

HM Treasury and Cabinet Office Stakeholder Survey

FINAL

Research Study Conducted for
HMT & Cabinet Office



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Introduction

Background and objectives

Following the Chakrabarti Review and various Capability Reviews the role of the centre of government, or 'the Centre' (defined as the Treasury and Cabinet Office), and in particular its relationship with other government departments, has been highlighted as an area for improvement.

The recently published Compact between the Cabinet Office, HM Treasury Group and other government departments provides a set of principles designed to guide the working relationships between the Centre and other departments. The Compact also states that the Treasury and Cabinet Office will regularly survey stakeholders to gauge whether the Compact is being utilised in inter-departmental workings and addressing the issues identified in the Capability Reviews and Chakrabarti Review.

The Treasury and Cabinet Office therefore commissioned Ipsos MORI to conduct depth interviews with a number of senior stakeholders to measure and evaluate how effectively they are working with other departments. These stakeholders were senior civil servants of Grade 5 and above across other government departments.

In particular, the research had four main objectives:

- To measure stakeholder perceptions of the cohesiveness and effectiveness of the Centre;
- To explore in particular views around the relationship between the Centre and other government departments;
- To pick up specific attitudes towards HMT and the Cabinet Office; and
- To inform the development of an online quantitative survey which is to follow on from these interviews.

Methodology

In order to meet the objectives above Ipsos MORI undertook a total of 29 depth interviews, using a mixture of face to face and telephone methodologies, with senior civil servants across government departments. Interviews were conducted between 21st October and 27th November 2008 and lasted around 30-40 minutes each. Topics covered in the interviews included:

- The effectiveness of the Centre;

- The relationship between the Centre and other government departments; and
- Specific views towards HMT and the Cabinet Office.

Note on interpretation of qualitative data

Unlike quantitative surveys, qualitative research is not designed to provide statistically reliable data on what participants as a whole are thinking. It is illustrative rather than statistically reliable.

Qualitative research is intended to shed light on *why* people have particular views and *how* these views relate to the experiences of the participants concerned. One to one interviews enable respondents to participate in an informal and interactive discussion and to allow time for the complex issues to be addressed in some detail. It also enables researchers to test the strength of people's opinions. This approach, in other words, facilitates deeper insight into attitudes underlying the "top of the mind" responses to quantitative studies. It is important to bear in mind that we are dealing with *perceptions* rather than *facts*, although to participants these perceptions *are* facts.

Verbatim comments from the interviews have been included within this report. These should not be interpreted as defining the views of all participants but have been selected to provide an insight into a particular issue or topic.

Publication of the data

As HMT and the Cabinet Office have engaged Ipsos MORI to undertake an objective programme of work, it is important to protect their interests by ensuring that they are accurately reflected in any press release or publication of findings. As part of our standard terms and conditions of contract, the publication of the findings of these results is therefore subject to the advance approval of Ipsos MORI. Such approval would only be refused on the grounds of inaccuracy or misrepresentation.

Acknowledgements

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Executive Summary

Many areas of the Centre are perceived to be of high quality (for example the intellectual calibre of staff) or improving (for example, becoming more collaborative). However, there is still some way to go to achieve coherence and consistently strong performance. Indeed, few have a conception of a united “Centre”; nearly all talk about HM Treasury and the Cabinet Office separately. The importance of individual contact and behaviours is crucial to ensure that stakeholders feel the relationship is constructive; they appreciate the Centre’s role as a ‘critical friend’, but feel the next step is to show how it really adds value by taking a proactive, strategic role (for example, by acting as a ‘clearing house’ to resolve conflicting priorities).

Relationship between Centre and other departments

Stakeholders are broadly positive when considering the “Centre”, but do cite some areas which could be improved. For example, while stakeholders are generally satisfied with the level of contact they have with the Centre, there is a clear impression that this satisfaction fluctuates depending on the issue and could benefit from a more structured approach.

Nevertheless, most stakeholders are happy with their relationship with the Centre, describing it as ‘challenging’ and ‘cooperative’. They feel that a certain amount of questioning is necessary to achieve the best possible results, as it encourages them to justify and sharpen their reasoning, which benefits their work and policy development. The Centre can also provide a very useful ‘helicopter’ view of their department. However, this has to be carried out within a relationship of mutual respect to be effective.

There is a clear sense that many stakeholders see the relationship with the Centre as having improved over the last 12 to 18 months, becoming more collaborative and less prescriptive, although there is still scope to improve this. For example, the Centre could benefit from becoming more joined-up and being more sensitive in their demands of departments. General communication is described as ‘pithy’ and ‘accessible’ and ‘direct’.

Personal relationships are thought to be fundamental to a cohesive working relationship. While stakeholders are in general positive about the relationship they have with people within the Centre, there are some concerns about more junior staff. In particular, while stakeholders do not question the intellectual quality of the Centre’s junior staff, there is a feeling they lack wider experience and sometimes lack appreciation for the expertise in delivery that has been built up in other departments.

Partly because of this concern, some stakeholders question whether they can rely on everyone at the Centre fully understanding their department. This anxiety is particularly prevalent among delivery departments who do not feel that their expertise is always utilised to the full.

Effectiveness of the Centre

Most stakeholders think that there is a clear distinction in roles between the Treasury and Cabinet Office, but feel that sometimes the Cabinet Office and HM Treasury can be too distinct; that the Centre does not always present a united front in guiding them and that messages can sometimes be conflicting. Each department could also be better joined up internally.

Stakeholders feel that the role of the Treasury is more clearly defined than that of the Cabinet Office. Similarly, the Treasury is thought to have more direct impact on policies (sometimes enabling, other times blocking), primarily because of their control of money. The Cabinet Office's role as a co-ordinator makes it, in the views of some, more 'fuzzy'.

Among stakeholders there is a desire for a clearer delineation of responsibility between departments and the Centre. While stakeholders want to be guided and supported by the Centre, they are wary of it being too involved in issues that should be the prerogative of the department and do not want the Centre to resort to micro-management. This is a particular worry with relationships with the Treasury, with again concerns about relatively inexperienced (although very clever) staff dealing with much more experienced civil servants in delivery departments.

One of the Centre's successes in recent years is the role it plays in generating more cross-departmental working. Cross-cutting PSAs have been successful in encouraging greater collaboration among departments and this is an area which the Centre should continue to develop. However, some voice the concern that PSAs may just add another level of bureaucracy, and others say that there is still work to ensure that the right levers are in place to incentivise departments to prioritise cross-cutting PSAs.

Currently, the majority of cross-departmental work is carried out on an ad-hoc, project by project basis with no apparent structure, and some inter-departmental competitiveness remains. Because of this, most stakeholders think that the Centre could develop its 'clearing house role' when priorities clash. They want the Centre to build up a cross-departmental view on the pros and cons of each argument before making a final decision, thus eliminating inter-departmental competition or decisions by diktat. It needs to do more to resolve clashes, and take a longer term, strategic view of priorities, instead of just being very effective at reacting to crises.

Linked to this, stakeholders say that they do not always have a clear understanding of the Government's main priorities. Although PSAs are supported, stakeholders feel that there is still scope for conflict between the 30. They want unambiguous communication on what the Government's top priorities are. However, this is seen as more a failure of the system as a whole to identify and arbitrate between different priorities in the first place rather than the fault of the Centre to communicate them.

Leadership and communication on corporate issues is another area that has improved recently according to stakeholders, and this often attributed to the efforts of the Cabinet Secretary. Through Capability Reviews in particular the Centre has helped improve civil service capability. Stakeholders say that these have brought a real focus to the issue and have stimulated a lot of change.

Perceptions of the Treasury

Overall, stakeholders' views of the Treasury are positive. Stakeholders commend the department on its strong analytical skills and sense of intellectual rigour. The Treasury is considered to play a vital role in ensuring departments deliver value. However, some feel that the Treasury can, on occasion, resort to micro-management which can diminish the effectiveness of the relationship they have with departments.

Similarly, although there has been a significant improvement in recent times, some think that the Treasury can be aloof and arrogant in its dealings with other departments. This is again often seen as a result of the lack of wider experience and understanding of other departments, particularly among more junior staff.

Perceptions of the Cabinet Office

The Cabinet Office is well-regarded, and sympathetically, by stakeholders. They think the department plays an important role as the Government secretariat, and praise its co-ordination skills in particular. It is thought to be flexible, adaptable and quick to respond.

However, its very strength can also be its weakness. In increasing cross-departmental working and searching for consensus, argue some, the Cabinet Office can sometimes 'dilute' good ideas. Furthermore, some of its strengths (speed to respond etc) are more characteristic of a reactive approach, rather than taking a proactive lead.

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1. Relationship between the Centre and Other Government Departments

Relationships between the Centre and other government departments vary across departments, with many very positive about their relationships and others pointing to areas for improvement. It is important to note throughout this that very few stakeholders talk about “the Centre” as a unified whole – most see the Treasury and Cabinet Office as very distinct. This is explored more in the next chapter.

1.1 Level of contact

The level of engagement stakeholders enjoy with the Centre varies depending on which department they work for, as do levels of satisfaction. Some say that they have regular, high level contact with the Centre. Indeed, some say that they are in contact several times a day while others say it is limited to a few times a month.

Similarly, the amount and regularity of contact fluctuates depending on what the department is working on. If a department is working on a White Paper, for example, they would expect to be in much more regular contact with the Centre than is normally the case, particularly the Prime Minister’s Strategy Unit. This contact will be at its most frequent in the formative stages of policy development.

‘[I have] a lot of contact with the Treasury and my role and my directorate’s role is focussed very much on Treasury negotiation, Treasury relationship activities. I don’t have quite so much with the Cabinet Office, but that is more, it’s more cyclical I suppose with the Cabinet Office, so for example, when we’re dealing with Green Papers, White Papers obviously the amount of activity that we have with them is increased’.

‘Well with PMSU [Prime Minister’s Strategy Unit] it’s very much working on a particular project, working on a particular publication. For example I led the team which delivered a White Paper earlier in the year and there, particularly at the formative stages, we had a lot of bouncing of ideas off PMSU. And it was very productive actually, I think it really helped us both in terms of testing the ideas and also in terms of setting up a cross departmental network which we could then build on together to get a coalition of support...so that worked well I think’.

1.2 Relationship with the Centre

Respondents generally feel that they have a good, professional relationship with the Centre. The relationship is variously described as ‘challenging’, becoming more ‘cooperative’ and ‘productive’. Many feel their good relationship has been a work in progress, though sometimes more down to work by departments to make the relationship mutually effective.

‘The relationships between the departments are very good because I think we deliberately set out to make it like that...So we’ve gone out of our way to foster a positive relationship where you share and you collaborate as much as you can.’

Others also describe their departments’ relationships with the Centre as ‘occasionally argumentative’ but it is felt that a certain level of challenge is needed for the relationship to work. This ‘edge’ is necessary to achieve positive results. When the Centre challenges departments’ viewpoints, it encourages departments to justify and sharpen their reasoning. In the opposite direction, departments ‘push back’ at the Centre to query demands, which in turn can ensure departments understand the Centre’s logic. This kind of ‘sparky’ relationship can promote understanding of the other’s point of view, though clearly it depends on mutual respect, self-confidence on both sides, and a shared desire to reach a solution. It is where these elements are missing that this ‘challenging’ role can move from being constructive to a problem.

‘I would say that we have a very good relationship; we’re able to be open and attempt to persuade the centre of our views, but rightly they are very challenging of our analysis and of the basic tenets of our propositions.’

‘Sometimes relationships are more strained than others, but to be honest, I think at times relationships should be slightly strained because you need that degree of challenge within the system.’

‘In the main [our relationship is] productive but that would not be to rule out that it is on occasion both quite sparky and occasionally argumentative.’

Additionally, many note that their relationship with the Centre has improved. They feel the Centre is now more open, collaborative and supportive than it was ten years ago, with less secrecy clouding relationships. This is especially noted in relation to the Treasury, where a reputation for secrecy and arrogance is receding.

‘I think the Treasury has attempted to become more collaborative because it was very, very strongly a department

which told everyone else what to do. It's definitely moved into more of a space of, we are thinking about subject X; what are you thinking about subject X?

However, others are less positive. Some, especially those from smaller departments, feel that they need more support from the Centre. For them, the Centre could provide more advice and examples of best practice.

'At the moment we're trying to transform our corporate services, I think to have a source of expertise to turn to that can provide some relevant support and experience, would be invaluable. And that is a bit hit and miss at the moment.'

While many see their relationship with the Centre as more transparent than before, others feel more could be done to improve this. One civil servant notes there are still cases where departments are working on an issue only to find out belatedly the Centre has also been working on the same issue, which can have detrimental effects to working relationships. Furthermore, one mentions that relationships can sour over the perception that the Centre does not have in depth knowledge of the issue, or perceived presumption from the Centre that departments cannot effectively carry out their operations.

Additionally, civil servants feel the Centre could be more joined up and sensitive in its demands from departments. These demands currently can cause friction in relationships. These stakeholders perceive that the Centre often requires more from departments than they used to, without the recognition that many departments are operating with fewer staff and less money.

'It tries to be supportive...it handles [its demands] in a well-intentioned way but probably not enough sensitivity to the huge pressure on departments.'

However stakeholders describe their relationship with the Centre, many note that their relationship is predominantly characterised by personal relations – and as one stakeholder mentions, these can vary enormously. Many cite good examples of personal relationships, however, even when they define their overall relationship as less open than they would like.

'The people make the relationship rather than the organisation.'

The importance of personal relations also proves a challenge. Some note that dependence on one person can create problems when that person moves on, and this can be especially difficult for those who perceive high turnover of staff in the Centre.

'You just think you've made a relationship with somebody and they've left.'

'I think the perpetual challenge over there is the turnover of staff. And they need to hang onto people for longer, to make sure that people really understand what this [department] does.'

1.3 Understanding departments

As noted above, personal relationships between the Centre and departments are fundamental, and perceptions of the Centre's staff create impressions that affect relationships. As with relationships with the Centre in general, many note that personal relations have improved over the last few years. However, there is a strong sense that the Centre does not always understand the intricacies and individuality of departments, especially over delivery. This is most often mentioned in reference to more junior staff who do not have a wide experience with departments, and appears to be a particular problem for the Treasury.

Stakeholders do not question the intellectual ability of Treasury and Cabinet Office staff; indeed, their intelligence is highlighted as a strength of the Centre. Instead, this concern has two components: firstly, concern about young staff who, while bright, do not have as much wider experience as they would like; and secondly, staff generally who do not have operational or 'wider-world' experience (though this concern is less common). For instance, some note that many in the Treasury will have not had experience of an economic downturn, such as that currently being experienced, thus perhaps making a challenging situation more so. Additionally, stakeholders perceive that staff work solely in the Centre for too long without gaining experience of other departments, and point to better utilisation of secondments as a way to gain familiarity with the workings of other departments. In a few cases, this lack of experience can come across as arrogance, or a lack of respect for the expertise of those in other government departments.

'There are a lot of very bright, young people in the Treasury, who, this is not a catty comment, who've not had a lot of experience.'

'I think there are some real issues in Treasury about calibre of junior staff... You have to go to quite a senior level to be able to have an informed conversation.'

'I don't think it's so much that they're young. It's that they don't leave the Treasury.'

'The rest of the Cabinet Office still has this massive and variable quality and in some of the units just don't have people who understand anything about what the other perspective is.'

A second concern voiced by a few is that staff more generally, while highly capable, do not have experience outside Whitehall or in a frontline, delivery service. One stakeholder notes that while they have in-depth knowledge of various reports on a service, they will not have experience of actually delivering this public service.

'I think the Treasury is short on good people with practical experience of delivering things.'

'But [the Treasury] do need to send people out into other departments to learn how the real world works and then come back.'

'I'd like them to be able to understand the delivery business slightly better. There is still a perception, certainly within the department, maybe within the Treasury as well, that they can come up with an answer around perhaps how much money the department needs through doing some clever desk exercise without considering the political and/or delivery consequences of action, so it becomes a bit of a numbers exercise.'

Delivery departments in particular are less certain that the Centre understands them. They perceive that staff often have not worked in other departments, and especially do not have experience of delivery. Some feel that department's expertise is not listened to, despite having more intimate knowledge of the delivery in their area than the Centre. Particularly, these departments feel that their operational knowledge is not always utilised or listened to. One stakeholder notes that sometimes the Centre seems to have a 'slightly outdated' notion of a delivery departments, although does go on to say this could be partly due to departments ineffectively communicating their issues.

1.4 Compact

The Compact is a one-page document, recently published between the Cabinet Office, HM Treasury Group and other government departments. It provides a set of principles designed to guide working relationships between the Centre and other departments.

Many civil servants admit they are not familiar with the Compact. Some have simply never heard of it. More common are those who remember the name but have vague recollections of what it contains.

'In terms of, do I know there's a Compact, yes. If you were to ask me to explain what the Compact is, I would struggle.'

Others are more familiar with it and most agree that the document expresses the right principles and behaviour values. However, many do not see the Compact as having much influence on Centre-departmental relationships, as there is no real incentive to do anything other than pay lip-service to the idea of co-operation. Despite believing in the principles of the document, these civil servants do not feel their departmental relationships have necessarily improved under it. One notes that it is the type of thing people comment as 'nice' but then forget about it until it is brought up again.

'It says the right things...maybe in so far as it reflects the intentions to people, but I'm not a great believer in documents, I'm more a believer in people.'

'I think this [the Compact] is good as long as it doesn't just remain a piece of paper, which gets forgotten,[and] as long as the principles are simple and clear enough for people to adhere to them.'

One stakeholder, however, did find the Compact useful in improving relations between their department and the Centre. While they did not find the document transformative, it had been helpful in smoothing relations by reminding participants of what principles their relationship should have as a foundation.

1.5 Communication

Stakeholders think that communication between the Centre and government departments in general, and on corporate capability issues in particular, has improved recently and this improvement has been driven by Sir Gus O'Donnell. One stakeholder notes that he has been effective in communicating what the Civil Service as a whole is doing. Although some say that not all corporate communication is relevant to them, there is an acceptance that it is not always possible for all communication to be relevant to everyone. Additionally, stakeholders acknowledge that individual communication among personal relationships is effective. Others describe communication as 'pithy and accessible', 'direct' or 'not terribly effective but not terribly ineffective'.

'I think that Gus has been really good at explaining what the Civil Service is about and doing it in ways which are pithy and accessible and what he's trying to do, it seems to me, is to make civil servants proud of what they do.'

However, some think that, although communication is good, more of it is needed. One stakeholder suggests the Cabinet Office create 'a quarterly engagement with the Permanent Secretary that covers the totality of the Cabinet Office's interaction and businesses within their department', as the Treasury already does.

2. Effectiveness of the Centre

2.1 Clarity of roles

A clear distribution of responsibilities is an important part of the effectiveness of an organisation. Most stakeholders agree that this is an area in which they have seen a marked improvement from the Centre in recent times. HM Treasury and the Cabinet Office are seen as having distinct roles that are becoming clearer.

If anything, these roles are seen as perhaps too distinct. Few senior civil servants talk of the 'Centre' and focus instead on the separate nature of the departments' roles.

However, there is still some confusion over the precise roles of the departments that constitute the Centre. This is particularly pronounced when considering the role of the Cabinet Office, with one stakeholder describing it as 'fuzzy'. The role of the Treasury is, in the views of many, clearer and more defined.

'I think the role of the Treasury has very largely been clear in the past, it's always been quite clear. And I think it remains reasonably clear to me about what the role of the Treasury is...I still think the role of the Cabinet Office is still a bit fuzzy or perhaps, even if they think they're clear it doesn't necessarily translate into what it is that they do'.

'The Treasury's role is very, very clear. It has different functions to perform but I think they're all pretty clear. I think the Cabinet Office role is less clear and again, it's always been less clear'.

Stakeholders do not see the Centre as a united, homogeneous whole. They ascribe this to the different nature of the two departments' roles. The Treasury, as the UK's economics and finance ministry, is responsible for formulating and implementing policy in this area as well as protecting public finances and promoting economic growth. Stakeholders understand this and acknowledge that the power that it wields and the impact it can have, due to its control of money, is palpable. Sometimes the method it uses to do this is criticised – rather than building up a consensus in favour or against a policy, it is sometimes perceived to take a decision almost by diktat.

'Treasury have incredible abilities to effectively veto things not by disagreeing with them and getting everyone to agree it shouldn't happen, but just by bluffing, and everybody knows that. So you can take something to Treasury and persuade them to do it and then it will happen or you can take something to Treasury and they will absolutely persuade everyone it shouldn't happen and it won't happen'.

In contrast, the Cabinet Office's stated aim is 'to make government work better'. To achieve this it supports the Prime Minister in defining and delivering government's objectives, supports the Cabinet in driving coherence across departments, and strengthens the Civil Service. This role confuses some who question how this co-ordination role fits with their role in policy formation.

'To me it's fairly obvious that the Treasury's role is about the economy and public expenditure as a simple headline slogan...Whereas the Cabinet Office is about supporting the collective decision making of government, whether on strategy and policy or on international and European issues, or on capability and civil service management type issues. And the latter role requires a collaborative and supportive way of working rather than the temptations of top down control, which tends to neuter the rest of Whitehall'.

'With the Treasury it's more common policy issues, with the Cabinet Office it's more of a coordination function where they are either coordinating an issue themselves, or where we are coordinating, but they have, they want to keep closely in touch, because of their knowledge of the Prime Minister's interest'.

'I think for the Cabinet Office there is a bit of a confusion about what their coordination role should be as opposed to what their driving policy role should be'.

A recurrent criticism is that the Cabinet Office and Treasury feel like two separate organisations and, although their roles overlap, this is not always in a particularly cohesive way – they do not always present an agreed position. Indeed, many stakeholders question whether there is such a thing as the Centre of government at all and say that the two departments could benefit by becoming more joined-up.

'How do they work together? Well I'm not really sure that I can see any significant difference in how they work together to be honest. It just still feels like two separate organisations that overlap, that duplicate on occasion, that pass things between them and it feels to me that one part's moved forward, i.e. the Treasury, and I'm really not convinced that they're necessarily working together as a corporate centre'.

Similarly, some stakeholders say that the Cabinet Office and Treasury themselves do not feel like joined-up departments in the sense that they consist of

autonomous individual units. For example, rather than dealing with the Cabinet Office, one respondent says they are more liable to converse with the Strategy Unit or that rather than deal with the Treasury they work with the Delivery Unit. It is felt that there is often a lack of communication between these individual units which can lead to confusion or conflicting advice. On occasion it falls to the departments to inform one part of the Centre what another part is doing.

'I would say that it doesn't feel very often that we interact with something that I would call the Cabinet Office, I think we interact with units more: the PMDU, Strategy Unit, Private Office, bits of Treasury. So from my perspective I think the approach I described will sometimes involve saying to bits of the centre, do you know we're doing something else with another bit of the centre, would you two like to talk about how these two things fit together? We try to ensure that they are sited on their cumulative interactions with us and build on those rather than that they're too much bilateral.'

'I don't even see the Treasury as one, let alone the Treasury and the Cabinet Office. I don't see the two joined up.'

This lack of cohesion within the departments that make up the Centre can sometimes make them difficult for departments to deal with. One stakeholder gives the example of the economic and spending sides of the Treasury not always acting in unison and suggests that becoming more joined-up is something they should focus on.

'The Treasury occasionally need to have both sides of their own head engaged when they talk to us. You get one half of Treasury interested in the wider economic issues and the other half negotiating with you on your spending and it sometimes feels to us like those two halves of Treasury have different views on our business so we also think they can and should challenge themselves to act in a single joined up way.'

However, not everyone who says that they do not see a 'Centre' feels that this is a problem or something that prevents their department from working effectively. Stakeholders give the impression that they would prefer a more 'joined up' Centre, but are not particularly worried about it. Indeed, virtually all stress the level of improvement that has been made.

'I don't think confusion of roles has been an issue, in the last year or so. I think they've got a lot better at that.'

2.2 Department/Centre leading

Senior civil servants say there is less coherence over what issues the Centre or other government departments should take the lead on, especially in terms of developing strategy. Developing a clearer framework of responsibility is potentially an area for the Centre to focus on.

'I think that there are still issues that they need to resolve about who is responsible for what. And where there are clear areas that they've both got an interest in, who will lead, who will support, or how will they rationalise that only one organisation will lead?'

However, there is a difficult balance for the Centre to strike. Despite a general sense of improvement, there are nuances of opinion among stakeholders. While some feel the Centre can still be too prescriptive on occasion, others feel that (the Cabinet Office especially) could be more assertive at times, particularly on corporate issues where there is clear evidence of best practice to be followed. Because of this, many stress the importance of attaining a balance, especially between the sharing of good practice and telling departments what to do. Some think that the Treasury, in particular, often resorts to micro-management which is not always necessary. While departments want to be guided and supported by the Centre, they feel that nuanced policy work should be the domain of the department.

'We went from a very laissez faire approach from Treasury, which was probably too relaxed and too laissez faire to something which is too stringent and it impinges upon the decision making of my Secretary of State in that respect, so lurching from one to the other is difficult and feels strange.'

'The centre shouldn't be diving in and rewriting a department's strategy for it if it isn't raising wider cost cutting issues, if you see what I mean. Why do Number 10 know how to write a strategy better than the Department?'

However, some acknowledge that tension between the Centre and individual departments is inevitable and there will always be frustrations, on both sides; that the Centre will feel that those in departments do not see the overall strategic picture, while those in departments will think that the Centre does not understand the nuance of a subject, particularly in terms of practical delivery of a policy. Therefore, as some civil servants acknowledge, it is inevitable that departments will advocate a bottom-up approach to working together, while the centre will prefer a top-down approach.

In order to achieve collaborative working and delineate a clear structure, the Centre should take the lead on wider government priorities but matters of delivery or business should fall within the remit of departments. One stakeholder goes further, saying that departments rather than the Cabinet Office should be given lead responsibility for some cross-governmental work because, through capability reviews, there is an increased shared understanding of the challenges facing the government among the permanent secretary community, meaning that individual departments may have more to add than the Cabinet Office alone. He call this a 'strength of opportunity' 'as yet unexploited'. By giving more lead responsibility to individual departments and playing more of a guiding role, departments are more likely to work in unison.

'[I think we should] invite individual departments where they've got recognised strength leading, to lead instead of the Cabinet Office. It [the government department] should be responsible for ensuring other departments are taking their role and their responsibilities seriously and we can work more effectively. The reason I'd say it is that the structures and accountabilities have taught me that you can put all of these [structures and accountabilities] in the world together and they still not work unless the behaviours that support them are actually consistent with what it is that we're trying to do. The permanent secretaries are beginning to work together effectively on the behaviours in support of common aims. And I think, therefore, some of the underpinning accountability structures could be strengthened by reflecting that'.

2.3 Communicating priorities

In October 2007 the government announced 30 cross-departmental Public Service Agreements (PSAs) for the period 2008-2011, which set out its top priorities in relation to the Comprehensive Spending Review (CSR).

This approach is mostly supported by senior civil servants who say that PSAs have been a positive influence on how their department functions in relation to other departments, giving more structure and clearer focus. However, there has been little or no communication on which PSAs are the most important. There is almost universal agreement among respondents that it is not clear what the government's priorities are.

However, this is widely ascribed to a failure in the system of government to identify its top priorities rather than a failure of the Centre to communicate them.

'We still have, is it 30 public service agreement targets? I'm not sure that any prioritisation has gone on to determine which of those must be delivered at all costs.'

'I think it's a bit hard actually to criticise the Treasury about not being clear about government priorities. I'm not sure most ministers could tell you what the government's priorities were.'

Indeed, even those who say that they know what their department's targets are say that they struggle to understand how they are prioritised. Although many think that corporate communication has improved, driven by Gus O'Donnell, the identification and communication of the government's top priorities is potentially a role for the Centre.

There is a sense that this is an understandable by-product of working in government; that differences of opinion are inevitable and something that senior civil servants are used to dealing with.

'[Communicating priorities] is a quite difficult thing because there are clearly differences of opinion between secretaries of states, chancellors, and prime ministers about political priorities... You live with the fact that it's very fuzzy and yet you have to just navigate it and you have tensions in that relationship, particularly because sometimes Number 10 and the Treasury disagree about where we're going and then we're left thinking well that's really quite interesting, we'll get our secretary of state to sort it out for us. I don't think I necessarily worry about that, it's not a big issue for me.'

While the Centre is weaker in communicating political priorities, senior civil servants say it is getting better on things it can control such as IT or HR. However, even within this realm there is a sense that communication could be a more collaborative process.

'I think organisationally, like IT, or HR, or anything that's with me, I think the two organisations are reasonably clear...it's not rolled together in a cohesive communication or engagement, it's done on a function by function basis but that's OK, I can live with that.'

2.4 Cross-departmental working/PSAs

Cross-cutting PSAs have been greeted positively by senior civil servants who support them in principle and say they are well-thought of within departments. Cross-cutting PSAs have had the desired impact of increasing cross-departmental working, although most say that the impetus and onus for cross-departmental working has to come from the departments themselves.

'Well I think the structure is there through the PSAs because you can't not work cross departmentally and deliver a PSA, that's not possible. So the structures are there. I don't feel there's any great byelaw for it and I think it's up to the departments to just get on and do it actually so and I think too the language of the centre, particularly under Gus, is very much that we're one Civil Service, we're one leadership group across the Civil Service, etc... I sense also I think there's a lot more cross departmental mobility than there was classically.'

There is a worry, however, that PSAs could become too artificial or static in a dynamic, ever-moving environment. Some also say that PSAs are an added layer of bureaucracy and can be more prescriptive than facilitative. More frequent reviews of PSAs – both how they are being met and how relevant they are - is potentially an area in which the Centre could focus. Another concern is that the levers and incentives still need to be developed to encourage departments to prioritise cross-cutting PSAs. For example, this may be the use of funding mechanisms, or giving more clout to those leading on cross-cutting PSAs.

'There's an element of pride, particularly if you've got a singly owned PSA, I suspect human nature being what it is, you're much more likely to be determined to achieve it than if you've got a shared PSA.... We don't really have a system which rewards people on some sort of equivalence of shareholder value in giving them brownie points.'

According to stakeholders most cross-government work focuses on 'lessons learned' and the dissemination of best practice gleaned from past experience. This is an area which has had a particular impact on senior civil servants. One senior civil servant, for example, offers the example of a Cabinet Office meeting – which discussed capability reviews two years on, identifying what has been successful and what still needs improvement – as a particularly positive example of how cross-department knowledge sharing can work.

'So they've got three departments to run those to say this is what we've learned, so it's very much about we've learnt and here are lessons learned and spread that best practice out. So I can think of several things like that where they do actually collaborate, there's the HR Leaders Council, there's the Chief Information Officers Council, there's the Finance Directors Working Group, there's the Commercial Delivery Board and so on, where people get together and they learn and they tackle issues... So I think on that basis it's pretty good.'

According to stakeholders, the majority of cross-departmental policy work is conducted on an ad-hoc, project by project basis rather than a continuous open dialogue between departments. There has been a concerted effort by the Centre to get departments working together on more on-going work across wider social and environmental policy areas such as climate change or child poverty, but this has been less effective because a certain level of inter-departmental competitiveness remains.

'The whole system has an element of competition in it. So it's a competitive system rather than a co-operative system... And I don't think some of that's gone away.'

Stakeholders feel that there is an important role for the Centre currently to play in co-ordinating and facilitating work between departments when priorities clash. Stakeholders mention that departments need guidance on what central thinking is and co-ordination between the departments in meeting it. When the Centre is performing well it builds up cross-departmental views on the pros and cons of each decision, ensuring a consensus or compromise view is reached rather than one department dominating discussions. At its best it brings in expertise and experience and lets it flourish. When the Centre performs less well it fails to provide this overarching role and this can create an 'information vacuum'. This 'clearing house' role is thought to be highly valuable and is something that the Centre could develop in the future.

'I think where it adds most value is where it helps to genuinely coordinate between three or four different departments when there is an issue that needs that, and also where it provides us with clear guidance on what central thinking is. By that I mean particularly what prime ministerial thinking is on a particular issue, so we are clear what is required and how we can best contribute to it. Where it's weakest is where it fails to do the latter so that we are left providing information in a vacuum, and that's where it actually detracts from what we can achieve.'

'I think it [the Centre] adds most value when it looks across government, spots key issues across a number of departments, or that in the big picture are not being gripped adequately by a department and then pushes them forward.'

'I think [the Centre adds most value] within the public service on big issues which cross departmental boundaries and are broadly widened first. And they can bring together experience and expertise to deal with an issue.'

For some the idea of the 'clearing house' role requires the Centre to take a more back seat position, letting the individual departments lead on policy development

while the Centre facilitates, shares its expertise and experience and arbitrates any disagreements.

'I think the Centre needs to focus on what are the government's priorities, not on simply duplicating the work of every single department across Whitehall. It needs to focus its performance management on those priorities, not on the performance of every single unit in Whitehall. And it needs to focus its inter-departmental discussions and its joining up activities on cracking the key priorities of government, rather than every single cross cutting issue that might just happen to take their fancy.'

'This department is becoming more ready to develop policy itself. I think it has found confidence in itself to be able to do that, I think that is quite a challenge for the Centre in many respects and if you look at where the big policy thinking is coming now, I see that as very much within our area as opposed to the Centre. And I think that the structure that exists within the department is far more capable of dealing with that; we have the experience of policy and we have our own policy analysts and I think that policy making should take place where the expertise rests. So if you were sitting in the Treasury you may see that as threat, or in the Cabinet Office as a threat, but actually I think that, depending on how you set the basic roles out between the Centre and the other government departments, you can actually create a better outcome in policy terms.'

'The default mode is to tell us as opposed to share with us and facilitate, and I think that's a particular Cabinet Office issue... they have got better at this but their role in facilitating and setting up learning is an area that I think they need to keep working on, is.'

Stakeholders cite the Cabinet Office in particular as driving for increased cross-departmental working. Senior civil servants say that the Cabinet Office can, and often does, play an important role in facilitating the policy development process where consensus is needed. Although some feel that this may not always lead to the best policy, they do feel that the working process is now more collaborative – something that is essential.

'The Cabinet Office can be absolutely fantastic at getting, particularly where policy is cross cutting, the key groups together and picking out a kernel of good policy. I think one of the problems with that sort of approach however, is that you always look to find a consensus across a group of policy makers and therefore you might not actually get the

best policy. You might get the policy that everyone's prepared to sign up to, but I think sometimes that consensual approach to policy making, which the Cabinet Office apply or implement, can lead to more radical, but potentially better options being dismissed'.

'If you have six different parties round a table discussing a piece of policy or different ideas around a piece of policy, if you're going to get them all to agree on it, there's going to be a compromise and sometimes compromise is not the ideal situation and one or two may not like, it might be better if one or two didn't like the outcome, but were still required to take it forward, it's just as simple as that really'.

2.5 Improve capability

There is a clear sense that civil service capability has improved, especially in the last 12 to 18 months. This period coincides with the employment of Capability Reviews. Indeed, stakeholders are mostly enthusiastic about the impact of Capability Reviews, saying they have brought real focus to the issue of improving civil service capability to meet delivery of objectives and act on long-term delivery areas, and commend the Centre – the Cabinet Office in particular – for their role in this. Many feel that they have stimulated a lot of change and development. However, the prevailing view appears to be that responsibility for improving capability is the role of departments primarily, with support from the Centre.

'I can say in terms of this department I've been here for about 18 months and I've felt it discernibly feel a much more successful organisation'.

'I think that the Cabinet Office has worked very hard at reviewing and looking at the best ways of improving capability of the senior Civil Service in particular and have particular schemes that help to do that, but ultimately I think they can only be directional and it's for departments to actually deal with those things themselves'.

However, others are slightly less enthusiastic, couching their praise with caveats. Some say that the Centre is good at supporting the top people but not the whole Civil Service.

'The Civil Service consists of half a million, I don't know, 400, 000 people. So apart from that small niche, I'm not, it's not obvious that the centre is really playing a big role in improving the capability of the Civil Service. It's

supporting its top, quite rightly, its fast stream type, tip top high potential people'.

Others say that Capability Reviews offer little differentiation between departments and this is something that needs to be addressed. The lack of sympathy from the Centre for individual departments' needs is a recurrent theme among stakeholders from those departments.

Because of this one potential area for focus for the Centre is corporate policies. A few senior civil servants express their frustration with the difficulty of implementing cross-departmental work due to things such as not having a joined up IT system or varying HR policies. The Centre could facilitate a stronger link between departments in this sense, thus increasing capability.

'I think that so many things that we do are cross departmental that we need to have a strong body there at the centre to link together all the things that are going on. I think also there's a strong case for having much more common what you might call corporate policies. I think it's absolutely infuriating when you move from department to department or you've merged departments and the IT won't transfer across or we've got different accounting systems, different pay systems, different pay bands for the same people, all that kind of stuff and I think there is actually a role for the centre to create a bit more convergence there so that it's easier to swap round bits of government from department to department'.

2.6 Performance management

Although departments lead in performance management against their own objectives, the Centre still has a role to play in working with departments to deliver policy priorities, capability and finance issues. When assessing the role the Centre as a whole plays in performance management stakeholders are positive but not overwhelmingly so.

'It's certainly a legitimate function of the centre to hold departments to account for their performance, in just the same way that it's the role of the senior management and the centre of departments to hold the various business units to account for their performance. And that's with the centre's responsibilities for setting out the overall strategic priorities of government and then measuring performance against them'.

'I think the centre is quite good at adding value in performance management'.

There is again though a perceived danger of the Centre micro-managing. However, stakeholders do offer some examples of good performance management such as the Gershon Efficiency Targets from the Office of Government Commerce (OGC) and reviews by the Prime Minister's Delivery Unit (PMDU).

Stakeholders say that Government departments like to be challenged, because having policy tested makes it stronger and more robust. The PMDU in particular is singled out for exemplifying this model of challenging and supporting performance management (although again there is clear variability in people's views, and some areas for improvement are discussed below).

The PMDU was established in 2001 to strengthen the capacity of departments and promote the effective delivery of Government's priorities for public services. It is based in the Treasury and, as such, reports jointly to the Prime Minister and the Chancellor. Stakeholders like the fact that its purpose is clear and unambiguous. Senior civil servants often characterise their relationship with the PMDU as 'difficult' but 'helpful', saying it is a 'critical friend'. However, the quality of the individual relationship is again key here to making this constructive – stakeholders want a 'critical friend' that works with them, not a relationship where they feel their views are not always listened to.

'They've got the difficult challenge of being challenging as well as being supportive and they get the balance just about right and that's probably down to the credit of the individuals concerned really on both sides of the equation, the PMDU and the senior colleagues and so on. They are rightly striving towards better outcomes in terms of public services and they're quite focussed on that, they're quite relentless in that and I think actually it's been, in general, a good helpful relationship and what they do does add some value. It's been very difficult but it adds some value.'

'I think that PMDU helped us prioritise, have helped us just inject more power into our performance management system, by being there, the critical friend, who is semi outside, is a very useful role to play, because you can certainly get lost in your own process.'

In particular, a number of stakeholders cite the quarterly reviews of PSA performance as a good way of monitoring, measuring and improving performance management (although some smaller departments feel that as they have fewer PSA targets, the Centre has less interest in them).

'Performance management comes from different things, government objectives and the PSA targets that government'

departments sign up to, I think there is considerable scrutiny mainly by Treasury rather than Cabinet Office and mainly through the Prime Minister's Delivery Unit in that respect where I think there's very effective monitoring of government's departments in that respect'.

'I think the effectively quarterly reviews that are held by PMDU of government departments to justify where they are in their delivery of their PSA performance targets with production of information which shows quite clearly trajectories, both achievements and projecting going forward and justifying those things are good performance management tools that get a degree of scrutiny and a degree of government departments not having to demonstrate where they are'.

Respondents feel that the Centre is most helpful and can be most usefully deployed in the future in providing a 'helicopter view' to assist departments. It can fulfil functions such as co-ordinating the joint work of departments and identifying best practice. If done sensitively and in conjunction with the departments, as the PMDU does at its best, this can be a real aid to departments in seeing the bigger picture and developing objectives.

However, positive views on the PMDU are not universal and it too has areas for improvement. A recurrent concern among stakeholders is that PMDU staff (as with other parts of the Centre), although highly intelligent, do not always have an in-depth knowledge of the issues they are dealing with. This can lead to an over-reliance on unrealistic, or static, targets in a dynamic, complex policy area, particularly where delivery is concerned.

'Where it [the Centre] becomes more intrusive is when, I suppose, the short reviews are held, through the Prime Minister's Delivery Unit by people who are intelligent and clever, but actually don't know the subject. How they are expected within a short three week, four week review to make a detailed assessment and recommendations on something which is not their expertise I find difficult...expecting civil servants with generalist skills to suddenly pick up knowledge of procurement, or check out where government departments have gone on their procurement programmes or something, is strange'.

'PMDU are still very immature in their approach; everything can be decided by targets that you either reach, or not. I think the next stage for the government is to go beyond that. I think that was an important progression in government development, where there was too much swimming around and not enough clarity, but we know

there are perverse effects from following targets, because you know if you push one bit of the system, it affects another bit, and that's what you're discovering more and more in cross programme working'.

'There is a confidence issue with the PMDU, when you've got everybody's under 30, and they haven't done it, and you're ending up then marking, not me, but people who have been doing it 30 years. You've got a real credibility issue sitting there'.

'All they're [the PMDU] doing is marking other people's homework or having bright ideas that dissipate in wider government. How could it be improved? Well I guess having less of the think-tank type stuff and more of the crunchy, make things happen type stuff. There is a tendency across government to just analyse and analyse and write papers instead of making things happen'.

'I think at the end of the day, setting high level targets is one thing, but actually understanding and driving out real serious performance is something that can only be done by departments and managers fairly lower down in the hierarchy than the high level staff'.

Therefore some argue that the Centre's true worth should be measured on the performance of the departments it interacts with. This demonstrates the desire among other government departments to feel that the Centre has a shared desire to make their policy work, not just on its ability to highlight areas of concern (comparable, for example, to what some frontline public services might say about their inspectorates or regulators).

'PMDU ought to be measured on the performance in organisations they interact with, not their cleverness in telling people what failures of performance are going to happen just before they do. It's a bit like saying a consultant will get paid on an increase in profit not on the hours that they spent with you'.

'I would genuinely like to feel that the Centre had a sense of the overall agenda and that the progression of that overall agenda mattered to them as much as it mattered to the individual delivery of the departments. If you look at the PSA Network which requires you to identify which other government departments also need to help you deliver I suspect many of us have written down Cabinet Office or

HMT in that list but how pro-actively the Centre is itself putting its shoulder to the wheel of delivery I think is probably more questionable. I would like to engage them more in a sense of responsibility for outcome delivery as opposed to observation of other's efforts in outcome delivery'.

One of the most important facets of performance management is seen to be setting up a framework agreed with the departments and ensuring that it is a collaborative process. One example of this is the Comprehensive Spending Review. At the same time, though, these frameworks need to be flexible enough to deal with changing circumstances and priorities, which is not always felt to be the case.

'We were all really quite clear when we all signed the Comprehensive Spending Review 2007. When we went through that process we were clear that what we were doing was signing up to a series of targets, and how we were going to deliver it, and how we were going to apply the moneys. The framework was there, that was clear about what it is that we were going to do and how we were going to try and achieve it. See, once you've got the framework in place then it's much easier to beat the performance management process because you come at it saying well you agreed what you were going to deliver strategically, your deeper and strategic objectives, you agreed your PSAs, you agreed a series of delivery plans, you agreed the value for money agreement, you've got a financial settlement, now we need to drive you to deliver all of that, so that's the performance management framework because you set it all out in advance. And it's the clarity of the framework and what it translates towards that I think it's been quite successful really'.

3. Perceptions of Treasury and Cabinet Office

3.1 Treasury

Overall, views on the Treasury are positive. The department is thought to have strong analytical skills, to bring a sense of intellectual rigour to what government departments do, and to have lots of ideas, drive, determination, and knowledge. Stakeholders are quick to acknowledge the intelligence and quality of Treasury staff. Many say the Treasury ensures that departments justify what they are seeking to do, adding ‘a degree of economic expertise’ that ensures there is economic value. Additionally, some praise how well it reacts in times of crisis.

‘It is a very impressive organisation that’s had a tough year and whether other organisations would have risen to the challenge that they’ve been through in quite the same way, I don’t know.’

‘I think they are an impressive organisation that absolutely understands what it’s about.’

‘I think the Treasury has very strong analytical skills. I think that it is very joined up in terms of prioritisation of government expenditure.’

However, some feel that Treasury staff can try to become experts on issues that are the prerogative of the department; this leads to a feeling that they sometimes stray into micro-management of the department’s business. Instead of utilising the expertise of departments, the Treasury can immerse themselves in an issue and then, from department’s perspective, take control of the issue.

‘I think focus on what they’re good at doing and leave and allow departments more flexibility in order to do what they’re good at doing.’

‘Sometimes they seek to become an expert and in those situations then it feels like they’re trying to do our job for us.’

Some say that the intelligence of Treasury staff can at times verge on arrogance and accuse the Treasury of being on occasion somewhat aloof and inflexible. There is, however, a clear sense that they have improved in this aspect, becoming

more accommodating and approachable. Many note that over the past few years the Treasury is less secretive and more open about its thinking.

'I think the Treasury itself has moved a long way from where it was in the early '90s, where it was basically pretty closed, inward looking, essentially told departments what to do. Whereas now, I think the Treasury is definitely open-minded; it's definitely outward-looking.'

A few stakeholders note that the Treasury tends to focus on issues in 'the here and now', without addressing future issues. While it is understood why this happens, some feel it does need to be more forward looking, addressing issues before they become significant problems in later years.

Finally, stakeholders have varying views on whether the Treasury has sufficient resources to carry out its role. Some perceive that it is understaffed; for instance, one stakeholder mentioned that they are worried about the resourcing for the Office of Government Commerce. Others, however, feel the Treasury is sufficiently resourced. Additionally, a few stakeholders mention that high staff turnover can be a problem.

3.2 Cabinet Office

The Cabinet Office is also generally well thought of by stakeholders, who are sympathetic towards its aims (while realising that these are difficult to achieve). The department's strengths are seen to mainly centre around co-ordination, with stakeholders saying it is good at pulling ideas together. They point to the ability to bring departments together to 'thrash out' differences and reach a compromise as one of the Cabinet Office's key strengths. The ability of the Cabinet Office to see across a number of departments and its knowledge of Government's priorities are further strengths that aid in its role as a facilitator. Additionally, stakeholders cite the Cabinet Office's flexibility and adaptability in responding quickly – and getting departments to respond quickly – as assets. Others praise its growing leadership in defining the future of the Civil Service. Some said that its greatest asset is that it is passionate and good at sharing.

'I think the Cabinet Office's great strength is actually pulling together ideas so that progress can be made.'

'I think where they're really useful is picking those areas which are genuinely cross departmental, where only they can knock heads and I think that's where they've particularly added value in the department.'

'The Cabinet Office's [strength] is about being both swift in responding, either responding to something that they're

asked to do and then for seeking to get that through the government department concerned to quickly respond.'

However, while many are positive, some identify this strength of pulling ideas together and finding a compromise as a weakness. For them, the compromise is often one that may make departments happy, but is not the best solution, strategically. As one stakeholder notes, it can 'dilute' good ideas, in an effort to make them palatable to everyone.

'There is sometimes a risk that in terms of the Cabinet Office's approach to cross departmental working and that rather consensual approach, that I think you can dilute some very good ideas down to something which is acceptable to all. I think sometimes maybe the Cabinet Office could be more radical in its own thinking in considering some of these ideas.'

The role of the Cabinet Office provokes more confusion than the Treasury. This is because its role is not as clearly defined as the Treasury's, at least in the mind of stakeholders. Many see the Cabinet Office as made up of disparate parts, and find it difficult to state what exactly its role is.

'The role of the Cabinet Office is still not really 100% clear enough for me.'

Cabinet Office staff are generally well thought of, but stakeholders do say there are some issues over staff retention, as many staff are seconded in. As noted previously, stakeholders can find high staff turnover an issue as they depend on cultivated personal relationships.

'It has the skills, it has some very bright people, departments tend to second good people into the Cabinet Office, then of course remembering that a lot of the people are seconded in rather than permanent staff, I think where it could do better is in how it manages those resources.'

As with the Treasury, stakeholders are mixed on the capability of the Cabinet Office to fulfil their role. Some feel that it is resourced well, others that it needs more support, and still others that it needs to manage its resources better.

Appendices
