. The Cabinet Office's influence over skills development in departments is patchy and relatively weak, with departments historically able to avoid taking part in programmes they did not agree to.

## Managers are not held to account for developing their teams

Training is seen as a 'nice to have' and managers are not held sufficiently to account for the development of the people they oversee. Training budgets have been cut and the teams co-ordinating government Functions have varying, and often inadequate, resources. Opportunities for development are too rare for those civil servants who are not new starters or not considered top talent.

#### There are barriers to attracting people with the right skills into the civil service

The civil service is not as 'porous' (the extent to which people can move into and out of it) as it should be. While stronger ethical oversight of transfers between the private and public sector is needed, there are still too many barriers to the circulation of skilled people. In most cases the civil service cannot pay specialists as much as private sector organisations can. There is also pressure to avoid pay discrepancies between different parts of the civil service workforce.

## **Core recommendations**

The civil service is made up of many talented people doing valuable and complex work. Like many organisations, its leaders need to do more to build its skills now and for the future. We make a series of recommendations to help the government develop civil service skills so that officials can better solve problems and deliver services for the public.

# The civil service should publish a strategy to set out the skills it needs, including more data, digital, finance, project and portfolio management capability

- Without a clear cross-civil service strategic plan priorities will be ad hoc and skills development will remain patchy across departments and Functions.
- To be able to advise on and then implement future government policy
  programmes, the civil service needs to anticipate the long-term skills it will require.
  Technological developments will change the kind of problems that civil servants
  need to address, and by extension change the nature of the government workforce.
  The organisation is not yet set up to respond to this, particularly on data and digital.
- The nature of the projects future governments will prioritise from net zero to infrastructure improvement means that the civil service will need more expert project and portfolio managers. The importance of these skills has also been demonstrated during the Covid-19 response.

## More multi-disciplinary teams are needed to improve decisions and services

• The civil service has got better at involving specialists in government decision making in recent years. But in learning from what has worked well in the wider public sector and elsewhere, civil service skills reform will depend on being able to create, deploy and manage effective teams that more formally bring together the expertise and skills of different professionals. These groups could be made up of people with different and complementary skill sets from inside and outside the civil service.

### Better data on skills is urgently needed

- The civil service urgently needs to commit to collecting more information on skills, and the senior leadership of the civil service should set up a programme of systematic data collection. The compulsory self- and manager-assessment of skills and capability levels that already exists should be formalised.
- This data will be used most often at the level of individual departments to match skilled resources to priority projects and to identify where there are gaps in capability. However, the civil service needs to collect data throughout its Professions and share it across departments to deal with cross-cutting priorities.

#### Managers need to be more accountable for developing their teams

• Managers should be held directly accountable for their team's development, as well as their own. They should set rigorous development goals with the people they manage each year and report back on how far they have been met.

# There must be a more comprehensive approach to personal development that emphasises core skills

- Self-development should be a fundamental part of every civil servant's job, to improve performance in their current role and to develop skills needed to progress. Funding should not generally be a barrier to taking up relevant opportunities to learn.
- A core group of training courses should be developed for skills that are important across the civil service, particularly for improving writing, numeracy, collaborating within and across teams, and core digital ability. Civil servants who work with ministers and parliament need to learn from the experience of others, and policy officials need an understanding of economic and financial models.
- The quality of training needs more rigorous assessment and accreditation. The civil service should invest in evaluation and work with partners to avoid locking itself into long contracting arrangements that are hard to adapt and improve.

## There should be more deployment of skills from the wider public sector

- Efforts should continue to bring senior police, health, central and local government public servants together to develop their leadership through the programmes provided by the National Leadership Centre. Leaders of all public sector institutions should collect comparable data on skills.
- The government should facilitate more exchange between different parts of the public sector by setting up formal routes for exchanges, secondments and shadowing between the NHS, police forces, local government and central government at all levels of seniority.

# The civil service needs to do more to promote a period working in government to the private sector

- While clear ethical safeguards need to be in place, encouraging technically skilled people to spend time in the civil service and demonstrating how that will contribute to a fulfilling career should be a recruitment objective. Civil service leaders should emphasise the skills and opportunities that are available only to those working for government.
- The civil service should ensure that its pay and pension arrangements are not an obstacle to moving in and out of government service, particularly for those with skills commanding high salaries outside the public sector.

# Introduction

Good government needs civil servants with the right skills to develop and implement its priorities and ultimately to make a difference to citizens' lives. Without the expertise to deliver high-quality policy advice to ministers, to negotiate contracts or to implement services or major projects, government cannot work effectively. Shortcomings in the skills of civil servants can lead to public money being wasted and undermine confidence in government.<sup>1</sup>

'Skills' can be a slippery and sometimes abstract concept. In this report we refer to both transferable skills, like team-working or communication, and specialist skills, like digital, finance or project management. Skills are distinct from knowledge and experience, though all three are closely related. Experiences bring knowledge, the application of which builds skills. The Institute has reported previously on staff churn in the civil service which, when excessive, leads to knowledge being lost and erodes civil service skills.<sup>2</sup>

Drawing from recent research, including a range of interviews and a private workshop, we identify the difficulties the civil service has faced in developing its skills. We then explore which skills already exist in government and why they are not always used well. This report also looks at the skills the civil service needs now and in the future, particularly digital and technical expertise, and makes recommendations on how to attract, develop and deploy the right skills.

## The government is right to prioritise building civil service skills

The National Audit Office, the Public Accounts Committee, ministers and civil servants themselves have described how a lack of specialist skills in areas from digital to finance has contributed to delays, cost overruns or policy and operational failures. The problem runs across government activity and has affected priority programmes from Universal Credit to High Speed 2, EU exit, the Magnox nuclear decommissioning contract and the Emergency Services Network programme.<sup>3,4</sup> Capability gaps in engineering, climate science and project delivery are already making it hard to deliver the programmes needed to reduce the UK's emissions to net zero, with the mismatch between ambition and skills set to grow.<sup>5</sup>

Boris Johnson's government decided early on to prioritise civil service reform, with skills improvement a core part of this ambition. The prime minister's former adviser Dominic Cummings called for "weirdos and misfits with odd skills" to join the civil service to ensure "genuine cognitive diversity", though at the same time issuing a contradictory warning that he would "bin you within weeks if you don't fit".<sup>6</sup> Cabinet Office minister Michael Gove offered a more conventional critique of the lack of "basic skills required to serve Government, and our citizens, well" in a lecture in 2020.<sup>7</sup> He pointed to gaps in mathematics and statistics, procurement, science and engineering,

and expertise in specific policy areas.<sup>8</sup> The coronavirus response also reinforced the need for civil servants with experience of working in and with local government and those with the ability to manage large and complex projects at speed and under pressure.

The government is right to make reform a priority. Capability gaps cost time and money, officials have recognised.<sup>9</sup> Spending on consultants or temporary staff had reduced after the Cabinet Office introduced controls in 2010, but tripled between 2012/13 and 2017/18. The demands of the Covid-19 pandemic have resulted in spending increasing still further.<sup>10,11</sup> Using temporary staff can end up costing the government twice as much as using civil servants,<sup>12</sup> and ministers agree that the civil service is "too reliant on consultants".<sup>13,14</sup> Bringing in consultants can be useful where the government doesn't need to have highly specialist skills in-house, or where capability is needed quickly. But consultants doing jobs that civil servants can do themselves over extended periods is not a good use of public money – and "infantilises" government officials.<sup>15</sup>

Government work on civil service skills is the responsibility of the Civil Service Modernisation and Reform team and a new Government Skills and Curriculum Unit, created in September 2020 as part of the Human Resources Function. Both report to Alex Chisholm, the permanent secretary of the Cabinet Office and civil service chief operating officer, and support Michael Gove on civil service reform. Gove, Chisholm and Simon Case, the cabinet secretary, are all publicly signed up to improving civil service skills as part of reform plans, though it is too soon to tell whether this focus will be sustained for long enough to make a tangible long-term difference to civil service skills.

## The need to improve skills in government is a perennial problem

The civil service has worked on its skills development in different ways throughout its history.<sup>16</sup> Successive governments have given it varying attention, with the last sustained ministerial focus on skills before the current administration being Francis (now Lord) Maude's work from 2010 to 2015. The Cabinet Office over that period developed and reinforced a model of cross-cutting Functions to improve the way government delivers activities like digital, finance and procurement.<sup>17</sup>

A large part of the difficulty is that skills exist in the civil service but are underused. Notwithstanding ministerial complaints, the civil service is not short of digital specialists (with more than 10,000 in the Digital, Data and Technology Profession), scientists and engineers (around 12,000), analysts (5,000 in the Analysis Function), lawyers and linguists. Too often these are people whose skills are available to the civil service but not accessed effectively.<sup>18</sup> The civil service should focus on deploying the skills it already has as much as building new capability.

# **1.** The persistent problem of skills in the civil service

Getting the right approach to skills is difficult in any organisation. The environment can be unpredictable, future skills requirements are uncertain and finding the right people to fill jobs will always be an imperfect process. The civil service faces specific problems including constraints on pay, the fragmented nature of government (where conducting certain tasks, like managing contracts or creating digital services, can lead to tensions with government departments). It has also spent years discussing the right balance between specialists and generalists.

Effectively building the skills of the civil service has been a long-standing priority.<sup>1</sup> It has been the subject of many government reform programmes, scrutiny by parliamentary committees and commentary by outside experts.

Here we assess the problems faced by the civil service in identifying, attracting, developing and deploying the right skills. This model represents some of the main stages involved in managing any workforce.<sup>2,3,4</sup>



Identify the skills the civil service needs to deliver current and future priorities



Attract candidates by showcasing what the civil service has to offer



**Develop** new joiners and the skills and careers of existing civil servants



Deploy staff skills through job rotations and better data to inform moves

Conducting these activities effectively requires strong workforce management. The civil service must know what it is trying to do to identify the right skills. It should then collect information on staff numbers and proficiency in certain skills to be able to facilitate staff moves while matching people to its priorities.

There are many examples of good practice in these areas across the civil service, although they are often limited to a specific Function, Profession or organisation and not consistently applied across the sector.

## The civil service has made progress in recent years

#### 'Functions' operating across the civil service have helped focus on core skills

The government's current work to develop civil service skills builds on reforms that started in 2013 under Francis Maude and John Manzoni, then minister for the Cabinet Office and chief executive of the civil service respectively. They worked to improve the way the civil service conducted activities that relied on specialist skills – such as delivering projects or managing commercial contracts – by creating 10 government 'Functions' to develop and deploy expertise in a consistent fashion across all departments and arm's length bodies.<sup>5</sup> There are now 14 such Functions – listed in Appendix 1 of this report – with around a quarter of civil servants (120,000) belonging to at least one.<sup>6</sup>

The Functions complement – and overlap with – the civil service's existing 'Professions', but there are some differences between the two. Professions are groupings of officials with similar expertise, such as veterinarians, and focus on people and *skills*. There are 29 Professions in government, and because of the breadth of skills they represent, all civil servants are members of a Profession.

Functions are focused on *activities* that occur across departments, such as finance, commercial or project delivery. The Functions define what needs to be done and why, so that the activities they oversee can be conducted effectively.<sup>7</sup> To achieve this, they give expert advice, and are responsible for "setting cross-government strategies... developing capabilities... setting and assuring standards" to ensure that activities are delivered widely and consistently.<sup>8</sup>

The Functions are typically run by central units, which often sit at the centre of government in the Cabinet Office. Many functional leaders, including the government chief commercial officer and the government chief people officer, are also employed by the Cabinet Office, but other leaders and their central teams sit in dedicated bodies such as the Government Internal Audit Agency or the Government Legal Department.

Civil service Professions, on the other hand, are designed to develop the capabilities of staff with particular skills, expertise or knowledge, in specific areas ranging from science and engineering to medicine. The civil service talks about the Professions 'clustering' around the most relevant Function, with Professions playing a particular role in helping to guide individual civil servants' professional development and career.

Some Professions, like Analysis or Operational Delivery, bring together groups of staff with such a variety of skills that they are less likely to be cohesive, as the former head of the Operational Delivery Profession, Jon Thompson, has recognised.<sup>9</sup> That group includes a huge variety of staff, ranging from people processing benefits to those running prisons.

#### The Functions and Professions have improved the civil service's skills

One of the main achievements of the Functions has been to bring more coherence to the definition of job roles or 'families' across the whole of government. Each Function has developed a framework setting out career paths for specialists along with an expectation of the skills or qualifications needed at different levels of seniority. Most of these have now been published.

Many Functions set up their own institutions, for example, the Government Finance Academy and the Major Projects Leadership Academy, to support civil servants in developing their specialist expertise.

Some Functions have rightly recognised that developing mid-career staff as well as those not considered high-flyers is important. For example, the Commercial Function has begun training the 30,000 civil servants who work on contract management but are not commercial experts, while the Project Delivery Function launched new programmes and the Project Delivery Academy to help civil servants at all levels find training opportunities to go from 'foundation' to 'expert' level.<sup>10</sup> The Policy Profession's executive master's degree with the London School of Economics – while aimed at particularly promising and ambitious civil servants – specifically aims to develop those in their early- to mid-careers wanting to reach senior ranks.<sup>11</sup>

These efforts have helped the civil service to respond to some of the complex demands of recent years. When Carillion, a major government supplier, collapsed in 2018, leaving many front-line services like school meal provision and prison maintenance at risk, the Functions played a major role in responding to minimise disruption to public services. The civil service argued that this "would simply not have been possible even two or three years ago" without Functions to shape cross-government strategies.<sup>12</sup> The Carillion example also shows the need to develop the Functions further. While the response was effective, government bears some responsibility for creating high-risk, low-margin markets for construction and services, and checks and balances failed to ensure that Carillion and other companies were in fact able to deliver the contracts they had won.<sup>13</sup>

The Functions and Professions also helped organise skills and capability audits as well as staff redeployments following the EU referendum. The government's chief people officer argues that they contributed to improved planning and made it easier to move people around.<sup>14</sup> Similarly, the Functions helped support government's response to Covid-19.<sup>15</sup> The Commercial Function helped procure ventilators for the NHS at short notice via its Ventilator Challenge programme in early March 2020 (although some of these ventilators were ineffective).<sup>16,17</sup> It was through the Functions that government co-ordinated recruitment across departments and set up 'hubs' to manage staff redeployment.<sup>18,19</sup>

## There are still major barriers to building effective skills

These developments have strengthened the civil service's ability to organise itself and give order to the professional skills in government. But they have not resolved the inherent tensions that have hampered reforms in the past.<sup>20</sup>

### Firm leadership on skills is held back by a weak centre

Before considering the civil service's difficulties with identifying, attracting, developing and deploying people with the right skills, there is a structural problem with the organisation of departments that has impeded clear and consistent progress.

The UK civil service has a federal structure characterised by a weak organisational centre but strong departments.<sup>21</sup> The centre has limited ability to mandate departments to reform, and the process of securing their agreement can result in consensus around the lowest common denominator. An absence of government-wide training and shared services, combined with the fact that departments often do not feel that their needs are being met even when programmes are set up, have too often resulted in them setting up their own alternatives, such as HM Treasury's graduate programme or the Ministry of Justice's Project Delivery Academy.<sup>22,23</sup>

The Functions and Professions have contributed to the creation of professional academies which have gone some way to bridging the gap between professional development and career progression, but consistency, funding and their power over resources vary widely, and the overall model lacks coherence.<sup>24</sup> The Cabinet Office's power to push reforms through the Functions is limited, especially if it fails to secure buy-in from large departments with their own specialist Functions, which can effectively block reform.<sup>25</sup> A new Government Campus is aiming to translate the various functional and professional academies into something resembling the faculties of a university. It should speed up its work to identify good practice and remove duplication between departments.

The accountability for skills development is unclear. Previous Institute for Government work highlighted the "lack of independent oversight of the plans that are now in place to improve specialist skills and capability in areas such as finance, commercial and human resources". The leaders of the Functions and Professions were previously accountable to the chief executive of the civil service and appeared to have little accountability to departments for delivering services to them. This has begun to change, following a Cabinet Office review that set up a Heads of Function Steering Group with associated 'user boards', which provide opportunities for departments to share feedback with heads of Functions. Functional leads in the Cabinet Office and in departments need to be clearer about how they are held accountable to both the centre and departments.

#### The civil service does not have a strategy to identify the right skills

The demands on government constantly change and, particularly since the EU referendum result and then the Covid-19 pandemic, the civil service has needed to quickly bring in new skills. These external shocks cannot always be predicted, but the core skills needed to carry on the business of government are enduring and can be identified and mapped. Policy making, Operational Delivery, Digital, Data and Technology, Legal, Finance, Science and Engineering, and the other established Professions cater for what are, and will remain, core skills that the civil service collectively needs to build and keep.

That said, the number and nature of roles using those skills will likely change over time, due to the growing use of automation and other technologies within government.<sup>26</sup> In recent years, the civil service has prioritised the development of its digital, commercial and project delivery skills, correctly identifying these as the areas where investment has been most needed. The number of project delivery professionals grew by 170% between 2013 and 2018, and the number of commercial staff has more than doubled since 2013. This reflects both the number of specialist professionals and a greater number of people identifying as having specialist skills, though bare numbers alone cannot fully demonstrate improvement in the skills and competence of officials.<sup>27</sup>

However, there has been no comprehensive strategy (strategic workforce plan) to outline the skills the civil service needs for the coming decades. It is reasonable for some skills development to be decentralised or based on departmental or functional need, rather than sticking to a civil service-wide master plan. But without a wider strategy, priorities will be ad hoc and skills development will remain patchy across departments and Functions. In Chapter 3 we suggest priorities for such a strategy.

Identifying the right skills is relatively straightforward compared to finding the right people, persuading them to join the organisation and more effectively deploying the skills that already exist in the civil service.

#### Pay constraint and barriers to switching between the civil service and the private and wider public sectors make it harder to attract people with the right skills

Having identified the skills needed, the civil service must attract the people who have them. This can be difficult when it is competing on pay with the private sector for people with commercially valuable skills, such as procurement experts, data and digital specialists or engineers.

This also applies to the competition for attracting talented graduates. The starting salary of a graduate recruited into the Civil Service Fast Stream is around £28,000. Those with similar skills entering management consultancy would command around £45,000, and in areas like investment banking a recent graduate could be paid £80,000. This gap widens over time. In their 30s, a successful civil servant entering the senior civil service will earn around £75,000, far less than half what is earned by a typical management consultant and just a sixth of what is earned by the average investment banker. Similarly, a civil service permanent secretary earns 25 times less than the average FTSE 100 CEO.<sup>28</sup>

The gap has narrowed overall between public and private sector pay, but political constraints and pressure on taxpayer-funded budgets mean that the civil service cannot compete with the private sector on pay for senior positions or highly sought-after skills.<sup>29</sup> The particular rewards of a civil service job will need to offset at least some of the difference.

It is still the case, however, that civil service pensions are attractive compared to private sector equivalents. Most civil service pensions are defined benefit schemes (providing a set income upon retirement). Only 8% of private sector pensions now use the same model, with most using defined contribution schemes (dependent on contributions into a pot).<sup>30</sup> In a minority of cases, particularly in the specialist Commercial Function, roles have been created that sacrifice pension credit in exchange for a larger salary – making them 'salary rich, pension poor' – as a means of competing more directly with the private sector.

Even where higher civil service salaries are permitted, there is a conflict between the pressure to reward those with specialist skills in line with the wider market, and an internal desire to avoid large pay discrepancies. For as long as there is a competitive market for some skills like digital, legal or procurement and not for others, principally policy making, that conflict will remain, and divergence across Functions is to be expected as some specialist skills are more readily available or command less of a salary premium than others (Figure 1).

While the skills many policy makers possess – like analysis, clarity of communication and management – do have a market value, there are few places to go other than government for those who want to work on policy issues. The civil service has a monopoly, certainly on the most high-profile and influential policy roles. To that extent it is reasonable for the civil service to pay less for those jobs relative to the private sector.

Some areas – including Commercial, Finance, Project Delivery and Digital – have introduced pay flexibility for specialists. In Digital, Data and Technology these are funded through the savings made by reducing the number of temporary contractors. This has helped to recruit talented experts in some areas but has created pay discrepancies as high as £56,000 for deputy director roles (Senior Civil Service Pay Range 1) between certain Functions. At grades below SCS level, this results in an internal market where departments compete for specialist skills – driving up the cost, meaning that specialists head for the highest bidder rather than the area of greatest need, thereby exacerbating one of the issues the Functions were set up to solve.<sup>31</sup>



Figure 1 Differences in pay for selected civil service professions, 2020

Source: Institute for Government analysis of Cabinet Office, Annual Civil Service Employment Survey, 2020. Note that this chart includes only Professions that correspond to a Function. Ordered by median pay.

In part because of pay constraints, the civil service's 2016–2020 workforce plan argued that the civil service should be more 'porous', enabling staff to easily transfer across organisations, into and out of the private and wider public sector as part of their careers.

Barriers to this remain. The career frameworks designed by Functions to help structure the progression of specialists can hinder movement across different areas. For example, somebody working on policy who might have skills to offer on digital or project delivery will find limited opportunities to do so, if job descriptions are overly restrictive. Clearly, if deep specialist experience is needed for a job, that rightly limits who can credibly apply – but there are few opportunities for experts to develop more than one form of in-depth expertise. These frameworks should also recognise – and some do – that not all career progression is upwards, but some may rely on gaining further expertise in one area, or move sideways to other roles where they can use their skills in new ways.

Reforms to civil service pensions in 2015 addressed many of the barriers to pension portability – the extent to which pensions can be transferred between roles, organisations and sectors – between the civil service and the wider public and private sectors. In particular, the move from final salary to career average salary pensions reduced the disincentives to move between sectors. However, despite the good progress that has been made in recent years, pension portability has not been completely resolved and barriers do remain in certain circumstances that make movement into – and out of – the civil service more difficult than it needs to be. For example, an official returning to the civil service after a period in another part of the public or private sector – bringing with them fresh insight and new skills – can find that they need to start a separate pension pot as a new entrant if they have spent more than five years outside the civil service. And while improvements have been made, transferring pensions when entering the civil service remains a complicated and bureaucratic process.

## Skills development that is accessible to the whole civil service is too limited

Training, development and learning are not a high enough priority for the civil service and should be better aligned to its core priorities.

Over the last decade, a lot of time and investment has gone into talent schemes for people considered to have high potential and for those at senior level. This includes the Senior Leaders Scheme (which included around 95 senior civil servants in 2019), the Future Leaders Scheme (aimed at 400 grade 6 and 7 civil servants) and the High Potential Development Scheme, and the Individual Development Programme for directors and directors general.<sup>32,33</sup> That has significantly improved the opportunities and support available for an elite group of a few hundred civil servants each year. There are also opportunities for new starters through apprenticeships – around 7,500 apprentices started in the civil service between March 2019 and April 2020 – or the Fast Stream, which is recruiting for more than 830 posts in 2021.<sup>34,35</sup>

However, the majority of the UK's 430,000 civil servants have been left behind. The closure of the National School of Government in 2012 has resulted in government transitioning to a new model involving private sector providers. In the initial stages of the contract, the lack of alignment between training and career progression held back progress.<sup>36,37,38,39</sup> The contract is now in its third iteration and spans learning for the civil service and senior civil service, externally available training and development were delivered both face to face and online in the last few years, before moving mainly online as the pandemic hit. In theory this should enable civil servants to access training anywhere, removing some barriers.

The civil service's training model was borrowed from the private sector and assumes that 70% of civil servants' learning and development happens 'on the job', 20% by learning through others (like through coaching), and 10% via formal skills training.<sup>41</sup>

Between 2020 and 2024, the civil service estimates that it will spend £290 million on training through its centralised contracts for learning and development.<sup>42</sup> We estimate that this represents just 2–3% of central government's staff salary costs (excluding pensions), which were £11 billion in 2014 (the latest year for which this data is publicly available) and will have increased since as the civil service has grown larger and more senior.<sup>43</sup> Research by the Chartered Institute of Personnel and Development has found that private sector organisations are more likely to have larger learning and development budgets compared with public sector institutions such as the civil service – "26% of private organisations have a budget of over £750 per employee [per year] compared with just 15% of public sector employers".<sup>44</sup>

Part of the problem lies with civil servants lacking incentives to learn and develop. Managers need to emphasise the importance of individuals owning their training and skills progression. Our interviewees noted that training tends to be seen as a 'nice to have' or perceived as an alternative to doing 'real' work or responding to immediate pressures. There is little review of the training civil servants have undertaken and few strong incentives for officials to take learning seriously. Managers are not held to account for the development of the individuals and teams reporting to them. At times promotion can depend on excelling at the "courtier"-style service of ministers which, while a necessary skill in the civil service, means the development of specialist capabilities like digital, project management or economic is overlooked.

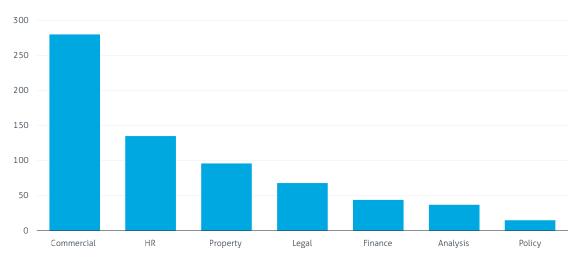
We interviewed many private sector skills experts who reinforced how strikingly different the approach is between the civil service and consultancy and other similar sectors.<sup>45</sup> In legal or accountancy firms, training and development are more of a formal requirement resulting from the regulated nature of the industry, rather than an add-on. While this reflects a particular context, in these companies it is considered fundamental to good performance for employees to keep up to date on applicable developments and develop their 'licence to practice' explicitly.

We also heard from interviewees that civil service training can over-emphasise theoretical or conceptual matters, in contrast to other countries where civil servants are taught the basics, including how to run meetings or take notes effectively. This is starting to change, and the induction and curriculum being implemented by the Government Skills and Curriculum Unit will tackle practical aspects of being a civil servant such as writing effective submissions. An induction programme could reach up to 40,000 new entrants each year.<sup>46</sup>

The civil service needs to strike a balance, though – supposedly "conceptual" training has important value and leaders need to hone the attribute of self-reflection and build their understanding of how people behave. Michael Gove criticised training on "vapid abstractions such as 'Collaborating Better" in his summer 2020 civil service reform speech, and generic content-light courses have been a problem, but the civil service does need to teach its staff how to collaborate and work together better within and across teams.

Funding for skills development has also been a long-standing problem. Previous Institute for Government work noted the variety of funding models for Functions, with some teams sitting in the Cabinet Office funded from the department's own budget (like Human Resources), while others were paid through annual contributions from departments (like Commercial) and therefore more vulnerable to cuts.<sup>47</sup> In 2017, the Institute called on the government to develop a more stable funding model for the Functions.<sup>48</sup> That has not yet happened. That is partly because of the repeated postponement of spending reviews, but while the 2020 review saw Project Delivery awarded £30m to develop capability across government, no other Functions were given similar funding.<sup>49</sup>

If the government is committed – as it should be – to the functional model, it needs to provide stable funding to the teams delivering these efforts.<sup>50</sup> In 2021, the central Commercial team in the Cabinet Office was nearly 20 times bigger than the unit supporting the Policy Profession, whereas there are five times as many civil servants working in Policy as in Commercial. This disparity holds back the development of the right skills in underfunded areas.



# Figure 2 Size of the central teams co-ordinating specific Professions or Functions, 2020-21, headcount

Source: Institute for Government analysis of Freedom of Information requests sent to a selection of Functions and Professions.

## It is too easy to buy in skills instead of developing them inside the civil service

It is no surprise that the immediate and unanticipated demands of the Covid-19 response required the civil service to buy in skills. But even before the pandemic, the immediate need for a policy or operational response too often outweighed a longer-term focus on building up internal capability or transferring skills between people and teams, and government spending on consultants had been on the rise (Figure 3).<sup>51,52</sup> Lord Agnew, minister of state for efficiency and transformation, has rightly complained that buying in too many services 'infantilises' civil servants and prevents bright civil servants from working on challenging problems and developing skills in the process.

Buying in skills has its place, and using consultants can be cost effective where their capability is highly specialised, or where it makes no sense for the government to maintain a standing contingency supply of people. However, too many consultants are being used where civil servants on the government's payroll could do the job more cheaply.<sup>53</sup> Lord Agnew's view is that "four years after voting to leave the European Union it is unacceptable that the civil service still has not developed the capability to deliver this through our own civil servants. We are too reliant on consultants."<sup>54</sup> The director general of public spending at the Treasury echoed this: "It is fair to say that we have used consultants as substitutes for civil servants where we did not have the capacity or skills in some areas."<sup>55</sup> Reducing this reliance on external resourcing would save money and mean the civil service is better equipped to deal with future government priorities and external shocks.

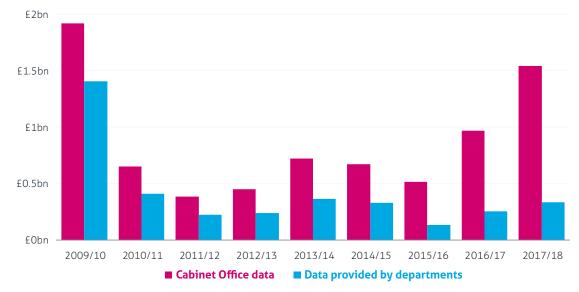


Figure 3 Government spending on consultants, 2009/10–2017/18

Source: Institute for Government analysis of National Audit Office data. Discrepancies between Cabinet Office and departmental data are due to departmental differences in classifying consultancy costs and inconsistencies in reporting between departments and years. The costs are measured in 2017/18 real terms using a GDP deflator.

# Effective deployment of skills is made harder by the civil service's size and its poor data collection

The civil service is a sector as much as it is a single institution. In September 2020 there were 430,750 civil servants.<sup>56</sup> Its size makes it hard to identify the skills that exist and those that are needed. Different departments also have different cultures, and accountability for running them sits with permanent secretaries more than with the head of the civil service, making it hard to take a cross-government approach to skills management and deployment.

As discussed further in Chapter 2, civil service leaders often do not have clear data on the skills that exist in their departments or how they are distributed.<sup>57</sup> Information is often lacking and different systems of data collection across departments leads to variation in content and quality and makes it very hard to understand and map civil service skills.

The government's chief people officer told the Public Accounts Committee in November 2020 that the civil service remained a number of years away from knowing what skills individual civil servants have. Without this knowledge, the civil service cannot redeploy them effectively.

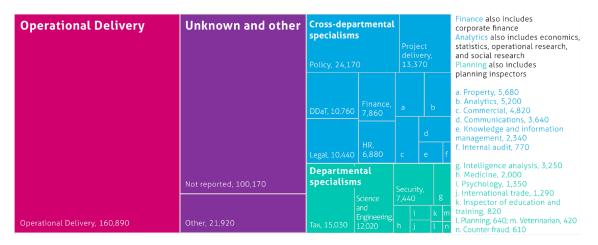
Although it is working to advertise more and more roles externally, the civil service relies on an internal job market to allocate existing staff to roles and projects. Some of the time this model works reasonably well, and better data and a more active deployment strategy would not remove the need for managers to advertise jobs. But it falls down when a department is hit with a major new priority. Rapidly assembling teams is far harder than it should be, and recruitment processes are often too slow to respond to the reasonable demands of ministers or the requirements of a crisis. The civil service has not been able to implement a planning approach to its workforce that identifies the skills needed for a project and then allows it to match people to that work. Better data would go a long way towards fixing this problem.

# 2. The skills the civil service has

# There is already a wide range of skills in the civil service

The civil service will need to work to increase the availability of certain skills in the coming years. But it is important to remember that the organisation already has a wide range of skills as part of its existing workforce. These people are far more readily available for senior leaders to deploy than those who have not yet been recruited.

The available data on the skills of the civil service is poor, which hinders analysis. However, Institute for Government research does show that the workforce includes a wide range of specialists developing and practising a great variety of skills.



#### Figure 4 Professions of civil servants (full-time equivalent), 2020

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

More than half of civil servants are Operational Delivery specialists, working directly with citizens to run and deliver public services in different settings. Most of these civil servants work for a handful of large departments, including the Department for Work and Pensions, HM Revenue and Customs and the Ministry of Justice. They work as operational support officers at Jobcentre Plus sites, for instance, or prison officers at HM Prisons and Probation Service.<sup>1</sup> As well as being capable of delivering specific specialist skills for Functions they are working in, many of these civil servants will have a wider set of skills associated with service delivery. They will have experience of working directly with people on the ground and many will have developed the ability to communicate difficult things clearly and with empathy where needed.

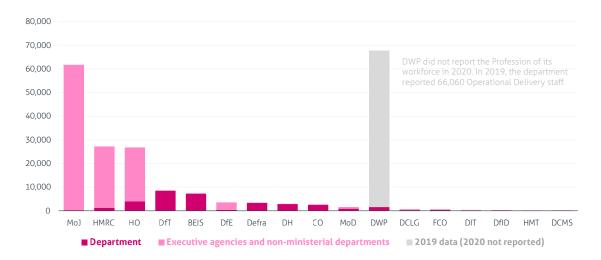
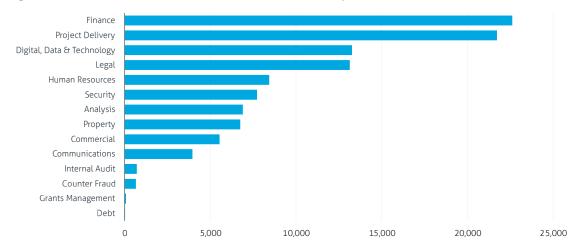


Figure 5 Operational Delivery staff by department (full-time equivalent), 2020

Source: Institute for Government analysis of ONS, Annual Civil Service Statistics, 2020.

Around 120,000 civil servants are members of a Function. They are undertaking roles needed across all government departments as project managers, commercial and procurement experts, lawyers and communications professionals.<sup>2</sup> The number and variety of these cross-departmental specialists shows that the civil service already has many of the skills it needs.

Parts of the civil service seemingly lack the ability to manage and deliver major projects. And the apparent lack of commercial expertise during the pandemic was one reason given for the government's extensive use of consultants. But Institute for Government research shows that the civil service already employs more than 13,000 project delivery specialists and nearly 5,000 commercial specialists.<sup>3</sup> This raises the question, discussed in the next section, of whether the skills these civil servants possess are being properly used, or alternatively if specialists are not adequately trained to meet government needs.



#### Figure 6 Size of the civil service Functions (full-time equivalent), 2020

Source: Institute for Government analysis of Cabinet Office, Annual Civil Service Employment Survey, 2020. Note that this excludes civil servants whose Function is unknown (258,090) and those who have said they are not members of a Function (54,030).

Roughly 45,000 civil servants identify as members of a Profession that involves knowledge, expertise and skills to support the requirements of specific departments or agencies. These civil servants tend to be concentrated in certain organisations, like HMRC, where for obvious reasons nearly all of the civil service's 16,200 tax specialists work.

A frequent criticism of the civil service is the apparent lack of civil servants with skills and backgrounds in science and engineering. However, the civil service is in fact a large employer of scientists and engineers, with more than 12,000 staff identifying as such, many working in the Ministry of Defence. In total, estimates indicate that between 2% and 7% of UK civil servants are science, technology, engineering or mathematics (STEM) professionals.<sup>4</sup> The abundance of certain specialists alongside the perceived skills gaps in the civil service suggests that civil servants are not being deployed as effectively as they should be.

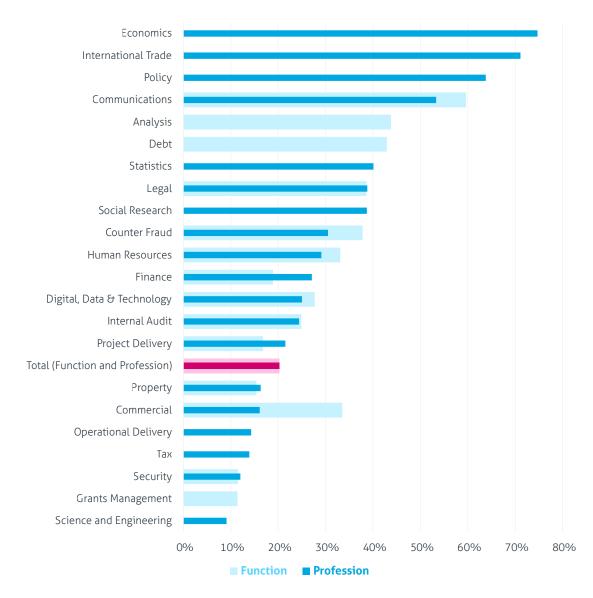


# Figure 7 Distribution of departmental specialisms across departments (full-time equivalent), 2020

Source: Institute for Government analysis of ONS, Annual Civil Service Statistics, 2020. Numbers rounded to nearest 10, and numbers below 5 rounded to 3. Departmental group refers to the core department, and other organisations within it that are directly line-managed by the department (for example, the Education and Skills Funding Agency within DfE) and the other bodies employing civil servants – executive agencies, among others – for which ministers in the department have responsibility (for example, Ofsted in DfE).

The civil service has steadily grown since 2016, in large part responding to pressures to support the government in navigating the UK's departure from the EU. This boosted certain skills in the civil service, such as policy analysis and project management, which were important in preparing for Brexit.<sup>5</sup>

There is also evidence to suggest that the civil service's specialist skills are distributed fairly evenly across the country, although there is a tilt towards London in some Functions and Professions.



#### Figure 8 Proportion of staff in Functions and Professions based in London (headcount), 2020

Source: Institute for Government analysis of Cabinet Office, Annual Civil Service Employment Survey, 2020. Ordered by percentage of the Function and/or Profession based in London. Note that Function and Profession are defined by the post or job role, not the skills or qualifications that the post holder has.

Around 23% of civil servants in London are members of one of the specialist Functions, rising to 27% in the south-west of England, and falling to 16% in the east of England and 14% in Wales.<sup>6</sup>

Having staff with specialist skills is not enough. To effectively contribute to decision making within the civil service, those with specialist skills need to have access to decision makers and to be at the top table. This is perhaps less likely to be the case for some of the analytical Professions, where a larger proportion of staff are in mid-ranking roles (Figure 9). We have previously recommended that Functions and Professions should be better represented on departments' executive leadership teams.



# Figure 9 Grade composition by Analytical Profession (percentage of staff at each grade, headcount), 2020

Source: Institute for Government analysis of Cabinet Office, Annual Civil Service Employment Survey, 2020 (civil servants by NUTS3 region, department, Analytical Professions and responsibility level, 2020). Ordered by percentage of SCS and grade 6 and 7 civil servants. SCS includes civil servants at equivalent level. In order of seniority, AA/AO refers to administrative assistant/administrative officer; EO refers to executive officer; SEO/HEO refers to senior executive officer/higher executive officer; SCS refers to Senior Civil Service.

This profile of Functions and Professions across the civil service demonstrates that there is a wide set of skills within its existing workforce. Before focusing on how the civil service can attract new officials from other sectors, then, its leaders need to work out whether departments, Functions and Professions are making the best use of the ones they already have.

## The data about existing civil service skills is poor

To make the best use of civil servants' skills, those skills must first be identified and monitored across the civil service workforce. The poor quality and use of data on capability is a major barrier to better identifying, developing and deploying those skills across government. This applies both to managers in departments, who need to understand their teams and the skills needs they have, and to central co-ordination of the civil service from the Cabinet Office, where a clearer and more consistent picture of civil service skills is needed.

The civil service needs to prioritise collecting better data in four core areas: the Professions of its staff, job movement and churn within as well as between departments, the wider and transferable skills of its people, and their personal characteristics including socioeconomic background.

### There are major gaps in the data about civil service Professions

The civil service does not know the Profession of a quarter of its staff. Nor does it systematically collect data of this sort, relying instead on role descriptions and the self-identification of staff through standalone surveys. Only the Commercial Function and the Project Delivery Profession have begun collecting information on individual staff members' skills and proficiency. Other data suggests that nobody in the Government Property Unit is a member of the Property Function, which cannot be correct. There are also gaps: the Department for Work and Pensions and the (then) Foreign and Commonwealth Office have no Functions data for their staff.

Collecting this data on a consistent and systematic basis is a complicated task, but it has been a known problem for a long time and other, bigger government structures – such as the US federal government – have managed to implement comprehensive workforce data systems.<sup>7</sup> Doing the same is certainly possible and should be a priority for the civil service.

The National Audit Office agrees that the quality of workforce data across departments varies widely and is a "long-standing problem in government".<sup>8</sup> All departments have submitted workforce plans to the Cabinet Office, but they are of varying quality and often rely on incomplete data. Some Functions have sought to overcome this problem by collecting information on civil service skills in direct conjunction with departments. As the NAO points out, for example: "The Commercial and Digital Functions both request quarterly returns from departments on numbers of commercial and digital staff respectively."<sup>9</sup> These partial and makeshift efforts are symptomatic of a wider skills data problem in the civil service.

# The civil service does not know much about the wider skills of the people it employs

The civil service does not systematically capture data on the broader sets of skills held by individual civil servants. And when it does have information on their proficiency in the specialist Function or Profession in which they directly work, managers cannot identify where crossovers in skills exist: for example, where the civil service employs a project manager with financial experience, or a scientist with mathematical expertise.

This means that it is harder to align skilled people with a government's priorities – ministers and civil service leaders cannot know where, for example, there are officials who have significant knowledge and experience related to a top priority like climate policy. The civil service's jobs market plays an important role in attracting the right people into the right jobs, but leaders in departments and at the centre of government would also benefit from a clearer picture of where skills lie in the civil service, so that matches, deployments and targeted work can be more effective.

# The civil service does not properly identify the `transferable' skills of its workforce

The civil service also needs to improve its understanding of the less clearly defined skills of its workforce. The ability to work with ministers or citizens, facilitate discussions and meetings, design and co-create policy and public services are examples of a wider set of skills that are harder to define and track but which are important for the civil service to identify, attract, develop and deploy.

The government's chief people officer stressed in 2020 that a priority for the civil service in the next few years will be to "identify the skills that an individual civil servant carries with them, so that we can know where they can be best deployed".<sup>10</sup> This is not a new problem. The government has repeatedly tried to implement work to allow a consistent view of the skills held by civil servants. For example, in recent years both Public Health England and the Civil Service Fast Stream have experimented with different versions of skills 'passports' to track the skills of individual civil servants as they move from job to job.<sup>11</sup>

## Skilled staff are not always deployed effectively

Data quality remains the most important barrier, and without urgent action will continue to prevent the government from effectively developing and deploying the skills it has. Constructing a system by which the civil service can, collectively, identify skills across its workforce is a top priority.

Poor data means that existing skills are not tapped into and deployed as effectively as they should be. This goes some way to explaining the government's extensive use of consultants and contractors. As of February 2021 the government had spent £352m on consulting, marketing and research services in response to the Covid-19 pandemic.<sup>12</sup> Among the 10 companies that secured the greatest number of contracts were PwC, Deloitte, McKinsey, EY and the Boston Consulting Group, with contracts worth approximately £283m between them.<sup>13</sup> The contractual information published by the government can be unclear as to the precise nature of the work supplied by these consultants. But they are often hired with a view to bolstering resources in Functions where the government already has significant specialist skills in its own workforce, including Project Delivery (13,370 existing civil servants), Finance (7,860 existing civil servants), Communications (3,640) and Commercial (4,820).<sup>14</sup>

This raises some core points for the government to consider: whether civil servants are working in the right jobs to make the most of their particular skill set; when a problem arises, whether the civil service can effectively redeploy staff across government to avoid unnecessary use of contractors and consultants; and whether specialists are trained to the right level to meet the needs of the civil service.

# The civil service does not know enough about whether its people are in the right jobs

While there will always be a place for individuals to express preferences about the jobs they do, the civil service needs to do more to understand where people with certain skills can be deployed to best effect. Scientific and engineering skills, for example, are often cited as lacking. Dominic Cummings called for more "unusual mathematicians, physicists, computer scientists, data scientists".<sup>15</sup>

There are many scientific and engineering specialists employed in the civil service. But a 2012 survey revealed that only around a third (37%) worked primarily in science and engineering roles, and that 40% felt their skills were underutilised or undervalued. That suggests that part of the problem is that scientists are too dispersed across other areas.<sup>16</sup> More recent Institute for Government research into the use of scientific advice during the Covid-19 crisis found that departmental chief scientific advisers and their teams need greater dedicated resource and clout to more effectively deploy their scientific expertise in response to the government's priorities.<sup>17</sup>

Similarly, the civil service should identify and deploy its staff into roles that complement the wider skills they possess. For example, a civil servant who can speak multiple languages will add significant value to the work of certain teams, even outside FCDO or DIT. Policy professionals with a grounding in economics could do more to improve economic understanding across departments. Effective workforce planning in individual departments, and by the civil service collectively, is key to being able to identify where particular skills are most required and how those skills can be attracted through well-informed recruitment and deployment.

# The civil service can rapidly move staff but cannot deploy people based on an accurate assessment of their skills

The civil service's experience of quickly redeploying staff has been strengthened by the UK's handling of Brexit and the pandemic response. Through 2019, thousands of civil servants were moved into jobs aimed at preparing for a potential no-deal Brexit. In 2019 and into early 2020, the Cabinet Office deployed more than 1,600 civil servants across departments.<sup>18</sup> Newly embedded systems allowed this to happen, including a 'hub' in the Cabinet Office working to broker redeployments between departments.

Building on this model, the Cabinet Office moved 3,000 officials into critical Covid-19 roles between March 2020 and March 2021. This included civil servants with experience in Operational Delivery, Policy and project management; the Functions also filled specialist roles in areas like Digital, Finance and Commercial.

But the lack of good data meant that these redeployments were broad brush, lacking a clear sense of how the right people could be deployed to the highest priority areas. Redeployments to respond to a possible no-deal Brexit and the pandemic were often necessarily blunt instruments; with better data these moves could have been more detailed and well-targeted.

#### Central planning and deployment from the Cabinet Office should not be the norm

Consistent and comprehensive data collection about skills should primarily be a tool to help departmental leaders and managers deploy their staff. In normal times there is no need for central planning from the Cabinet Office, micromanaging the deployment of civil servants across the government. The primary users of skills databases should be permanent secretaries, their departmental human resources directors and their teams, to match the people they have available to the priorities and tasks at hand.

But there are three tasks that need to be done from the centre. First, when a major cross-government crisis hits, an important way to improve the resilience of the civil service is for its central Human Resources Function to be able to identify and redeploy officials across all departments. That Function needs access to the data, and for that data to be consistent and comparable. One of the many lessons from the civil service's response to both Brexit and the pandemic is that it needs to be able to reshape itself rapidly to deal with unexpected or unplanned events.

Second, the overall civil service strategy for developing its skills, and providing core learning and development resources to deliver that strategy, must come from the Cabinet Office human resources team and – under the current set-up – the Government Skills and Curriculum Unit. Departments, Functions and Professions can then supplement those resources depending on their needs.

Third, the centre must take responsibility for the long-term health and development of skills, holding departmental human resource teams to account for meeting the objectives of the overall civil service strategy and supporting and recruiting topquality human resource directors across government. This is also an important part of the duties of permanent secretaries and a pillar of HM Treasury's Public Value Framework.

# 3. The skills the civil service needs

We describe above how the civil service does not yet have clarity about its long-term skills development strategy, that it lacks high-quality data on the skills in its existing workforce, but that it does already have a wide skill set from which to draw. Work is ongoing and our interviews demonstrated that civil service leaders and ministers recognise the need to set a clear direction for skills development, building on the ideas Michael Gove described in summer 2020. Our research indicates that a new strategy for civil service skills should be based around building multi-disciplinary teams that bring individuals with well-defined skills together to tackle government priorities.

# The civil service should create teams with clearly defined skill sets

In recent years, the civil service has worked to better involve those with specialist skills in decision making. However, there is more to do. Specialists need greater access to ministers as part of decision making processes, where senior policy civil servants still dominate. Institute for Government research in 2017 argued for this change and more recent research suggests that the problem has not yet been solved.<sup>1</sup> There are positive and negative lessons to learn from how scientific specialists have worked with ministers during the pandemic.<sup>2</sup> Specialists need to be better incorporated into policy making at each stage of the process, to ensure that a wide range of skills inform policy design from the start.

A civil service skills strategy can help to achieve this by setting out a model approach to using multi-disciplinary teams to tackle complex policy problems. Such teams are already used effectively by the civil service in some circumstances, such as the Rough Sleeping Initiative in 2019, which brought people together from inside and outside the civil service to work with local organisations.<sup>3</sup>

The wider public sector is also increasingly relying on multi-disciplinary approaches to tackle complex problems. Many local authorities, clinical commissioning groups and NHS Trusts are pursuing health and social care integration through area-based multi-agency and multi-disciplinary teams, such as the 'practice-integrated care teams' based in Manchester.<sup>4</sup> The ability to construct, deploy and lead multi-disciplinary teams will be a core aspect of effective management in the civil service, and guidance and toolkits should be created and shared across the service to support the development of this practice. Embracing the multi-disciplinary approach at each stage of policy making will help ensure the civil service is using the skills it has to maximum effect and developing those skills for the future.

## Technology will change some, but not all, of the civil service's work Technological change makes developing new skills a top priority

An Institute for Government report last year examined the ways in which technology is going to change the government workforce.<sup>5</sup> It made the case that the civil service needed to prioritise understanding and responding to the coming wave of technological change. It recommended that to realise the benefits of automation, all departments should set out plans to manage technological change relating to their workforce. It also highlighted the bigger role that the Functions and Professions needed to play in co-ordinating the response across government.

This change will not be confined to conventionally 'digital' roles. It will apply across the breadth of government work. Both Functions and Professions will evolve towards even more cognitive and strategic work as they become powered by better technology. Some Functions, like Finance, are already thinking about the impact of technology on their work.<sup>6</sup> Developing the skills of the existing civil service workforce and tailoring recruitment practices to identify and attract technical experts will play a big part in the success of all UK governments over the coming years.

As automation changes roles it will change the skills required to do those roles. In particular, it will shift the emphasis of work away from tasks that machines excel at – predominantly repetitive tasks – towards tasks where humans will have a lasting advantage. These include creative and strategic thinking, interpersonal and collaborative activities, and other forms of non-routine work.

In the near term, government departments will need to think about how to help their existing workforce through this transition, identifying skills that will be in greater demand post-automation and offering people the opportunity to retrain or upskill themselves. Longer term, departments will need to think about how technology creates both opportunities and demands for entirely new roles, with novel skill profiles.

## There will be continuity in the broad range of skills needed by government

The broad categories of skills government needs are unlikely to change radically. In the short term, the civil service already knows that it needs additional capability in Science, Commercial, Digital and Project Delivery (specifically for the management of large projects).<sup>7,8</sup>

Looking ahead, regardless of the priorities of future governments, the civil service will still need to be able to develop and implement public policies and programmes. The government will continue to need lawyers, communications professionals, policy analysts, security and project delivery experts. Where new Functions or Professions do evolve, they are likely to grow out of familiar categories (for instance regulation, which is likely to need even more joining up as technological change transforms society at large).

Some areas will be more affected than others, but predicting which skills will be most important cannot be an exact science. We cannot say exactly when any new technology will be mature enough for widespread use in government. And shock events, such as the pandemic, will require new and unforeseen responses from government. The civil service will need to be resilient and capable of change.<sup>9</sup>

## The civil service needs to anticipate policy requirements

Needing to shift focus as governments and ministers change adds an additional level of complexity for the civil service when it considers the skills it will need in future. To retain the confidence of ministers and maintain its legitimacy, the civil service needs to demonstrate excellent public administration.

We can already anticipate many of those demands. The government's plans to reach net zero carbon emissions by 2050 and its commitment to 'level up' parts of the UK are two examples of long-term priorities that will require broader and deeper capabilities for strategic planning, project management and operational delivery. Both ambitions entail large-scale, long-term infrastructure projects that will rely on the project delivery capabilities of civil servants across the country. But getting to net zero also requires the government to deliver complex new programmes involving hundreds or even thousands of smaller projects. These range from retrofitting homes to transforming agricultural practices. Currently the government lacks many of the capabilities required to do this well, and needs more portfolio managers who can lead and co-ordinate a range of government programmes and projects.

Departments will also need to make more use of senior scientists and engineers to achieve net zero. As recent research from the Institute set out, in some cases this will require recruitment of new civil servants. In others it will require the better engagement of external scientific expertise and use of existing specialists.<sup>10</sup> While the government has a strong cadre of scientists and engineers as discussed above, many of them are concentrated in a few parts of government.<sup>11,12,13</sup>

Having left the EU, the UK will need to replace some of the skills it no longer has access to and build those that will be important to the UK's post-Brexit future. The civil service's trade and negotiation skills have been developed rapidly since 2016. This progress will need to be maintained. Keeping civil servants with these skills in government and in relevant jobs will be essential to ensuring continuity of experience and skill.<sup>14</sup>

The ability to conduct effective citizen participation and to bring the public closer to decision making will strengthen the government's ability to solve the complex policy problems it faces, such as agreeing on a long-term solution to social care. The OECD found that "input from citizens can help to design better and more cost-effective policies, as well as build the community ownership... required to ensure sustainable impact over a long term".<sup>15</sup> That is not a substitute for ministers setting priorities

and taking decisions, but it will help to make sure those decisions work through to effective public policy outcomes. This will require civil servants to improve their collaborative and online participation skills, and work closely with the public in the creation and design of public services.

## Diversity of skills will make the civil service more resilient

The civil service has for many years emphasised the importance of diversity and inclusiveness, having aimed to become the UK's "most inclusive employer by 2020". This was rightly considered important in "delivering better services and outcomes for the public".<sup>16</sup> Aspirations were developed to increase the number of disabled and minority ethnic staff in senior roles and data sets and dashboards were set up to track improvement, with some tangible progress made and some still to go.<sup>17,18</sup>

Diverse backgrounds should help reinforce diverse skill sets, but the civil service should not rely on this happening automatically.<sup>19</sup> Government ministers have spoken about the importance of cognitive diversity, referring to differences in the ways that individuals think or process information. Creating a cognitively diverse workforce helps deal with complex problems that require different perspectives – which applies to most of the top priorities of any government.<sup>20</sup> Bringing people together who have a variety of skill sets and experiences, and therefore a range of different ways of looking at a problem, is the way to give governments the best chance of making progress on the most difficult issues.<sup>21</sup>

# 4. Securing the right skills for the civil service

The civil service includes many talented people doing difficult work. But, like many organisations, its leaders need to do more to identify, attract, develop and deploy those with the skills it needs now and for the future. Some of the difficulties faced by the civil service are those of any group competing for talented and effective people, sometimes with rare skill sets. Others are inherent in the nature of government work.

Securing the right skills for the civil service is not a task that will ever be complete. It requires constant effort to ensure that skills are matched to roles or tasks and support strategic priorities across the whole of the civil service. This chapter sets out the areas the government should prioritise in the next phase of its work on this. From culture change to improved learning and development, there are things the government can do. The challenge is finding and acquiring the skills it needs to create the multi-disciplinary teams that can solve problems and deliver services for the citizens of the UK.

# The civil service needs a broader approach to personal development

Our research regularly highlighted the patchy culture of personal and management development in the civil service. There were areas of significant recent improvement, including in the Finance Function and Commercial Profession, but systemic weaknesses persist. When asked about the single most important area to change, the most common answer from interviewees was "culture". The contrast between the policy and operational delivery parts of the civil service and the intense development focus in management consultancies and law and accountancy firms was regularly drawn. Those parts of the civil service that already have a culture of professional development distinct from the wider civil service – like lawyers and accountants – are most successful at this. Similarly, the parts of the civil service where most progress has been made are those, like the Commercial Function, that have taken accreditation and formal professional development most seriously.

## Managers need to be held directly to account for their team's development

While culture is hard to define and non-specific, at its core our research showed the need for managers to be much more rigorously held to account for their own development and that of their teams.

That is partly about formal training shifting from being seen as an optional extra to a fundamental part of a civil servant's job and performance. It has become common for civil servants to minimise the importance of training courses, preferring to emphasise skills picked up as part of the day-to-day job, and to take a broader view of development. 'On the job' learning is clearly important, but the balance in the civil service between that and taking time out for self-improvement has moved too far away from the latter, with "training... viewed as an imposition rather than an investment in a civil servant's professional future".<sup>1</sup> Access to training or talent development programmes has also tended to be confined to more junior staff or top talent.

Individual civil servants should not be considered high performers unless they can provide direct evidence of the development of their staff and demonstrate how their management interventions grew capacity and skills in their teams. Managers need to set firm development goals over the course of each year, and explicitly agree with individuals how they can develop their skills to be better at the job they are doing now and the career they expect to have in the future. This should be aligned with the relevant skills framework for the Function or Profession the employee identifies with.

# There should be a presumption that managers will endorse appropriate development opportunities

Relevant personal development needs to be considered a good in and of itself. While individual civil servants should not have complete freedom to pursue whichever development avenues they wish, there should be a presumption that development opportunities that help improve current or future performance will be approved – with a management conversation about the balance between using work and personal time to pursue learning not directly relevant to someone's current job. Funding should not generally be a barrier to a civil servant's self-improvement and professional development. The civil service should also ensure that managers have the support they need to support their teams.

## The civil service needs a core group of training courses

The civil service is not a monolith but encompasses many organisations with a huge diversity of roles, ranging from policy makers advising ministers, to legal, commercial and digital experts informing policy and service implementation, through to officials working on operational delivery – such as administering benefits – directly with citizens. What constitutes relevant training differs widely for each of these groups.

But there are some skills that should be considered of general usefulness. As part of an induction to the civil service, or as a periodic refresher, people should learn – or be offered support to improve – key practical skills like writing well, analysing basic numerical data, participating in and running meetings and working as part of a team. Some of these courses are available now, but not systematically and their quality is variable. The new Government Skills and Curriculum Unit is making progress here.

## The quality of training needs more rigorous assessment

While some civil service training is effective, we heard from interviewees that in the past, too much of it was not sufficiently customised and offered poor value for money, which used to result in the government paying too much for off-the-shelf online courses. The civil service needs to more rigorously assess courses and put more investment into evaluation, building on the recent efforts of the Government Skills and Curriculum Unit. The civil service should also continue to learn from past contracts and work with partners to avoid locking itself into long contracting cycles with products that are hard to adapt and improve.<sup>2</sup>

# There is need for clearer lines of accountability and more consistent funding for skills

## The civil service must formalise accountability for its Functions

Governments in the past have been reluctant to set up clear accountability structures to describe the authority exercised by civil service Functions and that exercised by departments (the former chief executive of the civil service told parliament that doing so could become "horribly complicated").<sup>3</sup> Recent changes have improved things, to the extent that there are now formal channels for departments to hold heads of Functions to account, and for functional leads to work with permanent secretaries to create the right departmental environments for members of Functions and Professions.

There is scope to do more here, which would help the civil service make more progress on skills development. There are currently 29 Professions (to improve skills and capability) and 14 Functions (to improve how certain activities are delivered). Given the alignment between skills and activities and overlap between some of them, there is value in bringing Functions and Professions closer together under the same structure. For areas where Functions exist, the distinction between a Profession and a Function has become blurred. The Commercial Profession, for example, is difficult to distinguish from the Commercial Function. Closer integration would enable those with specialist skills and the teams supporting them in the centre to join up professional development, standard-setting and strategy.

It would also help different parts of the civil service learn from best practice. The Commercial Function is seen as one of the more mature and well developed. It has successfully set up a strong central structure to recruit external talent through specialist pay arrangements, assess the skills of commercial experts, develop those who are able to meet the competency threshold, and deploy them across government. While it needs to be adapted to suit other Functions (and a centralised model may not be the best option for each Function), many of these can learn from how the Commercial team has developed its skills and capability over the last five years. The Communications Profession recently launched a new learning and development approach, adopting some of the Commercial Function's best practice, including mandatory professional development to maintain membership of the Profession.<sup>4</sup>

## Some Functions and Professions need more certainty over their funding

Some of the specialist Functions in the civil service have benefited from stable and relatively generous funding. But some of the teams supporting some of the Functions (and in some cases, Professions), which are central to skills development and deployment, have been under-resourced and minimally funded from ad hoc budgets. That has particularly been the case for Policy, which has a central team of 15 staff to support 24,000 officials throughout government.

The government has provided money to fund Policy and Operational Delivery on a more stable basis for 2021/22, and should consider extending this model. Without sufficient and stable funding here, the civil service is not giving itself the means to successfully undertake skills reforms.

The Institute previously recommended that the Civil Service Board (CSB) should oversee both core budgets and payment models for Functions.<sup>5</sup> A "Head of Functions Steering Group" has been set up under the CSB, which could provide an opportunity to commit to properly resource the teams supporting Functions, particularly those that are not funded centrally or face uncertainty on a regular basis on longer-term funding arrangements.

## The civil service should set up systematic data collection

As discussed above, data on civil service skills is inadequate. We acknowledge that the civil service is large and complex, and collecting and keeping data up to date can be difficult, but the complexity of government makes it even more important that departments, Functions and Professions have good data available on their people. The civil service needs urgently to commit itself to collecting better information on skills, and the senior leadership of the civil service should set up a programme of systematic data collection.

Compulsory self- and manager-assessment of skills and capability levels should be a formal part of performance reviews. Ratings against skill areas, gathered on a consistent basis across departments (also, in line with the relevant skills framework for Functions or Professions) and collected centrally, are crucial to improving capability.

Collecting and holding this data should not turn the central human resources team in the Cabinet Office into a micromanaging redeployment function. The primary users of such data need to be managers in departments helping individuals to develop their careers, identifying the skills their staff hold, deploying them effectively, and recruiting to fill gaps. But having the data available in a consistent and centrally held format means that in a crisis, the Cabinet Office can step in to organise a crossgovernment response.

# There should be more effective deployment of skills from the wider public sector

The civil service – like other organisations – can default to relying on underqualified people to do its work, or to buying in skills. Some of these methods have their place, so long as they form part of a clear strategy, which includes developing or redeploying internal staff.

But spending on consultancy and temporary staff indicates that the civil service tends to look to the private sector when buying in skills, and the wider public sector is overlooked. There is a large pool of specialist talent available in other parts of the public sector that is not often called on, partly due to a lack of porosity across employers and organisations, as well as limited skills data. On occasion, central government departments have drawn on specialists from the NHS or arm's length bodies, but this is not the norm. Leaders should find ways to share staff with relevant skills and collect comparable data on skills across the public sector. The civil service has an active and fluid internal jobs market and should open it up to non-civil servants working in arm's length bodies and public services. Terms and conditions of employment for those moving in and out of the civil service should be protected for a period of, say, five years.

The government should also encourage more exchange by setting up formal routes for secondments and shadowing between the NHS, police forces, local government and central government. The civil service Human Resources Function is right to create a new secondment unit launching in May. In a similar way, it is a positive development that the Project Delivery Profession is making scholarships available for local government project leaders to benefit from its new Government Projects Academy.

## Pay constraint means the civil service needs to do more to sell a temporary career in government to people in the private sector

Given that the civil service will – for senior jobs at least – rarely be able to compete on salary, it needs to understand what attracts people to a career in government. Encouraging technically skilled people to spend part of their career in public service, and persuading them that it will help fulfil their longer-term ambitions, should be a core objective of civil service recruitment. Testimonials from people who have benefited from time in the civil service should be widely promoted, with senior success stories like Sarah Munby, permanent secretary at BEIS after a career in management consultancy, sharing the benefits they see in civil service work.

The civil service's lack of 'porosity' gets in the way of more effective deployment of skills. There needs to be a focus on removing the practical barriers to people moving between the civil service, the wider public sector and the private sector. Creating the conditions under which experts can move easily into and out of public service jobs, by minimising bureaucracy and simplifying the application process for external candidates, will help. The Advisory Committee on Business Appointments (ACOBA) has an important function in limiting 'revolving door' abuse of government insider knowledge, but there are no firm sanctions for those who break the rules, and those who follow them are unlikely to be the people behaving improperly, so the system needs a thorough overhaul.

There also needs to be more support on how government and the civil service works for those joining it for the first time, building on the ongoing work of the Government Skills and Curriculum Unit. There should be information tailored for senior new arrivals about the mechanics of government and the civil service, and ready sources of advice on how to make things work in the civil service culture. All new entrants should be given experienced mentors to guide them through sometimes impenetrable cultural norms and civil service behaviour.

# Conclusion

The 1968 Fulton report said that the civil service should "think out what new skills and kinds of men are needed, and how these men can be found, trained and deployed". More than 50 years on, the effective management of skills remains a core task and its importance can be underestimated by parts of the civil service.

For decades, reform programmes have reviewed the capability of the civil service, worked up plans to develop its leaders and most recently professionalised its key specialist Functions. Thanks in part to this work, the civil service employs many skilled people and some of the progress it has made in developing them in the last few years has helped it respond to major new challenges, such as the departure from the EU and response to Covid-19. Project managers, scientists, commercial experts and digital specialists have all been central to the government's work.

Yet too many gaps remain, from unclear funding arrangements for the Functions to poor quality skills data hampering effective workforce planning. In particular, it is unacceptable that the civil service does not have a clear understanding of the skills and proficiency of the staff it employs.

As part of the government's civil service reform programme, there is an opportunity to improve the management of skills in the civil service. The point of developing better skills is to help officials serve the government more effectively and implement ministers' priorities, ranging from levelling up the country to delivering net zero.

The government's commitment to reform and the efforts already being made by civil service leaders are encouraging signs. Ministers and permanent secretaries need to maintain their energy and focus to get the civil service on the right track to build and deploy the skills it needs. They should keep five priorities front of mind:

- far better data collection
- the creation of multi-disciplinary teams as a standard way of managing policy and operational priorities
- more emphasis on individual personal development
- better use of and interchange with the wider public sector
- doing more to attract and support people who have developed their skills in the private sector to spend a period in government.

The job of skills development in government will never be finished, but it is clear what needs to be done next for the civil service to succeed.

# Appendix 1: Civil service Functions and Professions

## **Functions**

- 1. Commercial
- 2. Communications
- 3. Counter Fraud
- 4. Debt
- 5. Digital, Data and Technology (DDaT)
- 6. Finance
- 7. Grants
- 8. Human Resources (HR)
- 9. Internal audit
- 10. Legal
- 11. Project Delivery
- 12. Property
- 13. Security
- 14. Analysis

## Professions

- 1. Commercial
- 2. Communications
- 3. Corporate Finance
- 4. Counter Fraud
- 5. Digital, Data and Technology (DDaT)
- 6. Economics
- 7. Finance
- 8. Human Resources
- 9. Inspector of Education and Training
- 10. Intelligence Analysis
- 11. Internal Audit
- 12. International Trade
- 13. Knowledge and Information Management
- 14. Legal
- 15. Medicine
- 16. Operational Delivery
- 17. Operational Research
- 18. Planning
- 19. Planning Inspectors
- 20. Policy
- 21. Project Delivery
- 22. Property
- 23. Psychology
- 24. Science and Engineering
- 25. Security
- 26. Social Research
- 27. Statistics
- 28. Tax
- 29. Veterinarian

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