## Matt Hancock's Speech delivered at the Institute for Government on 22 May 2015

# Making the Civil Service Work for Modern Britain

A GP appointment when you want one, a good local school for your children, an easier morning commute, secure family finances, an economy that allows wealth creation to thrive.

These are the goals of civil service reform.

Real, tangible, vital goals are what public service means to the people we serve. And our job as ministers and civil servants is to make the system that delivers them the best it can possibly be.

### 160 years of the Civil Service Commission

Today is a good day to address this. Today marks the 160th anniversary of the Civil Service Commission.

Some things were very different back in 1855. The Foreign Office was worried about Russian ambitions in the East.

A technological revolution was changing the way the world worked. At the Treasury there was huge excitement about an economic powerhouse in the North of England. And the government of the day had to confront another familiar problem. How to adapt time-honoured structures to a world being transformed: by intense global competition, by technology and by ever-rising expectations about what government could achieve?

The report on civil service reform, prepared by Stafford Northcote and Charles Trevelyan, was intended to tackle the cronyism, corruption and incompetence which riddled government in that new industrial age. The same cronyism and incompetence which dispatched the Light Brigade on their suicidal charge earlier that year. It recommended a new system of recruitment and promotion on the basis of merit, achieved through open competition, with a clearly defined structure of career progression.

In time the Commission would be responsible for all recruitment to the home civil service, operating competitive exams to attract the brightest and the best.

Now all great institutions need founding stories from which to draw their ideals. The Magna Carta, for example, which also celebrates its anniversary this year, lives today not through the specific clauses and details, which have all been reformed and revised. It lives on as the birth certificate of a principle: of liberty under the law. Just as with Northcote-Trevelyan. What successive generations of civil servants have taken from it, cherished, polished and refined are not the details but those principles of objectivity, honesty, integrity and impartiality. These principles are vital today and our task is to apply them to the modern world.

The last in particular is worth reflecting on. Impartiality. Not independence. Emphatically not indifference. A deep commitment to the agenda of the democratically elected government of the day. Why? Because the legitimacy of the

powers of government stem not from merit, nor honesty, nor integrity, wonderful as these are, but from that democracy.

Advisors advise because they are good, civil servants are in place on merit, but ministers decide because they are elected. It really is as simple as that. So, objectivity, honesty, integrity and impartiality.

These still ring true not because they are ends in themselves but because incorrupt administration, and official advice given without fear or favour, means a better government; a more prosperous society; more citizens leading a good life where hard work is rewarded.

The question each generation must face is how best to harness those fine principles to deliver that better government and more prosperous society we all want to see.

#### The role of the Cabinet Office and the centre

This brings me onto the role the Cabinet Office plays. Our job, alongside the Treasury and Number 10, is to act as the strong, cohesive centre of government. One centre, working together, at its most united and cohesive in a generation.

The job is to challenge and support, driving through the Cabinet's agenda. We must be rigorous on challenge and generous in the support.

Strong on challenge; stronger still on support. In the last Parliament we made progress on both fronts, thanks to the tireless work of my brilliant predecessor Francis Maude. The new functional leadership, under the astute management of John Manzoni, is bringing cross-cutting modern management to functions that can better be delivered across government, not within the silos of Whitehall departments.

Treasury and the Cabinet Office are working ever more closely together, from reviewing and assuring major projects to improving our management of public service markets.

The task now is to continue – indeed to accelerate – these efforts, making sure the centre is truly working in support of departments' success.

When a challenge is too large or complex for a department to tackle alone, we need to be there. When outcomes could be improved by government acting as one rather than many, we need to be there. When cross-departmental collaboration matters, it is our job to coordinate.

So the Major Projects Authority is bringing capability to project management.

The Government Property Unit is revolutionising the use of property.

Famously, <u>GDS</u> is leading the world in making real the benefits to citizens offered by digital: the biggest revolution of our times.

We have made progress on commercial skills and procurement, though there's more to do.

Our Fraud Error and Debt team is well placed to improve performance on these, so taxpayers money goes where it should, and debts are collected in a joined-up way. We now have a single government communications plan, so communications are a team effort, and strong boards in each department, drawing on outside expertise to challenge and scrutinise.

We have put in place a cross-Whitehall HR function, and now I intend to ensure we deliver a significant improvement in civil service HR.

If Whitehall were a premier league football club we in the centre would be the backroom team: the sports scientists, the physios and psychologists working with the players to get the best possible performance on the pitch.

Where the analogy falls short though is unlike a top team, we have to do it at the lowest possible cost. To provide the foundation for a strong economy, we need to deliver a surplus. So we need £15 to £20 billion further savings by the end of this Parliament.

This can only be achieved if we change the way we work. And this brings me onto the question of how the civil service works.

#### Civil service reform

It's not just the public finances that present a challenge. Government is also being challenged to do more by the public themselves.

Expectations have never been higher. In almost every area of life, there is more choice, more readily, more digitally available, more attuned to our needs, more personalised and less patronising than ever before. We must make it so with public services too.

There's a huge prize at stake if we get this right. We must go further and faster on <u>civil service reform</u>, so we can help all our citizens build a good and fulfilling life, whatever the circumstances of their birth.

It can help us deliver for working people in all their ambitions: from getting a job, to acquiring new skills, to building a business, to enjoying security in retirement. And help us unite our one nation.

So this is what the civil service needs to look like in 5 years time. Delivering better services, with strong leadership and good people. Let me take each in turn.

#### Firstly, services.

We need to deliver better services designed around the needs of users not the dictates of the machine. A good example of this approach from the last Parliament is our Troubled Families Programme.

Set up in the aftermath of the 2011 riots, the scheme has one point of contact with the troubled family representing all public services, rather than a multitude of public servants from DWP, Social Services, the NHS, police, education and others all trying to help but unintentionally creating an un-navigable bureaucracy.

Dedicated caseworkers have so far saved taxpayers over £1 billion, helping over 100,000 families start to break free from a cycle of educational underachievement, welfare dependency and crime. But there is much more to do.

Sometimes support is about giving people permission to try. Instead of trying to craft the perfect policy behind closed doors, often policymakers trying to solve a problem should just get stuck in, see what works and learn from mistakes, rather than working out all the nuances and minutiae before getting sign off from the Permanent Secretary. This agile approach to service delivery gave us the award-winning GOV.UK, which has received 1.5 billion visits and reduced running costs by over half.

Next comes <u>Verify</u>, a digital platform allowing citizens to prove who they are so they can access all online government services – everything from applying for a driving licence to claiming a tax refund – without having to constantly type in your details.

It's a world first and it's happening here in Britain.

Small teams of developers building a product quickly and cheaply, then iterating to improve it not through long consultations and private advice but by seeing how it survives contact with reality. It will more and more be the way of the future – for all policy-making and service delivery.

The Cabinet Office is leading by example, with Open Policy Making and the Policy Lab. And we know it can work in practice.

At the London Bridge Jobcentre I visited this morning, DWP gave local leaders the trust to try things out.

And as a government we've empowered groups of staff to take ownership of the services they deliver, through over 100 <u>public service mutuals</u> and a growing number of commercial spin-outs.

A civil service that is more trusting of people, and gives the go-ahead to initiative will deliver better services.

#### And that of course requires leadership.

Leadership doesn't mean learning the jargon of management. Rather the opposite. Leadership is about taking the task at hand, and inspiring others, confident in their ability, and empowering them to deliver. It's about expressing views straightforwardly and with clarity, upwards as well as down, as direct with the bad news as the good.

And we need to shift the focus of leaders away from the departments they run towards the systems they steer. Building up the skills to manage and deliver to the agreed agenda in a spirit of shared endeavour.

Which brings me to my third and the most important element of civil service reform: **people**.

It is commonplace to say the civil service's greatest single asset is its people. That doesn't make it any less true.

Some of the most brilliant people in the world join the British civil service, and I know brilliant people working throughout the whole service – and I mean the whole 439,000 service, not just the top brass in Whitehall.

But to govern modern Britain, the civil service must become more like modern Britain. What matters is not the bowler hat but what's underneath it.

One in 3 young people in Britain today are from working-class backgrounds. So too are 23% of undergraduates from the top third of universities and 11% from Oxbridge. But only 7% of applicants to the <u>Civil Service Fast Stream</u> are from working class backgrounds, falling to just 3.5% of those who are given offers.

It's not good enough. The civil service must get better at recruiting from a wider talent pool, and must ensure that the ladder to the top can be climbed by all. I am proud to have worked with Francis to introduce the Fast Track Apprenticeship Scheme to broaden access. But this is just a start.

Reform means improving how the civil service works too.

I want to see a civil service where people feel in control of their destiny, have permission to innovate and are trusted and can trust others.

By the end of the Parliament we should aspire to a more engaged and productive

workforce, supported with more rigorous capability assessments, where individual talents are better nurtured, and where promotion and pay are tied to performance. It sounds obvious, but in one of the world's biggest organisations, it's going to take world class HR – the very best of the best – to deliver it, and more porous borders between the civil service and private sector.

Freedom to innovate is not easy. It requires high quality management, the right incentives and the best HR, in part because it involves the freedom to fail. It's about an attitude where people constantly ask if there is a better way, and where answers to that question are heard. Where we see well-managed, public servants empowered to deliver better outcomes for the public on their own initiative. Jobs as good as at Google.

We may have the best civil service in the world, but together we must make it even better. Retaining the values of Northcote-Trevelyan, with the appetite and permission to improve our nation.

To remain the best in the world the civil service needs constant change to respond to both the challenges and the opportunities of our times. To deliver better, more responsive government services in a time of tight budgets. To use the very best of the most innovative technology to improve services and so to improve lives. To recruit and retain the best, then deliver the skills, leadership and freedom good people need to fulfil their talents. And to work for modern Britain, the civil service needs to reflect modern Britain.

This matters, to you and to me, because we all want the same thing: better to serve our fellow citizens and the nation we love. A government machine inspired by timeless values, but with the confidence and flexibility to enact them in everyday working life. A civil service that's more open, innovative, collaborative, unified, empowering, forward-thinking, flexible - truly national, aspirational, transformational, talentspotting, nurturing, tech-savvy, diverse and socially mobile.

All in the service of a noble task that beats any in the world.