



THE CIVIL

SERVICE

Vol. 1

Report of the Committee

1966-68

Chairman: Lord Fulton



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*Presented to Parliament by the Prime Minister
and the Chancellor of the Exchequer
by Command of Her Majesty*

June 1968

LONDON HER MAJESTY'S
STATIONERY OFFICE

Cmnd. 3638

Note: The estimated cost of preparing and publishing this Report is £51,854 of which £6,854 represents the estimated cost of printing and publication.

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⁽¹⁾The Committee appointed Sir Norman Kipping to be their Vice-Chairman.

⁽²⁾Mr. Sheldon succeeded Mrs. Shirley Williams, M.P., on her appointment as Parliamentary Secretary, Ministry of Labour, in April, 1966.

PREFACE

1. We were appointed on 8th February, 1966, to "examine the structure, recruitment and management, including training, of the Home Civil Service, and to make recommendations ", We describe the scope of our inquiry at Appendix A.

1. In producing our report we are greatly indebted to a large number of people—for their evidence, both written and oral, and for the research they have done on our behalf. We have thought it best to reserve most of our very many acknowledgements for Appendix L, where we also indicate the methods and procedures we have followed in the course of our inquiry,

1. In order to keep the main body of our report short and, we hope, readable, we have confined it to a statement of our main proposals and the reasons for them. We have thus, with very few exceptions, deliberately refrained from summarising, debating or even referring in the course of the argument to the many points that have been put to us, both orally and in writing. The evidence has been so voluminous that we could not have done justice to it without multiplying the length of our report many times. We decided that we must avoid this. We hope that this will not lead those who gave evidence to us to feel that what they said has been ignored; it should be clear from what we have written how greatly we have been influenced by it.

1. Some of the appendices, printed in this volume, deal more fully with certain topics than was practicable in the main body of our report, and make further, more detailed recommendations. In these we discuss some of the evidence that has mainly influenced our thinking on these topics; and Appendix K gives a more general account of the evidence that has made an especially positive contribution to our work.

1. Our main findings are summarised at the end of the report and before the appendices. A detailed list of our recommendations is at the end of this volume.

1. We are publishing four further volumes containing the written evidence that has been put before us and the reports of various investigations and surveys. These are listed in the table of contents and briefly described in Appendix L.

1. We have reached a very wide measure of agreement. Some of us have reservations on certain points, which are indicated in the text. For the rest, we would not all put the same emphasis on every statement; some of us would have wished to go further, and others less far. But except where explicit reservations are made, this is the report of us all.

1. In addition to the many acknowledgements of help that we make in Appendix L, we wish to record here two special debts. The first is to our staff. Our secretary, Mr. R. W. L. Wilding, has been throughout our task invariably indefatigable, firm, patient and resourceful. He takes with him, on

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his return to more normal duties in the Civil Service, the warm thanks and good wishes of us all. We also wish to express our appreciation of all the help we have had from our assistant secretary, Mr. M. A. Simons, and from their staff, Mr. J. A. Lewry, Miss B. J. Fearn and Mrs. E. J. Baker. Individually and collectively, we have received from them constant support and unfailing kindness and courtesy. Secondly, his colleagues wish to acknowledge how much they owe to Dr. Norman Hunt. He led the Management Consultancy Group whose report illuminated so much of our discussions; he also, together with Mr. Wilding, bore the heavy burden of preparing the successive drafts of our report. He brought to bear on this task not only his own great knowledge and enthusiasm but also a sensitive awareness of the views of his colleagues, for which they are very grateful

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Volume 3: Surveys and investigations

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1. Profile of a Profession: the Administrative Class of the Civil Service
1. Civil Service Unsuccessful fifteen years later
1. Administrative Class Follow-up Survey
1. Executive Class Follow-up Survey
1. School Background of Members of the Administrative Class
1. Interim Report on a Survey of Wastage of Executive and Clerical Officers
8. Study of Ability, Efficiency and Job Satisfaction among Executive and Clerical Officers
9. Recruitment of Graduates to the Civil Service: Survey of Student Attitudes
10. Reports on the Civil Service since the Northcote-Trevelyan Report

Volume 4: Factual, statistical and explanatory papers

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CHAPTER 1

THE CIVIL SERVICE TODAY

1. The Home Civil Service today is still fundamentally the product of the nineteenth-century philosophy of the Northcote-Trevelyan Report. The tasks it faces are those of the second half of the twentieth century. This is what we have found; it is what we seek to remedy.*

1. The foundations were laid by Northcote and Trevelyan in their report of 1854. Northcote and Trevelyan were much influenced by Macaulay whose Committee reported in the same year on the reform of the India Service. The two reports, so remarkable for their bluntness and brevity (together they run to about twenty pages in the original printing), have had such a far-reaching influence that we reproduce them in full in Appendix B.

1. These reports condemned the nepotism, the incompetence and other defects of the system inherited from the eighteenth century. Both proposed the introduction of competitive entry examinations. The Macaulay Report extolled the merits of the young men from Oxford and Cambridge who had read nothing but subjects unrelated to their future careers. The Northcote-Trevelyan Report pointed to the possible advantages of reading newer, more relevant subjects, such as geography or political economy, rather than the classics. But as the two services grew, this difference between the two reports seems to have been lost. There emerged the tradition of the "all-rounder" as he has been called by his champions, or "amateur" as he has been called by his critics.

1. Both reports concentrated on the graduates who thereafter came to form the top of each service. They took much less notice of the rest. In India, the supporting echelons were native, and the technical services, such as railways and engineering, were the business of specialists who stood lower than the ruling administrators. At home, the all-round administrators were to be supported by non-graduates to do executive and clerical work and by specialists (e.g. Inspectors of Schools) in those departments where they were needed. A man had to enter the Service on completing his education; once in, he was in for life. The outcome was a career service, immune from nepotism and political jobbery and, by the same token, attractive for its total security as well as for the intellectual achievement and social status that success in the entry examination implied.

1. Carrying out the Northcote-Trevelyan Report took time; there was long debate. Over the years other committees and commissions have considered various aspects of the Civil Service. Many new specialist classes have been added to the system, notably the scientists, engineers and their supporting classes. There is now an impressive amount of detailed training. Many other modifications have been made. The reports of the main committees and commissions are summarised and discussed in a note published in Volume 3.

*Lord Simey enters a reservation on this chapter. It is printed on page 101.

1. Nevertheless, the basic principles and philosophy of the Northcote-Trevelyan Report have prevailed: the essential features of their structure have remained.

1. Meanwhile, the role of government has greatly changed. Its traditional regulatory functions have multiplied in size and greatly broadened in scope. It has taken on vast new responsibilities. It is expected to achieve such general economic aims as full employment, a satisfactory rate of growth, stable prices and a healthy balance of payments. Through these and other policies (e.g. public purchasing, investment grants, financial regulators) it profoundly influences the output, costs and profitability of industry generally in both the home and overseas markets. Through nationalisation it more directly controls a number of basic industries. It has responsibilities for the location of industry and for town and country planning. It engages in research and development both for civil and military purposes. It provides comprehensive social services and is now expected to promote the fullest possible development of individual human potential. All these changes have made for a massive growth in public expenditure. Public spending means public control. A century ago the tasks of government were mainly passive and regulatory. Now they amount to a much more active and positive engagement in our affairs.

1. Technological progress and the vast amount of new knowledge have made a major impact on these tasks and on the process of taking decisions; the change goes on. Siting a new airport, buying military supplies, striking the right balance between coal, gas, oil and nuclear-powered electricity in a new energy policy—all these problems compel civil servants to use new techniques of analysis, management and co-ordination which are beyond those not specially trained in them.

1. The increase in the positive activities of government has not been solely an extension of the powers and functions of the State in an era of technological change. There has also been a complex intermingling of the public and private sectors. This has led to a proliferation of para-state organisations: public corporations, nationalised industries, negotiating bodies with varying degrees of public and private participation, public participation in private enterprises, voluntary bodies financed from public funds. Between the operations of the public and the private sectors there is often no clear boundary. Central and local government stand in a similarly intricate relationship; central government is generally held responsible for services that it partly or mainly finances but local authorities actually provide. As the tasks of government have grown and become more complex, so the need to consult and co-ordinate has grown as well.

1. The time it takes to reach a decision and carry it out has often lengthened. This is partly because of technological advance and the resulting complexity e.g. of defence equipment. Another reason is that the public and Parliament demand greater foresight and order in, for example, the development of land, the transport system and other resources, than they did in the past.

1. Governments also work more and more in an international setting. The improvement in communications and the greater interdependence of nations enlarges the difficulties as well as the opportunities of government.

1. To meet these new tasks of government the modern Civil Service must be able to handle the social, economic, scientific and technical problems of our time, in an international setting. Because the solutions to complex problems need long preparation, the Service must be far-sighted; from its accumulated knowledge and experience, it must show initiative in working out what are the needs of the future and how they might be met. A special responsibility now rests upon the Civil Service because one Parliament or even one Government often cannot see the process through.

1. At the same time, the Civil Service works under political direction and under the obligation of political accountability. This is the setting in which the daily work of many civil servants is carried out; thus they need to have a lively awareness of the political implications of what they are doing or advising. The Civil Service has also to be flexible enough to serve governments of any political complexion—whether they are committed to extend or in certain respects to reduce the role of the State. Throughout, it has to remember that it exists to serve the whole community, and that imaginative humanity sometimes matters more than tidy efficiency and administrative uniformity.

1. In our view the structure and practices of the Service have not kept up with the changing tasks. The defects we have found can nearly all be attributed to this. We have found no instance where reform has run ahead too rapidly. So, today, the Service is in need of fundamental change. It is inadequate in six main respects for the most efficient discharge of the present and prospective responsibilities of government.

1. First, the Service is still essentially based on the philosophy of the amateur (or "generalist" or "all-rounder"). This is most evident in the Administrative Class which holds the dominant position in the Service. The ideal administrator is still too often seen as the gifted layman who, moving frequently from job to job within the Service, can take a practical view of any problem, irrespective of its subject-matter, in the light of his knowledge and experience of the government machine. Today, as the report of our Management Consultancy Group* illustrates, this concept has most damaging consequences. It cannot make for the efficient despatch of public business when key men rarely stay in one job longer than two or three years before being moved to some other post, often in a very different area of government activity. A similar cult of the generalist is found in that part of the Executive Class that works in support of the Administrative Class and also even in some of the specialist classes. The cult is obsolete at all levels and in all parts of the Service.

1. Secondly, the present system of classes in the Service seriously impedes its work. The Service is divided into classes both horizontally (between higher and lower in the same broad area of work) and vertically (between different skills, professions or disciplines). There are 47 general classes whose members work in most government departments and over 1,400 departmental classes*. Each civil servant is recruited to a particular class; his membership of that class determines his prospects (most classes have their

♦See Chapter 2, paragraph 26.

fThese figures, and those quoted throughout our report, relate except where otherwise stated to non-industrial staff excluding the Post Office (see Appendix A).

own career structures) and the range of jobs on Which he may be employed. It is true that there is some subsequent movement between classes; but such rigid and prolific compartmentalism in the Service leads to (he setting up of cumbersome organisational forms, seriously hampers the Service in adapting itself to new tasks, prevents the best use of individual talent, contributes to the inequality of promotion prospects, causes frustration and resentment, and impedes the entry into wider management of those well fitted for it.

1. Thirdly, many scientists, engineers and members of other specialist classes get neither the full responsibilities and corresponding authority, nor the opportunities they ought to have. Too often they are organised in^a a separate hierarchy, while the policy and financial aspects of the work are reserved to a parallel group of " generalist" administrators; and their access to higher management and policy-making is restricted. Partly this is because many of them are equipped only to practise their own specialism; a body of men with the qualities of the French *polytechnicien*—skilled in his craft, but skilled, too, as an administrator—has so far not been developed in Britain. In the new Civil Service a wider and more important role must be opened up for specialists trained and equipped for it.

1. Fourthly, too few civil servants are skilled managers. Since the major managerial role in the Service is specifically allocated to members of the Administrative Class it follows that this criticism applies particularly to them. Few members of the class actually see themselves as managers, i.e. as responsible for organisation, directing staff, planning the progress of work, setting standards of attainment and measuring results, reviewing procedures and quantifying different courses of action. One reason for this is that they are not adequately trained in management. Another is that much of their work is not managerial in this sense; so they tend to think of themselves as advisers on policy to people above them, rather than as managers of the administrative machine below them. Scientists and other specialists are also open to criticism here: not enough have been trained in management, particularly in personnel management, project management, accounting and control.

1. Fifthly, there is not enough contact between the Service and the rest of the community. There is not enough awareness of how the world outside Whitehall works, how government policies will affect it, and the new ideas and methods which are developing in the universities, in business and in other walks of life. Partly this is a consequence of a career service. Since we expect most civil servants to spend their entire working lives in the Service, we can hardly wonder if they have little direct and systematic experience of the daily life and thought of other people. Another element in this is the social and educational composition of the Civil Service; the Social Survey of the Service which we commissioned suggests that direct recruitment to the Administrative Class since the war has not produced the widening of its social and educational base that might have been expected.* The public interest

*We commissioned a Survey of the social and educational background of the main general-service classes. It was carried out by Dr. A. H. Halsey, Head of the Department of Social and Administrative Studies at the University of Oxford, and Mr. I. M. Crewe, Assistant Lecturer in Politics at the University of Lancaster. Their report which will be published in Volume 3 in a few months' time, will contain a full discussion of this subject.

must suffer from any exclusiveness or isolation which hinders a full understanding of contemporary problems or unduly restricts the free flow of men, knowledge and ideas between the Service and the outside world.

1. Finally, we have serious criticisms of personnel management. Career-planning covers too small a section of the Service—mainly the Administrative Class—and is not sufficiently purposive or properly conceived; civil servants are moved too frequently between unrelated jobs, often with scant regard to personal preference or aptitude. Nor is there enough encouragement and reward for individual initiative and objectively measured performance; for many civil servants, especially in the lower grades, promotion depends too much on seniority.

1. For these and other defects the central management of the Service, the Treasury, must accept its share of responsibility. It is unfortunate that there was not a major reform in the post-war years when the government took on so many new tasks and the Service had been loosened by war-time temporary recruitment and improvisation. There was then a great opportunity to preserve and adapt to peace-time conditions the flexibility which war had imposed. For a number of reasons, not all of them internal to the Service, this opportunity was not taken. In the 1950s the old ways reasserted themselves. The nature of the task was changing and the Service was left behind. Only recently has any attempt been made to introduce significant reforms. Despite the recent improvement in its management services the Treasury has failed to keep the Service up to date.

1. To some extent the urgent need for fundamental reform has been obscured by the Service's very considerable strengths, notably its capacity for improvisation—aptly demonstrated by the speed with which new departments have been set up in the last four years. There are exceptionally able men and women at all levels. There is a strong sense of public service. Its integrity and impartiality are unquestioned. We believe that the country does not recognise enough how impressively conscientious many civil servants are in the personal service they give to the public. It is of high importance that these and other qualities should be preserved.

1. In making our proposals for reform we have been influenced by what we have seen of foreign civil services—the emphasis on training and professionalism in France, the way young men of thrust and vigour in France and Sweden quickly reach posts of high responsibility where they are directly advising Ministers, the contributions the "in-and-outers" make to government in the United States and the role played by specialists in both the United States and France. Our impressions of the visits we paid to these three countries are recorded in Appendix C.

1. One basic guiding principle should in our view govern the future development of the Civil Service. It applies to any organisation and is simple to the point of banality, but the root of much of our criticism is that it has not been observed. The principle is: look at the job first. The Civil Service must continuously review the tasks it is called upon to perform and the possible ways in which it might perform them; it should then think out what new skills and kinds of men are needed, and how these men can be found, trained and deployed. The Service must avoid a static view of a new ideal

man and structure which in its turn could become as much of an obstacle to change as the present inheritance.

25. We have sought to devise a form of management for the Civil Service that will ensure that it is better run and able to generate its own self-criticism and forward drive. One of the main troubles of the Service has been that, in achieving immunity from political intervention, a system was evolved which until recently was virtually immune from outside pressures for change. Since it was not immune from inside resistance to change, inertia was perhaps predictable.

CHAPTER 2

THE TASKS OF THE MODERN CIVIL SERVICE AND THE MEN AND WOMEN THEY NEED

1. The tasks of modern government make heavy demands on civil servants at every level. Their jobs are immensely various. We thought it necessary, both for our own guidance and to help general understanding, to investigate and report in detail on the work that civil servants do. We therefore commissioned a special investigation of the work of the Service. It was carried out by a group led by a member of the Committee, Dr. Norman Hunt, and including management consultants, an executive from a business firm and a civil servant from the Organisation and Methods Division of the Treasury. Their report, which we publish as Volume 2, contains a description of the work of those areas of the Service that they studied. We do not propose to summarise it here. But it is important at least to outline the general scope of the work of civil servants before considering what skills and kinds of men and women are needed,

1. Civil servants work in support of Ministers in their public and parliamentary duties. Some of them prepare plans and advise on policy, assembling and interpreting all the data required, e.g. for a decision on a new social security policy, a change in defence policy, a new national transport policy or a new international joint project in the technical field—whether Ministers, individually or collectively, place greater or lesser reliance on direct government intervention. They prepare legislation and assist Ministers with its passage through Parliament. They draft regulations and answers to Parliamentary Questions. They produce briefs for debates and the mass of information which the constitutional principle of parliamentary and public accountability requires. Increasingly, senior civil servants now appear before Parliamentary Committees. Some of this varied work has no counterpart in business or, indeed, anywhere outside the government service.

1. Operating policies embodied in existing legislation and implementing policy decisions take up most of the time of most civil servants. There are taxes to be collected, employment and social security offices to be run. There is a mass of individual case-work both in local offices and in the central departments of state. New policy may require the creation of a new administrative framework. There are major programmes to be managed and controlled, such as the planning and engineering of motorways from their initial location and design to the finished construction; the design of Polaris installations and other military works; the management of international programmes like Concorde; the vast range of scientific research and development and of government procurement; the central responsibility for the nationalised industries and for the state of the economy,

1. Some of the work involves the Civil Service in complex relationships with other bodies which are partners in the execution of government policy or are directly affected by it. They include local authorities and nationalised industries in the first category and a multitude of organised interests in the second. This work calls for practical judgement and negotiating skill. It also calls for a thorough knowledge of the subject under negotiation and of the problems and interests of the bodies concerned. In the economic field, for example, many civil servants need a knowledge of industry and an understanding of market forces.

1. Technical progress 'has a major impact on both the making and the implementation of policy, whether the tasks are traditional or new to government. Computers are a good example of this; they offer prospects of sophisticated administration hitherto impossible by permitting much more comprehensive approaches to problems and the use of more, and vastly more complex, data. This trend greatly enhances the importance of numeracy. Skill in the use of numbers is needed in addition to the qualities of judgement and foresight.

1. Even this brief and impressionistic description is perhaps enough to make it clear that, as a body, civil servants today have to be equipped to tackle the political, scientific, social, economic and technical problems of our time. They have to be aware of interests and opinions throughout the country and of many developments abroad. They have to keep up with the rapid growth of new knowledge and acquire new techniques to apply it. In short the Civil Service is no place for the amateur. It must be staffed by men and women who are truly professional.

1. We use the word "professional" in this context to include two main attributes which in our view are essential in varying combinations for work in the government service. One is being skilled in one's job—skill which comes from training and sustained experience. The other is having the fundamental knowledge of and deep familiarity with a subject that enable a man to move with ease among its concepts. Both spring from and reinforce a constant striving for higher standards. The work of government demands these qualities not only in the members of the generally recognised professions, but at all levels and in all parts of the Service. We use "professional" in this comprehensive sense.

1. These attributes of professionalism are already present in the Civil Service in some measure. But today's tasks require them to be much further developed than hitherto. The Service must also be quicker to recognise the contribution new professional skills can make to its work.

1. There are two broad types of professionalism that we believe the Service needs.

1. The first is the professionalism of those whose work in government is just one of a number of career opportunities for the exercise of their qualifications and skills. In this category are the architects, lawyers, doctors, engineers, scientists, accountants, economists, draughtsmen, technicians and so on. Some of these, like doctors and scientists, have acquired their professionalism or specialism by recognised training outside the Service. Others, like some draughtsmen and technicians, may acquire and develop their skills after joining the Service. In either event in their early years they do much

the same type of work in the public service as if they had gone into private practice, business, the universities or local government. In the rest of this report we shall normally refer to these men and women as "specialists", not to denote any narrow sub-division of some professional field, but solely as a convenient label for this broad category of Civil Service staff.

1. The Civil Service already employs large numbers of men and women of this type. But it has not always recognised the need for new kinds of specialism quickly enough or recruited enough specialists of the high quality that the public interest demands. In particular, it has been slow to recognise the benefits that would flow from a much larger recruitment of particular categories such as accountants, statisticians, economists and Research Officers and their employment in positions of greater responsibility. For example, while there were 106 economists in the Civil Service in 1967, there were only 19 in 1963. We discuss the specific problems of accountants and Research Officers* in Appendix D. Here we think it right to draw special attention to the position of accountants.

1. Present practice in the Civil Service severely restricts the role of the Accountant Class and excludes its members from responsibility for financial control. They are limited to the relatively narrow field in which departments themselves keep commercial accounts or are concerned with the financial operations of commercial organisations. Their outlets into other kinds of work and into posts of higher management are severely limited. At present the Service employs only 309 accountants of whom 64 are temporary; no post carries a salary of more than £4,500 and there are only six accountants' posts with salaries above £3,650. In our view, qualified accountants could make a valuable contribution to the management of several areas of civil service work: for example, in financial forecasting and control, in the whole field of government procurement and in reviewing the financial performance of nationalised industries. These are areas of work similar to those in which accountants are prominent in industry; but they are generally excluded from them in the Civil Service. Further, the skills of the modern management accountant appear to us to be increasingly needed at high levels of policy making and management. He is trained to evaluate policy options in financial terms, to compare the costs and benefits arising from different uses of resources, and to apply quantitative techniques to the control of expenditure and the measurement of efficiency.

1. In addition to employing specialists in the right numbers and of the right type and quality, the Service should also allow them to carry more responsibility. Their organisation in separate hierarchies, with the policy and financial aspects of their work reserved to a parallel group of "generalist" administrators, has manifest disadvantages. It slows down the processes of decision and management, leads to inefficiency, frequently means that no individual has clear managerial authority, and prevents the specialists from exercising the full range of responsibilities normally associated with their professions and exercised by their counterparts outside the Service. In addition, the obstacles at present preventing them from reaching top management must be removed. The need for wider outlets also generally applies

*A class engaged on research mainly in the field of the social sciences. A fuller description is given in Appendix D.

to specialists whose work is peculiar to government, such as Tax Inspectors. For specialists who are to carry these greater responsibilities there will need to be a deliberate policy of training in administration and management. Our proposals to achieve these ends are contained in later chapters.

1. The second kind of professionalism which needs to be much more fully developed is the professionalism of those members of the Administrative and Executive Classes who are now treated, and regard themselves, as "generalists". In the rest of this report we shall refer to members of both these classes and their future counterparts as "administrators". Parts of their work closely resemble management in industry and commerce; other parts do not. We use "administrator", like "specialist", as the most generally convenient label.

1. Frequent moves from job to job within the Service or within a department give "generalist" administrators proficiency in operating the government machine, and in serving Ministers and Parliament. But many lack the fully developed professionalism that their work now demands. They do not develop adequate knowledge in depth in any one aspect of the department's work and frequently not even in the general area of activity in which the department operates. Often they are required to give advice on subjects they do not sufficiently understand or to take decisions whose significance they do not fully grasp. This has serious consequences. It can lead to bad policy-making; it prevents a fundamental evaluation of the policies being administered; it often leads to the adoption of inefficient methods for implementing these policies—methods which are sometimes baffling to those outside the Service who are affected by them; and it obstructs the establishment of fruitful contacts with sources of expert advice both inside and outside the Service.

1. The fuller professionalism now required from all administrators (including by our definition those now classified as "Executive") in turn calls for new principles to be applied to their selection, training and deployment. It must be accepted that for the administrator to be expert in running the government machine is not in itself enough. He must in future also have or acquire the basic concepts and knowledge, whether social, economic, industrial or financial, relevant to his area of administration and appropriate to his level of responsibility. He must have a real understanding of, and familiarity with, the principles, techniques and trends of development in the subject-matter of the field in which he is operating.

1. As we see it, the application of this principle means that an administrator must specialise, particularly in his early years, in one of the various areas of administration. At the same time, since modern administration requires men to have breadth as well as depth, and since civil servants operate in a political environment, it seems to us important that such specialisation should not be too narrowly conceived. We considered two possible ways of achieving these objectives.

1. We considered whether we should recommend a grouping of departments on the basis of their main areas of activity. Thus, some departments are mainly concerned with social problems, others with economic, financial, commercial and industrial problems and others with scientific or technical problems. It seemed attractive to believe that if departments were broadly

grouped in this way an administrator might best develop his professionalism, and in particular his knowledge of the subject-matter of his area of administration, by spending most of his career within one group of departments. We rejected this solution. It is possible broadly to group departments in this way, yet almost every department has its own mixture of social, scientific, economic and financial work. The Department of Education and Science is a good example. While predominantly a social department, with branches dealing with schools, teachers, further education and so on, nevertheless:—

- a. administrators also staff the Accountant General's Branch which deals mainly with financial and economic questions;
- a. there are administrators in its Architects and Buildings Branch concerned largely with the technical and financial aspects of school building programmes and projects;
- a. administrators staff its Establishment and Organisation Branch which is concerned with individual career management and the promotion of efficiency and economy in the organisation of the department;
- a. there is a large proportion of administrators among the staff of the General Science Branch and of the Council for Scientific Policy.

Today the pattern in the Department of Education and Science, as in any other department, is for an administrator to move from job to job between these widely differing branches within the department. It is this pattern of movement that we have criticised as an obstacle to the development of the required professionalism. If the Department of Education and Science were simply grouped with other social departments, this would only multiply the number of different kinds of job to which a man would be liable to be moved. This would defeat our aims rather than promote them. We recommend, therefore, a different solution.

1. Although the tasks that fall to administrators are immensely varied, we believe that they fall into broad categories which are identifiable on the basis of the subject-matter of the work rather than on the basis of the particular department in which the work is done. It is on this categorisation by subject-matter that administrative specialisation should be based.

1. We have not been able to survey all the administrative jobs in the Service. It is for the Civil Service Department* to analyse them and to identify groups of jobs which provide a field for specialisation on the basis of their common subject-matter. We believe, however, that we can identify two such groups at present.

1. First, we think that a broad group of administrative jobs in different departments is concerned with a subject-matter that is primarily economic and financial. Within this broad group the emphasis in some areas of government may be on general economic planning and control; in others, on the problems of international trade or of particular industries; in others, on the financial control of major programmes of capital and current expenditure;

♦We recommend in Chapter 7 that the central management of the Civil Service should be transferred from the Treasury to a new Civil Service Department. From this point onwards in our report we refer to this new department by name when we discuss the part to be played by central management in running the Service.

in others (mainly in technical and scientific departments) on the economic and financial aspects of large technological projects. Thus, from a general economic and financial basis, the work develops its own internal specialisms. We think that this pattern should be reflected in the training and deployment of individual administrators for this work.

1. There is a second broad group of administrative jobs where the basis is essentially social; for example, housing, town and country planning, education, race relations, social security, industrial relations, personnel management, crime and delinquency. Again, within a common framework of knowledge and experience, the work develops its own specialisms. Here too the training and deployment of individual administrators should reflect this pattern.

1. Each of these two main categories of work has its own substantial and broadly based body of knowledge. We believe that a civil servant needs to draw on this to supplement his skills as an administrator if he is to develop the professionalism now needed. So the Service must ensure that its administrators acquire and develop the appropriate body of knowledge together with its associated conceptual framework and analytical tools. This means that an administrator, at least in his early years, should specialise in one or other of these main categories of work—the economic, industrial and financial, or the social. In consequence, for basic training and career management administrators should be distinguished into these two broad groups. We emphasise that this should not preclude further groupings if these are found necessary or desirable.

1. The economic and financial administrators should be men and women who, in addition to their skill in administration, also have appropriate qualifications, experience and training in such subjects as economics, finance, business administration and statistics, especially as applied to government work. Their deployment should not be limited only to the main economic departments of government. They should be employed in any department in posts that are mainly financial or concerned with economic administration and management. They should, as we have said, add to their basic knowledge of their field any further specialisation that particular areas of government work require. Thus, the career pattern of the economic and financial administrator may involve movement between departments; it should involve a steady broadening of an individual's responsibility as he moves upwards, but he should normally move between posts appropriate to members of the group. These administrators will not replace specialist economists; we discuss their relationship below,

1. We have proposed that within the economic and financial group of administrators there should be different branches of further specialisation. One of these to which we wish to draw special attention is work in the predominantly scientific and technical areas of the Service. These areas will be largely staffed by specialists, for example, scientists and engineers. Some of these—we hope an increasing number—will eventually come to be managers or administrators in the field of their specialism. But we see a continuing need in some departments for economic and financial administrators who have been specially trained to apply their skills to work of a high scientific and technological content, for example to the economic aspects of research and to the financial control of advanced technological projects. Some of them,

and we hope their number will grow, will have had scientific or technical training before they enter the Service; and this will be of value to their understanding of the language and problems of their specialist colleagues. However, the primary function of the administrator in this field is not to duplicate the specialist knowledge of the scientist or engineer, but to apply his economic and financial skills in a scientific and technological context.

1. The group of social administrators would be broader and more heterogeneous than its economic and financial counterpart. In addition to their administrative skills, social administrators should also have training and experience in the social studies relevant to modern government. These include a knowledge of the social structure, organisation and planning of communities and regions; methods of social investigation and the techniques of collecting and analysing information commonly used in public and private inquiries into social problems; and of social administration, especially the structure of the publicly provided social services and the policy problems which arise from their development. The emphasis in this training should vary, depending very much on the particular social area of government concerned. Clearly, most social administrators will be concentrated in the main social departments of government. But many will also be employed throughout the Service. For example, we would expect the personnel and organisation divisions of all departments to contain a proportion of social administrators. There will also be jobs in the economic departments for which social administrators will be needed. As with the economic and financial administrators, the career pattern may involve service in more than one department, but normally within the area of the social administrator's expertise.

1. Though in each department there should be a suitable blend of administrators from both groups, they should not replace those specialists in their departments (e.g., engineers, accountants, economists, sociologists) whose primary concern is the practice of their specialism. Thus the economic administrators in an economic department would not, for example, generally replace those who are economists by profession. The economic administrators will not have the same depth of expertise, and will be immersed in the day-to-day operations of the department in a way that would be inappropriate for the specialist economist. On the other hand, the employment of specialist economists in a department will not duplicate or make unnecessary the work of economic administrators. Besides making their contribution to policy-making, the economic administrators will be providing a great deal of explanatory information for Ministers, Parliament and the public; they will also be engaged in negotiation with outside interests; many will be involved in the administration of existing economic policies, for example, policies for the distribution of industry. Jobs of this kind do not need to be, nor should they be, handed over to specialist economists. Indeed, a specialist economist who became immersed in these day-to-day problems of administration could not maintain the high degree of economic expertise his work demands. Similar considerations apply to the relationships between social administrators and the specialists with whom they work. Our aim is not to replace specialists by administrators, or vice versa. They should be complementary to one another. It is, rather, that the administrator, trained and experienced in his subject-matter, should enjoy a more fruitful relation-

ship with the specialist than in the past, and that the Service should harness the best contribution from each.

1. The policy of grouping administrators which we have proposed is necessary to enable them to gain the knowledge and experience their work requires. Within each group the depth of understanding, skill, knowledge and experience demanded will vary with the level of responsibility. The higher the responsibility of the post, the greater the understanding required of its occupant. It is therefore important that those who have entered the Service direct from school and have the ability to rise to positions of high responsibility should be given the kind of experience, and encouraged to gain the qualifications, that they will need for this purpose. We are convinced however that professionalism, as we have described it, is not limited in its conception to work at senior levels. It means the ability and the sustained effort needed to ensure that each job, whatever its level, is performed to a constantly improving standard. The principle that every civil servant should be equipped to pursue this aim applies throughout.

1. This grouping will also provide the necessary basis of knowledge for a dynamic Service. Civil servants who are more at home with the machinery of administration than with its content tend to be cautious—sometimes, even negative; a few, reacting the other way to what they do not fully understand, may well be rash. Either because they lack training or have moved too frequently between jobs, they are often not equipped to conduct a fruitful dialogue with experts both inside and outside the Service. Well-prepared innovation is more likely to come from those whose grasp of their subject gives them a sure awareness of its possibilities as well as its limitations and from those able to talk with experts in their own language. This is what our proposed grouping of administrators is designed to produce.

1. We do not wish that these two groups of administrators should be frozen into a rigid pattern for the rest of the century. They represent what we see as the present application of the guiding principle set out in paragraph 41: that those engaged in administration and management must not only be skilled in running the government machine, but must also have the basic concepts and knowledge relevant to their area of administration. We propose these groups as a starting-point. It should be the task of the central management of the Service to develop and refine them and to keep them up to date as the tasks of the Service change and develop. But we are confident that the continuous application of this principle will provide for the Service the necessary reservoir of trained talent and expertise.

1. From these groups and from the specialists (as defined in paragraph 35) will also come men and women to specialise in the kinds of government work for which many different kinds of background and experience can be appropriate. Examples are contracts work, computers, O and M, personnel work and so on. Such further specialisation should be encouraged and it should be possible where appropriate for some people to make their careers in one or other of these areas of further specialisation. For example, a social administrator or an accountant might go on to specialise in O and M work, moving in this field between departments to jobs of higher responsibility and eventually, perhaps after appropriate experience outside government, rising to the most responsible jobs in this field in the Service.

1. From all these professionals, administrators and specialists alike, will come the future top management of the Service. They will be men and women experienced in running the government machine; they will have a basic expertise in one or more aspects of a department's work; and they will have been broadened by increasing responsibilities and experience to become the fully professional advisers of Ministers and managers of their policies.

1. The pattern of professionalism which we propose for the future will thus be based upon training and specialisation in the early years of a civil servant's career. Some twenty years will pass before the Service is predominantly staffed by men and women whose careers have been formed in this way. We believe, however, that greatly improved standards of professionalism can be achieved in a much shorter time by the present generation of civil servants. This will need carefully planned posting and specially devised training courses. We revert to this in the section on training in the next chapter.

CHAPTER 3

RECRUITMENT, TRAINING AND CAREER MANAGEMENT

1. We have so far discussed the tasks of the Service and the professional skills they call for in its members. We turn now to the problems of recruitment, training and career development.

1. We begin by considering where the main responsibility for recruitment to the Service should lie and how far it should be delegated to individual departments or establishments. In this context we make general recommendations designed to reduce the present length of the recruitment process. We go on to the principles and methods that should apply to the recruitment of the various types of men and women the Service needs. Finally, we turn to the question of post-entry training and career management.

THE RESPONSIBILITY FOR RECRUITMENT

1. The central responsibility for recruitment is at present divided. The Treasury is responsible for recruitment policy. The running of competitions, the selection of successful candidates and (in large part) their initial allocation to departments is in the hands of an independent body, the Civil Service Commission. In addition, some very large categories of staff are recruited initially by departments. But in all cases the Commissioners must issue a certificate for a civil servant to achieve permanent status*. The Commissioners hold their appointments directly from the Crown and are appointed by Order in Council. The justification for this independence has been the need to ensure that all appointments to the Service are made strictly on merit and are clear of political or other patronage. We consider, however, that the present arrangement is in need of fundamental revision.

1. We regard recruitment, training and subsequent career development as parts of a single process to be as closely integrated as possible. We believe accordingly that recruitment should be in the hands of those who also share a direct responsibility for the individual's subsequent training, deployment and development. As a consequence, assessments of performance will be much more fully and directly fed back to those responsible for recruitment. These in turn will be better placed to adjust their criteria and methods as necessary; they will also have a much closer knowledge of the changing work and needs of departments. In our view the Service suffers now from the separateness and consequent remoteness of the Civil Service Commission, which under the existing arrangements cannot know enough of the needs of individual departments and is too little connected with the training and early management of those whom it appoints.

1. We recommend, therefore, that the Civil Service Commission should

♦i.e. to be established. Where recruitment is* central, establishment is a part of initial recruitment. Where it is departmental, establishment comes later.

cease to be a separate and independent organisation*. It should become part of the new Civil Service Department, and its staff should be integrated with it. Some of its functions should be shared with the various employing departments in ways we discuss below.

1. The selection of recruits should be, and should be seen to be, independent of any form of patronage. But this is not incompatible with a much closer association between the selectors and both the central management of the Service and the employing departments. We believe that the tradition of making appointments solely on merit is now well enough established to survive without keeping the Civil Service Commission as a separate organisation; independence in selection can be assured by other means. We do not wish to make a detailed recommendation; one such means, however, might be to designate an individual senior officer in the Civil Service Department as First Civil Service Commissioner, and to give him the formal responsibility for final decisions on the selection of recruits. It should be accepted no less clearly than in the past that the First Commissioner would not be subjected to ministerial or parliamentary questioning over individual appointments.

1. We have expressed the view that some of the Civil Service Commission's present functions should be shared with the various employing departments. This is desirable because recruitment should be directly related to the needs of individual departments. They know the tasks they have to perform and are best placed to indicate the qualifications, training and experience needed. Therefore, we wish to see departments play a larger part in the recruitment process in two ways.

1. First, in drawing up the annual manpower budget for discussion with the Civil Service Department, each department should indicate as exactly as possible its needs at all levels, both for the various kinds of specialist staff and also for the different types and groups of administrative staff referred to in Chapter 2. These needs (allowing for the necessary interdepartmental movement) would determine the pattern of recruitment. Essentially this would be recruitment for specific ranges of jobs.

1. Secondly, we think departments should have a greater influence on the selection of individuals. We considered the case for handing all recruitment over to the departments; but we rejected this on the grounds that it would encourage wasteful competition, place the less glamorous departments at too great a disadvantage and break up a Service which, in our view, should remain unified. We think, however, that a higher proportion than at present should be recruited directly by departments, and that the employing departments should be better represented in the recruitment process where it continues to be central. We return to these proposals in more detail later in this chapter.

RECRUITMENT PROCEDURES AND THE PROBLEMS OF DELAY

68. Another serious criticism of the present methods of recruitment is that they are too slow in operation. This criticism has arisen partly because the

♦The Commission now also recruit staff for the Diplomatic Service, the House of Commons, the Government of Northern Ireland and a number of "fringe" bodies whose staff do not form part of the Civil Service. The Civil Service Department could, perhaps, continue to act for them on an agency basis.

Civil Service Commission has until recently interpreted the principle of competitive examination as obliging it to wait until the whole of a very large field has been examined and put in order of merit, no matter how outstanding a particular applicant may be. Various modifications made in recent years have led to considerable improvements. These have included "continuous competitions" for a number of important groups, e.g. Tax Inspectors and the relatively small number of Experimental Officers who are recruited centrally. But the process is still apt to take too long. It takes too long between application and the announcement of the result of the examination; and between the result of the examination and the time when successful candidates are able to start work*. Lengthy periods of waiting and suspense are undesirable for those still attending school or university. For those who have left and who feel under pressure to start earning, they may be decisive in causing them to turn to other employment. For those already in jobs who are candidates for late entry (often scarce specialists), they cause serious embarrassment, because of obligations to existing employers.

1. The Service will continue to face severe competition for talent. It cannot allow the survival of traditional procedures to place it at a disadvantage with industry and commerce, the nationalised industries and local government. We recognise that when there are many well-qualified applicants for a small number of posts, competitions must continue. But we think that the procedures of formal competition should be restricted to posts for which they are indispensable; even then it should be made possible to offer outstanding candidates rapid appointment. Wherever qualified applicants are relatively scarce, and it is in practice certain that there will be posts for all suitable candidates, these should be brought in without delay, once it is clear that they are up to the required standard; this is especially important in regard to the recruitment of those with scarce specialist skills.

1. We hope that the absorption of the Civil Service Commission within the Civil Service Department will assist in bringing about these improvements. The need to reduce to the minimum the interval between the results of competitions and the time when those who have been declared successful actually start work will partly be met by the proposals about establishment that we make in the next chapter. In addition, we recommend that a review of the processes of recruitment should be put in hand; besides seeking ways of reducing the time they take, it should examine the problems of methods of selection to which we refer in paragraph 82 below and Appendix E,

•The following examples have been provided by the Civil Service Commission:—

- a. Candidates for the Method II competition for the Administrative Class, applying by the end of November, get their results between early March and May, depending on when they go to the Civil Service Selection Board. (Most must then wait for their degree results in June or July before the offer of an appointment becomes certain.)
- a. Candidates for the competition for direct entrant Principals (age limits 30-35) know their results between 9 and 19 weeks after the closing date for applications. The average period between the notification of results and being able to start work is 5½ weeks, ranging from 2½ to 9 weeks.
- a. For recruits to the Executive Class the average total period (on the basis of a sample taken in 1966) between application and being able to start work is 69 days, ranging from 30 to 88 days. Within this the average period between the notification of results and being able to start work is 23 days, ranging from 11 to 43 days.

THE PRINCIPLES AND METHODS OF RECRUITMENT

THE RECRUITMENT OF GRADUATES, POST-GRADUATES AND THEIR EQUIVALENTS

1. Our proposals in Chapter 2 mean that graduates, post-graduates and their equivalents should be employed, in their early years at any rate, either as specialists (architects, scientists, engineers, etc.) or in one of the new groups of administrators. In either case, men and women should be recruited for a specified range of jobs.

1. This does not involve any basic change in the recruitment policy for specialists. They are at present recruited for a clearly defined range of jobs, and clearly defined, relevant qualifications are therefore demanded. It would be an advantage if more of them were already grounded in management and administration and could be equipped with the confidence and prestige of the French *polytechniciens*. Some university courses are now beginning to recognise this need. In this connection we have noted the development of courses that combine engineering with economics, and science with economics; and we welcome the sandwich courses at some universities that give scientists and engineers experience in industry and a grounding in economics and business administration as well as a purely scientific or specialist qualification. This however is only a start; and for the time being it must be the task of the Service to equip its specialists with the additional administrative, managerial and other skills they need; we discuss this in our later paragraphs on training.

1. Many specialist staff are now recruited direct by the department or establishment that is to employ them. We think that this should become the normal rule. Recruitment should be by interview before a board. The board should normally include a kindred specialist from outside the Service and a representative of the Civil Service Department. But the majority should be from the "user" department or establishment. For certain specialists, recruitment may conveniently be done by departments acting together in groups or by the Civil Service Department on their behalf. This is a matter for decision from time to time between the Civil Service Department and the other departments. But the essential need where scarce specialist skills are concerned is for speed; grouping and co-ordination should not be allowed to lead to time-consuming formality.

1. Our proposals in Chapter 2 for grouping administrators have important implications for the direct recruitment of graduates, post-graduates and their equivalents for administrative work. They mean that in future men and women should not be recruited for employment as "generalist" administrators and intelligent all-rounders—to do any of, and a succession of, the widely differing jobs covered by the "generalist" concept. Instead, they should be recruited to do a specified range of jobs in a particular area of work, at any rate during their early years. In Chapter 2 we distinguish two broad categories of administration—the economic and financial, and the social. It follows that the Service should aim to recruit those with the best qualifications, aptitudes and qualities for the jobs falling within one of these broad groups; for the later entrants relevant experience will also be an important consideration.

1. Clearly, most recruits who come straight from their university will not on entry have the full range of knowledge and skills required for work in one or other of the administrative groups. They will require in-service training.

ing and experience. But a majority of us* consider that the relevance to their future work of the subject-matter of their university or other pre-Service studies should be an important qualification for appointment.

76. To give preference for relevance is to adapt to the needs of today the

old principle that the Service should seek to recruit those it believes best equipped for work in government. When the aim was to recruit men and women to be intelligent all-rounders, the Service naturally drew heavily on courses like classics and history at Oxford and Cambridge, which by their prestige have always attracted young people of the highest abilities. These courses give an insight into the conditions of historical change and because for

the most part the material they use is remote from the here and now they provide a "disinterested" intellectual training. Today, when the tasks or govern

ment have changed, the Service should seek to recruit those equipped for the

new tasks. First-degree courses based on the study of modern subjects especially attract many young people with a positive and practical interest in

contemporary problems, political, social, economic, scientific and technological. These problems will yield their solutions only to the most concentrated

assaults of minds equipped through rigorous and sustained intellectual discipline with the necessary apparatus of relevant ideas, knowledge, methods and

techniques. We therefore wish the Civil Service to attract its full share of young people motivated in this way, with minds disciplined by undergraduate

(and post-graduate) work in the social studies, the mathematical and physical

sciences, the biological sciences or in the applied and engineering sciences.

77. There is also evidence that most undergraduates want jobs in which they can make direct use of their university studies. In recent years the Service has not properly recognised this, giving the general impression that it is

more concerned with the quality of a man's degree than its relevance to the work of government. This, in our view, has discouraged applications from graduates whose interest and studies are focused on modern problems. Thus post-war recruitment to the Administrative Class has run counter to the increased trend in the universities towards the study of the problems of the modern world. Therefore, to be attractive to this growing number of graduates, the Service should declare its special interest in the relevance of their studies. In this way, too, the Service would be attracting its recruits from a wider range of degree subjects than those from which administrators have traditionally been drawn.

78. Though the ancient universities of Oxford and Cambridge have played their part in this growth in the academic study of the problems of contemporary society, it has been most characteristic of the universities founded in this century. The date and circumstances of their foundation have ensured that their courses have been mainly designed to prepare their undergraduates for work in a modern industrial society. To draw more fully

on this source of manpower, trained in these subjects, would have many advantages for the Civil Service. Our suggestions about possible ways in which this principle of preference might work are set out in paragraphs 24-25 of Appendix E.

♦Lord Fulton, Mr. W. C. Anderson, Sir Edward Boyle, Sir William Cook, Dr. Norman Hunt, Mr. Robert Neild, Mr. Robert Sheldon and Sir John Wall.

fSee Section 1.2 of the survey of undergraduate attitudes by the Psychological Research Centre, entitled " The Recruitment of Graduates to the Civil Service ", which we publish in Volume 3.

79. We do not intend that our emphasis on " preference for relevance " should be read as a sign that we wish to discourage applications from those men and women of outstanding ability who have studied " irrelevant" disciplines. The Service needs to recruit outstandingly able men and women whatever the subject of their university degree. Our fundamental aim is to secure for the Service the best man or woman for the job, with the education, training and attitudes appropriate to it. It follows that those appointed to the Service without a " relevant" qualification should be required either to: —

- (a) take a special training course at the new Civil Service College* in addition to that provided for all graduate direct-entrants to one of the two main groups of administrators;
- or(b) take a relevant post-graduate degree or course of study at the Service's expense at some university or other appropriate institution.

The choice between (a) and (b) should be determined by what is most suitable for the individual concerned in the light of the various courses available.

80. A minority of us take a rather different view. We fully agree that all administrators at the graduate level need a thorough grounding in the subject-matter of their work—whether they enter direct from university or are promoted within the Service. But we do not place the same emphasis on the relevance of studies taken before entry. On practical grounds, three of us support the proposals made in paragraph 82 below for a revised Method I competition based on examination in relevant university studies. All four think however that the alternative selection procedure (Method II) should be impartial as between different academic backgrounds. It is essential that the Service should attract to administrative work a large number of young men and women of outstanding ability and character. Such people are naturally in short supply. We believe that if both methods of entry give preference to those with relevant studies, the field of selection will in practice be unnecessarily narrowed, and that this will involve a serious risk of defeating the essential aim. Our reasons for this are:—

- a. We believe that many able young men and women start their university course without having decided upon their future career, or change their minds in the course of it; and that many select their subject not for career reasons but because they like it and are good at it. We do not think that the attractions of the Civil Service as a career are so outstanding by comparison with the other employments open to graduates that the Service can afford to discourage any source of supply.
- a. At the moment, it is often necessary, in practice, for a grammar-school boy or girl to decide as early as 13 years of age which subjects he or she wishes to specialise in at the university. A decision to give a preference to graduates with " relevant" university subjects could therefore tend to narrow still further the range of educational courses at a time when efforts are being made to postpone final and irrevocable choices between them.

♦See paragraph 99 below.

fSir Philip Allen, Sir James Dunnett, Sir Norman Kipping and Lord Simey. {Evidence for

this may be found in Section 2 of "The recruitment of graduates to the Civil Service ",
published in Volume 3.

- a. Many of the Service's main competitors for graduate talent in this country recruit graduates on grounds of general ability and reckon to give them the necessary training after entry. Apart from not wishing to improve their competitive position at the expense of the Service, we find it hard to believe that they are mistaken or that different considerations should apply to the Civil Service.
- a. We do not at all decry the advantage of a previous grounding in a relevant subject. But we think that it can be overrated. A rigorous and disciplined habit of mind, which can be imparted by "irrelevant" as well as by "relevant" studies, is no less important. At the same time, we are impressed by the evidence that the best of the Assistant Principals who have not read economics at the university show up very well by the end of the course at the Centre for Administrative Studies as compared with those who have. We believe that administrators can achieve professionalism in their chosen field of work (the need for which we wholly accept) by means of the grouping we have recommended in Chapter 2 and the thorough post-entry training courses recommended later in this chapter.
- a. We are doubtful both about the proposals for the special training of those with "irrelevant" studies made in paragraph 79 and about the method of giving preference for relevance set out in Appendix E. Both, in our view, will puzzle and may well discourage potential recruits.

1. We are all agreed, however, that there is an increasing need for administrators handling the problems of modern government and the techniques associated with their solution to be numerate. Senior managers in departments will have to be able to handle problems with variables that can be expressed only in numerical terms. This need is general in all kinds of management throughout the country. We recommend that over the years an increasing importance should be attached to the requirement that graduates seeking appointments to administrative posts should understand the use of numerical techniques and be able to apply quantitative methods to the solution of their problems. We hope that curricula in schools and universities will gradually be modified to make this possible. We also wish to emphasise the value of familiarity with major modern languages. An increasing number of civil servants are employed in work in which their effectiveness and understanding are hampered if they are confined in practice to English.

1. In general we think that all non-specialist graduates and their equivalents should be recruited centrally by the appropriate section of the new Civil Service Department. A majority of us* consider that there should be two main methods of entry:—

- (a) Method I should, as at present, be primarily a written examination. The papers candidates can offer, however, should be restricted entirely to those with a direct relevance to the problems of modern government. In any event, as we show in Appendix E, it is not practicable to maintain Method I in its present form. We think it important to maintain a method of entry by written examination

♦Lord Fulton, Sir Philip Allen, Mr. W. C. Anderson, Sir Edward Boyle, Sir James Dunnett, Dr. Norman Hunt, Lord Simey.

because we think it likely that some good candidates will come forward to compete by such a method who would not choose to enter if the only method open to them were the extended interview procedure (Method II) which we discuss below; and that the former will offer some of them a way of showing their real merit more effectively. We recommend however that Method I should be retained, in the modified form we propose, on a trial basis only. If it fails to attract a sufficient number of good candidates, we would expect the Civil Service Department to abandon it.

- (b) Method II should involve a procedure based on that of the present Civil Service Selection Board. We make recommendations in Appendix E however for changes in the procedure and staffing of the selection process. Briefly, those of us who recommend preference for relevance offer suggestions about how this might be done. We all propose in addition that there should be a larger representation of employing departments among the selectors; and that their age-distribution should be changed to increase the proportion of younger people. We also recommend an inquiry into the methods of selection, to include such matters as the part played by the Final Selection Board and possible ways of making the process of selection more objective in character.

1. These proposals should not be taken to imply that separate entry competitions should not in future be held for appointments to such groups as Tax Inspectors and Ministry of Labour Cadets. These should continue wherever they are found to be most appropriate, selection being made either by the department concerned or by the Civil Service Department on its behalf.

1. A minority* of us consider that Method I should cease to exist altogether, for the following reasons:—

- a. A written examination in the subjects studied by the candidate will be a repetition of the testing by his university,
- a. Many candidates will be reluctant to sit two examinations of the same kind.
- a. It is hard to see how the Civil Service Department would be able to examine better than the university the wide range of subjects we consider relevant.
- a. Advances in recruitment procedures are likely to bring steady improvements in Method II. It is here that techniques of selection should improve fastest.
- a. To retain Method I would be to keep a separate system of entry which in 1967 produced 18 successful applicants from 54 candidates. These numbers are likely to decline still further.
- a. If a certain number of entrants with very high academic attainments are required, Method II can provide for this by weighting the university record of the candidate. Method I provides no adequate test of other qualities.
- a. The new Method I, because it is designed to cover in a few papers

♦Sir William Cook, Sir Norman Kipping, Mr. Robert Neild, Mr. Robert Sheldon, Sir John Wall.

a very heterogeneous field, cannot hope to examine candidates in depth and is bound to come close to the broad test of knowledge of the modern world which the written papers of Method II, proposed in Appendix E, are intended to provide. We can see no purpose in keeping both.

- (h) The argument for Method I is that Method II will deter applicants who lack confidence in their ability to compete in the social atmosphere of Method II. If this argument is sound, Method II should be revised.

1. We have said that each department should assess in detail the numbers and types of staff it needs. This poses a special problem in the recruitment of graduates, both specialist and non-specialist. We think it likely, for reasons we discuss in Chapter 8 and Appendix F, that the Service will employ more graduates than at present, although the number of top posts in the Service may not show a proportionate increase. It would be wrong for a large employer like the Civil Service to seek to recruit more of the best graduate talent than it can make proper use of now or in the future. Matching graduates to jobs and prospects requires that departments should decide, in consultation with the Civil Service Department, on the level and kind of ability they require for particular types of appointment; the intake should be adjusted accordingly. AH however should enter the same training grade (see paragraph 95 below), so that their fitness for different kinds of work can be fully tested after they have entered the Service. We attach great importance to ensuring that the early decisions which may shape a man's career in the Service (e.g. about different kinds of post-entry training or allocation to differently graded jobs at the end of the training period) should be based on post-entry performance rather than pre-entry promise. We discuss this in more detail in Appendix F.

1. To underline the concern of the Service to recruit men and women of the highest calibre, we consider that those judged outstandingly able and well-qualified on entry should be given a starting salary two or three increments above the basic for the entry grade. This should apply to specialists as well as to the different groups of administrators. This should not, however, carry the implication that senior posts should be reserved for those who start their careers with additional increments. The careers of all entrants to the Service should be determined by performance on the job.

RECRUITMENT OF NON-GRADUATES

87. For most specialist posts, relevant educational and technical qualifications will also be needed by those who are not graduates. Men and women with such qualifications as the H.N.C (which may have been gained after entry to the Service) or with "A levels" in scientific or technical subjects should normally be posted to jobs for which their qualifications are relevant, whether those jobs are purely specialist or in a related area of management. For administrative staff recruited at this level, specific qualifications and the relevance of the subjects they have studied are clearly less important. Their "A level" qualifications may be pointers to the direction in which they should specialise. More important, however, for all those recruited at this age (specialist and non-specialist) is that they should be given jobs that match

and stretch their abilities; they should also be given the opportunity of developing the skills and specialisms the Service needs, including the ability to use quantitative methods. Departments have a special responsibility for ensuring that the best of this age-group are picked out for early advancement and for appropriate further training. We make proposals for this in later paragraphs of this chapter.

88. We recommend that non-graduate specialists should be recruited by similar procedures to those recommended for graduate specialists in paragraph 73. For the non-specialist entry, we recommend different procedures depending on their age and educational level:—

- (a) The 18-year-old entry (school-leavers with "A levels")» correspond
ing to the present entry to the Executive Officer grade, should
continue for the most part to be recruited centrally by the new
Civil
Service Department on the basis of "A level" results and
interviews

—though there is scope for decentralisation on a regional basis.

We do not think that direct recruitment by departments is at present desirable at this level because:—

- (i) The non-specialist 18-year-old can have only a vague idea of the work that different departments do and of the various career opportunities open to him in the various administrative groups. He will need general guidance and advice on a wider basis than could be available to him at departmental level.
- (ii) To ensure a fair distribution of talent over all departments, the Civil Service Department must play a major role in the allocation of these new recruits.

Individual departments should, however, be as closely associated as possible with the recruitment process.

- (b) The 16-year-old entry (school-leavers with "O levels") should continue as at present to be recruited by individual departments, though *ad hoc* grouping arrangements, particularly on a regional basis, have obvious advantages.

LATE ENTRANTS AND RECRUITMENT FOR SHORT-TERM APPOINTMENTS

89. So far in this chapter we have been outlining a recruitment policy for young people entering a career service; as we recommend in Chapter 4, most of its members should enter the Service when young with the expectation, though not the guarantee, of making the Service their life-time career. But the Service should look for and encourage a considerably larger number of late entrants and temporary appointments for fixed periods than in the past. For late entrants of all kinds the prime factor in their appointments must clearly be the relevance of the skills, qualifications and experience they already possess for the job or range of jobs in which it is proposed to employ them. We envisage that some would be appointed by one or other of the processes recommended in paragraphs 73 and 82 above; but it will be for the Civil Service Department to authorise special procedures where these are needed to attract recruits of high standing or with scarce skills.

THE MANAGEMENT OF NEW ENTRANTS

90. Those who enter the Service at young ages should be properly looked

after and their development carefully planned. In our view, the present arrangements are unsatisfactory, especially at Executive Officer and Clerical Officer levels,

1. Our Management Consultancy Group found that young Executive Officers were sometimes confined to routine, undemanding work of a lower quality than their educational qualifications justified. A Treasury study has found that 46 per cent of Executive Officers under the age of 40 believe that their work does not fully use their capabilities or enable them to develop their potential (Volume 3, No. 8). Not surprisingly, therefore, there is a comparatively high wastage rate among newly-recruited Executive Officers. A similar situation is to be found among young Clerical Officers. The Management Consultancy Group drew attention to the fact that many young Clerical Officers and Clerical Assistants are grossly under-utilised at present in jobs scarcely demanding the minimum educational qualifications for their grades. The same Treasury study has shown that 53 per cent of Clerical Officers under the age of 40 consider that their work does not fully employ their capabilities or enable them to develop their potential. We have seen no evidence on the extent to which similar problems may afflict young people in comparable employments outside the Service. But the evidence that the Service is seriously mis-using and stultifying potential talent at these levels is disturbing, and urgent steps should be taken to find remedies.

1. At both these levels, the Service faces the problem of a wide age-spread. The young Clerical Assistant or Clerical Officer entering at about 16 finds himself a member of a grade that contains many older men and women, many of whom have entered the Service in middle age. Similarly the young Executive Officer entering at 18 enters a grade that consists as to 60 per cent of promoted Clerical Officers. The numbers involved in a large department are very considerable, and it is a major problem of management to make sure that the very different types of Clerical and Executive Officer are posted to the right kinds of job, and that young entrants are kept interested and their potential developed. The Service has in our view failed to solve this problem.

1. A necessary step seems to us to be a complete review of grading at these levels designed to separate the jobs that are appropriate to the older civil servant whose aptitudes and experience fit him for the supervision of clerical and similar work, from those appropriate to the young entrant who with training and experience should be capable of rising in the Service. We believe that there are at present too few grades for this purpose, and that an increase in their number (which need not be great) should also help to reduce the length of the Clerical Officer and Executive Officer pay-scales—at present a deterrent to the recruitment and retention of capable young men and women. The proposal we make in Chapter 6 for a common grading system based on more rigorous methods of job evaluation should be a major factor in bringing about this necessary change.

1. In addition, however, we think that departments will need to put much greater effort into personnel management at these levels. New entrants should be regarded as being under training for their first three or four years. They should receive more substantial induction training. It should be the duty of the personnel management of the department to watch them all, assess

their progress, encourage the good ones and admonish the indifferent. They should be guided to take additional qualifications appropriate to their field. More specialised training should be provided as aptitudes and potential begin to emerge; the best of them should join the training grade we propose in the next paragraph by the time they reach their mid-twenties.

1. For the graduate entry, and for those who have shown the highest ability among non-graduate entrants, we propose the introduction of a training grade. Its object should be to create a fast promotion route for the most promising young men and women; to test these young civil servants in jobs at different levels of responsibility; and to provide a sufficiently extended period for their training. The time spent in the training grade would be variable; it might well differ as between a non-graduate entrant promoted from below, a direct entrant to one of the groups of administrators referred to in Chapter 2, and a directly recruited specialist; depending on individual circumstances, it could be anything from two to five years. We give further details in paragraphs 106 to 108 below.

1. In each case the destination of the trainee when he leaves the training grade should be determined by his ability and performance without regard to the claims of seniority; it is essential to the concept of a training grade distinct from the general grading structure that trainees should go straight from it to the level justified by their performance. Our proposal for a training grade does not however imply that a recruit should not have a fully responsible job while he remains in the grade. On the contrary, it is partly intended as a device to enable him to be given the maximum responsibility he can shoulder, to try him out in different jobs, and at the same time to see that he gets the training and opportunities appropriate to his case. We see it and the proposals we have made in paragraphs 93 and 94 as an explicit affirmation of the Service's intention to give special care and early training to those young men and women who are capable of rapid advancement.

TRAINING

1. Great efforts have been made in recent years to increase the amount of training that civil servants receive. The total training effort is now, therefore, impressive—particularly vocational training. There are very thorough courses, for example, for those who have to be schooled in the intricacies of the social security regulations or for those who have to be taught particular skills such as contract procedures or computer programming. But, these apart, there is little certainty that the subjects and techniques people are taught on training courses will actually be relevant or applicable to their work. This is hardly surprising when, as we have pointed out, the practice of the Service hitherto has been to move staff at frequent intervals from one field of activity to another. Moreover as our Management Consultancy Group makes clear, many administrators and specialists have received inadequate training (or none at all) in techniques of modern management.

1. We have said that in the more professional Civil Service of the future it will not be enough for civil servants to be skilled in the techniques of administration: they must also have a thorough knowledge of the subject-matter of their field of administration and keep up to date in it. Thus training should be designed to equip administrators to operate in one or other of

the broad groups we have referred to in Chapter 2. Similarly, specialists need to be equipped to an appropriate degree for administration and management in addition to their normal skills in their specialism.

99. In order to achieve this objective, we propose the creation of a Civil Service College. We see the College as fulfilling three main functions.

100. First, the College should provide major training courses in administration and management. These should include:—

- a. courses for specialists (e.g. scientists, engineers, architects) who need training in administration and management both early in their careers and later;
- a. post-entry training for graduates directly recruited for administrative work in the economic and financial or social areas of government;
- a. additional courses in management for those in their 30's and 40* s moving into top management;
- a. refresher courses in the latest management techniques;
- a. courses for the best of the younger entry to help them to compete with the graduates.

Some of the courses should be wholly or partly residential.

1. Secondly, the College should provide a wide range of shorter training courses for a much larger body of staff. These shorter courses should be in both general management and vocational subjects; they should be designed for all levels of staff and particularly for the more junior. We think it likely that such central courses could train civil servants more economically and to a higher standard in some fields than can be achieved by separate departmental training; we recommend, therefore, a review of the balance between central and departmental training to assess the possible extent of such a change.

1. Thirdly, we think that the College should also have two important research functions. It will be uniquely placed to conduct research into problems of administration and those of machinery of government. In addition, however, we hope that the Planning Units in departments, which we recommend in Chapter 5, will commission the College to undertake specific research into problems of present or future policy on which they need assistance. Publication and open discussion are important to research; the College should encourage this to the greatest possible extent.

1. This combination of major teaching and research functions should enable the College to fulfil a role that we believe is greatly needed. It should become a focus for the discussion of many of the most important problems facing the Civil Service as a whole—discussion in which we hope that many outside the Service will share.

1. We do not attempt to prescribe exactly where the two kinds of training courses should be provided. We think it important however that the major courses, including those that are residential, should be concentrated in a single establishment large enough to be the natural centre of training and research within the Service* It need not necessarily, as we see it, be in London—indeed, there would be some advantage in its being outside. But it should be close enough to London to be accessible without difficulty for

leaders in many walks of life. The shorter courses for the larger student body on the other hand will need to be provided in London within easy reach of Whitehall and the main range of government offices. A large, non residential centre will be needed. It may well be that this will have to be physically separate from the main establishment, because of the difficulty of providing teaching accommodation for a very large total student-body in one place; unless the residential establishment is quite near the centre of London, the other should in any case be separate.

1. It would not be appropriate for us to try to lay down the exact scope and content of the courses to be provided by the Civil Service College. In the next three paragraphs, however, we give a broad outline of the way training in the future should in our view assist, both in providing the new professionalism we have sought to prescribe and in giving ample opportunity for every civil servant fully to develop his talent.

1. Young graduates recruited into the training grade for one of the administrative groups referred to in Chapter 2 should, after an appropriate induction course, spend an initial period of up to two years in their departments, either at headquarters or, wherever possible, for some of the time in local or regional offices. During this period they should be placed in one or two different jobs selected to test their ability and aptitudes and develop their capacity to take responsibility. We attach importance to giving as many as possible the experience—more than can be gained from sight-seeing visits—of working in the places and at the levels at which the Civil Service meets and deals with individual members of the public. Once they have passed probation (see Chapter 4, paragraph 143), they should embark upon their main formal training. This should last for up to one year, but it may well be appropriate to divide it into two or three approximately equal parts. We think that the course should contain four main elements:—

- a. Further training in the subject-matter of the various administrative groups, designed to relate the concepts of the fields concerned (economic and financial or social) to the practical problems of government. The course for Assistant Principals at the Centre for Administrative Studies now gives such training in economics; there should also be courses to cover the social field. As far as possible, both should be adapted to the needs of the individual, by taking into account the qualifications he already possesses in his chosen field and by providing in whatever way is most appropriate for special study of subjects handled by his particular department.
- a. The techniques of modern management, including staff organisation and management and the uses of numerical analysis as a tool for dealing with management problems.
- a. More advanced and specialised training in the application of an individual's specialism to his particular field of activity.
- a. The machinery and practice of government and administration including relations with Parliament, public corporations, and local authorities.

We expect that the weighting and timing of these four broad elements will vary between individuals. Not all will be of the type to get most benefit from advanced theoretical training. Equally, not all will need to make the

same detailed study of the machinery and practice of government. Some will need training at relatively greater depth in management techniques. We do not wish to lay down any rigid pattern in what should essentially be a flexible process designed to meet the needs of the individual, the administrative group in which he is working, and the requirements of his department. Between the parts of his training course, and after it is over, the graduate should spend some further time in his department, still under training but undertaking more responsible work. During this period also, as many as possible should gain experience of work outside the Service—in local government or private or nationalised industry, as is most appropriate. We discuss this further in Chapter 4 and Appendix G. At some stage, too, all should have practical experience in the supervision and control of staff. For some there may also be a spell in a Private Office. The whole process should take up to 5 years, after which the graduate should be posted to the grade and level of job commensurate with the ability he has demonstrated since joining the Service. The outstandingly able graduate who has entered without a relevant qualification for his administrative group should start the process after one of the additional courses of academic training outlined in paragraph 79 above.

1. We are proposing for the graduate entrant to administrative work a crowded programme of training—on the job, in formal courses, and on attachments designed to broaden his outlook. We recognise that this involves the risk of trying to do too much in too short a time and of preventing young entrants from settling down to a sustained job of work. To counter this, the programme should be flexible. We do not wish to insist that every entrant should go through the whole of the process we have outlined before he leaves the training grade; in some cases it may be appropriate that attachments and loans should take place at a rather later stage. But such variations should not be allowed to upset the general objective of giving the graduate entrant his professional training as soon as possible after he enters the Service, so that he can make a fully effective contribution in the field of his specialisation during the early years of his career.

1. The arrangements for young graduates recruited to the training grade as specialists should not follow any single pattern. Much will depend on their particular field of expertise—whether, for example, they are scientists, engineers, architects or economists. Much will also depend on the requirements of the job they have been recruited to do. In any event, after an initial introduction to the work of the department or establishment, most will be put on the particular job for which they have been recruited. We think that in most cases they will wish to concentrate on their particular line of specialist activity for some time. It may, however, become clear after a period that an individual is more suited to a different type or level of job; the fact that he is in a training grade will facilitate his transfer to this. It may well be, too, that the requirements of a particular profession involved obtaining further qualifications or experience; some may be obtainable in the Service, some not. In any event we envisage that many specialist graduates should, after a few years in the Service, go to appropriate management courses at the Civil Service College. For some the emphasis will be on the organisation and control of staff, for others on the techniques of management

and financial control. After the completion of such courses, and in any case within three or four years, the specialist should be posted to the grade and level of job commensurate with the ability he has demonstrated since joining the Service. Thereafter we think that many should be selected to return to the Civil Service College at the appropriate stage for longer and more general courses in administration and management, to qualify them for the wider role we have proposed they should play.

1. The 18-year-old entry, both administrative and specialist, should be encouraged to take additional qualifications appropriate to their work (diplomas, H.N.C., etc.). Many of the training and further educational facilities needed for this are available in the general educational system of the country. We recommend that bursaries and paid leave should be made available for those attending such courses. These should be supplemented as necessary within the Service through the shorter non-residential courses we have proposed. In addition to this, however, those of them who are engaged on, or are expected to go on to, management work will need training, and we recommend that the best of these should be picked out to join the graduates on the courses proposed in paragraph 100 above. Short central courses could be a useful aid to selection for this purpose.

1. The proposals we have made so far relate to the new entrants of the future. The Civil Service College will also need to provide immediately for the present generation of civil servants, many of whom have had little training since they first entered the Service. This constitutes a major transitional problem which must be energetically tackled if the professionalism the Service needs is to be achieved, and to prevent the older and younger members of the Service from being separated by a damaging gap. Besides building up its courses for new entrants, therefore, the College will need to put in hand a rapid and large-scale programme for the further training of the present generation, and especially of those who entered the Service before recent improvements in the training programme began.

1. The course provided by the Civil Service College should not be restricted to civil servants. Indeed, we hope that on many of its courses a proportion of the places will be set aside for men and women from private industrial and commercial firms, local government and the public corporations. In our view, the College has an important part to play in laying the foundations for a greater understanding between civil servants and the outside world.

1. At the same time, the Civil Service College should not attempt to provide the total amount of training required by civil servants. First, departments should continue to run their own courses, though the College will have a part to play in giving advice and guidance. Secondly, we think it most important that more civil servants should attend courses at universities and business schools, not only because of the intrinsic value of their curricula but also again to help ensure that civil servants are not isolated from their counterparts in other employments. Many courses, especially those designed for the particular needs of the Service, must always be mounted internally. But wherever appropriate courses are to be found outside the Service, we hope that full advantage will be taken of them.

1. A College operating on the large scale we propose will obviously

need its own full-time teaching and lecturing staff. But in our view the College should also use on a part-time or ad hoc basis civil servants and a substantial number of teachers and instructors drawn from a wide range of institutions of higher education (including the new schools of business administration). They should also come from industry and commerce, nationalised industry, and local government. We hope that the Service will associate with the work of the College the widest possible range of interests that can contribute something of value to the training of civil servants.

114. The Civil Service College should be under the general direction of the Civil Service Department which will be responsible for the training policy of the Service as a whole. We consider, however, that the College should have its own governing body, consisting not only of civil servants but also of men and women drawn from a wide range of interests outside the Service—from the universities, polytechnics and business schools, from private and nationalised industry, and from the trade unions and local government. This will help it to remain outward-looking and keep it in touch with the needs of the rest of the country.

CAREER MANAGEMENT

1. During the early years of a man's career we expect him to remain within the specialism or group for which he is trained. This does not mean that he must stay in one job in one department; he should move between jobs and perhaps between departments but usually within the area of his specialism. As far as the administrator is concerned, he should move at much less frequent intervals than he does now. While there will be a great variety of individual career patterns, the basic principle of career management should be a progressive development within a specialism and between fields of activity that are related to each other. While the needs of the Service must come first in this, nevertheless the personal interests and wishes of the individual should be taken into account more positively than appears to be the usual practice at present. This increased attention to personnel management and individual career planning should apply to specialist no less than to administrative staff; in our view much too little of the limited effort that has been put into personnel management in the past has been devoted to the specialists. This will clearly place much greater demands on the personnel and organisation branches of departments, which will need to be expanded to meet them. And, as we explain in Chapter 7, it will also mean that the Civil Service Department must play a much bigger role in this respect than the management side of the Treasury does now.

1. The right promotion at the right time is an essential part of the process of developing to the full the talents of the men and women in the Service. In our view, the present promotion system has serious weaknesses.

1. First, at the middle and lower levels there is too much emphasis on seniority. Seniority is given much less importance at higher levels. But to the extent that this does occur there, it is correspondingly serious. It is in our view of the greatest importance that those who are really able should be appointed to Assistant Secretary and parallel ranks at an early age. There is evidence that there are civil servants, both administrators and specialists, below these ranks who are now frustrated by being given too little responsi-

bility; this is particularly true from the salary level of about £2,500 downwards. Seniority will doubtless always count for promotion in the Civil Service as it does elsewhere; this is right when it reflects experience that will be of value in posts at higher levels. But there should be more opportunity than at present for the exceptionally able to move rapidly up the system. We believe that the pressure to give undue weight to seniority within a given field of work should be relieved by the widening of career opportunities, and that there should be a change of emphasis in the assessment of staff so that more weight is given to performance on the job measured against set objectives. We think that the proposals we make in Chapter 6 for a new structure based on job evaluation will facilitate this change,

1. The second main criticism we make of the present system is that it does not allow promotion to be sufficiently closely linked to the individual's ability, aptitude and qualification to do a particular kind of job at a higher level. The main reason for this is that promotion is based on, and restricted by, the civil servant's membership of his class. We develop this point further in Chapter 6.

1. A system in which promotion is based on past performance and suitability for specific jobs should also help to ensure that undue importance is not attached to the candidate's performance before a promotion board. It should be evident to all that this is not the decisive factor. The primary job of a promotion board should be to produce a fair and uniform judgment of individuals' promise and performance based primarily on the assessment by their different superior officers of their performance in their present jobs.

1. We also recommend a change in promotion procedures. Promotion boards at present deal with promotions up to Chief Executive Officer and equivalent levels, but promotions above these levels are the result of informal consultations. We consider that for promotions to posts at the level of Assistant Secretary, Under Secretary, and their equivalents, the Permanent Secretary of the department should be assisted by a small committee (i.e. a "paper board"). We think that the Committee should always include one of the specialists in the department*. We also recommend in Chapter 7 that a representative of the Civil Service Department should be a member of this committee when promotions to Under Secretary level are being considered, to help to ensure as far as possible that policy and practice are uniform across the Service. In Chapter 6 we distinguish a senior policy and management level for this purpose.

1. Two final points about the status and staffing of the branches responsible for personnel management and organisation. The first is a matter of terminology. These branches are generally called "establishment divisions" and their work is known as "establishment work". This word now carries implications of stuffiness and we believe it to have bad effects both on the status of the work and on the way it is done. We recommend

*One of us (Dr. Norman Hunt) also recommends that a Minister of State or Parliamentary Secretary should be a member of this committee. His presence is necessary for two reasons. Ministers should be more closely associated with these senior-level promotions which will do much to determine the tone and attitudes of the department. Secondly, it is particularly important that promotions at these levels should not become too much based on "in-bred" Civil Service values and attitudes; the Minister will be able to contribute the "outside" detachment which can do some thing to check this danger.

that it should be used no longer. In the rest of our report we refer to " personnel and organisation " divisions or branches; the Service may be able to find a better name.

122. Secondly, these branches and those who have served in them have suffered, both because the work has not generally been regarded as an avenue to promotion to the highest posts in the Service, and because the staff have not developed sufficient expertise. Our proposals, if accepted, will enlarge their future responsibilities and thus improve their status. This should help to attract those who are capable of rising to the highest posts. At the same time this work will call for high expertise and thus for greater specialisation. We welcome this prospect. We wish to add two riders. Those specialising in personnel work should from time to time get experience of work in this field outside the Service. They should also have experience of working in "operating" divisions and of the effect of personnel and organisation work upon them.

CHAPTER 4

MOBILITY, PENSIONS AND A CAREER SERVICE

123. In Chapter 1 we criticised the lack of contact between the Civil Service and the rest of the community. This is partly the consequence of a career service; since we expect most civil servants to spend their entire working lives in the Service some degree of isolation is almost inevitable. The concept of a career service has also been criticised because of the sense of almost total security of tenure that it gives to all established civil servants. Thus though there are provisions for dismissal and for premature retirement in the interests of efficiency, both are in practice rare—and, in the middle and senior grades, very rare. In 1967 dismissals and compulsory retirements of permanent staff in the grades of Executive Officer (and equivalents) and above on the grounds of misconduct and inefficiency numbered 22 (0.015 per cent of the permanent staff in these groups). In the previous four years the figures were

1963	1964	1965	1966
24	24	25	20

We find it hard to believe that these figures should not have been higher. On the other hand, there are strong arguments for preserving a mainly career service in the sense that most civil servants should enter when comparatively young with the expectation, but not the guarantee, of a life-time's employment. We consider them in detail later in this chapter and in substance accept them. Nevertheless we are convinced that, both in the public interest and also for the health of the Service itself, effective steps must be taken to ensure a very much larger and freer flow of men and women between the Service and outside employments than there has been in the past. The proposals in this chapter are designed with these ends in view.

LATE ENTRY

124. Late entry should be considerably expanded. There are people in business, the professions, nationalised industry, local government and the universities whose experience would be most valuable to the Service. The need is particularly obvious in the specialist disciplines such as engineering, where men are needed with practical experience of kinds that the Service cannot always provide. In these fields there is already some late entry; there should be more. But more late entry is also needed on the administrative side (which, as we define it, includes the present Executive Class) where at present it is sporadic and unduly restricted. For example, there is no regular late entry into the Service between the ranks of Executive Officer and Principal Recruitment to the Executive Class is now restricted to the Executive Officer grade; and no starting salary can be higher than the salary point for 25-year-olds. In the Administrative Class late recruitment (leaving aside

special provisions for serving and former members of the Armed Forces and Overseas Civil Service) is mainly to the Principal grade, though there is also provision for the late entry of up to three Assistant Secretaries a year. This was started only in 1964, when six Principals were recruited (35 in 1965, 27 in 1966 and 30 in 1967); so far there have been no more than five late-entry Assistant Secretary appointments. (One of the reasons for the small number of Assistant Secretary appointments is that they are made only if the specific qualifications and experience needed cannot be found within the Service.) This is very far from enough. In our view there should be no restriction on the levels to which suitably qualified and experienced people from outside the Service can be directly appointed. A steady inflow of suitably-qualified older entrants with new ideas and relevant experience would, we believe, bring great benefits throughout the Service.

TEMPORARY APPOINTMENTS

1. At middle and higher levels, there should also be more short-term appointments for fixed periods; this would help to maintain regular movement in and out of the Service. It would be particularly valuable in the case of those specialists, for example some engineers and scientists, whose special contribution would be up-to-date knowledge and practical experience of work outside government. It is also often the best way of using the talents of those, again mainly specialists, who are needed in an advisory capacity. For example, the present system by which professional economists come into the Service from the universities for a few years and then return, perhaps to come back again for further spells later, has been of great value. We think that it should be adopted in other specialist fields. In the various administrative groups similar short-term appointments for those with relevant experience in industry, commerce or the universities could also bring advantages.

1. In addition to temporary appointments of this kind, it has been put to us that the Service also needs to employ people whose status is expressly temporary but of indefinite duration. In total the number of temporaries is very large: 124,000 or 29 per cent of the total non-industrial staff. The great majority are in the lower grades (for example, there are 37,500 temporary Clerical Assistants) and there is a rapid rate of turnover. But there are many temporary appointments at higher levels, and temporaries continue to be employed on this basis for long periods—some for over 20 years and until they reach the retiring age. A number of reasons are given why many civil servants are " temporaries ". Some prefer for their own reasons to enter on a temporary basis or to become temporaries after a period of established service, e.g. retired persons or married women. Others, recruited when pressure was urgent, have been offered only temporary posts because they did not possess the full qualifications needed for permanent appointments. The largest group are those whose jobs are themselves temporary because the need for them is not expected to last.

1. We doubt if the Service is justified in employing as many as 29 per cent of its staff on a temporary basis. In so far as it remains necessary to employ temporaries for indefinite periods, we make recommendations on the terms of service that should apply in their case in paragraphs 137

and 143 below. We consider, however, that the Service should find means of reducing the proportion of temporary staff, and should in particular examine ways of ensuring that civil servants do not continue to serve on a temporary basis for unduly long periods.

SHORT-TERM LOANS AND SECONDMENTS

128. Determined efforts are needed to bring about the temporary inter change of staff with private industry and commerce, nationalised industry and local government on a much larger scale than hitherto. War-time experience proves beyond doubt the value of such movement in promoting mutual knowledge and understanding. Coming at the right stage, experience in a changed environment can also be of decisive importance in the individual's development. Interchange should be a two-way process (though not necessarily head for head) covering both administrative and specialist staff from the level of Higher Executive Officer and equivalent upwards. Efforts are being made to promote these exchanges at present. We welcome the scheme, started in 1965, under which about 25 nominees from industry, commerce and the universities were loaned to the Service for a two-year spell as Principals. We hope that it can be continued and developed. But it is at least as valuable for civil servants to go out for a spell. No doubt there are real obstacles: no doubt it is extremely difficult to spare good civil servants, especially at the level of Principal and upwards. At 1st December, 1967 only 30 civil servants were away on secondment to industry, commerce and local government. We cannot believe that this is the most that can be managed. We develop this point further in Appendix G.

PERSONAL APPOINTMENTS BY MINISTERS

129. • Several times in recent years Ministers have brought in professional experts and advisers of their own. These have been personal appointments in the sense that they have been individuals known to the Ministers concerned, who have judged that their individual qualities and experience could be of special help to them in their departments. We welcome this practice as a means of bringing new men and ideas into the service of the State. We are satisfied that a Minister should be able to employ on a temporary basis such small numbers of experts as he personally considers he needs to help and advise him. They should be men and women of standing and experience. We consider however that this practice should be put on to a regular and clearly understood basis. We think it inappropriate to propose any precise limitation of the numbers of these appointments or any defined procedures. But it should be made clear that such appointments are temporary and that the person concerned has no expectation of remaining when there is a change of Minister.

MOVEMENT OUT OF THE SERVICE

1. The corollary of more late entry into the Service should be a similar flow out of the Service. We think that it should be of three kinds.

1. First, however well the Service is managed, there will always be able men and women who decide for personal or other reasons that they wish to leave the Service for another kind of work. At present the pension

arrangements make voluntary severance difficult. We do not believe that restrictive pension arrangements are the right way to keep staff—even those with scarce skills whose departure is a real loss to the Service. It would be highly regrettable if civil servants did not have valuable contributions to make to other areas of our national life; it should be natural for others to wish to employ them.

1. Secondly, we consider that the Service should take the system of probation much more seriously than it appears to do at present. Out of the Assistant Principals who entered from 1961 to 1965, 221 passed their probation and only four failed. While no doubt the great majority of men and women can be expected to be confirmed in their appointments at the end of probation, the present almost complete certainty of passing success fully through it is not an adequate spur to effort.

1. Thirdly, the Service should have wider powers to retire on pension those who have ceased to earn their keep, and should use them with more determination. Where culpable inefficiency is in question, the present powers seem adequate, though we suspect that they are not always used as fully as they should be. But wider powers are also needed to deal with the small minority who, perhaps through no fault of their own, have unforeseeably ceased to be able to give a satisfactory performance and ought to be retired early in the interests of the Service—on fair terms (see Appendix H).

THE CIVIL SERVICE AS A CAREER

134. We have recommended a much greater flexibility of movement between the Civil Service and other employments. We think however that it should remain a career service in the sense that most civil servants should enter at young ages with the expectation, but not the guarantee, of a life time's employment; and that the great majority of those who come to-occupy top jobs will in practice be career civil servants. There are in our view substantial reasons why this should continue to be so: —

- a. Our avowed aim is to create a Civil Service that is truly professional —expert both in the subject-matter and in the methods of public administration. Long experience and accumulated knowledge are essential parts of this concept. While it involves a constant inflow of new men and ideas from outside, it must also involve for the majority a professional career in the Service.
- a. Civil servants must be able to give forthright advice to their superiors and to Ministers without fearing that a clash of views might lead to dismissal from the Service.
- a. Really able young men are more likely to come into the Service if they know that the top jobs are open to them; if too many of the senior posts were filled from outside the Service, this would produce frustration among those already in the Service and discourage recruitment.
- a. At a time when there is greater intermingling between the public and private sectors, and when the decisions of civil servants are of immediate concern to firms and other organisations, we want to see a substantial increase in the flow of staff, both long-term and short-term, between the Service and commerce and industry. But

this should take place in a professional atmosphere fostered by the fact that the majority of civil servants expect to remain in the Service for a life-time's career. It is important that civil servants should not come to think of those who do business with their departments as their prospective employers, and that firms, which are increasingly required to reveal their technical and financial affairs to government, should be able to do so with confidence.

TERMS OF SERVICE AND PENSION ARRANGEMENTS

1. We thus propose greater mobility into and out of a Service that still continues in the main to be a career service. As a consequence, important changes need to be made in the Service's pension arrangements and the terms on which civil servants are employed.

1. At present the rules of the pension scheme greatly restrict the sort of movement we wish to see. While there is a well-developed system for transferring pension rights in moves between employments in the public sector, this does not extend to moves between the Civil Service and private employment. A person who enters the Service from private employment cannot transfer his pension rights into the Civil Service pension scheme and thus continue to build up a continuous pension entitlement (though he may be able to preserve his rights in his old scheme); and a civil servant under 50 and below the rank of Assistant Secretary who by his own choice leaves to go to a private employment loses his pension rights altogether. Clearly this is a serious impediment to movement both into and out of the Service. We recommend therefore that the Service should, Wherever practicable, make transfer arrangements with private employers to facilitate late entry, and that all civil servants who have served for an appropriate qualifying period should be able to transfer or preserve their pension rights on voluntarily leaving the Service.

1. Most temporary staff are now unpensionable, though a small number are members of the Federated Superannuation System for Universities. We think that every person—subject to having served for a specified qualifying period—should be entitled to a pension related to the length of his service. We therefore recommend that the pension scheme should be extended to cover temporary staff.

1. We also believe that the Service needs wider and more flexible powers than those provided in the present Superannuation Act in two respects:—

- a. to provide reasonable severance arrangements for those who are obliged to retire in the interests of the Service before they reach the normal retiring age, as proposed in paragraph 133;
- a. to offer improved pension arrangements where these are needed to attract into the Service individual late entrants with special ability, qualifications or experience, who are unable because of the shortness of their prospective period of service to earn a good pension by the time they reach the retiring age.

139. The present pension scheme is non-contributory. It could be suitably adapted to give effect to the proposals in paragraph 136 and 137

above. We think, however, that it would be marginally easier to deal with short periods of service, and that other advantages would accrue, if the scheme were put on to a contributory basis. This proposal has been made more than once before, notably by the Tomlin Commission in 1931, but has never been proceeded with. We understand that the basis of the Civil Service pension scheme, as indeed of all public-service pension schemes, will need to be re-examined when the proposed system of National Insurance retirement pensions related to earnings is introduced; and that the question of contributions is bound to be reviewed in that context. We hope that this review will be speedily conducted and will take full account of the arguments in favour of a contributory scheme.

1. The recommendations in paragraphs 136 to 139 above are discussed in greater detail in Appendix H.

1. We now turn to the terms on which civil servants are employed, and in particular to the question of established status. The origin and meaning of establishment are set out in a note by the Treasury, which we publish at Volume 4, Section IV. Briefly, an established civil servant is (in most cases) one who has been admitted to the Civil Service with a certificate from the Civil Service Commission (certifying that he satisfies the conditions laid down for his appointment); and only those who have been so certificated are pensionable. Established civil servants have much greater security of tenure than unestablished. We have recommended above that the link between establishment and pensionability should be broken. The question is whether the concept of establishment should then remain.

1. In our view, it should be abolished. The term "establishment" has acquired overtones of comfort and complacency, and damages the reputation of the Service. More important, the concept of established status has engendered an atmosphere within the Service that in practice, though not in theory, offers too much protection. It is not true that a civil servant, once established, is completely secure in his job, however lazy or inefficient he may be. But establishment has come to imply a presumption of security until retirement, which goes beyond what is genuinely needed and, we believe, hampers the elimination of the small minority who do not earn their keep.

1. In our view, the new terms of employment required to produce greater mobility into and out of a largely career service are as follows:—

- a. For all appointments, except the temporary staff discussed in paragraphs 125 and 126 above, there should be a two-year period of probation.
- a. On successful completion of probation an individual should be informed of this by letter and offered indefinite employment, subject to a reasonably long period of notice: we suggest up to six months on each side. The Service should be able to end the employment only on one of the following grounds:—
 - (i) redundancy, in circumstances in which he cannot appropriately be found a comparable job in another branch or department;
 - (ii) ill health;
 - (iii) disciplinary reasons such as misconduct or unreasonable refusal

to move to another job in the Service when mobility is one of his conditions of service;

(iv) culpable inefficiency;

(v) early retirement in the interests of the Service, as proposed in paragraph 133. In each case there should be appropriate safeguards for the person concerned. We have not examined the procedures, formal and informal, that now govern (i) to (iv), and therefore have no changes to propose. We discuss the procedure appropriate to the new proposal at (v) in Appendix H.

(c) The temporaries at paragraphs 125 and 126 above should, wherever possible, be offered short-term appointments for a specified number of years.

144. We think that the process of confirming a civil servant in his appointment (paragraph 143 (b) above) should be handled in a way that reduces the administrative complications now involved in the process of establishment. First, it should be delayed until successful completion of the probationary period; this should help to speed up recruitment, delays in which are today partly attributable to the procedures for establishing successful candidates. Secondly, there should be considerable delegation of authority. At junior levels (i.e. below the level of the graduate entry), we think that the employing department should determine that a person has successfully passed his probation and confirm him in his appointment accordingly. It should however report each case to the Civil Service Department, which should watch over the general standards observed by individual departments, and should conduct spot checks to see that standards are being maintained. At the graduate entry and higher levels, the authority should be the Civil Service Department. At the end of the probationary period, a department recommending a recruit for confirmation should submit a report stating that he has the necessary qualifications and is showing satisfactory performance and adequate promise for his grade.

CHAPTERS

THE STRUCTURE OF DEPARTMENTS AND THE PROMOTION OF EFFICIENCY

1. To function efficiently, large organisations, including government departments, need a structure in which units and individual members have authority that is clearly defined and responsibilities for which they can be held accountable. There should be recognised methods of assessing their success in achieving specified objectives.

1. The organisation of a government department today usually defines with great clarity the area of a civil servant's responsibility; his position within his hierarchy is also clearly established. But it is not easy in the Civil Service clearly and distinctly to allocate to individuals or units the authority to take decisions. There are two reasons for this. Decisions often have to be referred to a higher level than their intrinsic difficulty or apparent importance merits; this is because they involve the responsibility of the Minister to Parliament and may be questioned there. At the same time, many problems overlap departments; they often involve wide consultations at many different levels both between departments and with a variety of interests outside the Service. Decisions therefore are frequently collective decisions achieved through a sequence of committees—culminating, if need be, in the collective responsibility of the Cabinet.

1. For these reasons clear delegation of authority is particularly difficult in the Civil Service. This has led well-informed observers, including some who have given evidence to us, to conclude that large-scale executive operations cannot be effectively run by government departments, and that they should be "hived off" wherever possible to independent boards. We discussed this suggestion in the concluding section of this chapter. We believe, however, that the work of departments can be so organised as to enable responsibility and authority to be defined and allocated more clearly than they often are at present. Individuals and units could then be called to account for performance which is measured as objectively as possible. In our view, this is true in different ways of many sides of a department's work. We consider this principle of organisation to be a necessary condition for achieving maximum departmental efficiency and for enabling men and women to get the greatest satisfaction from their work.

1. There can be no standard pattern of departmental organisation to achieve these ends. The responsibilities of government departments are extremely diverse. Each department, therefore, has to organise its staff in the way most appropriate to its own tasks. Nevertheless, there are certain common elements in the work for which the top-level direction of each department has to provide. Our proposals concentrate on four of these: —

- (a) The management of the department's executive activities, many

of them laid down by legislation. These constitute the work of most civil servants and vary widely. They include, for example, much research and development work, all kinds of procurement, the management of technological projects and programmes, inspection and monitoring work of many kinds and the management of social services, such as the running of employment exchanges and National Insurance offices.

- a. Administrative activities, mostly of a non-executive character, concerned often with the operation and adaptation of existing policies. Examples of these are high-level case-work arising from the detailed application of policy, exercising the department's financial controls over its expenditure, and dealing with the wide variety of problems arising from the services administered by local authorities (education, housing, roads, town and country planning, etc.).
- a. The day-to-day organisation of the department's staff and work and the provision of its internal services (i.e. the work of personnel and organisation divisions).
- a. The formulation and review of policy under political direction.

149. The precise application of our recommendations to these broad aspects of departmental work will differ from department to department. They will, however, involve substantial changes in the present basic pattern. In particular, for each major department (and, where applicable, smaller ones) we recommend: —

- a. the organisation of executive activities in such a way that the principles of accountable management can be applied;
- a. the provision of high-level management services;
- a. the creation of a long-term Planning Unit or Units;
- a. a top departmental structure in which, while overall direction under the Minister must rest unequivocally with the Permanent Secretary, there should be closely associated with him a Senior Policy Adviser or Advisers and, where appropriate, a chief scientist, engineer or other senior specialist.

ACCOUNTABLE AND EFFICIENT MANAGEMENT

1. Accountable management means holding individuals and units responsible for performance measured as objectively as possible. Its achievement depends upon identifying or establishing accountable units within government departments—units where output can be measured against costs or other criteria, and where individuals can be held personally responsible for their performance.

1. The establishment of such units must involve an addition to the Service's traditional accounting methods. The present system of voting does not automatically provide complete cost figures for the work and expenditure of individual divisions and branches or for particular activities; only recently have arrangements been introduced in some departments to supplement the formal parliamentary accounts with cost data of this kind. Accountable management requires the identification of those parts of the

organisation that form convenient groupings (or "centres"). to which costs can be precisely allocated as the responsibility of the man in charge. We regard this as essential to systematic management control.

1. There is a complementary need to establish for the same groups and units standards of achievement by which their performance can be judged. Clearly this is more easily done in some parts of the Service than in others.

1. Wherever measures of achievement can be established in quantitative or financial terms, and individuals held responsible for output and costs, accountable units should be set up. We believe this to be practicable over a very wide area of the executive work in paragraph 148(a). Much of this work is done in establishments outside headquarters; some is nation-wide. The most straightforward cases are where there is a physical output, e.g. in stores or supplies. But it is also possible to measure output against costs wherever a large number of similar and defined operations are performed. For example, in the registration of applications, the payment of benefits and the handling of individual employment problems, local offices could establish standards of achievement by using the statistical data they already collect relating to transactions handled. At present this information is largely used to determine the number and type of staff required; it could be used to measure the comparative efficiency of different units. These accountable units would correspond to the "budget centres" which have been widely developed as an instrument of managerial control in progressive industry.

1. Work of this kind should thus be organised into separate "commands". The manager of each command should be given clear-cut responsibilities and commensurate authority and should be held accountable for performance against budgets, standards of achievement and other tests. Within his unit he should set up sub-systems of responsibility and delegated authority on similar lines.

1. Different considerations apply to much of the administrative work mentioned in paragraph 148(b). Here measurable output cannot always be made the criterion for assessing performance. One cannot lay down in advance how long it should take to review effectively the investment programme of a nationalised industry, or to study and make a sound recommendation on the acceptability of a proposed company merger. The assessment of administrative work is also complicated by the unpredictable demands that arise from the Minister's responsibility to Parliament, and by the fact that much of it contains a major element of new policy-making, involving consultation, negotiation and the preparation of legislation.

1. It is still, however, important that those engaged on administrative work of this kind should know what their objectives are and that their performance should be judged by their results. The principle to be applied here is management by objective. Whether the branch is primarily concerned with administering existing policies (paragraph 148(b) above), with planning new policies or with research, its objectives and priorities need to be clearly established. To some extent, of course, many branches work in this way now. But the principle of management by objective is not applied as systematically or widely in the Service as it should be. It should be normal practice everywhere for heads of branches doing this kind of

work to agree with their superiors and subordinates the tasks assigned, relative priorities and dates for completion, and regularly to review progress. Individuals at all levels should know what they are responsible for and what authority they have. The effectiveness of the branch and the contribution of its individual members could then be more objectively assessed.

1. Further changes in the way in which many departments organise their work are also needed if the principles of accountable management are to be applied as fully and as widely as they ought to be. Three main obstacles at present stand in the way of the effective allocation of responsibility and authority.

1. The first of these arises when several departments, or several branches within a department, have a substantial interest in the same problem. With responsibility diffused, the need for wide consultation may mean that all can move forward only at the pace of the slowest. This limitation is inherent in much government work. Despite this, it should be possible, especially where the problem is reasonably self-contained, to devise methods of concentrating in one man or group the responsibility for organising the relevant material and putting forward a solution. Where problems involve several departments, it may often be the right course to set up a team. This is, in fact, often done now. There is however too much of a tendency at present for members of groups of this kind to try to carry their departments with them at each step of the way. We feel that more specific allocation of responsibility to individuals, both departmentally and inter-departmentally, is needed. The interests of many different Ministers are often, if not usually, involved. Nevertheless, the problem-solving approach, has great value, since it reduces the temptation to "pass the buck", and it can do much to develop the competence and confidence of the individuals concerned. We recommend that departments should make opportunities for adopting it whenever they can.

1. Another general obstacle to the clear allocation of personal responsibility and authority frequently arises from the number of levels in the hierarchy of most Whitehall departments. Usually there are at least seven organisational levels in administrative work (from Executive Officer to Permanent Secretary), rather more than there would be in a typical industrial situation, and spans of control (i.e. the number of subordinates reporting directly to a superior) are very narrow, usually only two or three. Similar narrow spans of control are found in other hierarchies, e.g. in the organisation of much engineering work. Often, from Executive Officer upwards, each level "has a go" at a paper or a problem, adding comments or suggestions as it goes up the hierarchy until it reaches the point at which somebody takes a decision. This point is often higher than it would otherwise be because decisions may involve the Minister in having to answer for them in Parliament. In consequence, personal responsibility and authority are obscured; delay follows. We think that the number of working levels in the traditional organisation of the flow of business should be reduced. The level or levels omitted will obviously vary in different situations. Much more often than now, for example, an Executive Officer should work direct to a Senior Executive Officer, or a Principal direct to an Under Secretary. With "flatter" structures there can be a more precise allocation of responsibility and authority. We think the Service ought to make bold experiments in this direction.

1. The third obstacle arises in those areas of the Service where administrators and specialists (e.g. engineers, architects, quantity surveyors and planning officers) are jointly engaged on a common task like the design and preparation of military installations and the supervision of their construction by outside contractors. Where this happens, the two main systems of organisation at present are known as "parallel hierarchies" and "joint hierarchies". In parallel hierarchies, the responsibility is bisected: financial and overall policy control is entrusted to administrators organised in one hierarchy, while advice on the technical merits of a case and the execution and development of technical policy is laid to specialists organised in a separate but parallel hierarchy. In joint hierarchies, an administrator and a specialist are designated joint heads of a block of work, but at lower levels the separation of functions still occurs, with financial control in the hands of the administrators. The way these arrangements work is described in more detail in the report of the Management Consultancy Group.

1. We are aware of the advantages claimed for these forms of organisation, but we are satisfied that they are outweighed by their very considerable disadvantages. They produce delay and inefficiency because of the need for constant reference to and fro between the hierarchies. They prevent the specialists from exercising the full range of responsibilities normally associated with their professions and exercised by their counterparts outside the Service. In particular, they obscure individual responsibility and accountability; no single person at any level has clear-cut managerial responsibility for the whole task.

1. These common tasks frequently include a large volume of non technical work—some of it routine, some of it requiring considerable expertise, e.g. in preparing legislation and regulations and in the financial procedures of government. Nevertheless we consider that the best organisation for this kind of work is a single integrated structure under a single head. The head of the structure should be the man with the most appropriate qualifications for the job. Beneath the single head, administrators and specialists should be integrated in teams or unified hierarchies, where individual posts are filled by administrators or specialists according to the requirements of the task. Part of the Ministry of Technology already operates on the basis of a unified hierarchy incorporating all necessary technical, financial, administrative and other specialist staff. The speed with which this new pattern can replace joint and parallel hierarchies throughout the Service will depend on the availability of men and women with the right training and experience; it will take time to find and develop the skills required.

THE DEPARTMENTAL MANAGEMENT SERVICES UNIT

163. Implementing the proposals we have so far outlined would not by itself be enough to guarantee full efficiency and the maintenance of the highest standards of management. The Service will also need to devise the right machinery for ensuring that each department keeps its organisation up to date, conducts a regular audit of its efficiency, and constantly applies the best available methods and techniques to its tasks. The use of outside consultants could help and the central management services of the new Civil Service Department should be an effective spur. But the primary

responsibility must lie with the department itself. Thus departmental personnel and organisation divisions have a key role to play. These divisions are primarily concerned with personnel and efficiency and therefore have a powerful influence on the total operation of departments at all levels. We discuss their role in personnel management in Chapter 3. Here we concentrate on their task of promoting and maintaining efficient organisation and methods of work.

164. Although the Civil Service has played a major part in the development of organisation and methods (O and M) in this country, the work of departmental O and M divisions in promoting efficiency is at present often inadequate. The findings of our Management Consultancy Group indicate that the reasons for this are as follows:—

- a. O and M staff tend in practice to focus on methods to the exclusion of organisation, and too rarely question whether a particular task actually needs to be done at all. Normally, there is little, if any, investigation of work above the lower and middle levels of a department. There is, too, the serious weakness that the staff employed on this work (nearly always members of the Executive Class and not normally above Senior Executive Officer) have not the rank or authority to operate effectively at higher levels.
- a. O and M investigations begin for the most part only by invitation from the head of an operating division when he decides that he has a problem. Some departments conduct planned reviews of selected areas but the current emphasis is on *ad hoc* assignments. And when such assignments (or reviews) have been completed, O and M staff usually do not sufficiently participate in seeing their recommendations put into effect.
- a. The separation of staff inspection (assessing the numbers of staff required for the efficient performance of a given amount of work) and O and M (analysing the tasks and the methods by which they are performed as well as the organisation required for the purpose) divides what should be a unified operation. We are aware that these separate responsibilities usually converge at the Under Secretary level. It is the separateness of the two actual operations that we are criticising. We acknowledge that there are occasions when a limited rather than a full-scale operation is all that is required, for example to investigate a request for one or two additions to a division's staff; but this cannot justify the present separation.
- a. The staff engaged in O and M and staff inspection work are not sufficiently expert; they are frequently "generalists" who, because they spend too short a time on the job, lack the necessary qualifications and experience.

165. In our view, each major department should contain a management services unit with wider responsibilities and functions than are given to O and M divisions today. In particular, we should like to see the following changes:

- (a) Efficiency audits should be introduced involving all aspects of the

department's work at all levels. This should take place as part of a constant and phased review of the total operation of the department. In particular, special attention should be paid to studies designed to improve organisational efficiency.

- a. The management services unit should be fully and clearly responsible for promoting throughout the department the use of the best management techniques.
- a. O and M should be equipped to operate effectively at all levels in a department and not just at the middle and lower levels.
- a. The functions of O and M and staff inspection should be assimilated and combined in the same unit; this would mount operations of varying scope and depth according to the nature of the problem.

1. The management services unit must be properly staffed. It cannot carry these enlarged responsibilities if it consists of inexperienced general administrators assigned to the unit as part of a regular three- to four-year rotation between widely differing jobs. The work demands specialisation from men and women with high qualifications. The staff should be drawn from the groups of administrators referred to in Chapter 2, from appropriate specialists, including accountants, and from those with experience of similar work outside the Service, including some with practical experience of management in industry. Many should spend long periods—in some cases the better part of their careers—in this type of work gaining additional qualifications and experience, moving between different departments, including the Civil Service Department, and between the Service and similar work in other employments outside.

1. The qualifications and training of the management services staff of the Civil Service must compare favourably with those doing similar work outside, e.g. in large management consultancy firms. Many should have a relevant degree or equivalent professional qualification and not less than five years' experience as manager or administrator in an operating division. This needs to be followed by more specialised training in management techniques and a great deal of refresher training subsequently. There is almost no-one now in departmental establishment work with qualifications and experience of this order.

1. Our proposals are not intended to discourage departments from bringing in outside consultants for special assignments. Departments have done this to an increasing extent over the last few years. It is in our view a necessary supplement to the work of their own management services units; it will help to keep the units themselves fully up to date and it can be of particular value when problems of organisation arise at the highest levels within departments.

1. It is important that the creation of stronger management services units should not detract from the responsibility of members of operating divisions for their own efficiency. The prime responsibility for the efficiency of their work must rest with them. The role of the management services unit should be to give any assistance that is needed and generally to act as a spur to the achievement of higher standards.

1. We are convinced that the creation of management services units

of this kind in departments is the only way to ensure that all unnecessary work is eliminated and that staffs are kept to the absolute minimum. We believe that there are substantial savings to be achieved by such units, staffed and operating in the way we have described. These units too should themselves be subjected to an external efficiency audit about every five years; it might be done by a team drawn partly from central management services and partly from outside management consultants.

171. We wish to draw special attention to one other factor which is a source of inefficiency at present. Office services (notably secretarial assistance) are frequently inadequate. Much more needs to be done to improve the physical surroundings in which civil servants work. Conditions vary widely; some are lamentable. Squalor is not conducive to pride in the job. We discuss this further in Appendix I.

POLICY PLANNING

1. We emphasised in Chapter 1 the growing need for long-term planning if the problems of modern government are to be foreseen, and the groundwork for decisions prepared in good time. We believe that this responsibility, like the complementary responsibility for the execution of policy, needs to be more clearly defined and allocated. At present policy making, especially long-term policy thinking and planning, is the responsibility of officers over-burdened with more immediate demands arising from the parliamentary and public responsibilities of Ministers. The operation of existing policies, and the detailed preparation of legislation with the associated negotiations and discussions, frequently crowd out demands that appear less immediate. Civil servants, particularly members of the Administrative Class, have to spend a great deal of their time preparing explanatory briefs, answers to Parliamentary Questions, and Ministers' cases. Generally this work involves the assembly of information to explain to others (civil servants, outside bodies and so on) the policies of the department, how they are operating, and how they apply in particular cases. Almost invariably there are urgent deadlines to be met in this kind of work. In this press of daily business, long-term policy-planning and research tend to take second place.

1. We propose that a department's responsibility for major long-term policy-planning should be clearly allocated to a planning and research unit. In the rest of this chapter, we call these "Planning Units". Research is, however, the indispensable basis of proper planning, and the phrase should be understood as referring to a unit equipped to assemble and analyse the information required for its planning work. The unit should be relatively small. Its main task should be to identify and study the problems and needs of the future and the possible means to meet them; it should also be its function to see that day-to-day policy decisions are taken with as full a recognition as possible of their likely implications for the future. The Planning Unit should not carry any responsibility for the day-to-day operations of the department. It will, however, be important to ensure that it does not become too much detached from the main Stream of the department's work. In some departments, e.g. the Home Office, with widely

separated fields of activity, it may well be that more than one Planning Unit should be set up.

1. The staff of Planning Units should develop close contacts with the appropriate experts both inside and outside the Service. They should be aware of, and contribute to, new thinking in their field. They should also be trained in, and have the capacity to use, the relevant techniques of quantitative analysis.

1. We think that Planning Units should be staffed by comparatively young men and women. Thus some of the most able, vigorous and suitably qualified young civil servants will be able to have an early and direct impact on top policy-making, as they do so impressively in France and Sweden, Planning Units also offer scope for the employment of men and women on short-term contracts or temporary secondment to the government service. By offering these opportunities both to young civil servants and to "outsiders", Planning Units will help to generate the thrust and drive that are needed; they should also provide an environment in which those who possess qualities of imagination and foresight can be identified and developed.

1. We think that people should not normally remain in these units beyond their mid-forties (except for the head of the Planning Unit—see para graph 182). After a period of service in Planning Units they should then expect to move—some returning to work outside government, others into the operating sections of their departments.

1. Many of the problems handled by Planning Units will have implications extending beyond the boundaries of a single department. These units may therefore need a measure of central direction if the emerging problems of the country are to be tackled systematically and comprehensively and on the basis of common major hypotheses. The status and location of this central direction, whether by the Cabinet Office, the Treasury or the development of other machinery, is a question of machinery of government and therefore beyond our terms of reference.

THE OVERALL DIRECTION OF DEPARTMENTS

1. The proposals we have made so far in this chapter have important implications for the highest levels of responsibility in departments. Today, responsibility at the top is concentrated in the Permanent Secretary. He has four functions. He is the Minister's most immediate adviser on policy; he is the managing director of the day-to-day operations of the department; he has the ultimate responsibility for questions of staff and organisation; as the Accounting Officer (in nearly every department), he also has the ultimate responsibility for all departmental expenditure.

1. This is a heavy burden. In some departments (the Treasury, Ministry of Defence, Board of Trade and Ministry of Technology) the post of "Second Permanent Secretary" has been introduced. We have strong doubts about it. It attracts a salary of £8,100—£500 below the Permanent Secretary and £1,800 above the Deputy Secretary. The role and status of the Second Permanent Secretary have never been satisfactorily defined: he is below the Permanent Secretary, but not far enough below to occupy a clear position in the chain of command. If, as we propose in Chapter 6, a common grading structure

embracing all the present classes is introduced, special attention should, in our view, be paid to the grading of posts at this level.

1. We believe, however, that the present structure of departments needs reinforcing and diversifying at the highest levels. No Permanent Secretary would claim to be equally skilful at all aspects of his job. However much he delegates, the day-to-day service of his Minister (including helping to deal with the political squalls of the moment) must take priority, and this often prevents him from giving his full personal attention to the long-term objectives and planning of his department. We have already drawn attention to the lengthening time-span of government work and to the increasing emphasis on forward thinking that this demands. Top management outside government is everywhere increasingly concerned with anticipating the needs of the future; it is vital that such forward thinking in the Service should not be impeded by the constant pressure to deal with the needs of the moment.

1. Our proposals for accountable management and for enlarging the role of departmental personnel and organisation divisions will inevitably add still further to the burdens of the Permanent Secretary. He will have to devote more time to his managerial function—to be the spearhead of the constant drive to improve the efficiency of his department at all levels and among the various accountable units; and, with the greater emphasis on career management that we recommend, the Permanent Secretary's responsibility for the selection and movement of staff will become even more important and demanding.

1. We consider, therefore, that in most departments, if not all, there should be a Senior Policy Adviser to assist the Minister. This adviser should be head of the Planning Unit. His prime job, like that of the unit, would be to look to, and prepare for, the future and to ensure that day-to-day policy decisions are taken with as full a recognition as possible of likely future developments. He should be an authority in the department's field of activity. Where a department's responsibilities are so varied that no single adviser can be an authority on all of them, he would be a specialist in a major part of the department's work; the other specialisms required might be included in the Planning Unit*. It would be the job of the Senior Policy Adviser, like his staff, to know the other experts in the field, both inside and outside the Service, at home and abroad; he should be aware of all the important trends in new thinking and practice that are relevant. We hope that the adviser would often be a relatively young man. (We think that considerable advantages are gained in France and Sweden from the system by which the average age of the French *directeurs du cabinet* is 46 and of Swedish under-secretaries 45. The average age of Permanent Secretaries in Britain is 56.) On occasions he might be appointed by the Minister from outside the Service to give a new impetus to its forward thinking. More often, however, we should expect him to be a career civil servant with a long experience in, and expert knowledge of, the field covered by the department, though we think it would be advantageous if he had also had some experience outside.

* Alternatively, in some cases it might be necessary to have more than one such adviser. The precise pattern may differ from department to department but the basic concept is of a departmental Planning Unit or Units with one or more heads, but all detached from responsibility for day-to-day operations and charged with planning for the future.

1. For the proper discharge of his duties, we consider that the Senior Policy Adviser must have direct and unrestricted access to his Minister, both personally and in writing. He should also be free to determine, after consultation with the Permanent Secretary but subject only to the approval of the Minister, what problems his Planning Unit should tackle. While the adviser should have the chief responsibility for planning the longer-term departmental policy, he should not have responsibility for the day-to-day operations of the department; these should remain under the direct control of the Permanent Secretary.

1. We have considered what the status of the Senior Policy Adviser needs to be if he is to fulfil most effectively the role described. Much will depend on the way the Minister wishes to organise his top-level advice. The Permanent Secretary, as we have said, will have enlarged responsibilities for managing his staff and for the efficient organisation and running of the department. We do not wish to make specific recommendations about the Senior Policy Adviser's rank, provided that it is clearly understood that he should have the status commensurate with his being the Minister's main adviser on long-term policy questions and on their implications for the day-to-day policy decisions that have to be taken. This suggests to us that his rank should not normally be below that of Deputy Secretary. To find the right solution needs experiment; no doubt the long-term pattern should vary according to the needs of different departments at different times.

1. In some of the big technical departments there may well be a case for a further top post. For example, where a department is engaged on large-scale scientific research or on major building or engineering projects, it might be right to appoint a chief scientist or a chief engineer to be in charge of these operations. His job would be to take the chief responsibility for the direction of the department's technical work; he would have direct access to the Minister as his main adviser in these matters; he would also be the professional head of the specialist staff. In exceptional cases there might be a need for two such posts.

1. We do not propose that these senior officers, together with the Permanent Secretary, should constitute a formal board. The working arrangements should be informal and variable from department to department and from time to time; different Ministers' individual ways of working will do much to determine the pattern.

1. In any event, we consider that there should be one person who has the overall responsibility under the Minister (subject to the reservation about long-term policy in paragraph 183) for all the affairs of the department, and that this person should, as now, be the Permanent Secretary. He has the main responsibility for the day-to-day service of the Minister and for accounting to Parliament for expenditure. He cannot discharge these responsibilities unless he is ultimately in charge of the departmental machine. In carrying his responsibilities for current operations, he cannot lose his concern for their long-term policy implications, just as the Senior Policy Adviser must have some concern with current policy issues. The Permanent Secretary therefore should still be head of the office under the Minister. At the same time, our proposals about Senior Policy Advisers and chief specialists

should provide Ministers with a wider range of expert advice at the highest level than at present.

THE DELEGATION OF RESPONSIBILITY TO AUTONOMOUS PUBLIC BOARDS

1. We return now to the question referred to in paragraph 145, whether there are areas of Civil Service work that should be "hived off" from the central government machine and entrusted to autonomous public boards or corporations. It has been put to us that accountable management is most effectively introduced when an activity is separately established outside any government department, and that this solution should be adopted for many executive activities, especially the provision of services to the community. These boards or corporations would be wholly responsible in their own fields within the powers delegated to them. Although they would be outside the day-to-day control of Ministers and the scrutiny of Parliament, Ministers would retain powers to give them directions when necessary. There are a number of commercial enterprises within the public sector that are already run on this principle, and it is also shortly to be applied to part of the Civil Service by "hiving off" the Post Office. There are also non-commercial activities in the public sector that are similarly organised, for example, the Atomic Energy Authority.

1. We have seen such a system operating in Sweden where the principle of "hiving off" is much more widely applied than has so far been attempted here. In Sweden central departments deal in the main with policy-making; they are quite small and are predominantly staffed by younger men. The task of managing and operating policies is hived off to autonomous agencies whose senior staff are mainly older men of mature experience. This system is used not only for activities of a commercial kind, but also for public services in social fields. We were much impressed by it. On the other hand, we are aware that in the United States the application of the "hiving-off" principle, as evidenced in the work of the independent regulatory commissions, has attracted a good deal of criticism.

1. Much new policy is a development of that which already exists and springs from practical experience in its operation. Any complete separation of policy-making from execution could therefore be harmful. However this does not appear to happen in Sweden, and we see no reason why the risk should not be provided against. There is indeed a wide variety of activities to which it might be possible to apply the principle of "hiving off". They range from the work of the Royal Mint and air traffic control to parts of the social services. We have not been able to make the detailed study which would be needed to identify particular cases; but we see no reason to believe that the dividing line between activities for which Ministers are directly responsible, and those for which they are not, is necessarily drawn in the right place today. The creation of further autonomous bodies, and the drawing of the line between them and central government, would raise parliamentary and constitutional issues, especially if they affected the answerability for sensitive matters such as the social and education services. These issues and the related questions of machinery of government are beyond

our terms of reference. We think however that the possibility of a considerable extension of " hiving off " should be examined, and we therefore recommend an early and thorough review of the whole question.

191. Meanwhile, we believe that the other recommendations in this Chapter should make it possible to gain some of the benefits that could arise from " hiving off "» even where activities and services remain the direct responsibility of Ministers, by making it possible to allocate responsibility and authority more clearly. In this connection, we attach particular importance to our proposals: —

- a. to distinguish those within departments whose primary responsibility is planning for the future, from those whose main concern is the operation of existing policies or the provision of services;
- a. to establish in departments forms of organisation and principles of accountable management, by which individuals and branches can be held responsible for objectively measured performance.

CHAPTER 6

THE STRUCTURE OF THE CIVIL SERVICE

1. We have recommended a number of far-reaching changes in the way the Civil Service is run. We have reached the conclusion that for these changes to be fully effective, there must also be a fundamental change in the structure of the Service. Civil servants are at present organised in a large number of separate classes, almost all with their own different grading and career structures. This is a major obstacle to the application of the principle we have set out in Chapter 1. We recommend that classes as such should be abolished. In our view, all civil servants should be organised in a single grading structure in which there are an appropriate number of different pay-levels matching different levels of skill and responsibility, and the correct grading for each post is determined by an analysis of the job.

1. The change we are recommending will have massive repercussions on all aspects of Civil Service work and on the way it is organised. We believe it to be necessary, because the present structure of the Service stands in the way of what we consider to be the only efficient method of matching men to jobs—rigorously examining what each post demands before selecting the individual who is best fitted to fill it. The structure we recommend will improve the opportunities of civil servants fully to develop their talents and to get the experience they need for jobs of higher responsibility. It will provide a sound foundation for the application of the principles of accountable management, and hence for the efficient working of government departments. It will mean that the organisation of a block of work can be determined by the best way of doing the job rather than by the need to observe the traditional hierarchy of particular classes. Since it will enable success in achieving set objectives to become the determining factor in promotion, it will be a powerful stimulus to civil servants at all levels. Finally, the opening-up of opportunities, which it will offer to all civil servants, will, we believe, provide the constant competitive challenge needed for the achievement of maximum efficiency.

1. We develop all these points later in this chapter. We also give a fuller description of the new structure we recommend. First, however, we deal with the existing organisation and its defects; we survey it against the objectives which, in our view, the structure should seek to achieve.

THE OBJECTIVES

1. The Civil Service must have a clearly articulated and relatively formal structure; jobs must be graded in distinct bands which determine the pay of their occupants on a rational and fair basis; and relative positions of authority and subordination must be clearly established,

1. The problems of structure would in some ways be much simpler if

each department employed its own staff independently, and constructed its own grading system to fit the precise needs of its own work and staff. But the Civil Service cannot be run in this way. Departments have to work closely together in the achievement of common goals; the boundaries between them are subject to constant revision; the complex interlinking of departmental tasks requires a common approach and methods of work; it is necessary for the effective discharge of the tasks of the Service that staff should be able to move easily between departments—though, as we have stressed, mostly between related kinds of work. To meet these needs, the Service must be a flexible, integrated whole; it must continue to be a unified service. Its structure should be designed accordingly as a structure that is common throughout. Within such a structure two objectives are of overriding importance,

1. The first is that the structure should enable all civil servants, whatever their background, skill or discipline, to make their full contribution to the work of government; in particular, scientific and other specialist staff should be able to bring their professional training and outlook to bear effectively upon today's major problems of policy-making and management. This means an open road to the top of the Service for all kinds of talent. It also means that suitable specialists must be able to take part in policy making and management at the lower and middle levels of the Service; quite apart from the valuable contributions they can make to management at these levels, it is unrealistic to expect specialists to reach top managerial positions without this earlier experience.

1. The second objective is that the structure should promote the effective management of the work, and especially the organisation of mixed teams in the growing areas of work in which solutions to problems need the partnership of different skills and disciplines. Effective management calls for clear allocation of responsibility and chains of command designed to meet the needs of the particular job in hand. It also requires a structure flexible enough to accommodate future changes in the work and in the combinations of skills needed from time to time.

THE PRESENT STRUCTURE

199. The present structure is still fundamentally the product of the Northcote-Trevelyan report. One of its basic principles was that a proper division of labour depended on the clear separation of intellectual from routine work, and on the separate recruitment and deployment of staff for each. Recruitment was directly linked to the output of the educational system; graduates were recruited for the intellectual work and non-graduates for the rest. This principle has been endorsed as regards initial recruitment by the recommendations of subsequent Royal Commissions and Committees

of Inquiry, and supported in the past by the Treasury in its responsibilities for the overall management of the Service (though it has been tempered by a measure of class-to-class promotion after entry). Hence the division of the Service into upper and lower classes in the same broad areas of work. The Administrative, Executive and Clerical Classes are an example of these divisions; direct recruitment to each is in the main linked to the educational system—graduates at 22 or 23 going mainly into the Administrative, school-

leavers with "A levels" into the Executive and school-leavers with "O levels" into the Clerical Classes,

1. Over the years, as the government has taken on new tasks, it has been necessary to recruit large numbers of specialists—scientists, engineers, architects and others. They have been organised separately in their own occupational groups; in the terminology of the Service, the separate grading structures which resulted are also called classes. Within the largest of these occupational groups, further divisions have been drawn between higher and lower classes. For example, there are three scientific classes—the Scientific Officer Class, the Experimental Officer Class and the Scientific Assistant Class—which broadly correspond to the Administrative, Executive and Clerical Classes. Similarly the Works Group of Professional Classes is supported by separate and parallel classes comprising technical officers and draughtsmen.

1. The classes so far mentioned, together with others such as the Legal, Medical and Accountant Classes, are "general service" classes. That is to say, their members are employed in all or in a substantial number of departments, each class with its own separate grading structure and scale of pay. They have been created over a long period of time as a means of unifying the Service. A hundred years ago, each department was largely independent in recruiting and managing its staff. The object of general service classes was to promote common standards and a sense of unity among all those who did similar work in different departments; it was also to enable staff to be moved between similar jobs in different departments. The Administrative, Executive and Clerical Classes were the first of these general service classes; the scientific classes were set up in the 1930's; the Works Group of Professional Classes after the second World War. The most recent addition was the general service Economist Class in 1965.

1. In addition to the general service classes there is a great number of departmental classes, ranging in size from the very large (e.g. the 20,000 or more in the Tax Inspector and Tax Officer Classes in the Inland Revenue) to those comprising only handfuls of staff, whose members are employed in one department only. Departmental classes account for 124,000, or some 27 per cent of all non-industrial civil servants,

1. As a result there are today 47 general service and similar classes whose members are distributed across the Service as a whole and over 1,400 departmental classes whose members work in one department only. Each civil servant is recruited on entry to a particular class, depending on the kind of work he applies for and his educational qualifications for it. His membership of his class determines his prospects, since most classes have their own different grading structures, reflecting responsibility and pay. It largely determines, too, the range of jobs on which he may be employed; there are conventions governing the allocation of types of work to each class, some of which are buttressed by agreements with staff associations. Although there is provision for individuals subsequently to move from one class to another, the processes are formal and restrictive. Thus, in practice, whether they move between departments or, as is more usual, remain in one department, civil servants do not normally think in terms of a career in the Service—they have a career in a class.

1. It is an important feature of the system that there are separate pay

scales for each class. These are determined for each class in accordance with the principles established by the Priestley Commission of 1955. The primary principle is that of "fair comparison with the current remuneration of outside staff employed on broadly comparable work". Internal relativities are used as a supplement to the principle of fair comparison in settling Civil Service rates in detail, and they become the primary consideration when outside comparisons cannot be made.

205. It is also an important feature of the system that the policy-making and general managerial jobs in the Service are generally reserved for members

of the Administrative and Executive Classes. Specialists who seek broader managerial responsibilities normally have to transfer to one or other of these classes.

DEFECTS OF THE PRESENT STRUCTURE

1. The basis of the divisions between higher and lower classes is no longer valid. The work of the Service cannot now be broken down for the purposes of recruitment into two simple categories, the intellectual and the routine, the one appropriate for graduates and the other for the rest. The changing tasks of civil servants refuse to conform to this outmoded division, and the Service can discharge its modern responsibilities only by drawing on many different kinds of ability at every level. Higher-level posts still call for the ability to give advice to Ministers on complex policy issues. But many now also require the ability to run large projects and programmes, and to manage large numbers of staff. The practical, managerial qualities thus required at these levels are not necessarily identified by success in a written degree examination taken many years before or, indeed, by any selection method for testing young people in the late 'teens or early twenties.

1. In the middle ranges, too, there are already jobs for graduates—for example, in the Executive and Experimental Officer Classes. This will certainly continue and the number may grow. But it makes no sense to maintain a class distinction between two groups of people that has now to be based on the often narrow difference between one degree and another—between an upper second and a lower or between a second and a third. It is also difficult to maintain the present sub-division of clerical work into two separate classes, with four or five passes at "O level" required for the Clerical Officer Class and two or three for the Clerical Assistant Class. In addition, as the report of our Management Consultancy Group shows, there is often no discernible difference in content between work done at the lower levels of one class and the upper levels of the one beneath it. We have also to recognise the importance of the man whose promise is latent at the start of his career, but who then proves his worth by his performance. The present structure increases the risk that his talent will remain undiscovered.

1. The occupational divisions between separate disciplines and specialisms are also under strain. They are not at present constructed on any uniform principle. Thus physicists and biologists are grouped in one class, while doctors have a separate class of their own, as do psychologists. Secondly, not all members of the same discipline or occupation are classed together. For example, some electrical and mechanical engineers engaged on research are in the Scientific Officer Class, while others, engaged on construction, are in the Works Group of Professional Classes; but the Works Group also

contains some who are engaged on research. Similarly, there is no clear-cut occupational difference between the work done by members of different classes; for example, it is frequently difficult to distinguish between the tasks given to the following members of three classes—Technical Officer Grade II (Technical Works, Engineering and Allied Classes), Assistant Experimental Officer (Experimental Officer Class) and Senior Scientific Assistant (Scientific Assistant Class.)

209. This structure, as operated today, presents serious obstacles to the most flexible use of staff: —

- a. It prevents the best deployment and use of individual talent. The formal and relatively rigid procedures involved in moving from one class to another place unnecessary barriers in the way of the movement of individuals, both upwards to posts of higher responsibility and sideways between different kinds of related work. It also impedes the rapid development and promotion of young people with outstanding potential.
- a. It is a major obstacle to the ability of the Service to adapt itself to new tasks. Each class tends to regard the posts that its members usually fill as its own preserve, guaranteeing a career structure with a fixed number of posts at various levels. Men and women enter these classes in their youth and form expectations about their prospects, to which they cling with increasing tenacity as the years go by. Staff associations naturally tend to serve as the guardians of these territories, and to resist any proposal that seems likely to reduce the number of posts to which they feel their members have a right. This rigidity in the deployment of staff is particularly serious at a time when the tasks are changing rapidly and new techniques are being developed to meet them. For example, as we point out in Appendix D, accountants could make a useful contribution to financial forecasting and control, procurement and O and M work; they are not in a position to do so because these duties are the province of other classes.
- a. The career opportunities that are thus defined for the different classes vary greatly in their attractiveness and scope, even for people with similar educational qualifications. For example direct graduate entrants to both the Administrative and Scientific Officer Classes need a first or second-class degree. But 46 per cent of the posts in the Administrative Class carry salaries in excess of £3,500 a year, compared with 23.5 per cent of the posts in the Scientific Officer Class. The point of this criticism is not that these proportions should necessarily be equal; the work may not demand a higher proportion of purely scientific posts at middle and high levels. It is that separate classification at these levels encourages the idea that opportunity is not equal—an idea that is justified to the extent that scientists cannot move easily into appropriate middle and higher management posts except through the relatively rigid process involved in moving from one class to another.
- a. The word " class ", and the structure it represents, produce feelings of inferiority as well as of restricted opportunities. This is most

marked in the attitude of other classes towards the Administrative Class, but it can be seen in greater or lesser degree between lower and higher classes generally.

210. The structure also leads to the inefficient organisation of work. It does so in three ways: —

- a. Each class has its prescribed functions. For example, financial and policy work are generally reserved for the Administrative Class with appropriate support from the Executive Class, while technical or scientific work belongs to the specialist classes. Where administrators and specialists are engaged in a common task, parallel or joint hierarchies are the usual devices to enable them to work together. But Within these hierarchies the administrator is normally responsible to another administrator in the next higher grade, and the specialist similarly to another specialist; thus the separation of prescribed responsibilities is maintained. These forms of organisation, which are a major source of inefficiency and frustration, are discussed in Chapter 5; but their roots lie in the structure of the Service.
- a. The separation of functions has a particularly damaging effect in blurring responsibility and authority in command. There are many joint tasks, especially projects and programmes with a high technical content, in which good management depends upon putting a single person in charge and holding him responsible for the result; the rest of the team should be responsible to him. Often, however, the separation of functions results in twin heads being in charge, one a specialist, the other an administrator.
- a. A man's career is primarily thought of as a career within his class. There is therefore a natural pressure to maximise the opportunities of the class, in each area of work that it occupies, by making use of as many of its grades as possible. The presumption thus grows up that the organisation of any area of work Should reflect in full the grading structure of the class concerned—e.g. that the Assistant Secretary is always needed between the Principal and the Under Secretary, and the Executive Officer between the Clerical Officer and the Higher Executive Officer. This is also true of the specialist classes. The convention can be, and is, broken from time to time,
* but not enough. The structure makes it more difficult to do so, and to introduce experiments in the organisation of the work.

1. Underlying many of these criticisms is the fundamental point to which we drew attention in paragraph 193: that the system of classes stands in the way of the most efficient method of matching men to jobs. This is because classes are too crude an instrument for the purpose. They involve two assumptions: that any job can be categorised as appropriate to one or other of the classes; and that it will then be most appropriately filled by selection from the members of that class, all of whom are in principle more likely to be good candidates for it than any member of another class. These assumptions seem to us no longer sound, particularly in view of the work the Civil Service now has to do,

1. There are many jobs that can be filled only by qualified doctors or

engineers; and many that will require the training and experience of the economic or social administrators discussed in Chapter 2. But a growing proportion of jobs in the Service require both technical and managerial knowledge and ability, and cannot now be properly classified as either technical (and therefore reserved for the appropriate specialist class), or managerial (and therefore normally reserved for the Administrative or Executive Class). These jobs are to be found not only in the highest reaches of the Service; they exist at much more modest levels from about £1,500 a year upwards, especially in the big technological departments. Taking the Service as a whole, they may be a relatively small proportion at present. But as the work of the Service continues to change, and as new specialisms emerge, they are certain to multiply. Thus, the categorisation of jobs by class becomes less appropriate year by year; and, when it comes to selection for posts, there is a steadily increasing area of work in which the implied assumption that the best man for the job will be found within a given class has clearly become invalid. In our judgment, therefore, a principle of organisation that rests upon this assumption and relies mainly upon formal procedures for inter-class transfers in order to provide for exceptions is no longer satisfactory and will, if it is not changed, become an increasingly serious obstacle to the proper deployment of talent.

213. Finally, the present system of classes is a major obstacle to the proper application of the principles of accountable management which we recommend in Chapter 5. This is because in analysing jobs the Service now concentrates its attention and thought on the duties and tasks appropriate to particular *classes* and the various levels within them. In contrast, accountable management requires that the main weight should be placed upon an analysis of the results required from each individual *job*, their relative importance to the work of the Service as a whole, and the consequent search for the man with the right qualities and qualifications to produce those results; in this context, the practice of assigning duties to individuals by reference to their membership of particular classes is at best an irrelevant distraction and at worst a serious obstacle to the kind of job evaluation that is needed.

THE NEW STRUCTURE WE PROPOSE

214. The structure the Service needs should in our view be based on the following principles:—

- a. Both the grading of a post and the selection of the man to fill it should be based first and foremost on an evaluation of the job.
- a. Management should appoint to each post the person it considers best fitted by his qualifications and experience to fill it.
- a. No posts should be the preserve of any group, except in so far as the individuals comprising the group may be uniquely qualified for them, e.g. doctors for medical posts.
- a. Since the qualifications and experience required for particular posts will vary from time to time, it should be the right and duty of management to determine the new qualifications and experience required for them,
- a. In filling individual posts, management should promote the right man even if he is not the next in the order of seniority, or bring

him in from outside the Service if he cannot be found within it or if it believes that an appointment from outside would bring a valuable reinforcement of skill and experience.

- a. The pay for posts should continue to reflect the rate for the job on the basis of fair comparison with market rates for jobs of comparable responsibility and authority outside the Service,
- a. The structure should permit work to be organised in such a way that chains of command reflect the demands of the task and, where necessary, cut across any groupings by discipline or type of skill.

The application of these principles demands two fundamental and complementary changes in the structure of the Service. Together they produce the single, unified grading-system running across the whole Service that we referred to in paragraph 192. For the sake of clarity, however, we present them separately at this stage.

1. First, we recommend that the divisions between higher and lower classes should be abolished, and that a continuous grading-system from bottom to top should be substituted in each occupational group. Thus, for example, we propose the merger of the Administrative, Executive, and Clerical Classes, as recommended to us by the Treasury. But we also propose mergers of the Scientific Officer, Experimental Officer and Scientific Assistant Classes and of the Works Group of Professional Classes, the Technical Works, Engineering and Allied Classes and the Architectural and Engineering Draughtsman Classes. Movement upwards, e.g. from clerical to executive or from experimental to scientific work, should be by promotion from a lower to a higher grade; and this should lie within the direct authority of the management of each department, subject to appropriate central supervision of standards and numbers. We also consider that the supporting grades (e.g. messengers, typists, machine operators) should be brought into this structure. We discuss this further in Appendix J.

1. Although this reform will bring the Civil Service into line with other large organisations in this country, where divisions into higher and lower classes are rare, it will present a radical change for the Service itself. It is not simply a question of linking together classes that now operate at completely separate levels of pay and responsibility. There is a good deal of overlap at present between the levels at which these various classes operate and the types of work they do. Thus, to replace the present class structure by a continuous grading structure from bottom to top for each occupational group will involve a major programme of job evaluation: a fresh examination of what each job or kind of job is for, and of the qualifications and experience it requires.

1. Secondly, we believe that the principle of the best man for the job should apply between civil servants of different occupations no less than between those who enter the Service with different levels of educational qualification. No posts should be the preserve of any one group, except in so far as individuals in the group may be uniquely qualified for them. This calls for another radical structural change. It means bringing to an end the system in which an individual can normally move between jobs now reserved for different occupational groups only if he himself moves into a different class.

1. To give full effect to our proposals at paragraphs 215 and 217, we believe that it is necessary to replace the present multitude of classes and their separate career structures by the creation of a classless, uniformly graded structure of the type that is now being adopted in many large business firms and similar to the system used by the Civil Service in the United States. The basis of the system we are proposing is the establishment of a number of successive grading levels that together would embrace all the jobs in the Service. Each grade would carry a range of pay. The number of grades required can be determined only after a more detailed analysis of the existing structure than we have been able to make; but on the basis of the advice we have received, we think that some twenty grades could contain all the jobs from top to bottom in the non-industrial part of the Service.

1. An essential feature of the system is that the salary range (or scale) for each grade should be relatively broad, and that there should be overlapping of salaries between grades (see as an example the salary grading structure of the United States civil service shown in Appendix C). This is to provide scope for advancement within grades. Thus, while the most able will be promoted well before they reach the maximum of their grade, others can continue to earn salary increases within the same grade.

1. All the jobs now performed by the many different classes should be fitted into the appropriate grade. This will require careful job evaluation. This should be based on such factors as the "end-results" required, the degree of personal responsibility involved, the importance attaching to the work and the qualifications and experience needed in the holder to achieve the prescribed results. At the same time, the process of job evaluation should take into account the market rate for jobs of similar responsibilities outside the Service. The system is equally applicable to all types of job. A scientific job in a research establishment, high-level case-work in an administrative division, an engineering job, and a line-management job in an executive-clerical establishment can all be analysed and ranked within the same grading-system.

1. This is essentially a pay structure; it is not designed to determine the actual organisation of work. The precise organisation of each block of work, and the number of working levels in it, should be determined solely by what is required for the most efficient achievement of its objectives. Thus, in any division, job evaluation would show that only a selection of the twenty or so grades should be used—the smallest number needed. There should be no set pattern.

1. Within this overall structure, there will, of course, continue to be a great variety of groups of staff. At the highest levels of the Service, we think it useful to distinguish the top management, comprising all posts in all grades from the Head of the Civil Service down to, and including, grades that are today equivalent to Under Secretary; we refer to this here and elsewhere in our report as the Senior Policy and Management Group. Although the work of these grades is not sharply different from those immediately below, nevertheless the higher one goes in the Service, the more one's work is likely to consist of policy-making and higher management rather than the exclusive practice of a particular skill or discipline. As a civil servant approaches these levels, his responsibilities become steadily heavier and usually less

specialist. He begins to share in a real collegiate responsibility to the Minister for the policy and management of the department as a whole; increasingly, too, he has to take interdepartmental considerations into account. At these levels an individual's particular occupational group is thus often of less significance than his range of experience, and personal qualities and qualifications should be the main criteria for filling posts with these wider horizons. There comes a point, therefore, where promotions become matters affecting the interests of the Service as a whole, and the Civil Service Department should play a part in them. We distinguish the Senior Policy and Management Group in order to define the area to which this should apply.

1. Below this level, the occupational content of the work is often greater than the managerial content. Thus occupational groupings of staff have a greater significance. They vary greatly in kind. The majority of civil servants are employed in supporting grades (see Appendix J), where the work has little or no managerial content and its occupational content consists more of the practice of a skill (e.g. typing, filing or operating machines) than the application of a discipline. At higher levels, the development and application of a particular discipline, and the need for specialisation by subject-matter, becomes much more important, and in many parts of the work its managerial content steadily increases as a man rises towards the senior levels referred to above. At all levels however where the work requires civil servants to specialise (whether in administrative, specialist or the various kinds of supporting work), occupational groups will be needed, and civil servants should generally be recruited and trained as members of them. They should include the present specialist disciplines, the two groups of administrative staff identified in Chapter 2 and the supporting grades discussed in Appendix J.

1. At least during the earlier years of their career, most civil servants should work in the field of their specialism. Those whose main inclinations and aptitudes lie in this direction could spend their whole careers in their specialised field, and we recognise that many people will wish to do this. Others, however, should progress after appropriate training and experience to work that becomes steadily more managerial in character in areas adjacent to their specialism; and posts at all levels which offer the right kind of experience in management should be open to members of all occupational groups who are fitted for them. In a system of this kind civil servants could be given a clear indication of their career prospects if they remained in their specialised field—the extent and shape of the structure of higher posts open to them if they develop in this direction. We attach high importance to a structure in which people are able to take part in the development of their own career patterns.

1. It is likely that occupational groups will tend to develop their own career patterns. Men and women will enter the Service at different grades, depending upon the level of the work they have been recruited to do. Thereafter, it may become usual for members of particular occupational groups to skip certain grades. This should be kept flexible; but it should be established that it is normal to skip grades on promotion, and thus that the field of candidates for promotion is not limited to the grade immediately below.

PAY IN THE UNIFIED GRADING STRUCTURE

1. Though we have not examined in any detail the pay of the Civil Service, we feel bound to make one comment on the implications for pay of the structure we propose. The proposal does not in our view imply a departure from the principle of "fair comparison with the current remuneration of outside staffs employed on broadly comparable work" which was established by the Royal Commission on the Civil Service 1953-1955. In our view this principle remains valid and will continue to be necessary to the efficiency as well as to the Contentment of the Service. But if our recommendations for a unified grading structure are accepted, we should expect the outside comparison to be made as part of the process of job evaluation: assessing the importance of the job to the work of the Service and establishing the rate for jobs of similar responsibility outside the Service.

1. We recognise that the Civil Service attaches great Value to negotiation and arbitration in the settling of pay claims. These should be preserved. It will be necessary to ensure that the system we propose does not result in the extension of formal negotiation and arbitration to cover those questions, such as the grading of individual jobs, that should remain a matter for management to determine. But the general pay-scales of the grades, and claims for higher pay on the basis of comparisons with pay outside the Service, should continue to be dealt with by negotiation and arbitration, adapted as necessary to fit the new structural pattern we propose.

1. We have said in paragraph 218 that each grade should carry a range of pay. This, in our view, should be true of all grades except the very top one—which should be a flat rate varied only in the case of the Head of the Civil Service (see Chapter 7, paragraph 258)—and possibly the grade immediately below*.

1. In all except the top grade, we think it important that there should be more flexible progression through the pay-scale of the grade. Fixed annual increments, in our view, do not give enough incentive to effort, and make possible too easy a progress for those who do not put their full weight. We believe that it should be possible to reward merit by extra pay as well as by promotion. Thus, up to the level of the Senior Policy and Management Group, we recommend that, while annual increments should continue, there should be the following modifications:—

- a. Additional increments should be granted both for especially good work and for success in gaining relevant qualifications.
- a. Increments should be withheld when they have not been earned.

*Sir William Cook, Sir Norman Kipping and Sir John Wall make the following reservation on paragraph 228: —

We see no reason why the principles of job evaluation and outside comparison should not extend to the most senior posts in the Civil Service. This applies both to the level and to the range of pay. Some Permanent Secretaries carry responsibilities comparable to those of the chairmen of the great nationalised undertakings, who command much higher salaries; others are in posts which, though demanding, are less onerous. We believe that these differences should be reflected in their pay. We do not think it wise to make a man who has perhaps⁴ been appointed to a top post at 48 or 50 feel that he has reached his ceiling at that age. Unless there is still something for him to look forward to, the temptation for him to leave must be great. We think that even the highest posts should therefore be paid on a salary band.

Above this level, regular annual increments seem to us unsuitable and the numbers are small enough to make a different system practicable. The range of pay for each grade should in effect become a "band " of pay, in which only the maximum and minimum points for each grade would be published, and the progress of each officer through the band would not be on a regular incremental basis but determined by an annual review of his performance. Individual salaries would not be published,

ADVANTAGES OF THE UNIFIED GRADING STRUCTURE

1. We think that the structure we propose would have five main advantages. First, we believe that the system will remove the obstacles to the flexible deployment of staff to which we referred in paragraph 209. It will thus offer wider opportunities to all civil servants.

1. In particular, the unified grading-system we propose will enable the Service to gain the full contribution which scientists, engineers and other specialist staff could, but do not now, make to policy, management and administration. At present all these people have careers in their own separate classes. To move into more general management, they have to transfer to the Administrative and Executive Classes. A few make the first move; practically none the second (although the Executive Class occupies managerial positions in the Service up to a salary level of £5,250). For specialists, the difficult problem arises of deciding whether they are likely to do better by transferring in mid-career to a new class which fills most of the top managerial and policy jobs; or by continuing to move up the ladder of their existing class, with its narrower range of posts, which does not generally take a man to the highest levels in the Service. The decision to seek a transfer also involves at least the appearance of a formal severance from a man's original discipline—a dividing-line which has to be crossed again if he wishes to return. With the abolition of classes, such problems and difficulties should be significantly lightened.

1. This does not apply only to the higher levels of the Service. It is equally, if not more, important lower down. The present system makes it particularly and unnecessarily difficult for specialists to be tested and given experience in general management sufficiently early in their careers. There are many members of the specialist classes at present in grades carrying between £1,500 and £2,500 a year., e.g. accountants, engineers, scientists, Experimental Officers, Technical Grades A and B, who should be getting some experience of management in areas where their specialist knowledge would be valuable. This is not only because it would fit them for higher management later on; it would also enable them to make a useful contribution to middle and junior management here and now.

1. A unified grading structure will also provide a more flexible career pattern for administrative staff, by enabling the Service to deploy them to the best advantage without the need for transferring from the Executive Class to the Administrative Class or vice-versa. Here again difficult decisions now confront the most able members of the Executive Class. Their areas of work are often similar to those of the Administrative Class. The able Executive who stays in his class has good prospects of promotion to comparatively senior posts. The top posts in the Service, however, are open to him only if he seeks a transfer to

the Administrative Class; but if he gets a transfer he may in the end do less well than if he had remained a member of the Executive Class since his chances of reaching senior posts in the Administrative Class are relatively smaller. Some play safe and stay; some of those who gain class-to-class promotion regret it. At the same time there is at present almost no movement from Administrative to Executive Class jobs (which would look like demotion under the existing system). Thus, members of the Administrative Class are not normally considered for the major management jobs that are reserved for the Executive Class, although some may well have the aptitude for them. The structure we propose will allow completely flexible posting to suit the aptitudes of administrators as they develop in the course of their careers.

1. A unified grading structure will thus offer wider opportunities to all civil servants. This is not, of course, to say that it will offer better prospects to all members of all the present classes. The widening of opportunities should lead to keener competition, and favour the most able civil servants regardless of their occupational group. Our proposal is designed, among other things, to bring this about.

1. In addition to providing the framework for the more flexible deployment of staff, we believe the second main advantage of a unified grading structure is that it would promote more efficient and accountable management and the more economical use of manpower. In Chapter 5 we define accountable management as a system in which individuals and units are held responsible for performance and output measured as objectively as possible, and we make more detailed proposals there about the departmental organisation needed for this. We believe that a unified grading structure would of itself result in a far more effective method of grading and manning jobs in the Service and thus promote greater efficiency. This is because: —

- a. The detailed job-evaluation system needed to set it up and run it will define and measure the "end-result" required of each post. An individual's performance can then be judged against this specification and by his actual achievement. The present system of grading and evaluating jobs concentrates on assessing whether the duties are appropriate to a particular level of a particular class, and not on the end-result of the job.
- a. With the disappearance of classes, the present pressures to use all possible grades in the organisation of a block of work (to which we referred in paragraph 210) will also be reduced. This is because members of different groups will have more varied career opportunities than they have now. In a common grading structure of twenty or so grades, there can be no set pattern for their use; it will, therefore, be necessary to ensure, by analysis of the work itself, that only the right selection of grades and occupational groups is used for each block of work.
- a. Common grading will help to get rid of the separate and parallel hierarchies which we criticised as the wrong way of applying a variety of skills and disciplines to a common task. The practice of allocating defined kinds of work to different classes will disappear with the classes themselves. In consequence, it will become easier to construct integrated hierarchies and teams that embody different

skills at appropriate levels under the single command of the officer in charge, (d) If grading is made to depend upon the rigorous analysis of individual jobs, it will become an effective mechanism, built into the structure of the Service itself, for guarding against the inefficient use of man power and the perpetuation of unnecessary jobs. The process of job evaluation, properly applied, tests both the value of the job itself and the levels of qualification it requires. It should therefore become an effective safeguard against the misuse of qualified man power and should help to ensure that unnecessary jobs are eliminated.

1. We believe too that job evaluation in the context of a common grading structure offers the only rational method of solving the problems which now beset the classification and grading of the work of the specialist classes, to which we have referred in paragraph 208. The evidence makes clear* that the present frontiers between the Scientific Officer and Works Group Classes in the engineering field, for example, are wholly unsatisfactory. We are convinced that such problems are inherent in class structures, and that, in this as in other fields, the selection of the right man for the job (neither over-qualified nor under-qualified to fill it) must depend, not on membership of a class, but on the continual re-evaluation of the post and of the varying skills and levels of qualification it may demand from time to time.

1. Thirdly, a structure on these lines will make easier much-needed improvements in the system of promotion which we have criticised in Chapter 3. At present a civil servant is normally promoted within his class to a higher post in the area of work reserved for it. Opportunities for promotion vary greatly between different classes and also within the same class between different departments; promotion is too much determined by a man's seniority in his present grade in his class in a particular department. Promotion boards cannot generally consider a man's fitness for promotion to a job *outside* the field of work allocated to his class, even though his qualifications and experience might bring a useful contribution to it. At the same time, promotions *within* a class are normally based on the criterion that, in order to qualify, a man must be fit to do any of the jobs assigned to his class at the higher level. In our view, these factors together result in a system of promotion that is insufficiently discriminating. Too little attention is given to finding for those who have achieved promotions, the precise jobs at the higher level for which they are best fitted; and some, who would be very adequate performers in a limited range of jobs at the higher level, fail to achieve the promotion they deserve.

1. The unified grading structure we propose would provide the necessary foundations for a new promotion system in which: —

- a. Promotion is based on the record of an individual's achievement in producing the " end-results " at which his job is aimed.
- a. The aptitudes and experience of the individual can be more directly and specifically linked to the requirement of a particular job at the higher level.

*See the paper submitted by the Treasury, the Ministry of Public Building and Works and the Ministry of Technology on Scientists, Engineers and the Works Group (Volume 5, No. 7).

- a. Promotion boards can consider candidates for higher posts, not only within 'the field of their specialisation, but also in management posts where their specialist knowledge may be useful,
- a. Because performance is taken properly into account, and selection based upon the aptitudes and experience of the individual rather than upon his membership of a particular class, there are more nearly equal promotion opportunities for all
- a. Able individuals can skip grades.
- a. In so far as seniority denotes valuable experience, it can be given its proper weight; but that weight will not be excessive if the main emphasis in promotion questions is on the assessment of individuals by results achieved and by their aptitudes, skills and relevant experience for particular jobs at higher levels.

This reform of the grading structure should enable the system of promotion to be adapted to what we see as the main objective: that a man's experience and qualification to do a particular kind of job at a higher level should be the main factor in promotion decisions; and that, in assessing this, full weight should be given to his performance in the job that he has been doing. In order to give full effect to this change, methods of reporting on staff will need to be revised. In particular, we recommend that report forms should be re-cast in such a way as to oblige reporting officers to give a much fuller assessment of performance (i.e. of success in achieving definite objectives) than they normally give at present.

1. Fourthly, a common grading structure which extends across the whole Service offers, in our view, the only practicable means of dealing with the fragmentation of over 1,400 departmental classes, each with its own separate pay and career structure. There is general agreement that this situation ought not to be allowed to continue; the existence of this vast number of separate classes produces unnecessary complexity in the work of management, not least by multiplying the number of separate pay negotiations. But our examination of the departmental classes has convinced us that so long as the Service maintains separate general service classes, there is no rational or logical basis on which the number of departmental classes can be significantly reduced. The great bulk of them can plead for separate existence on the same grounds as those put forward by any of the main general service classes. Within a unified grading structure, however, the whole problem of the separate departmental classes can be dealt with; after the necessary job-evaluation procedure they can be absorbed at the appropriate levels into the new structure. Many of them should continue to form distinct occupational groups, with their own recruitment, training and career management. But their members, like those of the more general groups, would also be available for employment in jobs of middle and junior management adjacent to the areas of their specialism.

1. Fifthly, we believe that a radical change in the structure of the Service is needed to give real effect to many of the other proposals we have made. The operation of the present structure has bred over a long period of years attitudes and practices that are deeply ingrained. Therefore we do not believe that it is sufficient to leave the structure basically as it is; incorporate in it some modifications; and then expect the Service to operate it in a

fundamentally new way. This is in essence what the Treasury have proposed. They have recommended the merger of the Administrative, Executive and Clerical Classes and a form of open structure at the top of the Service only; the remainder would continue in their existing classes. In our view this partial reform is inadequate. We intend no criticism of the future managers of the Service when we say that, with the best intentions, they could not carry it through to success. As long as a structure based on classes persists, the attitudes and practices associated with it will hinder the efforts of management to open up careers to all the talents and to make fully effective all the changes in organisation and practice we recommend.

PRIORITIES IN THE ESTABLISHMENT OF THE UNIFIED GRADING STRUCTURE

1. The introduction of the new system and its implementation throughout the Service will be a major undertaking. It will call for close and detailed consultations with the Staff Side on such matters as the general shape of the new structure, methods of settling pay claims, methods of job evaluation and a review of the existing criteria on which the annual report on the performance of each civil servant is based.

1. There will also have to be a substantial training programme for those who will carry out the necessary job evaluation. The subsequent application of job-evaluation techniques on the scale required to cover the whole Service will inevitably be a detailed and lengthy process. In this connection, however, it is important to stress that the total task may not be as massive as it might appear. Over wide areas of the Service, jobs can be grouped into "families" for grading purposes so that the numbers that have to be analysed in detail are only a proportion of the whole. It will take a large-scale operation to move the Service completely over to the new structure we recommend; how large will depend upon the extent to which present gradings are right,

1. Given acceptance in principle of our proposal for a unified grading structure throughout the Service, we think that it may be helpful to indicate what we believe to be the first priority. We think that the Civil Service Department should mount a major study to work out the details (including the number of grades and the system of job evaluation appropriate to the Service) of a scheme for a unified grading structure, together with a time-scale for its implementation. Our consultations have led us to believe that it will take from three to five years to produce a detailed scheme and implement it throughout the Service. In our view, the Civil Service Department will need to draw heavily on outside management consultants at all stages in this process.

CHAPTER 7

THE CENTRAL MANAGEMENT OF THE CIVIL SERVICE AND RELATIONS WITH STAFF ASSOCIATIONS

1. The responsibilities of the Treasury at present cover both financial and economic policy, including the control of public expenditure, and also the central management of the Civil Service. By "management" in this context we mean the task of directing or running the Service itself—controlling its staffing and remuneration, its structure and organisation, and promoting efficient methods of work. In this chapter we discuss the task of central management, its location and staffing, and its relations with other departments. We also deal with the relations between management, both central and departmental, and the organisations that represent the staff.

1. The Treasury is divided into two parts to carry out its dual task. Its central management functions are discharged by the "Pay and Management" group under a Joint Permanent Secretary who is designated Head of the Civil Service. This side of the Treasury also has important central functions in relation to the pay and pensions of other public services and bodies. The "Pay and Management" group, however, has never been, and is not today, a fully-developed directing body at the centre with complete overall authority to manage the Civil Service. We have discussed the divided responsibility for recruitment in Chapter 3. The Treasury has the final responsibility and authority on questions of Civil Service pay (within overall considerations of incomes policy); on pensions; on the number of staff employed and the grading of posts (i.e. determining the level of responsibility demanded by the job), though it delegates certain powers to departments from time to time—in some matters, such as grading, quite extensively. The authority of the Treasury is less in O and M work, management services (i.e. the promotion of the best management practices), training and personnel management; in these, its role is mainly guiding and advisory. In machinery of government questions where political considerations are often paramount, the Treasury advises the Prime Minister.

1. As would be expected, the Treasury has developed its functions most fully in those fields where it has full authority—like pay and numbers of staff. Elsewhere, although its central management role has recently been extended, it has been patchy rather than systematic, with too few staff and too little expertise.

THE TASK OF CENTRAL MANAGEMENT

247. The proposals we are making for the Civil Service as a whole—the abolition of the present system of classes, a system of central recruitment more directly related to the needs of departments, the greater professionalism of administrators and specialists, the better career management, training and

deployment of staff, and the promotion of greater departmental efficiency—will all make greater demands than in the past on the central management of the Service. To make these proposals fully effective, the role of central management needs to be changed and enlarged.

248. The primary role of central management should be to ensure that the Service is continuously governed by the principle outlined in Chapter 1: that the Service should constantly review its tasks and the possible ways in which it might perform them; then consider what new skills and kinds of men are needed and how these can be found, trained and deployed. As we have said, this requires that recruitment, training and personnel management and organisation should be regarded as integral parts of a unified process: supplying and developing the talent the Service needs and deploying it to the greatest possible advantage. Clearly this constant adaptation of men and methods to changing tasks must be a joint responsibility, shared between central management and individual departments, but central management must have the appropriate degree of ultimate authority in those questions that affect the interests of the public service as a whole. We consider that its main responsibilities, including those that are at present discharged by the "Pay and Management" group of the Treasury, should be: —

- a. to stimulate and assist departments in reviewing the kinds of skill and forms of organisation needed for their tasks as they change and develop;
- a. in the light of this review, to determine manpower requirements both in quantity and quality, agree with departments how these requirements should be met, provide the necessary common services for new recruitment and internal transfer and satisfy itself that departments are efficiently and economically staffed;
- a. to specify in consultation with departments the qualities, qualifications and experience required of new recruits to the Service;
- a. to determine (after such negotiations as are necessary in each case) pay, pensions and other conditions of service;
- a. to determine training policy in consultation with departments, conduct central training courses, arrange external training, and stimulate and guide training within departments;
- a. to promote career development throughout the Service, and in particular to co-operate with and guide departments in fostering the promotion, and planning the future development, of the most promising members of all disciplines;
- a. to promote mobility both between departments and between the Service and outside employments;
- (h) to discuss with departments (which should be required to consult central management on this matter) all promotions to the Senior Policy and Management Group, and to take the initiative in proposing individual moves between departments both within the group and at lower levels;
- (i) to advise the Prime Minister on: —
 - (i) appointments at the salary-level of Deputy Secretary and above;
 - and (ii) the most efficient division of responsibility between departments;

- (j) to study new developments in methods of organising work, in management techniques and in office machinery, and promote their use throughout the Service.

THE NEW CIVIL SERVICE DEPARTMENT

1. For these tasks of central management to be discharged effectively in the Civil Service of the future, two major institutional changes are needed.

1. First, as we have recommended in Chapter 3, the responsibility for recruitment and selection at present carried by the Civil Service Commission should be brought together with the other functions of central management within a single organisation.

1. Secondly, the expanded and unified central management of the Service should be made the responsibility of a new department created specifically for that purpose. Our reasons for this are as follows.

1. The Treasury's concern for public expenditure led to its development as the central managerial authority for the Service as a whole. . But the British Civil Service is now almost alone in continuing to combine these functions in a single department. In our view, the central management of the Service is not, under modern conditions, an appropriate function for the central finance department, for three reasons:—

- a. The role of the central management of the Service needs to be enlarged. In particular, if it is to discharge its full responsibilities for senior appointments (which means ensuring that men and women from all disciplines are considered for these appointments on their basis of their individual qualifications and experience), it must follow that central management will need to have much greater knowledge than in the past of the most able civil servants of all disciplines, particularly those who are likely candidates for top posts, and influence over their appointments. If this enlarged responsibility for career development were added to the Treasury's responsibilities for financial and economic policy and for the control of public expenditure, there would be reason to fear too great a concentration of power in one department. The overall direction of the Service and the key to individual success within it should not both lie with the department that also uses the powerful weapon of central financial control.
- a. Each of the two sides of the Treasury needs to use an expertise separate and different from that required by the other; our proposals for increasing the professionalism of the Service will cause them to grow still further apart. We do not, therefore, think that central management should be predominantly staffed, as it is today at Assistant Secretary and Principal level, by those whose main training and experience have been in techniques of government finance and the control of expenditure. The present practice of manning both sides of the Treasury at this level by a constant interchange between them impedes the development of a full professionalism in each. A proportion of the staff of central management should come from other departments on loan, but the Treasury

should not be the predominant source of this flow. It should come from all departments, (c) Central management should be positively and creatively concerned with maintaining and improving the standards of the Civil Service. It should therefore be a separate institution with a single-minded devotion to its own professional purpose; and should be in a position to fight, and to be seen fighting, the Treasury on behalf of the Service.

1. In addition to these questions of principle, there is an important practical question of confidence. There is today among civil servants a lack of confidence in the Treasury as the centre of Civil Service management. In our judgment, the Treasury has contributed to this by employing too few staff on this work. A change is necessary for other sufficient reasons but also to demonstrate that a fresh start is being made. If our proposals are to have a fair chance of success, there must be no doubt about the effectiveness of the central direction. There will be no confidence that they will be implemented in the radical spirit we believe to be necessary, if central management is left where it is.

1. Accordingly we recommend as the first main step in the reform of the Service the setting up of a new Civil Service Department. This should absorb the functions of the Civil Service Commission and carry the responsibilities for central management outlined in paragraph 248*.

1. The staffing of this new department will be of critical importance. The full development of the responsibilities we have described will call for men and women who have knowledge and experience of personnel management and organisation, both inside and outside the Service. This will require a mixture of long-term and short-term appointments. The new department should not in our view be predominantly staffed by officers who have spent most of their careers in the Treasury, and can thus have little experience of direct responsibility for management. Departments generally should be prepared to release some of their best men for a period of service in the Civil Service Department, especially from among those with departmental experience of personnel and organisation work. We believe that the work of the new department will include some of the most challenging and creative jobs that the Service has to offer. We also consider it important that a number of appointments at senior levels within the new department should be made from outside the Service of people with appropriate knowledge and experience of managing large organisations both at home and abroad.

1. The department should also include specialists (e.g. scientists and engineers) who will be able to bring an intimate knowledge and experience to bear on the recruitment, training and career management of members of their own disciplines. There should be an appropriate measure of central management for all the major occupational groups, and the members of each group should be able to feel that their interests are being looked after

*We envisage in paragraph 266 below that this change may involve the consequence that the new department should also discharge the central functions in relation to the pay etc. of other public services and bodies that at present belong to the Pay and Management group of the Treasury. If this solution is adopted, "Civil Service Department" may not be the right title. It is however the most convenient term for the purposes of this report.

at the centre. In some cases, e.g. the lawyers, it seems appropriate for a senior practitioner of the specialism in question (not necessarily from the Civil Service Department itself) to be designated head of the profession or group, and to share with the Civil Service Department the responsibility for guiding the main lines of its management policy. Another helpful practice, already in use for some groups, is a management committee on which senior practitioners of a particular specialism and representatives of the Civil Service Department sit together. We see no reason why the pattern should not vary. But the Civil Service Department should itself command all the necessary information about the specialist groups and be so staffed as to be able to handle them with direct knowledge and professional management expertise.

257. The new department should include a Planning Unit on the lines we have discussed in Chapter 5. Some members of the department should have the prime responsibility for considering new developments in personnel management, training and management techniques; through contacts with the world outside, both at home and abroad, they should keep the management of the Civil Service abreast of experience elsewhere; and through their own expertise make it a model of progress in its field for others to follow.

1. We also recommend that the official head of the Civil Service Department should be designated Head of the Home Civil Service. We think that he should receive a sufficient lead in pay over the other official heads of departments in the Home Civil Service to mark his status. At present the lead of the Joint Permanent Secretary of the Treasury (see paragraph 245) is £600 a year, and similar leads are held by three other top officials: the other Joint Permanent Secretary to the Treasury, the Secretary to the Cabinet and (outside the scope of our inquiry) the Head of the Diplomatic Service. As far as the Home Civil Service is concerned, the other leads are something of a historical accident: the three offices were at one time held by a single individual; he had a lead of £1,000 over other Permanent Secretaries; when the offices were separated, the lead was split. We doubt if these other leads should be perpetuated; in our view it is hard to substantiate that the posts concerned carry greater responsibility than those of many other Permanent Secretaries. At the same time, we are clear that the responsibilities we propose for the Head of the Civil Service are of a different kind. We propose therefore that the other leads should be abolished when the present incumbents leave their posts, and that all Permanent Secretaries should receive the same rate of pay, with the exception of the Head of the Home Civil Service whose lead should be of the order of £1,000*.

1. The creation of a new Civil Service Department raises the important question of the relationship between the Head of the Civil Service and the Prime Minister. Today the Prime Minister has direct responsibility for senior appointments and for the machinery of government as well as for security in the Civil Service. On these subjects the present arrangement is that the Head of the Civil Service reports direct to the Prime Minister and

♦The reservation that Sir William Cook, Sir Norman Kipping and Sir John Wall have made on paragraph 228 (Chapter 6) also applies here.

not to the Chancellor of the Exchequer. It is our strong hope that similar arrangements will be maintained in the new department, with the Head of the Home Civil Service maintaining his present responsibility for these matters and reporting direct to the Prime Minister.

1. There should however be a change in the machinery for making top appointments. At present the Head of the Civil Service makes his recommendations to the Prime Minister after consultation with the Ministers and others directly concerned. We have no reason to doubt that all the relevant views are taken into account. We think however that this arrangement vests too much responsibility in a single individual and in a way that creates the impression that his recommendations to the Prime Minister are within his sole discretion. Many civil servants criticise this—we think rightly. In future, we consider that in putting forward names to the Prime Minister the Head of the Civil Service should be assisted by a committee. The committee should have a variable composition, depending on the appointments and candidates under consideration. It should be drawn from a panel. The panel should have a rotating membership, appointment to it being for a term of, say, two or three years. Normally the committee would consist of two or three Permanent Secretaries, an approximately equal number of scientists or other specialists and not more than two eminent people from outside the Service. The "outsiders" might have no personal knowledge of the candidates, but their wide experience of business or other outside activity could in our view help to avoid an inbred and purely Civil Service attitude to these appointments. The Head of the Civil Service, after consulting the Ministers concerned and this committee, should put forward recommendations to the Prime Minister. We recommend that this procedure should cover all appointments at the salary-level of Deputy Secretary and above.

1. Making the right arrangements for the ministerial control of the new department will be decisive for its success. We therefore feel bound to comment on this. We have already expressed the hope that the Prime Minister will continue to be directly responsible for senior appointments, as for the machinery of government and security. We are also, however, strongly of the opinion that it is in the interests of the Service for the Prime Minister to be seen to be ultimately responsible, not just for these specific questions, but also for the total task of managing the Service. No other Minister can assert the needs of the government service as a whole over the sectional needs of powerful departmental Ministers. At the same time, the Prime Minister cannot himself be expected even at present to handle all the day-to-day Civil Service problems that require ministerial attention. Still less will he be able to do so in the future if the central management of the Service becomes, as we propose, a much larger job than it is today. The Prime Minister will therefore need ministerial support. We do not believe that this responsibility should be allocated to a Minister who is also in charge of, and thus likely to be preoccupied by, the affairs of one of the other departments. We hope that we are not exceeding our terms of reference too much if we recommend that, outside the area for which he is directly responsible already, the Prime Minister should delegate day-to-day responsibility to a non-departmental Minister of appropriate seniority who is also a member of the Cabinet. His part will be of vital importance, especially during the period of reorganisation.

RELATIONS BETWEEN THE CIVIL SERVICE DEPARTMENT AND OTHER DEPARTMENTS

1. The Civil Service Department, charged with the management of the Service but divorced from direct contact with its work, could too easily become remote. We therefore attach great importance to the regular interchange of staff between the new department and other departments proposed in paragraph 255. This interchange should be mainly with the personnel and organisation branches of departments, but the Civil Service Department will also need those with direct and recent experience of ordinary work in departments.

1. The expanded role we recommend for the Civil Service Department in paragraph 248 above should not be allowed to develop into a take-over by central management of responsibilities that properly belong to the other departments. Our recommendations involve an expansion of their responsibilities as well, particularly in recruitment, career development and the promotion of departmental efficiency. The principle to be followed in all staff and organisation matters should be to delegate to individual departments the maximum authority compatible with the requirements of the Service as a Whole. We put forward the following considerations to illustrate what we believe to be the right kind of balance between them: —

- a. Departments should play a greater part than at present in recruitment, both in the direct recruitment of specialist staff and in stating their future requirements for the various kinds of staff who will continue to be recruited centrally (see Chapter 3).
- a. In manning and grading, there should be the maximum delegation of authority to departments that is practicable from time to time. We do not wish to propose any change at present. We think that the balance should be carefully watched, especially in relation to specialist posts, where less authority is at present delegated than for non-specialist posts.
- a. On questions of internal departmental efficiency and organisation, the role of central management naturally varies as between small departments, which now rely upon the Treasury, and the larger departments, which have their own O and M teams. We recommend in Chapter 5 that the branches of the larger departments responsible for management services should in future have an enlarged role with more expert staff. The main role of the Civil Service Department should be to encourage the use of the most modern techniques rather than itself to implement the changes that are needed within departments. We think however that it may have a special part to play in assisting reorganisation at the higher levels of departments; and in the last analysis it should be in a position both to call all departments to account for failure to use the recommended techniques, and to put in its own men to investigate any departmental organisation and to recommend improvements.
- a. In the management of staff, especially in the planning of careers, the main responsibility must remain with the employing departments; we have recommended in Chapter 3 a considerable expansion of the part they play. At the same time we have argued that the Civil

Service Department will have to play a larger part than the Treasury does today and must have more ultimate authority. Although we recommend that civil servants, especially administrators, should move much less frequently between jobs in the same department, the development of the specialisms to which we have referred may make it desirable that there should be more movement, of both administrators and specialists, between departments. This applies especially to those civil servants, of whatever discipline, who are identified as being capable of filling the highest posts. The Civil Service Department should be responsible for informing itself about them, should consult with the employing departments about their training and development and should take the initiative in proposing appropriate moves for individuals in the longer-term interests of the work of the Service as a whole. In this way the total manpower of the Service will be most effectively used and the fullest opportunities given to each individual for widening his experience and for timely promotion. We think too that the Civil Service Department must have a voice, especially during the early years of the new system, in deciding upon promotions to the Senior Policy and Management Group; it will be important to make clear that the whole of the field has been given proper consideration and that every individual has had a fair chance. We recommend therefore that the Civil Service Department should be represented on all the departmental boards (see Chapter 3) that consider promotions to posts within the Senior Policy and Management Group but below the level to be covered by the service-wide committee proposed in paragraph 260. We expect that these moves and promotions would normally be agreed between the Civil Service Department and the departments concerned. If differences of opinion arise that cannot be resolved otherwise, it would be for the Prime Minister to decide.

RELATIONS WITH THE TREASURY

1. A separate Civil Service Department involves the co-existence of two central departments, the new department and the Treasury, each of which in its own sphere will be a centre of co-ordination, provide central services and occupy a position of central control. It will be important to ensure that the functions of these two departments and the relationship between them are clear and distinct.

1. We believe that all the functions now exercised by the "Pay and Management" group of the Treasury should be transferred to the Civil Service Department. This will include: —

- a. responsibility for advising the Prime Minister on the machinery of government;
- a. general supervision of departmental organisation;
- a. the development and dissemination of administrative and managerial techniques

—in addition to the broad responsibility for the management of the Civil Service.

266. So far as the Civil Service is concerned, the principle on which the

division should be based is that all the functions that now belong to the Treasury in its role as " employer " should be transferred to the Civil Service Department, leaving to the Treasury responsibility for advising the Chancellor of the Exchequer on the overall control and allocation of public expenditure, on financial and fiscal policy and on the general management of the economy. Although this is strictly beyond our terms of reference, we think that the application of this principle will also involve the transfer to the new department of the functions at present exercised by the " Pay and Management" group of the Treasury in relation to other public services, e.g. the Diplomatic Service, the Armed Forces and other public servants such as teachers and nurses.

267. Over part of the field, this principle of division raises no problems. The Civil Service Department will clearly carry the whole of the central responsibility for Civil Service staff matters, including recruitment, training, career management and retirement, and advice on top-level appointments. Over other parts, however, where the functions of central management have a direct effect upon public expenditure, it will be necessary to devise arrangements that give the new Department a real base of independent authority without impairing the ultimate responsibility of the Treasury and the Chancellor of the Exchequer for the control of public expenditure as a whole. This means that the Treasury should retain its present concern for the total cost of particular services—costs which will include, in varying proportions, the cost of employing civil servants and other public servants. The precise allocation of functions between the two departments will need to be worked out; it may be helpful to examine how this is done in other countries more fully than we have been able to do. But we think that it should broadly follow this pattern:—

(a) *Pay*

The Treasury should retain a continuing interest in incomes policy as part of its responsibility for financial and economic management, but not in the staff costs as such of particular services. The Civil Service Department should be solely responsible for applying the government's incomes policy to the public services. Within the normal rules of collective Cabinet responsibility, this department should therefore have the final authority on any given pay settle-merit. The Minister who is to assist the Prime Minister in the running of the new department will thus be in a key position, both in relation to his Cabinet colleagues and in relation to all members of the public services. This reinforces our recommendation in paragraph 261 that he should be a member of the Cabinet.

(b) *Numbers*

Similarly, the central responsibility for ensuring that departments are efficiently and economically staffed should rest solely with the Civil Service Department. Staff costs are a part, in some areas a predominant part, of public expenditure, and would thus fall inevitably within the overall purview of the Treasury. But it should be the task of the Civil Service Department, rather than of the Treasury, to determine the scale of the staffs necessary for the efficient discharge of the tasks of departments; and the Treasury should in all cases have to accept that a given task demands the

staff that the new department, after examination, is satisfied are needed. In practice, this would mean that departments proposing new policies would have to satisfy the Civil Service Department about the implications of their proposals for the numbers of staff needed and the Treasury about their other costs. The Treasury would look at the total costs of the proposed new policies; but it should not question the staffing requirements once these have been approved by the new department. In forward surveys of public expenditure and in the annual estimates, each of the two central departments would conduct its own examination of the costs falling within its own field. If the Treasury took the view that the total expenditure should be reduced, it would be free to challenge the policies of the spending departments, but not the assessment of staff costs approved by the Civil Service Department.

More generally, given the need to make the most economical use of manpower, we think it most important that the forecasting of demands for manpower in the various sectors of the economy should be considerably developed and improved. It should be for the Civil Service Department to speak for the public services in this field.

(c) *Organisation and management techniques*

The Treasury should retain responsibility for developing and disseminating techniques of financial analysis and systems of financial control, and this will give it an interest in certain aspects of departmental organisation as well as in interdepartmental procedures. It should therefore discuss with the Civil Service Department such changes in departmental organisation as it may think are needed for the improvement of financial control; when these have been agreed, it should be for the Civil Service Department to supervise their implementation.

268. On the basis of these general principles, working procedures should

be devised, between spending departments and the two central departments, and between the central departments themselves, so as to reduce administrative complications to the minimum. They should be flexible. In many cases it

would no doubt be desirable to set up joint teams for particular operations, e.g. for the examination of a spending programme or for a reorganisation of a part of the work in the interests of better financial control. But such arrangements should be based upon, and not allowed to blur, the clearest possible distinction between the functions and responsibilities of each of the

two central departments.

WHITLEY COUNCIL MACHINERY AND THE ROLE OF STAFF ASSOCIATIONS

269. Staff relations in the Civil Service are organised through the collective machinery of Whitley Councils. The great majority of civil servants belong to staff associations, which represent grades or classes and are recognised as having the right to negotiate on their behalf. The main associations are members of the Staff Side of the National Whitley Council, and the

asso
ciations recognised in each department constitute the Staff Sides of Depart-

mental Whitley Councils. The Official Side of the National Whitley Council normally comprises a number of Permanent Secretaries and a few Treasury officers; that of Departmental Whitley Councils comprises officers of the department.

1. Whitleyism in the Civil Service is now approaching its 50th anniversary. It has made an invaluable contribution to good staff relations. The high morale of the staff, and the fact that industrial disputes are rare in the Civil Service, owe a great deal to the universal acceptance of the principle of joint consultation. Co-operative responses to the wide-ranging changes brought about, for example, by the introduction of computers; the acceptance of domestic disturbances involved in the policy of dispersal of office staffs from London; and the smoothness with which pay settlements are generally reached and accepted, are attributable in no small measure to the activity of the staff associations in reaching agreements with management and subsequently defending them to their members. It is very much in the public interest that this atmosphere of agreement and of co-operation should be preserved. We have been much impressed by the thoughtful and constructive evidence that staff associations have sent us, and by the interviews we have had with their representatives. They can assuredly play a vital part in promoting and smoothing the way for the major reforms we recommend. We feel confident that they are willing, and indeed eager, to do so.

1. In some respects we consider that management, constrained by the existing structure of the Service, has allowed the Whitley system to operate in ways that hamper effective management: —

- a. Management has entered into agreements that have produced rigid arrangements in the promotion system in which seniority plays an excessive part.
- a. Resistance to changes in organisation tends to become formal and institutional; this has inhibited management from experimenting in the use of grades and classes.
- a. Managers of "operating" divisions are reluctant to become involved in questions of organisation and staffing, which are often the subject of complex and delicately balanced agreements with staff associations. These agreements are the responsibility of the personnel and organisation division of the department, and questions of organisation and staffing come to be regarded as their exclusive province. As a result, the manager is apt to see himself as less than fully responsible for the effectiveness of his branch.
- a. Success in reaching agreement with the Staff Side comes to be treated as an end in itself, and failure to reach agreement as a failure by management; this means that negotiations are sometimes too long drawn out.

272. These defects arise in our view from two main causes. The first is the structural framework of the Service within which Whitleyism has had to operate and in which we have recommended a radical change. It is because staff associations represent groups whose careers are largely limited to a single class that they are so sensitive on such matters as promotion within it, late entry into it and the number of jobs allocated to it. The second is that

management is sometimes less active and determined than it should be; arguments are allowed to go on too long, and rigid procedures are accepted where flexibility should be insisted upon. These defects however are in no way inherent in the Whitley system itself. Its principles are fully compatible both with a different structure and with more flexible methods of consultation.

1. Our recommendations, if accepted, are bound to have a profound effect upon the pattern of joint consultation. The introduction of a common grading structure; manning the work by job evaluation rather than by reference to membership of a class; training arrangements that lead to fast promotion routes; career management that will open up new and wider prospects of promotion; an increase in late entry and short-term appointments—all of these will call for co-operation and goodwill between departments and the Staff Side centrally, departmentally and locally. These changes will surely also lead to structural changes among the associations themselves.

1. A remodelling of the Service on this scale is bound to impose strains on the Official and Staff Sides alike. There will be both a short-term and a long-term problem. The period immediately following the publication of our report will be a particularly testing time. It will call for a high degree of adaptability and readiness for speedy decision in a situation in which the long-term pattern of staff associations and joint consultation for the future cannot yet have become completely clear. For the longer term, we think that the staff associations and the Civil Service Department should jointly take part in a review to determine the new pattern of joint consultation that will be appropriate for the Civil Service in the light of the Government's decision on our report. It is clearly essential that the pattern of joint consultation should reflect, not determine, the results of the changes we propose. We are convinced that its principles are of immense value to the Service and will continue to be so.

CHAPTER 8

THE CIVIL SERVICE AND THE COMMUNITY

1. We said in Chapter 1 that the Civil Service "must continuously review the tasks it is called on to perform and the possible ways in which it may perform them; it should then consider what new skills and kinds of men and women are needed and how they can be found/* This has led us to emphasise throughout our report that the Service should develop greater professionalism among both specialists and administrators. For the specialists, it means more training in management and greater responsibilities. For the administrators, it means that the old concept of the gifted amateur, the all-rounder who passed easily from one job to another, should give way to one of greater specialisation. Our proposals are, therefore, designed to create a fully professional and dynamic Service.

1. It would be naive to suppose that our emphasis on professionalism will not produce its own problems. All professionals look both inwards and outwards: inwards to their fellow-professionals, outwards to the community they exist to serve. The Civil Service must keep these two aspects of professionalism in a healthy balance and thus guard against the danger of isolation. It is particularly important for a professional Civil Service to keep in mind that, in carrying out the tasks of modern government, it should remain the servant of democracy and be responsive to the control of Ministers. It is, too, a major public interest that the manpower of the Service should be kept to the absolute minimum required for the efficient and humane discharge of its duties. We discuss these problems in the following paragraphs; we also comment on the need for other complementary reforms and put forward specific proposals about the implementation of our report.

CONSULTATION AND SECRECY

1. We think that the administrative process is surrounded by too much secrecy. The public interest would be better served if there were a greater amount of openness. The increasingly wide range of problems handled by government, and their far-reaching effects upon the community as a whole, demand the widest possible consultation with its different parts and interests. We believe that such consultation is not only necessary in itself but will also improve the quality of the ultimate decisions and increase the general understanding of their purpose.

1. We welcome the trend in recent years towards wider and more open consultation before decisions are taken; and we welcome, too, the increasing provision of the detailed information on which decisions are made. Both should be carried much further; it is healthy for a democracy increasingly to press to be consulted and informed. There are still too many occasions

where information is unnecessarily withheld and consultation merely perfunctory. Since government decisions affect all of us in so many aspects of our lives, consultation should be as wide as possible and should form part of the normal processes of decision-making. It is an abuse of consultation when it is turned into a belated attempt to prepare the ground for decisions that have in reality been taken already.

1. We recognise that there must always be an element of secrecy (not simply on grounds of national security) in administration and policy making. At the formative stages of policy-making, civil servants no less than Ministers should be able to discuss and disagree among themselves about possible courses of action, without danger of their individual views becoming a matter of public knowledge; it is difficult to see how on any other basis there can be mutual trust between colleagues and proper critical discussion of different hypotheses. But the material, and some of the analyses, on which these policy discussions are going forward, fall into a different category; unless there are overriding considerations to the contrary (e.g. on grounds of national security, the confidential nature of information supplied by individual firms, or to prevent improper financial gain), there would be positive advantages all round if such information were made available to the public at the formative stage of policy-making.

1. Civil servants, and perhaps also Ministers, are apt to give great and sometimes excessive weight to the difficulties and problems which would undoubtedly arise from more open processes of administration and policy making. In this connection, therefore, we wish to draw attention to practice in Sweden. At the formative stages of policy-making, there is wide and prolonged consultation, which normally takes the form of setting up a committee of inquiry; its report is generally published; the report and the public discussion that follows are then a major part of the basis on which the Minister has to come to a decision. In addition, all files of any administrative office (in Swedish terminology, ministries and agencies) are open to the press and the public if not declared secret on grounds of military security, good international relations or for the protection of individuals named in them (e.g. because they may contain criminal or medical records); when policy decisions are in preparation, however, working material is not made available for public use. This shows that open government is possible; we suggest that the Government should set up an inquiry to make recommendations for getting rid of unnecessary secrecy in this country. Clearly, the Official Secrets Acts would need to be included in such a review. Some restrictions on the objective of "open decisions openly arrived at" will doubtless remain necessary; but a mature democracy rightly demands that they should be kept to the absolute minimum. The fuller the information, the closer the links between government (both Ministers and civil servants) and the community; and the smaller the gap of frustration and misunderstanding between "them" and "us".

THE CIVIL SERVICE AND PARLIAMENT

281. We should also like to see Members of Parliament more purposively associated with the work of government than they are now. The traditional methods of parliamentary scrutiny have often failed to enlarge Parliament's

knowledge of what goes on or to secure for it a proper influence; at the same time they frequently impede the efficiency of administration. Even the work of the Public Accounts Committee has not escaped criticism for inducing a play-safe and negative attitude among civil servants (it has been referred to as a "negative efficiency audit"). We have noted the potential significance of the development of the new specialised Parliamentary Committees on agriculture, science and technology and education. We hope that these will enable M.P.s to be more closely associated With the major business of government and administration, both national and local, in these fields; we hope too, that their consultations with departments will increasingly include civil servants below the level of Permanent Secretary. It would be deeply regrettable, however, if these committees became an additional brake on the administrative process. We hope, therefore, that in developing this closer association with departments, Parliament will concentrate on matters of real substance, and take fully into account the cumulative cost (not only in time but in the quality of administration) that the raising of minutiae imposes upon them. We wish to draw special attention here to our proposals in Chapter 5 for accountable management and our recommendation that departments should be organised on the basis of accountable units. As we pointed out there, these proposals entail clear delegation of responsibility and corresponding authority. In devising a new pattern for a more purposive association with government departments, Parliament and its committees will need to give full weight to these changes.

282. We have noted the appointment of the Parliamentary Commissioner for Administration (Ombudsman). He has not been at work long enough for us to assess the full implications for Ministers and the Civil Service of this new office. It is clear, however, that the office of Parliamentary Commissioner is to be regarded as a further means of ensuring the proper responsibility and accountability of civil servants to Parliament and to the public.

THE ANONYMITY OF CIVIL SERVANTS

283, The argument of the preceding paragraphs has important implications

for the traditional anonymity of civil servants. It is already being eroded by Parliament and to a more limited extent by the pressures of the press, radio and television; the process will continue and we see no reason to seek to reverse it. Indeed we think that administration suffers from the convention, which is still alive in many fields, that only the Minister should explain issues in public and what his department is or is not doing about them. This convention has depended in the past on the assumption that the doctrine of ministerial responsibility means that a Minister has full detailed knowledge and control of all the activities of his department. This assumption is no longer tenable. The Minister and his junior Ministers cannot know all that is going on in his department, nor can they nowadays be present at every forum where legitimate questions are raised about its activities. The consequence is that some of these questions go unanswered. In our view, therefore the convention of anonymity should be modified and civil servants,

as professional administrators, should be able to go further than now in explaining what their departments are doing, at any rate so far as concerns managing existing policies and implementing legislation.

284. We do not under-estimate the risks involved in such a change. It is often difficult to explain without also appearing to argue; however impartially one presents the facts, there will always be those who think that the presentation is biased. It would be unrealistic to suppose that a civil servant will not sometimes drop a brick and embarrass his Minister. We believe that this will have to be faced and that Ministers and M.P.s should take a tolerant view of the civil servant who inadvertently steps out of line. On balance we think it best not to offer any specific precepts for the progressive relaxation of the convention of anonymity. It should be left to develop gradually and pragmatically, though the inquiry we have recommended in paragraph 280 above may well result in specific recommendations on this closely related problem. The further it develops, the closer the links between the Service and the community.

MINISTERS AND *CIVIL* SERVANTS

285. We considered whether we should recommend that Ministers at the head of departments should be served by a personal *cabinet* on the French model, or alternatively that they should make a substantial number of largely personal and political appointments to positions at the top of their departments as in the United States. These are both devices that could be used to strengthen the Minister's control of the departmental policy-making process and to increase the sensitiveness with which the department responds to the needs of Parliament and the public. We have welcomed in Chapter 4 the introduction of the practice whereby Ministers make a small number of temporary appointments. We think it important that Ministers should be free to arrange for the holders of such appointments to be closely associated with the work of the many "official" committees (i.e. committees of civil servants without ministerial membership) which make an essential contribution to policy-making; the work of these committees places a heavy responsibility on civil servants to ensure that the choices subsequently presented to Ministers are not unduly circumscribed*. In Chapter 5 we also propose that the Minister should be assisted by a Senior Policy Adviser as well as by the Permanent Secretary and we suggested that the Minister's own methods of working would determine the pattern of relationships at the top and the precise division of responsibilities. These developments should increase the control of Ministers over the formulation of policy in their departments. In the light of them (taken in conjunction with our proposals in the next paragraph), we see no need for ministerial *cabinets* or for political appointments on a large scale.

286. A related issue is the extent to which a Minister should be free to change the staff immediately surrounding him. There is no problem about those who have been personally appointed on a temporary basis by his predecessor; when a new Minister comes in, they will go anyway. Thus the issue really arises only over the positions of the Permanent Secretary, the Senior Policy Adviser and the Private Secretary. Because of the nature of

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One of us (Di\ Norman Hunt) considers that junior Ministers should also be members of the more important of these committees. At present junior Ministers are sometimes not in a position to make a full contribution to departmental work. Their inclusion in official committees could strengthen the political direction of departments.

Private Secretary's duties, he must be personally acceptable to his Minister; there should therefore, in our view, be no obstacle in the way of a Minister's selecting from within the department, or on occasion more widely within the Service, as his Private Secretary the individual best suited to his ways of working; no stigma should attach to a person who is moved out of this job. As far as Senior Policy Advisers are concerned (whether career civil servants or those appointed from outside the Service on a short-term basis), we would hope that, as they will 'be selected for this job as men of technical competence and vitality, Ministers will not normally wish to replace them. This must however be possible when a new Minister finds the current holder of this office too closely identified with, or wedded to, policies that he wishes to change; or when an adviser's capacity for producing and making use of new ideas declines. It should be more exceptional, however, for a Minister to change his Permanent Secretary. Ministers change often, whereas the running of a department requires continuity. Even so, Ministers should not be stuck with Permanent Secretaries who are too rigid or tired. Any changes of this kind affecting Senior Policy Advisers or Permanent Secretaries will require the most careful consideration by the Head of the Civil Service and the Prime Minister, whose joint task it is in this context to safeguard the political neutrality of the higher Civil Service.

SERVING THE COMMUNITY

1. It is manifestly in the interests both of the Service and of the community at large that they should not be remote from one another. In the past the Administrative Class of the Civil Service has been on easy and familiar terms with the learned professions and particularly with the older universities, less so with the world of industry and commerce; familiar with London, less so with the regions; and so on. We would wish, not that familiar relationships should be lost, but that they should be enlarged and made more comprehensive.

1. Where recruitment is concerned, we hope that the proposals we have made in Chapter 3 will increase the attractiveness of the Civil Service to the graduates of the great civic and the newer universities. We have noted with satisfaction the recent trend towards an enlarged entry to the Administrative Class from these universities. Those of us who propose that emphasis should be placed in selection on the relevance of subjects studied for degrees believe that this development will give further impetus to the trend. In addition, a graduate entry drawn from a wider range of universities should help to ensure that graduate recruits to the Civil Service become more representative, geographically, educationally and socially, of the nation at large than they have been in the past; we regard this as a desirable objective in itself.

1. We have also set out in Chapters 3 and 4 our proposals for the sharing of post-entry training with staff from nationalised and private industry, business and local government, and for a greater flow, both of "outsiders" coming in for varying periods to work in departments, and of civil servants going to take part in work outside. We regard these proposals as a means not only of increasing the effectiveness of Civil Service work but also of avoiding the risks of professional isolation.

290. We are aware that service to the community demands more than

greater professionalism and efficiency. In formulating our recommendations we have tried throughout to bear in mind the overriding importance of good relations between the Service and the public. As the responsibilities of government have widened, so has the influence for good or ill of the Service itself. Ordinary citizens confront the State at many points in their everyday life: it taxes them and determines their rights to social benefits; it provides for the education of their children and the protection of their families' health. As householders, many are dependent on the State's housing policies; as employers or employees, they are deeply affected by its success or failure in its management of the national economy. In practice, most people can discharge many of their obligations to their families only with the help of the services provided and controlled by the State. The Civil Service, as the agent of the State, is bound constantly to touch very sensitive nerves. In consequence, its qualities of integrity, understanding and efficiency are profoundly important to ordinary men and women.

291. We believe that the measures we have proposed can make a contribution to a closer relationship between the Civil Service and the community.

But this problem has to be grasped in the wider context of other, complementary reforms, which go well beyond the reform on the Civil Service.

COMPLEMENTARY REFORMS

1. Our proposals for the reform of the Civil Service need to be seen as part of the more general reappraisal that is being made of our inherited forms of government and social and economic organisation. For example, since we began our work Royal Commissions have been asked to examine the structure of local government in England and Scotland; the Royal Commission on Trade Unions and Employers' Associations has already reported; Parliament is modernising its procedures. The ability of the government to promote the country's well-being requires more than the reform of the Civil Service; so we attach great importance to the outcome of these other wide-ranging inquiries and developments, particularly those that affect the relationships between central and local government, between central government and private and nationalised industry, and between government departments and Parliament.

1. In this connection we considered whether we should propose a major review of the Whole machinery of government, which has not been systematically examined by an outside body since the Haldane Committee in 1918. A number of witnesses who gave evidence to us thought that such a review was needed. Certainly, the division of responsibility between departments, and the lines drawn between the responsibilities of central government and those of other public bodies, have a decisive influence upon the work of the Civil Service. The speed and effectiveness of decision-making are inevitably affected when, under the current organisation of the work of government, several departments have a legitimate interest in most major social and economic problems, and when these problems accordingly have to be handled through a large network of departmental and inter-departmental committees. Machinery of government, however, was outside our terms of reference, and we have not examined whether or not there was merit in the proposals put to us on this subject; but if the review of "hiving off", which we have proposed in Chapter 5, recommended substantial changes, this would

also provide the opportunity for simultaneous consideration to be given to a general review of the machinery of government.

MANPOWER

294. Throughout our work we have been conscious of the widespread public concern over the growing size of the Civil Service, The size of the Service (excluding the Post Office) since 1950 is shown below:—

			<i>Clerical</i>	<i>Profes-</i>		<i>Inland</i>	
			<i>(including</i>	<i>sional,</i>		<i>Revenue</i>	
	<i>Adminis-</i>	<i>Executive</i>	<i>Clerical</i>	<i>Scientific</i>	<i>Other</i>	<i>Customs</i>	<i>Thousands</i>
	<i>trative</i>		<i>Assistant)</i>	<i>and</i>		<i>and</i>	<i>Total (²)</i>
				<i>Technical</i>		<i>Labour (²)</i>	
1950	3-1	63-9	198-6	89-2	80*1	939	434*9
1955	2*7	62-7	155-4	104*5	62*5	88-4	387*8
1960	2*3	62-7	157*1	107*5	52*9	92-8	382*5
1964	2-5	68-7	168*9	121-4	551	951	416*6
1965	2-5	70-2	166-9	112*9	670	94-5	419*5
! 1966	2*3	73*4	1721	123*1	49*5	98-4	430*6
1967	2*5	71*7	179-7	126*3	68*3	104*4	454*5
1 1968	2-7	83*3	191-9	132*3	61*4	110-9	471*6
k¹) These	j are totals ft	)r the three <	iepartment s	. The figures are included in the other columns.			
(²) Inclu	des the Dip]	lomatic Sen	dee which n	umbered 13	,000 on 1st January 1968.		

1. Naturally, the size of the Service is related to the size of the tasks directly carried out by the government. Today, although the Service accounts overall for less than 2 per cent of the working population, the figures conceal a larger claim on the qualified manpower of the country. It is regrettable that Civil Service and national statistics are inadequate to tell whether this claim is a growing one relative^ to other employments. But it is clear for example that the proportion of school-leavers with two or more " A levels " and equivalent qualifications in 1965 who joined the Civil Service was substantial. It is, therefore, of great importance to ensure that the Service uses its qualified manpower as efficiently and economically as possible.

1. Looking to the future, the Treasury have supplied us with short-term forecasts of the numbers of recruits who are expected to be needed, and the Department of Education and Science with longer-term projections of the output of the educational system, both at the various levels of educational qualification. We publish these papers, with other statistical material, in Volume 4, Section II. On the supply side, there is likely to be a shift in the pattern. Two main points are of particular significance. First, the actual output from the educational system to the labour market will increase at each of the graduate, " A level" and " O level" output points. Secondly, however, within these all-round figures, the increase in the output of graduates will be proportionately greater than the increase in the " A level" output, and the increase in the " A level" output will be proportionately greater than at " O level". On the demand side, the future is necessarily more obscure. We think however that the general trend, a continuing rise in the demand for qualified manpower, which seems to be common to all advanced countries, is likely to be reflected in the British Civil Service as the work demands increasingly advanced management techniques and higher technological sophistication. We would therefore

expect a steady advance in the standards of skill and qualification of the Civil Service as a whole. We discuss the

effect of this trend on the recruitment of graduates to the Service in Appendix F.

1. We see no reason in principle why the Civil Service should not be able in future to recruit the numbers of staff it needs, though there are, and will no doubt continue to be, temporary shortages of people with specific kinds of skill. The Service will however need to be truly competitive in what it offers, if it is to attract its share of really able men and women at all levels; our proposals are intended to make it so.

1. We are conscious that some of our own proposals call for increases in qualified staff. The main proposals that do so are:—

- a. the establishment of Planning Units;
- a. the creation of a Civil Service College and the expansion of the training programme;
- a. greater attention by departments to personnel management and career development;
- a. the expansion of departmental management services in the cause of increased efficiency and economy;
- a. the new Civil Service Department, which with its increased responsibilities will need to be larger than the present "Pay and Management" group of the Treasury,

In addition, the new grading-system we have recommended in Chapter 6 will require a comprehensive job evaluation throughout the Service; we doubt if it can be done without a further, even if temporary, increase of staff.

1. These increases must be viewed both against the size of the Service as a whole and against the benefits they will bring. As to the former, they are likely to be relatively very small, though as a claim on qualified manpower, they will be more significant. The case for them however depends wholly upon the latter; we can justify them only by the results we expect them to achieve.

1. We believe that the reforms we propose are necessary to make the Civil Service equal to the tasks of modern Government. In spite of the increases in staff to which we have referred, we believe that they will also lead in the end to worthwhile economies and greater efficiency in the use of manpower. This is not because we have found civil servants to be under employed today. But we are not convinced that every job they do is essential in order to meet the demands that are placed on the Service by the country; there is not in our view adequate machinery for ensuring that this is so. We therefore set great store by the potential gains from the large-scale programme of job evaluation we have called for in Chapter 6 and from the expansion of management services proposed in Chapter 5. Together, they should do much to ensure that the nation gets value for money, by providing a built-in safeguard against over-staffing, both in quantity and in quality.

1. We stress that Ministers and civil servants alike should keep the need for economy in administration constantly in mind in devising their policies. Increasing sophistication in the methods and techniques of government, for example in those that arise from the large-scale introduction of computers, offers constant temptations to go in for complexity. Even in a

computer age, complexity costs time and money—a cost which often falls upon the organisations and individuals who have to respond to new government initiatives as well as upon the government itself. Since most new legislation involves additional tasks for civil servants, we attach considerable importance to the developing practice of recent years whereby new policy proposals are accompanied by detailed estimates of manpower costs. We think that these, no less than other costs, should be the subject of parliamentary and public debate. Simplicity, and thus economy, in administration should be a constant goal. We would also add that where work can be done more economically by outside organisations, the Civil Service should always be ready to take advantage of this.

THE IMPLEMENTATION OF OUR PROPOSALS

1. We have not spared our criticisms of the way in which the Service is run and of its other defects. We have however been deeply impressed by its very considerable strengths: its integrity, humanity, willingness at every level to carry the load of detailed work which composes so large a part of the country's public business. Any Minister or Parliamentary Secretary who has ever had to carry a complicated Bill through Parliament or to bear the brunt of an unpopular policy, knows this well. We have seen too, in the evidence we have received from civil servants, many signs of a strong desire that the organisation within which they do their work should be remodelled to enable them to do it more effectively.

1. Fully to implement our recommendations will naturally take a number of years. It will call for much discussion, especially with the various staff associations. As a first priority, however, there is an immediate need to:—

- a. set up the new Civil Service Department, designed and staffed to carry out the basic principles of our recommendations;
- a. set up an extensive training programme, so that present civil servants who have not been given adequate opportunities for training in the past can acquire the knowledge and skills they need.

1. For the longer term we hope that the government will take steps to review the progress made in implementing our proposals. This could be by means of an annual report to Parliament during the next five years. Alternatively, the Government might consider whether there is a need at the end of that period to set up a small committee to review progress and report to Parliament*.

1. A modern Civil Service reconstructed on the basis of these proposals (some of which are elaborated in more detail in the various appendices to this volume) will, we believe, make possible the progressive and efficient conduct of our affairs.

1. We have made far-reaching proposals on many important matters. We know that they will not be easy to carry out. A great deal of prolonged, difficult and complicated work will be needed. We have seen that the Service

♦Five of us (Sir Philip Allen, Mr. W. C. Anderson, Sir James Dunnett, Sir Norman Kipping and Lord Simey) hope that the Civil Service, which has been in a state of uncertainty during the two years we have been fitting, will not have to face (the prospect of a review by another committee after five years. A committee on the lines suggested would hardly limit itself to considering the implementation of our proposals.

has men and women with the ability, vision and enthusiasm to carry the task through to success. The new Service they will be creating will be one that offers a stimulating and challenging career to the men and women who work in it.

FULTON (*Chairman*)

NORMAN KIPPING P.

ALLEN W. C.

ANDERSON EDWARD C.

G. BOYLE WILLIAM R.

COOK L. J. DUNNETT N.

C. HUNT R.R. NEILD

ROBERT SHELDON

SIMEY J. E. WALL

R W. L. WILDING (*Secretary*) **M.**

A. SIMONS (*Assistant Secretary*)

19th June, 1968

RESERVATION TO CHAPTER 1

1. I sign Chapter 1 of the Report subject to the following reservations.

1. I think that the chapter is unfair to the Civil Service. While I agree that far-reaching changes are now desirable, the chapter fails to recognise, in my opinion, the contemporary relevance of the great contribution the Service made to the successful conduct of the war and, subsequently, in the transition from war to peace. I believe that full recognition should be accorded to the British Civil Service for its many achievements and qualities, and that the chapter's emphasis on the Service's present shortcomings gives a misleading impression of its future potentials. The Committee were told in France that those who were responsible for remodelling the French Civil Service at the end of the war had much in mind the qualities of the British Administrative Class. There have been recommendations also from time to time in the USA, that something equivalent to the British Administrative Class might, with advantage, be established.

1. Whilst it is no doubt true to say that the foundations of the Civil Service were laid in the second half of the nineteenth century, it is surely also true that the main characteristics it displays today are mid-twentieth-century developments. Although its creation has been called " the one great political invention of nineteenth-century England ", it is also evident that its continued growth is an achievement of our own times. The Northcote-Trevelyan reforms led to the creation of the Civil Service Commission, the open competition and to a structure which was the forerunner of what we have today. But events alone have produced a very different and more positive-minded Administrative Class over the years, starting perhaps with Lloyd George's Insurance Act, followed by two World Wars and all the developments since. After each of the World Wars the Service in fact did a good deal to reorganise itself and, if it has not gone as far as is called for in fully integrating the professional classes of the Service, the place that they have been given since the Second World War is very different from the one that they held before.

1. What we have now to face is essentially a situation which has arisen in the post-war world; this requires a capacity to face the truth at all costs, however inconvenient it may be to do so. This capacity is, I believe, already available to us in the Civil Service as it exists at present, but a degree of reorganisation and further development is required if its fullest potentialities are to be made available to us. This is common ground. I am therefore disappointed that the proposals embodied in this report, and foreshadowed in the present chapter, assume that what is required is something approaching revolutionary changes. My own view is that necessary reforms could be obtained by encouraging the evolution of what is basically the present situation, given the necessary amendments in direction and emphasis. The Treasury proposals before us already suggest many ways in which this may be achieved.

1. In particular, I do not agree that "the Service is essentially based on the philosophy of the amateur (or 'generalist' or 'all-rounder')". It has recently been pointed out that specialisation without a broad basis of foundation knowledge has profound disadvantages. It is true that modern economic and political organisation needs high specialism, but it also needs more general qualities of judgement and decisiveness, and the ability to understand how the reshaping of values may be embodied in and implemented by public policy. In effect, both specialists and generalists are required, and the problem becomes one of relationships and responsibilities, rather than the exclusion of the one in favour of the other. Modern techniques, such as linear programming, cost benefit analysis and other methods of specialised analysis are clearly needed and should be used to the full in the Civil Service. They do not, however, supersede the importance of the fundamental qualities of judgement which are vital to the successful prosecution of government business.

1. So far as generalist knowledge and experience are concerned, I am sure that Macaulay's argument was right and that the Civil Service needs nothing more, and nothing less, than the best brains known to teachers in schools and universities. I have little sympathy with the argument that the Civil Service of today must be fundamentally changed because the Administrative Class which dominates it is typified by the 'gifted amateur'. In the Finance and Public Sector sides of the Treasury there is an immense amount of expert knowledge in the Administrative Class and, although professional economists have helped, administrators have been very much to the fore in such matters as the better long-term planning of public expenditure. The charge of amateurism can indeed be pressed to a point where it puts too much importance on knowledge acquired and formally recognised by the award of a degree or professional qualification before a man enters the Service, and recognises too little the knowledge gained after joining. There are signs that big employers in industry are not now very interested in subject a man has read for a degree, unless they want him for scientific research, and the Administrative Class has in any case to face a problem of communication with non-experts in the form of Ministers and Committees of the House of Commons, which is fundamentally different from anything that industry has experienced, I do not therefore accept that there is a "cult of the generalist" in the Service today *or* that the "generalist" is obsolete at all levels.

1. More has already been done to improve the efficiency of the Service than the report recognises. There is still a long way to go in devising more effective forms of organisation, but the experience of, for example, Canada casts doubt on the suggestion that a reorganisation of class structure will of itself help the Service to work more smoothly. Reform should be discriminating. The statement that nowhere has it run ahead too rapidly takes no account of the informed criticism that too many economists have been introduced into the Service in recent years, in too short a time to make it possible to deploy their services to best effect. Although there may be a need for more knowledge in the Service of economics this cannot be obtained only by recruiting more specialist economists. Diminishing returns, it has been pointed out, are to be expected as their number grows.

8. In my opinion, it is evident that there is substantial agreement concerning the chief requirements of Civil Service reform, necessary to enable the Service to meet the rapidly changing demands of the present day more effectively. I agree that it was in the 1950s that it became apparent that the Service was not abreast of change; but I consider that it was only then that this happened. I therefore believe that the correct interpretation of the evidence summarised in this Chapter must lead to the conclusion that the task before us is not one of the total reconstruction of an obsolete institution. On the contrary, I am convinced that we have in the existing Civil Service an asset which it would be utterly foolish to discard. Its potentialities provide a more than adequate basis for any reforms that may be necessary both in the immediate and long-term future.

I have not sought to associate my Civil Service colleagues with me in stating this dissenting opinion.

SIMEY.

SUMMARY OF MAIN FINDINGS

1. The Home Civil Service today is still fundamentally the product of the nineteenth-century philosophy of the Northcote-Trevelyan Report. The problems it faces are those of the second half of the twentieth century. In spite of its many strengths, it is inadequate in six main respects for the most efficient discharge of the present and prospective responsibilities of government: —

- a. It is still too much based on the philosophy of the amateur (or "generalist" or "all-rounder"). This is most evident in the Administrative Class, which holds the dominant position in the Service.
- a. The present system of classes in the Service (there are over 1400, each for the most part with its own separate pay and career structure) seriously impedes its work,
- a. Scientists, engineers and members of other specialist classes are frequently given neither the full responsibilities and opportunities nor the corresponding authority they ought to have.
- a. Too few civil servants are skilled managers.
- a. There is not enough contact between the Service and the community it is there to serve.
- a. Personnel management and career planning are inadequate.

For these and other defects the central management of the Service, the Treasury, must accept its share of responsibility.

1. We propose a simple guiding principle for the future. The Service must continuously review the tasks it is called on to perform; it should then think out what new skills and kinds of men are needed and how these men can be found, trained and deployed.

1. A new Civil Service Department should be set up with wider functions than those now performed by the "Pay and Management" group of the Treasury, which it should take over. The new department should also absorb the Civil Service Commission.

1. The new department should be under the control of the Prime Minister. We hope that he will retain direct responsibility for senior appointments, machinery of government and questions of security. Outside this area, we suggest that the Prime Minister should delegate day-to-day responsibility to a non-departmental Minister of appropriate seniority who is also a member of the Cabinet.

1. The Permanent Secretary of the Civil Service Department should be designated Head of the Home Civil Service.

1. All classes should be abolished and replaced by a single, unified grading structure covering all civil servants from top to bottom in the

non-industrial part of the Service. The correct grading of each post should be determined by job evaluation.

1. The Service should develop greater professionalism both among specialists (e.g. scientists and engineers) and administrators (i.e. the new counterparts of the present Administrative and Executive Classes). For the former this means more training in management, and opportunities for greater responsibility and wider careers. For the latter it means enabling them to specialise in particular areas of government. We identify two such areas and accordingly recommend the development of a group of economic and financial administrators, and a second group of social administrators.

1. Employing departments should have a larger role in recruitment and there should be a speeding up of procedures. A majority of us consider that in the recruitment of graduates for one or other of the groups of administrators more account should be taken of the relevance of their university courses to the job they are being recruited to do.

1. A Civil Service College should be set up. It should provide major training courses in administration and management and a wide range of shorter courses. It should also have important research functions. The courses provided by the College should not be restricted to civil servants; a proportion of places should be set aside for men and women from private industrial and commercial firms, local government and public corporations.

1. More resources should be devoted to the career management of all civil servants. All must have the opportunity to progress as far and as fast as their talents and appropriate training can take them. This involves major changes in promotion procedures.

1. While the Civil Service should remain predominantly a career Service, there should be greater mobility between it and other employments. We, therefore, recommend an expanded late entry, temporary appointments for fixed periods, short-term interchanges of staff and freer movement out of the Service. These proposals involve substantial changes in the pension scheme and the replacement of "established" status by new terms of employment.

1. In the interests of efficiency, the principles of accountable management should be applied to the organisation of the work of departments. This means the clear allocation of responsibility and authority to accountable units with defined objectives. It also means a corresponding addition to the system of government accounting.

1. Management services units with highly qualified and experienced staff should be set up in all major departments.

1. Departments should establish Planning Units.

1. In addition to the Permanent Secretary, there should also be in most departments a Senior Policy Adviser to assist the Minister. The Senior Policy Adviser would normally be head of the Planning Unit. His prime job would be to look to and prepare for the future and to ensure that present policy decisions are taken with as full a recognition as possible of likely future developments.

1. In some of the big technical departments, there may be a need for a further senior post: a chief scientist, engineer or other specialist,

1. We do not propose that the Senior Policy Adviser and chief specialist, together with the Permanent Secretary, should constitute a formal board. The working arrangements should be informal and variable from department to department and from time to time; different Ministers' individual ways of working will do much to determine the pattern.

1. There should be one man who has overall responsibility under the Minister for all the affairs of the Department and he should continue to be the Permanent Secretary.

1. A Minister at the head of a department should be able to employ on a temporary basis such small numbers of experts as he personally considers he needs to help him.

1. We have suggested a number of further inquiries. Their subjects among others, should be: —

- a. the desirability of " hiving off " activities to non-departmental organisations;
- a. ways and means of getting rid of unnecessary secrecy both in policy making and in administration;
- a. the new pattern of joint consultation that will be appropriate for the Civil Service in the light of the Government's decisions on our report. This inquiry should be conducted jointly by the Civil Service Department and the staff associations;
- a. methods of making recruitment procedures as speedy and objective as possible.

1. If our proposals are accepted, we hope that the Government will take steps to see that the progress made in their implementation is reviewed. This could be by an annual report to Parliament during the next five years. A small committee might be set up at the end of that period if needed.

1. We have seen that the Service has men and women with the ability, vision and enthusiasm needed to carry our proposals through to success. A Civil Service reconstructed on the basis of these proposals will, we believe, make possible the progressive and efficient conduct of our affairs.

APPENDIX A

THE SCOPE OF OUR INQUIRY

We were appointed on 8th February, 1966 to "examine the structure, recruitment and management, including training, of the Home Civil Service, and to make recommendations".

1. The Prime Minister, in his statement in the House of Commons, said that the decision to set up a Committee was reached in view of the changes which had taken place in the demands placed upon the Civil Service and of the changes in the country's educational system: and that the time had come to ensure that the Service was properly equipped for its role in the modern State. He added that the Government's willingness to consider changes in the Civil Service "does not imply any intention on their part to alter the basic relationship between Ministers and civil servants. Civil servants, however eminent, remain the confidential advisers of Ministers, who alone are answerable to Parliament for policy; and we do not envisage any change in this fundamental feature of our parliamentary system of democracy".

1. Our terms of reference refer to the "Home Civil Service", and thus exclude the Diplomatic Service. The Home Civil Service is not easy to define precisely, but we have found it convenient broadly to follow the last two Royal Commissions on the Civil Service* in adopting "Servants of the Crown, other than holders of political or judicial offices, who are employed in a civil capacity and whose remuneration is paid wholly and directly out of moneys voted by Parliament". This includes both permanent and temporary staff in public departments but excludes the staff of such bodies as the Research Councils, whose organisation, pay and conditions are similar to those of the Civil Service.

1. This definition also excludes the staff of the Post Office, whose salaries are not voted by Parliament but are paid out of Post Office receipts. They have continued to be civil servants by virtue of the Post Office Act, 1961, but we decided to omit them from our inquiry following the Government's announcement that legislation will shortly be introduced to separate the Post Office from the Civil Service. We have also followed the precedent of previous inquiries in omitting all industrial staff. The National Board for Prices and Incomes recommended in their report No. 18 of June, 1966 that the Government should aim over a period to build on what is common to the industrial and non-industrial parts of the Service with the ultimate objective of attaining equality of status to all government servants. This objective has been accepted, but the structure, management etc. of industrial staff are specially and separately determined, and we decided that we could not examine their different problems. Unless otherwise stated, all figures quoted in our report exclude both Post Office and industrial staff.

1. The field of our inquiry is thus the non-industrial staff of the Civil Service, excluding the Diplomatic Service and the Post Office. On 1st January, 1968, they numbered 459,000.

1. Our terms of reference excluded the machinery of government. We found at many points of our inquiry that this imposed limits on our work; questions about the number and size of departments, and their relationships with each other and the Cabinet Office, bear closely upon the work and organisation of the Civil Service. We have recommended (in Chapter 5) that the Government should examine the possibility of "hiving off" a number of functions now discharged by departments and entrusting them to independent public bodies; and we express the view (in Chapter 8) that this examination may also provide an opportunity for a wider review of the machinery of government.

* Royal Commission on the Civil Service 1929-31 (CMD. 3909). Royal Commission on the Civil Service 1953-55 (CMD. 9613).