



# Public administration characteristics and performance in EU28:

## United Kingdom

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## 1 SIZE OF GOVERNMENT

The UK public sector now accounts for 42.85% of GDP and therefore lies in the middle of the range for EU28 countries. After reaching 35.7% in 1999 and 2000, a new low in modern times, it slowly grew to 39.6% in 2007 (just as the financial crash was beginning), under the influence of deliberately growth-promoting policies in the Blair-Brown Labour administrations (1997-2010). However, the share of public sector expenditure in GDP declined rapidly after 2010, as a result of a series of austerity budgets by the Coalition Government (2010 – 2015) and the later Conservative Government (2015 to present).

In 2010, central government expenditure was 44.30% of total government expenditure, the third highest in the EU28. Local government expenditure, on the other hand, accounted for only 13.2% of total government expenditure in 2010. Given that there is no state (regional) level of government in the UK, this distribution of expenditure between levels of government means that the UK is one of the most highly centralised countries in the EU28 and quite dramatically so, compared to the other major EU economies.

**Table 1. General government budget data**

UNITED-KINGDOM	2010	EU 28 Rank	2015	EU 28 Rank	Δ Value	Δ Rank
<b>Total expenditures (in % GDP)</b>	48.04	14	42.85	18	-5.19	-4
<b>Central government share (%)</b>	44.30	3	39.30	3	-5.00	0
<b>State government share (%)</b>						
<b>Local government share (%)</b>	13.20		10.90			
<b>Public investment (in % GDP)</b>	3.19	24	2.70	21	-0.49	+3
<b>Debt in % GDP</b>	75.74	21	89.06	19	+13.32	+2
<b>Deficit in % GDP</b>	-9.6	24	-4.3	25	+5.3	-1

**Sources:** AMECO, Eurostat

After a prolonged period of economic growth of at least 2.4% every year from 1993, the UK economy was seriously affected by the financial crisis of 2007 – 2008, with GDP falling by 4.3% in 2009 and remaining under 2% until a short pre-election spurt in 2014 (see <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/ihyp/qna>). The reaction of the Coalition Government was a series of austerity budgets, proposing major cuts in government expenditure.

Government spending cuts after 2010 were planned to take effect especially deeply in local government, through the mechanism of reducing central government support to local government programmes. From 2010/11 to 2015/16, English local authorities cut spending by 27 per cent in real terms, compared with 11 per cent in Scotland (although Scottish authorities got additional responsibilities without additional funding) (Hastings et al., 2015: 6). Cuts were driven primarily by reductions in central government funding, but also resulted from the government imposing a partial freeze on Council Tax rises. Cuts were much greater proportionately for more deprived authorities. In particular, the most deprived all-purpose local authorities saw cuts of more than £220 per head compared with under £40 per head for the least deprived. Strikingly, spending on social care rose by 8 per cent in more affluent authorities, but fell by 14 per cent in more deprived areas – this suggests that there was simultaneously a major rise in the need for social care expenditure, which more affluent local authorities could partly fund, but a fall in the financial capacity of more deprived local authorities to deal with this rise. As a

result of the faster rate of cuts for more deprived authorities, there has been a significant convergence in the overall spending per head between the most and least deprived authorities in England. The differential has reduced from 45 per cent in 2010/11 to just 17 per cent in 2014/15 (Hastings et al.: 8).

The public justification of these austerity budgets was the need to reduce the UK government deficit and, eventually, the level of public debt. Indeed, according to the IMF, in 2010 the UK had the fourth highest level of structural government borrowing among the 29 advanced economies for which comparable data were available (see <https://www.ifs.org.uk/publications/6683>). In the event, these intentions were only partially met. The government's declared goal of eliminating the deficit (on a cyclically adjusted basis for the current budget excluding capital spending) by 2014-5 was first postponed to 2018 (and in 2016 postponed to 2020) and a target date has now apparently been abandoned. The UK in 2017 has the third highest deficit of EU 28 countries (see <http://ec.europa.eu/eurostat/documents/2995521/7997684/2-24042017-AP-EN.pdf/d83f50f3-ecab-457a-a46b-f58d3e42a030>). Consequently, the goal of beginning to reduce public debt was also not achieved – indeed, the public debt is now considerably higher as a proportion of GDP than in 2010 and this ratio is now the 8<sup>th</sup> largest in the EU 28. The UK public sector is therefore far from achieving fiscal sustainability.

### **1.1 Public sector employment**

Public sector employment in 2015 was at a level of over 5.3m, of which about 55% worked in central government and about 42% in local government. Public sector employment in December 2015 was 17% of the UK labour force - the lowest proportion since comparable records began in 1999 (ONS, 2016).

The number of people employed in the public sector has been generally falling since March 2010. The number employed by the civil service (which represents just over 7% of all public sector employees) fell by 28% since its most recent peak in early 2005 (and by 18.5% since 2010) (Stanley, 2017). Statistics from OECD (2015), although derived from a different data base, suggest that public sector as a percentage of the overall labour force, fell by 5.6% between 2009 and 2013 – in 2013 the UK was in 10<sup>th</sup> place out of 27 OECD countries for which figures were reported.

An Institute for Government (Lilly, 2017) analysis shows that the highest fall in staff numbers over 2010–2016 was experienced by the Department for Communities and Local Government (44%) and the Department of Environment, Food and Agriculture (34%). Next come some of the big service delivery departments – the Ministry of Justice, the Department of Work and Pensions, and the Department of Health have also all seen their staff fall by over 25% since 2010. The notable exception amongst major delivery departments is HMRC, which has experienced lower cuts. Some other, smaller departments have seen increasing staff levels since 2010 - DfID has had a rise of 30% and the Cabinet Office has grown by over 25%.

UK civil servants saw lower rises in their remuneration in every year after 2010, compared to the average rises for civil servants in the EU 28 (Eurostat). The Office for National Statistics (ONS, 2011) estimated that public sector employees were on average paid around 7.8% more than their equivalents in the private sector, but this difference was reversed for more qualified employees. However, this analysis did not however separate out public servants in the civil service (over 7% of all public servants), whose pay has probably been more tightly constrained than wider public sector pay, partly because it is controlled by Ministers. There was for some years around 2010 a move towards paying non-pensionable bonuses, rather than increasing salaries but this trend subsequently went sharply into reverse (Stanley, no date). The original motivation was

to cut costs by reducing salaries and pension payments in the long term, and employers' pension contributions in the short term, as well as to reward different behaviours to those rewarded by permanent salary increases, particularly delivery of short-term business objectives or highly personal contributions to wider organisational goals. The highest bonuses, in cash terms, were paid to the Senior Civil Service (SCS) but bonuses were in practice paid to a high proportion of the SCS, so the average bonus was only around 12% of salary, which Stanley suggests was in practice far too low to change behaviour. More recently, the Institute for Fiscal Studies (IfG, 2017a) found that average public sector earnings, adjusted for qualifications, was about 3% above the private sector and the difference was narrowing.

**Table 2. Public sector employment in UK**

UK	2015
<b>(1) Total UK public sector employment (in million)*</b>	5.347
- share of central government (%)	55.1%
- share of state/regional government (%)	-
- share of local government (%)	41.7%
(2) Public employment in social security functions (in million) OTHER HEALTH AND SOCIAL WORK	0.242
(3) Public employment in the army (in million) HER MAJESTY'S FORCES	0.158
(4) Public employment in police (in million) **	0.249
(5) Public employment in employment services (in million)	Unknown
(6) Public employment in schools (in million) EDUCATION	1.513
(7) Public employment in universities (in million)	Unknown
(8) Public employment in hospitals (in million) NHS0.242	1.611
<b>(9) Public employment in core public administration (in million)</b>	<b>1.574</b>
(10) Core public administration employment in % of general government employment (10)/(1)	29.4

**Source:** Office for National Statistics (2016), *Public Sector Employment UK, December 2015*. London: Office for National Statistics.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/december2015>.

## 2 SCOPE AND STRUCTURE OF GOVERNMENT

### 2.1 State system and multi-level governance

#### 2.1.1 The state/government system

The United Kingdom governance system is complex and fragmented. As well as the UK Parliament and government, it has governments and parliamentary assemblies in the constituent countries of Scotland, Wales and Northern Ireland, each of which has different powers and different funding arrangements.

The UK government itself has 25 ministerial and 21 non-ministerial departments, 350 executive agencies and other non-departmental public bodies and 10 public corporations. Some of these have a remit for the whole UK (e.g. HM Treasury, HM Revenue and Customs, Foreign and Commonwealth Office, Department for International Development), while others have a remit only for England (e.g. Department for Education, Department for Communities and Local Government), as their powers in the rest of the UK are exercised by the devolved governments of those countries.



The UK in 2015 also had a complex system of local government. Local government arrangements differ between the four countries in powers, funding sources and structure. In England, there were 57 'single tier' authorities (55 unitary authorities, the City of London Corporation and the Council of the Isles of Scilly), 28 'upper tier' authorities (27 County Councils and the Greater London Authority), and 269 'lower tier' authorities (36 metropolitan authorities, 32 London Borough Councils, 201 non-metropolitan district councils). In the other three countries of the UK there are only unitary local authorities – 32 in Scotland, 22 in Wales and 11 in Northern Ireland (although local councils in Northern Ireland have very limited powers, which do not include responsibility for education, road-building or housing).

There were 45 local police forces in the UK – 39 in England (some co-terminous with local authority areas, some combined across local authority areas), 1 in Scotland, 4 in Wales and 1 in Northern Ireland – as well as three 'national special police forces' (covering public transport, civil nuclear installations and the Ministry of Defence). There were also 45 Fire and Rescue authorities, some of co-terminous with local authority areas, others combined across them.

## **2.2 The distribution of powers between different levels of government**

There is an apparent anomaly in the absence of parallel parliamentary and government arrangements in England to those which obtain in the devolved administrations of the other three countries (Scotland, Wales and Northern Ireland), so that politicians from all parts of the UK can vote in the UK Parliament on laws which will only apply in England, while English politicians cannot vote on laws which are passed in the assemblies of the other three countries (an anomaly known as 'the West Lothian Question'). This has given rise to a movement for an English Parliament ('English Votes for English Laws'), although this still commands relatively weak support at electoral level in England.

In spite of the large infrastructure of sub-national governmental units, the governance of the UK remains highly centralised. Even the spending powers of the three devolved administrations of Scotland, Wales and Northern Ireland are largely determined by the UK government in Westminster. The UK government has in recent times accepted the principle of 'local self-government' and the Coalition Government after 2010 pledged significant devolution to English local government. A new general power of competence was introduced in 2012 to permit local authorities in England to do "anything that individuals generally may do", replacing the more limited power for local authorities to promote economic, social and environmental well-being in the Local Government Act 2000. A similar power has since been introduced in Northern Ireland and is under discussion in Wales. Scottish and Welsh local authorities still have a general 'well-being' power, equivalent to the one in the Local Government Act 2000. In practice, however, the UK government at Westminster has continued to exercise major influence on local government powers, structures and spending decisions in England and the devolved governments in the other countries have been similarly reluctant to devolve any significant powers or spending discretion to their local authorities.

Where disputes have arisen over these devolved powers, the courts have played an important role in resolving them. The devolution Acts to the three countries all include a proviso whereby nothing in the devolution scheme is to be taken to affect the power of the Westminster Parliament to make law for Northern Ireland, Scotland and Wales – however, Anthony (2015: 98099) points out that this proviso does nothing other than reflect orthodox understandings of legal sovereignty under the UK constitution and the view that the Westminster Parliament "can make or unmake any law whatever".

However, in a practical sense, it is generally believed that the Westminster Parliament will not legislate in an area of devolved competence, except where one or more of the devolved legislatures formally asks it to do so. Anthony (2015: 111) suggests that recent rulings from the UK Supreme Court leave open the possibility that future rulings will envisage something akin to a federal distribution of competence under the constitution, which would significantly reduce the dominance of the Westminster Parliament.

**Table 3. Distribution of powers between different levels of government in UK**

Government level:	Legislation	Regulation	Funding	Provision
<b>UK Central Government</b>				
<b>Defence</b>	Exclusive	Exclusive	Exclusive	Exclusive
<b>Foreign policy</b>	Exclusive	Exclusive	Exclusive	Exclusive
<b>Immigration</b>	Exclusive	Exclusive	Exclusive	Exclusive
<b>Trade and industry</b>	Exclusive	Exclusive	Exclusive	Exclusive
<b>National tax system</b>	Exclusive	Exclusive	Exclusive	Exclusive
<b>Benefits and social security</b>	Exclusive	Exclusive	Exclusive	Exclusive
National Health Service	Exclusive	Exclusive	Exclusive	Exclusive
Employment	Exclusive	Exclusive	Shared with local government	Mainly through Local Economic Partnerships and local government
Equal opportunities	Exclusive	Exclusive		
Broadcasting	Exclusive	Exclusive	Partly – plus sales revenue	Broadcasters are autonomous
National Special Police Forces – Defence, Transport, Civil Nuclear	Exclusive	Exclusive	Exclusive	Agencies
Universities	Basic legislation	Exclusive	Partly – but mainly student fees	Universities are run autonomously
Science & Research	Basic legislation	Shared with devolved governments	Shared with devolved governments	Shared with devolved governments
Police (England and Wales)	Basic legislation and policy	Inspections by Her Majesty’s Inspection of Constabulary	Partly funded from local tax	Police run by Police Forces, under governance of Police Commissioners
Law and order (including courts system) (England and Wales)	Exclusive	Exclusive	Exclusive	Courts run by Executive Agency
<b>Devolved governments (Scotland)</b>				

Health and Social Services	Exclusive	Exclusive	Exclusive	Exclusive
Law and order (including courts)	Exclusive	Exclusive	Exclusive	Exclusive
Police	Exclusive	Exclusive	Exclusive	Police run by Police Forces,
Education	Exclusive	Scottish Qualifications Authority sets and marks exams and Education Scotland inspects schools	Shared with local government	Local government
Environment	Exclusive	Shared with local government	Shared with local government	Shared with local government
Agriculture, forestry and fisheries	Exclusive	Exclusive	Exclusive	Exclusive
Land use planning	Exclusive	Shared with local government	Shared with local government	Shared with local government
Universities	Exclusive	Exclusive	Scottish government plus (low) student fees	Universities are run autonomously
Housing	Exclusive	Shared with local government	Largely self-financing	Provided mainly by local government and housing associations
Sport and the arts	Exclusive	Shared with local government	Partly self-financing	Provided by local government and leisure trusts
Science & Research	Shared with UK central government	Shared with UK central government	Shared with UK central government	Shared with UK central government
Transport (Rail, Airports)	Shared with UK central government and Scottish local government	Shared with UK central government and Scottish local government	Shared with UK central government and Scottish local government	Shared with UK central government and Scottish local government
<b>Devolved government (Wales)</b>				
Education	Exclusive	Schools inspection by independent body Estyn	Local government	Local government
Health	Exclusive	Exclusive	Exclusive	Exclusive
Agriculture and rural affairs	Exclusive	Exclusive	Exclusive	Exclusive

Transport	Basic legislation, but reserved powers for UK government in regard to 'national' transport, e.g. aviation, maritime policy, and strategic road and rail	Shared with UK government	Shared with local government	Shared with local government
Planning	Basic legislation	Shared with local government	Shared with local government	Shared with local government
Economic development	Basic legislation	Shared with local government	Shared with local government	Shared with local government
Social services	Basic legislation	Social Care Wales	Shared with local government – partly self-financing	Shared with local government
Environment	Basic legislation	National Resources Wales	Shared with local government	Shared with local government
Culture	Shared with local government	Shared with local government	Shared with local government – partly self-financing	Shared with local government
Science & Research	Shared with UK central government	Shared with UK central government	Shared with UK central government	Shared with UK central government
<b>Devolved government (Northern Ireland)</b>				
Justice and policing	Shared with UK government	Shared with UK government	Shared with UK government	Provided by Police Service of NI
Health and social services	Exclusive	Exclusive	Exclusive	Exclusive
Education	Exclusive	Education and Training Inspectorate	Exclusive	Education Authority of Northern Ireland
Employment and skills	Exclusive	Exclusive	Exclusive	Exclusive
Agriculture	Exclusive	Exclusive	Exclusive	Exclusive
Social security	Exclusive	Exclusive	Exclusive	Exclusive
Pensions and child support	Exclusive	Exclusive	Exclusive	Exclusive
Transport	Exclusive	Exclusive	Exclusive	Exclusive
Equal opportunities	Exclusive	Equalities Commission for Northern Ireland	Shared with local government	Shared with local government

Housing	Exclusive	Exclusive	Largely self-financing	Provided by Housing Executive (Executive Agency)
Economic development	Basic legislation	Shared with local government	Shared with local government	Shared with local government
Environment, including planning	Basic legislation	Shared with local government	Shared with local government	Shared with local government
Culture and sport	Shared with local government	Shared with local government	Shared with local government	Shared with local government
Financial services and pensions regulation	NI Assembly can legislate with consent of UK govt	Shared with UK central government	Shared with UK central government	N/A
Broadcasting	NI Assembly can legislate with consent of UK govt	Shared with UK central government	Partly - by funding Northern Ireland Screen, an independent agency	Broadcasters are autonomous
Import and export controls	NI Assembly can legislate with consent of UK govt	Shared with UK central government	N/A	N/A
Navigation and civil aviation	NI Assembly can legislate with consent of UK govt	Shared with UK central government	Shared with UK central government	Providers are autonomous
International trade and finance	NI Assembly can legislate with consent of UK govt	Shared with UK central government	Shared with UK central government	N/A
Telecomms and post	NI Assembly can legislate with consent of UK govt	Shared with UK central government	N/A	Providers are autonomous
Consumer safety	NI Assembly can legislate with consent of UK govt	Shared with UK central government	Shared with UK central government	Shared with local government and government agencies
Intellectual property	NI Assembly can legislate with consent of UK govt	Shared with UK central government	N/A	N/A
Science & Research	Shared with UK central government	Shared with UK central government	Shared with UK central government	Shared with UK central government
<b>Local government</b>				
	General power of competence (while acting within national	Undertaken by auditing and inspection agencies	Partly through central government funding (due	Shared with other local authorities and external

	legislation)	appointed by UK central government	to disappear in 2018), local taxes and service fees	service providers through contracting
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### 2.3 Intergovernmental cooperation

The different devolved Parliaments/Assemblies and administrations exhibited a reasonable degree of cooperation and coordination in the different policy sectors during the period when the Labour Party formed both the UK government and the leading party in the devolved administrations of Scotland and Wales. This cooperation was placed under greater strain in Scotland, however, when the Scottish Nationalist Party formed a minority government in the Scottish Parliament in 2007 and in Wales, when the Labour Party lost control of the UK government after 2010. Nevertheless, many issue-based activities of the separate Parliaments/Assemblies and administrations have continued to be successful in the subsequent years, despite the political differences of the governing parties.

A recent report by the House of Lords Select Committee on the Constitution (House of Lords, 2015) highlights that the current formal basis for intergovernmental relations between the UK Government, the Scottish and Welsh Governments and the Northern Ireland Executive, namely the Joint Ministerial Committee (JMC), is not well regarded (at least in the eyes of the devolved administrations). Specifically, the plenary JMC meeting of heads of government is seen as ineffective, while its Domestic sub-committee is not useful. It suggests that, although most inter-governmental relations are conducted informally and bilaterally, at both official and ministerial level, an effective formal underpinning is essential, especially since the complexity of inter-governmental relationships between the governments is likely to increase significantly as more powers are devolved.

At local government level, the Coalition Government in 2010 abolished many of the national approaches to local government cooperation and partnership which had characterised the New Labour era from 1997. Specifically, they removed the requirement for local public sector partners to form Local Strategic Partnerships, together with their Local Area Agreements, as well as Crime and Disorder Reduction Partnerships. However, within a short period they required local authorities and other local partners to participate in a number of other local collaborative arrangements, including Health and Wellbeing Boards and Local Enterprise Partnerships. Moreover, a number of strong tendencies for inter-authority cooperation have developed in recent years, particularly in England, including shared services (see: <http://www.lgss.co.uk/Pages/Home.aspx>), city deals and combined authorities (Sandford, 2016). These new intergovernmental cooperation approaches share the characteristic that they are locally-specific (with significantly different elements in each locality) and non-universal (not covering all parts of England).

### 2.4 Multilevel governance and public sector reform

The UK system has evolved from a unitary polity (since the Acts of Union with Ireland in 1800, subsequently modified by the Anglo-Irish Treaty of 1922) to a system with an over-arching UK government and three national Parliaments/Assemblies in Scotland, Wales and Northern Ireland with devolved powers. This division of governance does not yet, however, qualify as a fully 'federal' system, as there the system is still characterized by dominance of the Westminster Parliament and England as yet has no separate Parliament or governmental executive (Anthony, 2015: 111).

The executive of central government has traditionally been majoritarian since the Second World War, with only one short-lived period of minority government in 1974. However, the 2010-2105 Coalition Government had to forge agreements between the quite different political platforms of the two constituent parties, the Conservative and

Liberal Democrat parties. This proved an unhappy relationship, with both parties making clear that they would not accept a further such coalition in the future. Recently, after the General Election of 2017, the minority Conservative Party has forged an agreement to gain the support of the Democratic Unionist Party of Northern Ireland in Parliamentary votes, an agreement which stops well short of coalition.

Riddell (2013: 1) has suggested that “In Whitehall, departments remain very powerful in relation to the centre – that is Number 10, the Cabinet Office and the Treasury. But what matters is the relationship between secretaries of state and permanent secretaries in departments, rather than the accountability of either to the centre”. However, the relationship between ministers and civil servants became increasingly tense during the Coalition Government after 2010 – we analyse this in the next subsection.

The Constitution Committee (2012: para 28) of the House of Lords summarized the relationship of the civil service to ministers in the following terms: “We recognise the importance of an impartial, objective civil service, appointed on merit, and able to serve the government of the day whilst retaining the capacity to serve future governments of differing political complexions with equal commitment. The ability of the civil service to perform this function is one of the major strengths of the UK constitution, enabling the smooth transition from one government to another in accordance with the wishes of the electorate, whilst maintaining stability and continuity. The civil service attributes of integrity, honesty, objectivity and impartiality form the bedrock upon which the permanent civil service is built. Whilst these values were not enshrined in statute until the Constitutional Reform and Governance Act 2010, the civil service has been firmly based on them for at least the last 160 years...”.

However, there has been increasing unease in Parliament and amongst the public about the large number of appointments of Special Advisers (SPADs), who are temporary political appointments to the Civil Service by ministers. Despite an early coalition promise in 2010 to limit the number of special advisers, their numbers continued to grow – in November 2014 there were over 100 special advisers across government. While some argued that SPADs turn the civil service into a more politically-oriented advisory system, others argue that they have helped to avoid the direct politicisation of the civil service, since their appointments are rigidly demarcated from those of traditional civil servants (Aston (2015). In summary, politicization has been identified as a growing trend in the UK civil service, as discussed in the next section.

The suggestion by Riddell that Whitehall departments remain very powerful in relation to the centre of government is supported by the finding of the recent review of the Treasury (Kerslake, 2017: 100) that “oversight [by the Treasury] of departmental spending, investment appraisal and financial reporting is seen as poor.” Indeed, one commentator has summarized the picture of the Treasury which emerges from the Kerslake review as “a ministry down on its heels, lacking in confidence and operating somewhat as a ‘hollowed-out, echo-chamber’” (Richards, 2017). The paradox is that the role of the Treasury, however inexperienced in financial control, remains powerful in detailed scrutiny of policy, so that the Kerslake review also concludes that “the UK system of spending control remains one of the most highly centralised in developed countries” (Kerslake, 2017: 17). The consequence is that the implementation of central government policy is highly centralised in intent but in practice is often more decentralized to Whitehall departments than is desired by the centre of government.

**Table 4. Central government – structure, mode of operation, political relations, implementation**

<b>State structure</b> (federal - unitary) (coordinated – fragmented)	<b>Executive government</b> (consensus – intermediate – majoritarian)	<b>Minister-mandarin relations</b> (separate – shared) (politicized – depoliticized)	<b>Implementation</b> (centralized - decentralized)
Federal (in practice)	Majoritarian, except	Separate	Mix of centralised and

and fragmented	for intermediate approach of Coalition Government 2010-15	Politicized	decentralised
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## 2.5 Structure of executive government (central government level)

### 2.5.1 *The ministerial machinery*

The UK government has 25 ministerial and 21 non-ministerial departments, 350 executive agencies and other non-departmental public bodies and 10 public corporations. In ministerial government departments, the top minister usually has the status of a Secretary of State and is generally supported by several junior ministers. There are also 21 non-ministerial departments which are headed by senior civil servants and not ministers, as they deal with matters for which direct political oversight is judged unnecessary or inappropriate - they usually have a regulatory or inspection function like the Charity Commission or Food Standards Agency.

The Cabinet, the collective decision-making body for the government, consists of 21 cabinet ministers, the most senior of government ministers, selected by the Prime Minister, acting also as heads of government departments, mostly with the office of Secretary of State, and therefore with constitutional position and powers. However, the relative political and decision-making authority of the cabinet vis-à-vis the Prime minister has gradually changed in recent decades, as the UK has moved towards a more "prime ministerial" or "presidential" form of government.

The administration of each department is led by a senior civil servant, the Permanent Secretary, who is usually also the Accounting Officer, the civil servant held directly to account by Parliament for the stewardship of resources within a department's control and who is therefore personally responsible for ensuring that the department meets high ethical standards, value for money criteria, certain standards of governance and decision making (including providing ministers with clear, well-reasoned, timely and impartial advice), regularity and propriety of departmental expenditure, affordability and sustainability, proper management of opportunity and risk, and accurate accounting for the department's financial position and transactions (Constitution Committee, 2012). Accounting Officers must personally sign off certain official departmental documents, including the accounts, annual report and governance statement. If an Accounting Officer receives a ministerial proposal which conflicts with her/his duties, s/he must bring this to the minister's attention. If the minister then still wishes the Accounting Officer to proceed with the proposal, the Accounting Officer should seek formal, written direction from the minister, which then must be copied to the Comptroller and Auditor General (head of the National Audit Office), who will usually forward it to the House of Commons Public Accounts Committee. The Accounting Officer must then follow the direction without further ado (Constitution Committee, 2012: para 48).

The ministerial – permanent secretary relationship makes strong requirements of both ministers and top civil servants. Riddell suggests that this longstanding system survived because of some implicit assumptions – principally, that Ministers would be accountable in public and in Parliament for policy errors and blunders, not blaming individual civil servants (whose failings would be addressed internally and privately), while civil servants would offer impartial advice to ministers on decisions and then unquestioningly implement those decisions. These implicit assumptions required mutual restraint and respect for different roles, skills and responsibilities. However, Peter Hennessy noted that this implicit concordat came under increasing strain after 2010 as ministers in the Coalition Government were increasingly critical of the capabilities, skills and performance of the Civil Service particularly in handling big infrastructure and technology projects. New ministers also were frustrated that they had to accept incumbent permanent secretaries when they took up their ministerial positions, rather than being able to make new appointments themselves. Moreover, ministers were reluctant to shoulder blame on behalf of civil servants they had not appointed, and some ministers appeared to blame



their top civil servants in public for things in their department which went wrong or were not in line with their policies. Parliament, too, had become more assertive in wanting to hold civil servants personally to account. Consequently, civil servants felt increasingly insecure, as shown by the large number of top civil servants leaving their posts after 2010.

A number of commentators suggested that it would be better to make the role of civil servants in specific decisions more transparent. However, the Constitution Committee (2012: para 12) concluded on the role of ministers that: "the convention that ministers are constitutionally responsible for all aspects of their departments' business is an essential principle underlying the arrangements that enable Parliament properly to perform its function of holding the Government to account. The convention is clear, straightforward and leaves no gaps". This has not satisfied that group of ministers who feel frustrated that the civil service is not pulling its full weight in implementing government policy.

Riddell (2013) suggests that the key problem is that minister-civil servant relationships rest on understandings, precedent and convention and can therefore be ambiguous – indeed, the Civil Service was only formally established in law in primary legislation in the Constitutional Reform and Governance Act of 2010, and even then this Act largely covered appointments and codes of conduct, remaining silent on the respective responsibilities, and relations, between ministers and the permanent secretaries at the head of civil service departments. Riddell (2013: 1-2) points out that "the traditional constitutional view, as expressed by Lord Armstrong of Ilminster, Cabinet Secretary in the 1980s, is that 'the Civil Service has no constitutional personality separate and apart from the government of the day. The duty of the civil servant is first and foremost to the minister of the crown who is in charge of the department which he or she is serving'. In short, civil servants work for current ministers who are in turn accountable to Parliament". However, this can appear very close to politicisation of the civil service. Although permanent secretaries can resort to requesting a formal written instruction from ministers when they are required to undertake actions which they believe to conflict with their duties as an Accounting Officer for their department, it is believed that this is not a real safeguard to civil service impartiality, as it is perceived to be a career-threatening move. Consequently, top civil servants now have to expect a much more public scrutiny, in both Parliament and the media, than in the past.

Most ministerial departments have a series of subordinate executive agencies, which have a degree of autonomy to perform operational functions, within the budget and strategy set for the agency by the department.

Most departments also have some "arm's length" non-departmental public bodies (NDPBs), often known as quasi-autonomous non-governmental organisations (Quangos). These differ from executive agencies as they are not created to carry out ministerial orders or policy, instead they are more or less self-determining and enjoy greater independence. They are not directly part of government like a non-ministerial government department, being at arms-length from ministers, although ministers are ultimately responsible to Parliament for the activities of bodies sponsored by their department. An NDPB is typically established under statute and is accountable to Parliament rather than to Her Majesty's Government. This arrangement allows more financial independence since the government is obliged to provide funding to meet statutory obligations.

There are 4 types of non-departmental public bodies (NDPBs): i) Executive NDPBs, which work for the government in specific policy areas, e.g. the Environment Agency; ii) Advisory NDPBs, which provide independent advice to ministers – e.g. the Committee on Standards in Public Life; iii) Tribunal NDPBs, part of the justice system, with jurisdiction over a specific area of law, e.g. Competition Appeal Tribunal; iv) independent monitoring boards, – e.g. Her Majesty's Inspectorate of Prisons. There are also 10 public corporations, such as the BBC, the Civil Aviation Authority and the Pension Protection

Fund, which have public purposes but are protected by their Board structure from political interference. They are usually usually self-financing and are more autonomous than NDPBs.

The relationship between a government department and their associated executive agencies, NDPBs and public corporation is a balance between independence and accountability. On the one hand, agencies and public bodies perform functions that should be carried out at a certain distance from the centre of government – e.g. some are regulators, and must be seen to be independent of political interests, while others require specialised expertise not found in the general civil service. On the other hand, because agencies and public bodies spend public money they must be accountable to citizens, Ministers and Parliament. This is normally achieved through such mechanisms as funding agreements, management statements and financial memoranda.

The Secretary of State is responsible for setting the policy framework within which the agency or public body operates, and the high-level objectives and targets it delivers, determining the amount of public money to be allocated to it, and monitoring, and accounting to Parliament for the body's performance and use of public money. The Board of the agency or public body is responsible for providing overall leadership and developing strategy, within the policy framework and expenditure limits set by the government department which sponsors it, ensuring high standards of corporate governance (including effective control systems, decision-making processes and management, management and monitoring of risk), carrying out the body's statutory functions and supporting and advising the executive, if necessary by taking an independent view and challenging executive decisions. The Chief Executive of the agency is responsible for working with the Chair to develop strategy proposals to present to the Board, advising the Board on strategy implementation, acting as the body's Accounting Officer (and therefore being personally responsible for the proper use of public funds and contributing to the Department's accounting to Parliament on this), overseeing and being responsible for day-to-day management and operations, and advising the Board on how to discharge its responsibilities (as set out in founding legislation, management statement/financial memorandum, funding agreement, etc.)

Critics have argued that the system of NDPBs was open to abuse as most had their members directly appointed by government ministers. Consequently, an Office of the Commissioner for Public Appointments was established in 1995. In 2010 the Coalition Government carried out a review of over 900 NDPBs (an exercise colloquially known as the "bonfire of the quangos"), recommending closure of 200 bodies, merger of 120 and substantial reform in 176 others, including transfer to the private sector, promising efficiency savings of over £2.6bn (Tonkiss and Dommett, 2013). Subsequently, a government report (Cabinet Office, 2013) reported that since 2010 the number of NDPBs had been reduced by 220. However, Tonkiss and Dommett, (2013) point out that most of these bodies abolished were smaller advisory bodies and that many functions had survived, being transferred into departments, executive agencies or merged into the remit of other bodies. Accordingly, while the numbers of arm's length bodies was reducing, the scope of government was not necessarily shrinking. Consequently, an NAO report argued that the Cabinet Office did 'not yet have the means to confirm the removal of £2.6 billion from administrative budgets' or to check that this money was the result of savings rather than cuts. Indeed, Cabinet Office (2013) puts administrative savings at only £401 million in the year 2011/12 – and this takes no account of the costs of transition (e.g. disposal of assets and redundancy costs). The NAO estimated transition costs as potentially £830m, while Cabinet Office (2013) estimated the cost of reform at £650m - £800m. In either case, the potential savings claimed in advance by the Coalition Government appear wildly overestimated. More recently, NAO (2015a: 25) has estimated that between 2010 and 2014, the Cabinet Office oversaw a reduction in public bodies of 285, while during the same period 173 new bodies were set up, consisting of 66 companies, 96 public service mutuals and 11 NDPBs.

Government has sought to increase the accountability of NDPBs by bringing them closer to departments and Ministers – in some cases, functions were transferred to executive agencies (which were said to enjoy far less autonomy from Government compared to other forms of arms-length body and others were transferred into departments. For the remaining bodies, a process of independent triennial review was implemented. However, Tonkiss and Dommett, (2013) question whether moving such bodies closer to the centre will increase accountability - there is a risk that functions in, for example, executive agencies, will not be scrutinised to the same extent as those in NDPBs, where triennial reviews occur, and formal structures of accountability, enhanced as a part of the reform programme, will be bypassed.

Finally, the National Audit Office (NAO, 2015a) has identified 3,038 companies (related to 17 central government departments) which central government wholly or partially owned or controlled in the 2013-14 financial year. Companies wholly or partially owned were generally companies limited by shares where government owns all or some of the shares, while government-controlled companies were companies limited by shares or guarantee where government is a member and/or it is able to exert control by being able to appoint, approve or remove directors; providing funding, with rights of control over how that funding is spent; owning a share conferring special rights; or being able to set or constrain corporate policy. Of these companies, 2,591 were Academy Trusts (basically government-funded non-profit schools), while 218 were parent companies, with a further 229 subsidiaries of these parent companies. Many of these companies are trading companies with commercial purposes and an income flow, which therefore reduces their requirement for public sector funding. All Executive Agency Trading Funds are Public Corporations but not all Public Corporations are Trading Funds. Trading Funds are anomalous in being outside Central Government for national accounts purposes but in general being legally part of their sponsoring department (NAO, 2015a: 24).

### **2.5.2 The Centre of Government capacity for coordination**

The centre of government in UK Central Government is generally taken to mean the Cabinet Office and Prime Minister's Office, often known as the 'core executive', which have an explicit coordinating role. For most purposes, it is important to add HM Treasury to this group, as it also plays a central (and at times dominant role) in key policy decisions, particularly around the macro-budget and the allocation of budget to departments and programmes.

Formally, the key decision-making body in government is Cabinet, with the Prime Minister and a group of ministers chosen by the Prime Minister (currently 21 in total). Cabinet Ministers are almost always members of either the House of Commons or House of Lords. The Cabinet is not only the ultimate decision-making body of the executive branch of government, it is also the executive committee of Her Majesty's Privy Council, a body with formal legislative, judicial and executive functions, and whose large membership includes members of the Opposition. However, implementation of Privy Council decisions depends almost entirely on agreement by the Cabinet.

Under the principle of collective responsibility, the Cabinet is jointly responsible for all government policy. Consequently, if a Cabinet minister is unable to support government policy, then he or she is obliged to resign from the government. In principle this also applies to government ministers who are not in the Cabinet, but it is likely that their disagreements are less public. However, the role of Cabinet may often be symbolic, rather than as actual debating forum for deciding policy. It has been argued that Cabinet meetings are becoming less frequent and the body which should support it, the Cabinet Office, has increasingly been commandeered by the Prime Minister (Blick and Jones (2010). Moreover, the weakness of Cabinet was very clearly indicated under the Coalition Government from 2010-2015, when the Prime Minister was forced to share power with his Deputy Nick Clegg (who had a veto over Lib Dem appointments to the

government and Cabinet). In practice, all policy decisions had to be agreed by the Prime Minister (Conservative), Deputy PM (Liberal Democrat), Chancellor of the Exchequer (Conservative) and Chief Secretary to the Treasury (Liberal Democrat), known as the 'QUAD', expecting the Cabinet to rubber-stamp these agreed decisions. Nevertheless, Blick and Jones (2010) caution against the assumption that the increasing power of the Prime Minister and the apparently lower key role of the Cabinet has led in the UK to a 'quasi presidential system'. They point to evidence that, if Cabinet ministers are sufficiently assertive, acting together, then Prime Ministerial pressure can still be stopped by resistance from within Cabinet.

Dowding (2013) argues that growing resources are making the Prime Minister more powerful vis-à-vis other Cabinet ministers, deriving from the growth of the Cabinet Office and the Prime Minister's own office, the growth of political advisers, the increasing use of Cabinet Committees and one-to-one meetings with ministers rather than decisions taken in full Cabinet. Meanwhile, the line-by-line budget oversight that the Treasury now enjoys means that the centre is increasingly involved in policy formation through budgetary detail. However, some of this resource growth is the result of the increasingly complex reach of government, as departments extend the scope of their activity, so that the centre needs to expand to keep up. However, Dowding argues, this increasing power of the Prime Minister does not add up to 'presidentialisation': if Prime Ministers do increase their powers to such an extent that true Cabinet government is threatened, that would mean a prime ministerialisation, not a presidentialisation of government. Indeed, Dowding argues that the nature of parliamentary systems makes Prime Ministers more powerful than presidents. The Prime Minister's Office is compared to the US Presidential Office, but the role of each is entirely different - the Prime Minister's strengthening control mechanisms are directed at the executive, to dominate ministers and their departments, whilst the executive offices of the US president are directed at lobbying and persuading the legislature. In the UK virtually all legislation emanates from the executive; in the US it comes from the legislature - British Prime Ministers are agenda-setters, while US presidents are only veto-players.

Given these trends, the role of the centre of government has clearly become increasingly critical to the success of government. However, Dorey (2014: xxi) argues that traditional discussions about the role of Cabinet, ministers and civil servants in policy making have been superseded by the rise of studies into the 'core executive'. As well as focusing on the role of supporting and coordinating institutions at the heart of the core executive, notably the Cabinet Office and Prime Minister's Office, this approach also draws attention to the increased importance of other players, e.g. junior ministers and Special Advisers (SPADs), and the changing role and relationships of senior civil servants and their top ministers.

Dorey argues that the concept of the core executive places strong emphasis on the interdependence of the individuals and institutions that comprise the core executive, and challenges older accounts that often depict relationships in terms of 'Prime Ministers v. Cabinet' or 'ministers v. senior civil servants'. He highlights how various 'actors' in the core executive are bound together by resource dependency and therefore need to interact in order to achieve their differing policy goals. Instead of viewing individuals and organisations as having a specific degree of power, as if it was fixed and predetermined in a zero-sum game, he argues that power in the core executive is relatively fluid and contingent, in the sense that its possession and the exercise of it is heavily dependent on circumstances, personalities, styles of leadership and the type of issues or policies involved.

This fluid and contingent view of power is consistent with some recent analyses of the roles played by different actors in the 'core executive'. For example, Special Advisers may not have been as successful in injecting a keener sense of political values into government decisions as has been hoped by their Secretaries of State - a recent survey of SPADs suggested surprisingly little conflict or rivalry between SPADs and civil

servants, and evidence that some actually 'go native' within their departments (The LSE GV314 Group, 2012).

HM Treasury, traditionally the most powerful department in Whitehall, reduced its headcount from 1400 (full-time equivalents) to 1000 in 2015. Of course, headcount does not measure influence – as Wilkes and Westlake (2014: 2) have cautioned: "The Treasury's influence (combined with the quality of its staff) means that a handful of often relatively junior staff in the Treasury deploy more power than experts in the departments". Wilkes and Westlake (2014: 18) argue that the Treasury injects into government "an obsession with cost reduction, a lack of strategic budget-setting, and excessive control of departmental spending". Assessing its role in the centre of government, NAO (2015b) found "a number of instances where the Treasury and the Cabinet Office could improve their coordination and leadership of government to improve value for money, effectiveness and efficiency", citing in particular "instances where the Treasury and the Cabinet Office have placed different, and sometimes conflicting, expectations on the departments, resulting in duplication of effort and wasted resources". More trenchantly, one commentator summarized the picture of the Treasury emerging from the Kerslake review as "a ministry down on its heels, lacking in confidence and operating somewhat as a 'hollowed-out, echo-chamber'" (Richards, 2017). Nevertheless, the power of the Treasury should not be underestimated – as Wilkes and Westlake (2014:10) have pointed out: "... habits and structures of government still overwhelmingly favour the Treasury having a central role in economic policy making. It is written into the DNA of any UK government. The Chancellor chairs the economic affairs cabinet sub- committee. Infrastructure UK sits within the Treasury. It holds the relationship with the Bank of England and the financial sector ...".

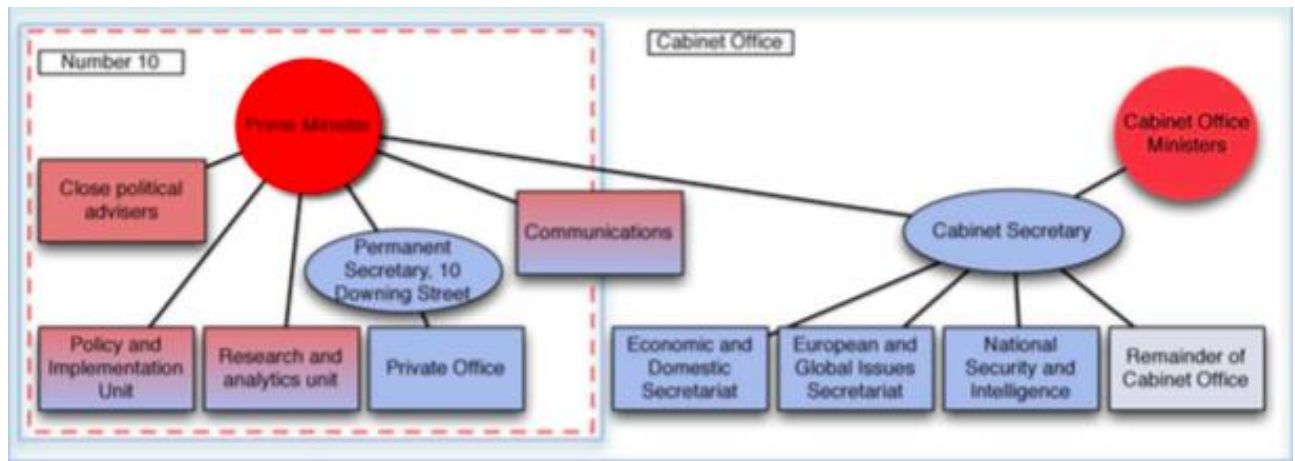
The other key department at the centre of government is the Cabinet Office, with a staff of over 1300 in 2011. A recent report (NAO, 2015a) reminds us that traditionally, the Cabinet Office contains the most senior civil service roles. It highlights how, over the 2010-15 Parliament, more functions were moved to the central departments to deliver efficiency savings and the Cabinet Office led a programme of cross-government reform, working closely with HM Treasury, to achieve an average 19% budget cut across central government departments. The Cabinet Office, as part of the centre of government, was strengthened in order to support departments to move effectively to reform. This included setting up the Efficiency and Reform Group to be an operations hub to help implement cross-government priorities; setting up new posts such as the chief executive of the civil service; delegation from HM Treasury to the Cabinet Office of responsibility for centrally managed spending controls on areas of spending such as consultants, marketing and IT; and developing Cabinet Office capability in priority business areas (such as commercial, project delivery and digital) to enable the centre of government to lead the development of strategies with departments to coordinate and reform the way they work.

The NAO records that in 2013-14 the Cabinet Office claimed £14.3 billion of cross-government efficiency and reform savings against a 2009-10 baseline, with an aim of exceeding £20 billion in 2014-15. However, the NAO report identified areas in which the Cabinet Office as part of the centre needs to improve its effectiveness in order to achieve its targets. These included improving the way the centre engages with departments, tackling the lack of incentives in place, and growing the centre's capacity and capability to implement its ambition; developing an understanding of the business of departments and their priorities, given that the current support and challenge offered was sometimes inappropriate and not helpful; and more effective communication between different parts of the centre, including communication between different spending teams working in HM Treasury and the Cabinet Office, given that different parts of the centre do not act coherently, resulting in overlapping advice and requests for data.

The final organisation at the centre of government is the Prime Minister's Office ('Number 10'), which has a staff of approximately 200 and includes a policy and implementation unit, a research and analytics unit, as well as other functions (Truswell

and Atkinson, 2011). It maintains a special focus on those areas across government that reflect the Prime Minister's priorities. The majority of its staff are civil service appointments, with some on short term contracts. Its relationships with units in the Cabinet Office in 2011 are shown in Figure 1.

**Figure 1. Configuration of the Prime Minister's Office and the Cabinet Office in 2011**



**Source:** *Truswell and Atkinson (2011: 34).*

Perhaps its most widely known resource has been the Strategy Unit, set up in 2002. Throughout its history, the Strategy Unit played multiple roles for the Prime Minister – initially, for PM Tony Blair it provided a cross-departmental perspective on the major challenges facing the UK and considered alternative policy options; later, it became more focused on deciding Number 10's position on particular key issues; after 2007, its role evolved to provide a day-to-day policy advice function to PM Gordon Brown. It was disbanded by PM David Cameron in 2010, only for a smaller Research and Analytics Unit to be set up later to develop a view on cross-government and longer-term policy analysis. In similar fashion, the Prime Minister's Delivery Unit, which had been set up by Tony Blair in 2001 under the leadership of Michael Barber, and was widely studied internationally because of its famous slogan 'Deliver! Deliver! Deliver!', was abolished by David Cameron in 2010, only for a Policy and Implementation Unit to take on some of its role. While throughout their histories the Strategy Unit and Delivery Unit have undoubtedly played a significant role in challenging outdated government policies, promoting more innovative alternatives and focusing government departments on actually delivering their policies, their small size means that they could only ever tackle a very limited part of the work of government at any one time.

### **2.5.3 Budgeting and monitoring mechanisms**

The UK government budget, and those of each of the devolved administrations, are usually set once every fiscal year, which in the UK begins in April. At the beginning of each financial year, departments submit budget requests to the Treasury, and, after bargaining with the Treasury, these get published in the Central Government Supply Estimates, although the government can publish supplementary estimates in Winter and Spring, taking into account new forecasts and contingencies and reporting any governmental re-organizations, usually with an "Estimate Memorandum" to the agency's relevant oversight committee in Parliament describing and justifying the changes.

The government then issues a Pre-Budget report, traditionally in December, which contains most of the decisions. The UK budget is announced in the House of Commons by the Chancellor of the Exchequer, traditionally in March, less than one month before the beginning of the new fiscal year. After the Budget statement in March, Parliament therefore had little time to debate the detail, so it typically passed a "Vote on Account" that provides continuity of funding into the new fiscal year, up until the point that the new budget was enacted. However, from 2017 the budget for the following year is being announced in the autumn, which will give a longer lead time to implementation. The proposed budget is generally accepted more or less *in toto* by Parliament, as the government forces it through and serious Parliamentary defeats would be expected to precipitate resignation by the government.

On long-term financial management, NAO (2015b) concluded that the Treasury could use the Whole of Government Accounts to better understand and manage public spending and services and that it needs to be more rigorous and objective in assessing whether guarantees for new UK infrastructure projects are genuinely needed and will bring significant public value.

A major innovation occurred under the new Coalition Government in May 2010, when the Chancellor of the Exchequer announced the creation of the independent Office for Budget Responsibility (OBR) "to address past weaknesses in the credibility of economic and fiscal forecasting and, consequently, fiscal policy" (Ramsden, 2015: 5). To date, the government has used the OBR's economic and fiscal forecasts as the UK's official forecasts. A recent overall assessment (Ramsden, 2015) concluded that the OBR has made substantive progress in improving the credibility of the UK's fiscal framework, in particular ending the perception of bias associated with the forecasts that were previously produced by the Treasury. Moreover, it concludes that the OBR has developed a strong reputation among stakeholders through the quality of its reports, the expertise of its staff, and the credibility of the Budget Responsibility Committee which supervises it. A marked increase in transparency had led to greater trust in the integrity of the forecasts.

However, a recommendation was made that the OBR should be adequately resourced to carry out its remit over the Parliament (Ramsden, 2015), in particular to enable it to:

- build resilience in producing the forecast, especially in light of staff turnover;
- produce a report on fiscal risks, extending existing analysis and meeting recommendations of the IMF Fiscal Transparency Code on risks such as macro-economic shocks and contingent liabilities;
- produce additional analysis on long-term fiscal sustainability; the requirement to include long-term projections in the 'Fiscal Sustainability Report' should be made biennial to free up resource for more in-depth analysis;
- support methodological development and research, including taking on an explicit convening role within the UK's (small) fiscal forecasting community;
- improve the accessibility of its website and produce more "user-friendly" versions of its material to support a wider audience;
- undertake more systematic engagement with Parliament and the devolved administrations.

Ramsden (2015) notes that the OBR's duty is to produce forecasts for the whole of the UK but goes on to suggest that, with greater fiscal devolution, legislation should ensure rights of access to information and assistance between the OBR and devolved

administrations and any fiscal institution, with similar arrangements applying to 'city deals' with significant fiscal devolution.

A key aspect of budget decisions is tax policy but here the process is very different from the expenditure side. Much of the process remains shrouded in secrecy - tax policy is the prerogative of the Chancellor, with the Cabinet only let in on the Budget details a couple of hours before the public and no provision is made for collective discussion (Rutter et al., 2017: 6). The Treasury leads on tax policy and no other department can challenge its role. Moreover, the House of Lords is excluded from scrutiny without the compensation of more powerful scrutiny in the Commons. Rutter et al. (2017: 15) set out seven areas of weakness in relation to budgetary tax policy:

- strategic direction – government often fails to set out and follow a direction of travel for specific areas of tax policy, or the tax system as a whole;
- external engagement – external stakeholders are only weakly consulted and engaged in tax policy changes;
- capacity in the Treasury and HMRC – the capability in the Treasury and HMRC to develop tax policy that works well is questionable, as is the joint working of the two departments;
- internal Budget processes – the exceptional processes applied to tax policy making and Budget decisions mean that many of the safeguards against poor policy making within government are absent, with consequences for the quality of policy making;
- legislation and parliamentary scrutiny – the quality of tax legislation and means by which Parliament scrutinises Finance Bills and other proposed tax changes need attention;
- post-legislative review and evaluation – once tax changes have been implemented, there is little scrutiny to hold government to account for the impacts of the policy;
- public debate – the quality of public understanding and engagement with the tax system is low, which militates against effective policy making.

Taking all these factors into account, and in spite of this positive development on the forecasting side as a result of the contribution of the OBR, the UK public sector is far from achieving fiscal sustainability, as an earlier section demonstrated in relation to the current spending deficit and the long-term public debt position.

#### **2.5.4 Auditing and accountability**

The main external auditing role in the UK public sector has long been carried out by the Auditor and Comptroller General (the earliest reference to the Auditor of the Exchequer was in 1314), who

since 1983 has been the head of the National Audit Office (NAO). From 1983 a further external audit body, the Audit Commission was responsible for external audit of local government and the National Health Service. However, after 2010 the Secretary of State for Communities and Local Government pursued what appeared to be a personal vendetta against the Audit Commission, in spite of its admirable record of supporting governmental approaches to achieving value for money and not simply cost reduction, eventually managing to have it abolished in 2013, with its functions, sometimes in rather skeletal form, reverting to NAO.

The National Audit Act 1983 made the C&AG an Officer of the House of Commons, and head of the National Audit Office, with the express power to report to Parliament at her/his own discretion on the economy, efficiency and effectiveness with which



government bodies have used public funds, overseen by The Public Accounts Commission (TPAC) which is responsible for setting the annual funding of the NAO, appointing the NAO's external auditors and considering their reports. The Budget Responsibility and National Audit Act 2011 established the NAO as a corporate body led by a Board consisting of four executive members (including the C&AG as Chief Executive) and five non-executive members (including a Chairman), charged with setting the strategic direction for the NAO and supporting the C&AG, who retains his independence, as an Officer of the House of Commons, in terms of his statutory functions and his audit judgements.

The NAO scrutinises public spending for Parliament to help the government in its drive to improve public services, nationally and locally (see <https://www.nao.org.uk/about-us/our-work/>). It achieves this by auditing the financial statements of all central government departments, agencies and other public bodies, and reporting the results to Parliament. Its work includes value for money studies, local audit, investigations, support to Parliament and international activities. As well as focusing on the value for money of public services, it seeks to improve outcomes from a diverse range of providers, with effective oversight and intervention. With this in mind, it has encouraged public service commissioners and providers to develop and report a wide range of outcome measures, as well as output and efficiency measures. The reports of the NAO are usually considered in Parliament by the Public Accounts Committee, one of the most powerful committees of the House of Commons.

A further scrutiny mechanism is the Parliamentary and Health Service Ombudsman, which was set up by Parliament to provide an independent complaint handling service for complaints that have not been resolved by the NHS in England and UK government departments. The Ombudsman is not part of government or the NHS in England but is governed by a board of executives and non-executives, whose purpose is to lead, provide stewardship and to preserve and build its reputation. The Ombudsman is appointed by the Crown on the recommendation of the Prime Minister but is independent of both the Government and the civil service and is accountable to Parliament, through the Public Administration and Constitutional Affairs Committee, to which an annual report is made. The Ombudsman is neither a regulator nor a consumer champion. Findings from casework are shared to help Parliament scrutinise public service providers and also more widely to help drive improvements in public services and complaint handling. In 2015-16, the Ombudsman dealt with over 6000 complaints from members of the public, of which it carried out an assessment of over 1600 (see

[https://www.ombudsman.org.uk/sites/default/files/Complaints\\_about\\_parliamentary\\_departments\\_2015-16.pdf](https://www.ombudsman.org.uk/sites/default/files/Complaints_about_parliamentary_departments_2015-16.pdf)). It fully or partly upheld 276 complaints (37% of those assessed). Four government departments (the Ministry of Justice, Department of Work and Pensions, Home Office and Her Majesty's Revenue and Customs) accounted for 77% of the completed investigations. It reported that the reasons for upholding complaints included: the organization had arrived at an unsound conclusion or had used the wrong guidance (20%); failures in decision making (25%), members of the public simply wanted a proper apology and action to put things right (33%), poor communication (20%) and wrong responses to complaints (10%).

## **2.6 Coordination of administrative reform**

The coordination of administrative reform during the Coalition Government was undertaken by the Cabinet Office, in co-operation with HM Treasury. However, the most recent Government Transformation Strategy (Cabinet Office, 2017) is branded as a joint product of the Cabinet Office and the Government Digital Service (although this is actually a constituent unit of the Cabinet Office).

Building on its claim that the UK Government is one of the most digitally advanced in the world (based on coming top of the 2016 United Nations E-Government and E-

Participation surveys), the government commits in the period to 2020 to transform the relationship between the citizen and the state, through actions designed to:

- deliver world-class digital services and transform how government operates, from front end to back office, in a modern and efficient way;
- develop the right skills and culture among citizens and leaders, and bring together policy and delivery to enable services to be delivered in a learning environment, focused on outcomes for citizens;
- build better workplace tools/processes so public servants can work effectively, including sourcing, governance, workplace IT, businesses cases, human resources processes, common technology across the public sector and better digital tools for civil servants;
- make better use of data - not just for transparency, but to enable transformation across the government and private sector;
- create, operate and embed good use of shared platforms and reusable business capabilities to speed up transformation - including shared patterns, components and establishing open standards.

In this way, moving to digital is planned to become the coordinating theme in public service transformation in the next period.

### **3 Key features of the Civil Service System**

#### **3.1 Status and categories of public employees**

##### **3.1.1 Definition of the civil service**

A small core of public employees in the United Kingdom is considered to be civil servants. Of the 5.347m total UK public sector employees in 2015, only 392,000 were (full-time or part-time) civil servants, so that civil servants accounted for only 7.3% of total FTE public employment.

According to the Institute for Government (IfG, 2017b), the number of (full-time equivalent) civil servants as of September 2016 was down 18.5% since the Comprehensive Spending Review in 2010. As a result, the civil service is at its smallest since the Second World War (when civil service employment peaked at 1.164m in 1944).

The Home Civil Service includes not only civil servants who work in central government departments (except for the Foreign & Commonwealth Office), but also those who work in more 'arms-length' bodies, such as executive agencies and non-ministerial government bodies which do not report to Ministers. The detailed status of these latter bodies – examples include HM Revenue and Customs and economic regulators - may vary considerably but they are typically independent of Ministers. The Home Civil Service also includes the Welsh Assembly Government and the Scottish Government. Moreover, Special Advisers, although they are political appointees and employed by Ministerial government departments on special terms, are still civil servants.

Employees of Parliament itself, and the bodies which report direct to Parliament, including the National Audit Office, the Parliamentary Ombudsman and the Electoral Commission, are not servants of the Crown and they are therefore not civil servants. The Civil Service also does not include government ministers (who are politically appointed), members of the British Armed Forces, the police, officers of local government or non-departmental government bodies (NDPBs) of the Houses of Parliament, employees of the National Health Service (NHS), or staff of the Royal Household.

Historically, civil servants have always been employed by the Crown and not by individual departments. This means that they can be transferred between departments

without formality and without losing employment rights. This not only facilitates the free flow of staff between departments, but also facilitates reorganisations within central government. Civil servants also have a special code of conduct, which commits them to being loyal to the government of the day, irrespective of its political composition, and not divulging any information without authorisation.

Public employees comprise employees in all government bodies, as well the civil service. Their status and some important aspects of their conditions of service vary from one part of the public sector to another. This includes staff employed by the National Health Service, local authorities, the police, the Armed Forces, public corporations and Non-Departmental Public Bodies (NDPBs) which are accountable to Parliament ('quangos'). Within this myriad of public bodies there is no common personnel system - each service has its own employment policies. Employees in all categories of public employment except the NHS have declined since June 2010 - e.g. local government employment has fallen from 2.91 million to 2.51 million in December 2016, the lowest since comparable records began in 1999 (Office for National Statistics, 2016).

### **3.1.2 Configuration of the civil service system**

In the United Kingdom, the Civil Service is made up of 25 professions - from communicators and engineers, to procurement managers and lawyers. Each profession has developed its own competency framework, which supports the wider civil service framework.

### **3.1.3 Civil service regulation**

The statutory basis for the management of the Civil Service is set out in Part 1 of the Constitutional Reform and Governance Act 2010 which applies to the whole civil service except the Secret Intelligence Service, Security Service, Government Communications Headquarters, Northern Ireland Civil Service and Northern Ireland Court Service ([http://www.legislation.gov.uk/ukpga/2010/25/pdfs/ukpga\\_20100025\\_en.pdf](http://www.legislation.gov.uk/ukpga/2010/25/pdfs/ukpga_20100025_en.pdf)). It defines, among other issues, the power to manage the civil service as well as the framework for publishing codes of conduct. Furthermore, it defines the rules for the appointment of civil servants and defines the role of Special Advisers.

The Civil Service code (Civil Service, 2015) sets out the standards of behaviour expected of all civil servants in order that they uphold the Civil Service's core values, which are integrity, honesty, objectivity and impartiality. It also gives details of civil servants' rights and responsibilities in relation to the code.

## **3.2 Key characteristics of the central government HR System in the United Kingdom**

### **3.2.1 The management of HRM**

The Minister for the Civil Service has the power to manage the civil service (excluding the diplomatic service which is managed by Foreign Secretary). The agreement of the Minister for the Civil Service is required for any exercise of the power in relation to remuneration of civil servants (including compensation payable on leaving the civil service), or the conditions on which a civil servant may retire. Furthermore, the Minister for the Civil Service must publish a code of conduct for the civil service (excluding the

diplomatic service). The Minister may publish separate codes of conduct covering civil servants who serve the Scottish Executive or the Welsh Assembly Government.

The Civil Service Commission regulates recruitment to the Civil Service, providing assurance that appointments are on merit after fair and open competition. It also helps promote the Civil Service values and hears complaints under the Civil Service Code. The Commission is independent of Government and the Civil Service (see <http://civilservicecommission.independent.gov.uk/>).

However, only the appointment, promotion, pay and conditions of the Senior Civil Service are still centrally determined. Since the 1990s, departments and agencies have full power to recruit all staff below the Senior Civil Service grade, decide on promotion, training and development, determine appropriate pay and grading structure, exit staff and deal with grievances and discipline (Horton, 2000: 217).

### **3.2.2 Internal processes of the civil service**

The United Kingdom uses one of the most highly position-based recruitment systems of all EU Member Countries. Entry into the civil service is through open competition for a position and is subject to audits to ensure recruitment adheres to the established guidelines. The recruitment principles as published by the Civil Service Commission set the framework for the selection process. Some departments, and the Fast Stream graduate programme, use assessment centres.

There are a number of different routes into the Civil Service <https://www.gov.uk/government/organisations/civil-service/about/recruitment>:

- Moving directly into a Civil Service job (permanent or fixed-term contracts, full-time or part-time)
- 2-year Civil Service Fast Track apprenticeship programme
- Civil Service Fast Stream programme for graduates
- Summer Diversity Internship programme for ethnic minority students, disabled students and those from under-represented socio-economic backgrounds
- Early Diversity Internship programme for ethnic minority students and those from under-represented socio-economic backgrounds
- Movement to Work scheme which offers work experience in the Civil Service for unemployed young people
- Student placements.

The Civil Service Fast Stream is a graduate entry scheme. It offers talented graduates an accelerated route to leadership in the Civil Service. The Civil Service Fast Stream programme hosts events at universities nationwide to reach out to the most talented and diverse groups of students.

Recruitment and performance management and development discussions are guided by the Civil Service Competency Framework (Civil Service Human Resources, 2015), which has been effective in all government departments since April 2013. The Civil Service Competency Framework outlines 10 competencies, which are grouped into 3 clusters: Set Direction; Engage People and Deliver Results. The competencies are intended to be discrete and cumulative, with each level building on the levels below. These indicators of behaviour are not designed to be comprehensive, but provide a clear and consistent

sense of what is expected from individuals in the Civil Service (Civil Service Human Resources, 2015: 1).

The UK civil service makes substantially more use of performance assessment in HR decisions compared to the average OECD country: "Assessment is used for almost all staff and takes the form of an annual meeting with, and written feedback from, the immediate superior. Some departments also use 360° feedback. A comprehensive range of criteria is used, including activities undertaken, timeliness and quality of outputs, improvement of competencies, interpersonal skills and cost effectiveness of work. Assessment is of high importance to career advancement and remuneration" (OECD, 2012: 3).

The civil service is putting a lot of effort into increasing diversity – including the Talent Action Plan (Cabinet Office, Civil Service, and the Rt. Hon Matt Hancock MP, 2016) and 'champions' at senior levels. Although much progress has been made on diversity, the representation of women, ethnic minorities and disabled staff in the most senior grades is lower than across the Civil Service as a whole (Institute for Government, 2014).

### **3.2.3 Senior civil service**

The UK uses separate HRM practices for the Senior Civil Service to a greater extent than most OECD countries (OECD, 2012). The Senior Civil Service is considered a separate group, with a centrally defined skills profile. Performance is systematically assessed through detailed performance assessments, including a 360-degree feedback (Civil Service, 2016). Furthermore, a higher portion of pay is through benefits and performance-related pay.

The civil service is now more concentrated in senior grades and older than in 2010. According to the Institute for Government (IfG, 2017b), in 2016 38% of civil servants were working in the most junior grades (administrative assistant and administrative officer, or AA/AO), down from 47% in 2010.

### **3.2.4 Social dialogue and role of trade unions**

All public servants are granted the right to unionise and most are guaranteed the right to strike without restriction. The UK model of public service employment relations is characterised by "industry-specific national agreements, in large bargaining units, with high levels of workforce coverage" (Bach and Stroleny, 2012: 2). There are relatively few legal obligations in terms of employee involvement, which provides scope for differing levels of workforce involvement. In particular, the government's austerity policy since 2010 has left limited scope for dialogue with public sector trade unions at national level, although the picture is more varied at sectoral and local level.

### **3.2.5 Remuneration**

Apart from the Senior Civil Service, public sector pay structures in the UK are no longer centralised. Departments have responsibility for implementing civil service pay policy for their workforce in a way that is consistent with the civil service pay guidance but also reflects the needs of their business and their labour market position. All pay remits must be approved by a Secretary of State or responsible minister, and each department, through its accounting officer, is responsible for the propriety of the pay award to staff (HM Treasury, 2015). The Treasury has overall responsibility for the government's public

sector pay policy. This includes defining overall parameters for civil service pay uplifts each year, to ensure that civil service pay awards are consistent with the government's overall objectives. In return for the continued delegation of pay to Secretaries of State, departments are expected to provide data to the Treasury on their forecasts and outturns for the pay round. This is to enable the Treasury to confirm that departments are abiding by the parameters set in the annual pay guidance, to report overall priorities and risks to the Chief Secretary of the Treasury and to set overall civil service pay parameters for future years.

Whilst government departments have delegated authority to set pay ranges for staff at this level they are broadly in line with each other (UK Civil Servant, 2017). In general, civil service pay has been frozen since 2010, bonuses have been sharply reduced, and pension contributions have increased. There used to be common structures and staff grades across the civil service, but these have mainly disappeared leaving some departments using numbers (Grade 7 etc.), some using pay bands (Band A etc.) and some using descriptors (Policy Assistant, Senior Policy Adviser etc.). But as there are no common titles used across Whitehall, some of the old titles live on. Pay ranges for the SCS are given in Table 5.

**Table 5. Pay ranges for staff in the SCS (determined centrally by the Cabinet Office, effective from 1 April 2015)**

Civil Service Grade Minimum (£)	Maximum (£)
Pay Band 1	63,000 - 117,800
Pay Band 2	86,000 - 162,500
Pay Band 3	105,000 - 208,100

**Source:** Foreign and Commonwealth Office (2016), FREEDOM OF INFORMATION ACT 2000 REQUEST REF: 0637-15, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/505251/0637-15\\_29\\_October\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/505251/0637-15_29_October_2015.pdf)

### 3.3.4. Degree of patronage and politicization

In their 1854 report on civil service reform, Northcote and Trevelyan argued that the Government of the country could not run effectively without an efficient body of officers, who would possess "sufficient independence, character, ability and experience to be able to advise, assist, and, to some extent, influence, those who are from time to time set over them". According to the Permanent Secretary of Department for Business, Innovation and Skills, Martin Donnelly, these words remain true today, when civil servants are recruited by competitive examination and promoted within a system designed to reward merit and be independent of political or other external influence (Foreign & Commonwealth Office and Sir Martin Donnelly KCB CMG, 2014).

So to what extent do civil servants, particularly the most senior, retain their roles when Ministers and Governments change? Analysis shows that turnover of senior civil servants was relatively low in 2010 and 2011, but exploded in 2012 (Civil Service World, 2013). Indeed, at the very top of the civil service, nine out of 16 departments of state saw their permanent secretaries replaced in 2012, and director generals were similarly frequently on the move. This spike in senior civil service turnover figures is partly explained by the timescale of departments' budget cuts: having planned and prepared major change and

redundancy programmes during 2010 and 2011, many departments executed them during 2012.

Another aspect of the changing personnel in the civil service, as the independent organisation Civitas (2015: 4) warns, is that “the actions of successive governments since 1997 have in fact been to downgrade and marginalise objective and impartial civil service advice, and to replace it with counsel from politically committed Special Advisers”, who are appointed through political patronage. Tony Blair arrived in 1997 accompanied by more than 70 Special Advisers. David Cameron, who promised to reduce that number, eventually had more than 100.

The non-profit organisation Democratic Audit UK has also cautioned that patronage runs especially deep in Britain because of its history as a constitutional monarchy, with the royal prerogative allowing Ministers to exercise wide, diverse and often ancient powers of patronage. According to Democratic Audit UK, the huge expansion in quangos – unelected public bodies – in recent decades had greatly expanded the “appointed state”. The first report of the Committee in Standards in Public Life recommended that appointments should be on merit and come under independent scrutiny. The creation of the post of Commissioner for Public Appointments, combined with independent assessment in every department, brought a high degree of integrity to mainstream public appointments and banished systematic abuses. However, the scope remains for individual Ministerial intervention to make certain appointments within the overall public sector in order to further their own political agendas

<b>HR system</b> (Career vs. position based)	<b>Employment status</b> (civil servant as standard; dual; employee as standard)	<b>Differences between civil servants and public employees</b> (high, medium, low)	<b>Turnover</b> (high, medium, low)
Position-based	dual	medium	medium

<b>Coherence among different government levels</b> (high, medium, low)	<b>compensation level vs. private sector</b> (much higher, higher, same, lower, much lower)	<b>Formal politicization through appointments</b> (high, medium, low)	<b>Functional politicization</b> (high, medium, low)
medium	low at top levels but high at lower levels of the public sector	low	low

## 4 Political administrative system and political economy

### 4.1. Policy-making, coordination and implementation

#### 4.1.1. State system

Policy making in the UK has several dimensions. At one level, UK policy must be harmonised with, but also attempts to influence, wider international policy, particularly in the EU (and, of course, in the Commonwealth, UN, WTO and OECD). The interaction of policy making with the EU will cease to be a formal necessity after Brexit, although this interaction is likely to continue informally, just as UK policies have always been influenced by, and sought to influence, the policies of other major political and economic power blocs, such as the US and ASEAN countries. We do not consider this international level of policy making further here.

Within the UK, policy making for the UK has to be harmonised with policy making in each of the three devolved administrations, as well as with policymaking for England, which continues to be the remit of Whitehall departments (both those departments which have a remit only for England, such as the Department for Environment, Food and Rural Affairs and the majority, which have a remit for the whole of the UK).

Policy making at the UK level until 2010 was helped by the fact that governments since 1945 have typically had a majority in the House of Commons (with the sole exception of some months in 1974). Moreover, there have generally not been rapid swings in the ruling party - during this period, parties tended to remain in power for considerable periods. From 1945 to 2010 the lifetime of consecutive governments were: Labour 6 years; Conservative 13 years; Labour 6 years; Conservative 4 years; Labour 5 years (including six months as a minority government); Conservatives 18 years; Labour 13 years. From 2010-15 a Coalition Government was formed by the Conservatives and Liberal Democrats. In 2015 the Conservative party gained a majority but in 2017 it became a minority government (with Parliamentary support from the Democratic Unionist Party, with which it did not, however, form a coalition).

Given the tendency for the Conservative and Labour parties to dominate as ruling parties, there has been during this period, and continues to be, a history of strong antagonism between these two parties and very little consensus, which means that many government policies are reversed when there is a change of government (although often not as many policies as are suggested by pre-election manifestos). However, this degree of conflict is not universal in the UK – it does not characterise politics in the Welsh Assembly, which sees itself as avoiding the ‘adversarial’ politics of Westminster. The Welsh Labour Party, which has been continually in power (sometimes in coalition) since the beginning of devolution, has imprinted its governing philosophy on governance structures within Wales, so that the Welsh Government consistently uses “language that emphasises participation, inclusion, and consensus over competition, special interests and hierarchical relationships” (Taylor and Kaehne, 2016). Moreover, the Northern Ireland Assembly is designed on a power-sharing model, in spite of the strongly differences in policies between its dominant parties. Governance in Scotland shares more of the Westminster characteristics.

Although UK ministries are run by politically appointed Secretaries of State, typically with a close coterie of politically appointed Special Advisers, considerable weight in policy making continues to be exercised by senior civil servants, who are expected to be impartial in their advice but then to implement all decisions of the government, in line with the ‘agent’ and ‘trustee’ roles suggested by Hood and Lodge (2006). As discussed earlier, this tends to mean that Ministers often feel frustrated that they are not getting their way on key policies, due to advice from the civil service which is counter to their own views, while, on the other hand, outsiders (including the Opposition in Parliament and the media generally) tend to see the civil service as compliant in allowing governments to introduce legislation, regulation and other policies which are contentious.

As discussed earlier, fragmentation of policy making between Whitehall departments remains quite high, even though there have been increasing attempts to strengthen the role of the centre of government (Cabinet Office, HM Treasury, Prime Minister’s Office) in policymaking in recent years. Even the centralisation of policy making during the Coalition Government, under the QUAD arrangement (see section 2.2.2) did not stop departmentalism, as this small group of politicians could only cover a small range of the important decisions being made by government.

Distribution of powers	Coordination quality (high, medium, low)	Fragmentation (high, medium, low)
Shared	Medium at high levels; low at lower levels of the ministerial hierarchy	High



#### **4.1.2. Consultation for decision making**

Consultation is embedded in some parts of the UK public administration, e.g. on major land use planning decisions, infrastructure projects and environmental policies. However, in other parts of UK government it is more sporadic and partial. Consultation guidelines have always been advisory, not mandatory, and therefore have been interpreted in a fragmentary way across government. Changes in consultation processes have therefore been incremental and issue-specific, rather than co-ordinated or comprehensive.

Since 2000, there has been an accepted norm of twelve weeks for central government consultation exercises. The Government in 2008, after engagement with interested parties, adopted a code of practice on consultation which promoted consistency in approach across government departments, reinforcing the expectation that such exercises would normally last for at least 12 weeks, unless there were good reasons. This code of practice was later described as "well understood and widely supported across civil society" (Secondary Legislation Scrutiny Committee, 2013b).

In July 2012, the Coalition Government announced a new approach, setting out Consultation Principles which would replace the 2008 code of practice, with the aim of "achieving real engagement rather than following bureaucratic process". A key change was that Departments would have discretion in considering a range of timescales for consultation exercises, rather than defaulting to a 12-week period. A number of the changes were highly contentious, raising fears that the government regarded consultation as a bureaucratic hindrance to corporatist decision-making in a market-oriented polity, rather than a support in improving the decision making process on behalf of citizens.

As a Committee of the House of Lords pointed out, the three months 'norm' was only ever a guideline (Secondary Legislation Scrutiny Committee, 2013a). Indeed, in June 2012 the National Audit Office published a report on the effectiveness of central government's communication with local government which found that, in two-thirds of consultations in the two years to January 2012, the seven departments included in their analysis allowed less than three months for consultation. The Committee itself undertook analysis of the statutory instruments considered by the Committee in November 2010 and in November 2012, finding that only around 25% of cases had 12-week public consultation periods. For the remainder, there had been either shorter public consultation periods, consultation targeted at specific stakeholders, or no consultation. The Committee was, however, satisfied with the justification given for these curtailed processes in 94% of cases. The investigation of this Committee was particularly useful in revealing Cabinet Office statistics on the duration of consultation processes before and after July 2012, showing that between January and mid-December 2012, there were 460 consultations by government departments, a large majority of which had been under 12 weeks. A subsequent report by NAO (2015) highlighted that 81% of consultations run by nine government departments in the period from December 2012 to May 2013 lasted less than 12 weeks.

The Secondary Legislation Committee (2013b) subsequently concluded "We are clear that six weeks should be regarded as the minimum feasible consultation period, save in very exceptional cases". Subsequently, the government guidelines were changed, so that they no longer mention a specific time scale. This section now reads (Cabinet Office, 2016: para E): "Consultations should last for a proportionate amount of time. Judge the length of the consultation on the basis of legal advice and taking into account the nature and impact of the proposal. Consulting for too long will unnecessarily delay policy development. Consulting too quickly will not give enough time for consideration and will reduce the quality of responses."

In response to the statement in the government guidelines that "the expectation is that [consultation] should be 'digital by default'", the Committee concluded (2013a: para. 45): "We consider that the Government should recognise that a "digital by default" approach may exclude vulnerable groups and others, and may constrain comments from

those who do respond". This was also subsequently amended by the Cabinet Office (2016: para D), so that this section now reads: "Consultations are only part of a process of engagement. Consider whether informal iterative consultation is appropriate, using new digital tools and open, collaborative approaches. Consultation is not just about formal documents and responses. It is an on-going process."

A by-product of the Inquiry by the Secondary Committee on Legislation (2013a: para 54) was a remark by one witness, Wendy Bradley) "that there is no central source of information on what consultations are scheduled, open or coming to an end". The Committee endorsed her suggestion for government to have a single website listing its open consultations. The government has partly responded to this through a list of open consultations (and responses to closed consultations) at [https://www.gov.uk/government/publications?publication\\_filter\\_option=consultations](https://www.gov.uk/government/publications?publication_filter_option=consultations).

Taken together, the new guidelines for government consultation with the public therefore have taken account of most of the objections made to the original proposals by the House of Lords Scrutiny Committee and the National Audit Office, and ensure that the guidelines are now likely to be as "well understood and widely supported across civil society" as the 2008 code of practice.

Finally, the rather sour tone in which this dialogue with the Cabinet Office was conducted can be detected from the comment in the Committee's second report on this issue (Secondary Legislation Scrutiny Committee: 2013: 6): "The Government's decision to place the Cabinet Office in charge of the review, rather than an independent unit, is of a piece with those elements of the Principles described above which place the Government's own interests above those of stakeholders in civil society generally." This reflects the concern of Parliament and civil society that the value of consultation is still not fully accepted in government policy making.

Political economy (liberal – coordinated)	Interest intermediation (corporatist – pluralistic)	Citizen participation (strong – weak)	Policy style
liberal	Fairly corporatist	Medium	Incrementalism

#### **4.1.3. Policy advice and changes in human resources**

Policy advice comes from a wide variety of sources. The role of the civil service is still very strong in most departments, with specialist advice available not simply from generalist administrators and issue-relevant professionals but also career economists, statisticians, psychologists and other professions who play an advisory role within the civil service.

Special Advisers are particularly influential in the centre of government – Cabinet Office, HM Treasury and Prime Minister's Office. However, they are to be found in almost all ministerial departments of central government. In December 2015, there was total of 92 Special Advisers in post in central government; in the Prime Minister's Office there were 32; Chancellor of the Exchequer 6; Foreign Office 3; Home Office 3; and in other departments 48 (see

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/486829/List\\_of\\_Special\\_Advisers\\_in\\_post\\_at\\_17\\_December\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/486829/List_of_Special_Advisers_in_post_at_17_December_2015.pdf)). Lobbying by citizens, interest groups, trades unions and civil society organisations often takes place through the networks in which these Special Advisers are active.

The Government Social Research Service works across government to provide evidence for policy, with about 1,000 researchers, who work alongside other analysts, such as those in the Government Economic Service, Government Statistical Service, Government Operational Research Service and Government Occupational Psychology Service, as well

as policy makers. These professions have members in all central government departments, as well as devolved administrations and other government bodies, and their work is coordinated by heads of profession whose responsibility spans the civil service. These professions, all of which have an analytical and research orientation, have worked closely with the What Works Network, set up recently by government and the national research councils to co-ordinate seven independent What Works Centres and two affiliate members (see: <https://www.gov.uk/guidance/what-works-network>), which are generally university-based, and together cover policy areas which receive public spending of more than £200 billion. What Works Centres are meant to be different from standard research centres, enabling policy makers, commissioners and practitioners to make decisions based upon strong evidence of what works and to provide cost-efficient, useful services.

External consultants are also widely used in central government for policy advice. NAO (2016: 6) estimates that departments have significantly reduced spending on consultants and temporary staff - in 2014-15, the main 17 departments spent between £1.0 billion and £1.3 billion, compared with around £2.7 billion in 2009-10. However, only about 8% of this spend was on 'strategy' (p. 20), which is the only category used by NAO which maps easily onto 'policy advice'.

Sources of policy advice (mandarins, cabinets, external experts)	Administrative autonomy (high – medium – low)	Patronage & politicization (formal, functional (merit – patronage) (high – medium – low)	Public Service Bargains (Agency – Trustee)	Stability (high – low – no turnover after elections)
Mixed – Mandarins, Special Advisers, external experts	Medium autonomy	Merit at the top, patronage for certain specific positions. Low but increasing politicisation	Agency bargain – serial loyalist (civil service directed by, and loyal to, political masters of the moment)	Medium turnover at high levels. Low turnover at lower levels

#### 4.2. Administrative tradition and culture

The UK government has long been characterised as the leading example of the 'Westminster model' of government, common in many Commonwealth countries, with a constitutional monarch, an executive headed by a prime minister (working with senior political colleagues through Cabinet collegiality), an independent and impartial civil service, a regularly elected Parliament (with an official Opposition) which can overthrow the government, and courts whose decisions can build up a system of common law, independent of but not in conflict with legislation passed by Parliament.

Unlike civil and public servants in the rest of Europe, it is unusual for UK public administrators to be trained in the law – indeed, traditionally the Senior Civil Service was dominated by generalists (often educated in 'classics' or 'philosophy, politics, and economics (PPE)' at Oxford or Cambridge universities), although that is now less the case. In most government departments (and in almost all local government

departments) many senior posts are filled by people with a professional background in the core business of the department, although top management posts central government departments still tend to be filled by generalists.

In general, a managerial logic dominates over a procedural logic in most parts of the public services – getting things done is given a high weight, both politically and by top administrators, with less weight given to being certain that all conventional procedures have been complied with. This was most recently evidenced by the Coalition Government’s attempt to justify reducing consultation periods in respect of government decisions to as little as two weeks and to make consultations ‘digital by default’ (see section 4.1.2), although both these proposals were eventually modified as a result of strong resistance, particularly in the House of Lords. On the positive side, this has meant a concerted effort in recent decades to reduce red tape, to offer much more convenient access to public services (even if only through online services) and to communicate in plain English rather than legal jargon.

This managerialism has partly been promoted by the training of civil servants, which in recent decades has give much more emphasis to ‘public management’ and its constituent disciplines but also by making entry rather easier for managers from other sectors (private firms, third sector organisations and other parts of the public sector, like local government and the NHS).

The tensions within the culture of public administration can be seen in the values which are most obviously espoused in government policy. From the Thatcher government in the 1980s onwards, ‘value for money’ has been a consistent thread in all government policy statements – and this was no less the case during the New Labour governments of Blair and Brown from 1997-2010. At the same time, it has always been necessary for governments to show that they were sympathetic to the needs of disadvantaged groups in society and concerned to reduce economic inequality and respect the ‘equalities’ agenda. While this value of ‘equality’ has clearly not been delivered in practice, no government since the Second World War has dared to suggest that it is not a priority for them.

<b>Administrative culture Rechtsstaat, Public Interest</b>	<b>Welfare state (liberal, conservative, social-democratic)</b>	<b>Public Sector openness (open, medium, closed)</b>
Westminster ‘public interest’ model	Conservative/Social democratic, depending on the governing political party	Medium

<b>Key PA Values</b>	<b>Managerial vs Procedural (Managerial, Mixed, Procedural)</b>	<b>Red Tape (regulatory density) (very high to very low)</b>	<b>Discretion/autonomy (high, low, medium)</b>
Value for money, impartiality, equality	Managerial	Medium	Medium

The extent of culture change in the UK civil service has been significant. During the second Blair administration after 2003, a study of the Civil Service Reform Programme highlighted that the major focus of this change programme had been achieving shifts in organizational cultures and improvements to internal processes, characterizing the old culture as embodying “an emphasis on great intellectual power, not necessarily matched by social skills or managerial skills ... [providing] a role model for other, ambitious staff, ... transforming themselves to mimic the behaviours of top management, such as arrogant treatment of junior staff, little respect for the dignity of others” (Bovaird and Russell, 2007: 310). The study concluded that these cultural changes were clearly achieved in three of the four case studies, and were evident in many parts of the organizations, not just at and near the top. In particular, it highlighted that there was a more positive concern for diversity and a desire to improve the ability to work in partnership. However, in spite of concerns expressed by many commentators, there was little evidence of the privileging of private sector management methodologies, or of ‘efficiency’ at the expense of ‘quality’, and there was still a strong attachment to the core values of traditional bureaucracy (Bovaird, 2007). Finally, the study highlighted that culture change in the civil service can take a very long time, perhaps 20 years or more - it was clear that the key NPM concepts of business planning and performance management had not taken hold in any of the four case studies until quite recently, in spite of being in currency since the 1980s. Nor was there evidence of convergence of public sector reform programs - indeed, there was substantial divergence in reform trajectories within the UK civil service, with significant autonomy being exercised by the case study organizations, suggesting that the visible power of the core executive should not confuse us into thinking that it always gets its way in Whitehall and beyond - the case studies rather provided evidence for the concept of a “differentiated polity”, in which governments have to work with and through complex networks of actors and organizations.

This picture of the culture of UK civil service during the Blair administration can be contrasted with the findings from a survey of civil service staff (Cabinet Office, Analysis and Insight Team, 2016), the latest edition of a survey which has been run annually since 2009 (see Table 6). The responses which give rise to particular concern are those which indicate that a minority of staff have confidence that their managers’ actions are consistent with their organisation’s values (and in their senior managers’ decisions), that the board has a clear vision for the future, that changes in their organization are usually for the better, and that senior managers actively provide a role model for the behaviours set out in the Civil Service Leadership Statement. Moreover, most of these responses have remained at largely similar (low) levels since 2009. These responses do not suggest that culture change in the Civil Service are on the right trajectory. A little more optimistic are the responses of about two thirds of staff that they believe they would be supported if they tried a new idea (even it may not work), that their performance is evaluated based on whether they get things done (rather than solely following process) and that they are confident that if they engaged in ‘whistleblowing’, their concern would be investigated properly. Even in these questions, however, it is not reassuring that so many respondents did not give positive replies.

Further reasons for concern come from responses (not shown) that satisfaction with pay remains very low and the proportion of civil servants hoping to leave their organisation as soon as possible has risen from 6% in 2009 to 9% in 2015, with the proportion wishing to stay for at least three years falling by 12 points to 43%. However, one final question did elicit very positive responses - 80% agreed that people in their team worked together to find ways to improve the service they provide, which suggests that the criticisms of over-individualistic working cultures in the civil service may no longer be appropriate.

**Table 6. Responses from the Civil Service People Survey 2015**

Sample of questions	2015 scores
I believe the actions of [senior managers] are consistent with [my organisation's] values	45%
I believe that [the board has] a clear vision for the future of [my organisation]	42%
Overall, I have confidence in the decisions made by [my organisation's senior managers]	42%
When changes are made in [my organisation] they are usually for the better	27%
I believe I would be supported if I try a new idea, even if it may not work	68%
My performance is evaluated based on whether I get things done, rather than solely follow process	65%
[Senior managers] in [my organisation] actively role model the behaviours set out in the Civil Service Leadership Statement	35%
Are you confident that if you raise a concern under the Civil Service Code in [your organisation] it would be investigated properly?	68%
The people in my team work together to find ways to improve the service we provide	80%

**Source:** *Civil Service People Survey 2015* (available at: <https://www.gov.uk/government/publications/civil-service-people-survey-2015-results>)

## 5 Government capacity and performance

### 5.1 Transparency and accountability

The assessment of access to government information undertaken by the Sustainable Governance Indicators of the Bertelsmann Foundation shows that the UK has been performing very well, receiving a high score 8 (out of 10) in 2014 and even 9 (out of 10) in 2016. In comparison to other EU Member Countries, it ranks third in 2016 in terms of access to government information, improving its already high ranking of 8<sup>th</sup> place among all 28 EU Member Countries in 2014.

These results are not surprising, given the high profile of the Open Government agenda. The UK was one of the first countries to take part in the Open Government Partnership in 2011 and is currently working on the third Open Government Action Plan 2016-18 (Cabinet Office and Office for Digital Service, 2016). However, the public commitments to Freedom of Information (FOI) and the actions taken by the UK government need to be interpreted with caution. First, as Ben Worthy (2017) points out, FOI laws are hard to resist as a symbolic pledge in opposition - politicians in opposition find it attractive to promise better access to government information but tend to have private regrets when in power. The numerous examples provided by Ben Worthy show that the UK is not different in this respect from other EU Member Countries. "Even David Cameron, despite talking up Open Data, also felt FOI was a 'buggeration factor' and tried to reduce the strength of the law" (Constitution Unit, 2017). Second, this indicator from the Bertelsmann Foundation is based on the question: "Is government information accessible"? However, the key question is rather whether information which is relevant for citizens is accessible? The fact is that the coalition government has suppressed the collection of performance information on important local government services such as schools and hospitals (and abolished the Audit Commission for local public services). So, while citizens may be able to access information on gifts provided to the Prime Minister by Foreign Government with ease, they can no longer easily compare the performance of local schools.

The assessment of transparency of the UK government by the European Commission is much less favourable: in 2013, the UK only received 38 points out of a 100 and, even though it improved its score in 2015 to 48 points, it was outperformed by a majority of the other 27 EU Member Countries. As a result, it was ranked downwards from its 18<sup>th</sup> position in 2013 to 19<sup>th</sup> position in 2015. This may reflect the fact that the 'transparency of government' indicator is an aggregate of scores regarding the transparency of service delivery, public administration, and personal data.

The assessment of 'voice and accountability', based on World Bank indicators, gives the UK government a medium score: On a scale from -2.5 to +2.5 it receives a score of 1.3 both in 2010 and 2015, positioning the UK as 10<sup>th</sup> amongst the 28 EU Member Countries.

In contrast to 'voice and accountability', the World Bank's assessment of control of corruption by the UK government is much more favourable, getting a score of 1.6 in 2010 and even 1.9 in 2015. This makes it a top performer among the 28 EU Member Countries, reaching 6<sup>th</sup> rank in 2015, a significant improvement from its 9<sup>th</sup> rank in 2010. This assessment is also supported by the perception index of Transparency International, on which the UK ranked 9<sup>th</sup> in 2010 and 5<sup>th</sup> in 2015 among EU Member Countries. This may provide evidence for the effectiveness of the "seven principles of public life" set out by the UK Committee on Standards in Public Life in 1994 to guide ethical behaviour in public services (Davis and Piotrowski, 2016). However, this ranking is contested by the Gallup perception of corruption survey, according to which the UK is performing below EU average in 2014, with a score of 46, falling from 50 in 2010. This suggests that, while corruption is not endemic in the UK, there are still corruption vulnerabilities in some of Britain's key sectors and institutions.

**Table 7. Transparency and accountability**

Indicator	Value 2014	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
<b>Access to government information (1-10)</b>	8.00	8	9.00	3	+1.00	+5
	Value 2013	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
<b>Transparency of government (0-100)</b>	38.33	18	47.83	19	+9.50	-1
	Value 2010	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
<b>Voice and accountability (-2.5,+2.5)</b>	1.29	10	1.27	10	-0.02	0
<b>Control of corruption (-2.5,+2.5)</b>	1.56	9	1.87	6	+0.31	+3
<b>TI perception of corruption (0-100)</b>	76.00	9	81.00	5	+5.00	+4
	Value 2010	EU28 rank	Value 2014	EU28 rank	Δ Value	Δ Rank
<b>Gallup perception of corruption (%)</b>	50.00	7	46.00	8	-4.00	-1

**Sources:** Bertelsmann Stiftung, European Commission, World Bank, Transparency International, Gallup World Poll. (Note: The ranking of the Gallup perception of corruption is based on 27 countries, and on the 2009 values for Estonia and Latvia).

## 5.2 Civil service system and HRM

**Table 8. Impartiality, professionalism and closedness**

Indicator	Value 2012	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
<b>Impartiality (1-7)</b>	2.02	5	2.59	13	+0.57	-8
	Value 2012	EU26 rank	Value 2015	EU26 rank	Δ Value	Δ Rank
<b>Professionalism (1-7)</b>	5.40	4	5.02	7	-0.38	-3
<b>Closedness (1-7)</b>	4.78	19	4.07	20	-0.71	-1

**Source:** Quality of Government Institute Gothenburg.

The assessment of key principles of the code of conduct of the Home Civil Service in the UK, undertaken by an expert web survey of the Quality of Government Institute Gothenburg, reveals that civil servants in the UK are generally considered to be quite impartial - score 2.0 out of 7 in 2012, but getting rather worse at 2.6 in 2015, remaining above the EU average but slipping in its ranking. It is also generally considered to be highly professional (5.4 in 2012 and 5.0 in 2015), a top performer among the 28 EU Member Countries, although its ranking has deteriorated from 4<sup>th</sup> in 2012 to 7<sup>th</sup> in 2015. However, the civil service in the UK is considered to be closed (4.8 in 2012 and 4.1 in 2015), clearly below the EU average.

This assessment reflects that, while the Civil Service in the UK is still able to attract a highly talented and well educated workforce, including nowadays some professionals and managers from private and third sectors who enter in mid-career rather than simply after graduation, there are still weaknesses in recruiting a fully diverse workforce. Some of the difficulties with this are highlighted by the Office of National Statistics, which points out the reluctance of civil servants to provide diversity data voluntarily in surveys.

As mentioned earlier, the impartiality of the Home Civil Service may have been compromised both by the increase in special advisors in government and the pressure on senior civil servants to promote government policy, even where they may have initially given contrary advice. Dennis Grube (2014) argues that more public appearances by leading civil servants may also play a role in changing the perception of impartiality, as it undermines the traditional anonymity of civil servants - dispensing with anonymity may endanger the apparent impartiality of the civil service.

### 5.3 Service delivery and digitalization

**Table 9. Digitalisation and business services**

Indicator	Value 2013	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
<b>E-government users (%)</b>	21.63	14	31.90	10	+10.27	+4
<b>Pre-filled forms (%)</b>	12.83	24	16.71	26	+3.88	-2
<b>Online service completion (%)</b>	73.71	15	76.86	20	+3.15	-5
	Value 2010	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
<b>Online services (0-1)</b>	0.77	1	1.00	1	+0.23	0
	Value 2013	EU27 rank				
<b>Barriers to public sector innovation (%)</b>	30.86	13				
			Value 2015	EU28 rank		
<b>Services to businesses (%)</b>			65.00	3		
	Value 2011	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
<b>Ease of Doing business (0-100)</b>	84.51	2	82.74	2	-1.77	0

**Sources:** European Commission Digital Economy and Society Index UN e-government Index, EU Scoreboard Public innovation, Eurobarometer num.417, World Bank Ease of Doing Business.

To what extent has the UK achieved its long-standing policy aim of 'digital by default'? The good news for the UK government is that the percentage of citizens using e-government services rose from 21.6% in 2013 to 31.9% in 2015, according to the Digital Economy and Society Index of the EU Commission. Consequently, the UK has improved its EU ranking to 10<sup>th</sup> in 2015. According to the same source, the percentage of pre-filled forms has increased as well but, in this case, the UK remains on a low level, still near the bottom of the EU league table. The UK performance with regard to online service completion – the proportion of steps in a Public Service life event that can be completed online – has also remained below EU average in spite of minor improvements. However, the evaluation of online services from the UN e-government index is much more positive – indeed, according to the perfect score for the index in 2015, the UK government might consider that its e-government mission is accomplished. The 'Ease of



Doing Business' survey of the World Bank similarly places the UK at rank 2 in the EU, both in 2011 and 2016.

As far as the assessment of barriers to innovations are concerned, the UK performs just above EU average in 2013 – about 30.9% of answers to the European Public Sector Innovation Scoreboard survey indicated that key barriers to innovation were considered as highly important. However, services to business are much more positively evaluated: the UK is assessed as a top performer (rank 3) in the EU with 65% satisfaction amongst Eurobarometer survey respondents in 2015.

Taken together, these assessments suggest that most progress with e-government has made on improving services for business but as far as digital services for citizens are concerned a lot of work remains to be done. The assessments suggest that this may be both a demand and supply problem: on the one hand, the percentage of citizens using e-government services remains relatively low, which may be due to a lack of digital literacy, but, on the other hand, it may also due to the lack of a satisfactory quality of online services, such as online availability of important steps in key Public Service life events.

Finally, it is important to note that there is no indicator in this table for the general quality of service delivery. Here, the UK government performance has been weak - service delivery has seriously weakened during the period of austerity, as central government has simply transferred public spending cuts to local government level without developing an adequate system to understand what damage this will do to service quality and potential outcomes. In particular, the system of outcome-based performance indicators for public services which was built up during the final years of the previous government was disbanded in 2010 and the performance indicator systems which have been put in place since have only weakly reflected public service quality and outcomes achieved.

#### 5.4 Organization and management of government

**Table 10. Strategic planning, coordination and implementation**

Indicator	Value 2014	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
<b>Strategic planning capacity (1-10)</b>	7.00	6	9.00	1	+2.00	+5
<b>Interministerial coordination (1-10)</b>	8.50	2	8.83	2	+0.33	0
<b>SGI Implementation capacity (1-10)</b>	7.71	4	7.71	4	0.00	0
	Value 2012	EU26 rank	Value 2015	EU27 rank	Δ Value	Δ Rank
<b>QOG Implementation capacity (1-7)</b>	5.33	9	5.30	11	-0.03	-2

**Sources:** Bertelsmann Stiftung, Quality of Government Institute Gothenburg.

The assessments by the Bertelsmann Stiftung and Quality of Government Institute Gothenburg of the organisation and management of government in the UK provide a positive picture of the current state of affairs in 2016 and their evolution since 2014: strategic planning capacity received a score of 7 out of 10 in 2014 within the Sustainable Governance Indicator (SGI) Project of the Bertelsmann Foundation and in 2016 this rose to 9 out of 10, at which date the UK ranked top of all EU Member Countries.

The assessment of the inter-ministerial coordination of the UK government within the SGI Project also showed excellent results: In both 2014 and 2016 the UK government received a score above 8 (out of 10), which put it in second place among all 28 EU Member Countries.

On the implementation capacity of the UK government, the SGI score was also quite high (7.7 both in 2014 and 2016), which put the UK in the 4th place among all 28 EU Member Countries. An alternative assessment of implementation capacity by the Quality of Government Institute Gothenburg (QOG) also gave high scores to the UK government

– 5.3 both in 2014 and 2016 – although, based on this assessment, the UK government ranked much lower in the EU (while still above average). However, the QOG assessment is only based on one question in an expert survey (“To what extent do you think the following applies today? Public employees strive to implement the policies decided upon by the top political leadership”), so the SGI assessment, an aggregate of seven key variables of implementation capacity, appears to be a rather more balanced indicator and reliable.

The high SGI scores for the organisation and management of the UK government need to be interpreted with care. Strategic planning, inter-ministerial coordination and implementation are likely to be easier in a highly centralised country such as the UK than in decentralised or federal countries. It will be interesting to research how these dimensions will be affected over time by the ongoing devolution process in the UK.

## 5.5 Policy-making, coordination and regulation

**Table 11. Consultation, use of evidence and regulation**

Indicator	Value 2014	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
<b>Societal consultation (1-10)</b>	5.00	15	7.00	7	+2.00	+8
<b>Use of evidence based instruments (1-10)</b>	8.67	1	9.00	1	+0.33	0
	Value 2010	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
<b>Regulatory quality (-2.5,+2.5)</b>	1.74	3	1.86	1	+0.12	+2
<b>Rule of law (-2.5,+2.5)</b>	1.76	8	1.81	7	+0.05	+1

**Source:** Bertelsmann Stiftung, World Bank.

The assessment of key dimensions of policy-making, coordination and regulation in the UK public sector reveals very positive assessments for the use of evidence-based instruments and regulatory quality, but suggests scope for further improvements in societal consultation and the rule of law.

The SGI project of the Bertelsmann Foundation gave a score to the UK government of 5 in 2014 and 7 in 2016, as far as societal consultation is concerned. This improvement meant that in 2016, the UK improved its EU ranking from 15<sup>th</sup> place to 7<sup>th</sup>. Given the attempt of the Coalition Government (albeit unsuccessfully in the end) to weaken the principles for consultation by central government departments (see section 4.1.2), this appears counter-intuitive.

As far as the use of evidence-based instruments are concerned, the SGI assessment of the Bertelsmann Foundation gave even better scores to the UK: 8.7 (out of 10) in 2014 and 9 (out of 10) in 2016, meaning that the UK topped the EU ranking in both years. This score also included two variables related to regulatory impact assessments. Consequently, it is not surprising that the assessment of the regulatory quality in the UK public sector by the World Bank yielded similar favourable results ranked top in the EU in 2015, an improvement on its 3<sup>rd</sup> place ranking in 2014. These rankings bear out the longstanding focus of the UK government, which places a high weight on evaluation, inspection, audit and performance management.

## 5.6 Overall government performance

**Table 12. Overall government performance**

Indicator	Value 2010	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Trust in government (%)	26.00	17	34.00	10	+8.00	+7
	Value 2011	EU27 rank				
Improvement of PA over last 5 years (%)	7.00	16				
	Value 2010	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
Public sector performance (1-7)	4.90	10	5.39	5	+0.49	+5
Government effectiveness (-2.5,+2.5)	1.56	9	1.74	5	+0.18	+4

**Sources:** Eurobarometer 85, Eurobarometer 370, World Bank, World Economic Forum.

The assessment of the overall performance of the UK government varies considerably, depending on the dimension considered. Eurobarometer surveys show that the proportion of citizens who trust government has slightly increased in the UK, from 26% of citizens in 2010 to 34% in 2016. Of course, such a single survey question is not able to differentiate between trust in the good intentions of politicians or in the competence of the civil servants or in the ability of the government to achieve its promises. Nevertheless, based on this survey question, the UK government has improved its ranking in the EU – from 17<sup>th</sup> position in 2010 to 10<sup>th</sup> position in 2016.

On a different dimension, according to the Eurobarometer survey in 2011, 7% of the citizens in the UK indicated that the way public administration is run in the country had improved compared to the previous 5 years, putting the UK in 16<sup>th</sup> rank among all 28 EU Member States. However, an up-to-date figure on this question is not available.

The evaluation of the public sector performance of the UK by the World Economic Forum is based on an aggregate score of multiple performance dimensions. The score rose from 4.9 (on a scale from 1 – 7) in 2010 to 5.4 in 2015, so the UK improved its ranking among EU countries from 10<sup>th</sup> in 2010 to 5<sup>th</sup> rank in 2015.

The assessment of government effectiveness of the UK by the World Bank within the Worldwide Governance Indicator Project yielded a very similar assessment. Surprisingly, given the economic focus of these two bodies, these assessments of public sector performance and government effectiveness clearly do not give much weight to the inability of the UK government during 2010 – 2015 to reach a position of fiscal sustainability (see section 1).

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