

## Permanent Secretary operational and commercial experience

### Headline Figure

Today the Cabinet Office is publishing information on the operational and commercial experience of Permanent Secretaries from the 15 main delivery departments. Just over a quarter (four out of fifteen) of current permanent secretaries had high levels of operational and commercial experience prior to their appointment as a Permanent Secretary. We will build on this baseline to achieve the expectation, set out in the Civil Service Reform Plan, that Permanent Secretaries appointed to the main delivery departments will have had at least two years' experience in a commercial or operational role.

Over time we will move towards a position where there is a more equal balance between those departmental Permanent Secretaries who have had a career primarily in operational management and those whose career has been primarily in policy advice and development.

### Approach to defining Permanent Secretary Commercial and Operational Experience

#### Commercial Experience

##### Definition

*A commercial role is one in which you have experienced the motivation and approach of a private sector, profit driven organisation. It will have included direct experience or strong awareness of commercial issues; determining value for money; legal issues (especially contractual); commissioning; and significant procurement and project management that involves supplier relationships.*

##### Criteria definition

##### High

- Operating over a sustained period in a highly commercial private sector environment
- Running a sizeable P&L, including line responsibility for generating revenue in a competitive market, commercial management of margins/pricing, costs, capital, and people
- Managing expectations of and delivery against commitments with a group of commercial stakeholders (typically shareholders)

and/or

- Commercial career resulting in running a subset/division of a commercial operation
- Running a similar operation in the public sector, with responsibility for a full P&L of revenue/income as well as cost
- Or managed the negotiation of large scale commercial contracts (from the bidding side) **and** their operational delivery against the contracted standards

##### Medium

- Short term assignments in a commercial/plc environment

- Negotiation and awarding (on the buying side) of large scale contracts
- Running a substantial cost centre (without revenue generation) or a professional services operation
- Experience in financial management (eg M&A, loan financing etc)

and/or

- Being on a management team of an organisation involved in commercial activity, (probably not solely public sector) and therefore exposed to a commercial style of operation
- Managing relatively small scale contracts, or being involved in delivery of larger contracts

### **Low/None**

- The individual has not claimed to have any relevant experience

### **Operational Experience**

#### **Definition**

*An operational role is one in which you managed or led, at middle or senior management level, a significant organisation or function that provides services to the public. It will have required an understanding of productivity and the financial costs of delivery; strong programme and project management skills either; proficient ICT skills; and good customer understanding. The operation could have included face to face delivery, contact centres or other administrative services. In some contexts, the role could have included the requirement to interpret complex legislation or regulation (e.g. benefit or tax) and translate these into efficient and customer centric delivery.*

#### **Criteria definition**

##### **High**

- Has personally run a large scale, front line operation, involving large numbers of people (1000+) in many locations, providing defined outputs (service/productivity) at high volumes against clear deadlines and maintaining performance over a substantial period of time

and/or

- Has run smaller but still large scale operation, possibly single-site, on a permanent basis over time (hundreds not thousands of people) with personal accountability for delivery of defined operational targets, to deadlines and at a defined cost, or had full executive accountability for implementing large scale projects including change management, risk management and capital programmes (£100m+)

##### **Medium**

- Has directly run smaller scale operations, with requirement to lead teams, meet budgets and deliver service standards (possibly outside of the public sector); or been

the line manager responsible for overseeing the running of large and complex operational programmes delivered by partners/agencies

and/or

- Has been on a board or in a management team of a public sector body or organisation which has responsibility for operational delivery, but has not personally had direct line accountability for leading large scale teams, or having to meet front-line service standards to tight budgets and deadlines

**Low/None**

- The individual has not claimed any relevant experience