The 21st Century Civil Service
Introduction

- This document provides the essential facts on the Civil Service today; outlining its changing size, composition, capability and performance.

- So what do we know about the 21st Century Civil Service?
  - Today there are 487,000 Civil Servants; the lowest number for almost a decade;
  - The Civil Service makes up less than 2% of UK employment and around 9% of public sector employment;
  - We continue to improve our efficiency; delivering £26.5 billion of annual efficiency gains;
  - Civil Servants do a huge variety of jobs; from coastguards to vets, and from lawyers to meteorologists;
  - Almost three-quarters of Civil Servants work outside of London and the South East; seven out of ten work in operational delivery roles; and the majority (60%) of full-time permanent Civil Servants earn less than £25,000; and,
  - The Civil Service is becoming increasingly diverse; for example, the proportion of women in the Senior Civil Service has almost doubled over the last decade.

- The Civil Service today is meeting the challenge to become more efficient, continuing to be the force behind improving public services and building on the progress it has made in terms of diversity.
Contents

1. Civil Service size, efficiency and productivity
2. Civil Service Composition
3. Civil Service Pay
4. Civil Service Capability
5. Civil Service Performance
The chart illustrates that the Civil Service share of total employment has been declining over the period as a whole due to a combination of falling civil service numbers and increases in total employment.

The Civil Service share of public sector employment has fallen by 1.6 percentage points since 1993, revealing that the size of the Civil Service decreased faster than public sector employment, which also fell over the same period.

Sources: ONS, Public Sector Employment Statistics (Headcount) and ONS Labour Market Statistics
This chart illustrates how Civil Service employment levels have evolved since 1902.

Numbers reached a peak in 1944. Since then there has been a long term downward trend.

There are currently 487,000 Civil Servants.

--- The lowest recorded post WWII number (477,000)
- Non-seasonally adjusted series
- Seasonally adjusted series

1944 - highest ever number - 1.16m
1945 - the number stood at 1.1m
1977 - highest number in last 30 years - 746,000
1997 position showed 495,000

End of WW1 - 218,000
1939 - start of WWII - 347,000
Q1 1999 - the lowest recorded post WWII number - 477,000

The latest number is the lowest since Q4 1999 - 486,000

Sources:
1999 to date - ONS - Quarterly Public Sector Employment Statistics (QPSES)
1991 to 1998 - ONS Public Sector Employment Statistics (PSES)
1902 to 1990 - Mandate and Departmental returns (Civil Service Statistics)

1 Methodological improvements, re-classifications and machinery of government changes mean that caution should be exercised when making comparisons over time
Recent reductions in overall numbers of Civil Servants have followed the implementation of recommendations from the Gershon Review...

**SR04 ‘Gershon’ Efficiency**

**HMT Gershon savings**

<table>
<thead>
<tr>
<th>Efficiency Gains</th>
<th>Workforce reductions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target</strong></td>
<td><strong>Net</strong></td>
</tr>
<tr>
<td>£21.5bn</td>
<td>70,600</td>
</tr>
<tr>
<td><strong>Outcome (Nov 08)</strong></td>
<td><strong>86,700</strong></td>
</tr>
</tbody>
</table>

**Pre-Budget Report 08: Value for Money (VfM)**
CSR 07 agreed a VfM programme delivering £30bn worth of savings. PBR 08 announced that departments were making good progress towards this target. Additional VfM savings are identified through work of the Operational Efficiency Program (OEP) and through a set of Public Value Programme (PVP) reforms. PBR 08 announced scope for an additional £5bn VfM target for 2010-11.

**Savings Examples:**

**Education:** £4,460m; improving the ability of schools and local authorities to effectively manage finances, and application of new financial management standards.

**Health:** £7,057m; renegotiating the price of branded medicines, reducing reimbursement prices of generic drugs and better management of patient admissions has reduced the average length of hospital stay, releasing over £700 million per year and freeing up nearly 2 million bed days to treat more patients more quickly.

**Work and Pensions:** £1,446m; For example 98 per cent of benefits are now paid directly into customer’s bank or building-society accounts.

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1. Gross reduction is the total reduction in posts as a result in efficiency gains (rounded to nearest 100). The net reduction is the gross reduction excluding re-allocations to front-line roles in the Civil Service.
...and emerging research suggests that productivity has increased over the period...

Measuring productivity in the Civil Service is difficult. However, a number of studies by DWP, ONS and LSE have begun to address this issue directly. The charts below illustrate the research from DWP which showed that reductions in headcount over the SR04 period were associated with increases in productivity.

**Figure 1: Department for Work and Pensions’ staff productivity**

Staff productivity between 2004/05 and 2006/07 increased by 8% and it is estimated that once the efficiency headcount reductions are fully delivered staff productivity will have increased by around 17%.

**Figure 2: Department for Work and Pensions’ total factor productivity**

Between 2004/05 and 2006/07, the Department's overall productivity increased by around 6%. A further productivity increase is expected in 2007/08 to take productivity gains over the 2004 spending review period to around 11%.

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The composition of the Civil Service continues to change…

**Age in the Civil Service 1997 and 2008**

The median age of Civil Servants increased from 38 to 44 between 1997 and 2008.

**Grade composition of the Civil Service 1997-2008**

Flexible working patterns are increasingly common in the Civil Service, with for example, an increase in the number of Civil Servants working part-time.

The changing grade composition is a reflection of the significant reform that the Civil Service has been undertaking to focus on improved service delivery and value for money for taxpayers; which requires increased senior leadership capacity, and increased use of technology.

**The proportion of Civil Servants who work part-time 1997-2008**

Sources: Civil Service Statistics April 2008, ONS; Public Sector Employment Statistics Q3 2008, ONS
...becoming increasingly diverse...

The representation of women has been increasing year on year, and women have accounted for more than half of Civil Servants since 2001.

The percentage of ethnic minority Civil Servants has increased by almost half since 1997.

Since 2001, the percentage of disabled people in the Civil Service has more than doubled.

Sources: Public Sector Employment Statistics Q3 2008, ONS; Civil Service Statistics April 2008, ONS
N.B. 2008 disability figure is as a percentage of all those with a known disability status. Before 2007 it is a percentage of all staff.
...with representation generally comparable to other sectors...

The representation of women in the Civil Service compares favourably to the private sector and the economically active population.

There are cultural barriers to declaring disability that we must overcome as an urgent priority: Civil Service staffing figures (31 March 2008) show that 6.6% of staff have a disability or long-standing illness, yet data from the Civil Service Diversity Survey suggests that around 15% of staff have a disability.

Sources: Civil Service Statistics April 2008 ONS, Labour Force Survey Q3 2008 ONS
SCS Database April 2008, Cabinet Office
Whilst there is still more to be done to increase representation at senior levels…

Women by Responsibility Level

The proportion of women, ethnic minority and disabled people in the Civil Service, generally decreases as grade increases.

Disabled people by responsibility level

Sources: Civil Service Statistics April 2008, ONS; SCS Database, Cabinet Office, April 2008

*Provisional
…there are areas of progress; for example, the proportion of women in the Senior Civil Service has almost doubled in the last decade…

The proportion of women at senior grades in the civil service has grown steadily over the last decade and women now represent a third of the Senior Civil Service.

Women in the Senior Civil Service 1996-2008

Women Leaders across various sectors

Compared to other sectors, women in the SCS are well represented overall and also at the more senior grades.

Sources: Sex and Power: who runs Britain 2008, EOC e.g. GMC, Law Society; The Female FTSE Index; and House of Commons weekly information bulletin July 2008

*Provisional
...and there has been a significant increase in the number of ethnic minority and disabled candidates appointed to the Fast Stream...

There has been an upward trend in both the number and proportion of disabled and ethnic minority candidates appointed to the Fast Stream over recent years.

45% of those recommended for appointment in 2007 were women.

Sources: Fast Stream Recruitment Report 2007, Cabinet Office
More than two-thirds of Civil Servants work in an Operational Delivery role…

Civil Service Statistics show that seven out of ten Civil Servants (where profession is known) work in an ‘Operational Delivery’ post. Operational Delivery relates to posts delivering front-line services to the public. For example: contact centre staff and personal advisers.

The professions covered within ‘Other’ include economists, engineers, procurement experts, vets, scientists, communications professionals, psychologists and numerous others.

Source: Civil Service Statistics 2008, ONS
Note: Approximately 80% of Civil Servants have a known profession recorded; the remaining 20% are unknown
...and almost three quarters of Civil Servants work outside of London and the South East...

Where Civil Servants work

<table>
<thead>
<tr>
<th>Year</th>
<th>London and the South East</th>
<th>Rest of England</th>
<th>Wales</th>
<th>Scotland</th>
<th>Other departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>37.6%</td>
<td>44.2%</td>
<td>5.4%</td>
<td>10.4%</td>
<td>27.6%</td>
</tr>
<tr>
<td>1997</td>
<td>31.3%</td>
<td>50.2%</td>
<td>5.6%</td>
<td>9.6%</td>
<td>21.8%</td>
</tr>
<tr>
<td>2008</td>
<td>26.9%</td>
<td>53.6%</td>
<td>6.8%</td>
<td>9.4%</td>
<td>17.1%</td>
</tr>
</tbody>
</table>

The last 20 years have seen a reduction in the proportion of Civil Servants located in London and the South East.

Almost three-quarters of permanent Civil Servants work at one of the four largest departments.

Sources: Public Sector Employment Statistics Q3 2008, ONS (FTE) and Civil Service Statistics April 2008, ONS (FTE)
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In line with the rest of the UK labour market the pay distribution in the Civil Service is skewed to lower levels...

Full time median earnings (excluding overtime) in the Civil Service are £22,520. This is broadly in line with the private sector and is below the full time median earnings in the public sector. However, it is necessary to be cautious making these comparisons given differences in the structure of employment across sectors.

When comparing like-for-like jobs, at the more junior levels of the Civil Service earnings are broadly equivalent with those in the wider economy. At more senior levels, the private sector pays significantly more.

In 2007-8 the average pension in payment to retired Civil Servants was £6,500 per year, and to surviving spouse, partners or dependents around £2,900 per year.

The Civil Service has moved towards a culture in which pay rewards performance.

The average non-consolidated performance payment for Civil Servants in 2007-08 was approximately £600.

Sources: Civil Service Statistics 2008, ONS; Cabinet Office: Civil Superannuation Resource Accounts 2007-8;

1Of those receiving a non-consolidated performance payment;

2Hay benchmarking, commissioned by the Cabinet Office.
...while Civil Service average earnings growth has lagged behind other sectors...

Average Earnings (excluding bonuses) 1997-2008

In the early part of this decade resources were targeted to front-line services in the public sector; in particular targeting pay increases to those working in health and education. Over this period Civil Service pay lagged behind the rest of the UK labour market for a number of reasons such as changes in workforce composition and increasing cost control.

Sources: Civil Service (ACSES, ONS); Other Sectors (AEI, ONS); and AEI 2008 figures for whole economy

1Private Sector and Public Sector are estimates (not official) as Q4 2008 not available. Calculated as an average of Q1 to Q3 2008 data. Civil Service series are medians. Other data are mean averages
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The purpose of departmental Capability Reviews is to publish an honest and robust assessment of future capabilities to identify the specific measures that are needed if central government departments are to play their part in enabling the UK to meet the considerable challenges of the future.

**Aim**

- Bring about a step change in the capability of departments for future delivery.
- Improve the capability of the Civil Service to be ready for the challenges of tomorrow as well as to meet today’s delivery challenges.
- Assure Ministers that departments’ Civil Service leadership is suitably equipped to develop and execute Ministerial strategies.
The 17 initial Capability Reviews emphasised the areas in which Departments urgently needed to build capability as well as highlighting areas of best practice...

On this basis, the priority improvement areas were:

- Clarity of business model, responsibilities & accountabilities across the delivery chain
- Performance management and capability building of individuals and teams
- Robustness of delivery plans and alignment with strategy
- Working as a team and across boundaries to deliver

Source: Capability Reviews Team, Cabinet Office
Re-review scores provide an assessment of progress in departmental capability. The first two tranches of re-reviews showed marked improvements for all six departments...

| Source: Capability Reviews Team, Cabinet Office |

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DfES/DCSF</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>DWP</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Home Office</strong></td>
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<tr>
<td><strong>DTI/BERR</strong></td>
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<td><strong>Cabinet Office</strong></td>
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<td><strong>CLG</strong></td>
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</table>

**Efficiency & Productivity**
- Composition
- Pay
- Capability
- Performance
…while external evaluation suggests that the Reviews have had a significant impact…

“few previous attempts to reform the civil service… none where the leadership came so clearly from the civil service… have had such a good start”

“the programme has given departments a jolt and forced the issue of improvement up the agenda.”

“but this is just the beginning… the gains made so far could slip away without attention to the follow-through.”

“Capability Reviews are beginning to provide evidence of improvement in capability.”

“Action to tackle weaknesses in capability is now a prominent feature of board business.”

…but “departments cannot yet show any clear impact on outcomes as a result of their responses to Capability Reviews”

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Civil Servants are proud of their work; with a clear ‘public sector ethos’ amongst employees…

One of the top five factors that attracted current Fast Streamers to their role was the desire for a job benefiting wider society – this was an important factor to 90% of them…

How important were each of the following factors in attracting you to apply for the Fast Stream?

<table>
<thead>
<tr>
<th>Factor</th>
<th>% Very/fairly important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity to use initiative</td>
<td>95%</td>
</tr>
<tr>
<td>Variety of work</td>
<td>95%</td>
</tr>
<tr>
<td>Promotion opportunities / good career prospects</td>
<td>94%</td>
</tr>
<tr>
<td>Training and development opportunities</td>
<td>92%</td>
</tr>
<tr>
<td>Job benefiting wider society</td>
<td>90%</td>
</tr>
</tbody>
</table>

…with findings in the 24th British Social Attitudes report also providing clear evidence of a strong public service ethos among public sector workers in the UK…

Key findings include:
- Public sector employees are twice as likely as those in the private sector to say that it is very important to them that ‘a job is useful to society’: 32% compared with 15%.
- They are also more likely to say that it is very important that a job allows them to help other people: 27% compared with 18%.
- Two-thirds of public sector workers aged under 35 believe strongly that their job is useful to society – over four times the rate found among their age group in the private sector.
- The authors conclude that “the public service ethos seems to have increased over the last decade, despite changes in management and procedures.”

Source: Fast Stream Survey 2008 (Base = 942 employees); 24th British Social Attitudes report (John and Johnson, National Centre for Social Research, 2008)
...and trust in civil servants has almost doubled over the last two decades...

The chart illustrates how public trust in the Civil Service has changed since 1983 compared to changes in how the public trust a variety of other professions and types of people.

Just a quarter of the general public trusted Civil Servants to tell the truth in 1983; by 1997 this was around a third; and, by 2008 it had reached just under half.

Source: Ipsos MORI (surveying roughly 2,000 British adults)
…while UK government effectiveness continues to be ranked above the OECD average in the World Bank Worldwide Governance Indicators…

Government Effectiveness 1996-2007

- The chart and table illustrate that the UK ranks in the 93rd percentile for government effectiveness.
- The UK ranks five percentiles higher than the OECD average.

<table>
<thead>
<tr>
<th>Governance Indicator</th>
<th>Year</th>
<th>Percentile Rank (OECD)</th>
<th>Percentile Rank (UK)</th>
<th>Rank Difference (UK vs OECD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Effectiveness</td>
<td>2007</td>
<td>88.7</td>
<td>93.8</td>
<td>+5.1</td>
</tr>
<tr>
<td></td>
<td>1996</td>
<td>92.7</td>
<td>93.8</td>
<td>+1.1</td>
</tr>
</tbody>
</table>

- There are five other World Bank Governance Indicators: Voice and Accountability, Political Stability, Regulatory Quality, Rule of Law and Control of Corruption.
- The UK is ranked above the OECD average for four out of five of these other indicators.

Source: World Bank (Worldwide Governance Indicators)