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# Understanding Whitehall

## *A short introduction for special advisers*

These notes have been written by Peter Waller, a former senior civil servant in various Whitehall departments, primarily the DTI. He now works on a range of political issues, including being a researcher at the Constitution unit UCL.

The notes are a significantly condensed and reworked version of course materials he produces for courses run by The Whitehall & Industry Group.

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## **Chapter 1: The Structure of Whitehall**

### **The civil service, Ministers and Departments**

#### **The civil service and the civil servants**

1.1 This document is about Whitehall and the people who work there advising Ministers on a day to day basis. These consist of the top four ranks of the civil service (collectively known as the Senior Civil Service or SCS) and those immediately below them in the hierarchy. While these officials collectively form only about 2% of the total number of civil servants, they are the ones that special advisers can expect to encounter on a daily basis.

1.2 The make-up of the senior officials in that group is reasonably diverse, at least compared to most professions, including politics. For example, some 36% of the SCS are female. The number of minority ethnic staff is growing, though from a small base (currently 5%); and a similar number are registered disabled.

1.3 But despite considerable efforts the SCS is not yet as diverse or representative of the community it serves as it could be. It has a hierarchical career structure with a significant proportion of those at the most senior levels having been recruited from the graduate-focused fast stream entry in their 20s and having worked their way up. It is certainly experienced – for example some 48% of the SCS in March 2011, for example, were aged 50 or over – but the high proportion of career civil servants means it can also be quite insular.

1.4 That said, an increasing number of people now enter the senior civil service from outside, as more and more senior roles are advertised externally – including virtually all Permanent Secretary posts. In some cases such external recruitment is related to specific commercial skills – for example people with experience of major project management and service delivery. But it also includes people from the wider public sector - for example, senior appointments in the Department of Health may well go to people with NHS careers. Sir Bob Kerslake the head of the civil service from 2011 to 2014 was recruited direct from local government. Such people fit relatively smoothly into Whitehall. In contrast, efforts to recruit senior people from the commercial sector at senior levels have been less successful. The pay is not competitive at the more senior levels. And potential external recruits are often concerned - understandably - that they will have less scope to “make things happen” in highly political areas.

1.5 The qualities required for senior civil servants are relatively straightforward. To be successful, officials need to have a strong interest in public policy issues; an ability to identify and analyse options; the capability to form strong relationships with external bodies, to work constructively with colleagues in teams; and the desire and ability to “get things done”. But, unlike the European Commission, which tends to insist that its officials have a law or economics qualification, the SCS does not recruit based on professional qualification. Indeed, it recruits lawyers, economists, statisticians and scientists separately, working alongside the “generalist” officials.

### **What is the "Senior Civil Service"?**

*The concept of the Senior Civil Service (SCS) is about 25 years old. It consists of the Permanent Secretaries and the top three tiers of management below the Permanent Secretary in the central Whitehall departments and central Government agencies – about 4, 000 people in total.*

*The SCS is subject to a degree of centralised management through the Cabinet Office. Terms and conditions, including the pay structure, are determined centrally, with Departments having only limited discretion at the margins to vary those terms and conditions. This is in marked contrast to lower grades where Departments have much greater freedom. The Cabinet Office also seeks to manage the careers of the SCS to a degree that they do not for other staff, particularly at the top two levels, where appointments of Permanent Secretaries and Director Generals are subject to Cabinet Office approval. Members of the SCS are expected to move between departments, for at least part of their careers. The Cabinet Office also seeks to develop and manage the skills and competencies of members of the SCS, with a degree of central prescription and training support.*

*Not all the SCS could be described as Whitehall policy makers as a number are employed as senior managers in major Government service functions whether in delivering benefits, running border control services or running embassies overseas. And there is increasing encouragement from the Cabinet Office for up and coming officials to have at least a couple of postings in their career outside Whitehall. But the real high-flyers seldom leave Whitehall for long - by and large they want to enhance their careers by working as closely with Ministers as they can.*

## **Departmental structures**

1.6 Government departments are structured in hierarchies, with four tiers of management in the SCS (see box below) and six or more below the SCS. But they are not pyramids so much as diamonds in that the number of junior and support staff is relatively low and has reduced markedly in recent years. This results from the fact that the delivery of public services has been increasingly handed over to separate Government agencies or the private sector. So many central Government Departments simply do not need significant numbers of people apart from those engaged in developing and designing policies.

1.7 In some respects, the ethos of Whitehall departments is moving closer to the ethos of a consultancy firm rather than the conventional idea of a monolithic bureaucracy. Many Departments are experimenting, for example, with a project based approach to policy with fewer officials being assigned long term to a specific subject area and more being moved around on shorter term assignments to high priority areas. In line with this, there has been a conscious drive to have fewer but higher quality staff. One specific aim has been to recruit staff with the capacity and capability to spend more of their time talking to and influencing other Departments and companies. As a result, "influencing", "representational" and "stakeholder management" skills have become much more highly prized.

1.8 That said, compared to the flat structures of consultancy firms, at senior levels the tiers of management have remained largely unaltered; as have "management spans" (i.e. the number of direct reports reporting to each senior manager). And, by some private sector standards, those spans remain low, seldom more than five or six and, on occasion just two or three.

### **The civil service grade structure – a guide to titles**

The Cabinet Office seeks to ensure a degree of commonality in titles for the SCS as follows.

#### **Tier 1**

The Permanent Secretary, often shortened to "Perm Sec". A couple of the more prestigious departments such as The Treasury may have two people at that level, with the more junior known as the second permanent secretary.

#### **Tier 2**

Officials at tier 2 are usually called "**Director General**". A few people at that level with specialist functions might have different titles (e.g. Chief Economist or Chief Scientist).

#### **Tier 3**

Staff at tier three are known as "**Directors**".

#### **Tier 4**

The fourth tier is the lowest rung of the Senior Civil Service and staff at that level are called "**Deputy Director**".

The Principal Private secretary (PPS) to the Secretary of State in most Departments will be at Deputy Director level – and is usually a rising star within the Department.

#### **Below the SCS**

Below the SCS each department has freedom to decide their own titles. There are a range of terms like "Assistant Directors", "team leaders", "team members", "policy advisers" and so on.

### **The policy making structure**

1.9 The "engine room" of policy making is just below the SCS, where officials are expected to know their subject area inside out. So the majority of policy submissions to Ministers will be drafted at that level even if reviewed by more senior officials before being sent to Ministers. The more senior grades will spend most of their time focussing on the management of the organisation overall and will intervene in policy matters essentially through setting the overall direction and attending critical meetings with Ministers. It is also officials below the SCS who will handle the day to day "stuff" of politics and policy making - drafting replies to PQs and Ministerial correspondence; getting inter-Departmental clearance on new proposals; drafting policy announcements; checking the detail of press releases; and preparing the briefing for Ministerial meetings, visits and speeches.

1.10 Understanding the concept of the engine room is a critical point for special advisers. If an adviser wishes to get under the skin of a complex policy area, it is essential to identify and work with the officials who are directly responsible for the subject matter. Most such officials welcome

interest from advisers in their subject and will readily discuss the issues with them. Trying to deal on detailed policies only with the Permanent Secretary or the relevant Director General, in contrast, is likely to be less effective simply because they will not be focussed on the detail of the issue unless it is absolutely critical to the Department overall. While special advisers should make sure they are known to the most senior officials (not least because their help and support could be critical in a crisis) they should not expect to transact all business directly with the top tiers.

### The Departmental management structure

1.11 The head of the internal management structure is the Permanent Secretary, whose role sits somewhere between a private sector Chief Executive and a Chief Operating Officer. The Permanent Secretary is also invariably the “Accounting Officer”, an important piece of Whitehall nomenclature, which effectively means he or she is directly accountable to Parliament for the efficient and proper use of funds allocated by Parliament each year to the individual Departments<sup>1</sup>.

1.12 All Departments also have a Management Board, which in principle meets monthly and includes non-executive and executive members. It will normally be chaired by the Departmental Secretary of State though Secretaries of State differ markedly in their commitment to Board meetings. The inclusion of non-executive Directors on the management structure is now standard practice throughout Whitehall. Unlike a plc Board, however, the non-executives have no formal Companies Act responsibilities. It can initially be surprising to non-executives that the agendas tend to focus on management rather than policy issues - though this is a natural consequence of the fact that policy issues are for Ministers ultimately to determine and the immediacy of politics does not really suit seeking formal agreement through management boards. Non-executives have, however, made a valuable contribution to the management of Whitehall by providing external experience and insights into what might otherwise be an inward-facing mentality.

1.13 Below the Management Board – as in any large organisation – officials will have a number of internal management committees whether for purposes of Audit, risk management, financial planning, HR processes, staff development, policy evaluation, process improvement and so on. In broad terms, there is a positive culture of consultation within Departments on all such issues, reflecting the fact that the atmosphere in most Departments is essentially “collegiate” rather than “command and control”.

### The overall role of Ministers

1.14 As special advisers will know well, at any given time, there are just over 20 members of Cabinet (22 in July 2014) plus another 100 or so “junior” Ministers. The vast majority of these are MPs, though a number are drawn from the House of Lords. A further 20 or so Government

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<sup>1</sup> The source of a Department’s funds is the Treasury, with whom the Department negotiates for its funds. But once the Treasury has concluded its negotiations with each Department (and once the overall package has been signed off by the Cabinet), the Treasury needs to seek approval from Parliament for that package through an annual Finance Act. In that strict sense, it is Parliament not Treasury which “votes” funds to the Department; and the Permanent Secretary “accounts” to Parliament, through the Parliamentary Accounts Committee (PAC), for the proper use of those funds, in accordance with the purposes for which they are given.

An important piece of Whitehall terminology in this context is the “Accounting Officer note”. From time to time, Ministers want to spend resources on a matter which the civil service regards as poor value for money. In such circumstances the Permanent Secretary may issue a formal note to the Minister to that effect, which is notified to the PAC. Ministers can choose on wider political grounds to override the note and proceed with the expenditure concerned through a “direction”. But they are then liable to be challenged on the issue by the PAC. Accounting Officer notes and directions are rare – perhaps a handful each decade in any given department – but the “threat” of such a note has led many a Minister to rethink a particular proposal.

backbenchers serve as unpaid Parliamentary Private Secretaries, who have no operational functions but are asked to act as “runners” between a Department’s Ministers and the Government backbenches. In broad terms, therefore, about a third of MPs of the governing party will hold some form of appointment.

1.15 The conventional structure for Ministerial appointments places Ministers in one of three tiers:

- Cabinet Ministers - essentially one from each department with two for the Treasury (the Chancellor and the Chief Secretary);
- Ministers of State - one, two or occasionally three in each Department. These are the most senior roles outside the Cabinet;
- Parliamentary Under Secretaries of State - the most junior level. Again there are one, two or three in each Department.

Not all Departments follow this nomenclature - the Treasury, for example, has traditionally had posts of Economic Secretary and Financial Secretary (as well as Chief Secretary mentioned above), which are not easy to classify in the conventional structure.

1.16 Cabinet Ministers do not usually choose their junior Ministers (a prerogative of the Prime Minister) but are involved in deciding how the “ministerial portfolios” are allocated within the Department. Most Secretaries of State will decide to lead on certain issues themselves, delegating specific subjects to the Ministers of State, and the Parliamentary Under Secretaries, so that most junior ministers will have some subjects on which they lead and some on which they support a more senior minister. Titles are often given to reflect these specific roles e.g. Minister for Security and Immigration.

1.17 Being appointed a Minister brings clear responsibilities but does not have anything like the formality of more conventional jobs. There is no contract specifying the hours of work. Nor is there any formal job description or explicit objectives – and there is virtually no training. Overall, therefore, how individual ministers set about their work is essentially for them - and Ministers can differ hugely in the way they choose to operate. Once a new Minister arrives at a Department it is normally the Department that changes its internal practices to suit the Minister, rather than vice versa.

1.18 That said, Ministers sit clearly at the apex of the Departmental structure and most of the work of officials is geared towards them. Essentially all decisions made within Departments are either directly the decisions of Ministers or made on their behalf – but with the clear assumption that the decision concerned is what the Secretary of State would want. Officials generally do not seek to determine policies or make significant decisions but to put the issues to Ministers and get their agreement. So a much higher proportion of issues are referred to Ministers for decision or endorsement than, for example, would be referred to an organisation’s Chief Executive. This can be frustrating - because it can slow the pace of decision making and risks overwhelming Ministers with work - but it largely reflects the fact that most policy decisions require a degree of pure political calculation something which is hard for any active politician to delegate. In addition, in some cases, the underlying legislation requires the decision to be made by the Minister.

1.19 But the system leaves all Ministers, but especially Secretaries of State, with an immense workload. A constant is the “Ministerial red box” – the briefcase stuffed full of submissions, briefs

for meetings, letters to be sent to MPs and numerous other papers which the private office will put together for each working day and at weekends in the expectation, not always realised, that the "box will be turned round" overnight. (A few Ministers choose to deal with papers in the office rather than take a red box and a small but increasing number work on-line.) In addition to the paperwork, there is a constant stream of meetings with officials, fellow ministers and third parties on issues relating to the ministerial portfolio; and numerous out-of-the-office trips whether to negotiate in Brussels, make speeches or visit companies and other organisations whether in the UK or abroad. And this is all in addition to the Parliamentary and constituency responsibilities faced by all members of the House of Commons.

### ***The Ministerial private office***

*Each Minister typically has an immediate support team of about five or six staff – double that for most Cabinet Ministers – who manage his or her Departmental life, notably organising meetings, papers and correspondence and giving clear guidance to the department on the Minister's preferred working style. The private office is usually staffed by relatively junior officials, though the head of the office (the "Private Secretary") will often be an official from the fast stream and the "Principal Private Secretary" to a Cabinet Minister will usually be a rising star within the junior ranks of the SCS.*

*A good private secretary's role is two-way - to advise the Department of the Minister's thinking and priorities; and to advise the Minister on how best to get things done within the Department. The best PPSs usually act as an informal sounding board on policy issues faced by the Secretary of State and, in doing so, do not fuss unduly about the dividing line between policy and politics, though they are required not to be politically active.*

*The diary secretary is also a vital contact as it is the diary secretary who is key to planning the day, weeks and months ahead, judging the priority of demands on the Minister's time and making the constant rearrangements of the diary which are needed certainly daily and often hourly.*

*The special advisers traditionally sit close to the Secretary of State's private office and occasionally may have their desks within it. They would expect to have a close relationship with the PPS and to have open access to the Secretary of State, joining in many meetings. Few officials have access in the same way - probably just the Permanent Secretary and the head of the press office.*

*The special advisers will usually have a couple of support staff directly provided by the department to help them. One is likely to be the equivalent of a diary secretary. But the other is likely to be the equivalent of a private secretary who can filter the numerous submissions sent to the special advisers email account and try to work out which they need to see. This is critical in that it is a standing order in most Departments that all submissions sent to Ministers are sent in parallel to the special advisers so they have the opportunity to comment to Ministers before a decision is made.*

*In July 2013, Francis Maude, the Minister for the Civil Service, announced the introduction of an "Extended Ministerial Office" (EMO) concept which would be roughly double in size and contain special advisers and external policy experts, all managed by the PPS, whose role would thus evolve to something closer to a US or European Commission style Chief of Staff. The decision as to whether to go down this route was left to individual Secretaries of State and there is no information as yet as to how many Departments are going down that route.*

### Ministers and internal management

1.20 Secretaries of State are, of course, the formal heads of Departments and have always been able - if they so choose - to take a strong interest in its internal management structure and processes. In the past, however, this has been relatively rare, with Ministers generally allowing the Permanent Secretary to manage the everyday operations, though with the notable exception of the negotiations with the Treasury over Departmental budgets, which have always been led by Ministers.

1.21 The Coalition Government made changes in this area; and it indicated, through the Cabinet Office, that it now expected the Secretary of State to chair the Departmental Management Board<sup>2</sup>, with the Ministerial Code now stating clearly;

*“Secretaries of State should chair their departmental board. Boards should comprise other Ministers, senior officials and non-executive board members, largely drawn from the commercial private sector and appointed by the Secretary of State in accordance with Cabinet Office guidelines. The remit of the board should be performance and delivery, and to provide the strategic leadership of the department.”*

The aim was very much to ensure that the whole of the departmental management – Ministers and officials alike – was concentrating on the key issues they were facing and on delivering the commitments in the Coalition programme for Government. The thinking was that the management challenges facing Departments - not least the significant reductions in Departmental budgets – overrode traditional distinctions between policy making, delivery and management and required a single concerted effort, focussing on priorities.

1.22 The issue is, however, whether such reforms – which have been tried in the past – can be made to stick. At the beginning of a new Government, there is inevitably a great deal of change to be implemented, new priorities to be developed and previous activities to be rationalised or cut-out. So a fairly formal approach to management can be helpful. But once major policy or management reforms have been initiated, their detailed delivery can become a hard slog of attention to detail – and some Ministers, who often have no relevant experience of project and programme delivery, may soon lose interest.

1.23 One management issue which remains of critical importance to Secretaries of State, however, is the relationship with the Permanent Secretary. Most Secretaries of State have a weekly one to one meeting with their Permanent Secretary which they use to discuss critical current issues and, where necessary, voice any dissatisfactions with the Department, whether that may be about the lack of urgency on a given issue or dissatisfaction with the delivery of particular policies. And most Permanent Secretaries would regard keeping the Secretary of State content – and at times realistic about what can be achieved – as one of their key responsibilities.

1.24 Most Secretaries of State will also seek to have (in principle if not always practice) at least a weekly round-up meeting with their junior Ministers, special advisers and Parliamentary private secretary, usually with a more overt political character. These tend to be early morning meetings, occasionally designated as “prayer” meetings.

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<sup>2</sup> For further information see: <http://www.cabinetoffice.gov.uk/content/enhanced-departmental-boards-protocol>



## The structure of Whitehall

1.25 There are currently just over 20 core Whitehall departments. The titles and responsibilities of Departments have changed regularly over the last thirty years, though the coalition government was relatively unusual in not carrying out any significant restructuring.

1.26 At times, changes in the Whitehall structure are made because there has been a fundamental change to the world outside Whitehall. A relatively recent example of this was the creation of the Department of Energy and Climate Change (DECC) in 2008 to ensure secure energy supplies and to promote low carbon energy – a difficult trick to pull off if the issues are dealt with in separate Departments. But the driver for changes can also be purely presentational - to demonstrate the Government is taking a new and dynamic approach to dealing with problems. Civil servants tend to dislike changes in departmental structures - not least because of the significant amounts of senior official time caused by cosmetic changes - though Permanent Secretaries are often enthusiastic about any opportunity to raid other departments to take on new functions.

1.27 The most constant factor on domestic policy is the Treasury which regards itself as senior to all departments except the No 10 operation – and not always in that case. The source of its power rests, of course, in its responsibility for public expenditure and thus its ability to prevent other departments undertaking new commitments without Treasury approval. But in the last couple of decades it has taken on a more expansive role (particularly under Gordon Brown), being ready to make policy and provide funding for its own initiatives, even if delivered through other Departments. This can be most readily demonstrated in the Budget and the Autumn Statement, which have become broad reviews of Government policy and spending programmes rather than restricted to taxation and expenditure.

## Ministers acting collectively - the role of the Cabinet Office

1.28 A key part of the Whitehall infrastructure is the role of the Cabinet Office<sup>3</sup> in co-ordinating the work of the Cabinet and the “Cabinet Committees” (effectively sub-committees of the main Cabinet), which facilitate collective discussion and agreement of issues which are cross-departmental. A full list of the Committees, together with their membership and terms of reference, is published on the Cabinet Office website<sup>4</sup>. Decisions are often taken in correspondence rather than through meetings, with the lead Department on any given issue writing to the Chair of the relevant Committee, other Departments then having the opportunity to comment before a deadline, and the Chair of the committee then writing a Cabinet Office-drafted summary letter which confirms what has been agreed or proposes a way forward if differences remain. Responses to these letters can be more important and urgent than they sometimes seem. They may be the

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<sup>3</sup> *The Cabinet Office is an untypical department, with considerable power because of its co-ordinating role and its responsibilities for civil service reform, management and HR issues. Its original function - and still its most important – is the management of cross-departmental Government business as described in the main text. But is also the Department responsible for managing the civil service overall (except for costs which is for the Treasury); and for leading in Government on many constitutional issues, especially in relation to Parliament. As such it has the Government lead on issues of propriety, whether for the civil service, Ministers or special advisers. It tends to be the location for Ministers with cross-cutting portfolios – indeed under the coalition, there were seven Ministers in the Cabinet Office, including the deputy Prime Minister, who attended cabinet.*

<sup>4</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/60639/cabinet-committees-system.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60639/cabinet-committees-system.pdf)

only opportunity for a Minister to influence or object to a policy which has departmental or political repercussions before a final decision is made.

1.29 Overall, the Cabinet Committee structure provides a degree of discipline in policy making, especially where the issue is bigger than the interests of a single Department. Detailed papers are produced, often having been discussed in meetings of officials which "shadow" the Ministerial committees. And decisions are clearly reached and recorded in minutes which reflect the arguments used in the meeting but tend not to attribute specific views to specific named Ministers. The number, membership and terms of reference of the Committees are regularly revised, thus ensuring that the Committee system remains close to the political issues which dominate the agenda.

## Chapter 2: The policy-making process

### *How policy is initiated, developed, agreed and delivered*

2.1 A significant amount of what goes on in Whitehall is driven by “custom and practice” rather than formal rules. So in relation to policy, while there is a broad consensus on what policy is and how it should be made, there is no definitive guide. (Various attempts to codify how policy is made have been attempted over the years but none has really stuck.) So when new policy needs to be developed, there is usually an early “scoping” discussion between the Minister and officials over how it should be carried out in that particular case.

#### *Where does policy derive from?*

2.2 A rough classification of the different types and origins of policy can be made as follows;

*i) The setting out by Government of a coherent overview approach to a key area or sector of society, with proposals to implement that vision*

2.3 The “classic” example of Government policy making is where the Government seeks to set out its approach to an area of society in a White Paper (see separate box below) or similar document. This might cover, for example, the Government’s policy towards the macro or micro economy, the health service or crime. Such a policy statement seeks to set out the Government’s overall analysis of a particular issue or set of issues and to present its philosophy in relation to those issues. Such White Papers will usually make a set of specific proposals to address the issues or lead to follow-up documents, consulting on the details of the individual proposals

2.4 At any given moment, many Departments will be operating within the shadow of a relatively recent White Paper - and busily implementing the proposals in the document - or preparing to draft the next one. There has also been an increasing trend in recent years for the boundaries of White Papers to be cross-Departmental, reflecting the focus on “joined-up Government”.

#### ***White Papers, Green Papers and other Government Documents***

*A “Green Paper” is a discussion document setting out options which the Government is considering in order to achieve certain stated objectives. It will invite comments from third parties on those options.*

*A “White Paper” might then follow some six months to a year after the Green Paper and would set out the Government’s conclusions on the issue and make specific proposals as to what they intended to do, often as a prelude to legislation.*

*In recent years, however, the simplicity of the concept has been steadily eroded in two main ways;*

- *Government now issues many more documents in critical policy areas than previously and the distinction between consultation and firm policy proposals is less clear, with “green papers” often making firm proposals while “white papers” often contain numerous issues on which comments are invited. More documents are issued which are not styled as either*

*white or green;*

- *The presentation of such documents has changed markedly, with more use of background data and table; and documents which might once have been 30 pages are now more likely to be 300 pages in length. They are no longer published between green and white covers but often have high production values, with glossy covers and striking photographs.*

*But the distinction is far from redundant and the old terminology is still in common use as a conceptual way of distinguishing between the "green" stage of the Government consulting on "what to do" on a given area of policy; and the "white" stage of setting out the Government's conclusions. . Both Green Papers and White Papers thus continue to be issued.*

## **ii) Continuous improvement**

2.5 Government never stops and Ministers, special advisers and officials are constantly looking for new policy developments or to amend existing policies as they are rolled-out. This essentially results from a continuous improvement approach, with existing policies and Government interventions being continuously scrutinised for their effectiveness and amended and developed further.

2.6 In a similar way, the battle for ideas between the political parties is never dormant and policies are being constantly updated and restated in different language. Many Ministers develop their policy ideas through speeches and Parliamentary debates. A speech can be a major instrument for developing policy and its drafting can occupy officials throughout Whitehall for some time. Most Cabinet Ministers will also make a speech at their annual Party Conference, with a wish to make an announcement or two – with civil servants not directly engaged given those speeches will be political, but keen to discover what the Secretary of State might announce.

## **iii) A reaction to external events**

2.7 A considerable amount of Government policy is developed in response to "events". The 2008 banking crisis was a good example of Government having to make its policy "on the hoof", developing its approach directly in response to events in the commercial market-place. Phone hacking is another example, with the Levinson inquiry being set up in response to public concern. Some of the interventions in such cases may be of huge economic and social importance, but can have a strong element of crisis management, rather than the more formal and measured approach that is to be found in a White Paper. Questions arising from "events" are often framed in terms of policy – how will the Government ensure that a particular type of rail accident will not reoccur; or what is the Government's doing to respond to widespread flooding in the west country?

### **So how is policy made?**

2.8 In the "classic" model of policy making, Ministers come to Government with a clear philosophical approach – the approach which formed the basis on which they were elected. They then set out that approach for the department and its officials and they in turn apply that philosophy to the issues for which the department is responsible, seeking guidance from Ministers when specific decisions are needed. Ministers in turn promote, explain and defend those policies in public debate, while officials work out and implement the detailed activities which give effect to the

policy.

2.9 That classic model just about exists. But it is no more than one model for policy making. Increasingly policy is multi-sourced, with much stronger roles for external bodies, including the political parties and think-tanks. In addition, the sources of policy making within Government have expanded, with very significant roles for No 10 and the Treasury in initiating and developing policy both alongside, and even at times in parallel to, the work of the responsible department. Cross-departmental policy reviews have also become increasingly used in developing policy. The Government regularly commissions reports by expert groups such as the independent commission on Banking chaired by John Vickers or the review of runway capacity by Sir Howard Davies. . So policy making no longer follows a single set model.

### ***Ministers and policy***

2.10 Ministers are expected to drive forward policy development across all their areas of responsibility. On being appointed, all Ministers take on responsibility for a specific area of public life and invariably want to take the opportunity to develop the policy or improve the operation of Government services. They are seldom interested in merely presiding over the status quo. New ideas and new issues will arise constantly.

2.11 It does not follow that Ministers personally generate the majority of *specific* policy ideas. But, in contact with external parties, special advisers and officials, they are constantly asking what more could or should be done, and how existing policies and activities might be taken forward or improved. They take ideas from a variety of sources (stakeholders, lobbyists, think-tanks, the press, backbenchers, and special advisers) and ask for advice from the civil service machine on those ideas, authorising further and more detailed work where the idea seems promising.

### ***Civil servants and policy***

2.12 It is not the role of civil servants to decide what they think the political priorities of the Government should be! Instead, the focus of officials in policy development is essentially two fold. First officials will be continuously reviewing existing policies to see whether they could be improved in their delivery – and to see whether they are in practice meeting the political objectives of Ministers. Second they will be responding to potential areas for new policy development, usually but not always at the direct request of Ministers and special advisers, to analyse and advise on their practical and political merits. In addition, in those Departments with long term issues, officials will be engaged in “horizon scanning” to consider issues such as pension provision which may not always be the subject of immediate public debate but which require longer term planning. At any given time, there are policy areas which Ministers positively want officials to examine; and issues which Ministers are less interested in (or may even positively wish to avoid) but on which officials will be telling Ministers that work is needed. A further key driver for policy development is budgetary – looking for savings to meet Treasury demands or to create “headroom” for new spending priorities.

2.13 But once it has been decided that work on an issue is necessary, it is the pre-eminent role of officials to take hold of the subject matter, analyse it, consult as necessary, identify options and make recommendations. Put another way, the Ministerial role in policy formulation is typically to make clear “this is what I want to achieve”; but the civil service role is focused on developing “the practical options by which you might achieve it”. That is why it is important that Ministers are clear on the key outcomes they want to achieve. Ministers, of course, then make the eventual decisions both on “this is what we are going to do” and “this is how we are going to do it” Clearly, within the

context of any policy area, there will be issues, most often in relation to the delivery of the chosen option, which are below the Ministerial radar. But there is no precise line as to what issues are delegated to officials to decide without Ministerial clearance - that is usually decided by how much appetite the individual Minister has for being engaged with the detail. And, in many cases, special advisers will crawl over the detail on behalf of the Minister, given the time pressures on the latter. In doing so, they can expect to be meeting officials leading on key policies on a regular basis, even at times becoming members of working groups and committees set up by officials to discuss the issues under review.

2.14 How the civil service sets about the task of managing the policy process varies considerably from subject to subject, depending on its significance. For major policy exercises, the task of officials can be characterised as typically involving:

- **Understanding** the policy area which Ministers want to tackle. This often involves informal discussions with third parties, as well as Ministers, to improve the civil service's understanding of the issues. Before considering how to manage a policy review of an aspect of criminal law, for example, officials may well want to discuss the issues informally with the police to ensure they understand the issues. In many cases, such tentative discussions may not be formally recorded – they are characterised as “what if” discussions and have no formal status. Throughout any policy development, officials will want to maintain strong relationships with such stakeholders;
- **Scoping** the work to be covered in any policy review and how it might be managed. This will involve advising Ministers on, for example, the arguments for and against managing the policy review internally or with an external “figurehead”, the extent to which the review will be inter-departmental, how it should be resourced, the intended timetable, the desired level of consultation, the need for consultants and so on. Ministers will typically decide these issues – but based on options and a project plan put forward by their officials;
- **Assembling the evidence base** on which policy options will then be developed. Much of the necessary factual data may already be available – in other cases more work may be needed to establish the necessary facts, possibly involving some formal research;
- **Managing the desired level of consultation.** In areas of major policy development, it is highly likely that there will be an initial discussion document, setting out the evidence base and identifying possible policy options, on which views will be sought. This is likely to be paralleled by a significant degree of more informal consultation by both Ministers and officials, talking to key stakeholders and seeking their views on the issues. On many policy issues, and especially those which involve changes in laws or regulations, a degree of formal consultation is in practice unavoidable – and where such consultation is required, there are certain formal requirements laid down by the Cabinet Office;
- **Devising the analytical framework for decision making.** This is likely to involve discussions with Ministers about the objectives of the policy concerned in terms of the desired outcomes; and teasing out the criteria against which options can be developed and then assessed;
- **Identifying and managing risks and conflicting policies.** It is very common in Whitehall that policy development in one area will have knock-on effects on other policy areas – and these issues need to be uncovered and addressed. For example, attempts to reduce carbon emissions from domestic households by DECC may well impact on the housing policy of the

Communities and Local Government (CLG);

- **Managing the dialogue with Ministers as conclusions are reached.** Officials aim to manage the timetable for the policy development so that decisions are reached in good time, involving cross-departmental approval where necessary. This is an iterative process with options being refined and further developed. There will also be a focus on whether the options developed are attractive (i.e. that they will meet the policy objectives and be well received), politically acceptable, and whether they are workable (i.e. whether they are likely to be practical at the operational level). Both formal meetings and written submissions are important in this context;
- **Writing the final document and managing the announcements of the policy.** Depending on the nature of the issue, it is probable that the outcome will be a major policy document, often a White Paper, which sets out the specific policy decisions and how they are to be implemented;
- **Implementing the policy.** A White Paper can resemble a manifesto in that it sets out a programme of action for a period of years. Legislation is sometimes needed to implement proposals, but it is by no means straightforward to secure a place in the legislative timetable, as there are normally more departments with claims than the parliamentary process can accommodate. If that is achieved a “Bill Team” will need to be established accordingly. If not there are a range of other options departments can consider, including recently approaches suggested by behavioural insights research. Other policy proposals will not require legislation but will require piloting or detailed implementation plans, quite often involving further rounds of consultation, with the need to draft discussion documents and so on. Officials will again need to manage implementation as a specific programme of work. It is quite common for White Papers to include a commitment to the publication of a delivery plan setting out how it will be implemented – often with a formal progress report to Parliament;
- **Evaluating the outcome and launching the next review.** However much attention is paid to the careful development of policies, they inevitably do not always work – whether because they prove to be more difficult to deliver than anticipated or because the nature of the problem being tackled has evolved. So even if this is uncomfortable for the responsible Ministers officials should review how effective policies are proving to be and what further work might be needed. In that sense there are no areas in which policy making is ever complete – the process is in effect a continuous circle.

2.15 It would of course be misleading to imagine that the activities discussed above are followed in each and every case. Even the larger Departments are unlikely to be developing more than a single White Paper or having more than couple of major policy reviews at any one time; and some Departments might go several years without one. So “lower level” policy development is a very significant part of the everyday life of Ministers and many of their Whitehall officials. And, as noted above, Ministers are constantly and correctly asking how the issues they are responsible for might be further developed and improved, whether by re-opening “what to” issues or - much more frequently in practice - seeking continuous improvement on the “how to do it” agenda.

## **The Whitehall calendar**

*The Whitehall calendar essentially marches to the same tune as the parliamentary calendar, with periods of intense activity while Ministers are in the office and periods of respite when they are not.*

*Whitehall never formally shuts down, though the numbers in the office are obviously lower during public holidays, August and "half-term weeks". But there are also constraints on what officials can drive forward when Ministers are away from the office given the broad convention that major policy announcements can only be made when Parliament is sitting.*

*Until 2010, Parliament effectively began each year in November with the Queen's Speech; after two week breaks for Christmas and Easter, it then closed down in mid July for the summer holidays and party conference season, with a brief resumption in October before the Queen's Speech began the process again in November. Since the Coalition, however, this has now changed, due to the introduction of fixed five year Parliament with elections in May. So, unless that legislation is repealed, The Queen's Speech will kick off the Parliamentary year in future each May.*

*When Parliament is not sitting, Ministers, particularly those with constituencies some way from the capital, try to spend more of their time in their constituencies, making up for being in London during the rest of the year. And they also try and use time when Parliament is not sitting for Ministerial visits overseas. So in practice, some Ministers may be in London and in their Departmental office for only about eight months of the year.*

*They can of course always be contacted; and will always be sent red boxes. But in terms of policy development, officials have to take account of when Ministers are available for discussions and when Parliament is sitting. This tends to lead to desperate and not always successful attempts to "get things through" before each of the Christmas, Easter and summer breaks – and in the run-up to these breaks Ministers can often feel they are being "bounced" into taking too many decisions in too short a time.*

*A further complication is elections and the concept of "purdah". In effect, whenever a democratic election is being held - whether for Parliament, Europe or local elections - no announcements are allowed during the election period which could remotely impact on those elections unless they are absolutely essential for practical reasons. And the rules are generally interpreted tightly. So April is usually a "dead" month for announcements because of local elections in early May. And, once a general election is announced, Whitehall is effectively prevented from any further policy development until a new Government is elected.*

## **Policy making and the European Union**

2.16 An increasing amount of Whitehall policy making now has a marked European dimension, with the power of decision making, to a greater or lesser degree, having been elevated to the institutions of the European Union.

2.17 The nature of policy making in a European context is clearly very different for both Ministers and officials. For the great majority of issues, the fundamental policy decision as to "what to do" is no longer a matter for the national level but becomes a matter for the EU as a whole, with the European Commission very much in the lead in proposing what issues would benefit from cross EU agreement. Nor does Whitehall retain the power to decide "how to do it", as the Commission



invariably decides how far delivery of the particular policy should be standardised and how much should be left to national discretion.

2.19 Ministers do, of course, retain a very significant degree of power in that it is in most cases for the Council(s) of Ministers to decide "**whether** to do it"; and no Commission can force policies on the member states unless at least a majority of the votes of member states are in favour. But the rules of engagement for Whitehall in Europe are nonetheless markedly different – it is essentially about influencing the development of policy, building alliances and judging how and when to compromise to ensure an acceptable outcome. Getting in at early stages is important. The guiding rule of Westminster and Whitehall - that the Government ultimately decides what happens on any given subject – is no longer the case.

2.33 But the differences can be exaggerated. It was never entirely the case in Westminster that the Government had unfettered power of decision. Legislation, for example, must get the support of Parliament. The increasing trend in Whitehall towards significant consultation in policy-making inevitably means a willingness to amend initial policy thoughts and be influenced by other parties before decisions are made. And such issues as the need to establish a clear evidence base and rationale for decisions are common to both Brussels and Westminster.

## Chapter 3: Understanding the Culture

### *Why the civil servants do the job, what their concerns are and accountability*

3.1 This chapter contains generalisations. The civil service attracts many motivated and intelligent people but such people can be highly individualistic and argumentative, relishing debate and discussion, including debate about why they are civil servants and what the job is about. So any attempt to summarise the culture has its limitations. But it is nonetheless worth trying.

#### *Why they do the job*

3.2 There are numerous reasons why many civil servants choose to spend their entire careers there. Key drivers in this are:

- Civil servants generally consider they are performing a **public service**. There is a core belief in the importance of democracy and a respect for the political process. Civil servants also enjoy working closely with politicians and tend to have respect for them – they believe that most politicians are in public life because of a genuine wish to improve society;
- The work is **intellectually challenging**. The issues politicians and their advisers are grappling with seldom have easy answers. Sometimes there are no answers which do not have problematic consequences. People who can simplify complex issues tend to do well in the civil service - but people who cannot cope with complexity do not;
- Civil servants enjoy **politics**. The civil service is attractive to people who relish the political process but who personally lack strong political convictions of their own. But officials gain real job satisfaction through working closely with Ministers and helping them achieve their aims. It is the excitement of the political process that makes most Whitehall civil servants happy to work long hours;
- The civil service puts a high premium on **literacy**, sometimes in the past more so than numeracy. This is changing and it is of course recognised that data, big data and resource costs are often both illuminating and critical. But the political debate in Parliament and in the media remains crucially about words and ideas;
- Civil servants do want to “**get things done**”. But this is tempered by the fact that quite a high proportion of what goes on in Whitehall does not, in the event, come to fruition. There is a constant process of considering new ideas and policy proposals, many of which never gain the necessary political, legal or financial support;
- The overall approach is **collegiate**. There are inevitably personal agendas, ambitions, and disputes, but, by and large, civil servants work constructively together in a collegiate atmosphere. And over the course of a career they get to know each other well – the “Whitehall village” is a cliché but an accurate one;
- The job conditions are a **reasonable package**. Many senior civil servants – by no means all – could have chosen more lucrative professions at the beginning of their career had they chosen to do so.

### **What their concerns are**

3.3 Officials can be worriers about their work. The problems they are facing can often seem intractable and the weapons at their disposal very limited. But the following attempts to classify those worries in some form of order, mainly in the context of how a civil servant would be thinking in responding to those proposing a new policy development:

- **Is this what Ministers want?** If a third party – or a special adviser - puts a significant policy proposal to a civil servant, the civil servant will not be thinking whether he or she finds it attractive, but whether the relevant Minister would think it attractive. If there is no instinctive political appeal in the idea, it will struggle to gain traction with Whitehall.
- **“who wins and who loses?”** from any specific idea. There are few policy proposals that produce only winners and no losers. If a Minister says to an official “this is what I want”, the official will instinctively be thinking “OK, but who will be opposed to this?”; and will be searching for ways to modify the proposal to make it more amenable to the potential losers, perhaps by delivering the desired outcome in a different way;
- **“will it work?”** and its close neighbour **“what could go wrong?”** There is seldom a shortage of proposals and ideas for change. But many of those ideas prove on close examination to have significant defects. It is one of the roles of the officials to identify those weaknesses and see if they can be overcome;

This area in particular can be a source of conflict between Ministers and officials. Officials see it as part of their role to expose flaws in proposals, even when they are proposals from their own Minister. But it can lead a Minister to take the view - most especially when there is a change of Government or when a Minister first comes to a Department – that the civil servants are opposed to their ideas in principle rather than simply identifying problems with their practical implementation. Special advisers can play a key role here in that they often have more time to listen to officials’ concerns – and to consider whether those concerns are soundly based. Their role can often be crucial in persuading Ministers whether to accept or reject the advice of officials;

- **“is this a priority?”** As noted, there is no shortage of proposals for policy improvement. But there is a shortage of resource within Whitehall to take every proposal forward. Legislative time is often a bottleneck ;
- **“what’s the evidence?”** In recent years there has been a greater focus on hard evidence to justify policy changes;
- **“are there knock-on consequences for other policies?”** In many respects Whitehall is the battle-ground in which conflicting policy aspirations are resolved. And these may not always be obvious. For example, if the Department for Work and Pensions (DWP) decides to pay pensions and other benefits directly to people’s bank accounts, that may save them money and provide an acceptable service to their clients - but it may have a strongly negative effect upon the finances of post offices. Officials see spotting such connections as an important part of their role;

- “**how does this look presentationally?**” Ultimately any policy ideas considered by officials will, if adopted, enter the public domain, at which point Ministers rather than officials will be debating and defending them. So officials need to think about presentation at a very early stage – though it may come more naturally to politicians and special advisers than those who have limited experience of public debate;
- “**can the Government afford it?**” Inevitably, many policy proposals require additional resource – money, staff, buildings, time, and so on - at least initially, even if long term they might produce cost savings. A civil servant will thus be thinking from the outset, not only whether an idea is attractive but whether it is attractive enough to make it a priority for expenditure.

### **Whitehall and accountability**

3.4 “Accountability” is a public sector piece of jargon, with no precise private sector equivalent. It essentially means that the Minister or official has to be ready to be challenged in public on the decisions they are taking or the outcome of the decisions they have taken. Other than for judicial review, there is usually no formal sanction involved - the external inquisitor has no decision making powers - but it is nevertheless an issue of real importance, especially as it tends to be a public process.

3.5 There are essentially four types of accountability, though they are very much overlapping rather than distinct:

- **Accountability to Parliament.** This comes in various ways. The simplest is the requirement for the Government to respond to written and oral Parliamentary questions from backbenchers; and to participate in debates “on the floor of the House”. Obviously the burden of the accountability in those cases rests with Ministers rather than civil servants – though it is the latter who produce the draft answers and make sure Ministers are fully briefed. But detailed issues are subject to public scrutiny in a way which has no real private sector equivalent - and for legislation, of course, a vote is then necessary.

i

#### **Select Committees**

*Over the last twenty five year, Select Committees have developed from being a minor aspect of parliamentary life to being one of the key means by which Parliament holds Ministers and officials to account. They still have no direct power but have increasing influence and some of them attract considerable publicity, with their Chairs taking to the airwaves on a regular basis.*

*Essentially there is one Select Committee for each Government Department. They have their own secretariat and have free rein to inquire into any aspect of a Department's activities and can call senior officials as witnesses as well as Ministers or anyone else they choose. Their questioning can be extensive and is invariably challenging. They are then free to write reports criticising Departments for their activities and occasionally named civil servants are targeted for particular criticism. Until recently, their cross-party membership was chosen by the political parties and this acted at times as a constraint on their willingness to criticise the Government. But their Chair and members are now elected by backbenchers in a free vote and this has undoubtedly increased their independence as well as providing an alternative route to prominence for those MPs who might otherwise have aspired to becoming (or who have*

*already been ) Ministers.*

*The most formidable of the Select Committees is the Public Accounts Committee (PAC), which is essentially charged with examining all aspects of public expenditure. It is supported by the National Audit Office (NAO), which regularly reviews major Government expenditure programmes with a view to whether they have been properly managed and provided value for money. Ministers are seldom called to give evidence - not unreasonably as they are seldom responsible for the detailed spending of money or running of programmes – but Permanent Secretaries and other senior officials are called regularly. The PAC's hearings are often conducted entirely in a hostile atmosphere, with detailed briefing for its members provided by the NAO. Criticism by the PAC is almost always covered extensively in the press.*

*As noted, the Select Committees have no direct power. And a Department can reject their Reports when it suits them to do so – sometimes through taking months to respond to their reports. And, in practice, some of their Committee recommendations are not that well founded as they do not have to determine whether their recommendations are practical. But they have become a far more significant aspect of Government than they were a generation ago.*

- **Accountability to the public.** Broadly the Government conducts its affairs in public. So the convention in Whitehall is that the Government has an obligation to explain its policies and the public has a right to ask about them. Letters to Government Departments asking for explanations of quite detailed issues will be replied to, often in detail, and a letter to the Minister via the local MP will get a reply from the Minister personally. In addition, Whitehall will not announce a major initiative without some form of supporting publication, explaining and justifying its policy. And senior civil servants now accept, as an everyday requirement of their role, the need to appear on public platforms to explain policies and answer questions. The public is now additionally entitled to use the Freedom of Information Act to seek internal Government papers. While there are various exemptions which enable information not to be revealed, there is no doubt that the internal deliberations of Government are more transparent than they have ever been.
- **Accountability to the Courts.** In recent years there has been a steady rise in the number of Government policy issues which have led to judicial review, with third parties essentially challenging through the Courts the legality of the Government decision being taken. While such challenges are not always successful, they can cause delays, both because of the time they take but also because the fear of a possible challenge can cause officials to advise Ministers to be ultra cautious in making decisions.
- **Accountability to the media.** The principle that Ministers or officials are “accountable” to the media is contentious, given the press represent no one but themselves. But that is to ignore the reality of how Ministers and their civil servants behave. In practice the media is now more important in public debate than the proceedings in Parliament. The media is the only external stakeholder which has significant numbers of officials – i.e. the Departmental press officers – dedicated to them. Both Ministers and officials will regularly consider how to get their message across to the media, whether that means in any particular case, the BBC, the Financial Times, the Daily Mail or the Sun. The media force issues on to the political agenda, forcing Whitehall into reactive mode. Whatever the merits of this, it is the reality that Whitehall spends more time thinking about the media than it has ever done before.

3.6 As noted above, there are seldom any official “sanctions” arising from any of these types of accountability. The Government can reject the conclusions of a Select Committee if it so chooses. It can equally ride out criticisms of an unpopular policy and a media campaign. The risk of judicial review can be mitigated by taking considerable care over initial decision making.

3.7 But that does not mean that the accountability is not real. Ministers can all too easily lose their jobs as a result of external criticism - as indeed have a number of special advisers. Civil servants are less likely to lose their job as a result of a hostile Select Committee report but it is common for people to be moved on and for previously promising careers to be blighted.