

Review of Governance and Accountability

Terms of Reference

BACKGROUND

1. The functioning of the Civil Service, including its governance and accountability arrangements, is a key enabler for delivering the Government's priorities. The Declaration on Government Reform published by the Prime Minister and Cabinet Secretary in June 2021 set out thirty specific actions that the government would take as part of delivering on this reform.

PURPOSE

2. The Minister for Brexit Opportunities and Government Efficiency has commissioned an independent review to deliver on Actions 29 and 30 from the 2021 Declaration on Government Reform:

Action 29: Complete a review of Civil Service governance, including consideration of the appropriate roles for senior officials, Non-Executive Directors and Ministers.

Action 30: Complete a review of models of accountability for decisions, drawing on international best practice and experiences during the pandemic and taking account of the role and design of ministerial directions.

3. The review will consider how governance and accountability structures and processes in the Civil Service can be improved to make decision-making in policy delivery more efficient and effective; the role that transparency can play in public accountability; incentives for successful delivery of policy; and how to ensure that individuals are empowered with appropriate levels of authority.

LEADERSHIP

4. The Government has appointed the Rt. Hon. Lord Maude of Horsham as review Chair with overall responsibility for the review and its outputs.

SCOPE

5. The review will:

- a. Identify how governance is exercised within the Civil Service, both centrally and within Departments, including:
 - i. The role of the Minister for the Civil Service and the scope of their management powers under the Constitutional Reform and Governance Act 2010;
 - ii. Delegation of powers made by the Minister for the Civil Service under the Civil Service (Management Functions) Act 1992, including those made through the Civil Service Management Code;
 - iii. The role, status, and composition of the Civil Service Board, the Senior Leadership Committee of the Civil Service, Departmental Boards, and any other relevant Committees of interest that exercise functions in relation to the management of the Civil Service or a Department thereof;
 - iv. The balance of responsibility and autonomy between Ministers and Permanent Under-Secretaries of State within Ministerial Departments; and
 - v. The relationship between the Heads of non-Ministerial Departments and Agencies, and Ministers.

- b. Evaluate, by reference to international best practice in both the public and private sectors, the effectiveness of the governance arrangements identified at (a), whilst having regard to:
 - i. Whether the Minister for the Civil Service, or other Ministers to whom such authority has been delegated, are sufficiently able to exercise their management powers under the Constitutional Reform and Governance Act 2010;
 - ii. Whether the extent of, and methods by which, delegations have been made under the Civil Service (Management Functions) Act 1992 are appropriate and sufficiently flexible;
 - iii. The effectiveness of the current arrangements for the participation of Departmental Boards and Non-Executive Directors in Departmental governance, including the provision of sufficiently robust and timeous management information to allow Non-Executive Directors to discharge their functions adequately. The review should also take note of and draw on the activity carried out under Action 13¹ of the Declaration on Government Reform;

¹ Action 13: “*Implement consistent Non-Executive Director challenge of departmental performance, under the leadership of the Government’s Lead Non-Executive Director.*”

- iv. The effectiveness of the Civil Service Board, Senior Leadership Committee, and any other Committees exercising management functions in relation to the Civil Service; and
 - v. The relationship between central Civil Service and Departmental governance.
- c. Evaluate, by reference to both international best practice (in both the public and, where appropriate, private sectors) and experience of the Covid-19 pandemic, the effectiveness of the accountability arrangements within the Civil Service, whilst having regard to:
- i. The extent to which the Civil Service Board, Senior Leadership Committee, and other Committees exercising management functions in relation to the Civil Service are effectively accountable to the Minister for the Civil Service and/or their chosen designate(s);
 - ii. The mechanisms by which Cabinet Secretariat teams inform, record, transmit and, working with wider parts of the centre, monitor the implementation of actions from Cabinet and its Committees. The review should also take note of and draw on the activity carried out under Action 27² of the Declaration on Government Reform;
 - iii. The mechanisms by which Ministers' decisions in relation to their Department and its functions are informed, recorded, transmitted, then implemented by Departmental officials; and
 - iv. Whether the civil servants responsible for implementing the decisions of Cabinet, its Committees, or of Ministers receive sufficient clarity of direction, are suitably empowered, and have adequate levers at their disposal to deliver against expectations.
6. The review will report to the Chancellor of the Duchy of Lancaster and to the Minister for Brexit Opportunities and Government Efficiency. The review will respect the existing rights of and accountabilities to Parliament. It will not consider any issues relating to taxation or the public spending accountability framework or governance processes, which are the responsibility of the Chancellor of the Exchequer and continue to be reviewed and updated as required through existing processes³. Beyond that, it will not duplicate existing activities in this space.

² Action 27: "*Revise guidance on Cabinet Committee attendance to ensure relevant senior officials attend and participate where appropriate, and to replicate across all relevant committees best practice on tracking actions and decisions.*"

³ This includes the spending framework and its relevant governance, including: (Treasury spending consents, including Treasury Approval Points (TAPs) and Major Project Review Group (MPRG) or business case approval points); Managing Public Money including the role of accounting officers, and all taxation matters.

APPROACH AND PROCESS

7. The Chair will consider a range of evidence, including but not limited to document analysis and interviews with relevant individuals within and outside government.
8. In conducting the review, the Chair is expected to consult widely, including with senior officials, NEDs, current and former ministers, and a diverse range of experts including those with international and private sector perspectives.

GOVERNANCE

9. This is an independent review based in the Cabinet Office and sponsored by the Permanent Secretary of the Ministry of Justice. The Chair is responsible for the delivery of the review and will be accountable to the Chancellor of the Duchy of Lancaster and Minister for Brexit Opportunities and Government Efficiency. The Chair will be supported by a Review Secretariat, based in the Cabinet Office.

OUTPUTS AND REPORTING

10. The review will produce a report including a set of recommendations based on the insights gathered during the review including benchmarks with private sector equivalent practices and with international administrations.
11. The report will be submitted to the Minister for Brexit Opportunities and Government Efficiency by the end of September 2022. The Government will publish the review's findings.