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Chair, Public Administration
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House of Commons
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22 February 2022

Thank you for your letter of 1 February, regarding my session with the Committee on 20 January 2022. I was grateful to appear before the Committee, and will respond to the questions raised in your letter.

In doing so, I am taking this opportunity to provide a more substantive update on progress on government reform. I hope this information will be welcomed.

Declaration on Government Reform

On 15 June 2021 HM Government published the Declaration on Government Reform, setting an ambitious programme to ensure we serve the whole country better. Improving real-world outcomes for the public is at the heart of this government's vision for the UK and so I am pleased to report progress in our reforms; not as ends in themselves, but as a means to deliver on the People's Priorities.

Whilst the 30 priority actions listed in the Declaration have catalysed reform across government, there remains much to do. I am clear eyed on this point. For the progress we have made, we remain in the foothills.

Your committee asked how many actions have been completed by the end of 2021. I note that we are tracking these over the financial year, and so expect more to complete shortly, but at present we have completed 6 actions:

- **Outcome Delivery Plans [Action 15]** were published for all departments in the current financial year and departments have established delivery boards including Non-Executive Directors (NEDs) to oversee performance.
- **The Central Digital and Data Office (CDDO)** has been established **[Action 18]**, following recommendations made in the Digital Economy Council (DEC) report of 2020, and aims to put digital and data at the heart of how government operates to inform decision-making and improve services. I have attached an annex showing how those recommendations are being taken forward. CDDO is now working across government to agree plans, commitments and performance metrics for Digital, Data and Technology (DDaT). Feeding into this are Quarterly Business Review meetings co-chaired by CDDO and HMT, which review departmental progress against DDaT commitments and priorities. Vital to this approach is engaging departments and keeping a clear cross-government picture of DDaT priorities and challenges; a new Digital and Data Board at Permanent Secretary level has been set up to do this.
- A major expansion of **the Government Major Projects Portfolio (GMPP)** has been delivered **[Action 21]**, with the number of projects on the GMPP having increased by 80% in the past year. Named SROs for every project are now published annually, alongside the IPA Annual Report.
- **The Government Major Contracts Portfolio (GMCP)** has been instituted **[Action 22]** with 78 contracts onboarded and the first portfolio Board meeting taking place in February 2022. A further 17 contracts will be onboarded next quarter, subject to data validation.
- **The Evaluation Task Force and No10 Delivery Unit** have been established **[Action 23]**. The former played a significant role at Spending Review, receiving a £15m commitment for an Evaluation Accelerator, and has supported HMT or lead departments on 151 HM Government programmes with a total value of £35.1bn. The latter, meanwhile, is focused on core elements of the Prime Minister's missions - levelling up, recovery and reform of public services, jobs and skills, and net zero.
- An **Extraordinary Cabinet [Action 28]** was held in June 2021 to launch the Declaration and we will ensure that the next Extraordinary Cabinet is arranged in 2022 to restate the joint leadership between Ministers and officials behind reform.

HM Government has also made substantial progress against remaining actions and I expect to be able to confirm more as complete in the coming months. Progress includes:

- **Places for Growth [Action 1]** Over 2,000 roles have already been moved outside of London with more than 15,700 committed for relocation by 2030. 15 central government departments and public bodies have announced their relocation plans, with more to follow. However, there is clearly more to do, and I will be working closely with colleagues across government to reinforce the need to relocate policy and senior-decision making roles as part of this process, as we implement the single largest effort to decentralise government out of Whitehall in our history.
- **Reforms to the Senior Civil Service** are progressing, with a new performance management process **[Action 12]** - better linked to departmental objectives as set out in Outcome Delivery Plans - in place for Permanent Secretaries, and equivalent

measures soon to be implemented across the rest of the SCS. In addition, **capability-based pay [Action 11]** for SCS1 and SCS2 cadres is on track to commence in the next financial year, with agreement to extend and develop a framework to SCS3 in place. Likewise, guidance and implementation plans for the setting of **expected assignment durations for SCS posts [Action 10]** will also commence from April.

- **A Public Bodies Reform Programme [Action 24]** has been established across HMT and Cabinet Office. It will shortly publish new guidance for reviews of public bodies, while a new Code of Good Practice for Sponsorship is currently being finalised. Departments have identified ALBs prioritised for review. It has also delivered four non-executive induction events for new public body non-executives to support their development.
- Spending Review 2021 provided funding to develop **'One Login' [Action 19]**, a new system to allow users to access government services through a single portal. It is on track to deliver a minimum viable product by 31 March 2022. Further features and services will then be added over the next 3 years.
- We have developed our **Diversity & Inclusion strategy [Action 14]**, working to the high ambition set out within the Declaration, and informed by evidence and insights from stakeholders. We will publish the strategy shortly.

The above represents meaningful progress across the breadth of the modernisation and reform programme. However, I am not complacent about the scale of the challenge that remains and progress has not been as fast in some areas:

- **The porosity agenda [Actions 2, 3 and 5]**, ensuring government attracts talent and expertise from more diverse backgrounds, must go further and is inextricably linked to realising the benefits of Places for Growth. The proportion of appointments to the Senior Civil Service from external applicants has halved over the past decade (from 42% in 2010/11 to 20% in 2019/20), and we must start to turn this around. I have asked my officials to revise the Civil Service Recruitment Framework to help address this.
- We have re-focused our activity on **interchange across UK Government and Devolved Governments [Action 4]**, putting the focus on delivering more meaningful loans and secondments. There is further work required to identify where loans and secondments could be most impactful and to operationalise the approach.
- The scale of the activity required to **publish a central record of government property [Action 26]** has been more significant than anticipated and has also encountered some delays. The central record database is in the design and build phase, and core functionality in the system will be in place ready for service assessment and private beta rollout next financial year.

I am also clear that we need to do more to realise the Declaration's ambitions around innovation in government, working seamlessly across boundaries (in government and beyond) and looking broadly at the opportunity to harness and unleash science in

government, as part of the UK's plans to become a science superpower.

We will continue to monitor and assure reforms to ensure they take root and endure, prioritise where we can have the greatest impact, and that the improved outcomes we are aiming towards are realised. With that in mind, HM Government intends to provide a further update on progress and next steps for the programme in the summer.

I am also mindful that Alex Chisholm committed to provide an update on the implementation of the review into cross-cutting functions and strengthening spending controls to ensure the government is delivering both excellence in organisational capability and value for money. Your letter also included further questions on specific aspects of the modernisation and reform programme. To address each of these points specifically:

- The Rt. Hon. Lord Maude of Horsham's report, [A Review of the cross-cutting functions and the operation of spend controls](#), is helping to inform action to drive reform across the functions, which includes a focus on developing high technical and professional credibility and expertise, and embedding a culture where services are joined up and built to meet user needs. I have annexed an update for the committee, and the public, on how Lord Maude's advice is being taken forward. Strong progress will continue to be made, overseen by Alex Chisholm, the Minister for Government Efficiencies and myself.
- Creating a **“smarter” centre of Government** means ensuring the Cabinet Office, HM Treasury and the Office of the Prime Minister work closely together on shared objectives. The above functional reforms are a central part of this, improving the clarity, quality, and speed of prioritisation and decision-making. These enhanced corporate functions will have their own targets for improved performance – including the financial savings they are expected to bring year-on-year. You will have seen that since my appointment as Chief of Staff to the Prime Minister, we have begun to make changes to both personnel and practices at the centre of government and these will continue to unfold. I am committed to ensuring that the Cabinet Office focuses on where it can add value, drive innovation, and make government more effective.
- **The work of the Government Skills And Curriculum Unit to establish a Civil Service Training Facility.** As set out in the Levelling up White Paper and as part of our work against **Action 6** of the Declaration, a new Leadership College for Government will open in April 2022, incorporating a renewed curriculum for Civil Service training. This will initially be delivered through three physical locations in the Midlands, the North East, and Yorkshire and the Humber, bringing civil servants closer to the communities they serve. This new training infrastructure will also be made available to local government executives, in particular local authority chief executives and senior officers.
- On the costs and risks of **legacy IT systems [Action 20]**, the 2020 Digital Economic Council report estimated that legacy IT costs the government £2.3bn annually to maintain. This figure was reached by analysis from Government Security in 2019. There is currently no central assessment of the total cost of

replacing all legacy IT systems cross-government; however, the CDDO is working across government to develop a consistent view of the costs and risks of legacy systems through the roll-out of a common legacy IT framework and regular discussion with departments at Quarterly Business Reviews. The Government demonstrated its strong commitment to replacing legacy IT and driving interoperability at the last Spending Review by investing £2.6bn in cyber and legacy IT, to go with £600m invested in legacy IT at the previous year's Spending Review.

- With regards to the **reviews into Civil Service governance and models of accountability [Actions 29 and 30]**, we are finalising the scope and approach to the reviews with ministers and expect to take this forward into the next phase from the spring. The reviews will aim to improve accountability and governance processes in the Civil Service, where needed, to strengthen decision-making so that decisions are taken effectively and aligned with delivering for the public. The reviews will seek to learn from other countries, organisations outside the Civil Service as well as from recent experiences in Government.

Boardman 3 and the Committee on Standards in Public Life

As the Minister for Security and Borders set out on 16 December 2021, a policy statement in response to the 'Upholding Standards in Public Life' report from the Committee on Standards in Public Life and the review into the development and use of supply chain finance in Government by Nigel Boardman will be published in due course. Alongside this, the Government will be providing an update to its work to reform the business appointment rules.

Invitation to Give Evidence on the Greensill Affair

My officials have been in contact with the Committee Clerk separately to address this invitation.

Training for Staff

The Prime Minister set out in his letter to Lord Geidt of 21 December his commitment to ensuring that Lord Geidt and his office are afforded the highest standards of support and attention when pursuing the work of the Independent Adviser, and that this should include access to all information considered necessary and prompt, full answers. The Prime Minister sought Lord Geidt's advice on the best means to effect that, whether by way of Instruction to Ministers, Ministerial Code or clearer legal instrument, and said that he wanted to have this put in place to Lord Geidt's satisfaction by the end of March at the latest. That work is underway and I would be happy to update the Committee at its conclusion, including to address the point made by Mr Russell-Moyle about raising awareness. In the meantime I know that all Ministers take their responsibilities under the Ministerial Code very seriously, and will have taken note of the Prime Minister's correspondence with Lord Geidt.

The Review of the UK Statistics Authority

As you know, the government has a policy of periodically reviewing Arm's Length Bodies to ensure that they are fit for purpose.

The review will focus on effective governance, future-proofed capability and public confidence in the use of statistics. Terms of Reference are being finalised, and will of course be shared with the committee at the appropriate stage.

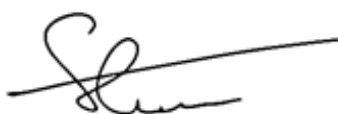
I also intend to appoint a lead reviewer to deliver a robust and independent assessment, and will keep the committee advised as necessary. I expect the review to commence alongside the appointment of the new UKSA Chair to enable the opportunity to align perspectives as relevant, and I appreciate the committee's flexibility in efficiently accommodating the pre-appointment scrutiny hearing as part of the Chair appointment process.

The Role of NEDs

Non-Executive Board Members (NEBMs) carry out an advisory role as non-statutory office holders. The role of NEBMs is set out in the Corporate Governance Code for Central Government Departments (2017). Guidance on appointments, also set out in the code, provides that NEBMs should be selected based on merit through an open and transparent process and appointed by the Secretary of State. The last Cabinet Office campaign, in May 2020, followed this guidance. The roles were advertised nationally and attracted over 160 applications. The Committee for Standards in Public Life has recommended that appointment of NEBMs should be regulated by the Commissioner for Public Appointments and the Government is considering this recommendation. There are no plans to change the advisory nature of NEBMs either within the Cabinet Office or in other departments.

NEBMs are bound by the Code of Conduct for Board Members of Public Bodies and Ministers are responsible and accountable to Parliament for the appointments that they make and for the activities of their departments, including those appointed to provide advice. It is of course open to select committees to call whomsoever they choose, but it is the practice and policy of successive administrations that the decision on who is best able to represent the Minister rests with the Minister concerned.

Yours Sincerely,



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