You’ve heard from David Miliband about the policies the Government are implementing to make a reality of choice and personalisation. In this world we can discern three key components:

* the commitment to deliver to some high profile targets;
* greater choice and power for customers, and greater voice for employers;
* greater choice also for the State over who it enlists to deliver services on its behalf, variously known as make or buy, diversity of provision, contestability or simply the PM’s “what matters is what works”.

The implications for the civil service, and indeed the whole public sector of this new world, are profound:
* in the way departments see their role;
* the assumptions about a civil service career;
* the importance of leadership; and
* the skills we recruit and develop.
Let me examine each in turn.

**Departments**

Let me start with the implications for departments.

The world of public services that David Miliband has set out means a radical shift in the core purpose of the leadership of the civil service. Our core jobs used to be providing policy advice and managing Government business. We still do both of those, but we’ve added a new element in to the mix. We now see delivery as much more of a core function than we have done in the past. In some parts of the civil service this is a direct function – in DWP for instance, with Job Centre Plus, in the court service collecting taxes. In other areas, such as health, education and large parts of the criminal justice system we deliver through others in the public sector, or in the private or voluntary sectors.

Take a department like DfES. In the old days, it saw itself as a part of the education system. An important part but still a part. It was responsible for setting the policy framework and for funding but it left delivery to LEAs or the educational professionals.
Now DfES sees itself as the leader, the HQ, of the education service in this country, taking a direct responsibility for achieving certain specified goals. To play this more ambitious role it needs a wider range of skills and experience. Whereas a few years ago its top team would have been drawn almost exclusively from people recruited to and trained in the civil service. It now has people with direct experience of schools, FE, HE and the voluntary sector.

We can see this pattern also at DH where the roles of Perm Sec and Chief Exec have been merged, and a majority of the top team come from the NHS.

**The Civil Service career**

This new context for public services inevitably calls into question the historic assumption underlying the civil service career, ie one employer for life. We have responded by increasing very substantially our mid-career recruitment. This incidentally explains why, while retaining the highly attractive feature of a DB pension scheme, we intend to relate benefit to years all actually worked not just to the final salary, the result being much fairer between long stayers and new arrivals.

**Leadership**
The shift from civil servants as consiglieri to civil servants as deliverers; from provision using our own resources to a world of diverse provision and enhanced customer choice, generates both a greater need for leadership and greater opportunities to exercise it.

I would accept that we have been latecomers to the leadership agenda, though we are now catching up. We used to say ‘we don’t do leadership’. We produced 3 alibis for our absence from the leadership debate.

First, we shared our leadership with Ministers. We said ‘its difficult to lead when you don’t have control over the future direction (or even the direction for the coming week) of your organisation’.

Second, we are engaged in a collective endeavour with the wider public sector. We said ‘its difficult to lead when your outputs are collective ones’.

Third, we said, ‘its difficult to isolate our own leadership performance – how can we tell what difference our leadership would make when public service outcomes are the result of contributions from so many organisations?’.

We also looked at the models of the CEOs of big businesses – particularly American ones – and convinced ourselves that they
weren’t for us.

We have overturned this orthodoxy. We’ve swept away the belief that we aren’t leaders of public services. That is precisely what we are, and we won’t make much progress on delivering on the Government’s public service agenda if we don’t show some pretty clear leadership.

Any although it may not be appropriate for the Permanent Secretary of a Whitehall department to behave like Donald Trump, still less Bernie Ebbers or Kenneth Lay, the job is much more akin to being a CEO than it has been in the past.

Like a CEO, a leader in the public sector has three broad tasks:

- To make sure the organisation is running effectively and efficiently;
- To develop its capacity to operate effectively and efficiently in the future;
- To define its culture and to maintain its reputation and values.

Once we accepted that leadership was a real concern for the civil service, and that all the tasks above were important, we sat down to work out what that meant for the people we want as leaders.

We started by looking at the traditional characteristics we wanted to
keep – integrity, impartiality, intellect, dedication, responsiveness to events and effective management of Government business.

We looked at what we wanted to drop – risk aversion, over reliance on outdated processes and written outputs, an excessively departmentally based focus and an overly hierarchical approach

And we added in to this emerging profile of a leader the skills we wanted in the modern civil service – innovation, customer orientation, knowledge based strategy making, rigorous prioritisation, effective performance management, output focus and risk management.

The leadership profile we developed was for visible leaders who inspire trust, taking personal responsibility for delivering results, working in teams, and across traditional boundaries, focussed on strategic outcomes, matching resources to business priorities, honest, courageous and realistic with staff and Ministers.

It is inevitable that senior civil servants will need to become more visible, to our staff, to our delivery partners, to our customers, and indeed to our critics. In a world in which our delivery agents are less and less under our direct control we need increasingly to develop people can get things done, not by dictat, but by influence and force of personality.
We have put in place a number of initiatives to develop leaders with these attributes. Part of our programme is about identifying and developing the leaders of the future through our new high potential development scheme. But we also recognise the need for better development and training at every level of the organisation.

Skills

To lead an organisation effectively, a leader also needs to make sure that the people within the organisation have the right skills for the strategic context it is in. And the leader needs to possess many of them him or herself.

Historically we have mapped the skills landscape into generalists and specialists. I am now trying to redraw that map into three broad families.

*Policy makers and those who manage government business,
*operational deliverers and
*those fulfilling corporate functions.

With all three enjoying parity of esteem; having access to our best talent; and being equally committed to professionalism. Professionalism isn’t just for those who identify themselves as professionals.
Part of this initiative requires us to upgrade a number of our traditional skills such as HR and finance. Too often these have been seen as the poor relations in Government in the past and we have not focussed on them as much as we should. We are starting to make good this deficit.

The advent of the choice and diversity of provision agendas means we need to make much faster progress in three new areas:

* Communications and marketing

* The cluster of skills around programme and project management and procurement

* Risk management.

**Communications**

Let me be clear that when we talk about communications and marketing we are talking about much more than giving people information. Communication and marketing need to be more sophisticated. Let me illustrate why.

If we are going to make a reality of customer choice, we have got to get better at understanding our markets, what people really want not
just trying to persuade them that our offer is wonderful.

Let’s use people who want to see a doctor as an example. Within that large group there are several sub-groups – those who want an ongoing relationship with a particular GP to manage a chronic condition, those who need a limited and predictable range of fairly basic medical provisions – eg vaccinations, those with minor injuries or conditions that can be dealt with through a lower level of medical knowledge; and those who need advice or reassurance. Once we’ve segmented the market in this way we can direct the first group to GPs, the second to specialist clinics, those with more straightforward conditions to nurse practitioners and those needing advice to NHS Direct.

**PPM etc**

That example also illustrates another dimension to the choice agenda – producer choice and the skills needed to make it work. A manager in the health service no longer relies on a single body to provide healthcare services but has to manage a relationship with several service providers, some in the private sector some in the third sector. Many of the inputs needed will be acquired by outsourcing, joint ventures and PFI.

A further illustration is Job Centre Plus, which acts as a one stop shop
for those seeking work. The Job Centre Plus manager must enlist help from trainers, counsellors, benefits advisors and others. Some of this support will be delivered directly through JC Plus employees. But much of it will be contracted in from outside suppliers. All this means that the cluster of skills around procurement, supplier relationships, contract management, the delivery of programmes and projects will all assume a new importance.

**Risk management**

In this very much more complex world risk management comes rapidly up the agenda. The wider set of relationships with delivery partners brings enormous scope to improve services and to match them to customer preferences but they bring also new exposures and new risks, commercial and financial risks, business continuity risks, and above all risks to reputation. These have all got to be managed with greater sophistication.

**Conclusions**

The move to more personalised public services and greater diversity of provision is a big agenda for change. We need strong leadership at every level of the public service to turn it into a reality. We need different kinds of leaders from those we’ve had in the past. And they need different kinds of skills. We have given a lot of thought to the
changes we need to make in the civil service and an ambitious reform programme is under way. I would be very interested in your perspectives on it.