



House of Commons
Public Administration and
Constitutional Affairs
Committee (PACAC)

**Developing Civil
Service Skills: a unified
approach: Government
Response to the Public
Administration Select
Committee's Fourth
Report of Session
2014–15**

First Special Report of Session 2015–16

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The Public Administration and Constitutional Affairs Committee

The Public Administration and Constitutional Affairs Committee is appointed by the House of Commons to examine the reports of the Parliamentary Commissioner for Administration and the Health Service Commissioner for England, which are laid before this House, and matters in connection therewith; to consider matters relating to the quality and standards of administration provided by civil service departments, and other matters relating to the civil service; and to consider constitutional affairs.

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Committee staff

The current staff of the Committee are: Dr Rebecca Davies (Clerk); Ms Rhiannon Hollis (Clerk); Ms Laura Criddle (Second Clerk); Dr Adam Evans (Committee Specialist); Ms Luanne Middleton (Committee Specialist); Dr Henry Midgley; (Committee Specialist); Ms Penny McLean (Committee Specialist); Ms Jane Kirkpatrick (PhD Student); Ana Ferreira (Senior Committee Assistant); Mr James Camp (Committee Assistant); and Mr Alex Paterson (Media Officer).

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Special Report

The then Public Administration Select Committee published its Fourth Report of Session 2014–15, *Developing Civil Service Skills: a unified approach*, as HC 112 on 17 March 2015, in the previous Parliament.

The Government's response was received on 24 November 2015 and is appended to this report.

Appendix

Government Response to the Public Administration Select Committee's Report, *Developing Civil Service Skills: a unified approach*

In 2012, the Cabinet Office introduced a programme of work to make the Civil Service smaller, less hierarchical and more capable. The 2013 Capabilities Plan and the subsequent 2014 Annual Refresh identified that the Civil Service needed to build, buy and borrow the capability and skills needed to better meet the future needs of the UK.

Over the past two years, we have made good progress in developing capability within each of the 4 priority areas (digital, commercial, project management and leading and managing change) and beyond. The 10 cross-government functions we established are developing and building specialist professional capability, creating career paths to develop and retain first class staff, and bringing deep expertise to bear on critical decisions across all departments. We have filled crucial skills gaps by establishing specialist recruitment hubs and opening up SCS posts to external applicants to attract high calibre professionals into the Civil Service from other sectors.

There is, of course, more to do; the Government welcomes the Committee's interest in this area and its report, which will help shape the agenda as we move forward.

Recommendation 1: We recommend that Cabinet Office should invite National Audit Office to conduct an evaluation of the specialist skill needs generic to all departments, and expand the Capabilities Plan accordingly. The Cabinet Office should then ensure that all departments are required to monitor, maintain and develop resources in these areas. This in particular should include a greater focus on risk management and risk reporting skills. (Paragraph 11)

Recommendation 4: We recommend that the Cabinet Office ask the National Audit Office to carry out a Civil Service wide skills audit on a regular basis. This will ensure that results are robust and based on an honest and realistic appraisal of current departmental capabilities. (Paragraph 27)

Government response: Partially accept

The process of evaluations and audits provides a valuable opportunity to assess the progress and help identify areas in which we need to increase our focus.

Since the publication of the Capabilities Plan in 2013 the Civil Service has developed 10 cross-government functions to bring together specialists under a more formal professional network. The Functional Leader and Head of Profession have a clear role in ensuring that the Civil Service develops capability within their function - this involves working with departments to understand their capability levels and building stronger, clearer career paths to build the experience and expertise of specialists and ensuring there is appropriate learning and development. The approach to developing functional expertise is set out at <https://www.gov.uk/government/publications/functional-model-for-more-efficient-and-effective-government>. Developing specialist expertise and moving to more standardised ways of working plays a central role in ensuring that civil servants are more aware of risk and better able to manage it.

To support Functional Leaders and departmental leaders we are already evaluating the way in which we review cross-government capability to ensure we can efficiently, accurately and effectively assess skills levels. As this work is already underway, rather than the NAO conducting an audit themselves at this stage we would welcome the NAO's view of the effectiveness and robustness of our proposed solution once we have trialled it.

Recommendation 2: Future versions of the Capabilities Plan should focus more on enabling and tracking behavioural change within departments. The Cabinet Office should define, implement and monitor changes in attitudes and behaviours, using measures of engagement from the Annual People Survey, and other less formal feedback to encourage approachability, listening to the views of staff at all levels, devoting sufficient time to staff management, including performance management, and being able clearly to express what the political and governmental objectives are in a way that is understandable to all staff. This will increase focus on behavioural change and allow progress to be openly appraised. (Paragraph 17)

Government response: Accept

Over the last Parliament there was a focus on cultural and behavioural change; many of the actions in the Civil Service Reform Plan were aimed at driving significant change in this area. For example in 2013 we launched the Civil Service Competency Framework, setting out the behaviours we expect of civil servants, and incorporated these into our HR policies, processes and procedures. Using an online self assessment tool individuals and their managers assess current levels of competency against the framework and are signposted to CSL interventions to support development and improvement.

In Spring 2015 we published the Civil Service Leadership Statement, setting out an inspirational, confident and empowering leadership culture for the Civil Service. An important element is constructive giving and receiving of feedback. We have introduced a 360 degree feedback tool so senior civil servants can capture honest feedback from a range of stakeholders digitally, and monitor and learn from changes in attitudes and views based upon behaviours and leadership style.

Behavioural change is a key component of driving the culture and capability of the Civil Service and will be a strong element of our future work, as will measuring and monitoring changes in attitudes.

Departments are currently developing Single Department Plans that will incorporate their plans for developing capability based on their context, priorities and skills gaps.

Recommendation 3: We recommend that the Cabinet Office introduce a standardised framework for auditing departmental skill levels. This should be led by the Cabinet Office and Implemented by each department as soon as possible. (Paragraph 21)

Government response: Accept

Cabinet Office and Civil Service Learning are currently undertaking a review to evaluate the way in which we measure capability and skills in the Civil Service. We plan to launch a cross government framework in 2016/17 to audit departmental skills levels. This will draw on industry best practice to identify current skills levels, where we need to fill capability gaps, and understand future skills requirements.

Recommendation 5: We therefore fully support John Manzoni’s intention to establish a Civil Service Leadership Academy. This should be a place in which Civil Service leaders can reflect and build upon their experiential learning. In establishing this academy we recommend that the Cabinet Office consult academics to ensure that this institution provides Civil Service leaders with effective access to conceptual, reflective and experiential learning. It must address the unique challenges faced by public service leaders, which conventional business training cannot. This should also provide a central focus for the other leadership academies already being established for the NHS, Police and Major Projects, and any others being proposed, such as for commercial skills, which will have to educate public service leaders to deal with similar challenges. (Paragraph 45)

Government response: Accept.

We are grateful for the Committee’s support for this initiative, and will continue to develop the Civil Service Leadership Academy.

Recommendation 6: To develop better understanding between politicians and Civil Servants, there should also be a Civil Service Parliamentary Scheme set up by the Cabinet Office, similar to the Armed Forces Parliamentary Scheme. As well as giving MPs experience in Whitehall departments and educating future ministers, it would expose civil servants to politicians as part of their career development. There should be more reciprocal secondments of potential Civil Service and Diplomatic Service leaders to the offices of MPs, shadow ministers, and to select committees. (Paragraph 46)

Government response: Partially accept

MPs and civil servants having a mutual understanding of their roles and responsibilities is important and valuable. The Civil Service Attachment Scheme (CSAS), run by the Industry and Parliament Trust, to provide civil servants with the opportunity to experience the work of MPs is a useful scheme to develop that understanding. We would be happy to work with Parliament to explore how these arrangements might be developed including a greater use of secondments and interchange between civil servants and parliamentary staff.

Recommendation 7: We recommend that the Chief Executive of the Civil Service be made clearly accountable for understanding the current leadership skills provision across all departments, driving improvements in it and ensuring that the approach is coherent, efficient and effective. (Paragraph 47)

Government response: Accept

We have recently announced the appointment of Rupert McNeil as the new Chief People Officer for the Civil Service. Rupert will report directly to the Chief Executive of the Civil Service and be responsible for HR issues, including leadership skills.

Recommendation 8: We welcome John Manzoni's suggestion that the Civil Service is continuing to explore ways in which constrained resources can be best used to ensure that vital skills are retained at all levels. The Civil Service need a pay and reward system that will retain people in the jobs in which they are most needed and will extend job tenure to make the most effective use of experience. We recommend that this work is prioritised so that a range of effective proposals are ready for Ministers to consider at the beginning of the next Government. (Paragraph 57)

Government response: Accept

Over the last Parliament, significant workforce reforms were implemented to modernise terms and conditions, and increase the efficiency of the Civil Service. The workforce savings delivered through a combination of pay restraint and workforce reductions, were critical to the fiscal consolidation achieved since the 2010 Parliament, delivering £2.4bn savings in 2013/14 alone.

Over this Parliament we will balance the need for pay restraint with the need to attract talent and retain high calibre civil servants.

Recommendation 9: We recommend that the National Audit Office carry out a value for money study of Civil Service Learning, with particular emphasis on the way it meets the unique demands made on public service leaders. This will provide an impartial view on the quality of the service it provides and its impact on Civil Service skills. In particular this should examine the consequences of the loss of dedicated training spaces, the current use of e-learning and the effectiveness of its procurement procedures. (Paragraph 71)

Recommendation 11: We recommend that the National Audit Office conducts a value for money study of CSL and to review the impact it has had on Civil Service skills. As part of this work we also recommend that the National Audit Office and subsequently the Cabinet Office consider the costs and benefits that might be gained from:

Consolidating CSL with both:

- The proposed new leadership academy; and
- The proposed new function for gathering and disseminating lessons from mistakes and failure both inside and outside the Civil Service

Establishing these consolidated entities into a single body, and providing it with permanent premises in which training can be delivered.

Providing this organisation with a reporting line to the Chief Executive of the Civil Service whom we recommend should be made clearly accountable for understanding the current leadership skills development that is offered across all departments, driving improvements in it and ensuring that the approach is coherent, efficient and effective. (Paragraph 90)

Government response: Accept

Civil Service Learning is currently retendering the contract for learning provision - the current contract ends in March 2016. Along with the changes that CSL is implementing and the oversight that the incoming Chief People Officer will bring, this will strengthen and develop the organisation.

The NAO conducted a useful examination of central government skills development in summer 2011, followed up by an enquiry into CSL's contract with Capita in March 2015. Its findings are informing the improvements we are currently making. As with recommendations 1 and 4, we would value the insights of the NAO, but believe that a review after the current changes have been embedded would provide the most valuable outcomes. We will work with the NAO to schedule reviews in the future.

Recommendation 10: We recommend that the Cabinet Office should establish a new function dedicated to ensuring that the Civil Service gathers and disseminates the lessons of both success and failure. This function should be resourced to allow it to seek out the most valuable lessons being learned across the Civil Service and the private sector and to ensure that these are fed into the training of civil servants. (Paragraph 81)

Government response: Partially accept

Learning from the past is an important way for the Civil Service to continually improve; we need to do this in a more consistent and systematic way. However, we do not agree that building a dedicated team will be the best way of improving knowledge management.

The Policy Profession has started to help policy professionals to share knowledge and lessons learned; we will build on this approach in the future across other professions and with departments so that we develop a stronger culture of learning from experience.