

# REFORM

## Making the grade

### Prioritising performance in Whitehall

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May 2024

*Reform* is established as the leading Westminster think tank for public service reform. We believe that the State has a fundamental role to play in enabling individuals, families and communities to thrive. But our vision is one in which the State delivers only the services that it is best placed to deliver, within sound public finances, and where both decision-making and delivery is devolved to the most appropriate level. We are committed to driving systemic change that will deliver better outcomes for all.

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## ABOUT REIMAGINING THE STATE

After a decade of disruption, the country faces a moment of national reflection. For too long, Britain has been papering over the cracks in an outdated social and economic model, but while this may bring temporary respite, it doesn't fix the foundations. In 1942 Beveridge stated: "a revolutionary moment in the world's history is a time for revolutions, not for patching." 80 years on, and in the wake of a devastating national crisis, that statement once again rings true. Now is the time to fix Britain's foundations.

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*Reimagining Whitehall* is one of the major work streams within this programme.

## ABOUT REIMAGINING WHITEHALL

This paper is part of the *Reimagining Whitehall* work stream. To effectively reimagine the State, major change must occur in the behaviours, processes, and structures of central government. This paper examines Whitehall's approach to people management, with a specific focus on exceptional talent and poor performance. It provides a comprehensive set of recommendations for radically overhauling how talent is brought in and managed up through Whitehall, and how poor performance is addressed.

### Reimagining Whitehall Steering group

*Reform* is grateful to the expert members of the *Reimagining Whitehall Steering Group* who provide invaluable insight and advise on the programme. Their involvement does not equal endorsement of every argument or recommendation put forward.

**Pamela Dow**, COO, Civic Future;  
former Executive Director of the  
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## ACKNOWLEDGEMENTS

### External reviewers

We would like to express our gratitude to Pamela Dow, Chief Operating Officer, Civic Future, and Philip Rycroft, former Permanent Secretary, for their helpful comments on an earlier draft of this paper.

The arguments and any errors that remain are the authors' and the authors' alone.

### Interviewees

We would like to thank all 31 interviewees for giving their time and candid insights to support this research paper.

The list of interviewees is as follows:

- Pamela Dow, Chief Operating Officer, Civic Future and former Executive Director of the Government Curriculum and Skills Unit
- Keith Joughin, Partner, PA Consulting
- Rupert McNeil, Former Government Chief People Officer
- Philip Rycroft, Former Permanent Secretary, Department for Exiting the European Union
- Professor Jonathan Slater, Former Permanent Secretary, Department for Education
- Tom Shinner, COO, Entrepreneur First and former Director for Policy and Delivery Coordination at the Department for Exiting the European Union
- Liz Tolcher, Associate Partner, PA Consulting

and 24 interviewees, the majority of whom are current civil servants, who wished to remain anonymous.

We would also like to thank *Civil Service World* (CSW) for partnering on a survey of current civil servants, and the 771 civil servants who responded.

## METHODOLOGY

In addition to semi-structured interviews and desk research, this paper draws on the findings from a survey conducted in partnership with *Civil Service World* (CSW) and responses to 65 Freedom of Information (FOI) requests.

### FOI requests

Four FOI requests were sent to each of the 16 departments and one executive non-departmental public body listed below. These were:

- Cabinet Office
- Department for Business and Trade
- Department for Culture, Media and Sport
- Department for Education
- Department for Energy Security and Net Zero
- Department for Environment, Food & Rural Affairs
- Department for Levelling Up, Housing and Communities
- Department for Science, Innovation and Technology
- Department for Transport
- Department for Work and Pensions
- Department of Health and Social Care
- Foreign, Commonwealth & Development Office
- HM Treasury
- Home Office
- Ministry of Defence
- Ministry of Justice
- NHS England

The four requests can be found in Appendix 1, published separately on *Reform*'s website ([reform.uk](https://reform.uk)).

The Cabinet Office was sent a fifth FOI as the host department for the Government People Group, which can also be found in Appendix 1, published separately on *Reform*'s website.

*Reform*'s analysis is based on analysis of all responses *Reform* received up until 19 April 2024.

### ***Reform*/CSW survey**

To reach a wider audience and gain a better understanding of the views and experiences of current civil servants, *Reform* published a short survey with CSW. The survey questions and findings can be found in Appendix 2, published separately on *Reform*'s website.

The survey was live between 7 and 22 March 2024, and was promoted by both CSW and *Reform* via newsletters and social media channels.

771 civil servants responded. It is important to note that while the survey provides a powerful indicator of civil servants' views, it is not representative and should not be treated as such.

Respondents largely came from grades which are likely to have line management responsibilities, mostly have at least three years in the civil service and are fairly evenly split on gender. The policy profession is the profession most represented amongst respondents, and London the geography most represented – befitting the paper’s focus on Whitehall, rather than the broader civil service.

- Two thirds of respondents are from the grades SEO, Grade 7 and Grade 6. EO and HEO made up around 10 per cent of respondents each, and Senior Civil Servants (SCS) accounted for just over 7 per cent of respondents.
- 58 per cent of respondents are line managers.
- Around a third of respondents are from the policy profession, followed by ‘operational delivery’ (20 per cent), ‘project management and delivery’ (10 per cent), ‘human resources’ (10 per cent) and ‘digital, data and technology’ (9 per cent).
- Almost 90 per cent of respondents have been in the civil service for three years or more, with 51 per cent having been in the civil service at least 10 years.
- 44 per cent of respondents are London-based.
- 42 per cent of respondents are male and 48 per cent are female.

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# Recommendations

**Recommendation 1:** A Chief Talent Officer position should be created as a separate role to the Government Chief People Officer (GCPO), reporting directly to the Cabinet Secretary. They should have a small team, initially built from the GCPO's existing Senior Talent and Resourcing Team. This should include dedicated Talent Partners for each department. The Chief Talent Officer should have overall responsibility for the recruitment and development of exceptional talent. They should maintain a 'live' database of senior talent from within the UK and abroad.

**Recommendation 2:** Every department should have a named Non-Executive Director focused on exceptional talent, working closely with the departmental executive leadership team, along with the Chief Talent Officer and Talent Partner. They should be involved in succession planning and the recruitment of critical and senior leadership roles.

**Recommendation 3:** The Chief Talent Officer should have full discretion to negotiate compensation necessary to attract highly talented external applicants into the civil service. The CTO should hold a budget for this.

Where significantly more generous salaries are offered, candidates should be hired on different terms and conditions, including the use of fixed-term contracts and different pension offers.

**Recommendation 4:** The Chief Talent Officer and their team should run succession planning exercises for key roles, and keep regularly updated shortlists ready for a recruitment exercise.

The recruitment process should be significantly streamlined, with expedited vetting initiated by the CTO for priority appointments.

'Behaviours' within the Success Profiles should be scrapped in recruitment of external talent. Assessment of candidates should prioritise skills-based tests and actual experience.

**Recommendation 5:** A Mid-Career Fast Stream (MCFS) should be created, modelled on the Fast Stream but overseen by the Chief Talent Officer. The scheme should be small, initially no more than fifty individuals hired each year, and recruited at Grade 6.

The MCFS should include a curated onboarding process and ongoing training offer, with an end-point assessment and evaluation at two years.

**Recommendation 6:** Existing talent schemes should be discontinued and phased out. Exceptionally talented individuals should instead be part of a new ongoing Leadership Development Scheme (LDS), managed by the Chief Talent Officer and their team in the Cabinet Office.

**Recommendation 7:** Talent Partners should work closely with their allocated department to ensure they are benefiting from the Leadership Development Scheme (LDS), and making the most of any LDS participants they have. Annual talent reviews should be conducted jointly with departmental line managers and the Chief Talent Officer team.

External secondments should be a mandatory part of the LDS to ensure participants are developing different insights, skills and experiences.



**Recommendation 8:** A Specialist Development Scheme should be established by the Policy Profession, managed on a department-by-department basis by the Head of the Policy Profession in each department, targeted at expectational individuals with specialist knowledge and skills.

**Recommendation 9:** Remuneration for participants on the Leadership Development Scheme should be reviewed annually with uplifts made based on advice from the Chief Talent Officer's team and exempt from the Treasury's approvals process. For those on existing terms and conditions (not external hires on revised terms) this should focus on non-consolidated performance-related payments. They should also be offered the opportunity to reduce their pension in return for higher base pay.

**Recommendation 10:** Participants on the Specialist Development Scheme should be eligible for in-post pay progression, with an annual pay review run by the relevant Head of Profession in their department.

**Recommendation 11:** The Chief Talent Officer should have the budget available to tailor a bespoke development offer for members of the Leadership Development Scheme, initially repurposing the current budgets of the Future Leaders Scheme and Senior Leaders Scheme.

**Recommendation 12:** All individuals on the Leadership Development Scheme should be assigned a senior mentor to support them in their career. As a rule of thumb, mentors should be three grades more senior than the mentee – i.e. for Fast Stream graduates in the Scheme the mentor should be Director level, and for Mid-Career Fast Stream graduates they should be Director-General level.

**Recommendation 13:** The Government Chief People Officer should oversee a comprehensive benchmarking exercise of objectives set at different grades — in different professions and business areas — across all government departments. They should publish anonymised examples of good and bad objectives to provide guidance to line managers on how to improve the quality of objectives.

**Recommendation 14:** Whilst departments should retain flexibility in setting their performance management processes, at a minimum, formal performance reviews should happen twice a year after an individual has successfully completed their probation period. Individuals should receive a rating indicating whether they are performing below, at, or above expectations. This rating should be based on standardised criteria agreed by the Civil Service People Board. Receiving a 'below' or equivalent rating should automatically trigger a performance improvement plan.

**Recommendation 15:** '360 feedback' should be extended across all Grade 7 and Grade 6 roles in the civil service.

**Recommendation 16:** Training developed by the Line Management Capability Programme should be mandatory for all staff moving into management roles, or taking on management in a role which did not previously require it. It should be provided centrally by the Government People Group.

Formal training should be supplemented by a 'mentor' system whereby the department allocates new line managers an individual mentor, who has at least three years of management experience, in order to provide ongoing informal advice and support.

**Recommendation 17:** A formal performance improvement plan should be triggered a maximum of six months after the first concerns about an individual's performance have been raised, unless these concerns have been addressed in that time period.

**Recommendation 18:** Every department should set up a dedicated Performance Unit within their HR function, to support line managers in initiating and delivering performance improvement processes. This should involve directly supporting the line manager by putting in place the right measures, completing paperwork, and scheduling key milestones. These units can be staffed by streamlining the Government People Group in the Cabinet Office, following a review of the functions it delivers.

**Recommendation 19:** When providing advice, the Government Legal Department should assess the likelihood that a tribunal case will be successful, not whether it is likely to go to tribunal.

**Recommendation 20:** Any assessment of the value for money of potentially losing an employment tribunal should also consider the productivity costs to colleagues and the public of retaining a poor performer, along with the direct costs from paying their salary on an ongoing basis. The Government Economic Service should provide standard assumptions to legal teams for calculating these judgments.

**Recommendation 21:** HM Treasury should make a dedicated fund available to departments to exit poor performers, to demonstrate it is prepared to fund severance payments and legal costs. It should be announced with a clear policy from the Chief Secretary to the Treasury on the level of severance payments which the government deems acceptable.

**Recommendation 22:** All civil service promotion decisions should be conditional on a reference from the candidate's current line manager. Transfers and promotions within and across departments should only be approved after reviewing the individuals' latest performance report – shared by their manager.

**Recommendation 23:** Departments should introduce mandatory internal promotion boards to assess the suitability of candidates for roles in the policy profession at Grade 6 and above. Passing a promotion board should be mandatory before applying to roles for promotion, or being moved into a new role via a 'managed move'. For promotion *into* the Senior Civil Service specifically, promotion boards should require passing standardised examinations.

**Recommendation 24:** The use of Behaviours in assessing candidates' skills and experience for specific roles should be discontinued.

**Recommendation 25:** The performance management of civil servants should be included within the responsibilities of Accounting Officers, with standardised reporting on the numbers performing at different levels provided to HM Treasury and the Cabinet Office, and included in publicly available departmental accounts. Accounting Officers should report on the performance of their staff, including hiring exceptional talent and managing poor performers, in their Outcome Delivery Plans.

# 1. Introduction

## 1.1 A people problem

The quality of civil servants matters. Lee Kuan Yew, the first Prime Minister of Singapore, put it simply, “you need good people to have good government”.<sup>1</sup>

There is growing acceptance in the private sector that people and talent matter more than the systems and structures – Steve Jobs said the secret of his success was going to “exceptional lengths to hire the best people in the world”.<sup>2</sup> Sam Altman, the CEO of OpenAI, described hiring as “probably the most important thing a founder does”.<sup>3</sup> In contrast to this focus, interviewees for this paper told us that talent and people are rarely, if ever, a topic discussed in departmental Executive Committee meetings by the most senior civil servants.

The focus of this paper is Whitehall,<sup>4</sup> not public services more generally. The analysis is of the subset of public servants that are, on a daily basis, supporting the government of the day to govern. This group represents a small proportion of the overall civil service and a tiny proportion of those employed in the public sector, but it is within the Whitehall machine that priorities and budgets are set and policies impacting all public services are shaped.

Unfortunately, among this group, Whitehall has a people problem. Careers in the civil service are not appealing to exceptionally talented people with experience from outside Whitehall. Talented people in the civil service, who are high-performing and could be future leaders, are frustrated by the system and more likely to leave than pursue promotion. And poor performers are routinely moved around the system rather than managed and dismissed, leaving others to pick up the slack.

Applications to join the Civil Service Fast Stream have dropped three years in a row; the annual number of days lost to sickness has grown by 23.6 per cent over the past eight years; and the Civil Service People Plan published in January 2024 reiterates many long-standing commitments which have yet to be delivered – including the establishment of a comprehensive industry secondment programme, capability-based pay and new entry routes for individuals from outside of government.<sup>5</sup>

Talent and performance in the civil service directly impacts the quality of government policy and delivery. “Operational and organisational failing” at the Home Office contributed to the Windrush scandal.<sup>6</sup> The civil service was underprepared for Brexit and had to “hunt for

<sup>1</sup> Lee Kuan Yew, *From Third World to First: The Singapore Story 1965-2000* (New York: HarperCollins, 2020).

<sup>2</sup> Gary Garfield, ‘What Happened to the “Best and Most Serious People”?’, *The Hill*, 5 April 2018.

<sup>3</sup> Sam Altman, ‘How to Hire’, Blog, 2024.

<sup>4</sup> Whitehall, while a geographic area, denotes a subset of civil servants. Increasing numbers of these are being moved out of SW1 to locations such as Darlington and Glasgow, but the role of these civil servants remains the same. Whitehall is used as a shorthand for civil servants who work on policy and analysis, not operations or frontline delivery.

<sup>5</sup> Tevye Markson, ‘“Very Worrying”: Interest in the Civil Service Fast Stream Plummets’, *Civil Service World*, 12 March 2024; Jim Dunton, ‘Does the Civil Service Really Have a Growing Problem With Long-Term Sickness?’, *Civil Service World*, 12 February 2024; Government People Group, *Civil Service People Plan 2024-2027*, 2024.

<sup>6</sup> Wendy Williams, *Windrush Lessons Learned Review: Independent Review by Wendy Williams* (Home Office, 2020).

external talent to fill gaps” and ill-prepared for a pandemic.<sup>7 8</sup> In evidence on the role of government scientific advice in the COVID-19 pandemic, Dame Angela McLean, the Government Chief Scientific Adviser, contrasted groupthink in the civil service with academic standards of challenge: “it is very frequent in a civil service meeting that as somebody stands up the very first thing they will say is ‘I agree with everything that has been said’, and you are sat there thinking ‘well you can’t have been listening then’.”<sup>9</sup>

Ensuring that Whitehall is staffed by high-performing individuals is particularly important given how centralised governance is in the United Kingdom. Just as failures by a small number of officials can have an outsized negative impact on outcomes for the public, small improvements in the quality of individuals working in Whitehall could have a disproportionately positive impact.

Whitehall should be characterised by a culture of excellence, prioritising high performance above everything else and acting swiftly to tackle poor performance. It should be seen as one of the most attractive places to work – somewhere where talented individuals rise to the top and there is a strong sense of exciting career opportunities.

## 1.2 A note on scope: extremes in performance

Research and commentary on civil service performance covers everything from pay and flexible working and training, to moving civil servants outside of London and targeting particular shortage skills. All of these merit analysis and debate, but the focus of this particular paper is threefold: the recruitment of exceptional talent, the progression of talented individuals, and the drag of poor performance.

This paper focuses on these areas for three reasons.

Firstly, these are areas the civil service is particularly struggling with. The use of Success Profiles during the Civil Service’s recruitment process has been criticised for privileging internal applicants.<sup>10</sup> Routes to promotion are often unclear, shrouded by “an informal set of rules and norms”, resulting in highly talented individuals leaving the civil service.<sup>11</sup> The failure of the Civil Service to address poor performance is a consistent complaint,<sup>12</sup> yet few departments can even say what happens to their underperformers<sup>13</sup>. Rather than pursuing excellence, poor performers appear to be rotated around jobs where they do not add value, and over-promotion is a source of frustration.

Secondly, there is more scope for quickly improving the performance of the civil service – by ‘creating space’ for exceptional talent, and removing repeat poor performers – than attempting

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<sup>7</sup> UK in a Changing Europe, ‘The Civil Service and Brexit’, Web Page, 20 February 2021.

<sup>8</sup> Aidan Shilson-Thomas, Sebastian Rees, and Charlotte Pickles, *A State of Preparedness: How Government Can Build Resilience to Civil Emergencies* (Reform, 2021).

<sup>9</sup> ‘Transcript of Module 2 Public Hearing on 23 November 2023’, 23 November 2023.

<sup>10</sup> The Commission for Smart Government, *Instilling a High Performance Culture in the Civil Service*, 2021.

<sup>11</sup> Sam Friedman, *Navigating the Labyrinth: Socio-Economic Background and Career Progression in the Civil Service* (Social Mobility Commission, 2021).

<sup>12</sup> Amy Gandon, *Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political Turbulence*, 2023.

<sup>13</sup> National Audit Office, *Civil Service Workforce: Recruitment, Pay and Performance Management*, 2023, and Amy Gandon, *Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political Turbulence*, 2023.

to overhaul the entire civil service people model. According to one study 26 per cent of output derives from the top 5 per cent of workers and “slight percentage increases in the output of top performers far outweigh moderate increases of the many”.<sup>14</sup> In addition, interviewees for this paper consistently commented on having to spend a disproportionate amount of time managing poor performers (which rarely ended in a departure), time not spent on executing for the public.

Targeting these two extreme ends of the performance scale could unlock significant overall performance improvements, would be more efficient than trying to raise the standard of all civil servants and would better align with the Civil Service People Plan’s overall ambition of shrinking civil service numbers.<sup>15</sup>

Thirdly, measures aimed at these two ends of the performance scale would in fact be beneficial to most civil servants, those who fall somewhere in between the two extremes. Line managers would have increased capacity to focus on supporting other members of their team if they were less busy addressing repeat poor performance by a handful of individuals, and the evidence that action is being taken may drive broader improvements in performance. And policies targeted at recruiting exceptionally talented individuals — particularly simplifications of the recruitment process and pay flexibility — could be applied to the wider civil service if they prove to add more value than they cost.

### 1.2.1 Defining talent

The Chartered Institute of Personnel and Development defines talent as “individuals who can make a significant difference to organisational performance, either through their immediate contribution or by reaching their potential.”<sup>16</sup>

In the context of Whitehall, where the institutions of government take decisions which affect the fate of the country, focusing on ‘exceptional talent’ is crucial. Exceptional talent is deliberately a narrower definition than ‘high performing’, which is used to refer to the top 10 to 20 per cent of civil servants assessed in performance appraisal processes.

Tyler Cowen and Daniel Gross wrote their analysis of “talent with a creative spark”, with examples including “people who generate new ideas, start new institutions, develop new methods for executing on known products, lead intellectual or charitable movements, or inspire others by their very presence, leadership and charisma”.<sup>17</sup>

These are exactly the type of exceptionally talented individuals that Whitehall must attract and use effectively. They are the type of people who can make that “significant difference”.<sup>18</sup>

<sup>14</sup> Ernest O’Boyle Jr and Aguinis Herman, ‘The Best and the Rest: Revisiting the Norm of Normality of Individual Performance’, *Personnel Psychology* 65, no. 1 (2012).

<sup>15</sup> Government People Group, *Civil Service People Plan 2024-2027*.

<sup>16</sup> CIPD, ‘Talent Management Factsheet’, Webpage, 2 October 2023.

<sup>17</sup> Tyler Cowen and Daniel Gross, *Talent: How to Identify Energizers, Creatives, and Winners around the World*, First edition (New York, NY: St. Martin’s Press, 2022).

<sup>18</sup> Ibid.

## 1.3 Slow progress

The foundations of the modern civil service were established in the 1853 Northcote-Trevelyan Report. This grappled with the question of “what is the best method of providing [the Civil Service] with a supply of good men, and of making the most of them after they have been admitted?”.<sup>19</sup> Recommendations included requiring individuals to take an examination before admittance — influenced by the Chinese system of Imperial Examinations — and introducing promotion by merit.<sup>20</sup>

Fast forward a century and a half and *The Civil Service Reform Plan* in 2012 noted that “exceptional performance is too rarely recognised and underperformance not rigorously addressed”.<sup>21</sup> Proposed actions included the production of five-year capabilities plans identifying skills gaps and supporting and explicitly holding line managers to account for the management of poor performers.<sup>22</sup>

A decade on, in 2021 the *Declaration on Government Reform* included “People” as one of the three areas requiring immediate action (alongside performance and partnership)<sup>23</sup>. As well as setting out a commitment to move 22,000 roles out of London by 2030, proposed measures included establishing new entry routes into the civil service for professionals from outside government and establishing a new curriculum and training campus for officials.<sup>24</sup>

The *Civil Service People Plan 2024-2027* is explicitly structured around the importance of people. Building on the *Declaration on Government Reform*, actions include establishing a ‘Skills Plan’ for the development and retention of key skills, establishing incentives to ensure that those with deep subject expertise stay in areas where they add value, developing the capability of line managers, and expanding entry routes.<sup>25</sup>

These plans have had some success. There are a growing number of civil servants located outside London — for example in the new Darlington Economic Campus — and a new Senior Civil Service (SCS) performance management framework has been created.<sup>26</sup>

However, progress has clearly been insufficient in some key indicators – hence the repeated citing of the need to address, for example, talent recruitment and retention. Indeed, a survey conducted by *Reform* and *Civil Service World* found that just 29 per cent of respondents agreed with the statement “the civil service takes talent and performance management seriously”. 57 per cent disagreed that this was the case.

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<sup>19</sup> S.H. Northcote and C.E. Trevelyan, *Report on the Organisation of the Permanent Civil Service* (House of Commons, 1854).

<sup>20</sup> Northcote and Trevelyan.

<sup>21</sup> Civil Service, *The Civil Service Reform Plan*, 2012.

<sup>22</sup> Ibid.

<sup>23</sup> Cabinet Office, *Declaration on Government Reform*, 2021.

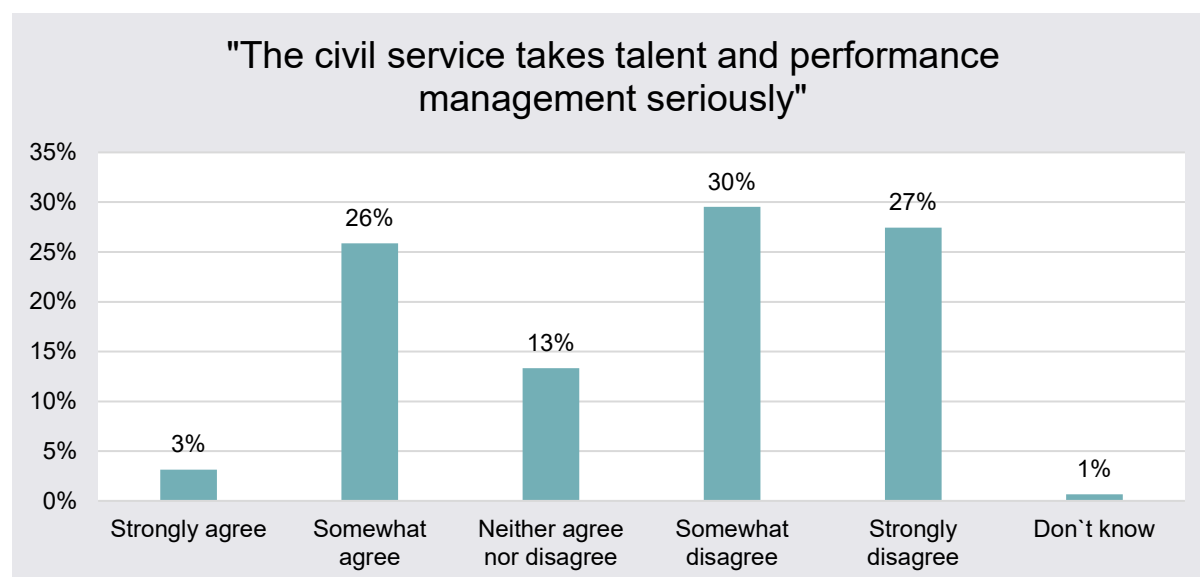
<sup>24</sup> Ibid.

<sup>25</sup> Government People Group, *Civil Service People Plan 2024-2027*.

<sup>26</sup> Government People Group, *Senior Civil Service Performance Management Framework*, 2024.

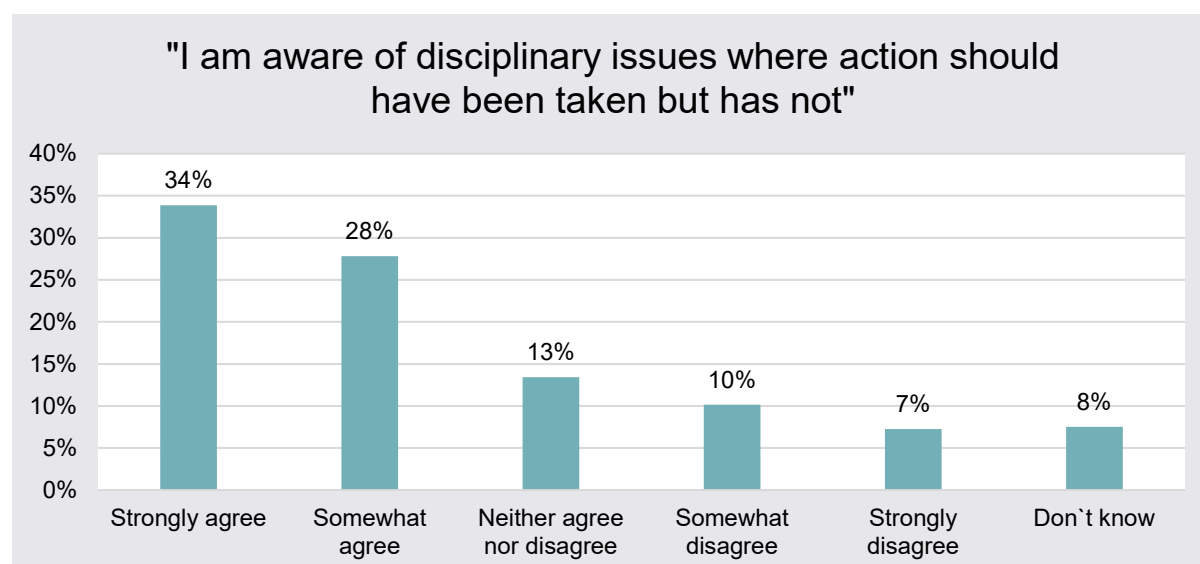


**Figure 1: To what extent do you agree with the statement that “the civil service takes talent and performance management seriously”?**



The situation is even more stark at the other end of the performance spectrum: 62 per cent of respondents to the survey strongly or somewhat agreed with the statement “I am aware of disciplinary issues where action should have been taken but has not”.

**Figure 2: To what extent do you agree with the statement that “I am aware of disciplinary issues where action should have been taken but has not”?**



One reason why people plans struggle to be translated into impact is that responsibility for the civil service workforce is set by the Government People Group, based in the Cabinet Office, but government departments implement any actions independently, with scope for significant variation (see Figure 3 below).

Many interviewees for this paper raised concerns about the Cabinet Office being responsible for civil service policy but lacking the necessary levers to compel government departments to act.

*Making the grade* examines the barriers to getting exceptional talent in, ensuring it rises up, and to removing poor performers. It puts forward practical recommendations for addressing those barriers and putting in place the incentives, processes and infrastructure needed to create a much more effective talent and performance management model.

### Figure 3: Responsibilities for the civil service workforce across different organisations

**Government departments** – Individual departments are the employers of their staff. They are responsible for recruiting staff below senior civil service (SCS) level, setting their pay and managing their performance.

**Cabinet Office:** Responsible for overall government policy on the civil service. Support and guidance for departments is provided by various bodies located within the Cabinet Office.

**Government People Group (GPG):** Located within the Cabinet Office. Responsible for setting the overall civil service recruitment strategy, issuing guidance on annual pay increases for staff below SCS level and performance management policies and setting SCS performance management procedures. The GPG is led by the Government Chief People Officer, who reports directly to the Chief Operating Officer for the Civil Service.

**Government Recruitment Service (GRS):** Located within the GPG. Provides central recruitment support to departments ranging from simply advertising vacancies through to end-to-end recruitment services. This is predominantly used for bulk recruitment processes. Departments use the GRS to varying extents.

**Civil Service Commission (CSC):** Located within the Cabinet Office, but existing as a non-departmental public body. Responsible for ensuring that all recruitment into the Civil Service is based on merit following fair and open competition.

**Senior Talent and Resourcing Team:** Located within the GPG. Manages recruitment into the SCS.

**Review Body on Senior Salaries (SSRB):** Located within the Cabinet Office, but existing as a non-departmental public body. Advises the government on setting SCS pay.

**Professions:** Civil servants belong to one of 28 civil service professions, sitting within four overarching groups: operational delivery, policy, functional professions or specialist professions. These work across government to develop the capability of particular skills and knowledge.



## 2. Hiring exceptional talent

Civil servants work on some of the most complex and challenging projects of any workforce – from how to achieve Net Zero to how to build a resilient State. Their endeavours have the potential to change lives, shape the economy and impact geopolitics. Attracting the best minds and most skilled individuals is essential to ensuring Whitehall is up to this task – people who are not simply good performers, but who can think differently, inspire and motivate, problem-solve in innovative ways, and build and deliver projects that are world-class. Securing such exceptional talent requires an effective recruitment system which can identify and successfully hire such individuals.

This chapter explores what it would take to achieve this: clear leadership and accountability; a compelling offer to incentivise talent to join the civil service; and clear entry points for early-career and mid-career individuals.

### 2.1 Talent leadership

Centralised talent leadership is crucial to the success of an organisation. Without a strategy aimed at maximising talent acquisition and talent development in pursuit of an organisation's objectives such objectives are unlikely to be met.

The Civil Service People Board is a sub-board of the Civil Service Board, responsible for the strategic leadership of the whole civil service. The People Board's leadership is made up of Permanent Secretaries from multiple departments, and oversees implementation of the civil service workforce plan – and by extension, talent recruitment and management.<sup>27</sup>

Leaders in the private sector and the wider public sector also have centralised leadership bodies. Blackrock's Human Capital Committee (HCC) — tasked with setting and guiding Blackrock's talent management policies — is comprised of 35 senior leaders from across the globe.<sup>28</sup> And the British Army has talent management as one of their central strategic functions, with a Brigadier — the fourth highest rank for an active officer — given an extended posting to oversee the delivery of Programme CASTLE, which aimed to improve talent management within the Army.<sup>29</sup>

The difference between civil service talent leadership, and the structures used in other organisations, is focus. Talent management is just one part of the People Board's remit, and day-to-day the responsible lead official is the Government Chief People Officer (GCPO), who leads the Government People Group (GPG). The GCPO, and their supporting team, have a wide responsibility for all workforce policy across the civil service. In contrast, the HCC at Blackrock is focused exclusively on talent planning and recruitment – for example, they assess

<sup>27</sup> Cabinet Office, 'Our Governance'. Webpage, 2024.

<sup>28</sup> Douglas Ready, Linda Hill, and Robert Thomas, 'Building a Game-Changing Talent Strategy', *Harvard Business Review* January-February (2014).

<sup>29</sup> The Commission for Smart Government, *Instilling a High Performance Culture in the Civil Service*; RUSI, 'The Army's Officer Career Structure Is Not Fit for Purpose', 13 September 2021.

leaders across Blackrock on their approach to identifying and promoting high-potential talent. This recognises the fundamental importance of talent to the performance of an organisation.

The Cabinet Office also, as noted by interviewees for this paper, lacks the authority to compel departments to develop exceptional talent in any particular way — with talent recruitment and development below SCS level the responsibility of departments to deliver, with the GPG providing advice and guidance. For example, government departments vary in the extent to which they use the Government Recruitment Services (GRS) — indeed the Department for Education, the Department for Levelling Up, Housing and Communities and HM Treasury have undertaken the majority of their recruitment in-house.<sup>30</sup>

By lacking an empowered centralised talent leadership body, the civil service lacks effective talent leadership. This was noted a decade ago in Lord Browne’s report on talent in the civil service, which called for the civil service to catch up with private sector practice.<sup>31</sup>

Given the broad remit and importance of the GCPO’s role — responsible for leading the civil service’s HR Function and ensuring the right HR policies are in place for all civil servants — a separate, high-status post should be created specifically focused on exceptional talent. A Chief Talent Officer (CTO), a post increasingly being used in the private sector,<sup>32</sup> should be appointed located in the Cabinet Office but outside the GPG – this will ensure their focus remains on exceptional talent, with the GPG remaining focused upon the bulk of civil servants.

The CTO should have previous experience identifying and recruiting exceptional talent (for example time spent working as a senior executive headhunter) and/or developing exceptional talent (for example, a performance psychologist with experience supporting top executives). They should not be an HR professional. This would provide the critical experience and skills required for talent identification, recruitment and management.<sup>33</sup>

The CTO should report directly to the Cabinet Secretary, clearly signalling the status and importance of the role. This level of seniority is key to ensuring the individual is sufficiently empowered to support and advise permanent secretaries directly on succession planning for senior roles in their departments, and to be accountable for deciding on more flexible pay scales for high-value external hires.

The CTO should have a small, crack team, initially built from the Senior Talent and Resourcing Team (STRT) currently located within the GPG. The STRT currently provides support to the Cabinet Secretary and the Senior Leadership Committee (SLC) on maintaining a pipeline of internal candidates prepared for future Director General and Permanent Secretary roles.<sup>34</sup>

This work should be continued, but expanded to include much wider sourcing of exceptional external candidates, thus ensuring that the pipeline of exceptional talent is not limited to those already working in Whitehall, or even based in the UK. The CTO and their team should also take a cross-departmental view of critical roles, and in particular those requiring more specialist skills. They should maintain a ‘live’, regularly updated database of senior ‘top talent’ candidates from the within the UK and abroad.

<sup>30</sup> National Audit Office, *Civil Service Workforce: Recruitment, Pay and Performance Management*.

<sup>31</sup> Lord Browne of Madingley, *The Right People in the Right Place with the Right Skills*, 2014.

<sup>32</sup> Chris Hayward, ‘The Rise of the Chief Talent Officer’, Web Page, 16 May 2018.

<sup>33</sup> The Commission for Smart Government, *Instilling a High Performance Culture in the Civil Service*.

<sup>34</sup> National Audit Office, *Civil Service Leadership Capability*, 2024.

Some people may argue that locating shared functions like a CTO in the Cabinet Office can create distance between the function and the departments in Whitehall which it is designed to support. Indeed, previous *Reform* research has discussed the issue that “any pan-government initiative tends to encounter resistance”.<sup>35</sup> It is therefore vital that departments see, and indeed realise, the benefits of this team.

To this end, the central team should have dedicated Talent Partners responsible for each Whitehall department, whose job it is to work with the departmental executive leadership team to understand their talent requirements, support recruitment processes and identify potential internal and external candidates.

Each department should also have a named Non-Executive Director (NED) focused on exceptional talent. As discussed above, talent recruitment and management are fundamental to the functioning of an organisation and board-level attention is key to its prioritisation. Having an appropriately qualified NED with responsibility for assessing a department’s use of, and plans for, exceptional talent helps ensure this is the case in Whitehall. As well as working closely with the departmental Permanent Secretary and Director General responsible for people, they should also work with the CTO and Talent Partner. The NED should be involved in the recruitment process for senior leadership and critical departmental roles.

**Recommendation 1:** A Chief Talent Officer position should be created as a separate role to the Government Chief People Officer, reporting directly to the Cabinet Secretary. They should have a small team, initially built from the GCPO’s existing Senior Talent and Resourcing Team. This should include dedicated Talent Partners for each department. The Chief Talent Officer should have overall responsibility for the recruitment and development of exceptional talent. They should maintain a ‘live’ database of senior talent from within the UK and abroad.

**Recommendation 2:** Every department should have a named Non-Executive Director focused on exceptional talent, working closely with the departmental executive leadership team, along with the Chief Talent Officer and Talent Partner. They should be involved in succession planning and the recruitment of critical and senior leadership roles.

## 2.2 Attracting talent

The civil service currently struggles to attract exceptionally talented individuals. Only 20 per cent of new entrants to the SCS are external,<sup>36</sup> and the Civil Service Commission (CSC) recognised in their annual report that “departments need to do more to sell and explain roles to potential candidates and better support external recruits”.<sup>37</sup>

There are several barriers to securing talent, discussed below, including the civil service brand, pay and recruitment process.

<sup>35</sup> Charlotte Pickles and James Sweetland, *Breaking Down the Barriers: Why Whitehall Is so Hard to Reform* (Reform, 2023)

<sup>36</sup> Government People Group, *Civil Service People Plan 2024-2027*.

<sup>37</sup> Civil Service Commission, *Annual Report and Accounts 2022/23*, 2023.

## 2.2.1 Brand

In the face of an ongoing ‘war for talent’, curating a compelling brand is key.<sup>38</sup> In this environment, organisations need to be seen as attractive employers in order to ensure that they can compete for the best talent.

Private sector companies typically invest significant time and resources into curating a brand in order to attract exceptional talent. This brand stretches beyond simply pay and employee benefits to encompass training opportunities, working environment, corporate culture and career progression.

Parts of the civil service have been successful in developing such a brand. The Fast Stream is consistently ranked as one of the best graduate employers in *The Times*’ annual report,<sup>39</sup> and the Commercial Profession has succeeded in cultivating an external perception that it is a high-performing area of government, through which it has been able to attract capable people from the private sector.<sup>40</sup>

However, this has not been replicated across the civil service, which has been described as “remarkably passive” in its attempts to attract talent,<sup>41</sup> with its brand “battered”.<sup>42</sup> The proposition really matters for exceptional individuals, who are likely to have competing opportunities available to them. Working in the civil service offers individuals the opportunity to develop their skills and build experience working in fast-paced environments on nationally-significant projects. This is not the unique offer which is presented to exceptional external applicants. Job adverts are frequently dry, with an emphasis placed upon job security and pension benefits.

As one interviewee for this paper put it, there is “not enough made of how exciting these jobs are”. Another interviewee told us that an offer based on security is the opposite of what attracts exceptional talent:

“The civil service offers the opposite equilibrium of risk and reward to what is needed to attract talent – we market these jobs as having relatively low compensation but high job security. Many talented people join in spite of those terms, but none join because of them.”

Given the constraints on pay, the brand is particularly important. In the words of one former senior civil servant, the civil service “cannot compete on pay alone” and therefore needs to think “about the total environment beyond just financial reward”.

The failure to properly articulate and present a compelling civil service brand, comparable to those which exist in the private sector, is despite recommendations made, and actions taken, to curate such a brand. The 2014 Baxendale Report recommended that the civil service should

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<sup>38</sup> Ed Michaels, Helen Handfield-Jones, and Beth Axelrod, *The War for Talent* (Harvard: Harvard Business Press, 2001).

<sup>39</sup> The Times, ‘The Times Top 100 Graduate Employers 2023-2024’. Webpage, 2024.

<sup>40</sup> Jordan Urban and Alex Thomas, *Opening Up: How to Strengthen the Civil Service Through External Recruitment* (for Government, 2022),

<sup>41</sup> Ibid.

<sup>42</sup> The Commission for Smart Government, *Instilling a High Performance Culture in the Civil Service*.

“develop the SCS as an employer brand with a view to becoming an employer of choice”,<sup>43</sup> and the 2020 #HereForYou social media campaign sought to highlight the work of civil servants across government in response to COVID-19.<sup>44</sup> This year’s People Plan has also pledged to “fully open up the Civil Service with a new brand”.<sup>45</sup> Thus far no details have emerged as to how this will be achieved.

## 2.2.2 Pay

While, at least in the short term, Whitehall cannot generally compete for the very best talent on pay, far greater flexibility is needed when it comes to exceptional talent in critical roles. As Sir John Kingman put it: “there is only so far you can stretch the elastic”.<sup>46</sup> If the financial opportunity cost of joining the civil service becomes too great then talent will go elsewhere.

There is a wider piece of work to be done on pay bands for different levels within the civil service more generally, and the case has been made that some mid-level roles are over-paid for their level of responsibility, but that is out of scope for this paper.<sup>47</sup> However there is now a significant pay gap between the SCS and the private sector. Base salaries for SCS roles in 2022-23 ranged from 32 per cent to 96 per cent of the comparable private sector market median and permanent secretaries are paid roughly ten per cent of the median FTSE 250 chief executive.<sup>48</sup>

The civil service’s pension offer, historically based on generous defined benefit schemes and seen a key attraction, no longer provides a strong incentive to work in Whitehall. Firstly, even accounting for the pension offer, total remuneration for SCS roles is still below the comparable private sector median.<sup>49</sup> Secondly, the switch from calculating defined benefit pension entitlements from final salary to career-average has reduced the incentive for individuals to remain within the civil service — as multiple interviewees remarked upon. Thirdly, the balance of low-pay and high-pension is atypical across the wider economy. It is potentially unattractive to talented individuals compared to working in the private sector where they can access more remuneration at an earlier stage of their careers, in addition to greater employee benefits.

This pay gap is beginning to be a significant impediment to the Civil Service’s ability to attract talent. This was recognised by Sir Alex Chisholm, until recently Chief Operating Officer for the Civil Service, in his evidence to the Public Accounts Committee last year.<sup>50</sup> He acknowledged that “paying less and less in real terms year on year... must be storing up increasing problems of competitiveness with the wider economy” and when recruitment campaigns fail to secure an appointable candidate “the most typical factor tends to be pay”.<sup>51</sup>

<sup>43</sup> Catherine Baxendale, *How to Best Attract, Induct and Retain Talent Recruited into the Senior Civil Service* (Civil Service, 2014).

<sup>44</sup> Public Technology, ‘Government Social Campaign Reminds Public That Civil Servants Are #hereforyou’. Webpage, 2020.

<sup>45</sup> Government People Group, *Civil Service People Plan 2024-2027*.

<sup>46</sup> Sir John Kingman, ‘Why Is Civil Service Reform so Hard?’ (Institute for Government, 16 December 2020).

<sup>47</sup> Gandon, *Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political Turbulence*.

<sup>48</sup> Review Body on Senior Salaries, *Forty-Fifth Annual Report on Senior Salaries 2023*, 2023.

<sup>49</sup> Ibid.

<sup>50</sup> Public Accounts Committee, *Oral Evidence: Civil Service Workforce: Recruitment, Pay and Performance Management*, HC 452 (London, 2024).

<sup>51</sup> Ibid.

This was also recognised by the Review Body on Senior Salaries (SSRB), which wrote that “filling SCS posts is over-dependent on internal promotion as vacancies attract too few suitable candidates”.<sup>52</sup> Interviewees for this paper frequently made this same point.

To tackle this barrier to bringing in external talent, higher remuneration packages should be offered to top talent who would not otherwise join the civil service. As one interviewee told us, you “cannot run away from paying talent”.

There are several options already available to departments to pay more to recruit people with specific skills, within the current system. Departments have the flexibility to appoint candidates outside of normal pay bands subject to approval from a mixture of the hiring department, the Cabinet Office and the Treasury.<sup>53</sup> To assess how often this is used, *Reform* used a Freedom of Information (FOI) request to ask departments how many appointments they had made requiring an exception or allowance.

Seven departments provided information in response to this request.<sup>54</sup> All seven of these departments, with the exception of the Cabinet Office,<sup>55</sup> had employees who had been appointed with a salary which required an exception or allowance outside of normal pay rates. HM Treasury estimated that providing this information would exceed the FOI cost limit of £600 for central government. The remaining nine departments did not respond to the FOI request despite the legal duty to do so.

Departments can also apply to temporarily increase the pay of individuals working in highly specialised or business critical roles via the Pivotal Role Allowance (PRA), a non-pensionable allowance, the overall use of which is capped at 0.5 per cent of the total SCS pay bill.<sup>56</sup>

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<sup>52</sup> Review Body on Senior Salaries.

<sup>53</sup> Cabinet Office, ‘Civil Service Pay Remit Guidance, 2023 to 2024’, Web Page, 2 June 2023.

<sup>54</sup> DHSC, FCDO and HO did not respond to the FOI request. MoD requested clarification and then did not respond to the FOI request. DEFRA, DLUHC, DSIT, DWP and HMT estimated that providing the information would exceed the FOI cost limit of £600.

<sup>55</sup> Cabinet Office, *Freedom of Information Disclosure*, 2024, 2024-02248.

<sup>56</sup> Cabinet Office, ‘Practitioner Guidance on the 2023/24 Senior Civil Service Pay Framework’, Web Page, 19 July 2023.



**Figure 4: Responses to FOI request: “The total number of departmental employees appointed with a salary which required an exception or allowance outside of normal pay rates for each financial year since 2015-16 (or the earliest data you hold if it is from a later year).”**

Department	Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
<b>CO</b>	0	0	0	0	0
<b>DBT</b>					0
<b>DCMS</b>	Not provided	Not provided	17	5	11
<b>DfE</b>	55	47	68	29	Not provided
<b>DESNZ</b>					26
<b>DfT</b>	1	2	2	2	1
<b>MOJ</b>	Not provided	Not provided	Not provided	Not provided	63

Notes: DBT and DESNZ were established in February 2023 and were therefore unable to provide information prior to this date. DCMS held additional responsibilities prior to February 2023. In addition, DfE utilises market supplement allowances, a non-pensionable award “used to support recruitment to specialist roles and those in labour markets which demand a premium, by adding a non-pensionable supplement to starting pay”.<sup>57</sup>

In addition, the Functions are permitted some pay flexibility to recruit individuals from the private sector with in-demand skills, again subject to the approval of the Treasury and departments.<sup>58</sup> This pay flexibility has been used by the Commercial Function to introduce higher pay for senior commercial specialists in the Government Commercial Organisation, and by the Digital, Data and Technology Function, which has a separate pay framework for its six most critical roles.<sup>59</sup>

These flexibilities have been crucial in attracting talented individuals into the Civil Service, however the process is still too rigid. Departments are required to submit a business case justifying any pay outside of the normal pay bands and applicants typically have to complete the entire recruitment process before knowing whether or not they could be provided with a realistic salary upon receipt of an offer.<sup>60</sup> This is not conducive to attracting exceptionally talented individuals, who will likely have competing offers from other employers who can be more open and direct in compensation discussions.

<sup>57</sup> Department for Education, *Freedom of Information Disclosure*, 2024, 2024-0005343.

<sup>58</sup> National Audit Office, *Specialist Skills in the Civil Service*, 2020.

<sup>59</sup> Ibid.

<sup>60</sup> Cabinet Office, ‘Civil Service Pay Remit Guidance, 2023 to 2024’.

Furthermore, PRAs have been deployed just 222 times since their introduction in 2013, and in 2020 the average PRA agreed was £20,000. In many cases, this will still be far too low to compensate for the higher remuneration packages exceptional talent and specialist skills can attract in the private sector.<sup>61</sup>

The Civil Service People Plan pledged to develop a new reward strategy which would “act to attract talent to the Civil Service” and a new SCS pay framework.<sup>62</sup> However, similar to the commitments on improving the civil service brand, no further details have been made available.

A more effective pay system would combine the multiple existing options through which higher pay can be offered into one single allowance pot, with authority residing in the CTO and their team to deploy this as they see fit. They should also work closely with functions that require competitive skills.

The key advantage of this model is the speed and flexibility it allows in making timely decisions to secure talent. Pay for external candidates, recruited outside of normal bands, would be agreed solely by the CTO and their team, rather than the current system whereby approval needs to be granted from the Cabinet Office, the Treasury and the Civil Service Commission depending on the role and the level. To enable this freedom while ensuring the responsible use of public money, the CTO’s budget for external recruitment should be agreed annually with the Treasury, alongside high-level principles describing how the budget can be deployed.

In exchange for a more generous pay deal than the rest of the Civil Service, those exceptional external hires should be employed on different terms and conditions. This could include appointing such individuals on longer fixed-term contracts, for example five years like those agreed with Permanent Secretaries, and these fixed-term contracts could be linked to specific, time-limited projects, such as the delivery of one of the government’s large cross-cutting ‘missions’.<sup>63</sup> In this scenario, it would also be appropriate to swap the generous ‘defined benefit’ pension offer for a more standard ‘defined contribution’ scheme which costs the taxpayer less in the long-term, offsetting some of the costs of higher pay.

The CTO could also look at the “flexible benefits programme” offered by the Bank of England, which allows employees to exchange part of their guaranteed defined benefit pension of 1/95<sup>th</sup> of annual salary for every year worked, for a higher or lower salary. For example, an employee can choose to have a higher annual salary, with a defined benefit pension of 1/120<sup>th</sup> salary. In particular, this should be trialled for a new Mid-Career Fast Stream (detailed in Section 2.3).

**Recommendation 3:** The Chief Talent Officer should have full discretion to negotiate compensation necessary to attract highly talented external applicants into the civil service. The CTO should hold a budget for this.

Where significantly more generous salaries are offered, candidates should be hired on different terms and conditions, including the use of fixed-term contracts and different pension offers.

<sup>61</sup> Urban and Thomas, *Opening Up: How to Strengthen the Civil Service Through External Recruitment*; Sarah Nickson et al., *Pay Reform for the Senior Civil Service* (Institute for Government, 2021).

<sup>62</sup> Government People Group, *Civil Service People Plan 2024-2027*.

<sup>63</sup> Patrick King and Sean Eke, *Mission Control: A How-To Guide to Delivering Mission-Led Government* (Reform, 2024).



## 2.2.3 The process

An exceptionally talented individual could be attracted to the Civil Service, be prepared to accept the pay offer, but still be deterred from joining by the cumbersome and often alien recruitment process – which is, in the words of one interviewee, “terrible ... for hiring talented people”.

### Speed

A key issue is how slow the process is. A recent National Audit Office (NAO) report found that the average time to hire across departments, from job advertisement to basic pre-employer checks, is 100 days.<sup>64</sup> The average time for completing Developed Vetting security clearance for new employees is even longer – 171 days.<sup>65</sup> These hiring times are roughly double the time of the most effective private sector firms.<sup>66</sup>

In the majority of cases, exceptional individuals are not going to wait months before being offered a job or onboarded. In the words of an interviewee for an Institute for Government report, “for a busy and successful person investing that much time and energy into a really drawn-out process is very unattractive”.<sup>67</sup> The government rightly has unique requirements around security clearance, and as with pay, it should not aspire to complete parity with the private sector. But the administrative process is unacceptably slow and bureaucratic, risking Whitehall’s ability to have the best possible talent in critical posts.

Cases do exist of individuals being recruited into the Civil Service at a faster pace. Participants at a *Reform* roundtable recalled how recent recruitment for the AI Safety Institute was conducted at a much faster pace than average. However, this is not widespread, and because departments have responsibility for recruitment there is significant variation.

In order to speed up the process for recruiting exceptional talent the Chief Talent Officer and their team should conduct succession planning exercises, building upon the current work of the STRT, but also actively searching for external candidates and creating target shortlists. This would ensure that when vacancies become available potentially appropriate candidates can be approached and invited to apply quickly, reducing the time it can take to ultimately complete the recruitment process.

When individuals are offered a position in a key role, the CTO should be able to expedite their vetting. This would ensure that such roles are filled as soon as possible and address the slow starts typically experienced by external hires.

### Success Profiles

Another issue is the use of success profiles for recruitment. The Civil Service uses Success Profiles comprised of five elements against which candidates can be assessed: Ability, Technical, Behaviours, Experience and Strengths. The Success Profile framework was

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<sup>64</sup> National Audit Office, *Civil Service Workforce: Recruitment, Pay and Performance Management*.

<sup>65</sup> Ibid.

<sup>66</sup> House of Commons Committee of Public Accounts, *Civil Service Workforce: Recruitment, Pay and Performance Management, Twenty-Third Report of Session 2023-24*.

<sup>67</sup> Urban and Thomas, *Opening Up: How to Strengthen the Civil Service Through External Recruitment*.

introduced to provide a “more flexible framework which assesses candidates against a range of elements”.<sup>68</sup>

In practice, however, interview participants complained about ongoing reliance on Behaviours over other kinds of assessment, similar to the previous “competency-based” recruitment system. Behaviours require candidates to demonstrate their experience against a standardised set of criteria, such as “Working together”. Whilst the sub-categories which underpin a Behaviour are published, they are an unusually high-level and, as one interviewee put it, “too abstract to be a meaningful test of experience” and “easy to game if you know the techniques”.

Despite these well-rehearsed drawbacks, Behaviours remain the most popular Success Profile used for job adverts, listed as the primary mechanism for assessing applications in more than 70 per cent of Grade 6 jobs advertised publicly on Civil Service Jobs on 10 April 2024.<sup>69</sup>

Behaviours should be scrapped. A high-performing, high-expectations workforce needs to be clear and precise about the skills and knowledge required for any given role. The assessment process for candidates should be heavily skewed towards tests which are directly relevant to an individual’s ability to do the job, including profession-specific tests such as mock analytical exercises, writing tasks, and staff engagement exercises. An experienced statistician interviewed for the paper, for example, complained that traditionally roles advertised for government statisticians required multiple analytical tests at application and interview, to see if a potential hire had the skills to do the job. These had been deprioritised in favour of the generic Behaviours used for other civil service roles, retaining only one analytical question per role advertised.

**Recommendation 4:** The Chief Talent Officer and their team should run succession planning exercises for key roles, and keep regularly updated shortlists ready for a recruitment exercise.

The recruitment process should be significantly streamlined, with expedited vetting initiated by the CTO for priority appointments.

‘Behaviours’ within the Success Profiles should be scrapped in recruitment of external talent. Assessment of candidates should prioritise skills-based tests and actual experience.

## 2.3 Mid-Career Fast Stream

Most efforts to recruit exceptional talent from outside the civil service focus on the Senior Civil Service, which would be improved by the measures outlined in Section 2.2. And for early career hires, the Civil Service Fast Stream (FS) is an established route for bringing in and developing early-career talent. There is, however, no comparable route for mid-career talent – people with significantly more experience than those joining the Fast Stream, but not the kind of senior executive experience which gives access into the SCS.

<sup>68</sup> Cabinet Office, *Success Profiles*, 2019.

<sup>69</sup> *Reform* looked at the job postings for all Grade 6 level jobs on [civilservicejobs.service.gov.uk](https://civilservicejobs.service.gov.uk) on 10 April 2024 and noted all those which assessed applicants against Behaviours as the lead criteria.

The Fast Stream is an important case study of recruitment. Overseen by the GPG, it appointed 1,084 individuals in 2023, an acceptance rate of just 4 per cent from a pool of 26,899 applicants.<sup>70</sup> Following an initial training camp, fast streamers are provided with ongoing training and career development advice. But whilst the acceptance rates suggest it is focused on high performers, recruiting around a thousand new joiners every year suggests it is not focussed on *exceptional* talent, and therefore it is out of scope for this paper.

However, one of the clear benefits of the Fast Stream model which can be applied more widely is its recognisable brand as a route into public service for talented people not seeking a *specific* role in government.

An equivalent Mid-Career Fast Stream (MCFS) – targeted at high-talent individuals who have gained years of experience in valuable roles outside of central government – would capitalise on the same ambition and sense of public service that drives talented people to join the existing Fast Stream. The MCFS should be small and highly competitive, applying a high bar to entry and accepting only the best candidates. Entry should be assessed through robust standards, including the use of standardised tests and examinations of a similar kind to those which should be introduced for entry into the Senior Civil Service (see Section 4.4.1) – this will set a high standard for successful applicants.

The brand should be aimed at people who are already high achievers in their careers, and want to apply those traits in public service. And the promise should be of elite roles which will give successful applicants high levels of responsibility within Whitehall.

Similar to the Fast Stream, the MCFS should be centrally managed, however it should sit under the Chief Talent Officer rather than the GPG. A central scheme, like the Fast Stream, would provide an attractive offer to talented people who want to work for the civil service, but do not have a specific departmental role to apply to.

As an exceptional talent scheme, the MCFS should be small, with a first annual cohort of no more than fifty recruits, recruited at Grade 6. Numerous interviewees commented upon the problem that the Fast Stream is too large, remarking that “bringing in a thousand people per year when the senior civil service is so small makes no sense” and questioning “if the Fast Stream is only for the top jobs why is it accepting a thousand plus people?”. The MCSF should not make this mistake.

### 2.3.1 Overcoming “tissue rejection”

Such a scheme would not only provide a strong pipeline of talent, but help ensure that talent was properly used and retained. Currently, talented people joining the civil service from outside can face difficulties assimilating into the civil service’s culture. This was stressed a decade ago in the Baxendale report,<sup>71</sup> which was launched at the request of then Minister for the Cabinet Office, Francis Maude, to investigate concerns with “tissue rejection” from external hires failing to integrate.<sup>72</sup> It appears to remain an issue today. Interviewees for this paper commented upon the lack of support provided to new hires and previous *Reform* research has also found cultural barriers.<sup>73</sup> Problems with assimilating into the Civil Service’s culture can

<sup>70</sup> Cabinet Office, *Civil Service Fast Stream: Recruitment Data 2022 and 2023*, 2024.

<sup>71</sup> Baxendale, *How to Best Attract, Induct and Retain Talent Recruited into the Senior Civil Service*.

<sup>72</sup> Cabinet Office, ‘Francis Maude Speech to Civil Service Live’, Web Page, 5 July 2011.

<sup>73</sup> Sean Eke and Simon Kaye, *Thinking Differently to Learn What Works* (Reform, 2024).

prevent talent being used effectively and can lead to individuals leaving the civil service: the turnover rate for senior civil servants recruited externally is 20 per cent higher than the turnover rate of peers hired internally.<sup>74</sup>

The risk of “tissue rejection” is compounded by the lack of a formalised onboarding process – something which the Fast Stream provides for early-career recruits, but is not standardised for mid-career recruits. This was also raised in the Baxendale Report, which commented that “many absolute basics were missing getting new recruits off to a bad start.”<sup>75</sup>

External hires still receive no formal, standardised onboarding process.<sup>76</sup> One interviewee for an Institute for Government paper compared “the comprehensive training offered to new Fast Streamers with the lack of accessible training for more senior outside entrants”.<sup>77</sup> One interviewee for this paper, themselves an external mid-career hire, said he felt the expectations on exceptional people from outside of government were far too low, and lifelong civil servants were “surprised” that he had taken the time to research core legislative processes “off his own back”. The lack of a formalised onboarding process prevents talent being used effectively from the first day, but also sets a low bar of expectation on those talented individuals.

Individuals on the MCFS should receive a curated onboarding process and ongoing training similar to that which is provided to individuals on the FS. This training should be designed by the Government Skills and Curriculum Unit (GSCU) and include knowledge of parliamentary and legislative processes; the fundamentals of public finances; the fundamentals of public law and regulation; the devolution settlement; and basic understanding of how different public services work. It should also include common standards for drafting policy advice, formatting government budgets, responding to correspondence and preparing public-facing communications. This would address some of the key difficulties currently faced by external hires joining the Civil Service – for whom operating in a complex, political environment is likely to be alien – thus ensuring that they can get up to speed as soon as possible.

Each cohort should be MCFS participants for two years, at which point there should be an end-point assessment and evaluation. The aim should be for cohort members who pass the final evaluation to progress directly into Deputy Director roles within the Senior Civil Service. Those who perform at the very highest level of this assessment, and were consistently the highest performers over the two years, should also move onto the Leadership Development Scheme run by the Chief Talent Officer’s team (see below for detail). The rest should be mainstreamed into the Civil Service in Deputy Director roles, or be let go from the workforce if they do not meet the required standards.

**Recommendation 5:** A Mid-Career Fast Stream should be created, modelled on the Fast Stream but overseen by the Chief Talent Officer. The scheme should be small, initially no more than fifty individuals hired each year, and recruited at Grade 6.

The MCFS should include a curated onboarding process and ongoing training offer, with an end-point assessment and evaluation at two years.

<sup>74</sup> Review Body on Senior Salaries, *Forty-Fifth Annual Report on Senior Salaries 2023*, 2023.

<sup>75</sup> Baxendale, *How to Best Attract, Induct and Retain Talent Recruited into the Senior Civil Service*.

<sup>76</sup> Urban and Thomas, *Opening Up: How to Strengthen the Civil Service Through External Recruitment*.

<sup>77</sup> Ibid.

### 3. Promoting talent

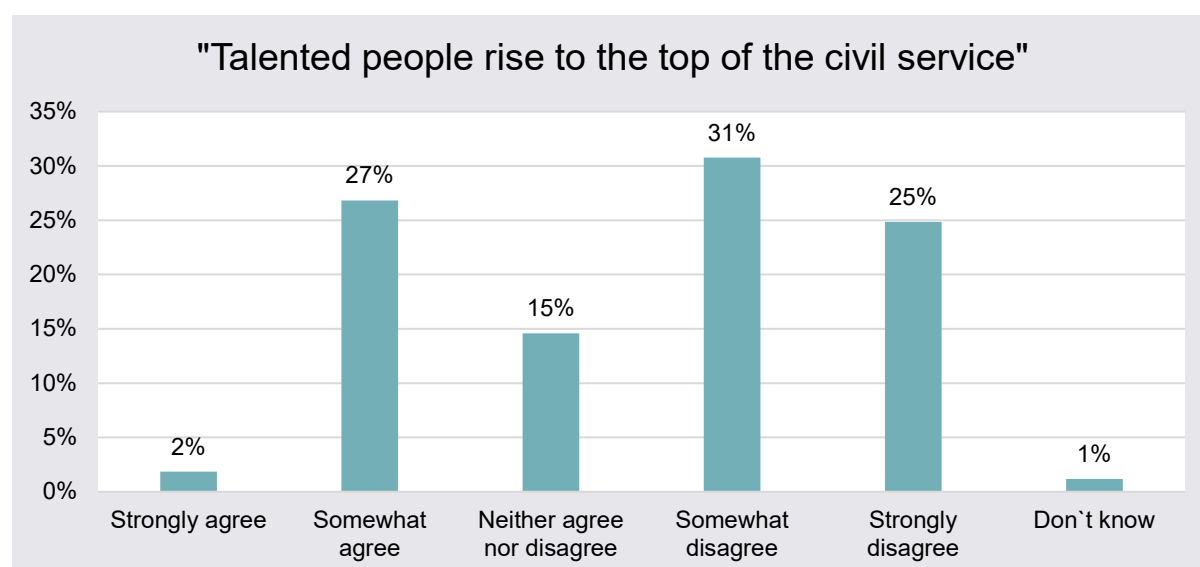
Convincing exceptionally talented individuals to join the civil service is not enough. The civil service needs to maximise their impact, and the impact of exceptionally talented people already working in Whitehall, through excellent ongoing talent management, to ensure they rise to the top. The importance of expert talent management is well understood in the private sector – a 2018 McKinsey survey found that 99 per cent of respondents who believed their company had effective talent management also believed they outperformed competitors, versus only 56 per cent of other respondents.<sup>78</sup>

Cohorts hired through routes designed specifically to attract exceptional talent, for example the Fast Stream and the Mid-Career Fast Stream, need ongoing talent management to develop into future roles. However, it also applies to those who join via standard entry routes but are identified as exceptionally talented during the course of their career.

Talented people are one of the biggest assets in Whitehall and must be deployed in the most effective way, for example by ensuring that they are best placed to use their skills and experience by promoting them into the right leadership roles; targeting their efforts at the government's top priorities; and/or allowing them to move into specialist roles where they can add unique value.

This is not currently the case. Just 2 per cent of respondents to the *Reform*/CSW survey strongly agreed with the statement that “talented people rise to the top of the civil service”, and 27 per cent somewhat agreed. In contrast, double that, 57 per cent, disagreed.

**Figure 5: To what extent do you agree with the statement that “talented people rise to the top of the civil service”?**



<sup>78</sup> McKinsey & Company, 'Winning with Your Talent-Management Strategy', Webpage, 7 August 2018.

Three issues prevent talent consistently rising to the top of the Civil Service. Firstly, large numbers of talented people are identified for talent management – this undermines the idea that such schemes are for *exceptional* individuals. There should be a high bar to entry, making talent schemes highly competitive. In addition, those on current schemes are not tracked and supported on an ongoing basis – talent is mostly supported through time-limited schemes, like the Fast Stream (for graduate recruits) and the Future Leaders Scheme (for internal candidates at Grade 7 and Grade 6).

Secondly, exceptionally talented people need to be rewarded appropriately, so they are incentivised to stay in the Civil Service and rise or specialise. The status quo creates too strong an incentive for exceptional people to leave for better pay in the private sector, or to avoid specialising in a particular area and instead regularly move jobs to secure promotion and higher pay. As previously discussed, the compensation available to exceptional talent in Whitehall is much lower than that available in high-impact jobs in the private sector.<sup>79</sup>

Thirdly, exceptional talent needs appropriate support to develop, particularly with opportunities which they can uniquely benefit from.

### 3.1 Managing talent

In response to *Reform*'s FOI request for all policies related to performance management and talent assessment, 12 of 16 departments provided information.<sup>80</sup> Of these 12, only 3 — the Department for Education,<sup>81</sup> the Department for Transport,<sup>82</sup> and the Department for Work and Pensions<sup>83</sup> — provided any guidance documents focused on how to manage *talent* among the delegated grades. This should be of serious concern.

Rather than actively managing the careers of exceptionally talented people, Whitehall largely relies on them to forge their own paths in an internal civil service labour market with very high turnover between roles. Interview participants with experience in government and the private sector argued that the Civil Service's approach to talent management compared poorly with the private sector, and that this often disincentivised officials from pursuing leadership roles. One commented that “the civil service pays far less attention to the careers of individuals in leadership positions, compared to the organisations it competes with.”

A former civil servant, now working in professional services, told us that their current experience involved much more active conversations with their leaders about future career trajectories, and that everyone in the organisation had a dedicated “development manager”, separate to day-to-day line management on their projects.

This is compounded by the incentives for individuals to move roles frequently to pursue meaningful salary increases, which are typically only available by moving departments or achieving promotion. Furthermore, the roles which are advertised at any given time may not be the best match for their skills or for their development. Indeed, high levels of churn

<sup>79</sup> Review Body on Senior Salaries, *Forty-Fifth Annual Report on Senior Salaries 2023*.

<sup>80</sup> DESNZ and MoD did not respond to the FOI request. DCMS stated that disclosing the information would prejudice the effective conduct of public affairs. FCDO estimated that providing the information would exceed the FOI cost limit of £600.

<sup>81</sup> Department for Education, *Freedom of Information Disclosure*, 2024, 2024-0005373.

<sup>82</sup> Department for Transport, *Freedom of Information Disclosure*, 2024, 00009826.

<sup>83</sup> Department for Work and Pensions, *Freedom of Information Disclosure*, 2024, 2024-13415.



discourage the kind of specialism which may be the best use of some exceptionally talented people's skills.

Dedicated talent management schemes exist in Whitehall. However, joining these talent schemes is based on a separate application process rather than being the logical result of existing performance appraisal processes.

At present, performance management processes result in the reward of non-consolidated financial bonuses and the direction of talented individuals towards talent schemes like the Future Leaders Scheme. They do not have a direct bearing on an individual's career trajectory.

One interviewee told us that at the outcome of their annual performance appraisal, they were told they had been rated as "exceeding" (the top rating available in their department), and simply told "well done" – the performance process was treated as an end in itself by their manager, rather than as a means to identify talented individuals for development.

The Civil Service should be able to identify exceptional talent based on good performance management processes, which accurately reflect the work they have delivered and the experience they have gained in the process. Based on good records, this should be given far greater weight in promotion and progression decisions within Whitehall.

Even if an individual does find their way onto a talent scheme, while this may offer additional training and networking opportunities, it does not have a direct bearing on the roles which members have access to, or on their future promotion prospects. The Future Leaders Scheme is one such example operated by the GPG, aimed at future members of the Senior Civil Service who are currently Grade 7 and Grade 6 (see Figure 6), but this scheme does not provide proactive management for cohort participants.

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#### **Figure 6: Outline of the Civil Service Future Leaders Scheme (FLS)**

The FLS is a talent scheme dedicated to identifying candidates at Grade 7 and Grade 6 who should be moving into the Senior Civil Service. However the scheme does not provide talent *management* in any real sense, it is time-limited and does not actively assess individuals for particular roles – it only provides training and advice.

*"The FLS provides a leadership curriculum that enables the participant to accelerate their learning and development and build their personal leadership effectiveness; maximises opportunities for participants to build their skills, knowledge and networks and profiles across the Civil Service; and supports the career trajectory of individuals to ensure participants are being challenged effectively and realising their potential."*

*The FLS is delivered over 12 months and consists of four core residential workshops with inter-module activities including coaching and action learning sets and webinars. The following subjects are explored in four modules:*

- *Leadership in context;*
- *Working with and through others;*
- *Leading projects and partnership working; and*
- *Self management and personal effectiveness."*

Source: Cabinet Office, *Freedom of Information Disclosure*, 2024, 2024-02579.

### 3.1.1 Leadership Development Scheme

Talent development programmes like the Future Leaders Scheme (FLS), and the Senior Leaders Scheme (a similar programme aimed at officials who are already in the SCS), operate at too large a scale to be adequate talent management for exceptional individuals. The FLS had 441 successful applicants in 2023, having appointed around 400 people per year since 2017.<sup>84</sup> The Fast Stream hires around a thousand officials a year.<sup>85</sup> The scale of the schemes helps explain why they are not actively managing the careers of the highest performing individuals by identifying, and placing them in, specific roles.

In practice the absence of a clear route for getting exceptionally talented people into the right jobs is filled by a ‘shadow talent system’, whereby people who are perceived as talented are moved to posts where they are needed. Research has discussed how high-flying civil servants come from a “homogenous block” of civil servants who fit a “cookie-cutter mould.”<sup>86</sup> Informal routes to promotion via networks, rather than based on objective assessment for talent potential, makes for a system that is neither effective nor fair.

This haphazard approach to talent management needs to be addressed with a new Leadership Development Scheme (LDS).

Instead of looking to identify exceptional talent based on self-applications which are detached from the performance appraisal process, the Leadership Development Scheme should proactively identify candidates from the Fast Stream and new Mid-Career Fast Stream (based on new formalised end-of-scheme assessments) and candidates from within the existing civil service through scouting the highest performers from departmental performance appraisals. This would ensure that the Scheme is focused on ensuring exceptional talent rises to the top of Whitehall.

Membership of the LDS should be ongoing, rather than time-limited, with a small cohort recruited every year – initially this should be in the dozens, rather than the hundreds. This should provide the kind of intensive and long-term support needed for individuals at all stages of their career to rise through the ranks through planning their careers and succession into different roles. The Government People Group should continue to provide general development support for the rest of the Civil Service, including for high (but not exceptional) performers.

**Recommendation 6:** Existing talent schemes should be discontinued and phased out. Exceptionally talented individuals should instead be part of a new ongoing Leadership Development Scheme (LDS), managed by the Chief Talent Officer and their team in the Cabinet Office.

Once the civil service has an established cohort of exceptionally talented people, identified through rigorous processes, then that cohort can be managed as an asset to Whitehall. By centrally identifying exceptionally talented individuals, and including them in an (initially) small

<sup>84</sup> Cabinet Office, *Freedom of Information Disclosure*, 2024, 2024-02579.

<sup>85</sup> Cabinet Office, *Civil Service Fast Stream: Recruitment Data 2022 and 2023*.

<sup>86</sup> Gandon, *Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political Turbulence*.



cohort with ongoing support from the Chief Talent Officer, Whitehall will have a dedicated pool of people to draw from when planning the succession for senior roles in the Civil Service.

To ensure the success of the scheme as an asset to the whole civil service, it is essential that departments value members of the scheme. They should be working in high-priority roles within departments which will give them the opportunities to have the greatest impact and to develop to reach their full potential. Departments must be bought in to the process and incentivised to use exceptional people from the LDS, along with investing time and resources into their development. Departmental Talent Partners will be key to building confidence in the scheme and working with departments to identify roles for LDS participants. Individuals on the LDS should have annual talent reviews — focused on career planning and capability development — conducted jointly with their departmental line manager and the CTO's team.

Secondments to organisations outside of the Civil Service – whether in other parts of the public sector, or in the private or third sector – should be a core part of the scheme, broadening the experience and insights of Whitehall's most senior future leaders. Every LDS participant should be expected to undertake at least one secondment lasting at least six months.

**Recommendation 7:** Talent Partners should work closely with their allocated department to ensure they are benefiting from the Leadership Development Scheme (LDS), and making the most of any LDS participants they have. Annual talent reviews should be conducted jointly with departmental line managers and the CTO team.

External secondments should be a mandatory part of the LDS to ensure participants are developing different insights, skills and experiences.

### 3.1.2 Specialist Development Scheme

Some kinds of exceptional talent may not fit the criteria for the Leadership Development Scheme, namely because their talent applies in a narrow – or specialist – domain. The professionalisation of the Civil Service into 32 distinct professions provides a route for assessing the specialist skills of an individual within their profession as well as in the Whitehall department which they work. However, professionalisation can only support exceptional talent if it helps identify them and direct their efforts to the parts of Whitehall where they can have the most impact.

The professions vary in the level of 'professionalisation' they have for categorising skills. The Capability Framework for the "Digital and Data Profession" outlines a comprehensive list of capabilities for different skill levels in "enterprise and business architecture" or "data standards",<sup>87</sup> whereas the Policy Profession, which numbers over 33,000 officials,<sup>88</sup> lacks similar standards.<sup>89</sup> This is in some ways understandable, given the breadth of different policy areas which the government has responsibilities for, and the depth of understanding which officials working in relevant teams need.

However, it poses a challenge for how to identify and support exceptional specialised policy talent, and progress it. One interviewee gave an example of officials who could be "the world's

<sup>87</sup> 'Government Digital and Data Profession Capability Framework', 28 February 2024.

<sup>88</sup> Cabinet Office, *A Skilled Civil Service: The Policy Profession*, 23 November 2023.

<sup>89</sup> Policy Profession, 'Policy Profession Standards'. Webpage, 12 April 2024.

leading expert in [their domain], but to get progression in their career they have to apply for promotion, often in a different department". As this shows, genuine specialists within the profession have limited avenues for development because promotion is typically dependent upon leaving their area of expertise or requiring an increased share of their time to be spent on management responsibilities.<sup>90</sup> This is a sub-optimal outcome for both the individual and for Whitehall as a whole.

In the private sector, it is more common for high-performing organisations to allow progression without requiring promotion into management roles. Particularly in other areas which reward deep domain knowledge and skills, such as software. For example, Microsoft have separate career paths for engineers who want to develop their skills as "individual contributors", but not manage people. Employees can either progress into engineering management – or into more senior engineering roles through initiatives like the Microsoft Technical Leadership Development Programme.<sup>91</sup>

The Civil Service People Plan states its desire to be an organisation where "specialists are offered the tools and training to deepen their expertise" and "professionalisation of skills is celebrated", however, again, no significant details are available on what this would look like.<sup>92</sup> Where senior specialist roles do exist, they are not accorded parity of esteem with senior policy officials.<sup>93</sup>

Instead, the Policy Profession should enable exceptionally talented policy officials to specialise in their career. A new distinct Specialist Development Scheme (SDS), separate to the cross-Whitehall and cross-profession LDS, should provide a mechanism for departments to progress and retain specialists with deep policy expertise without requiring them to change policy areas or move into management.

Unlike developing future leaders with widely applicable skills, the development of exceptional talent in deeply specialised areas is not a programme best led by the new Chief Talent Officer from Cabinet Office. Each department is better placed to evaluate the kind of specialist policy skills which it needs to develop internally, and then to find the people with those skills to invest in. The Head of the Policy Profession in each department should be responsible for identifying and supporting individuals to join the scheme in their department, and providing the ongoing talent leadership to structure their careers.

Given the focus on truly exceptional talent, the intake each year should, again, be small, with the standards set by each department based on their policy workforce planning needs, and entrance to the scheme based on an exceptional level of knowledge and technical skill in the relevant policy area which the individual has specialised in.

**Recommendation 8:** A Specialist Development Scheme should be established by the Policy Profession, managed on a department-by-department basis by the Head of the Policy Profession in each department, targeted at exceptional individuals with specialist knowledge and skills.

<sup>90</sup> Urban and Thomas, *Opening Up: How to Strengthen the Civil Service Through External Recruitment*.

<sup>91</sup> Chris Walden, 'How Individual Contributors Can Become Brilliant Technical Leaders', 24 June 2020.

<sup>92</sup> Government People Group, *Civil Service People Plan 2024-2027*.

<sup>93</sup> Urban and Thomas, *Opening Up: How to Strengthen the Civil Service Through External Recruitment*.

## 3.2 Rewarding talent

### 3.2.1 Pay

As previously discussed, exceptionally talented individuals need to be well compensated in order to recruit them. They also need to be appropriately compensated to ensure that they are retained within the civil service. The more that they develop their skills and experience the more valuable they will become, with such top talent expecting quicker advancement via access to better opportunities and compensation than their peers who perform to the expected standard (or even, as discussed in Chapter 4, those who do not even meet that standard).

To seek salary increases, most civil servants have to move roles to a department or team which pays more,<sup>94</sup> or seek promotion by applying for an advertised vacancy. Such pay disparities between roles exist as a result of departments having delegated responsibility for staff pay below SCS level. One example of this is the £36,600 difference in salary between the tenth and ninetieth percentiles of digital professionals at deputy director level.<sup>95</sup> These pay disparities can create ‘internal markets’ for specialists, with such specialists incentivised to move roles in order to attract a higher salary.<sup>96</sup>

Permanent promotion is not available in post. Whilst civil servants can receive temporary promotions for time-limited roles or to cover vacancies whilst a full recruitment process is conducted, the Constitutional Reform and Governance Act 2010 requires the appointment of people to roles in the civil service, including promotions, to be “on merit on the basis of fair and open competition”.<sup>97</sup> The Civil Service Commission publishes guidance<sup>98</sup> on the application of these principles, which treats promotion opportunities as roles which should be advertised widely to ensure that the decision whether or not to promote an internal candidate or hire externally is based on merit and gives potential candidates a chance at fair competition.

One interviewee we spoke to reported that they were now seeking a promotion — despite being highly skilled in and enjoying their current position — because they had reached the ceiling of their pay band. Furthermore, they expressed frustration that their current job — which had significantly expanded in scope since they first took up the position — could not be automatically uplifted to the next civil service grade without going through an entirely new recruitment process.

Exceptionally talented individuals should be able to be rewarded on an ongoing basis with more flexibility and less friction than the current process of job applications and multiple approvals to increase compensation. This flexibility on reward should be provided only to the relatively small number of participants on the LDS or the departmental Specialist Development Scheme (SDS). Such pay awards should be set on an annual basis at the discretion of the Chief Talent Officer’s team, or the relevant Head of the Profession in the department, respectively.

For those on the SDS, this means enabling pay progression within post, ending the need for them to seek higher pay through promotion or moving to a different department. For participants on the LDS who have joined from within the civil service (not hired externally) and

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<sup>94</sup> House of Commons Committee of Public Accounts, *Civil Service Workforce: Recruitment, Pay and Performance Management, Twenty-Third Report of Session 2023-24*.

<sup>95</sup> National Audit Office, *Civil Service Workforce: Recruitment, Pay and Performance Management*.

<sup>96</sup> National Audit Office, *Specialist Skills in the Civil Service*.

<sup>97</sup> HM Government, ‘Constitutional Reform and Governance Act 2010’ (Chapter 10).

<sup>98</sup> Civil Service Commission, *Recruitment Principles*, 2018.

therefore are on standard terms and conditions, pay flexibility should focus on non-consolidated performance-related payments based on the delivery of key milestones. They should also be offered the opportunity to sacrifice some of the generosity of their pension in return for higher base pay (as discussed in Section 2.2.2.)

Interviewees raised the risk of legal claims under equal pay legislation as a reason for the government not embracing more ad-hoc pay flexibility based on specific skills and for the current lengthy process to acquire allowances. The Equalities Act (2010) defines the scope of equalities assessment of equal pay, along with supplementary guidance from the Equality and Human Rights Commission (ECHR). However, experience and qualifications are included in the ECHR guidance as a potential material factor defence for equal pay claims, which would be key tests for admission to either scheme.<sup>99</sup>

**Recommendation 9:** Remuneration for participants on the Leadership Development Scheme should be reviewed annually with uplifts made based on advice from the Chief Talent Officer's team and exempt from the Treasury's approvals process. For those on existing terms and conditions (not external hires on revised terms) this should focus on non-consolidated performance-related payments. They should also be offered the opportunity to reduce their pension in return for higher base pay.

**Recommendation 10:** Participants on the Specialist Development Scheme should be eligible for in-post pay progression, with an annual pay review run by the relevant Head of Profession in their department.

### 3.3 Developing talent

The civil service learning and development model is based on the majority of development coming from an individual's day job and off their own back. The Civil Service People Plan's learning provision is based around enabling civil servants to "take ownership of their learning and proactively find their ways to develop their skills", and there is no clear focus on identifying and providing training for exceptional talent.<sup>100</sup>

Relying on exceptional individuals to plan their development for future roles, with no clear guidance, is ill-suited to the development needs of exceptionally talented individuals. The lack of a clear talent development offer undermines Whitehall's ability to get the most value from this group. It relies on talented individuals to independently focus on skills the Civil Service has identified as a priority, such as digital and data skills, or scientific expertise.

Beyond informal development done on the job, the formal development opportunities available to exceptional talent vary significantly. Beyond the previously discussed talent schemes there is a patchwork of departmental provision and secondments. However, these also rely upon individuals navigating the options themselves and applying to the ones they are interested in.

There have been welcome efforts in recent years to improve the skills of talented leaders in Whitehall. The Leadership College for Government, part of the Government Skills and Curriculum Unit, set out to integrate and replace the "previously disconnected portfolio of

<sup>99</sup> Equality and Human Rights Commission, *Equal Pay Statutory Code of Practice*, 2010.

<sup>100</sup> Government People Group, *Civil Service People Plan 2024-2027*.

training and schemes for leaders and managers”.<sup>101</sup> It offers development programmes for Permanent Secretary, Director General and Director level SCS, as well as CEO and Deputy CEO-level leaders in the wider public sector.<sup>102</sup>

This provides a base level of standardised professional support for leadership, but the vision of a system where the career paths for senior leaders are being managed, they are provided with well-curated development, and development schemes are co-ordinated together needs to be delivered in full. Interviewees for this paper still talked about the confusion of what the Cabinet Office referred to as having to navigate the “disconnected portfolio of training and schemes for leaders and managers”.<sup>103</sup> And this offer could be built on with much more specialist training for exceptional talent at a senior level, and consistent standardised support for exceptional talent at a more junior level (Grade 7 to Deputy Director).

Interviewees mentioned the importance of being identified as ‘talented’ in their career by more senior ‘mentor’ figures, and the direct guidance they received from them which was instrumental in their development. Interviewees discussed the importance of mentors at very different grades, but in all cases these mentors were at least two grades more senior than them. One former senior civil servant, who had joined government after roles in the private sector, mentioned how the Permanent Secretary of their department took them aside and asked if they wanted to become a permanent secretary one day. The Permanent Secretary said “I needed to start an ‘apprenticeship’ with that goal in mind, and he started arranging development opportunities which would get me there.”

In comparison to this system of ad-hoc talent development, exceptional officials in other countries — for example France and Singapore — have access to enhanced formal development opportunities on a much more standardised basis (see Figures 8 and 9 below).

**Recommendation 11:** The Chief Talent Officer should have the budget available to tailor a bespoke development offer for members of the Leadership Development Scheme, initially repurposing the current budgets of the Future Leaders Scheme and Senior Leaders Scheme.

**Recommendation 12:** All individuals on the Leadership Development Scheme should be assigned a senior mentor to support them in their career. As a rule of thumb, mentors should be three grades more senior than the mentee – i.e. for Fast Stream graduates in the Scheme the mentor should be Director level, and for Mid-Career Fast Stream graduates they should be Director-General level.

<sup>101</sup> ‘Leading to Deliver: A Leadership and Management Prospectus’, 21 June 2022.

<sup>102</sup> Ibid.

<sup>103</sup> Cabinet Office, ‘Government Skills and Curriculum Unit’. Webpage, 2024.

**Figure 7: France's Institut national du service public**

The Institut national du service public (INSP) is a French graduate school dedicated to the recruitment and training of French civil servants. It was created in January 2022 to replace the École Nationale d'Administration (ENA), which was abolished by President Macron in December 2021.

Five different entrance competitions are held. These are open to holders of a bac+3 level diploma, equivalent to an undergraduate degree. These are: the most deserving scholarship students and job seekers from one of the preparatory classes which are run to increase diversity in the civil service; holders of a PhD in a specific specialism which changes each year; public servants with at least four years of experience; and individuals with six years' experience working outside of the public sector; or being an elected member of a local authority.

Having passed the initial entrance exams, students spend two years studying a curriculum designed for the "training of senior management and managers of the State". This training involves in-depth courses, internships and short-term assignments within public or private sector organisations. Students are provided with an individualised programme designed to support them in their specific development.

Upon completion of the course, students are moved to a position within the French public sector which matches their particular skills. The majority join the corps of state administrators, the French civil service.

Source: Institut national du service public, 'Transformation', Webpage, 2024.

**Figure 8: Singapore's public service central leadership programmes**

There are two central leadership development programmes in Singapore's civil service: the Administrative Service (AS) and the Public Service Leadership Programme (PSLP). These aim to "systematically groom leadership talent for senior leadership roles across the public service". Admission is competitive, with separate starting points for graduates, mid-career entrants and senior leadership roles, including in-service officers looking to advance their careers.

Individuals can join these two programmes via different entry routes (for example graduates, current civil servants or mid-career entrants from the private sector) and at different levels of seniority.

The programme places individuals in a range of positions which match their skills and expose them to the workings of the civil service.

Source: Public Service Division, 'Public Service Leadership Careers', Webpage, 2024.

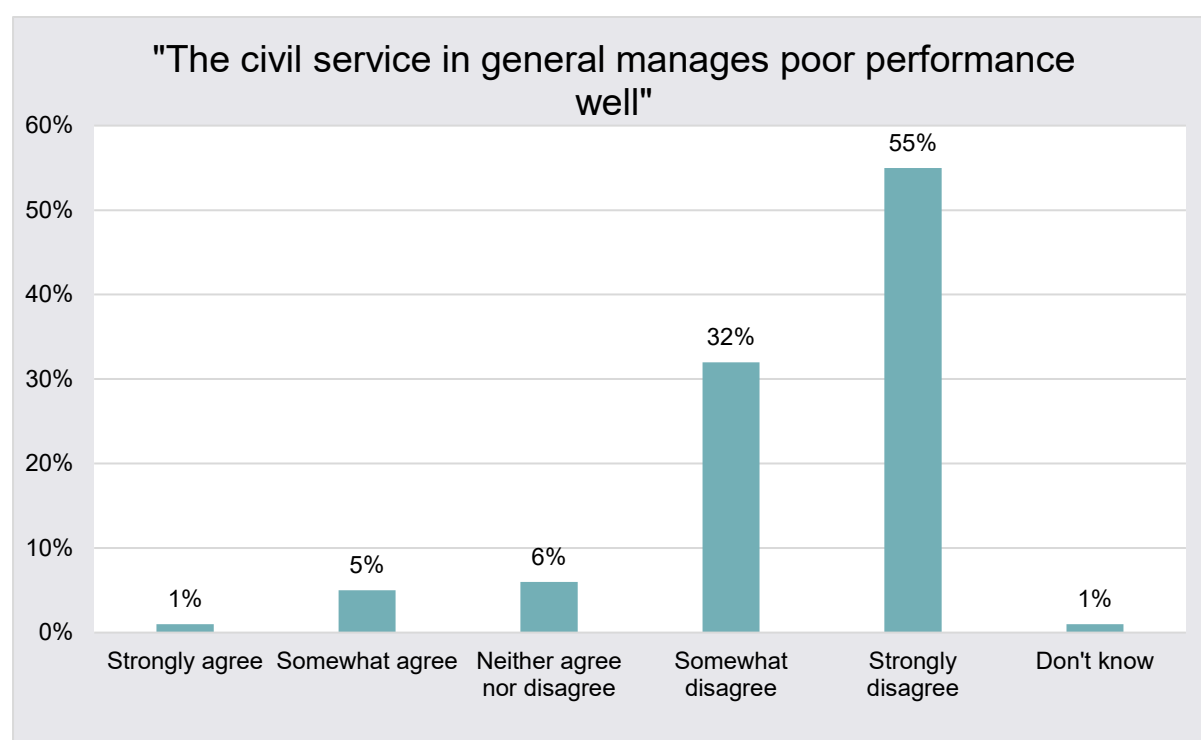


## 4. Addressing poor performance

All large organisations expect to see variation in the performance of staff. However, the Civil Service appears to find addressing repeat poor performance, including removing poor performers from the organisation when necessary, particularly difficult.

In the *Reform/CSW* survey only 6 per cent of line managers somewhat or strongly agreed with the statement that “the civil service in general manages poor performance well”; a full 87 per cent disagreed. Supporting this, a recent National Audit Office report found that “departments are not adequately following up underperformance to support both individuals and the teams they work with”.<sup>104</sup> One interviewee put it bluntly: “poor performance is endemic.”

**Figure 9: As a line manager, to what extent do you agree with the statement that “the civil service in general manages poor performance well”?**



The overall burden of poor performance could be much reduced by better selection of those coming in to the Civil Service and by consistent and on-going training, but it is essential that once poor performance is detected, robust performance management systems are in place to act on problems quickly.

Tackling poor performance and removing those who do not improve with appropriate support, would both help with meeting headcount reductions and improve morale among higher performers who are frustrated by the failure to address the issue – in previous research, one civil servant remarked that some of their colleagues “can just consistently underperform and

<sup>104</sup> National Audit Office, *Civil Service Workforce: Recruitment, Pay and Performance Management*.

[they] will just get moved around. [They] will never get sacked, which is quite demotivating when you are hardworking and you see that happening”.<sup>105</sup>

Most of our interviewees had never heard of anyone being managed out of the civil service because of poor performance. One told us this included someone who was hired into the civil service externally, who turned out to have another full-time job at the same time as their role in government. They were working remotely, and working sufficiently little in their civil service role that they could get away with having a separate job. As far as the interviewee knew, that official is still working in their department. This is an extreme case, but suggests that even extreme cases are not being dealt with.

Only three departments – the Department for Energy Security and Net Zero (DESNZ), the Department for Transport (DfT) and HM Treasury (HMT) – provided information in response to *Reform*’s FOI request on the number of employees who have been dismissed for poor performance.<sup>106</sup> It would be reasonable to assume that an organisation firmly gripping the issue of poor performance would be able to provide such basic data.

DESNZ<sup>107</sup> has dismissed no employees for poor performance since it was established in February 2023, while both DfT<sup>108</sup> and HMT<sup>109</sup> have each dismissed no more than five employees for poor performance in every year since 2018 (except 2022 when DfT dismissed six). Mapped against the total DfT and HMT headcount – which ranged respectively from 2,490 and 1,360 in March 2018 to 3,830 and 2,070 in December 2023 – this equates to an average dismissal rate of less than 0.4 per cent per year.<sup>110</sup>

For these figures to be appropriate, it must be the case that either 99.6 per cent of their employees performed at an acceptable level each year; or that poor performance was almost universally addressed; or that large numbers of poor performers left of their own choice before it could be escalated. Based on interviews for the paper, this seems unlikely, indeed one interviewee remarked that “most people who really need to be fired, they stay. And the people who really should stay are the ones who decide to leave”.

More than 48 per cent of line managers who responded to the survey felt that more than 10 per cent of their colleagues were poor performers. While clearly a subjective view, this is none the less a useful indication of how people perceive the scale of the challenge.

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<sup>105</sup> Amy Gandon, *Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political Turbulence*, 2023.

<sup>106</sup> CO, DfE, DEFRA, DLUHC, DSIT, DWP, DHSC, FCDO, HO and MoJ estimated that providing the information would exceed the FOI cost limit of £600. DBT does not hold this information. MoD requested clarification and then did not respond to the FOI request.

<sup>107</sup> Department for Energy Security and Net Zero, *Freedom of Information Disclosure*, 2024, 2024-03278.

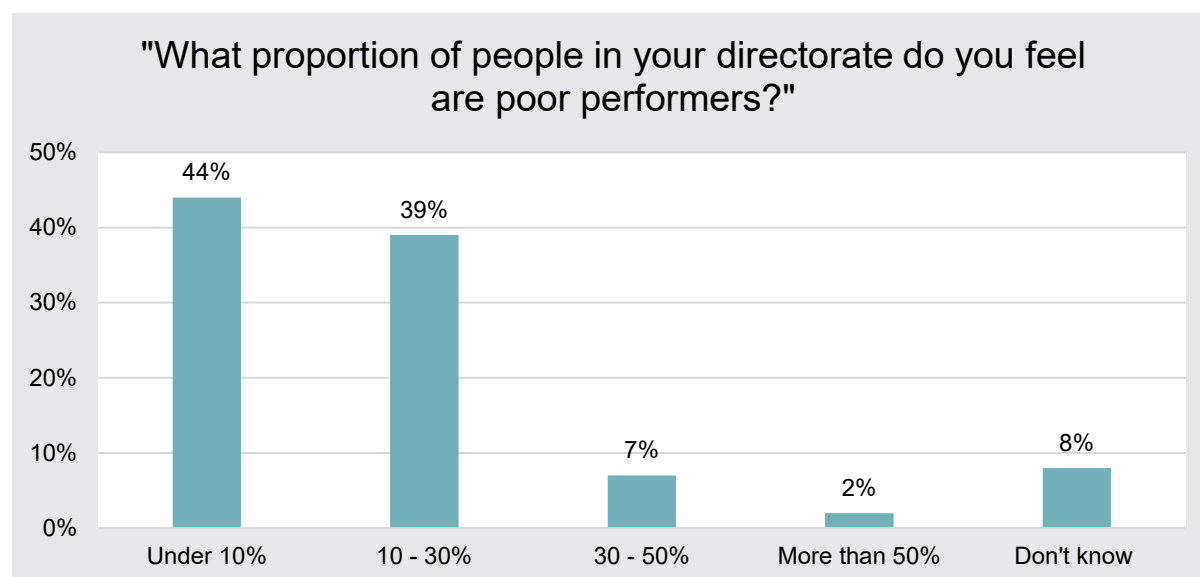
<sup>108</sup> Department for Transport, *Freedom of Information Disclosure*, 2024, 00009827.

<sup>109</sup> HM Treasury, *Freedom of Information Disclosure*, 2024, 2024-03217.

<sup>110</sup> ONS, ‘Public Sector Employment Dataset’, Web Page, 12 March 2024.



**Figure 10: As a line manager, what proportion of people in your directorate do you feel are poor performers?**



It is important to note that the unionised nature of the civil service adds a layer of complexity. The likelihood of poor performers drawing on union representation to challenge action was raised in interviews, with this making the process for dealing with poor performance more difficult and time consuming, and exacerbating risk aversion. The relationship between Whitehall and the unions is beyond the scope of this paper, but it should be noted that the unions also represent the many civil servants who are deeply frustrated by the failure to address ongoing poor performance – and tackling the issue would create more scope for investment in those who are performing well.

This chapter argues that performance needs to be more closely measured with clearer standards to establish whether a member of staff is not performing. Overpromotion seems to be a key reason behind some poor performance. Thus, clearer standards also need to be put in place to assess candidates. Line managers need to be provided with the skills required to manage poor performers and incentivised and supported to do so. Finally, departments need to be accountable for the performance of their staff through clearer monitoring and scrutiny.

## 4.1 Monitoring and measuring performance

The Civil Service does not measure performance well enough to properly identify poor performance.

One problem raised by interviewees is that objectives are not standardised and are rarely easily measurable. Interviewees spoke about objectives often being too “high-level”, with junior staff often encouraged to frame their objectives in terms of strategic outcomes for the organisation as a whole, often meaning they are too removed from specific activities undertaken by that individual. One interviewee – commenting on appraisals at all levels, though particularly for junior staff – argued it is “soul-destroying how little substantive discussion there is about actual delivery”.

One interviewee noted that they have not come across any grade-specific process of benchmarking objectives and said that there is “a lot of freedom and flexibility to do what you want with your team”.

The opposite problem also exists: objectives set which, in the words of one interviewee, are little more than “box-ticking exercises, with too little focus on genuine delivery”. Many interviewees agreed that junior officials in Whitehall were often not given enough responsibility early in a posting to assess whether they were performing to a high standard, tasked with what the same interviewee called “make-work”. Another said: “What does success look like in a policy job? It’s harder to define, you can’t have the same financial measures that the private sector would use.”

This variation in measuring performance stems from the absence of a standardised approach to objective-setting as part of overall performance management. The Cabinet Office sets out eight core elements which it expects all departments to include in their performance management systems – for example to address diversity and inclusion, be focused upon development and to hold leaders to account – however the broadness of these leads to significant variation in departmental practices.

A recent National Audit Office report found that nine departments had a performance rating system for staff in delegated grades (i.e. grades below the Senior Civil Service), while seven had no formal performance rating system.<sup>111</sup> Responses to the FOI requests for this paper show a significant variation in the frequency with which performance assessments occur and the different categories individuals are assessed against.

Twelve departments provided information on their performance management policies. The variation in the use of performance assessments and performance ratings in seven of these eleven departments is illustrated in Figure 12 below.

Based on the information provided, neither the Department for Work and Pensions (DWP), the Department for Education (DfE) nor the Home Office (HO) use annual performance ratings or performance assessments. DWP uses a team-based approach called “People Performance”, underpinned by “individual conversations which focus on wellbeing, development and support”.<sup>112</sup> It is unclear from DWP’s FOI response how poor performance is identified. DfE hold monthly line manager check-ins which cover “recent progress, performance and upcoming priorities”.<sup>113</sup> DLUHC requires line managers to hold formal reviews quarterly. These reviews discuss wellbeing, the extent to which goals have been achieved, any apparent weaknesses in performance, any required changes to goals and plans for the job holder’s development. The Home Office does recommend that line manager check-ins occur monthly, and check-ins are mandated to occur quarterly.<sup>114</sup> But it is not clear that these check-ins in the Home Office lead to any kind of formal assessment – they are meant to cover “wellbeing, development, feedback, reward and performance against goals”, but with no set of standard criteria which candidates should be assessed against. Line managers can introduce periods of “focussed support” based on their discretion.<sup>115</sup>

<sup>111</sup> National Audit Office, *Civil Service Workforce: Recruitment, Pay and Performance Management*.

<sup>112</sup> Department for Work and Pensions, *Freedom of Information Disclosure*, 2024, 2024-13415.

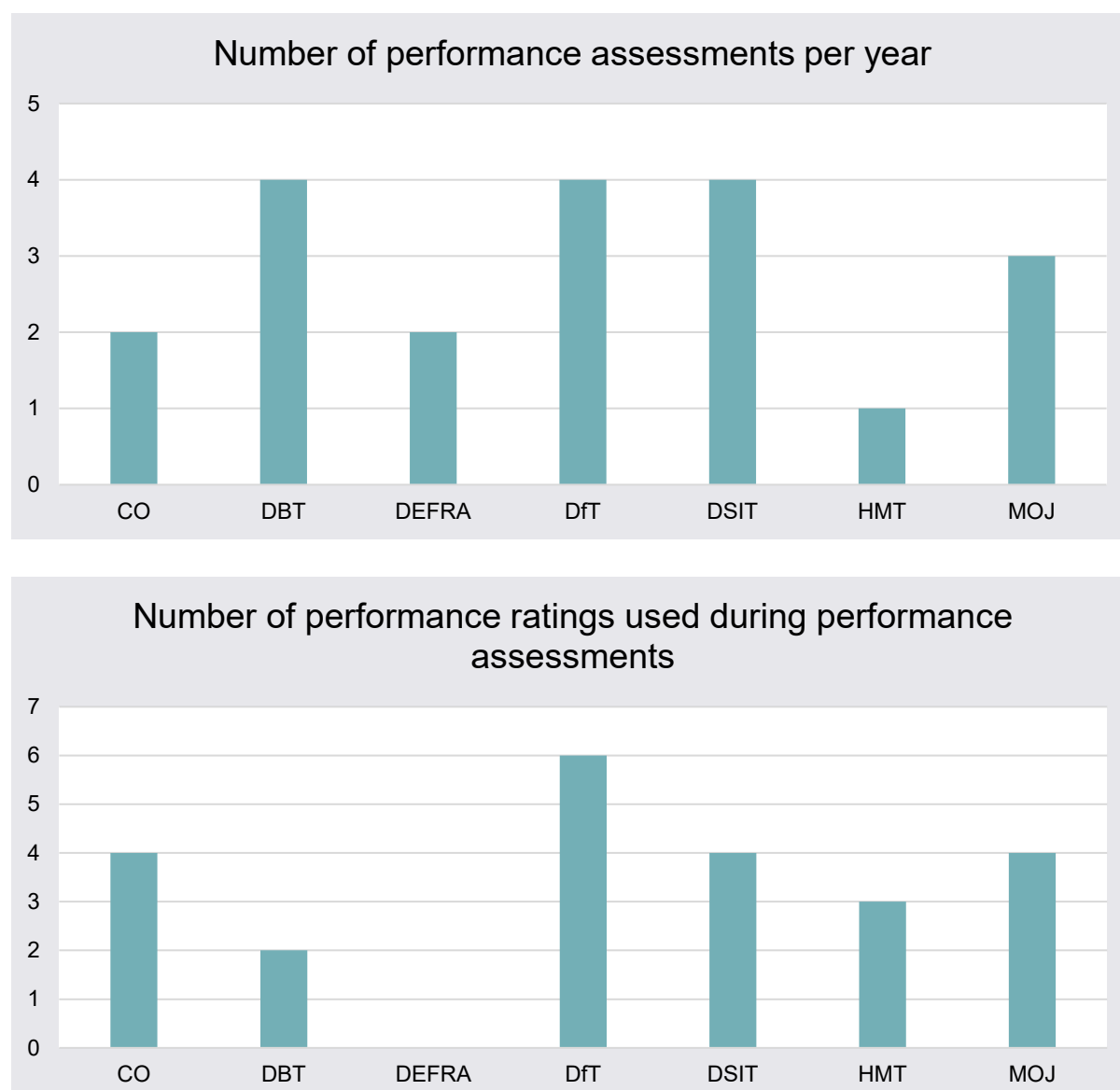
<sup>113</sup> Department for Education, *Freedom of Information Disclosure*, 2024, 2024-0005373.

<sup>114</sup> Home Office, *Freedom of Information Disclosure*, 2024, 01698.

<sup>115</sup> Ibid.

The Department of Health and Social Care's response to the FOI request is not clear on how they manage performance or whether or not they use performance ratings or performance assessments.<sup>116</sup>

**Figure 11: Variation in the required number of performance assessments per year and the number of performance ratings used during performance assessments**



This lack of consistency may contribute to the poor quality of data on the number of poor performers and their outcomes, as found in a recent NAO report.<sup>117</sup> If managers are not clear on the expectations from them in a performance management process, then outcomes are likely to vary, and poor performers could slip under the radar.

<sup>116</sup> Department of Health and Social Care, *Freedom of Information Disclosure*, 2024, 1496412.

<sup>117</sup> National Audit Office, *Civil Service Workforce: Recruitment, Pay and Performance Management*.

Other organisations show that an alternative approach is possible. The CEO of Netflix, Reed Hastings, has spoken about how they implemented a “continued focus” approach to removing poor performers in the company. While managers in the Civil Service are asked to justify the ratings they make to their peers in standard moderation processes, at Netflix the company applies an initial test to identify poor performers – “managers have to each year testify for each of their people, that if that person were trying to quit, they would try to change their mind... sometimes you find there are people working for you who, if they quit, you’d think ‘oh that’s pretty good’... and in those cases we’d want to give them a generous severance package.”<sup>118</sup>

The GCPO should clarify a new approach, applicable across Whitehall, focused explicitly on identifying and addressing poor performance. Departments should continue to set their own performance management policies, but these should meet a minimum standard of ensuring formal assessments twice a year. These assessments should clearly indicate whether an individual is performing above, at, or below expectations. Rather than being set centrally by GPG, the ratings should be defined based on standardised criteria agreed by the Civil Service People Board, and therefore owned and endorsed by departmental permanent secretaries.

Moderation should still continue at management level, but all moderation should start by explicitly confirming that the person in question is not underperforming, before moving on to consider higher levels of performance where they exist. This would give a greater level of focus to identifying poor performers. The presumption should be that a poor performance rating triggers a performance improvement process – this is not the case in many of the performance management policies *Reform* obtained via FOI request.

The GPG should dip-sample performance reviews, moderation discussions and the results to test for consistency and identify departments which are falling below standards. Along with providing a second pair of eyes on a small number of cases, this would create a culture of properly justifying individual performance.

**Recommendation 13:** The Government Chief People Officer should oversee a comprehensive benchmarking exercise of objectives set at different grades – in different professions and business areas – across all government departments. They should publish anonymised examples of good and bad objectives to provide guidance to line managers on how to improve the quality of objectives.

**Recommendation 14:** Whilst departments should retain flexibility in setting their performance management processes, at a minimum, formal performance reviews should happen twice a year after an individual has successfully completed their probation period. Individuals should receive a rating indicating whether they are performing below, at, or above expectations. This rating should be based on standardised criteria agreed by the Civil Service People Board. Receiving a ‘below’ or equivalent rating should automatically trigger a performance improvement plan.

These principles should apply to everyone in the Civil Service, regardless of seniority. However, discussions on performance management in the Civil Service often focus on line managers identifying poor performance within their own teams and the challenge of dealing

<sup>118</sup> Reid Hoffman, Blitzscaling 16: Interview with Reed Hastings, November 2015.

with it. This neglects the issue of poor performance among managers and senior leaders. Interviewees for an earlier *Reform* paper, *Civil unrest*, highlighted this as a significant issue, with one interviewee saying “people who are performing poorly, being bad managers and acting like bullies – in a previous job, I had a real bullying manager – there’s barely anything that can be done. They’ll just carry on getting promoted and moving on to the next job because of the system.”<sup>119</sup>

Senior civil servants are evaluated in part based on ‘360 feedback’ (the anonymous collection of feedback from people of all levels, which is used by managers as part of performance appraisals).<sup>120</sup> Interviewees told us that in some departments these approaches are used voluntarily by officials at Grade 7 and Grade 6 as well – the grades in policy teams which do the majority of line management. The ‘360’ approach is clearly imperfect, but does provide an important opportunity for poor performance in more senior individuals to be revealed.

The Civil Service needs a performance management approach where individuals feel comfortable and confident in providing honest, evidenced feedback regardless of the level of the person they are feeding back on. Requesting this feedback should be mandatory at Grade 7 and 6 across Whitehall. Alongside 360 feedback, the head of new departmental ‘Performance Units’ (see Section 4.3.1) should be a third point of contact for anonymously raising concerns about leadership, as an alternative to escalating within the standard management chain.

**Recommendation 15:** ‘360 feedback’ should be extended across all Grade 7 and Grade 6 roles in the civil service.

## 4.2 Line manager capability

Once poor performance is identified, managers need the capability to address it. Historically, there has been no concerted effort to ensure that managers have these skills.

Some interviewees who were line managers reported having received training on performance management as part of talent schemes (for example the Future Leaders Scheme) or through departmental schemes (including the Department for Business and Trade and the Treasury). Other interviewees recounted receiving nothing more than an afternoon’s worth of reading material.

As a result of this, interviewees told us that line managers have particular knowledge gaps including identifying poor performance, initiating performance improvement processes and managing people out. Furthermore, many interviewees told us that managers were not close enough to their staff’s work to understand their performance. One former senior civil servant captured the general approach: “The civil service treats line management like a sport for amateurs.”

<sup>119</sup> Gandon, *Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political Turbulence*.

<sup>120</sup> Government People Group, *Senior Civil Service Performance Management Framework*.



Data obtained via FOI request on management training shows a patchwork offer across different departments. None of the 12 departments which provided information on their training offer to line managers described any training as mandatory.

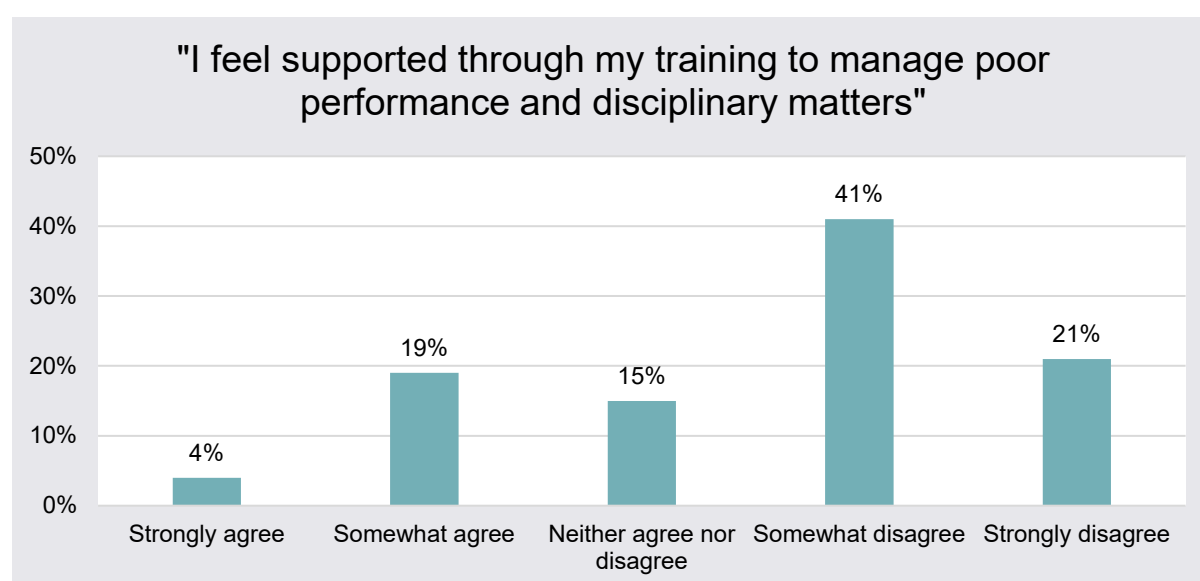
**Figure 12: Responses to FOI request for “the name and course description of any training offered to line managers about managing employee performance”**

Department	Training offered to line managers about managing employee performance
CO	<ul style="list-style-type: none"> <li>• Courses on the key elements of the performance management cycle, including setting objectives, having effective performance conversations and checking consistency.</li> </ul>
DBT	<ul style="list-style-type: none"> <li>• Courses on objective setting, performance coaching, holding high quality conversations and giving and receiving feedback.</li> <li>• 15-20 minute “bitesize learning” e-learning modules on a range of themes, including giving and receiving feedback, coaching skills for line managers and performance development.</li> </ul>
DCMS	<ul style="list-style-type: none"> <li>• “Brilliant Line Manager” programme providing line managers with the opportunity to review and reflect upon their line management experience.</li> <li>• Performance management workshops designed to develop the confidence and competency of line managers.</li> <li>• Virtual workshop designed to introduce DCMS’s key policies.</li> <li>• Goal-setting workshop designed to support line managers to set SMART goals.</li> </ul>
DfE	<ul style="list-style-type: none"> <li>• Courses on objective setting, coaching skills, delegation, giving and receiving feedback and improving performance.</li> <li>• Line manager induction course covering DfE’s key policies and the expectations of line managers.</li> </ul>
DEFRA	<ul style="list-style-type: none"> <li>• “Bitesize” videos on holding, preparing for and finalising one to one conversations.</li> <li>• Online workshops on coaching skills, conducting high quality conversations, giving and receiving feedback, engaging people with change and building effective teams.</li> <li>• “New Managers Programme” online course for those with less than 2 years’ experience.</li> <li>• “Experienced Managers Programme” online course for those with more than 2 years’ experience.</li> </ul>
DHSC	<ul style="list-style-type: none"> <li>• 25 half-day workshops for 400 line managers between April and December 2024 aimed at providing line managers with the skills needed to “proactively identify employee challenges and effectively apply people policies”.</li> </ul>
DSIT	<ul style="list-style-type: none"> <li>• “Corporate Induction Programme” providing “information on performance management”.</li> </ul>

<b>DfT</b>	<ul style="list-style-type: none"> <li>• Courses on objective setting, giving feedback, developing people, conducting high-quality conversations, emotional intelligence, coaching skills and managing poor performance.</li> <li>• 7 hour 30 minute workshop on “creating a workplace culture which feels safe to work in, can cope with creative conflict and tolerates challenges to the status quo”.</li> </ul>
<b>DWP</b>	<ul style="list-style-type: none"> <li>• Short self-led online courses on coaching behaviours, providing feedback and holding difficult conversations.</li> <li>• 1 hour leader-led course on holding conversations, dealing with conflict and reframing outcomes.</li> <li>• 2 hour 30 minute facilitator-led workshop on psychological safety.</li> </ul>
<b>HMT</b>	<ul style="list-style-type: none"> <li>• “People Management Workshop” covering how to build and manage performance within a team.</li> <li>• “Improving Performance Workshop” covering the Treasury’s policies and how to deal with under-performance.</li> </ul>
<b>HO</b>	<ul style="list-style-type: none"> <li>• “Does not hold any training specific manager training [sic]”</li> </ul>
<b>MoJ</b>	<ul style="list-style-type: none"> <li>• 2 hour online self-learning course covering the foundations of MoJ’s performance management policy.</li> <li>• 3 hour online self-learning course covering how to address poor performance.</li> </ul>

Of those respondents to the *Reform*/CSW survey who reported being line managers, two thirds disagreed or strongly disagreed with the statement: “I feel supported through my training to manage poor performance and disciplinary matters”. Less than a quarter reported feeling supported.

**Figure 13: As a line manager, to what extent do you agree with the statement that “I feel supported through my training to manage poor performance and disciplinary matters”?**





The Civil Service needs to urgently address the skills gaps which line managers have in managing poor performers. Some measures outlined elsewhere in this paper should already support that, for example the use of promotion boards (see Section 4.4.1), which should be testing management and leadership skills. But the capability support offered to managers needs to go much further – including for managers who are already in roles at Grade 6 and above.

The Cabinet Office have acknowledged that there is a gap in line management skills, and announced a Line Manager Capability Programme in the Civil Service People Plan aimed at addressing this.<sup>121</sup> This should be delivered as soon as possible, and be mandatory for all civil servants in line management roles. If it is possible to complete it, it should also be open to those moving into new line management roles during their notice period from their previous job. The training should focus in detail on how to conduct performance management processes, how to identify poor performance and how to initiate performance improvement processes.

While line management training can cover processes and skills, most development will come on the job. New managers should therefore be given a ‘mentor’, with at least three to five years of experience. Mentors should be drawn from within the same department as their mentee, but from a different team, and should provide informal advice and guidance as the line manager faces different challenges.

**Recommendation 16:** Training developed by the Line Management Capability Programme should be mandatory for all staff moving into management roles, or taking on management in a role which did not previously require it. It should be provided centrally by the Government People Group.

Formal training should be supplemented by a ‘mentor’ system whereby the department allocates new line managers an individual mentor, who has at least three years of management experience, in order to provide ongoing informal advice and support.

### 4.3 Navigating the process

Complying with employment law is obviously non-negotiable, and poor performers should not automatically be written off if they can improve and deliver to a high standard. However, high-performing organisations understand that it is vital that swift action is taken – and be seen to be taken – to address persistent poor performance.

Throughout research for this paper interviewees emphasised that the biggest single barrier to reducing poor performance was that line managers do not have any incentive to manage a case through the processes set in Whitehall.

Performance improvement processes are highly bureaucratic, resource-intensive and take a long time to put into practice. The majority of that work falls to a line manager on top of managing their other direct reports and their day-to-day responsibilities.

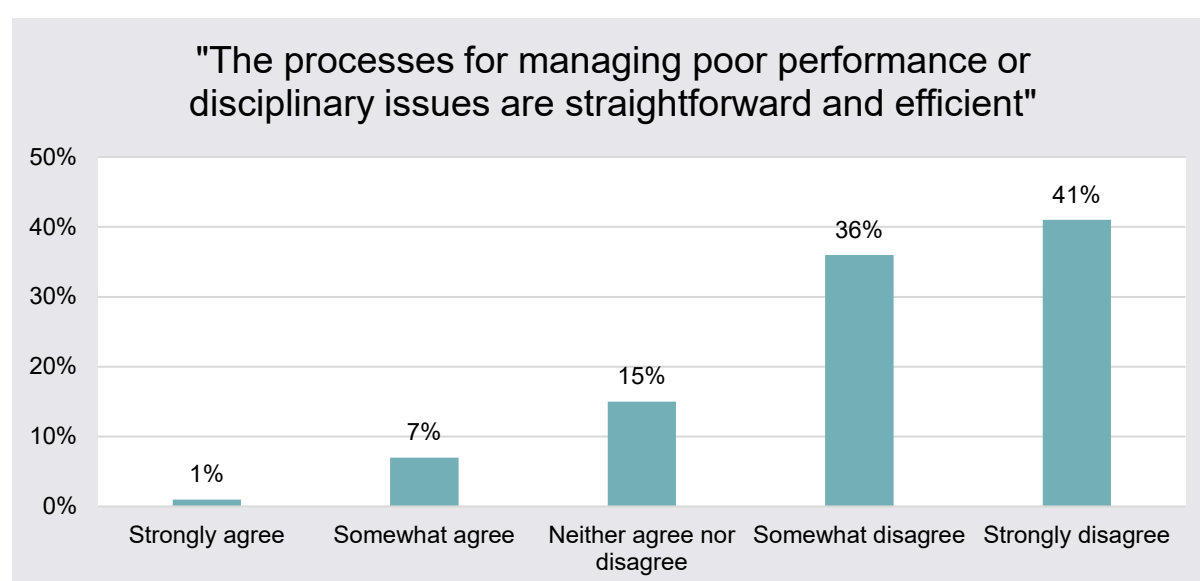
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<sup>121</sup> Government People Group, *Civil Service People Plan 2024-2027*.

Given that dealing with poor performers can be emotionally draining – as one interviewee said, “there is a high personal cost of dealing with poor performance... you almost have to really enjoy ruining someone’s life” – making the process overly complex and difficult is going to make the prospect of attempting it even less appealing.

It is unsurprising then that, in the *Reform*/CSW survey, only 8 per cent of line managers agreed with the statement that “the processes for managing poor performance or disciplinary issues are straightforward and efficient”. The vast majority, 77 per cent, disagreed – with 41 per cent strongly disagreeing.

**Figure 14: As a line manager, to what extent do you agree with the statement that “the processes for managing poor performance or disciplinary issues are straightforward and efficient”?**



### 4.3.1 The process

While one interviewee argued that “you absolutely have, as managers, quite a lot of latitude to manage out poor performers”, generally interviewees talked about the disincentives to initiating performance improvement processes leading to managers tolerating high levels of day-to-day under-performance. One former senior civil servant succinctly bridged this difference of view: “It is not a problem with policy per se but with line manager capability and gun shyness”.

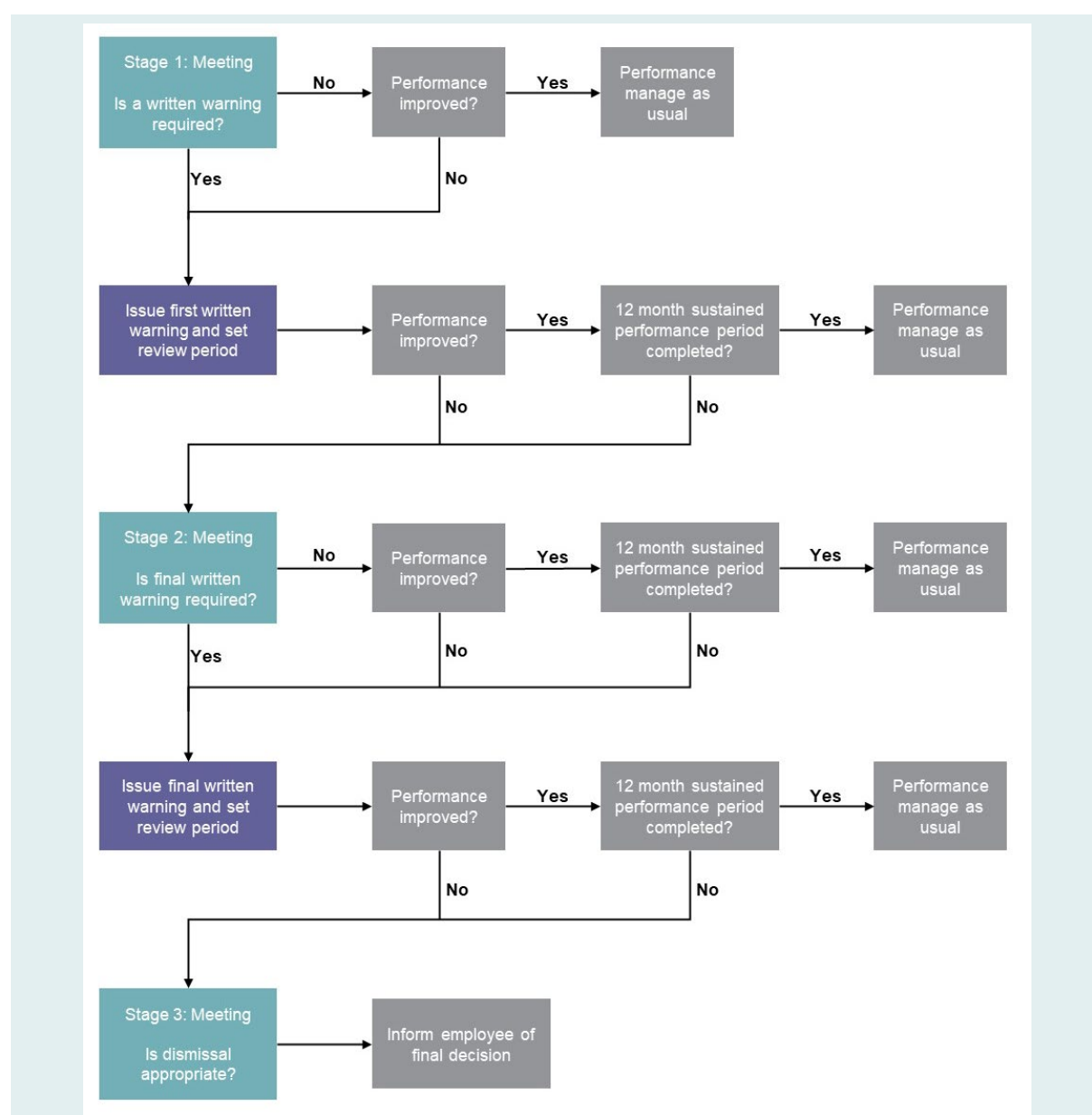
As discussed in Chapter 2, *Reform* used an FOI request to seek to obtain “all policies used related to employee performance management, including poor performance and talent assessment” from departments. Two departments – the Department of Health and Social Care and Department for Work and Pensions – provided information which was unclear on how performance is managed and poor performance dealt with.<sup>122</sup> The remaining ten departments follow similar processes whereby line managers are encouraged to identify and deal with poor performance informally before escalating to a formal process – a fairly standard process

<sup>122</sup> Department of Health & Social Care, *Freedom of Information Disclosure*, 2024, 1496412.

across sectors. Figure 16 shows a flow chart for the formal process for addressing poor performance in the Department for Culture, Media and Sport (DCMS), the Department for Transport (DfT),<sup>123</sup> the Home Office (HO)<sup>124</sup> and the Ministry of Justice (MoJ).<sup>125</sup>

While the process appears simple, the way it is practiced can be very onerous – one interviewee told us that the HR shared services they used for advice on a poor performer advised that they needed to have twice-daily meetings with that individual. As the head of a busy team with time-sensitive work, this was not a viable option.

**Figure 15: Formal performance management process in DCMS, DfT, HO and MoJ**



<sup>123</sup> Department for Transport, *Freedom of Information Disclosure*, 2024, 00009826.

<sup>124</sup> Home Office, *Freedom of Information Disclosure*, 2024, 01698.

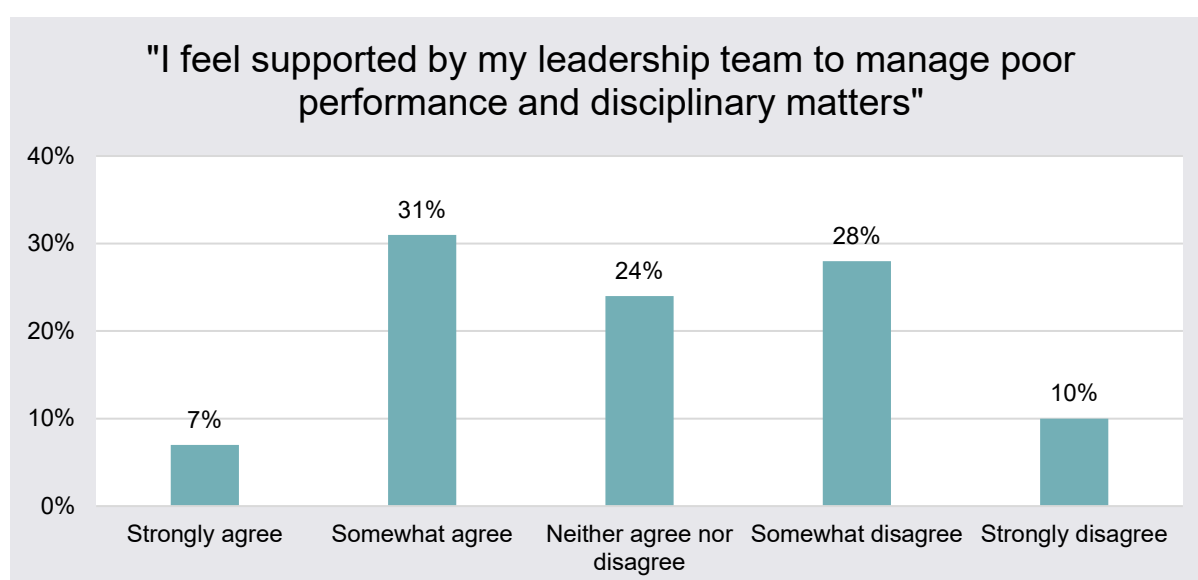
<sup>125</sup> Ministry of Justice, *Freedom of Information Disclosure*, 2024, 240216007.

## Capacity

Navigating complex, risk-averse processes without being given appropriate support, is disincentivising line managers from initiating action and seeing it through. In addition to a lack of effective training, as discussed above, interviewees consistently expressed that they lacked effective support when they do undertake a process to address underperformance.

Less than 40 per cent of line manager respondents to the *Reform*/CSW survey either somewhat or strongly agreed with the statement: “I feel supported by my leadership team to manage poor performance and disciplinary matters”. The exact same proportion either somewhat or strongly disagreed. It was clear from interviewees that a sense of senior management not ‘having their back’ was an impediment to taking successful action.

**Figure 16: As a line manager, to what extent do you agree with the statement that “I feel supported by my leadership team to manage poor performance and disciplinary matters”?**



Aside from leadership teams, the other obvious source of support would be from HR professionals. There has been more than a 50 per cent increase in the number of people working in the HR profession between 2016 and 2023, rising from 8,220 to 12,470.<sup>126</sup> An FOI request for this paper found that 920 FTE staff now work in the GPG in Cabinet Office alone (with a further 119 FTE employees working in the department’s own HR team).<sup>127</sup> That is a huge number of people working on HR in Whitehall, and while that will cover everything from recruitment to training to talent schemes, it is remarkable that with so many people, so few line managers feel well supported to deal with poor performers.

The combination of the high administrative and emotional burden, with the lack of support available to line managers during the process, makes it unsurprising that so much underperformance appears to be left unaddressed.

<sup>126</sup> Institute for Government, ‘Whitehall Monitor 2024’, Webpage, 22 January 2024.

<sup>127</sup> Cabinet Office, *Freedom of Information Disclosure*, 2024, 2024-02253.

To help address this, line managers should be able to access effective support within their departments, as close as possible to their day-to-day work. That means boosting hands-on, in-department capacity – not relying on remote, self-service helplines. To achieve this, each department should establish a Performance Unit within the HR function, dedicated to supporting line managers.

This should include working with the line manager to develop performance improvement plans and sitting in on, and even taking meetings with, the poor performer; producing summary notes from those meetings; and completing paperwork relating to the plan. Having a third party present would not only increase the confidence of the line manager, but it would also reinforce the implications of the plan for the individual on it. As well, of course, as significantly reducing the administrative burden for the line manager.

Given the number of people currently working in the HR profession, and the number specifically in the GPG, it seems reasonable that this can be achieved without increasing overall headcount, by reprioritising staff and budgets.

To facilitate this, the role of the GPG should be reviewed. There was a view among some interviewees that the central function is too big and that its role had extended too far – “central HR has become a monster” was one of the starker quotes.

Nonetheless, there is clearly an important role for the centre in producing standardised policies, guidance and training, including core civil service curriculum; monitoring departmental standards; recruitment for a small number of specific schemes; and maintaining key government-wide platforms. The review should clearly state the role of the central function versus departmental HR teams, and the breakdown of resource allocation against each of the tasks sitting in the centre should be published annually.

**Recommendation 17:** A formal performance improvement plan should be triggered a maximum of six months after the first concerns about an individual's performance have been raised, unless these concerns have been addressed in that time period.

**Recommendation 18:** Every department should set up a dedicated Performance Unit within their HR function, to support line managers in initiating and delivering performance improvement processes. This should involve directly supporting the line manager by putting in place the right measures, completing paperwork, and scheduling key milestones. These units can be staffed by streamlining the Government People Group in the Cabinet Office, following a review of the functions it delivers.

### 4.3.2 “Gun shyness”

A common observation among interviewees was that the approach in Whitehall feels highly risk averse, motivated by concerns about employees raising formal grievances against managers, or pursuing legal claims for unfair dismissal or discrimination. As one interviewee said, “at every stage of the process, the guidance and advice [from HR] makes you feel like you are at fault ... you have to have 110 per cent of the evidence”. Another interviewee commented that the risk aversion is based on fearing “the act of being taken to tribunal, not if they will lose”.

This contributes to the sense that senior leaders are not supportive. One interviewee recounted that “even when you get close to implementing a performance improvement plan for a poor performer, senior leaders tend to get cold feet”, while another was told by a Director that “there is no reward for managing poor performers, nobody is going to thank you for it”.

Any performance management process carries risk for an organisation, but so too does not addressing poor performance – the risk of lower productivity and poorer outcomes, the risk of demotivation among higher performing staff, and the risk of talented people thinking it is not a place for them to work.

These wider risks of failing to act on poor performance were very evident in the frustration felt by interviewees. Several contrasted the risk aversion with the private sector, which they described as “much more willing to pay people off in order to get them to leave — whereas government has always been wary of it because of the public reaction.” One current civil servant said:

“The cost-benefit analysis of making severance payments to exit someone who isn’t meeting the standard is usually pretty clear, but there’s a perception that the public won’t tolerate it.”

Where the private sector can use settlement agreements, often with significant payouts, to move people on, that is not – as the quote suggests – a general option available to the civil service using taxpayers’ money.

Nonetheless, a more robust approach is needed, and this requires Whitehall to take much greater risk with regards tribunals. HR and employment law advice should give the probability of a *successful* tribunal case, and ministers should explicitly support a risk-taking approach, acknowledging that this that could lead to some payouts. The costs would almost certainly be considerably lower than continuing to employ people who consistently fail to reach a minimum performance standard – both direct costs from their ongoing salaries, and the productivity loss to the organisation from their work being of a low standard, and the management time required to address it.

**Recommendation 19:** When providing advice, the Government Legal Department (GLD) should assess the likelihood that a tribunal case will be successful, not whether it is likely to go to tribunal.

**Recommendation 20:** Any assessment of the value for money of potentially losing an employment tribunal should also consider the productivity costs to colleagues and the public of retaining a poor performer, along with the direct costs from paying their salary on an ongoing basis. The Government Economic Service should provide standard assumptions to legal teams for calculating these judgments.

**Recommendation 21:** HM Treasury should make a dedicated fund available to departments to exit poor performers, to demonstrate it is prepared to fund severance payments and legal costs. It should be announced with a clear policy from the Chief Secretary to the Treasury on the level of severance payments which the government deems acceptable.

### 4.3.3 Ending the poor performer merry-go-round

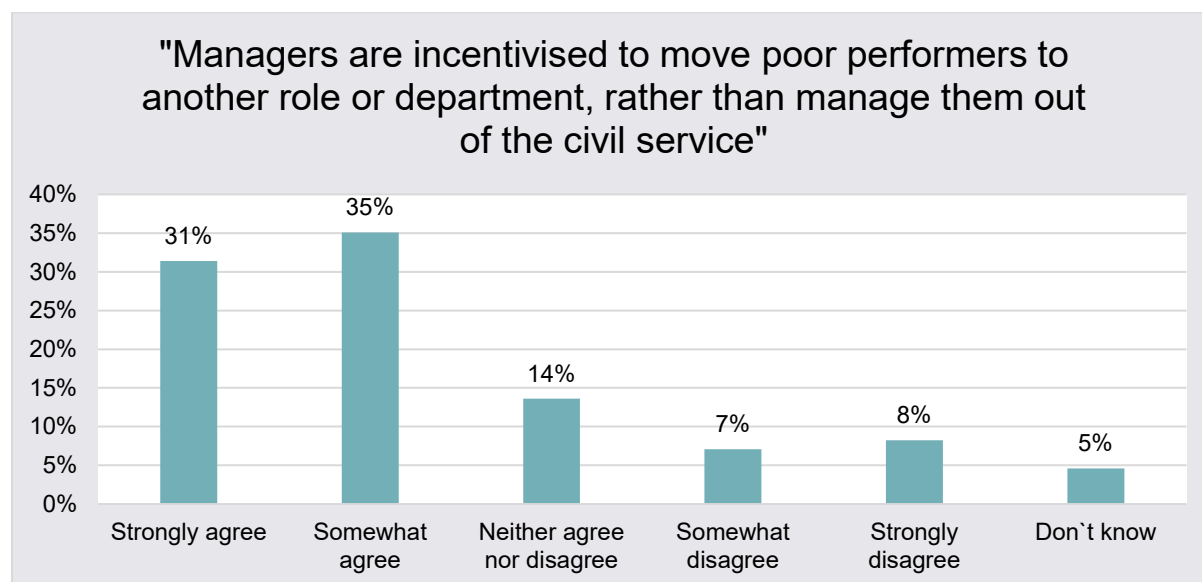
Civil service processes to address poor performance often take a long time. For example in the Cabinet Office an employee can be placed in the lowest performance ratings box — “partially met” — for two years before “it is likely that formal poor performance procedures will need to start if they have not already done so”,<sup>128</sup> and in the Department for Business and Trade an employee can be given a “not met” performance rating for two consecutive quarters before “managers should consider moving to formal processes”.<sup>129</sup>

Because of the length of time it takes to run these processes, it is often easier to wait for a poor performer to move jobs before or during a performance improvement process than manage them out.

As one interviewee put it: it is “much easier to let them move on than to have them stay for a long and emotional process”. Another told us that, in a particularly tricky case involving complicating factors, they had actually been advised to use a mechanism available to move an individual on to a new role rather than undergo a performance improvement process.

Shockingly, two thirds of respondents to the *Reform/CSW* survey somewhat agreed (35 per cent) or strongly agreed (31 per cent) with the statement: “Managers are incentivised to move poor performers to another role or department, rather than manage them out of the civil service.” The numbers were even more stark among line managers who responded – 35 per cent still somewhat agreed, but 39 per cent strongly agreed with the statement.

**Figure 17: To what extent do you agree with the statement that “managers are incentivised to move poor performers to another role or department, rather than manage them out of the civil service”?**



Perhaps most worryingly, 54 per cent of Grade 6 and 46 per cent of SCS respondents *strongly* agreed with this statement, and almost 40 per cent of those who are line managers *strongly*

<sup>128</sup> Cabinet Office, *Freedom of Information Disclosure*, 2024, 02234.

<sup>129</sup> Department for Business and Trade, *Freedom of Information Disclosure*, 2024, 2024-01982.



agreed, compared to 21 per cent who are not. In other words, those most likely to be responsible for dealing with poor performers are most likely to think they are incentivised to move people on rather than out.

The lengthy process also means that line managers themselves may change roles before performance issues can be addressed. Indeed, instead of initiating a protracted performance process and seeing it to conclusion, this option can be attractive to managers because it requires less effort.

As a result of this merry-go-round, it is not uncommon for a manager to get a repeat poor performer joining their team, with no record of their previous performance.

## Basic due diligence

The way the internal civil service job market works undermines the performance management process. That is because most promotion decisions are made by people without knowledge of an individual's performance history. For most roles, individuals apply via a central portal and this does not allow for references to be requested and provided, nor is past performance taken into account via manager feedback or performance documentation. There is no verifiable way of discerning their competence.

From December 2023, candidates for civil service jobs with a previous civil service employment history will have to provide information about that employment, and managers will be able to view these details. This includes the option to request further information, but nowhere does it state that this can, or should, include obtaining a performance reference.<sup>130</sup>

In any other sector, if a promotion was sought internally it would be based on that individual's performance record, and if a new role was sought externally references would be requested. In addition, where the move is to a new organisation, that individual would join with a probation period, giving their new employer the opportunity to correct for an inappropriate hire – internal moves in the civil service do not start a new probation period. In short, Whitehall is applying none of this basic, best practice, as due-diligence on someone moving teams or department.

Numerous interviewees for this paper raised this as a clear barrier to addressing poor performance – both in terms of poor performers moving around the system and 'creating' poor performers through over-promotion (discussed below).

Interviewees speculated that this was because of the Civil Service Code's principle that civil servants are "appointed on the basis of fair and open competition",<sup>131</sup> and a perception that references could be subject to bias. However there is significant legal guidance around what a current employer can provide in a reference. Furthermore, moving between departments should not be treated the same as moving between entirely separate organisations – as discussed above there should be a standard process for assessing performance and allocating ratings across the civil service, making them 'fair' – and it may be that access to the latest formal performance report is the best way of providing an unbiased reference.

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<sup>130</sup> Civil Service Resourcing, 'Managing Candidates through Pre-Employment Checks (VX)', 15 December 2023.

<sup>131</sup> Civil Service, 'The Civil Service Code'. Webpage, 16 March 2015.

**Recommendation 22:** All civil service promotion decisions should be conditional on a reference from the candidate's current line manager. Transfers and promotions within and across departments should only be approved after reviewing the individuals' latest performance report – shared by their manager.

## 4.4 Overpromotion

The Civil Service's policies don't just risk tolerating poor performance – in some cases, the workforce policy is 'creating' instances of poor performance, by placing individuals in roles they are unsuited for.

Since 2015 the growth in the Civil Service has been disproportionately among more senior management grades, particularly Grade 6 and Grade 7.<sup>132</sup> Institute for Government analysis suggests that the growth at these grades has been partially caused by pay restraint, "where departments promote civil servants before they might previously have done, to increase their pay sufficiently to stop them leaving the civil service for the private sector".<sup>133</sup>

Many interviewees raised concerns about how the rapid expansion of the Civil Service since 2016 had created new roles and thus a sudden demand to promote people into them, leading to officials who were under-qualified for responsibilities which they took on. The same issue was raised in *Civil unrest*, with one civil servant quoted saying:

"[Brexit and COVID] generated an expectation that everyone who's 27 should be a grade 6 by now. Or, 'Oh, you're not a DD by 30, what's wrong with you?'... I think that it probably meant there was a small pocket of people who were over-promoted and I'm sure some of them were brilliant, but some of them weren't." <sup>134</sup>

Even more worryingly, other interviewees for that paper noted that promotion can at times be used as a way of getting rid of a poor performer:

"There needs to be ways to deal with poor performance quicker. I don't understand why when you're hiring people, you can't talk to past managers. If you have a poor performer, the easiest way to get rid of them is to encourage them to apply for promotion and help them with their behaviours, which are cookie cutter, and then brush it off on someone else. It needs to change so that we're not just passing people around the system... if there is poor performance, there should be repercussions." <sup>135</sup>

### 4.4.1 Missing the point

Further undermining the ability to make the right promotion decisions are the standards against which applicants are assessed. As discussed above in relation to external hires, they are overly complicated and ineffective across civil service hiring – and promotion decisions

<sup>132</sup> Institute for Government, 'Civil Service Staff Numbers', Webpage, 14 March 2024.

<sup>133</sup> Institute for Government, 'Whitehall Monitor 2024'.

<sup>134</sup> Gandon, *Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political Turbulence*.

<sup>135</sup> Ibid.

are treated as a hiring decision for a new role, rather than as a promotion based on experience to date.

The reliance on the 'Behaviours' aspect of the Success Profiles means, as one interviewee put it, that it's "easy to game if you know the techniques". Another said:

"I sat on a recruitment panel recently where I saw someone who used to work for me pretend in their application that they'd done things I'd done as their manager... the Behaviours system is not a good measure of actual work"

Behaviours are too abstract to be a good indicator of the requirements for a specific role, and too disconnected from a candidate's actual experience to be a good measure of suitability for promotion.

The risk of over-promotion increases when advertising a job on promotion combines two separate assessments into one decision – whether an individual is ready for promotion to a substantive grade, and whether they meet the requirements for a specific role. And according to interviewees, unhelpful criteria for assessment are compounded by managers feeling pressure to fill vacancies as quickly as possible, even if applicants are under-prepared, because of how onerous recruitment processes in the Civil Service are.

Interviewees described the ad-hoc use of departmental 'promotion boards' to assess candidates' suitability for overall promotion, separate from a specific role, as a preferable option for decoupling these two requirements. Applicants can apply for promotion (e.g. from Grade 6 to SCS1) without applying to a specific role, be assessed for a set of overall requirements set by that department or function, and then matched to roles which become available where they have the right experience and skillset for that specific area.

This model should become the default for promotion into policy roles at Grade 6 and higher in Whitehall, and where suitable they could be rolled out to other professions. Candidates should not be able to apply to roles on promotion unless they have passed a promotion board run by their home department. The promotion board's assessment should take into account their previous performance reports, in addition to standardised testing of key skills and qualities.

For promotion *into* the Senior Civil Service specifically, promotion boards should require passing standardised examinations, in the spirit of the original Northcote-Trevelyan Report, which set high expectations of the knowledge which senior officials need. The curriculum for these tests should be defined by the Government Curriculum and Skills Unit.

This would allow more time to assess an individual's suitability for promotion through a more intensive process, without the time-pressure of having to fill a vacancy. When roles become available, candidates who have passed the board can be assessed for their suitability to fill that specific role.

This would in turn make the process of filling an individual vacancy quicker, as the hiring assessment would be done based on a smaller pool of people who have already passed a promotion board, and be based solely on evidencing the experience and skills they have for that specific role.

Requiring references, as per above, would then provide an extra layer of assurance. This would be particularly important where, for example, an individual had passed a promotion board but then had waited, or not found, a suitable role for some time.

**Recommendation 23:** Departments should introduce mandatory internal promotion boards to assess the suitability of candidates for roles in the policy profession at Grade 6 and above. Passing a promotion board should be mandatory before applying to roles at promotion, or being moved into a new role via a ‘managed move’. For promotion *into* the Senior Civil Service specifically, promotion boards should require passing standardised examinations.

**Recommendation 24:** The use of Behaviours in assessing candidates’ skills and experience for specific roles should be discontinued.

## 4.5 Accountability

There needs to be a high level of accountability for ensuring the performance of civil servants meets the standard the public would expect, and that taxpayer money is not being wasted through failure to address poor performance.

As previously discussed this leadership cannot come solely from the Cabinet Office. Whilst the Government Chief People Officer can standardise policies and provide core training, the civil service is too big and complex to centralise all responsibility in Whitehall. It needs leadership in departments, where managers and leaders are closest to the business consequences of ongoing poor performance.

However, as for other areas where responsibility is federated across Whitehall, senior leaders still have limited incentives to implement bold transformation programmes like this in the current model. As a former permanent secretary recounted when interviewed for an earlier *Reform* paper, “it’s extraordinary how non-compliant permanent secretaries and DGs are. The centre is something you doff your cap [to] when in view, but as soon as they’re out of view, you just manage it...”.<sup>136</sup>

Requiring departments to publish data on the number of people they have rated as poor performers and their outcomes does carry the risk of creating a perverse incentive not to assess individuals as poor performers in the first place. However, requiring departments to keep accurate records and publish them on an annual basis would enable much needed ongoing scrutiny. It would also force greater scrutiny and accountability within departments – it is shocking that some departments could not provide this data to the National Audit Office and were unable to respond to a *Reform* FOI on the subject.<sup>137</sup> If a department does not even hold the data, or hold it in an easily accessible way, how can they possibly be properly managing performance?

One well-established model for departmental accountability, garnering parliamentary oversight, is the role of Accounting Officers (AOs) in managing public money. Senior civil

<sup>136</sup> Charlotte Pickles and James Sweetland, *Breaking Down the Barriers: Why Whitehall Is so Hard to Reform* (Reform, 2023).

<sup>137</sup> National Audit Office, *Civil Service Workforce: Recruitment, Pay and Performance Management*.

servants – usually the Permanent Secretary of a government department, or the most senior official in an ALB – are made responsible for the management of public money in their area. Responsibilities are clear, they are supported in discharging them by their finance teams, they report in standardised ways and are appraised annually by the Treasury and the Public Accounts Committee.<sup>138</sup>

Not only is the Accounting Officer model relevant as an example of internal and public accountability in a federated departmental structure, it can also serve as an effective mechanism for ensuring the management of civil service performance is a high priority for permanent secretaries. As civil servants are paid from public funds, management of their performance should be subject to scrutiny in the same way that projects and programmes funded by the taxpayer are. Staff performance should be included in Accounting Officers' responsibilities.

**Recommendation 25:** The performance management of civil servants should be included within the responsibilities of Accounting Officers, with standardised reporting on the numbers performing at different levels provided to HM Treasury and the Cabinet Office, and included in publicly available departmental accounts. Accounting Officers should report on the performance of their staff, including hiring exceptional talent and managing poor performers, in their Outcome Delivery Plans.

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<sup>138</sup> HM Treasury, *Managing Public Money*, 2023.

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## 5. Conclusion

A rapidly changing world, requiring a higher level of aptitude from the Government than it has demonstrated in recent crises, cannot be met by 'more of the same' in the Whitehall workforce.

The Civil Service needs to reorientate its approach towards outlier performers at both ends of the spectrum – exceptional talent, and poor performance – as the quickest way to shift the overall balance of civil service performance. The current system does not work for talented people outside of the civil service, who would be keen to serve their country if they had good opportunities to do so. And it needs to provide a better deal for talented people coming up through the ranks, who have limited opportunities for progression, and who also shoulder the burden of managing a cohort of repeat poor performers who the institution fails to dismiss.

It is essential that the current stalemate underpinning our workforce policy – of a highly resourced but underpowered Cabinet Office, and independent but poorly incentivised departments – ends. It should be replaced by a small, strategic centre in the Cabinet Office which clearly splits responsibilities for identifying and curating truly exceptional talent, and running only those essential services and policy functions which must be done in the centre for the general workforce. Departments should be genuinely accountable for their own talent mix, relying on central functions for support but positioned to face the consequences if they do not radically improve the performance of their staff.

Flexibility will always be needed in workforce policy, but for too long talent and performance have been seen as 'someone else's problem'. If the status quo is 'nobody's fault', then it is everybody's fault, and needs a concerted, collective effort to tackle it.

*Making the grade* rejects the implicit assumptions behind the civil service workforce policy: that all employees are broadly alike, and that variations in performance are small and require minimal adjustment from the organisation. This paper sets out a vision for a Whitehall where there is a true culture of excellence, with institutions that pride themselves on being high-performing, dedicated to providing world-class public services, and as a result attracting the brightest and the best who then flourish.

Shifting to this model requires more generous compensation for exceptionally talented civil servants, and much less leeway for repeat poor performers. This requires far tougher conversations to happen in Whitehall than are commonplace today.

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