

Public Administration and Constitutional Affairs committee

Oral evidence: [The work of the Cabinet Office, HC 463](#)

Wednesday 4 December 2024

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Members present: Simon Hoare (Chair); Richard Baker; Charlotte Cane; Lauren Edwards; John Grady; Peter Lamb; Mr Richard Quigley; Luke Taylor.

Questions 1 - 71

Witness

I: Catherine Little CB, Chief Operating Officer, Civil Service and Permanent Secretary, Cabinet Office.

Examination of witness

Witness: Catherine Little.

Q1 **Chair:** Good morning colleagues, and to our witness, Cat Little, Permanent Secretary to the Cabinet Office and Chief Operating Officer for the Civil Service. Ms Little, you are very welcome.

As you probably know, we need to agree terms of reference of mutual gentle handling. This is our first public meeting as a Committee, which is rather exciting from our point of view, and your first meeting before a Select Committee in your current role. So this is a morning of firsts. You are very welcome, and thank you for finding the time to see us.

I am going to kick off the questions. Could you set out, in brief bullet points, your priorities for delivery and change as Permanent Secretary to the Cabinet Office?

Catherine Little: Thank you for spending some time with me this morning; it is a pleasure to be here. It is hard to do in bullet points because, as you pointed out, I have two jobs, but I will do my best to summarise.

Chair: I will ask about the Civil Service job in another question, so we will just focus on the Permanent Secretary for the moment.



Catherine Little: They are somewhat linked, but there are three big things for the Cabinet Office. First, making sure we are a strong centre of government with Treasury in No. 10. What do I mean by a strong centre of government? It is making sure we have long-term strategic capability and that we reshape what we do around the Government's new priorities. We have done quite a lot of that already, but it takes time; you do not do these things overnight. It is also making sure that we are doing only what we can do. The Cabinet Office has become a different organisation in recent years, so we need to get back to what the core parts of the Cabinet Office should be.

Secondly, culture and people. When I came into this role, it became very clear to me that we have a significant set of cultural challenges in the Department. We have very high bullying, harassment, and discrimination scores and we have had a significant dip in our people engagement scores, which I am pleased to say we are now recovering from, but we are still tackling some of those challenges. I need to make the department less bureaucratic and more of a systems leader for the whole of government as part of that cultural change.

Thirdly, given we are the heart of mission delivery, we are the ultimate systems leader and set the tone for the whole of government and how a mission-led Government operates. This means changes to culture: how we work with Departments and set the tone for the whole of the state whilst making sure that we role model the whole of the mission approach.

Q2 **Chair:** You mentioned the Treasury, No. 10, and the Cabinet Office: when the chips are down and the sleeves are rolled up, is the Cabinet Office No. 10's Department, the Treasury's Department, or is it the honest broker between the two?

Catherine Little: That is a good question. There are different dynamics at different times on different subjects. I have, obviously, worked in the Cabinet Office and Treasury for a long period of time, and the centre works best when there is absolute transparency and clarity about the outcomes we are trying to achieve, and we harness the skills of the whole of the centre of government to deliver good, objective, impartial advice for decision makers. The Prime Minister is also the First Lord of the Treasury and, ultimately, the final decision maker. It is our job to make sure we facilitate the best possible advice for him.

Q3 **Chair:** Most Ministers, after four minutes in the job, will say that His Majesty's Treasury is the great slayer of dreams, change, innovation and improvement, put on Earth as a frustrater because it is the big Department of government and has the chequebook and PIN numbers. How does the Cabinet Office work alongside other Departments in order to move and turn the dials of Treasury to get it to deliver?

Catherine Little: Obviously, Treasury has an important role in overseeing the whole of the public finances and the economy. Ultimately, it needs to be factual, and we support it in doing the difficult job that it



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has. Fundamentally, our job in the Cabinet Office is to make sure there is collective agreement on policy, that we are clear about the overall outcomes the Government are trying to achieve, and work within the constraints and parameters that Treasury rightly sets down for us so that we can set out the trade-offs in delivering policy outcomes.

I see the Cabinet Office as being the broker for collective agreement, and we do that in a very objective way. We also make sure that we elucidate the trade-offs, whether they are financial or otherwise. In my recent experience it is not money that is the only difficult constraint, it is deliverability, the feasibility of the capacity of our supply chains and how we work in partnership, as well as other constraints we have around us. Our job is to bring all that together and to set out the choices.

Q4 Chair: My supplementary on this is trying to establish how good you are at saying no. Over recent years the Cabinet Office has become a receptacle for things which some slopey-shouldered Departments say, "This is a bit tricky" or "We're not quite sure about so we'll send to the Cabinet Office." The Cabinet Office is the great black hole that sucks in any difficult problems, such as contaminated blood and RAAC.

A whole range of things seem to get dumped on the Cabinet Office that do not accrue in terms of resource, budget, or people, which means personnel have to be taken off different projects to deal with them. In order to maintain focus on delivery—both of policy and change in mindset—you and the Chancellor of the Duchy will have to learn to say no to others in Government who see you as the great recycling Department.

Catherine Little: I agree. The interesting thing about the Cabinet Office is that, over the last 15 years or so, it has gone from being quite a traditional secretariat in function, leading on state strategy and collective agreement, through to now being the HQ for Government, more akin to what you would see in the private sector. As you say, we have ended up being the place where, if no one else puts their hand up and you want something done in the centre, it comes to us.

There are certain things where it is right and proper. One of the first things I did when I came into the Cabinet Office was look at where we should be leading the operational delivery of payments and casework for infected blood. It was right not to put it in the Department of Health and Social Care. I felt it was such a critical, high-stakes, and important issue that it was only right and proper that the centre of government took the lead on it. That is not to say that we do not say no, and we are going to have to as we have tight fiscal constraints. The key to it is ruthless prioritisation and making sure we have an exit strategy. The Infected Blood Compensation Authority is a short-term body and will, I hope, make payments expediently; it is not intended to be a long-lasting future of what we do. One of our challenges has been the lack of an exit strategy for many of the things that we have started to do, and we need to stop that.



Q5 Chair: I will ask the same question, delivery and change priorities, as COO for the Civil Service. Yesterday we heard of Sir Chris Wormald's appointment as the incoming Cabinet Secretary. Obviously, we wish him well in that challenging post and will want to see him early in the New Year. At this juncture, can you say what you see the division of responsibility being with a new Cabinet Secretary coming in?

Catherine Little: I am personally delighted to see Chris's appointment; we have worked together for many years and have very complementary skills.

The role of the Cabinet Secretary is broadly split into three parts. First, you have the prime ministerial advisory role on all subjects, whether national security, economic, or domestic policy. Secondly, there are the significant constitutional roles including relationships with the Royal household and Parliament. Thirdly, there is the Head of the Civil Service role. Chris will be undertaking the same breadth of responsibilities. In practice, no single person can undertake all those things on a day-to-day basis, so the key to it is how the team around the Cabinet Secretary operates.

The division of labour with my role is threefold: first, I support the Cabinet Secretary to deliver their advisory responsibilities, so I need to make sure they have the resources, people, skills, and capacity to discharge their work. That is mainly in my role as Cabinet Office Permanent Secretary. Secondly, the role of Head of the Civil Service is to set the strategy for reform and delivery with the Prime Minister: a lot falls on me to deliver and then turn the strategy into implementation. I also ensure that, operationally, the Civil Service is operating effectively day-to-day.

Q6 Chair: Would you be instigating thought pieces for their consideration based on real-time experience and evaluation?

Catherine Little: Absolutely. It is one of the things I, alongside my brilliant teams, spend a lot of time doing. We do not just develop thought leadership within the Civil Service, we are constantly talking to think tanks, academics and international counterparts to make sure we are staying up to speed. It is my job to ensure that we hear and stimulate debate. For the Civil Service, particularly now, we are at an inflexion point. We have some big challenges; doing nothing and not looking at some of the big challenges we have is not sustainable.

Third is my distinct role as Accounting Officer of the Department. At times in the past it has been undertaken by the Cabinet Secretary, but not in this current configuration. So, I am a Head of Department and I am responsible for everything we do. The Cabinet Office also serves the Chancellor of the Duchy of Lancaster and we deliver services for the whole of government and the state, so I am responsible for all the work of the Cabinet Office collectively.



Q7 Chair: A final one from me at this juncture: you mentioned you are having conversations with think tanks, academics, and international comparisons. Let us say the Prime Minister calls you up and says, "If we want to deliver change on a massive, deliverable, cost-effective scale, which one country should we be looking at closely and seeking to emulate in terms of how they deliver that in a Civil Service capacity?" You have the globe in front of you, it is spinning round, where does your finger stop?

Catherine Little: It depends on the issue, but Singapore is standout for some major transformations it has achieved. My equivalent and the Head of the Civil Service in Singapore spent a week with me, Simon, and the Permanent Secretaries earlier this year. They told us that they stole a lot of what we did 10 years ago and then just made it better. We are now looking at what we can steal and improve from Singapore. We turned to Estonia for digital transformation and we talk regularly with other G7 economies. It is more helpful to look at countries with similar parliamentary democratic arrangements as we have similar approaches to getting stuff done; so Australia, Canada and New Zealand in particular. We are also working closely with the United States.

Chair: Thank you. You have given us a lot of interesting destinations to consider and that the Committee might wish to visit. You may well be on commission from their tourist boards; if you are, that is none of my concern.

Catherine Little: I am going to Singapore in January.

Chair: Send us a postcard. Let us turn to Lauren Edwards.

Q8 Lauren Edwards: You have touched on this a little already in terms of the breadth of the Cabinet Office's work. Your predecessor told this Committee that the Cabinet Office's "terrific heterogeneity" made it a challenging department to lead and work in, which also meant that it lacked a strong identity as a consequence. Do you agree with that and how much of a challenge will it be for you in the new role?

Catherine Little: I agree with my predecessor, and I agree with him on many things he said to this Committee. If you look at the construction of the Cabinet Office, it is set up as 40 distinct groups, and it ranges from the National Security Secretariat right through to how we run UK security vetting. So it has a vast range of things and, in business terms, it operates like a conglomerate. If you were starting from scratch and thinking about whether that was the operating model you wanted at the heart of government, you might not design it that way. There are big challenges that come with this, and I am sure you will want to talk about some of our people engagement scores. My staff say it is quite hard to have a common Cabinet Office purpose when you cannot sum up what we are here for in a sentence that everyone can relate to.



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I believe that organisations typically work best where you focus on a small number of priorities and you are clear about what you are trying to achieve so you can galvanise the whole of the workforce to deliver.

We really have to reshape the Department around the new Government's priorities. We are going to have to focus only on what we can do and, because of the tough fiscal constraints, we do need to ruthlessly prioritise and stop doing some things. We are currently in our business planning process and we will shortly be saying more about what we will do about it.

Q9 Lauren Edwards: A single department of 40 distinct groups is incredible. Are you looking at restructuring? How will you go through that process of reshaping the Department so it is more focused?

Catherine Little: We have already gone through a number of machinery of government changes. I am sure you have seen, but there are five currently under way, ranging from the move of 1,500 of my digital and technical experts over to DSIT, right through to bringing the government car service into the Cabinet Office. So, we are already restructuring and reshaping what we do, but structures are only part of the answer; a lot comes down to how we work together, the culture, the processes, and the strategic objectives. In business planning that is the moment where you set out what resources you actually have to deliver things well. Far too often, we stretch our resources to deliver too much, which means that you are inherently compromising all the time. So structure is a part of it, but not all.

Q10 Richard Baker: I have a couple of questions related to some points that you have just been making. I am interested to hear about the business planning process, because you have previously suggested that the Cabinet Office should attempt to exert less control over the Department than has been the case and focus only on those things that need to be done at the centre. Perhaps this will be part of the business planning process: could you outline things that the Cabinet Office has previously been doing that it should not do, what it needs to do less of, and how that focus should be achieved?

Catherine Little: Perhaps just stepping back a little, there is always a bit of a philosophy about how you want your corporate centre to operate, in any organisation, and the Civil Service is no different to any other private sector or large public sector body. These things tend to go in cycles, you tend to have tight and loose moments depending on what you are trying to achieve, and the Cabinet Office always has to work out where the balance is between leading and directing, and where we need to be quite muscular, as opposed to where we need to support and facilitate. Where that balance is depends upon the subject, and that is very much set by the cultural tone politically of the Government, in our instance. My personal view is that decisions are best made closest to the people who are actually realising the impact of those decisions; proximity to the



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business and the impact is an important factor that we need to take into account.

We need to look at the way in which we operate, and then there are some other specific things. So, I am very keen that the Cabinet Office shifts our balance to an increased level of facilitation and enablement in the tone and the way in which we operate. I talked about missions briefly: missions will succeed because we have held to account and set the direction and strategy, but we have solved some big challenges—collectively with government and the state—so that we can actually allow the front line of the public sector and Departments to succeed in themselves.

A very specific area that we are looking at is spending control. So quite often people think about control in the Cabinet Office because of the delegated controls that we have from the Treasury. For those of you who have not had the pleasure of experiencing a Cabinet Office control, it can range from if you want to set up a new communications or marketing campaign, right through to the biggest investment decisions that we are undertaking jointly with the Treasury. Some controls can be very effective in reducing costs and driving value for money, but how you exercise those controls can quite often create unnecessary bureaucracy, and slow down decision making.

You asked about one of the things that I would change: it is spending controls and the way in which we operate them. That is a joint piece of work that we will do with the Treasury.

Q11 Richard Baker: Lord Maude has made specific recommendations along these lines in his Independent Review of Governance and Accountability in the Civil Service, which was published last year. In terms of the accountability of Departments around spending, he suggested the creation of an Office of Budget and Management to integrate cross-departmental resource allocation and programme implementation oversight. He recommended a different approach to strategic direction in Government as well, by restructuring the Prime Minister's Office and the Cabinet Office into a unified Office of the Prime Minister and Cabinet for strategic direction. So, what is your response to the proposal to create that separate secretariat and corporate components of the Cabinet Office into separate departments?

Catherine Little: First, I have huge admiration and respect for Lord Maude, and I have talked to him over many years about how he has discharged some of the biggest changes to the centre of government, especially in relation to functions, professionalism and efficiency for what we do. So, I am very firmly fixed on making sure we evolve and continue to deliver those things effectively.

I am not always convinced that structural change is the thing in itself, as I said earlier, and of course those sorts of structural decisions are for the Prime Minister and the Government of the day. I would add that Lord



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Maude is not the only person who has a view about the structure of the Cabinet. When I came into this role I had obviously read his review.

Q12 **Chair:** Are you going to be brave enough to tell him that, or am I?

Catherine Little: I am very happy to tell Lord Maude and, for example, we have recently had the IfG Commission on the Centre of Government. My observation would be that we are very good at setting out the problems, and there are lots of possible solutions. The way we do it, as well as the structure, really matters. But fundamentally it is about making sure that the way we work at the centre of government is more joined up, strategic, clearer about what we are trying to achieve, much more focused, and that we are relentlessly focused on delivery and high performance. Everyone in the Civil Service wants the centre of government to be clear about direction and to help them: that is the most important thing.

Q13 **Richard Baker:** As you say, it was not only Lord Maude who came forward with these recommendations. The IfG found that institutions like the Cabinet Office are bloated, unfocused and poorly co-ordinated, while No. 10 is underpowered, yet overly involved in operational details. It suggested structural change as well but you are pushing back on that, so you do not think there is structural change required in the Cabinet Office?

Catherine Little: Structure is part of the answer in terms of improving what we do. I am not saying that structure is not part of it but there are specific structural choices which only the Government can make decisions about.

Q14 **Richard Baker:** What advice would you give them in making that kind of structural change?

Catherine Little: I am not going to share my—

Richard Baker: Okay, fair enough.

Chair: Oh, just between us.

Richard Baker: It was worth a go, Chair.

Catherine Little: You have to start with outcome and what you are trying to achieve, with the sorts of questions and considerations here. We need to look at what is the most important thing that the Government want the centre to do and to prioritise, and then we need to make sure that the skills, capability and therefore structures are in place to deliver. This Government have already made some significant choices in all three of those areas.

Q15 **John Grady:** Just to approach the question in a different way, I suspect what you are saying is, rather than talking about structures all the time, we need to put the emphasis on culture, shared objectives across Government Departments and skills. Endless reorganisations might be seen as somewhat of a distraction from those tasks. Have I understood



you correctly?

Catherine Little: Some structural change is always necessary, but structural change for structural change's sake is a danger. It is very easy to reach to structural answers as a simple and attractive formulation for some bigger problems that we have. Your sister committee, the PAC, did quite a lot of work looking at the cost and implications of changes to the machinery of government. They are big exercises, and I have 2,000 members of my staff currently subject to machinery of government changes. On a human level, That is a lot to ask of our people when, at the same time, we are delivering difficult complex things for the country. You have to get the balance right between structure, culture and process.

Q16 **Chair:** So to crystallise, it is your assessment that there is flexibility within the skill set of the Civil Service to deliver the very significant step changes in policy delivery which the Prime Minister and the Cabinet have set out over recent weeks, without resorting to a fundamental machinery of government review to ensure that the machine is fit for purpose to deliver, rather than retrofit new demands to the existing framework.

Catherine Little: I am sure we will come on to some skills gaps in the Civil Service. We have a brilliant team of people in the Cabinet Office, cohered around the Government's priorities. We have created a new mission delivery unit with new leadership. As you have seen, we have lots of new leaders and new teams coming to build that capability and capacity, not just from parts of the Civil Service but from other parts of the public sector and the private sector too, so I am confident that we have the people in place. There are big challenges in some deficits we know we have in the Civil Service that are not about structure but how we ensure that the Civil Service is an attractive, competitive, high-performing place to work.

Chair: As you have indicated, we will come on to that in later questions as I want to try to deal with that as a separate thematic, if that is okay with you. Let me turn now to Luke Taylor.

Q17 **Luke Taylor:** Obviously we have heard a lot about five missions from the Government. You have spoken about structures, culture and, slightly alarmingly, about 40 bodies within the Cabinet Office. Can you explain a little what impact this five mission expression of the bigger picture has had on the Cabinet Office and then, by extension, the Civil Service?

Catherine Little: I should just say it is 40 business units, not bodies. We have a much smaller number of ALBs, arms-length bodies. So first, just a little about what we have done administratively and then what it means for both us and the rest of the Civil Service.

I have mentioned the creation of the new mission delivery unit: we now have Clara Swinson as the Second Permanent Secretary leading that unit, and there has been a lot of change in rebuilding capability and capacity within that team. We have the mission boards up and running, and I am



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conscious that the governance and the wiring of how we do this might not be immediately observable.

Q18 **Luke Taylor:** You say up and running: have they been constituted?

Catherine Little: They have, yes, and every mission board is led by a Secretary of State. There is a very senior lead official appointed on a cross-cutting SRO basis, there to represent the system not their Departments. The membership and the terms of reference of each of those boards have been set up and are up and running and have been for several weeks. We have had routine prime ministerial stocktakes, so there is a whole range of machinery that is gearing and driving activity. Obviously tomorrow we have the Plan for Change, which will set out the very specific priorities over the course of the Parliament, as has been trailed in advance of tomorrow.

But to your question about what it means for the Cabinet Office and the rest of the Civil Service—several committees including this one have looked at the challenges of systems leadership—we have to systematically break down the barriers to cross-cutting delivery. And there are lots of barriers. We tend to revert to our departmental and organisational silos under pressure. There are challenges with how we undertake decision making, where the accountabilities lie, how we monitor performance and delivery. So we are looking at every single part of how we incentivise, reward and performance manage systems leadership across the whole of the Civil Service.

Q19 **Luke Taylor:** So, these mission boards are effectively the structure that is being used to deliver that cross-departmental working?

Catherine Little: They are, yes.

Q20 **Luke Taylor:** Plus the breaking down of barriers, so it is almost using those boards to drive that utilisation of skills and priorities between the Departments?

Catherine Little: That is absolutely right. It is the what and the how. How we change our processes to ensure that we are on track whilst setting out some trade-offs and making sure that we unblock barriers as we go is a really important part of what the Cabinet Office is doing.

Q21 **Chair:** The boards that you have referenced there, the membership of them, the terms of reference under which they work, the agendas and the minutes, do you see merit in all that being in the public domain?

Catherine Little: That is obviously a choice for Ministers.

Q22 **Chair:** If a Minister were to ask you your advice on that matter, what would your advice be?

Catherine Little: We do not normally put minutes into the public domain, particularly on quite sensitive commercial policy development areas. It is important to be publicly transparent and accountable, but I



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am not entirely convinced that minutes and terms of reference are the best way to do that.

Q23 **Chair:** Membership and when they meet being in the public domain might give this Committee, and Parliament more widely, comfort.

Catherine Little: Again, I am not sure if that is the best way to drive accountability and transparency in what we are doing.

Chair: No, it is not necessarily a way of driving accountability, but great play has been placed, perfectly properly, on a mission-led Government. There is always concern amongst practitioners of the fleetness of foot and flexibility of the machine, from a political and parliamentary side, and from a Civil Service side, to respond to a very new, dramatic dynamic. Some understanding of the regularity of meetings and the skill set which inputs into those meetings in broad terms—I take your point about the minutes—would be of both interest and comfort to Parliament: to know this is not just something that meets once a quarter if there is nothing on the telly at 3.30 pm on a Thursday.

Catherine Little: I am very happy to take back your views but, as I said earlier, fundamentally that is a choice for the Ministers, not for me.

Q24 **Chair:** Do you see the merits of the request in terms of transparency? I understand entirely that it would be the Chancellor of the Duchy of Lancaster's ultimate decision.

Catherine Little: I completely understand why. The most commonly asked question to anyone in the Cabinet Office right now is, "What is it all about and when do we hear more?" People are excited by it and they want to get more understanding of what the priorities are and the way in which we are operating. So that is part of it, and I understand why you are suggesting it.

Q25 **Chair:** Public administration is one of this Committee's key scrutinising functions. If the appetite for mission-led change is great, and it is, and the pace of delivery does not match that, this select committee would have a criticism. If you meet on a fortnightly basis and you have 30 people on the committee, we would say, "Gosh, the pace of change is really rather slow." But if you are only meeting twice a year and there are only two people on it, let us not be at all surprised if the pace of change delivery is actually then rather slow. So, for this Committee to manage expectation of scrutiny, it would be enormously helpful to actually know what we are scrutinising.

Catherine Little: I completely understand that, and I hope you know I am massively in favour of transparency and scrutiny.

Chair: Indeed, yes.

Catherine Little: To the extent I can assure you now, the mission boards have a lot to work through at pace, so these are far from irregular



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discussions but almost a weekly occurrence, let alone all the work that goes into it with our teams and Departments. We are more than happy to give you a sense of that.

Chair: That would be helpful, thank you.

Q26 **Mr Quigley:** I just have two additional questions on missions. Like all good initiatives, it is very exciting to start with. So first, what is the Department doing to prevent it just becoming a top-down activity, so it is done to rather than with? And what are you doing to keep the missions as missions, rather than turn them into a list of tasks, which quite often happens?

Catherine Little: First, it is important that the missions are widely understood. My teams are operating in completely different ways: getting input from a much broader, more diverse set of stakeholders than ever before. That ability to develop policy and shorten the policy development approach between the centre of government and impacted local communities is right at the heart of what needs to change. And it is not just the five missions, it is everything that we do in the Civil Service. So, the constitution of the boards, but actually the way in which our mission delivery teams are operating, is very different. And I suppose to your second point, you were talking about how we stop things from becoming unfocused and losing traction over time.

Mr Quigley: Yes, the use of tick boxes, for example.

Catherine Little: These are obviously long-term, big, complicated things which we should be judging in years, not weeks, but it is exactly the job of the Mission Delivery Unit to maintain that focus on outcomes. Far too often we drive things from inputs and short-termism, but I really passionately believe in strategic outcome-based performance management, delivery and policy development. You will judge when you see the Plan for Change tomorrow, but that is an attempt to set out very prioritised strategic outcomes, and to demonstrate what focus looks like in how we deliver and performance manage impact.

Q27 **Chair:** Just a quick query with regard to public bodies: you will be aware the most recent review process for public bodies launched in 2022 has reportedly been completed. What have been its outcomes?

Catherine Little: We should start with just a little about the range of public bodies, and I know you are a bit of an expert on that.

Chair: I would not say that, but we have a growing area of concern with regard to the quantum and growth of public bodies. That will be subject to a separate inquiry which doubtless we will invite you to, to share your views.

Catherine Little: You will hear from me. Maybe just to share a few views on public bodies: I have been working in this space for quite a long time, both in the Treasury and in previous roles. We have around 309



ALBs, and we are about to publish a much more modernised public directory. One of the challenges has been actually ascertaining how many there are and what they do, and that is a fundamental part of the work which is under way.

Chair: Yes, we are expecting some sort of idiot's guide to arm's-length bodies with all the questions about ALBs that we are all too afraid to ask, like how many there are, what they do and how they do it.

Catherine Little: Indeed, that is the intention of a much more simple public directory that we will curate and keep up to date.

Q28 **Chair:** Is Santa going to be dropping this down our chimneys this year, or is this more of an Easter Bunny present?

Catherine Little: It should be very shortly.

Chair: So this could be on bookshelves for Christmas?

Catherine Little: It might be the Christmas gift that you are most hoping for.

Chair: I shall add it to my Dear Santa letter as soon as I have the opportunity to do so, Cat.

Catherine Little: But public bodies are responsible for a huge amount of money; it is around £350 billion and about two-thirds of that is immediately granted on into other layers of the state. So it really matters that we have the sponsorship, performance and value for money of those public bodies correctly set up.

You asked about the review and it is worth just setting out some things that we have been doing in the last year, because it has all been alongside the review. So, we have the sponsorship code of good practice, and a couple of years ago we undertook corporate function benchmarking, because one of the challenges of lots of these ALBs is they all have back offices and their own corporate activities. We have been looking to right-size and share data about what we think about back-office functions.

We are currently evaluating the effectiveness of the work that we have actually done in the Cabinet Office as well, because the NAO did an excellent report a couple of years ago setting out that actually the Cabinet Office approach needed more work as we were overly bureaucratic. What we found is there have been 104 reviews launched; we have identified £105 million worth of potential savings and that there is a real need to get into the scope and breadth of how we classify our public bodies. We cover everything from regulatory activity right through to the NHS and huge delivery arms. So, segmenting those public bodies, knowing why we have set them up, looking for opportunities for consolidation, sharing better practice and joining up to deliver more value for money, is the substance of what we found.



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Q29 **Chair:** Can I just clarify? This may delay publication but we refer, of course, to public bodies that are distinct from arm's-length bodies: an actual, iterative, up to date reference tome for both would be enormously helpful. And you said in your initial answer to this question, around 309, which almost indicates the scale of the issue here.

Catherine Little: As of this morning.

Chair: As of this morning, because some Secretary of State may very well have created two between 9 am and 10.42 am. But this is an issue for society to actually know who is doing what and why, and the quantum of that. It is a very big task to try to get a definitive compendium.

Catherine Little: It really is, and I should say we have a very small team who oversee all this. Our role for public bodies, policy and reviews has not changed over the last few years, but our resources to do this are finite, so they have done a great job in putting all this together.

Q30 **Chair:** I take that point, but we increasingly have a public demanding—and I support them in this—accountability of government and governance, and of regulators and regulation, and those are perfectly legitimate aspirations to have in an open, pluralist democracy. I take the point that the team who deals with this within the Cabinet Office is small, but surely it is one of the most basic toolkits that society should expect to see. We used to have something called the Civil Service Yearbook back in the day: everything was in there and you could get hold of anybody you wanted to. But the fact that they exercise enormous influence over so many people's day to day lives and there is not a go-to book is not good.

Catherine Little: I will take back your comments about the why, but this is intended to be the directory so that you can see, on a timely basis, what these bodies are.

Chair: This is both public and ALBs?

Catherine Little: Indeed. But I do not want the Committee to take away the idea that there is not a lot of transparency about our ALBs, of course, and public bodies. They are all subject to the same transparency and accountability requirements as any other public organisation. The departmental approach to sponsorship means that every single Government Department is accountable for making sure that they are creating and using public bodies to the best effect, and that they are offering value for money for what they are doing.

I mentioned some public bodies and ALBs in the Cabinet Office earlier, and it is my responsibility to make sure that we are only setting up and using ALBs in the right way and that we are regularly reviewing them and assessing their performance: we do this on an annual basis. So there is a huge amount of scrutiny at departmental level, and it is a classic example of where the Cabinet Office is there to provide guidance, support and transparency at global level, but it really is over to Departments to be accountable for their bodies on a more local basis.



Chair: Thank you. I must just say, I did not ask for declarations of interest at the start. I know, Charlotte, you have a register entry. We will take those interests as read and noted.

Mr Lamb, feel free to chip in if you wish to because I know you did not attend the pre-meeting due to a prior meeting, which is absolutely fine.

Q31 **Charlotte Cane:** My questions largely relate to the staff survey which you touched on in your opening remarks: culture issues came up several times throughout the survey. Do you now understand why Cabinet staff were reporting much higher levels of discrimination and bullying than other Government Departments, and why fewer of them thought that any complaints would be investigated properly?

Catherine Little: As I said earlier, this is one of my big priorities and was of my predecessor as well. We have had a dedicated support package in place which has been externally led, looking at the causes of bullying and harassment within the Department. Having 40 different business units, there is not one single driving factor but culture and the feeling of my team that we operate in a very high pressured, hierarchical organisation that they cannot constructively challenge is a common theme.

I am passionate about creating a culture where there is psychological safety and openness, so that people can both share their views and just shout when there is a problem, which is fundamental to any organisation. I am happy to share some wider things that we are doing. So, if you look at the trend, we can see over time that the Cabinet Office has always had a higher level of bullying and harassment as far as the data goes back in the people's survey. Why is that? There is something about being at the very heart of events.

So, in 2022, the overall people's survey for the Cabinet Office dipped dramatically, as there were a lot of things happening in 2022: we managed the transition of three Prime Ministers in two months and there were significant shifts in policy and delivery. It is important to acknowledge the impact that has on people, and that it takes time to recover. As I say, we have this dedicated package: they have been working with the business units with the lowest scores and we have seen some improvement. The people's survey results, which we are digesting, have just been released for this year and show that where we have really driven change at individual level it is starting to bear fruit, but we are really at the start of some long-term cultural change for the Department as a whole.

Q32 **Charlotte Cane:** I understand what you are saying about some of the pressures that might make people feel less comfortable, less valued, but I am not quite sure how those pressures would lead to higher levels of discrimination?



Catherine Little: It is quite difficult to ask questions around bullying, harassment, discrimination and how people feel about fairness and inclusion because it does not necessarily disaggregate. There is a very big difference between bullying and discrimination, so a lot of this comes back to how people feel, and fairness.

You mentioned staff feeling unsure that there is a process they can be confident will reach a conclusion. I was looking at the stats on our complex casework and complaints, and about 76% of our complaints do lead to some sort of action being taken. I have a responsibility to share and be much more open about what actually happens—it is incredibly difficult to go into it and we never go into individual cases—but just looking at how the process delivers results and makes a difference is important. I do not think staff have always been privy to all that information as they should be.

Q33 **Charlotte Cane:** So when you have an investigation with an outcome and you take action, do you sort of stand back from that and look at wider lessons to be learned for the Department?

Catherine Little: Always, and I sit down with our complex case team on a very regular basis to understand the themes coming from our caseload. Even in my time so far, I have asked for very specific reviews of particular cases that have been more troubling to me, and I have wanted to get someone independent to have a look at them. We have a lot of independent support, and I have recently asked other Departments to come and have a look at what we are doing, especially those Departments that have been able to tackle some challenges over time.

Q34 **Charlotte Cane:** Do you feel you are always able to take the actions you think should be taken, or are there any untouchable people or areas that you are not able to address?

Catherine Little: I am the Permanent Secretary; I am entirely able and responsible to make those decisions. But I cannot change the culture on my own, that has to be a whole Department approach. I need every single member of our leadership team in the same place about the culture, tone and behaviour that we accept. I have recently relaunched the very specific leadership behaviours that I expect of all our senior leaders, and we have a lot. We are publicly and openly setting out our commitments, which I launched on our intranet last week. It is very important that people can hold us to account for specific behaviours, and if we fall short, they should be able to call us out.

Q35 **Charlotte Cane:** Moving on, but possibly connected, you seem to have more staff wanting to leave than other organisations do, either immediately or in the next 12 months. What are you doing to try to keep those staff?

Catherine Little: First, there is good turnover and there is bad turnover, so there is a question about what the desirable level of turnover is. It is very different between our secretariats, where actually we encourage



people to come on secondments for two to three years. We want to see quite a lot of porosity of people coming into the centre and then moving on to different things, as opposed to the Office for Parliamentary Counsel, where you really want experienced, long-serving legal drafters within that team.

So we have a very broad range of desirable levels of turnover. I believe the data that you are referring to that is in the public domain is the churn rate of 25-30%, which is what we experienced between 2019 and 2023. At quarter two this year we are at 14.3%, so there has already been quite a significant reduction in turnover overall. It is worth noting our slightly unique composition in the Cabinet Office, because the turnover data includes all our MoG changes. So, when I move 2,000 people to DSIT that will cause a spike in my turnover data. It includes all our fast streamers who we rotate actively on a six-month basis, so that has a big impact on our numbers, and it includes special advisers for the whole of Government and our commercial staff, so that just means the Cabinet Office looks different and stands out. If you take out all those things, our turnover rate comes down to about 9%, and the Civil Service average is 7.5%, so that is much more within the normal turnover rate you would expect for a healthy organisation.

Q36 Charlotte Cane: But you are getting comparatively low scores on leadership and development, compared to other Departments. Does that come to what you were talking about with your behaviour code for your leadership?

Catherine Little: Yes, it is all connected. The question of whether you trust your leadership to take action, to listen to you, to take on board your views and to help you to thrive and succeed in your job every day, those things have an impact on how fairly treated people feel, how engaged they are and what they think about the leadership of the organisation. But as I say, there was a very big dip—we went down to 58% and potentially lower in 2022—so we have been making steady progress. I am very encouraged by the most recent set of scores, which will become public in January, but we have a lot to do.

Q37 John Grady: Following up on Ms Cane's questions, you have a very firm commitment to this topic, which is very important and comforting. If I understood you correctly on the measurement of this, you said it is a bit of a struggle to unpick what we are dealing with in the numbers themselves because bullying, discrimination and harassment are coalesced together in the questions. Are you planning to change the measurements so we are very clear about the amount of actual bullying as opposed to discrimination and harassment; so measuring all three separately? That is a question in the staff survey, is it not? That is what needs fixing there.

Catherine Little: The staff survey—the annual Civil Service People Survey; one of the largest surveys of its kind in the country involving 500,000 people providing data—is only one source of evidence and data



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that we use. We use it to help guide our understanding and insight into this, but my experience of getting beneath the skin of BHD is you have to talk to people, and the data helps to focus your efforts on which teams you need to spend most time with.

We have had a dedicated team sitting alongside those teams with the lowest scores, talking to staff in a very objective, independent way, and better understanding what is driving those issues. A lot is about how safe people feel to speak their mind. I run weekly open-door sessions where staff can just come and talk to me confidentially, and I had a member of staff say to me a couple of weeks ago, "I had a very senior member of staff sat at my desk in one of our buildings and I was too afraid to go and say, 'Oh, by the way, that's my desk'." Those things add up to make people feel that senior people are not open to treating people in the same way they would want to be treated.

Q38 John Grady: Are there plans to change the questions we ask so we are clear whether people are experiencing bullying, which is different to discrimination which is different to harassment?

Catherine Little: Yes.

John Grady: In my own experience, the targeted response to those three things would be different from a HR perspective, as I know you will understand much better than me.

Catherine Little: You are quite right. We are currently looking at how we use the Civil Service People Survey. I mentioned this is a huge annual data collection exercise. Most organisations have moved away from these very large, comprehensive data-collection methods; we are using data AI, much faster pulse information to get a sense of how people feel. The Civil Service needs to move more towards live, much more specific, data driven and technologically platformed ways of engaging and understanding our staff.

Q39 John Grady: Would I be right in thinking everyone in the Department has to have mandatory training on behaviours such as bullying, discrimination and harassment, and they are absolutely clear that—consistent with employment law—if they cross thresholds for bullying, harassment or discrimination, they can face very serious consequences, including dismissal?

Catherine Little: Every line manager has clear expectations and understands the standards we expect. We have made bullying, harassment and discrimination training available for everybody, which includes fairness and inclusion as well as more cultural aspects of leadership.

Q40 John Grady: Is that followed up? Are you told to do it if you have not done it?



Catherine Little: That is a very good question. I am not sure that we have done that actively; I will go away and check how mandatory it has been.

Q41 Lauren Edwards: It is very clear from your answers that you have a strong commitment to having a really strong culture at the Cabinet Office, which is fantastic. You have referenced challenging periods in government when there has been a lot going on; 2022 was mentioned. In your view, to what extent are individual Ministers responsible for being part of setting the culture change within their Department?

Catherine Little: Leadership in our world has to be set jointly between political and official leaders. One of the first things the Chancellor of the Duchy of Lancaster did was a session with me just explaining the tone, culture, and ways of working with all our staff. We have a monthly all-staff meeting and Ministers regularly come along. In fact, we have done a big all-ministerial session to talk about exactly that. Ministers set the tone as much as our political leaders and officials.

Q42 Lauren Edwards: In terms of those conversations with the Chancellor, what was your advice around what you saw needed to change within the Cabinet Office in terms of culture and him being part of that conversation and that setting of a new culture? What would your advice be to him about what needs to change? Obviously, a new Government is an opportunity to reset that culture. I am just wondering what you thought needed to change based on previous years' experience.

Catherine Little: It is quite interesting: one of the first questions the CDL—our common parlance for the Chancellor; it is quite a mouthful to say every time—asked me was about the culture and ways of working. He is very actively interested in what is driving our BHD in fairness and inclusion, so in many ways I have not had to give him much advice because he has very instinctively taken it as a personal leadership commitment to look at this and understand it.

My advice to all Ministers is to make sure we understand the different cultures and different bits of what we do so we can motivate and best engage with our staff and get the most out of them. It is different working with our secretariats—in particular in national security—from how we operate in our operational teams, and I have been so encouraged by how our political leaders have taken the time to visit those teams and talk to them about how they feel up and down the country.

Q43 Lauren Edwards: Did you have any specific advice around the statistics we have been discussing in terms of bullying and harassment? Did you have any advice about what you felt needed to change from the top?

Catherine Little: Culture and an openness, listening to staff, making it clear that we want people's views and we want to hear what people have to say, and that there are no bad ideas or any bad questions. A topic we discuss a lot in relation to innovation is how you create a culture where people can say, "Minister, something's going wrong and I need to tell you



about why I think it's not going well and what I think we need to do to change it." We have also talked about the importance of being receptive to having those conversations and making it okay, because when you are dealing with the complex and difficult things we deal with, there is no wonder things quite often do not go to plan and we have to course-correct, learn from them and do things differently. So creating a culture with Ministers where teams know they can escalate and run issues up the chain is really important.

Lauren Edwards: It is helpful knowing that was needed.

Chair: I am sure we can touch on that with CDL next week when he appears before us.

Q44 **Mr Quigley:** Just carrying on from Miss Edwards' questions, you said the political leadership, or weather, has an impact on how teams feel. Famously, a former Member of this place left Post-it notes on people's desks. How do you protect the Cabinet Office from the worst political behaviours?

Catherine Little: Ultimately, it is not just political leaders. There are behaviours in the senior official leadership as well; it is neither one nor the other. It is my job as the Permanent Secretary to create an environment where people can call it out and talk about it; that is the most important thing. If people lose confidence that someone is listening and actually doing something about it, which sadly has been the case in the past, people stop raising concerns.

In some ways, I do not know whether I should be pleased that people are able to say, "Actually, I am not okay, and I am not happy about how I am being treated. I want to tell you and I want to talk about it." That is a healthy discussion that we have to have in the organisation.

Q45 **Chair:** Just before we leave this, we know you have referenced fast trackers moving around the Civil Service every six months or so. We know as well that there is quite a strong imperative for people who are not fast trackers to move in between Departments as and when opportunities arise. I think I am correct to say that on these important issues of, let us just call it tone and culture as an easy shorthand, it is very bespoke of the mindset of the Permanent Secretary and their Secretary of State.

When you have a fast-churning cadre of people moving around between Departments for a whole variety of reasons, there is a sense of Groundhog Day and having to learn, refresh and renew aspects that are different between each Department, so there must surely be some considerable merit. We refer to the Civil Service—I do not use this pejoratively—as an amalgam, just to have one standard set of operating procedures and requirements when it comes to these important issues of work, rather than having bespoke ones for however many Government Departments we have.



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Catherine Little: I very much agree with you on operating procedures. My whole career in the Civil Service over the last decade has been all about standardising procedures because, first, it means you are treating people more fairly; secondly, you are taking out friction; and thirdly, you are reducing costs and it means you can automate things in a more effective way. I have been working in finance, HR and commercial in particular for over a decade now and we have such a different organic starting point.

The Civil Service has 120 different separate employers, each with their distinct terms and conditions, frameworks, grading structures and operating models. I have worked in four of the most different Departments, and the cultures and grading are very different, so people think we are the amalgam of homogeneity; we are really not. The Treasury has a very different culture to the Ministry of Defence, for example, and some of that variation is right.

Q46 **Chair:** Without creating a block of vanilla, there surely has to be outcome upticks, to have grading, operating requirements, behaviour requirements, and so on, uniform across the Departments irrespective of which they are. With everybody being different, bespoke and niche, it must surely have a negative impact on the quantum and quality of outputs.

Catherine Little: I personally believe it does. I did not talk about my priorities in my role as COO of the Civil Service, but we are looking at four things. One is the operating model, which is what you have just described. I know that can sound a bit like intangible consultancy speak, but it is basically, "How do we get things done around here?" If we are going to drive value for money and efficiency, standardisation has to be adopted where it is right and proper that we follow common processes and have common ways of working. It is often not the most glamorous bit of what we do in government.

The Chair: It is some of the most crucial bits.

Catherine Little: I am personally very much of that view.

Q47 **Chair:** Who has the whip hand? Is it you? Do you just say to all the permanent secretaries when they get together—not at The Athenaeum; those days are gone—"Right, look, we have done this now for so many years; it's past its sell by date. We have to get this centralised; we have to get it sorted out. This is what we are going to do. All comments by 4 pm on Friday, and it all comes into effect at 9 am on Monday"? Who leads it to deliver rather than having it just eddying around between scores of people?

Catherine Little: You just described the Civil Service Board.

Chair: That did used to meet at The Athenaeum.



Catherine Little: Did it? That was well before my time. In an organisation with 120 employers, it is so important that you get collective consensus about, "What are the things that we're going to do once and well together, either for operational or for outcome reasons?" In the past, we have proven that we are really good at that. We are moving as one Civil Service in the work we are doing on the Shared Services Strategy and One Big Thing in our training, learning and development, because the Civil Service Board has agreed those are the things we should do together.

I currently chair that committee, which is made up of the most senior leaders of the Permanent Secretary cadre, and they are responsible for looking at the health of the Civil Service, our strategic reform plans and how we deliver it in practice. At the moment, we are doing work on the pay strategy, the operating model, the digital and technology strategy, and the culture of the organisation so that, alongside the Spending Review, we can produce a detailed 2030 vision and plan for reform of the Civil Service.

Chair: You have talked us into possibly another inquiry on that because that sounds fascinating. I always worry about how it gets delivered and who measures the march to deliver it, but I have little or no doubt we will come back to that. Let us now turn to Richard Baker, who wants to talk about digital data.

Q48 **Richard Baker:** The Government have big plans around data and a National Data Library is being proposed. Our predecessor committee recommended the Government should take a joined-up approach to our public evidence base within government, and the Lievesley Review said there were, "Systemic and cultural barriers to responsible data sharing between Departments." How is the Cabinet Office working to break down those data sharing barriers that currently exist?

Catherine Little: It is one of the biggest challenges of society. The Secretary of State for DSIT has said that, "Data is the DNA of modern life" and we have to get this right. As you alluded to, there are lots of different barriers. The four biggest barriers are our legacy IT systems that store a lot of our data, the fact that our IT infrastructure in government is incredibly varied, the data quality and the curation of our data has needed much work, and, as you said, culture; you have to be in the mindset of understanding what data can do for you.

Just to say a bit about each of those things. On legacy IT, we have identified all our legacy IT systems. At the Spending Review 2021, we worked very closely with the digital teams to prioritise the legacy IT systems that needed to be remediated and sunsetted as effectively as possible, and there was significant investment into that work. We have 319 legacy IT data assets, all of which have remediation plans. Roughly 70% of those plans are fully funded and under way, and obviously funding is a big constraint to prioritise and keep momentum going.



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We have rapidly increased the use of APIs, which are the connections between different datasets we share between Government Departments. One I developed when I first came into government was sharing data from DWP on who had benefits so we could link it directly to legal aid casework. Those are proliferating to automate data sharing. We have also set new data standards for the whole of government and are now consistently assuring how Government Departments are meeting those data standards.

On the culture, this is a constant challenge. Last year, we launched something called One Big Thing, which is the one big focus for learning and development that we want the whole of the Civil Service to focus on. Last year, we focused it on data to make sure every single civil servant had access to excellent training on why data matters, how you should use it, and how you go about sharing and drawing insight from data. Over 200,000 civil servants took part in that exercise, and we are doing a similar exercise this year on innovation. These are vast training efforts, but it is the day-to-day culture, and we need every single leader—both political and senior official—understanding the power and the importance of data.

Q49 Richard Baker: Clearly, there is a huge investment in, for example, the UK Statistics Authority and improving availability of data. To realise the full value of that, I imagine it is important for that remaining 30% investment required in addressing the remediation and the legacy data issues you mentioned. Are plans in place to complete that programme and complete the funding for it?

Catherine Little: The other 30% are a mix of not quite fully funded but still making progress, rather than no progress being made. The next phase of the Spending Review is quite a critical moment because that is when we are going to zero base the whole of what we do and make sure we are prioritising the funding on the things that matter most. Alongside cyber risk, legacy IT has to be a significant priority for us.

Q50 Richard Baker: You mentioned the importance of sharing data standards across Departments, and presumably trying as best as possible to ensure the alignment of data systems as well. I imagine that is a huge task within government, as well as for public bodies and devolved Administrations, and our predecessor committee identified some challenges around that. What progress is being made in those areas to ensure there is a maximum potential to capture data across government and across devolved Government?

Catherine Little: I should have said in my earlier answer that responsibility for this has now moved to DSIT as of September. You mentioned the National Data Library, and it has also launched the Government Data (Use and Access) Bill. That is putting data at the heart of the whole economy and very explicitly gets into how we are going to change the approach to data sharing across the wider public sector. My



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DSIT colleagues are very much in the space of implementing that Bill and making sure we bring the National Data Library to life.

- Q51 **Lauren Edwards:** My question is largely around that move of a lot of the AI, data and digital responsibilities to DSIT. I am just wondering what responsibilities the Cabinet Office has retained for those areas?

Catherine Little: We have whole-scale moved all my digital data and AI teams; it is one of the largest MoG changes we are working through and involves 1,500 people. From day 1 of the machinery of government change when it was announced in Parliament, all ministerial responsibilities for those areas were moved immediately to DSIT.

The thing that remains part of our systems leadership though is how you actually use those skills to the end outcomes we are trying to achieve. Those tools in themselves are not the outcomes; they are the things that enable state strategy, transformation, efficiency and mission delivery. The CDL chairs the interministerial group—a formal term for a ministerial meeting on digital—which meets very regularly to oversee how we are harnessing the digital centre of government to deliver objectives for the state as a whole.

- Q52 **Lauren Edwards:** It is very focused on how Departments within Whitehall are co-operating around digital. That is helpful. My presumption is that DSIT now has the spending controls in these areas as well. Is that the case?

Catherine Little: Yes. They have created a new digital gateway that works in partnership between DSIT, the Cabinet Office and the Treasury, because obviously a lot of digital controls also have commercial aspects, which is a core function of the Cabinet Office. The gateway is run as a combined team overseen by DSIT.

- Q53 **John Grady:** Just one follow-up, if I may, on that previous chapter. On the One Big Thing training, you had around 200,000 of the Civil Service family taking part. If I am right, you have about 500,000 civil servants, so that is a delta of 300,000. Why would the other 300,000 not have participated in this?

Catherine Little: That is a very good question and we are doing some post-training evaluation. There will be lots of different reasons. Sheep dipping 500,000 people on data is quite an immense task, and not everyone will think they need it. We have tens of thousands of data specialists in government ranging from data scientists through to data engineers, and there will be a large number of people who might have thought, "I don't think I need the basic training." But it is a good question and we do offer other training.

- Q54 **John Grady:** I would express a slight amount of scepticism that over 50% do not need it, because data quality flows from people working for the DWP in Glasgow or Newcastle, or prison officers working in prisons. The micro makes the macro in this context, does it not? It strikes me as



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something that would be worth looking at.

Catherine Little: I completely agree, and it was the first time we had ever done anything at scale across the whole of the Civil Service. We are going to keep going, but it is a fair point.

Q55 **Chair:** Do you think data management is as interesting as compliance? People usually reach for a mug of Horlicks and a comforting blanket, i.e. they do not understand the urgency of something.

Catherine Little: There is definitely a bit of that. We talked about cultural challenges. Data can feel like quite an intangible thing to a lot of people. If you are a prison officer on the front line of a very challenging, pressured environment, of course you will care about data, but will it be your number one priority? Maybe not. Culture, understanding and giving people space and time to really get to grips with it matters.

Q56 **John Grady:** And the training. The Civil Service has grown significantly since 2016. In your view, is it too big?

Catherine Little: It is worth looking at why it is so big, and it is big: 513,000 full-time equivalent members of staff. There are four big drivers of it; some are commonly known. One driver is EU exit, with quite a large amount of repatriation of activity from the EU into our core state functions, and another is covid: we saw massive increases in the numbers of people, particularly in the centre of government.

There has also just been a lot of operational demand. Two Departments I would give as an example are the DWP, in which we rightly invested significant increases in work coaches after the pandemic to help get people back into work and to really invest in sustainable—

Q57 **John Grady:** It has not worked very well, has it?

Catherine Little: These are big, ambitious things, and success is always varied, but it was necessary and a Government choice to really put effort into getting people back to work after the pandemic, which needs more work coaches. Home Office immigration enforcement has seen significant increases in people as well.

Q58 **Chair:** I was just going to make an observation, if I may, on this covid thing. I can hear people at home—do not worry, I do not have voices in my head—going, “For God’s sake, covid was years ago.” Are we right to think that the covid fallout thereof has become the almost all too easy and handy peg to hang lots of things on? A one-off, time-limited pandemic appears to be having endemic impacts on how we are governed, how we approach things, the role of the citizen in the state, why the Civil Service is so large. In most people’s minds, it is ancient history now.

Catherine Little: I am merely explaining why those peaks have happened, certainly since the post-World War II low of 2016. Those are the events that have driven increases, and I completely understand why



anyone looking at the Civil Service would say, "Well, why are those people still there?" One of my frustrations is getting beneath the data because it is not as though, when we recruited in the pandemic, we put a tag on someone and said, "Well, you were a pandemic resource." A lot of staff developed expertise and skills that we have now redeployed into other areas, so it is very difficult to actually trace where those upticks have led to lasting staff changes and where they have not. So I can rationally top-down explain how that created a—

Chair: It is not that difficult. Somebody joins during a pandemic; they are still on the payroll, and they have moved from there to there. They were doing that, and they are now doing this. That is not a difficult exercise to do in HR.

Catherine Little: It is for 513,000 people, and not everyone recruited during the pandemic was recruited specifically for the pandemic; normal recruitment was being undertaken as well. I talked about our data sharing on back-office functions: we do not have a single HR system for the whole of the Civil Service; there are hundreds underlying the way in which we run the service. There is a big data challenge and you have oversimplified it. They are the reasons for us. The other one I was going to mention is there have been some big machinery of government changes. We brought the community rehabilitation centres for probation back into the boundary of government.

The other thing that is quite unique about the Civil Service is where the scope and the boundary sit. We have public servants, crown servants and civil servants, and the Civil Service is only 8% of the total public sector workforce. If you ask the average person what they think a civil servant is, they probably would not tell you that it was the Royal Fleet Auxiliary or a prison officer. You would normally associate the Civil Service with policy development and less our operational boundaries. There is a real misconception about what the Civil Service actually does, and I really think we should do more to explain it.

Q59 **John Grady:** To sum that question up, one issue you face with using the Civil Service numbers as some sort of pointer towards government efficiency or inefficiency is it is actually fairly meaningless when you pick away at it because you have policy people and prison officers; there is such a wide variety of people in it. With the public spending restrictions, do you see a need to reduce headcount in the Civil Service?

Catherine Little: It is absolutely imperative that the Civil Service becomes more efficient, more productive and takes advantage of technology to become less dependent on people. Alongside the Spending Review, we will be developing the first strategic workforce plan for the Civil Service.

It is too simple to talk about input; you have to look at the outcomes and services that the Government are asking the Civil Service to deliver and the very important question of, "Are you delivering those outcomes in the



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most efficient, effective way?" Harnessing technology and innovation are critical, and we do need to get clearer about actually stopping some things. Even in my time in government, we have just continued to add to the list of services and activities that the Civil Service is asked to deliver.

- Q60 John Grady:** If I was to sum that up to someone back in my constituency, is your position that we need to probably do less or different things, better, and that may be associated with a reduction of headcount and/or redeployment of people to the things that we should be doing from the things we should not be doing?

Catherine Little: Exactly, and it has to work in tandem with the work we are doing on reducing consultancy and contingent labour.

- Q61 John Grady:** You have taken the words out of my mouth for the next bit of questioning. If you have a series of reorganisations, moving people around and redundancies in the Civil Service, how can you be sure you will retain key capabilities and competences as opposed to losing really good people? Which is actually what happens a lot in restructuring: you lose older, really experienced people.

Catherine Little: We have definitely seen that in the past. A number of Departments have already launched what we call a voluntary exit scheme, which is giving staff the choice to leave the Civil Service or the Department, and how you design those voluntary exit schemes really matters. For example, there are things we can do for eligibility to those schemes; say if you are rated as high-performing or exceeding your objectives, we can say you are not eligible for the scheme, so there are ways to do it. In my experience—having run several of these restructures and schemes—it is all down to line managers knowing what skills they need and being very clear about their long-term structures and what they are trying to achieve.

- Q62 John Grady:** Moving on to the consultancy spend and reduction of that, what do you think the Government need to do make sure the outcomes increase or at least stay the same?

Catherine Little: You will be familiar with the halving of consultancy: £550 million to be saved by the end of this year. These are vast and important sums of money. We just have to stop. I genuinely believe there has been an over-reliance on using consultants as additional resource because it is fast. We did a lot of it during the pandemic and we have become overly reliant on reaching to what has been seen as an easy solution.

There are three things the Civil Service has to do alongside the work to reduce costs. First, we have to develop the skills where we have been most reliant on consultants, which tends to be in technology, digital and data. We have already doubled the number of people in that profession within government and we are going to have to double it again. Secondly, we have to genuinely prioritise. We just do not have the money. As you would know, in business, if you do not have the money, you do not do it.



Thirdly, we have to commission cross-cutting consultancy. Quite often, I see different Departments using consultants to give them advice on very similar things. One reason we have commercial oversight over a lot of what we do in this space is so we can join up the dots and go, "You should just commission this once, if you really need to commission it at all."

Q63 John Grady: I wonder if there are two other things that are worth looking at, and I will be guided by you on this. The first actually takes us back to the culture point we were discussing earlier where we had a chat discussing bullying, harassment and so on. I wonder whether part of it is, if you have less of that, you have a more confident Civil Service that is actually prepared to take decisions itself rather than feel it has to send work out to consultants.

Secondly—this is an old theme—is the Fulton Report commissioned by Harold Wilson that talked about how the Civil Service prizes a generalist culture with breadth of experience, and Jonathan Slater has talked more recently about a focus on generic skills of advising as opposed to deeper policy expertise. I am slightly biased; I am a former lawyer, so I think you have to know your stuff and be able to advise on it clearly.

Is there a need to focus on developing specialists in the Civil Service who are rewarded for being jolly good at being specialists—sticking with, for example, the Department for Education or the Treasury—as opposed to being rewarded for moving on and taking a different job at a different grade?

Catherine Little: I very much agree with both those points. On the culture, the Civil Service needs to be more confident. We have a vast number of deep specialists and some of the world's and country's leading specialists in some things we do. We have done it in the past with our scientists and our medical advisers, and we need to do it consistently. I really want the Civil Service to be confident in their specialist skills.

I personally do not think the Civil Service should talk about being generalists. We are professional policy advisers and our policy profession is a unique set of skills. Far too many of the Civil Service do not quite know which profession they fit into at times, so that continuing drive to professionalise, accredit skills and give confidence to the capability of our people really matters. I am biased as well because I am an accountant, but that really does make a difference to the way you operate.

Q64 Luke Taylor: Just to make a very quick point and coming back to the line of questioning from the Chairman: I do not think it is remotely credible to say you do not know when people started; that is a ludicrous thing to say and it worries me. It highlights this lack of understanding of the workforce and requires corrective actions to be able to answer that question.

Catherine Little: If I could just clarify, I am not saying I do not know when someone started. Every single Government Department knows



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exactly when someone was recruited. I am saying we did not put people into buckets of covid resource and non-covid resource because we were recruiting for lots of different reasons, and I certainly do not have the means to aggregate that data in that way thematically.

Luke Taylor: We know what job title they were recruited under.

Catherine Little: But knowing job titles is not necessarily the best way to ascertain what someone is doing, I am afraid.

Luke Taylor: It seems like a very good way to understand what they are doing to me, but maybe I am misunderstanding.

Catherine Little: Not necessarily. Quite a lot of our staff have common descriptors, and we brought in lots of new operational teams during the pandemic who were work coaches. We did not put on their job title, work coach: covid. So you are oversimplifying the importance of making sure we get better data. I completely agree with that; we have to have better data on our workforce consistently understood across the whole of government, which is a really big part of our shared services strategy programme, but you have misrepresented what I was saying in response to the Chair's question.

Chair: This is not reserved to the public sector; it is across the piece. There is a legitimate and growing concern that an all hands to the pump response to a challenge of a unique pandemic set of circumstances where enormous expectation was placed upon the efficacy of the state to deliver, support and protect has somehow never had a pause button to say that was a response to a unique set of circumstances. We are now dealing with an endemic way of both doing things and legacy of recruitment, and nobody has ever gone back and done the root and branch work that actually needed to be done.

As I say, this is happening in the private sector as well. Too many people say, "Oh, well, since covid, we do it like this" or, "Since covid, we do not do that." People are getting heartily cheesed off with the line, "Since covid." You might as well say, "Since the Black Death," "Since the Second World War," "Since the invasion of the Falklands." These are historic events that had a response, but it should not be an endemic hard bait.

Catherine Little: I very much agree with that.

Q65 **Chair:** I rather presumed you would. We will look to be convinced and/or assured that there is the urgency and agency across the machine at political, civil servant and the wider sector level, that that is a piece of work that not only needs to be done but there is merit in doing.

Catherine Little: I hope you are assured that this is a very critical piece of work. It is not straightforward, but we are going to produce a strategic workforce plan that looks at the size, shape, skills, and cost of the Civil Service, and that will go alongside the Spending Review. We are going to look at this bottom-up, across the whole of what we do.



Q66 Mr Quigley: Back to the point around recruiting and retaining the best people: Civil Service pay has fallen in real terms quite considerably over the last few years, is that having an impact on your ability to recruit and retain?

Catherine Little: It is in some areas. Pay is only part of the recruitment and retention challenge, and I observe that the Civil Service is competing with other parts of the state in different ways. We tend to have big challenges at senior leadership level in specialist areas, and increasingly at more junior levels where we are competing with the broader economy. It is definitely a factor, which is why we are looking at the reward strategy, diversifying our recruitment, and trying to attract people into different skills. We are segmenting our pay more and more; you will know we have already done that for a large number of our functions.

Equally, we do not do enough to celebrate the total reward offer that the Civil Service gives. We have some of the most interesting and rewarding work in the public sector and it is a huge privilege every single day. When you look at our total reward of pension and pay, our pensions are significantly above what you would get within the private sector, and I do not think we are good enough at talking about the total compensation and reward package.

Q67 Mr Quigley: My understanding from IfG information is that the average time in post for senior staff is about two years, which may or may not cause problems, but the idea is that you say, "Oh, Mr Hall, you are exceptionally good at your job but we cannot do any salary progression so we are going to promote you" and off you pop to another Department. Would you like to return to in-job pay progression to try to cement skills?

Catherine Little: We definitely have to look at pay progression because it is undoubtedly one of the drivers of turnover, and that is not just anecdotal; there is quite a lot of evidence. It is a question we will have to look at.

Q68 Mr Quigley: Do you think it is causing grade inflation, in terms of saying, "We will put you up a grade because we cannot pay you more"?

Catherine Little: Yes. It is also causing grade compression. My predecessor said to this committee previously that pay is in a terrible state and is the biggest challenge that sits underneath all the issues the Civil Service is facing.

Q69 Mr Quigley: If you had a magic wand on that issue, what would you point it at?

Catherine Little: I am not sure there is a magic wand, and especially because we operate within very tough fiscal conditions. It is my job to look at pay—the operating model—to be able to release the efficiency savings to reinvest in pay. Part of the challenge here is people always look for short-term, piecemeal, tactical solutions to the challenges we



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have. My personal contention is these are actually quite pervasive and significant issues that need significant, long-term, serious thought.

Chair: Let us have a few minutes please on EU relations. I am going to ask Lauren to lead on that.

Q70 **Lauren Edwards:** You spoke earlier in your contributions around areas you have lost and gained. I am aware that the EU Relations Secretariat has been created recently and we had about 50 staff come across to the Cabinet Office about a month ago. From your point of view, how are they embedding and how are you making sure they are fitting into the Cabinet Office culture? What challenges do you see for them going forward?

Catherine Little: As you say, about a month ago, just over 40 members of staff came from the Foreign, Commonwealth and Development Office. I went to talk to them on day one to understand their hopes and fears. Moving Department is a big thing, especially when you have been in the diplomatic service and your career path has been largely destined within a different sort of career framework.

People are really genuinely interested in how the Home Civil Service and the Cabinet Office differ in what is a fairly different way of managing talent and people. But we have worked together really closely for a very long time, so many of those staff have actually been physically sat working with our international and national security teams in project base environments for many years, so it is quite interesting how it is not a massive change for many people. We did have an EU Secretariat within the Cabinet Office not that long ago, and some people in that group are returning to the Cabinet Office having been part of it for many years. We are facing quite a mix of different skills and of course some big challenges in taking forward the substance of the policy work, and we are going to be staying very close to that team to make sure they have the right integration, tools and support to thrive.

Q71 **Lauren Edwards:** What do you see as their focus over the next six months? What is your direction to them in terms of settling into role?

Catherine Little: There will be a lot of work in settling policy considerations. I will not go into the detail because quite a lot of it is in development and you have probably seen we are recruiting a new second Permanent Secretary to lead on EU relations. There is a lot of work, and we have a lot of global and EU interactions coming up, as we have over the last few weeks, which I am sure you have seen. Settling people in while there is quite a lot of work going on is always a challenge.

Chair: Thank you very much indeed. You have given us much food for thought. You have answered our questions openly, for which we are hugely appreciative. We will see you again next week with the CDL. This was the warm-up act, if you will, for the great show next week.