

Who runs Whitehall?

The background, appointment, management and pay of the civil service's top talent



About this report

Permanent secretaries and directors general are the most senior officials in the civil service. But what is their background, how are they appointed and managed, and what are they paid? This report takes a data-led approach to understanding the characteristics of the country's top officials, and produces recommendations on how the way they are managed could be improved.

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Summary

Recruiting and retaining top talent is of existential importance to the civil service, particularly at its highest levels where by definition the most capable people should work. This report takes a data-led approach to examining the background, appointment, talent management and pay of 148 permanent secretaries and directors general in Whitehall's 19 main ministerial departments. It finds that:

- **Under a quarter possess a science, technology, engineering or mathematics ('STEM') undergraduate degree (23%), compared to approximately 44% of all UK graduates.** This is reflected in officials' generally greater comfort with qualitative than quantitative concepts.
- **More than half attended Oxbridge in some capacity (52%), including almost three quarters of permanent secretaries (74%).** Oxford and Cambridge are two of the best universities in the world and it should be prized that its graduates choose a career in the civil service. But evidence suggests it might also reflect an internal culture that prizes Oxbridge graduates for their credentials and stylised behaviours, not their achievements.
- **Almost half of permanent secretaries and directors general (DGs) are initially externally recruited (45%). A lower 16% entered their current role from outside the civil service.** Generally, it makes sense for permanent secretaries to be internally promoted, but there is more scope for DGs to be recruited from outside.
- **Over two thirds of top officials have some form of outside experience (68%), although only 36% of them (and 22% of permanent secretaries) have had experience in a leadership role outside government for more than three years.** This makes it harder for officials to spot how the civil service can improve, and increases 'groupthink'.
- **Policy professionals have less outside experience, with 30% initially externally recruited compared to, for example, 80% of operational delivery professionals.** Policy roles are more exposed to the peculiarities of the civil service—ministerial relationship and so can be harder for external recruits to get to grips with, at least initially. But the skills needed for a policy job are far from exclusive to existing officials and there remains lots of value in the new perspectives and ideas external recruits can bring to the way the civil service 'does policy'.
- **The policy profession is numerically (43%) and culturally dominant in the civil service's top tier.** This makes it harder for operational and technical talent to reach the top. And because fewer policy officials have outside experience, this reduces the cultural impact that bringing in new talent has.

* All percentages exclude 'don't know'.

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- **A third of top officials have spent less than a year in their current role. Under a quarter of top officials have spent three or more years (24%) in post.** This makes getting things done more difficult and succession planning harder.
 - **Women make up 39% of permanent secretaries and directors general. With Cat Little's appointment in April 2024, a majority of 'head of department' permanent secretaries in ministerial departments are female. This is far better than the 9% of FTSE 350 CEOs.** This is, among other things, an important way of making sure the civil service does not lose sight of the gendered consequences of policy.
 - **Only 12% of permanent secretaries and DGs are based outside London.** For relocation to be successful, a critical mass of senior officials needs to be based in offices outside London, to prove they are not removed from the real action in the capital and give junior staff role models.
 - **Median pay for both DGs and permanent secretaries has fallen substantially in real terms since 2014 – approximately £35,000 for DGs and £40,000 for permanent secretaries.** This undermines the civil service's ability to recruit and retain the best talent.

We produce recommendations to improve the way talent is managed at the highest levels of the civil service. These include:

- **Modernising the appointment process for top jobs.** Interviewees with experience in the private sector argued that a less scripted process, with more depth, would lead to better decisions. Traditionally the civil service has been wary of more informal processes, but the current rigid process is easily gamed and less effective than it should be. Members of selection panels should have more discretion in how they interview and assess candidates. The amount of contact candidates have with officials as part of the hiring process, sometimes in informal settings, should be increased.
- **Strengthening senior officials' and ministers' involvement in appointments.** Officials should be less passive in the way they recruit; they should more actively shape candidate specifications and, if working with an executive search firm, engage with them more thoroughly. Ministers should be willing to shape recruitment as much as the rules allow, to make sure a candidate with the skills they want, and with whom they will work well, is hired.
- **Fostering a national culture of contributing to government.** The best talent in business, academia and the rest of the public sector flees Whitehall during times of crises, but are not retained, nor replacements found. More should be done to establish a culture of the UK's best minds contributing to government, at least for a spell. The civil service should be much more active in selling itself as a career choice.

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- **Improving onboarding and induction.** This is better at the most senior levels than elsewhere in Whitehall. But particularly when it comes to the help available in departments, it remains not good enough.
 - **Incentivising senior officials to stay in post longer.** This requires cultural change, including by viewing people with a history of staying in post longer more favourably when it comes to promotion and people who leave before their expected assignment duration more negatively. Harder incentives are important too. Formal minimum terms of service, financial bonuses paid for reaching project milestones, and financial penalties levied if leaving before an agreed time period should all be considered.
 - **Building a proper alumni network.** The civil service could be more effective at allowing talented officials to leave when the time is right to gain outside experience, with an understanding that they will be a strong candidate for top jobs in the future.
 - **Appointing more senior officials from outside the policy profession.** There is an assumption that permanent secretaries come from policy backgrounds; for operationally focused departments like the Department for Work and Pensions (DWP) and Ministry of Justice (MoJ), this is not necessarily the case. Too often the synthesising role of top policy professionals is viewed as synonymous with leadership, and management is rarely considered a skill in its own right. The civil service needs to do better at giving operational delivery experts, in particular, a clearer route to the top of departments in roles where their background would be beneficial.
 - **Establishing senior specialist roles.** Not a single role at DG or permanent secretary level is without management responsibility. This leaves people who are expert in 'knowing and doing' in areas like data science and actuarial calculations, but who are less adept (or willing) to manage a team, with a particularly hard ceiling to their civil service career. On this the civil service is an outlier, and it loses talent as a result.
 - **Increasing senior officials' pay in real terms and examining ways to put it on a more sustainable footing.** The Singaporean model of indexing top officials' pay against the private sector, and the model previously used in New Zealand of indexing it against leaders in the wider public sector, should both be considered. More flexibility between the proportion of remuneration received as pay and pensions should be offered.
 - **Establishing a new target, building upon the 50% total SCS target, for the proportion of DGs and second permanent secretaries based outside London.** This will help to ensure the success of regional offices.
 - **Retaining a focus on improving socio-economic, regional and gender diversity.** The government should collect and publish better data, actively target STEM recruitment, and address gender diversity of top officials in the next civil service diversity and inclusion strategy.

Introduction

The 1854 Northcote–Trevelyan report, which established the basis for the modern civil service, argued that it was essential that people “of the highest abilities should be selected for the highest posts.”¹ Much has changed in the intervening 170 years, but recruiting and retaining the best talent remains as essential as ever. For the success of the civil service as an institution, and more importantly for the success of the country as a whole, the most senior officials must be the best people it is possible to find.

Around the world and throughout history, the greatest achievements of governments are indelibly associated with the exceptional people who led the organisations that accomplished them. Nasa’s Apollo programme would not have sent man to the Moon without the management of George Mueller; closer to home, the UK would not have become the first country in the world to distribute coronavirus vaccines without the leadership of Dame Kate Bingham. The Rough Sleepers Unit would not have reduced homelessness in the UK by two thirds in four years without Louise (now Baroness) Casey at its head.

Putting exceptional individuals in senior positions within the civil service is important on its own terms. But recruiting and retaining the best people is also important because it has a compounding effect. A civil service with high ‘talent density’ is more likely to be an environment that encourages staff to learn from each other, draw inspiration from each other and healthily compete with each other – and so become more effective at their jobs.²

From the outside, it is hard to judge the quality of appointments to the civil service’s most senior posts. Clearly, many of the officials at the top of the civil service are very effective. And the current system of talent management in the civil service is greatly improved from that of a decade ago. But people interviewed for this paper – inside and outside the civil service – thought there continued to be room to get better.³ It is not a perfect metric, but the Civil Service Commission has estimated that the number of commissioner-chaired recruitment competitions* where the recommended candidates were rated as outstanding or very good has fallen since 2018–19 – from 61% to 52% in 2022–23 – showing the importance of continued focus on this subject.^{4,5}

This report takes a data-led look at the background, appointment and management of the UK’s most senior civil servants – the permanent secretaries (including second permanent secretaries) and directors general (DGs) in ministerial departments. Our aim is to illustrate the characteristics of the people performing these important roles, to consider how effectively the best candidates are being recruited and to analyse how well they are managed once they arrive. We then put forward recommendations about how the way talent is managed at the highest levels of the civil service could be improved.

* The vast majority of which are for positions graded as director general and above.

Data and methodology

Our analysis combines data about the most senior officials received from the Cabinet Office, which is correct as of 1 April 2023, and our own database of publicly available information, reflecting the position of the most senior officials as of 7 August 2023. It is supplemented by a series of targeted interviews. We acknowledge that the mixing of different sources means that our data is not perfect. In some areas, like the ethnicity of top officials, we have not been able to identify useful information with sufficient confidence to draw conclusions. For the data we collected ourselves, we have inevitably had to make some judgment calls, which are detailed in the Methodology.

Nonetheless, what we have collected has allowed us to take the first systematic look at the characteristics and careers of the very senior civil servants that help to steer the activities of the UK government.

Who are the UK's top civil servants?

What roles do the UK's top civil servants perform?

The small cohort of permanent secretaries and directors general (DGs) at the top of ministerial departments have a wide variety of roles and responsibilities.⁶ 'Permanent secretary' and 'director general' are civil service grades denoting seniority, not job titles. For example, the national security adviser, the first parliamentary counsel and the top official in the DWP are all permanent secretaries but do very different work. The government's chief people officer, Defra's chief scientific adviser and the civil servant with primary responsibility for schools policy are all directors general.

But there are characteristics that recur even as the jobs vary. Permanent secretaries, no matter the specific job, tend to perform some or all of the following roles:

Role	Examples of activities
Being accountable for their department's budget, and the propriety and perception of its activity	<ul style="list-style-type: none">• Acting as their department's accounting officer, signing off on expenditure, being held to account by parliament for the money their department spends – and being able to request a ministerial direction if they think spending is not appropriate based on the four criteria of regularity, propriety, value for money, and feasibility.⁷• Safeguarding propriety by overseeing the civil service code, ensuring officials behave in accordance with its requirements and offering advice to ministers on their ethical responsibilities.⁸• Engaging externally in discussions with the sectors or services for which they are responsible and attending events where a government presence is needed.
Providing advice	<ul style="list-style-type: none">• Providing trusted advice, primarily to their secretary of state but also to other departmental ministers, on policy priorities and how to manage crises or unexpected problems.

Overseeing delivery	<ul style="list-style-type: none"> Supervising the delivery of services to citizens, and where necessary becoming personally involved in operational decisions.
Leading the staff in a department and ensuring their work is well managed	<ul style="list-style-type: none"> Managing a department of thousands – sometimes tens of thousands – of staff and being a visible figurehead for their officials. Line managing and leading their senior team and overseeing recruitment into those roles (and on occasion other senior roles in the civil service).

Second permanent secretaries and directors general also have at least some of the above responsibilities. A director general responsible for a large policy area, for example, will have a similar responsibility to provide advice and will take on substantial leadership duties. But they are unlikely to be their department's accounting officer (with some exceptions) and will be able to refer the most difficult propriety questions to their permanent secretary.

How are top civil servants appointed?

The appointment process for top roles varies slightly depending on the nature of the position. For directors general, the relevant permanent secretary will discuss with their secretary of state whether it would be appropriate to advertise the role externally, with ministerial permission formally required if opting to run an internal-only competition. Their decision will then be agreed with the Senior Leadership Committee (SLC), a board of 12 permanent secretaries (including the cabinet secretary) and four other members, including the first civil service commissioner and government chief people officer.⁹ The board's role is to oversee "the management and development of the director general workforce to ensure there is a diverse, highly skilled Senior Leadership Group in place" and it leads "cross-Civil Service succession planning and talent management" at the most senior levels.¹⁰ When it comes to permanent secretary succession planning, the SLC is considered to have a conflict of interest and so is not consulted in the same way.¹¹

Once an approach has been decided on, a recruitment process is run. This process differs depending on the role in question. But at its core is a staff engagement exercise to test existing officials' views of the candidate; a psychometric test designed to assess candidates' leadership potential; an 'informal' chat with a minister; and a panel interview chaired by a civil service commissioner. The civil service "interprets fair and open as meaning that everyone goes through exactly the same process" – and so all do.¹²

Ministers have involvement in the process. At its outset, they are “expected to agree the role and person specification and the composition of the [selection] panel”.¹³ They can meet candidates for ‘informal’ discussions, as long as a representative of the Civil Service Commission is present, and they can ask the selection panel to revise their eventual order of merit. But neither they nor their representatives can sit on a selection panel.

Once a recruitment process has concluded, the prime minister gets the final say over appointment. For permanent secretary level appointments, a list of appointable candidates is presented for the prime minister to choose from. For directors general, a preferred candidate, who was considered most meritorious by the selection panel, is suggested for the prime minister to approve.

What type of person makes a good top official?

Roles at the top of government are difficult. As one interviewee put it:

“The complexity of government is on a totally different scale. I was at the top of [a large company] during the 2008 financial crash and the challenges facing government are orders of magnitude higher than those I faced during that time.”

The people who occupy the civil service’s top roles need to display the highest levels of analytical, organisational and interpersonal skills. The demands are naturally different in different jobs, but top officials need to be capable of some combination of: providing support, counsel and challenge to ministers; coming to evidence-informed views on questions of policy and delivery; being able to write persuasively, and interpret and explain data analysis; all while efficiently managing the resources available to them.

Top officials also need a quite particular disposition. The dynamic of civil service–ministerial relations is unlike that in almost any other environment. Sir John Kingman has talked about a

“civil service temperament: a willingness to tolerate and relish the complexity and variety of being part of a big system but being sufficiently dispassionate – and resigned – to accept and adapt to the changing whims of successive ministers.”¹⁴

Kingman did not entirely mean it as a compliment, but it gets to the heart of what it means to be an impartial official – and is a situation at which plenty of top executives in the private sector would balk. The challenge facing the civil service is to find ways to select and attract top talent that is hard-charging and high agency enough to make things happen in a bureaucratic system that can tend towards inertia while also being adaptable enough to pursue the changing priorities of governments and ministers.

Different roles also present different challenges. The permanent secretary of a large delivery department like DWP, which comes with specific legal responsibilities and where the system falling over can mean citizens slipping into destitution, will need to be a different kind of manager and leader to a DG assigned a mission like acquiring Covid tests, where the risk tolerance can be a lot higher and the primary danger

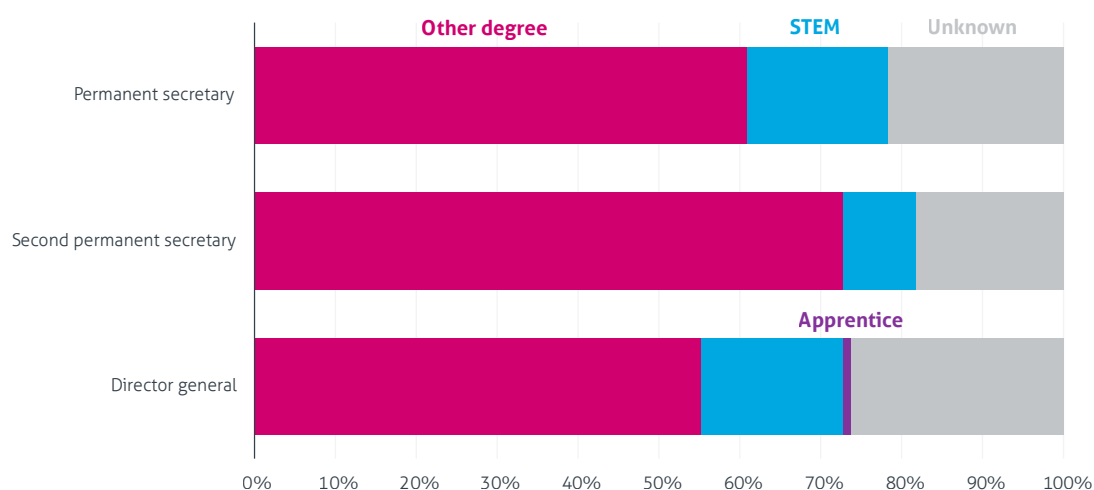
is of not getting things done quickly enough. Furthermore, as the House of Lords Constitution Committee argued, hiring on merit should include considering whether candidates have “the right personality and characteristics to carry out the tasks required at a particular time”.¹⁵ The permanent secretary of a department undergoing a major organisational restructure will need to have different qualities to one that is expected to operate in steady state for the foreseeable future.

Educational background

The educational background of the most senior civil servants is narrow

The current cohort of top civil servants have an educational background that skews towards the humanities. Of the 111 top civil servants for whom we could find information about their undergraduate degree, just under a quarter (23%) had a science, technology, engineering or mathematics (‘STEM’) degree, but this includes some scientific and medical advisers, who would be expected to hold such a qualification and is much lower than the approximately 44% of UK graduates with a STEM degree.¹⁶ Excluding scientific advisers, we could only find five officials who studied a STEM subject at postgraduate level.

Figure 1 **Subject studied at undergraduate level by permanent secretaries and directors general**



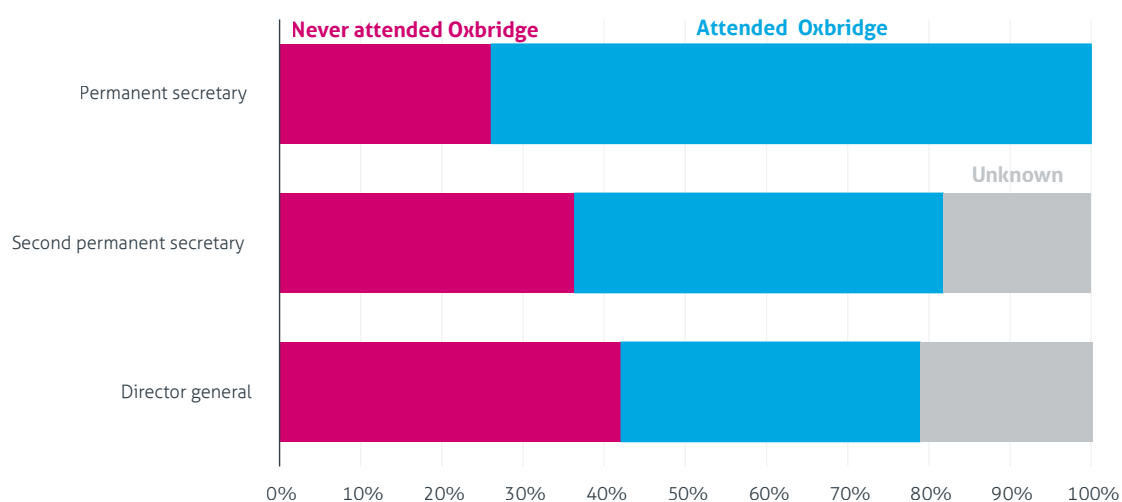
Source: Institute for Government analysis of IfG SCS database. Notes: Data correct as of 7 August 2023. Ministerial departments only. In instances where officials had multiple degrees, of which one was in STEM, they were labelled as part of the STEM category. In instances where officials did a multidisciplinary degree, of which one component was STEM, they were labelled as part of the STEM category. Further information available in Methodology.

This contributes to senior officials feeling more comfortable in areas where the key skill they need is literacy, rather than numeracy, and not always instinctively grasping the importance and potential of data and quantitative methods. Many of the skills important to being effective as a top official, particularly in the policy profession, do relate to literacy. But quantitative skills are also extremely important – for example, the ability to analyse and interpret data and judge whether evidence using quantitative methods is robust.

One interviewee told us that “people don’t tend to value science and scientific qualifications”; another, who joined the civil service from the private sector, even said that they were surprised by the low standard of “basic maths” at the top of the civil service and that they “came from a numerate industry into one which is not”. Many have made similar criticisms (in more or less trenchant ways), like the former head of the Vaccine Taskforce, Dame Kate Bingham, who has critiqued “a notable lack of scientific, industrial, commercial and manufacturing skills... among civil servants”.¹⁷

The other notable feature of officials’ educational background is the number who went to Oxbridge. More than half of the top cohort of officials (52%) attended Oxford or Cambridge universities at some point, with just under half (47%) attending as undergraduates. And almost three quarters of permanent secretaries (74%) attended Oxbridge at either undergraduate or postgraduate level.

Figure 2 **Universities attended by permanent secretaries and directors general**



Source: Institute for Government analysis of IfG SCS database. Notes: Data correct as of 7 August 2023. Ministerial departments only. In instances where officials had multiple degrees, of which one was from Oxbridge, they were labelled as part of the Oxbridge category. Includes attendance at Oxbridge at either undergraduate or postgraduate level.

Oxford and Cambridge are two of the very best universities in the world and attract many of the most capable and ambitious young people in the country. It should be prized that lots of top civil servants went there and expected that Oxbridge graduates will be over-represented among very senior officials.

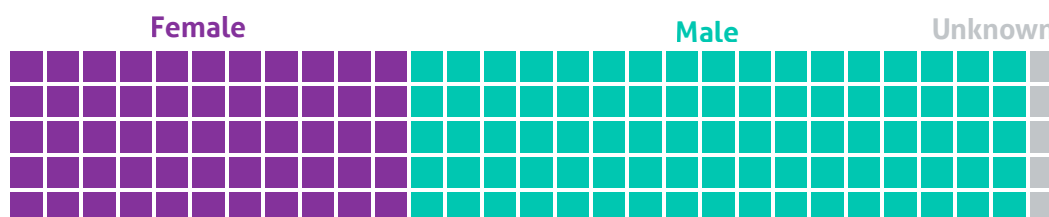
But that may become problematic if it reflects an internal culture that values candidates having been at Oxbridge more highly because of their credentials or behaviours, rather than their skills or achievements. The Social Mobility Commission’s *Navigating the Labyrinth* report highlighted that the civil service’s recruitment processes and behavioural norms are easier to navigate for those with more privileged backgrounds.¹⁸ One staff member interviewed for a leaked Cabinet Office report said: “We have to be a certain way in order for people around us to perceive us as being just as valid as someone who went to Oxbridge.”¹⁹

Demographic background

Female representation at the top of the civil service has improved, but remains below the population benchmark

Women make up 39% of the permanent secretaries and directors general for whom we have information. This does not yet reflect the population benchmark* of 48% but is substantially better than in the private sector, where under a third (31%) of FTSE 350 executive committee members and just 9% of FTSE 350 CEOs are women.^{20,21}

Figure 3 Sex of permanent secretaries and directors general



Source: Institute for Government analysis of Cabinet Office, SCS data, provided to the Institute for Government. Notes: Data correct as of 1 April 2023. Ministerial departments only.

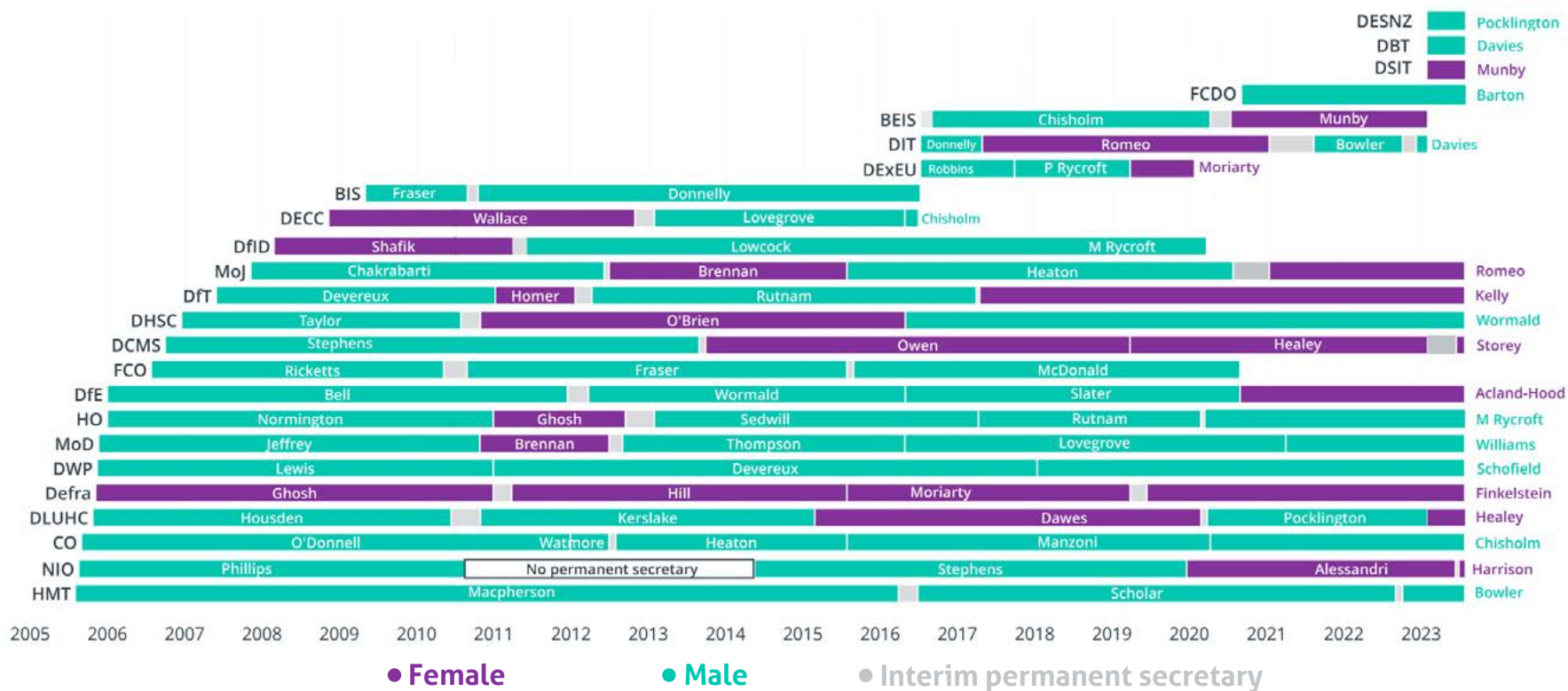
When our data was collected, eight of the 17 'head of department' permanent secretaries** were women (this has increased to nine after Cat Little replaced Alex Chisholm as Cabinet Office permanent secretary in April 2024). This represents a substantial improvement from 2016, when just three of the equivalent 17 roles were held by women and there was a sense that the civil service was backsliding on gender equality.^{22,23} It means that the civil service has returned to (and, after Little's appointment, exceeded) the high water mark of 2011, when there was briefly also eight female (and nine male) permanent secretaries at the top of ministerial departments.^{***,24}

* The share of women in the labour force as a whole.

** These are the permanent secretaries who run a department's day-to-day activities, rather than contributing in a more particular way like the national security adviser or government chief medical officer.

*** The ratio was 50/50 if the non-ministerial department Her Majesty's Revenue and Customs (HMRC) was included, and the cabinet secretary, who at that time was also Cabinet Office permanent secretary, was excluded.

Figure 4 Sex of 'head of department' permanent secretaries, 2005–23



Source: Institute for Government analysis of GOV.UK, permanent secretary appointments, 1 May 2005 to 7 August 2023. Notes: Start date of role on the chart corresponds to day appointment was announced. Ministerial departments only.

Having a more gender-balanced set of top officials makes it less likely that the government will 'lose sight' of the gendered consequences of policy. As Wendy Williams' *Lessons Learned* review argued, in a section exploring how a lack of diversity had hindered the Home Office's Windrush policy:

"[having a workforce] made up from people who come from a narrow range of backgrounds and life experience [is] more likely to lead to circumstances where mistakes, obvious to those with lived experience outside of that narrow range, are missed."²⁵

Former deputy cabinet secretary Helen MacNamara's evidence to the Covid inquiry argued that during the pandemic "the female perspective was being missed in advice and decision making", leading to policy failures like the "two-week confusion about whether women could access abortion during the lockdown" and "not making provision for victims of domestic abuse or to consider the impact that lockdown might have."²⁶

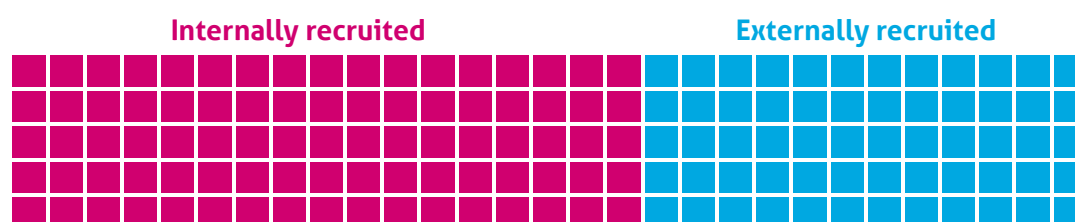
Professional background and recruitment

Top civil servants have more outside experience than is sometimes recognised

The civil service has long identified a need to open itself up to more external recruits. This can increase technical expertise by recruiting people with skills that are harder to develop inside government, and disrupt the 'groupthink' that large organisations can often fall into.²⁷ More simply outside recruits can, in the words of Nick Smallwood, head of the Infrastructure and Projects Authority, bring "new energy and new ideas".²⁸

When they entered the senior civil service for the first time, 45% of DGs and permanent secretaries did so from the outside. This figure partly reflects recent progress towards the civil service's long-standing (but increasingly emphasised) commitment to recruiting more from outside the organisation, such as through the strengthened policy of advertising roles externally by default introduced in May 2022 (although one interviewee described how some departments "have had to be dragged kicking and screaming into it").²⁹

Figure 5 **Method of initial recruitment into the civil service, permanent secretaries and directors general**



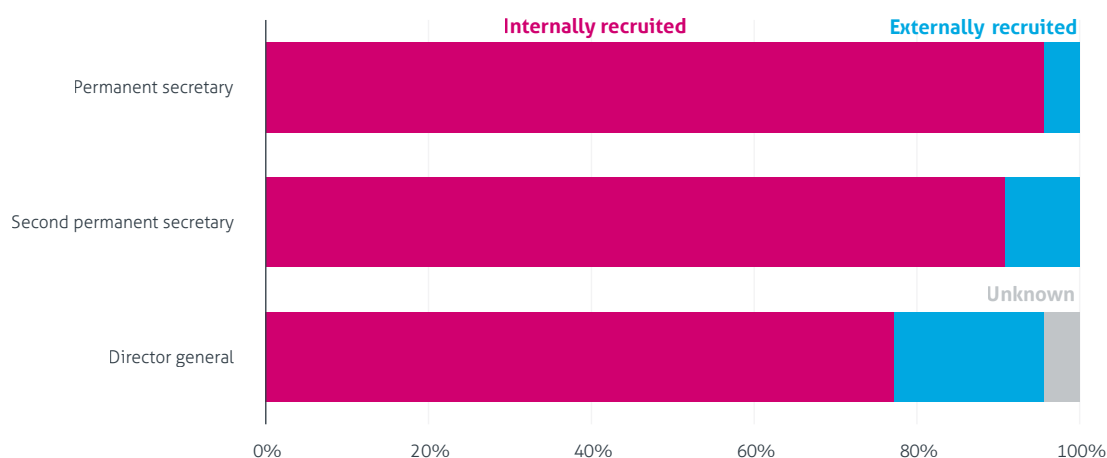
Source: Institute for Government analysis of Cabinet Office, SCS data, provided to the Institute for Government.
Notes: Data correct as of 1 April 2023. Ministerial departments only.

While a healthy proportion of officials entering the SCS do so from the outside, the civil service still tends not to hire outsiders directly into top roles. Our data shows that only 16% of the cohort of permanent secretaries, second permanent secretaries and DGs for whom we have information were directly externally recruited into their current role.

For departmental permanent secretaries this is largely as it should be. They operate in an intensely political environment, have to manage budgets split into multiple categories and are held responsible by parliament for doing so. As an interviewee for a previous Institute for Government report put it, trying to learn how to operate on the job would be akin to “trying to drink from a fire hose” and so permanent secretaries usually need to be appointed internally, or at the very least from other public sector organisations (as was the case for the current Northern Ireland Office permanent secretary, Julie Harrison, who was recruited from the Northern Ireland Civil Service).³⁰ There is far more scope for directors general to be appointed externally – while still powerful and important roles, DGs have less responsibility for their department’s overall effectiveness, fewer cross-government responsibilities and are less exposed to parliamentary scrutiny. If they are effective once they have got up to speed in government, they could quite quickly be appointed a permanent secretary – as, for example, the Department for Science, Innovation and Technology permanent secretary Sarah Munby, who was recruited from McKinsey for a DG role, has been.

There is a particular case for outsiders when it comes to DGs appointed to deliver a specific mission, who have scope to do things differently and might need specialist understanding that it is harder to develop inside government. For example, the Reform think tank has argued that “technological innovation missions” – the example the authors give is discovering carbon neutral flight – are suited to being led by an outsider with “specific professional experiences related to the relevant technologies or a similar discipline”.³¹

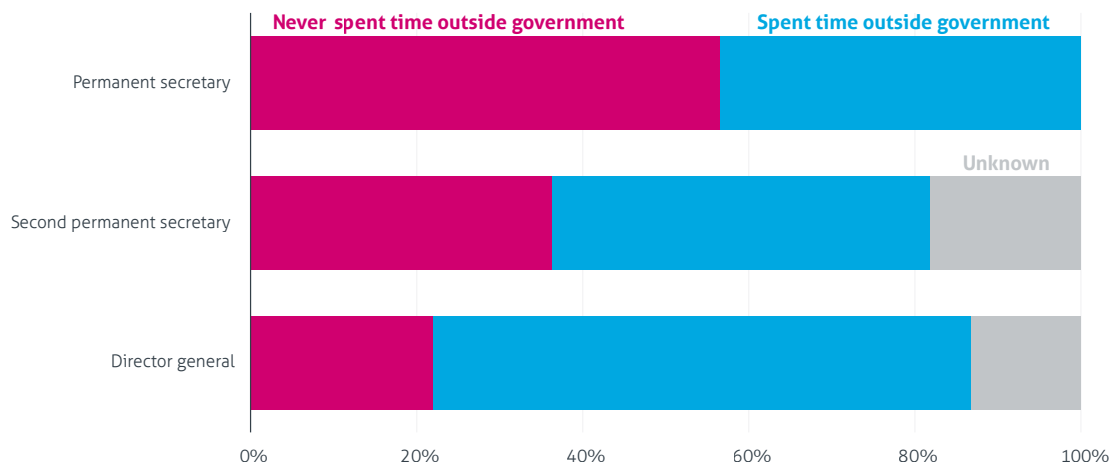
Figure 6 **Method of recruitment into current role, permanent secretaries and directors general**



Source: Institute for Government analysis of IfG SCS database. Notes: Data correct as of 7 August 2023. Ministerial departments only.

Our analysis also shows under half of permanent secretaries (43%) have spent at least a year of their career working outside government – although that rises to 68% when including the other most senior officials for whom we have information.

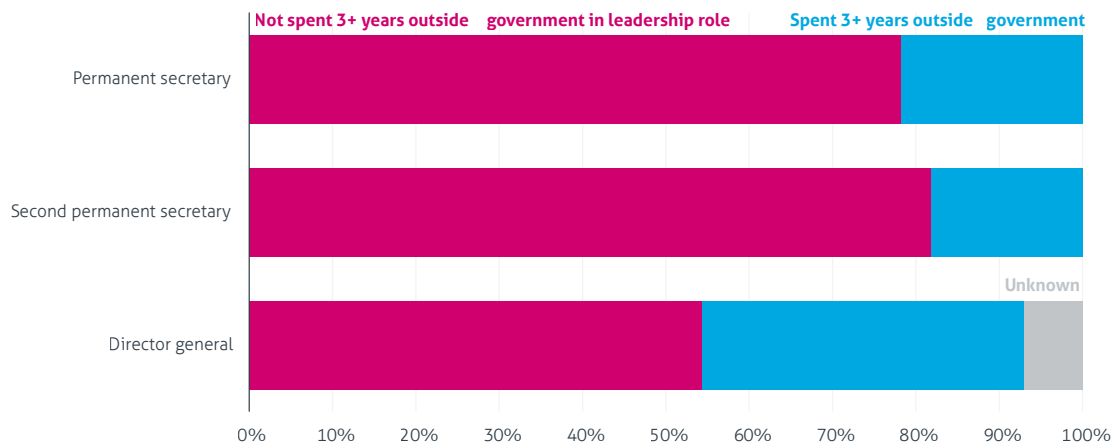
Figure 7 **Experience outside government of permanent secretaries and directors general**



Source: Institute for Government analysis of IfG SCS database. Notes: Data correct as of 7 August 2023. Ministerial departments only. External experience defined as spending time in any role outside the civil service for more than a year. For more information see Methodology.

While the amount of officials with external experience is therefore higher than some of the commentary around the civil service would suggest, we find that much of the external experience of these top officials was gained in relatively short stints earlier in their careers. The amount of time spent outside government in leadership roles and for at least three years drops the top officials group to 36% – and for permanent secretaries to just 22%.

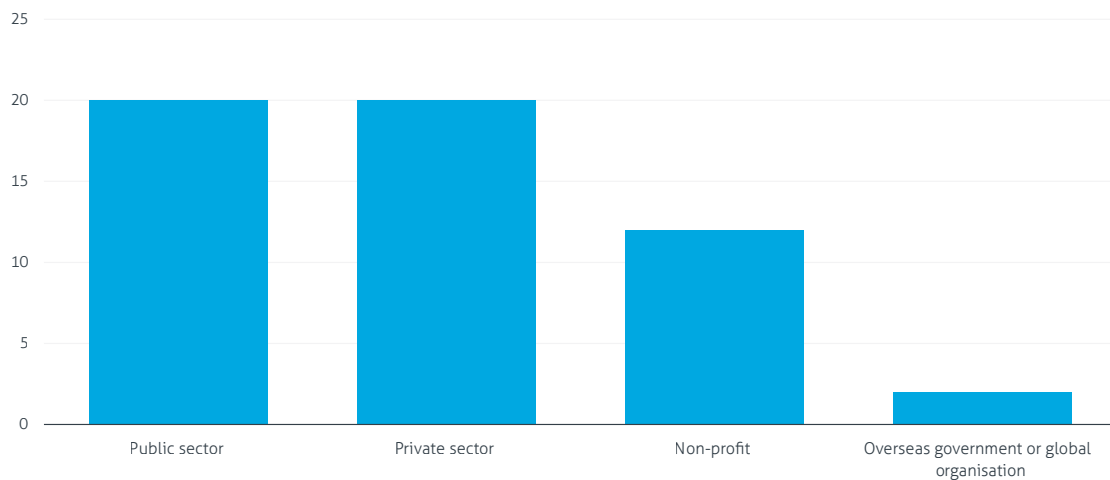
Figure 8 **External leadership experience of permanent secretaries and directors general**



Source: Institute for Government analysis of IfG SCS database. Notes: Data correct as of 7 August 2023. Ministerial departments only. Further information on how 'leadership role' was defined can be found in Methodology.

The most common sectors in which these civil servants acquired their external leadership experience are in the rest of the public sector or the private sector (20 officials), while fewer have experience in non-profits or overseas governments and global organisations.

Figure 9 **Professional background of permanent secretaries and directors general with external leadership experience**



Source: Institute for Government analysis of IfG SCS database. Notes: Data correct as of 7 August 2023. Ministerial departments only. Further information on how sectors were defined can be found in Methodology.

Policy professionals have less outside experience than their functional counterparts

Much of the recent increase in officials with external experience has been driven by appointments to 'functional' roles, rather than policy jobs. Functions in the civil service are cross-government groupings by skill in areas like property management and human resources; the officials that lead them tend either to be recruited directly from the outside, or have substantial previous external experience. All six of the heads of function in the Cabinet Office for whom we could find information had spent time outside government in a leadership role, of which four had been directly externally recruited.

That is not the case for most policy professionals. Data provided by the Cabinet Office showed that 30% of policy professionals were initially externally recruited compared to, for example, 80% of operational delivery professionals. The civil service–ministerial relationship and the complicated set of accountabilities it entails does make working in a senior Whitehall policy role different to an equivalent role in other organisations. In contrast, working on procurement or digital transformation, which tend to have less ministerial involvement, is more similar to a private sector environment. This means that external recruits can sometimes find it easier in functional roles than policy ones, at least initially.

But the skills required to be an effective policy professional are not exclusive to existing civil servants – something that initially recruiting 30% of them externally indicates parts of the civil service do recognise. Interpreting evidence and coming to conclusions, skilfully managing stakeholders, and having the good judgment necessary to become a trusted adviser to a public-facing figure are skills that can also be acquired elsewhere – for example, in a top management consultancy or the in-house strategy team of a FTSE 100 company.

Senior external hires in the policy profession need a bedding-in period to get used to the unusual way government works. But the benefits of incorporating their new perspectives and ideas, and constructively challenging the way the civil service 'does policy', as well as the fact that after they have bedded in external recruits might be better at their role than any internal competition would have been, means that external recruitment is important in the policy profession as well as in functional roles.

The civil service could do more with the different perspective of external recruits

The policy profession dominates the most senior roles both numerically and culturally: one interviewee said that "at the top of the civil service the policy official mindset is really dominant". The relative lack of external recruits in the policy profession therefore reduces the impact that external recruitment has on the whole of the civil service.

Indeed, in the policy profession there appears to be more general scepticism about the value of outside experience than elsewhere, probably partly as a result of the fact that external recruits are rarer. One former policy DG recounted how they were "unprepared for the suspicion and occasional downright hostility that people had to someone with a private sector background. There was a genuine disinterest in engaging with private sector experience." Another described how "it's hard to bring people into a dominant culture and it took being a strong person not to be socialised... what's the point of the civil service bringing in someone different if it's going to try to make them the same?" Both of these interviewees were echoing critiques that appeared in the Baxendale Report a decade ago: that the civil service has "an unwillingness to learn new ways of doing things, or to harness the experience that external hires bring to the organisation", and that "there is a sense that, rather than embrace different skills and styles, the Civil Service works to bring people into line".³²

At least part of the reason external recruitment into the civil service is a good thing is to challenge groupthink and "the way things are normally done".³³ If the top of the civil service is an environment where that challenge is not welcome – and multiple interviewees suggested that it was not – then the benefits of external recruitment will not be properly realised. That despite a substantial chunk of top officials being externally recruited, the same critiques of civil service culture that appeared in Baxendale's 2014 report are still being made, suggests that the civil service has more to do to embrace the value that external recruits bring.

The civil service appointment process is slow and off-putting

When asking interviewees about the elements of the appointment process that frustrate them the most, a frequently cited problem was that it takes a long time, and “significantly longer for external candidates than internal candidates”.³⁴ While the civil service has made progress towards opening up to more outside talent, this remains an impediment – both because it makes it more likely that candidates will be poached by another organisation during the application process, and because it makes it more difficult to get people to apply in the first place.³⁵ One interviewee said:

“I chaired a DG panel and there was a candidate who was great but just not quite right for the job. There was another job coming up that I knew she’d be perfect for. So I asked the executive search firm we were using to tell her: please apply again, you’d be so great. But she said no, she didn’t want to go through that process again.”

Paradoxically, despite its length being one of the things candidates often complain about, another common complaint is that the application process is not thorough enough. The recruitment process for top jobs is, for many, surprisingly light touch compared to similar processes in other organisations. As one put it:

“When I was recruited by [a private sector firm], I had maybe 20 interactions with them; including coffees, dinners and phone calls. When I came into the civil service, the major elements of the process were a panel interview with five people, only one of whom I had met before, and a ‘fireside chat’ with a minister that was weird because they were running through a set series of questions and had an official with them.”

Another echoed those sentiments, saying:

“[The civil service process] was a big contrast to my experience of recruitment in the private sector, where for some processes I ran, we’d facilitate multiple fireside chats, coffee with 15, 20 individuals in the team, to make sure the chemistry was right and they were a good fit.”

A recruitment process that is both light touch and overly formal will inevitably glean limited information. This is problematic on its own terms, but particularly works against external candidates. If decision makers do not properly know a candidate they are unlikely to feel confident offering them a role.

The civil service should also improve the onboarding and induction of new senior recruits. Multiple interviewees, particularly those recruited externally, felt that they were not set up to succeed and directly linked poor onboarding and the lack of a proper induction to being less effective in their roles.³⁶ One interviewee, who had been externally recruited into a DG position, said:

“The department had invested in me by hiring me into my role... they didn’t get as much return on investment as they would have liked because they didn’t induct me properly. It took months to get confident.”

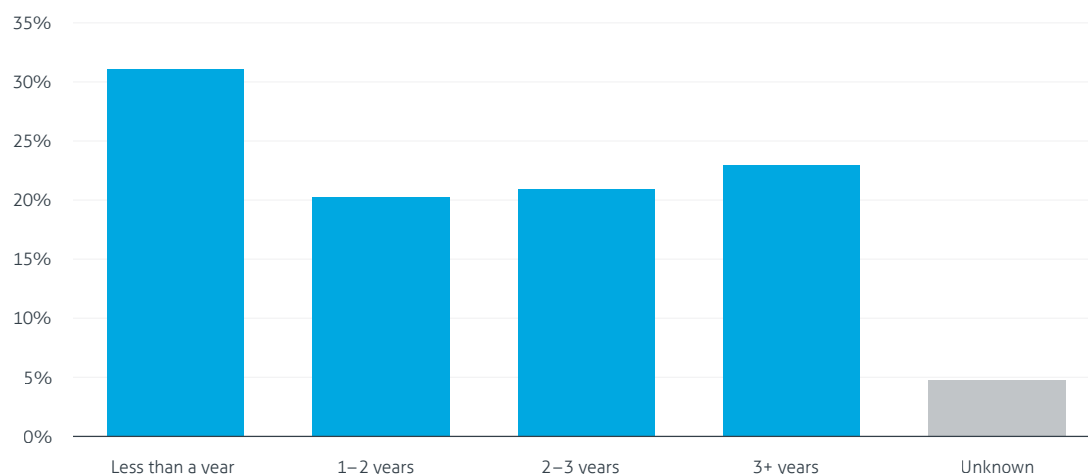
Another recounted how their poor welcome meant that “I started on a Friday morning and by the time it got to lunch, I was seriously wondering if I had made a mistake”. The former first civil service commissioner Baroness Prashar told a parliamentary committee that this also means retention is “an issue because people [do] not often adjust to what are called the ambiguities of being within the Civil Service”.³⁷

Management

Top officials move between jobs quickly

Officials move too often between different roles on their way up the civil service. This harms institutional knowledge and can often leave them with weak domain-specific expertise.³⁸ Our analysis shows that this problem slows, but does not stop, once they reach the top. As of August 2023, a third of permanent secretaries and directors general (33%) for whom we have information had been in post for less than a year. Only around a quarter (24%) had been in post for over three years.

Figure 10 Time spent in current role, permanent secretaries and directors general

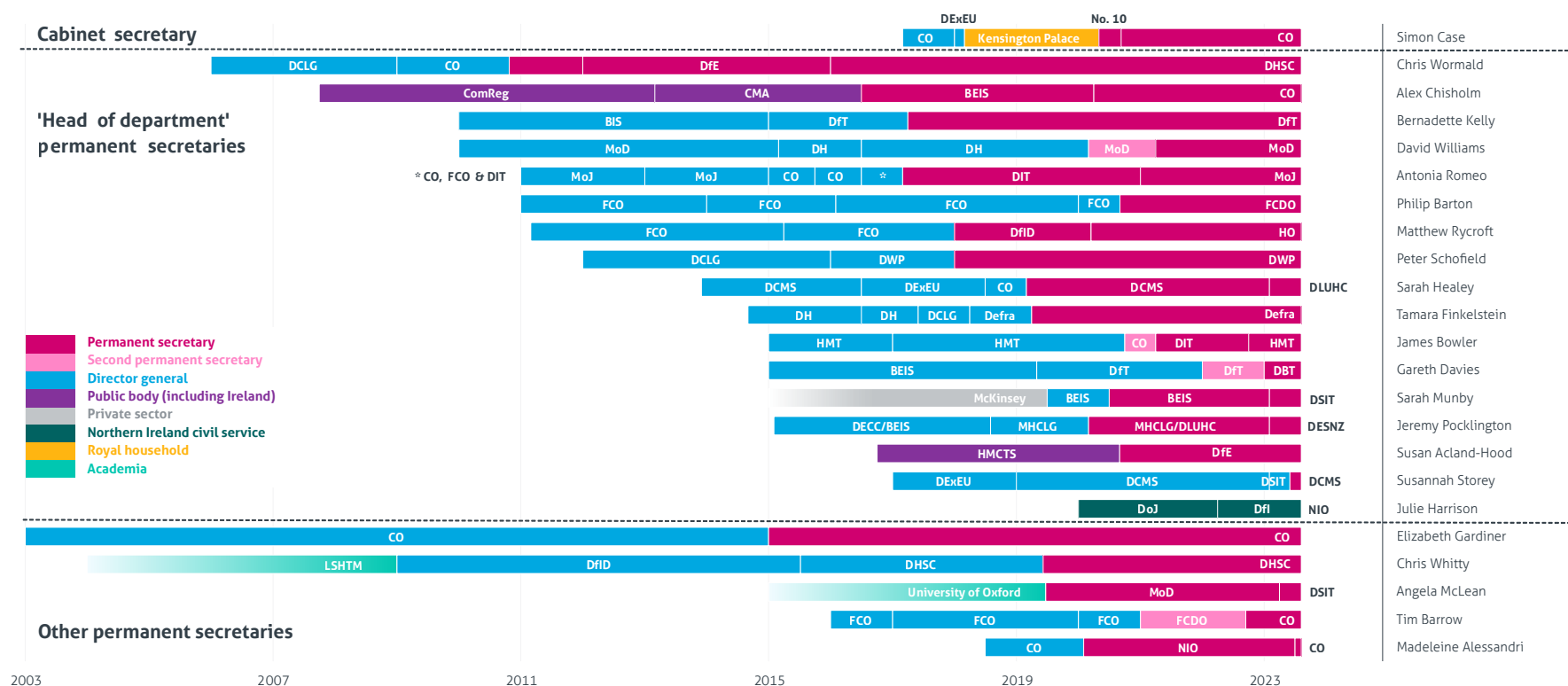


Source: Institute for Government analysis of IfG SCS database. Notes: Data correct as of 7 August 2023. Data calculated from date of appointment until 7 August 2023, rounded to the nearest whole month. Ministerial departments only.

During 2022 and 2023 there was a lot of turnover at the very top of the civil service, largely driven by the February 2023 machinery of government changes and the Truss administration’s dismissal of Tom Scholar and Stephen Lovegrove. Ten of the 23 permanent secretaries in ministerial departments (43%) took up their post within a year of the date on which we collected our data.* Permanent secretaries are appointed to a five-year renewable fixed term, but only four of the 23 had spent over five years in their current role (seven had spent more than five years as a permanent secretary in any capacity).

* 7 August 2023.

Figure 11 Permanent secretaries' careers from first director general level role, 2003 to August 2023



Source: Institute for Government analysis of IfG SCS database. Notes: Data correct as of 7 August 2023. Chart shows the career of current permanent secretaries from their first director general or equivalent role. Start date corresponds to day appointment was announced. The bars with gradient shading indicate that the start date of the precise position is unknown, and the permanent secretary may have held multiple positions within the same institution. Permanent secretaries who are employed by non-ministerial departments and non-departmental public bodies are not included, nor are Welsh or Scottish government permanent secretaries. LSHTM refers to the London School of Hygiene and Tropical Medicine.

More positively, though, 11 of the 17 'head of department' permanent secretaries (65%) had experience in their department (or a forerunner) at DG or second permanent secretary level. The era of the 'taxi rank' system – when top jobs would frequently be given to officials whose 'turn it was', often a "Treasury lifer moving out for a final spin", largely regardless of their skillset – is clearly over, replaced by a more systematic approach that places more emphasis on whether senior officials' skills and experience match an available role.^{39,40}

Top officials tend to have a policy making background

The typical career path of a departmental permanent secretary is one that focuses on policy roles. One interviewee said: "There is definitely a 'type'. They've gone through private office and a policy role in the centre into very senior positions."

As Lord Maude's 2021 *Review of the Cross-cutting Functions* put it:

"Too much still remains of an outdated class divide in the civil service between Whitehall 'policy' officials, who – usually – still get the top jobs, and the professional specialists – finance, commercial, technology, HR, project management and so on – who see less of ministers [and] don't generally get the top jobs."⁴¹

This finding tallied with previous Institute for Government research, which found that "operational career paths often have 'bottlenecks' – a large number of junior staff competing for a small number of senior roles – and promotion elsewhere in the civil service usually requires demonstrating a broad range of skills, including experience of policy".⁴²

Across the whole top tier, the policy profession dominates. Data supplied by the Cabinet Office suggests that 50 of the 115 officials we have information for (43%) were from the policy profession. This seems likely to be an undercount – the civil service's professions data was identified in previous Institute for Government work as being of poor quality, and in departmental organograms, roles that clearly should be categorised as 'policy' have not been – like the permanent secretary of the Department for Business and Trade (marked as 'operational delivery') and the director general in charge of the Economic and Domestic Secretariat ('other').^{43,44,45}

There is also a relative lack of roles for people without a policy background. In some functions there is only a single DG – for example, in communications. Technical and operational roles are usually located further down departments, reflecting Lord Maude's "class divide" and meaning that technical and operational talent can find it hard to reach the top of the civil service.

Churn is a long-standing barrier to getting things done

The churn in the civil service is not conducive to officials developing domain knowledge or getting things done.⁴⁶ It also makes it harder to build outstanding teams, with the right set of multi-disciplinary skills.

While churn does reduce in the most senior ranks, in too many departments the top team still changes often, damaging the coherence of internal team culture. It means that permanent secretaries can feel pressured to repeatedly fill gaps, and leads to shorter-term succession planning.

One interviewee compared the civil service to the highest levels of the Army, saying: "You don't suddenly move to head up Hereford. You tend to know you're getting a job like that up to two years before you get it and so have the chance to plan and prepare for it, read everything you need to, and formulate a strategy for approaching it." Permanent secretaries rarely get that same opportunity.

In recent years, increasing political involvement in permanent secretary recruitment (and dismissal) allied with rapid ministerial churn and so changing preferences at the top of departments has made it more difficult for the civil service to plot out moves. Short-notice machinery of government changes have not helped either. But there remain underlying causes for the churn of top officials that are within the civil service's control and have not been resolved.

The first is an internal culture where moving frequently is not only normal and accepted, but seen as the best way to advance your career.⁴⁷ Second, there is a 'sticking plaster' approach to talent management that prioritises moving high performers between roles catering to urgent needs, only for that problem's urgency to be dwarfed by another in 12–18 months' time, at which point they move again. This is not always unreasonable, and we heard that there was increased attention on solving the problem, but it has made planning high performers' careers more difficult. And third, while by the time officials have reached DG level they should be highly competent, interviewees argued that there remains some under-performance that is difficult to rectify. Often the simplest solution is to move them on and replace them with someone else, which further bakes high levels of churn into the civil service's operating model.⁴⁸

As a result, too often top officials have a limited knowledge of their brief, damaging their ability to do their job. As one interviewee put it: "The amateur gentleman culture is deeply ingrained." Particularly in the most technical areas, where domain knowledge is crucial to making good decisions, this can be problematic.

The top of the civil service remains London-centric

Moving civil servants out of London is one of the priorities on which the government has made the most progress since its civil service reform plan, the Declaration on Government Reform, was launched in 2021.⁴⁹ But 88% of the most senior officials whom we were provided information are still based in London.

Figure 12 **Working location of permanent secretaries and directors general**



Source: Institute for Government analysis of Cabinet Office, SCS data, provided to the Institute for Government.
Notes: Data correct as of 1 April 2023. Ministerial departments only.

There remains scope for more senior people to be based outside the capital. There will always be the pull of being close to ministers and that is strongest for permanent secretaries – who will often need to be primarily based in their department’s main office in Whitehall, where their secretary of state will mostly work. But if the civil service is serious about relocation and is to fully realise its benefits, more senior staff – particularly directors general and second permanent secretaries – need to be based outside London.

Very senior officials have an understandable fear of becoming disconnected from ministers and their colleagues if they relocate. But other organisations have managed to get past this by embracing hybrid working – as one interviewee described, when they worked in the private sector “our executive committee was never all in the same room, we’d be travelling around the world and so you’d always have people dialling in”. The benefits of basing more senior officials outside the capital means the civil service needs to find a way to make it work.

The success of the Darlington Economic Campus – where Beth Russell, the Treasury’s second permanent secretary, and two directors general are based – has shown that relocating senior officials can be helpful by exposing them to different stakeholders and perspectives, which helps to change the way policy is made.⁵⁰ And in the long term, having very senior roles able to be based outside London will open up the talent pool upon which the civil service can draw, by allowing people who do not want to live or work in the capital to occupy those jobs.⁵¹

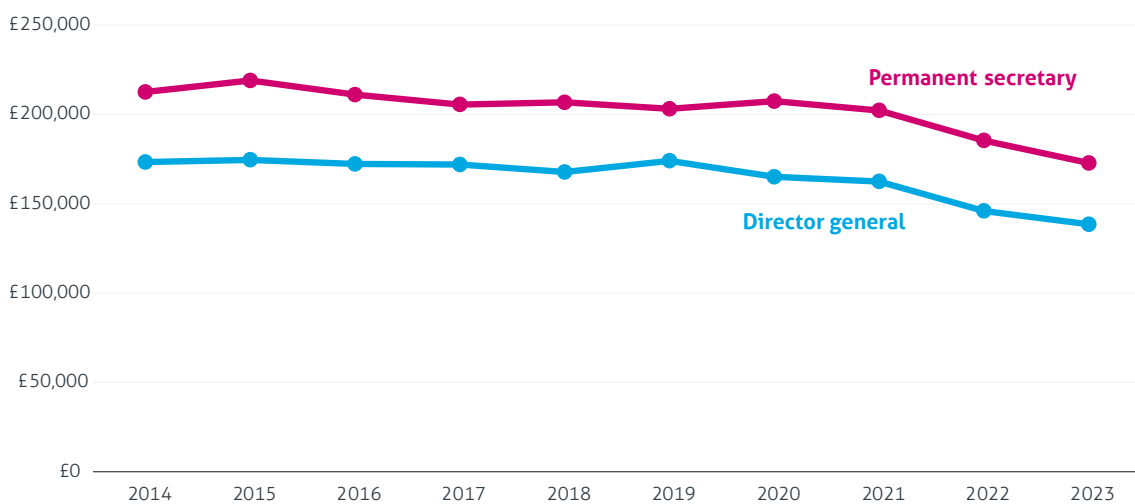
Institute for Government research has also shown that for relocation more generally to be successful, a critical mass of senior officials needs to be based in relocated offices. This is vital to give junior officials who want to live and work outside the capital proof that they can reach the civil service’s top ranks without having to move to London, and preventing the sense that workplaces outside the capital are ‘auxiliary offices’, devoid of decision makers and removed from the real action.⁵²

Pay

Real-terms pay reductions make it harder to recruit and retain top talent

More than a decade of pay restraint has led to real-terms salary decreases across the civil service. This problem has been particularly acute at the very top levels where there is less scope for 'grade inflation' – artificially promoting people to mitigate falling pay – than elsewhere in the civil service, although one interviewee suggested that the growing number of second permanent secretaries indicated this habit was reaching the upper echelons.⁵³ Median pay for both DGs and permanent secretaries has fallen substantially in real terms since 2014 – approximately £35,000 for DGs and £40,000 for permanent secretaries – with the decline accelerating recently as high inflation was not matched by pay rises.

Figure 13 **Median real-terms salary of permanent secretaries and directors general, 2014–23 (2023 prices)**



Source: Institute for Government analysis of Senior Salaries Review Body annual reports, 2014–23, and OBR, Economic and Fiscal Outlook, November 2023. Notes: Median salary from 2014–17 presented as a range; the midpoint was used to construct this chart.

At the most senior levels there is a huge mismatch between the civil service and the wider economy, even accounting for the civil service's substantially more generous pensions. Government salaries are never likely to compete with the private sector, but the difference is extreme, even leaving aside the benefits-in-kind like private health care that top private sector executives can receive. The median permanent secretary earns around 10% of the median FTSE 250 chief executive.^{54,55}

Even other public sector leaders are far better remunerated than top civil servants. The median DG was paid £138,500 in 2023. Indicative benchmarking provided by Korn Ferry shows that salaries for comparable public sector roles – including senior roles in the police and NHS, some university vice-chancellors, and chief executives of mid-size local authorities – range from £185,000 to £385,000.

Generally, senior officials in the policy profession are paid less than their counterparts in other roles in government.⁵⁶ Additionally, external recruits receive higher salaries. This is partly because existing officials cannot receive a pay rise for lateral moves and only receive a 10% salary increase on promotion (or receive the minimum for the new grade if that is over 10%) whereas there can be more flexibility for external candidates.^{57,58} It partly reflects a universal dynamic – moving job is a risk that candidates sometimes do not want to take without a pay rise – and is partly because external candidates are more likely to come into the civil service’s higher paying professions, rather than policy.⁵⁹ But it also reflects the fact that candidates outside the civil service have higher existing salaries and higher expectations around pay that need to be met for them to apply for and/or take up a role.⁶⁰

Uncompetitive pay undermines recruitment and retention

Real-terms pay decreases and the consequent reduction in the market competitiveness of civil service salaries has made it harder to attract and retain the most capable people. The Senior Salaries Review Body (SSRB) said in July 2022:

“The government’s focus on keeping the annual pay increase low is eroding the attractiveness of the SCS proposition, which in turn will impact on the quality of those joining and remaining”.⁶¹

In 2022–23, it found that 60% of departing senior civil servants said that “how their pay compared with people doing a similar job in other organisations” was a reason they were leaving government.⁶² As Michael Gove put it in his summer 2020 Ditchley Lecture: “Many of those who work... in the civil service could command higher salaries, and indeed face less stress, in other fields.”⁶³

For those who want to work in public policy, the civil service is one of the largest and most prestigious employers in a limited pool, and many of those other employers also do not pay particularly well. But for people with other skillsets and professional backgrounds – in procurement, digital and data, communications and more – often the opposite is true. For these roles in particular, real-terms pay decreases have hit the civil service’s employee proposition hard, with one interviewee arguing this was especially the case because decreasing civil service salaries had corresponded with “the sort of skills that people in functional roles have becoming more valuable in the wider economy”. As the civil service’s three-year search for a DG-level chief digital officer showed, even salaries that are “top whack” for the civil service are not competitive on the open market.⁶⁴

That the civil service has felt the need to offer higher salaries to outside hires – and that despite doing so, there is evidence that pay remains a reason that “posts attract too few suitable external recruits” – further demonstrates that its remuneration offer is uncompetitive.⁶⁵

How should the civil service improve recruitment, retention and talent management?

Many of the problems with how top officials are appointed and managed have been recognised for years. Concerns about the high rate of churn, a lack of external recruitment, and the London-centric nature of the most senior roles have been expressed over many decades and by successive governments. They are also the subject of much other Institute for Government work.

Comparing the UK civil service with other countries is hard because its equivalents overseas are expected to perform markedly different duties and operate on models of impartiality often quite separate to the UK. But direct comparisons can usefully be made to the Scottish and Welsh branches of the UK civil service, and assessing their record compared to Whitehall's ministerial departments provides some interesting results. Both permanent secretaries have spent time outside the civil service in a leadership role, while almost all (93%) of DGs have spent at least some time outside the civil service. However, they seem to have similar problems with churn, with just over two thirds of top officials having spent less than two years in post (69%).

The top of the civil service faces four key challenges and change is needed to address them. The onus is on civil service leaders across the UK to lead reform, to demonstrate the value that a permanent and impartial civil service – with a confident and expert group of top officials – can have to ministers and the country.

1. Modernise the appointment process

The civil service has a legal obligation, set out in the Constitutional Reform and Governance Act 2010, to recruit "on merit on the basis of fair and open competition".⁶⁶ But it has a cautious and outdated notion of what fair, open and meritocratic recruitment means, and so in our view does not always arrive at the best candidates for particular senior roles.

The current appointment process, outlined previously, is a defensible one. But interviewees suggested that a less scripted process, with more depth, would lead to better decisions. Daniel Gross, a venture capitalist and author of *Talent*, has described the traditional model of recruitment as being one where "someone has a bunch of scripted questions, someone has a bunch of scripted answers... there's no actual exchange of information".⁶⁷ It would not be inaccurate to say that this remains the model to which the civil service adheres.

This contrasts unfavourably with some private sector organisations, where it is normal for top candidates to have upwards of 10 individual interactions and for their strengths and weaknesses to be assessed by pooling the information gleaned from these.⁶⁸ Some interactions will be formal, with the same questions asked to all candidates; others will be more informal and aimed at understanding the candidate as a person and gauging things that formal assessments are less likely to uncover, so the organisation really knows who it is getting.

The civil service should adopt a similar approach.⁶⁹ This would involve giving the members of selection panels more discretion in how they interview and assess candidates, and increasing the amount of contact candidates have with officials as part of the hiring process, sometimes in informal settings.

Traditionally there has been resistance to this, because introducing more informal elements into the recruitment process is seen as undermining its fairness. But as Lord Maude's 2023 *Review of Governance and Accountability* rightly argued: "There is no reliable objective test of merit – recruitment decisions are made by human beings who are judging other human beings."⁷⁰

Indeed, there is a growing movement in parts of the private sector to embrace a degree of subjectivity in recruitment processes, recognising that some people have good 'taste' in talent and should be empowered to use that as an input into hiring decisions. In the civil service context, the civil service commissioners (who spend a substantial chunk of their role chairing senior recruitment competitions) are likely to be the people with the most developed 'taste', who would be trusted to exercise the most discretion when it comes to recruitment decisions.^{71,72} And trying to formalise all aspects of the hiring process does not remove subjective judgment, instead merely forcing judgments to be reached via a specific framework – which in practice is often gamed anyway.^{73,74}

Currently the civil service's formal recruitment process is extremely concerned with guarding against cronyism. Cronyism and hiring people intellectually and demographically similar to the existing mould is always a concern. But it should be dealt with by ensuring that selection panels are diverse, both intellectually and demographically, to avoid them reflexively hiring in their own image, and through proper *ex-post* scrutiny, including by a strong Civil Service Commission – not by forcing officials and applicants to navigate rigid and ineffective processes.

Wooing applicants is also often seen as undermining the fairness of recruitment. But it simply reflects the steps the civil service needs to take to secure the best. As one former director general told us: “It’s impossible to imagine that anyone coming in as a DG from the outside is joining for more money. Given those constraints, there needs to be an element of courting.” They said:

“When I was applying to the civil service, I had to do my own due diligence. I organised conversations with people myself... because CSHR said they couldn’t facilitate any chats as they might preference me over another candidate... the way I put it is that I pulled myself into the civil service, I wasn’t attracted in.”

External candidates having to “pull themselves in” is not indicative of an open or meritocratic process.

Strengthen senior officials’ and ministers’ engagement in appointments

In 2013, the then first civil service commissioner Sir David Normington said in a speech at the Institute for Government that he wanted to see “more sustained involvement in selection from senior managers”.⁷⁵ Over a decade on, our interviewees suggested that things have not improved much. As one put it: “The approach that civil servants take to recruitment can still be very lacklustre.” We were told too many vacancy holders are comfortable putting recruitment competitions on the back burner because they have other things to do.

Top tier civil servants want to recruit the best. But there is, as one interviewee put it, a sense of “entitlement” around civil service recruitment – a feeling that “people should be banging down doors for big government jobs” and a resulting passivity in the way they hire. No matter how attractive the role may be to the officials advertising it, this is not the best way to consistently get the best candidates.

Executive search firms often note that top civil servants are less involved in the processes they run than their private sector equivalents. It is common for CEOs to regularly engage with these firms throughout a recruitment process; keeping abreast of developments, refining their candidate specification and demanding better applicants. Top-tier civil servants engage much less – as one person put it, their engagement is often limited to “very formal, transactional involvement at the set-piece milestone meetings, with little to no engagement outside of them”. The Conference Board’s 2024 C-Suite Outlook found that attracting and retaining talent was the top concern of global CEOs.⁷⁶ Evidence from interviewees suggests that an equivalent survey of top officials would not return the same results.

Ministers’ engagement should also be strengthened. A good relationship between ministers and their civil servants is crucial. Properly consulting ministers during the recruitment of top officials helps to ensure alignment at the top of departments and avoid personality clashes or incompatible working styles.

As outlined previously, under the existing rules ministers have power to shape senior appointments. But these powers are often not properly used, with ministers failing to engage fully in appointment processes.⁷⁷ This in turn leads to less effective relationships at the top of departments, with ministers missing the opportunity to actively shape the process so that a candidate with whom they will work well, and who has the skills they want, is hired.

While being wary of slowing the process down too much, ministers should be far more willing to participate as fully as the rules allow in permanent secretary and DG appointments. To allow for this, departments should do more to explain to ministers the opportunities available to influence the recruitment process and the limits of what they can do – as also recommended by a recent House of Lords Constitution Committee report, and on which work has already begun.^{78,79}

Improve civil service 'onboarding' and induction

Once a candidate has been appointed, they should receive proper 'onboarding' and induction to give them a fair shot at being effective in government. There is more help available at the most senior levels than elsewhere in government – with substantial effort going into centrally organised induction programmes for all DGs, educating them on the demands of their role and helping to develop a cross-Whitehall peer network.⁸⁰ But we heard that more could still be done to get the most senior hires off on the right foot. Particularly when it comes to the help available within their department, senior hires do not receive the care and attention they should.

As such, the civil service should take some further steps, recommended in some form by all of the Baxendale Report, our own *Opening Up*, and the 2023 Maude review:^{81,82,83}

- Formally provide every external hire with an experienced mentor – if they were willing, perhaps someone who has recently retired and has the space to be more honest
- Make it clearer that permanent secretaries have a responsibility to ensure new hires' successful transition
- Arrange a meeting 4–6 weeks into an external recruit's time in government to gather feedback on the recruitment process and initial thoughts on how the civil service could be improved.

The civil service could do more to encourage a national culture of contributing to government

Part of the reason that the civil service has sometimes struggled to recruit exceptional outsiders is because working in government is not as attractive as it should be. This is partly because, as previous Institute for Government research found, “too often, people outside the civil service do not appreciate the opportunities available within it”.⁸⁴ One interviewee said:

“There is a misperception about the civil service that it is slow and boring. It’s not – at least in my experience – but it’s the impression we give off and the recruitment process affirms all the worst elements of that perception.”

During times of crisis – like the Second World War and the Covid pandemic – exceptional outsiders flock into Whitehall. But outside of such crises they too often leave, and replacements are not found. Kate Bingham (vaccines) and Paul Deighton (PPE) have gone back to their private interests, as heroes of the Second World War like R.V. Jones (scientific adviser to the intelligence agencies) and Lionel Robbins (rationing and reconstruction) did before them.⁸⁵

The civil service needs to make a more assertive case to the country’s ‘captains of industry’, top academics and exceptional talent across the rest of the public sector that being an official is worthwhile – at least for a stint if not a permanent career. It needs to more actively advertise itself as a potential employer, and should not be afraid of communicating externally more clearly why being an official is a valuable vocation and how officials’ work benefits the country.

A feature promoting the civil service in the *Financial Times* last year was a start, but much more could be done.⁸⁶ A substantial communications campaign, highlighting the benefits of working in the civil service, would be welcome. And a quicker, more modern recruitment process would help to dispel the sense that the civil service is an organisation that talented mission-driven outsiders should avoid rather than seek to enter, even for a shorter tour of duty.

2. More effective talent management to develop a more expert and experienced top tier

Improving the recruitment process, particularly for external candidates, is important. But given that most permanent secretaries and a critical mass of DGs will continue to be promoted internally, how the civil service manages existing officials' careers on their way to the top is also crucial. As the former permanent secretary Jonathan Slater put it: "Clearly there is a lot of benefit in testing the market when filling a post... but there is also a lot of benefit in developing the careers of civil servants so that they become more effective."⁸⁷

There is an established architecture for managing top talent. The Senior Leadership Committee (SLC) oversees top level recruitment.⁸⁸ The People Board oversees people-specific capability building initiatives including the development of internal talent to fill key skills gaps and talent management and succession planning across the civil service (excluding DGs). These boards help to bring coherence to the civil service's talent management; their challenge is to address the problems that remain with talent management at the top.

Senior officials should be better incentivised to stay in post longer

High performers move post too frequently, including once they reach the top. As discussed earlier, this is partly the consequence of a civil service in which moving rapidly between roles is seen as the best way to advance your career. It is the job of the cabinet secretary, permanent secretaries and other senior officials – including the government's chief people officer – to set a different tone, including by viewing people with a history of staying in post longer more favourably when it comes to promotion. The recent introduction of guidance on the expected assignment duration for top roles is a positive step, but it will only make a meaningful difference if moving early and often has career or reputational consequences.

Harder incentives are important too. Some of the most senior civil servants could be employed with formal minimum terms of service, preventing them from moving to any other civil service job except under specific circumstances.⁸⁹ Financial bonuses could be paid for reaching project milestones, and financial penalties levied if leaving before an agreed time period.⁹⁰ The civil service should also build on the idea of officials having 'anchor' policy areas – areas of specialism that they work in throughout their career; for example, crime and justice, or climate change and the environment – and consider whether this is also something that could be incentivised through pay.^{91,92}

The government should build a proper alumni network to facilitate in-and-out careers

While top officials should be incentivised to stay in their posts longer, that does not mean they should always be dissuaded from leaving the civil service at all. Indeed, allowing staff to enter (or re-enter) the private sector or rest of the public sector can bring benefits to the civil service in the long term. The Maude Review persuasively argued:

“Strong and confident organisations do not see people leaving as a threat. They view it as an opportunity to grow a network of alumni, which can be tapped informally from time to time, and from which people can be enticed back, bringing greater experience and knowledge from what they have done outside.”⁹³

The government should more actively engage with its alumni and think about instances where that network should be mobilised to help find good candidates for jobs. Leaving the civil service once should not spell the end of a career as an official; there is no reason that a DG who has left for a senior role in a business should not one day come back as a permanent secretary, for example.

The civil service has historically struggled to facilitate this type of career path, even though people with experience in a leadership role outside government and extensive civil service experience in many ways offer the best of both worlds, meshing experience of the genuinely unusual relationship between officials and ministers with experience of other professional environments. Building and engaging with a proper alumni network would help it to do so.

The civil service should appoint more senior officials from outside the policy profession

Too often, permanent secretaries are policy professionals by default. Particularly in large delivery departments where a big part of the role is operational management, this is a flawed assumption. As one interviewee said: “The skills you need in MoJ and DWP, with big industrial workforces and a very operational focus, are very different to smaller policy departments.”

In 2013, Lord Maude pushed for a “more equal balance between those departmental Permanent Secretaries who have had a career primarily in operational management and those whose career has been primarily in policy advice and development”.⁹⁴ The former permanent secretary Jonathan Slater has similarly argued that too many rising stars are not given the opportunity to develop outside of policy making roles in Whitehall.⁹⁵ But the road to the top of a department – even the big operational ones – largely continues to run through high-profile policy roles.

We are not arguing that civil servants with a background in policy should be excluded from running large operational departments. Some candidates with this profile will still have skills that mean they are well suited to the role, particularly if supported by some more operationally minded DGs (a logic that also applies to operationally minded permanent secretaries with strong policy DGs). And it is hard to imagine a permanent secretary that has no policy background at all, given the substantial chunk of their job that revolves around providing trusted advice to ministers. But the default assumption that all permanent secretaries should be recruited from the policy profession is in need of correction.

At DG level there are many of the same assumptions. One interviewee said they felt that across the top tier, there was a dominant view that “if you come from policy, you can do the top jobs, whereas if you come from other backgrounds, you have to prove that you can do them”. Multiple interviewees also argued that too often in the civil service, the synthesising role of top policy professionals is viewed as synonymous with leadership and that management is rarely considered a skill in its own right, with the dominant assumption being that it can be intuitively acquired by a policy professional on the route to the top.

The civil service needs to do better at giving operational delivery experts, in particular, a clearer route to the top of departments in roles where their background would be beneficial. And there should be greater recognition that management is both a skill in its own right, and not the inherent domain of policy professionals.

The civil service should establish senior specialist roles

Not a single role at DG or permanent secretary level is without management responsibility. This leaves people who are expert in ‘knowing and doing’ in areas like data science and actuarial calculations, but who are less adept (or willing) to manage a team, with a particularly hard ceiling to their civil service career.

On this issue the civil service is an outlier compared to organisations as diverse as the Bank of England and Microsoft – both of which have technical tracks, with promotion meaning taking on increasingly high-profile but not high-management work – and it loses top talent as a result.^{96,97,98} As one interviewee argued, there are some instances where “you want your technical people to be as senior as possible” to ensure they have enough organisational clout to make things happen and that they feel properly valued, and to make it easier to pay them enough to spend substantial time in government.

To solve this problem, the civil service should establish DG-level senior specialist roles that allow experts to contribute to government purely through their technical expertise, as the Institute for Government has previously called for. The chief scientific advisers (CSAs) that are in place across Whitehall are the closest example that the civil service currently has to systematically establishing these specialist roles. But while CSAs are extremely valuable, they still take on (sometimes substantial) management responsibility and so attract a particular type of person.

The occupants of senior specialist roles should be valued for their specialist contributions – whether that be through deep knowledge of a policy area or hard numerate skills – and only have the managerial responsibility necessary to contribute effectively. This will feel counter-cultural at first, but is a crucial way of helping to plug the civil service’s capability gaps – for example, in digital and data – giving other top officials and ministers more access to expert advice in technical areas.⁹⁹

A synthesis of technical expertise and exceptional management to mobilise it is what many of government’s greatest achievements have been built on. In the UK we have a recent example, with Tim Leunig (who, unusually, held a senior post with very few managerial responsibilities) and Jim Harra respectively leading the design and implementation of the UK’s successful furlough scheme at the outset of the pandemic in 2020. Many of the biggest problems the UK currently faces – from reaching net zero by 2050 to managing the adoption of and advances in artificial intelligence – will be best tackled with technical experts in the room. Making that easier to achieve by creating roles that are attractive to such experts, without requiring they also manage big teams, should be a priority.

3. Civil service pay should increase and be more flexible

Pay is never going to be the reason people work in government and nor should it be – at the core of the civil service’s employee proposition is the chance to make a difference. But excessively low pay can still disincentivise top talent from coming into government and the civil service has fallen too far behind both the private and rest of the public sector to attract the talent it needs.¹⁰⁰ As an interviewee for previous Institute for Government research argued, pay “doesn’t have to be on par with the private sector, but it needs to be at a level that people are prepared to take”.¹⁰¹

The UK’s fiscal situation is difficult and there are savings (albeit small, in the context of government budgets) to be made by holding down civil service pay. But making those savings would be a false economy if they degrade the capability of the administrative state in a way that ends up costing the country more money.

The government should give permanent secretaries and DGs a real-terms pay rise at the next opportunity,* while also urgently commissioning a benchmarking exercise and using its results to think strategically about how high pay needs to be to attract and retain the people the civil service needs. Given the salaries available from the civil service’s competitors, and the unhelpful incentive that having top public servants earn a substantial chunk of their money after they leave government (via roles outside central government and their civil service pension) can create, remuneration needs to be seriously reformed.

* Institute for Government research has also previously called for real-terms rises at grades below director general. See Worlidge J, Clyne R, Nye P and others, *Whitehall Monitor 2024*, Institute for Government, 22 January 2024, www.instituteforgovernment.org.uk/publication/whitehall-monitor-2024

Models including the indexing of civil service pay against a private sector benchmark, as in Singapore, or the model previously used in New Zealand of indexing it against salaries for leaders in other public sector organisations, are worth seriously considering. Both could put top officials' pay on a more sustainable and competitive long-term footing.^{102,103} Some variant of performance-based pay has been talked about for years and urgently needs to be introduced to better incentivise high performance – ideally in conjunction with improvements to the performance management system that makes it easier to let go of under-performers.¹⁰⁴

Officials should also be offered more flexibility in the breakdown between their upfront salary and pension contributions, so they are able (if they choose) to more closely replicate the private sector offering of a higher proportion of total remuneration paid as salary – something the former cabinet secretary Gus O'Donnell has called for.¹⁰⁵

4. Maintain the focus on broadening the background, location and perspectives of top officials

Having top officials with diverse experiences and backgrounds is important to ensure that decisions properly take into account the impact on all kinds of people across the UK. Our data shows that while progress has been made, there remains room for improvement on the civil service's geographic, socio-economic, cognitive and gender diversity.

The Places for Growth programme has been one of the more successful civil service reform initiatives since the 2019 general election. The government has met its target to relocate 15,000 roles by 2025 and is on course to hit its longer term goal of 22,000 roles relocated by 2027 (moved forward from 2030).¹⁰⁶ But the government is doing less impressively on relocating senior roles.

While moving senior officials outside of London is more difficult than it is for their junior counterparts – they are at an age and within a salary range that means they are more likely to have children in London schools, own property, and have family and social connections that they do not want to leave behind – the government is lagging behind its target of reaching 50% of senior civil servants outside London by 2030. The latest data shows that 31.2% of SCS are based outside the capital and just 12% of DGs and permanent secretaries are.^{107,108}

Given the importance of the presence of senior officials to new offices, this is a problem.¹⁰⁹ To resolve it, the government should establish a new target, building upon the 50% total SCS target, for the proportion of directors general and second permanent secretaries based outside the capital.

The civil service should also examine why its internal culture is one in which it seems easier for officials with higher socio-economic backgrounds to reach the top. The Social Mobility Commission has argued that "the right accent and a 'studied neutrality' seem to win through" when it comes to progression up the civil service,

which negatively impacts its performance.¹¹⁰ The former Downing Street director of communications Lee Cain has argued that some of the policy failures during Covid were because decision makers, including top officials, lacked experiential knowledge of the challenges that people from lower socio-economic backgrounds faced.^{111,112}

The question of diversity of professional background is linked to this; if senior officials have more experience of front-line services through, for example, working in charities or the NHS, they are more likely to understand the challenges faced by people from lower socio-economic backgrounds than those who have only ever worked in Whitehall.

Part of the problem with resolving this issue is that the civil service does not collect high-quality data on the socio-economic background of officials. This is something that should urgently be improved to get a sense of the scale of the problem and how it might be addressed.¹¹³ Recruiting more top officials outside London and allowing them to work there is also likely to be helpful. The head of the cross-government Social Mobility Network has called relocation “game-changing” for the civil service’s ability to attract officials from lower socio-economic backgrounds.¹¹⁴

A lack of mathematically and scientifically minded top officials is another factor that has reduced the civil service’s effectiveness. As Michael Gove put it in his 2020 Ditchley Lecture:

“We need to ensure more policy makers and decision makers feel comfortable discussing the Monte Carlo method or Bayesian statistics [and] more of those in Government are equipped to read a balance sheet and discuss what constitutes an appropriate return on investment.”¹¹⁵

It is good that the government is actively thinking about this problem, and it has met its target of recruiting 50% of Fast Streamers from STEM backgrounds – although only by substantially broadening the definition of STEM to include, for example, some political science degrees.¹¹⁶ But it will take time for these people to filter into the top tier – if they do at all, and are not seduced by higher paying jobs elsewhere or weeded out by the prevailing culture. In the meantime, the civil service should be alive to the benefits of hiring more quantitatively capable officials and ensure that its learning and development programmes give existing civil servants excellent quantitative training.¹¹⁷

Finally, while the gender balance at the top of the civil service has improved, previous experience shows that it could just as easily backslide. Senior leaders should remain visibly committed to female representation. Maintaining substantial representation at the top of the civil service – and, in areas where it lags, increasing it further where possible – should be something addressed in the civil service’s next diversity and inclusion strategy, due out in 2025–26.

Conclusion

If the model of an impartial and permanent civil service is to endure and succeed, the most capable people, with the skills that ministers and the country need, must be selected to lead it. Despite the excellence of many top officials working in the civil service today, there is a need to improve the way top officials are appointed to the most senior roles and managed once in post.

Many of this report's recommendations are not new, but that is the case for much of the debate on civil service reform and means that change is more important, not less. A civil service that is able to attract, appoint and retain the best people in the right jobs is one that will be more able to help ministers address the challenges facing the country: we hope the recommendations in this report can help it towards this aim.

Methodology

The data we received from the Cabinet Office was correct as of 1 April 2023. Numerical categories smaller than five were redacted – by way of explanation through a hypothetical example, if there are four senior officials based in the West Midlands, the dataset will instead say '[c]' to denote that the number is fewer than five. In instances where datasets contained '[c]', we replaced them with the number three – the midpoint between one and five – to allow us to make calculations.

The data we collected ourselves was from a variety of sources, most prominently GOV.UK biographies, LinkedIn, and BoardEx (a paid-for service that contains 1.7 million executive profiles). It was collected throughout summer 2023, and quality assured to be as accurate as possible as of 7 August 2023. This data is undoubtedly not perfect. But we believe that it is the best data that exists for some of the categories for which we collected it.

General assumptions

We looked at officials in ministerial departments only. The 19 ministerial departments in which we could find permanent secretary and director general level officials were:

- Attorney General's Office (AGO)
- Cabinet Office (CO)
- Department for Business and Trade (DBT)
- Department for Culture, Media and Sport (DCMS)
- Department for Environment, Food and Rural Affairs (Defra)
- Department for Energy Security and Net Zero (DESNZ)
- Department for Education (DfE)
- Department for Transport (DfT)
- Department of Health and Social Care (DHSC)
- Department for Levelling Up, Housing and Communities (DLUHC)
- Department for Science, Innovation and Technology (DSIT)
- Department for Work and Pensions (DWP)
- Foreign, Commonwealth and Development Office (FCDO)
- His Majesty's Treasury (HMT)
- Home Office (HO)
- Ministry of Defence (MoD)
- Ministry of Justice (MoJ)
- Northern Ireland Office (NIO)
- Office of the Advocate General for Scotland.

We looked at UK-based civil servants only, excluding ambassadors to foreign countries who are at SCS3 or SCS4 grade.

Educational background data

We categorised university degrees as follows:

Degree classification	Relevant types of degrees
STEM	Biology; chemistry; physics; technology/information technology/computer science; engineering; maths; neuroscience; earth science; sports science; ecology; natural sciences; astrophysics; zoology.
Social science	Economics; finance; politics; psychology/behavioural science; anthropology; geography; law; public policy; sociology; business; management; international relations; defence studies; politics, philosophy and economics (PPE); healthcare management; political history.
Humanities	Art; design; music; drama; ancient or modern foreign languages; linguistics; writing; English literature; classics; philosophy; archaeology; history; journalism.

In instances where an official did a multidisciplinary degree that involved a STEM subject (a hypothetical example being 'maths and philosophy') we categorised their degree as STEM. In instances where they did a multidisciplinary degree involving a social science and humanities subject (a hypothetical example being 'economics and Spanish') we categorised their degree as social science. In instances where officials did multiple degrees at the same level, of which one was STEM, we categorised their degree as STEM.

External experience data

If an official's GOV.UK page says "background from" anywhere outside the civil service, that was considered to be confirmation that they have experience outside the civil service for at least a year, because their experience has been judged as substantial enough to be mentioned as part of their biography.

External leadership experience data

We categorised roles as leadership experience as follows:

Type	Relevant roles
Standard examples	Any C-suite role; director of an organisation; partner of an organisation; president of an organisation; vice president of an organisation; military commander/ other military leadership roles; managing director of an organisation.
Specific edge cases	Head of applications at a major newspaper; senior manager at a consultancy; self-described "senior operational roles".

Sector in which previous experience came

We categorised officials' external experience as follows:

Category	Relevant examples
Private sector	Law firm; insurance broker; bank/financial services firm; pension administrator; technology firm; energy firm; water firm; outsourcing firm; for-profit entertainment/media companies; strategic advisory firm; manufacturing/industrial firm; consultancy.
Public	Local government; public body; regulator; ombudsman; NHS; military; police force; government-owned non-profit; BBC.
Non-profit	University; charity; think tank; other research organisation; non-profit newspaper.
International government or global organisation	Overseas civil servant; OECD.

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