

## **CHANGES AFFECTING ADMINISTRATIVE CULTURE IN THE BRITISH CIVIL SERVICE, AND THE WIDER PUBLIC SECTOR**

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Countries and their administrative systems change over time due, for example, to wars, the gaining of independence in the case of some nations, population growth and diversity, as well as changing global boundaries and groupings, such as the European Union. Accordingly, “administrative culture” alters, reflecting such changes. So, it is in the United Kingdom: the “administrative culture” differs in 2017 within the British Civil Service and the wider public sector, from how it was in the period 1900-1939, about which I wrote in my book *THE BRITISH PHILOSOPHY OF ADMINISTRATION*.<sup>1</sup>

First, however, what does “administrative culture” mean? “Administrative culture” has been defined as “both the sum of historical and political factors and an indicator of contemporary interaction of political and structural forces”.<sup>2</sup> As such, “administrative culture” embodies a set of shared values extrapolated from these historical and political factors, one such value underpinning the British Civil Service being the appointment of civil servants on “merit” and another being the non-politicization of the upper echelons of the higher Civil Service – the latter in contrast to the Federal Public Service in the United States of America.

But, how has “administrative culture” in the British Civil Service and the wider public sector changed over time – notably since the period 1900-1939? From a conceptual viewpoint, some 6 changes can be identified which I shall enunciate briefly in turn, beginning with:

### **1. GENERALIST TO GREATER SPECIALISATION**

Recruitment to the higher Civil Service in Britain relied traditionally on Oxbridge graduates, a good number of whom read “classics” at Oxford or Cambridge Universities and were deemed to be well-educated “generalists”, competent to deal with any policy field of public administration.

By 1968, on the publication of the Fulton Report,<sup>3</sup> the Fulton Committee’s findings criticised the “generalist” as “amateur”. Instead, following the implementation of the Report’s recommendations, professional specialists, including scientists and engineers, were given more authority in the British Civil Service and subjects, such as economics, studied at a wider UK University base than Oxbridge, became the cultural background for recruits on the pathway to the Senior Civil Service.

## 2. CONTRACTUAL EMPLOYMENT CHALLENGES A CAREER FOR LIFE

For many decades of the Twentieth Century, entry into the UK Civil Service was regarded as a career for life, attracting applicants by the benefit of long-term security - providing no serious misconduct occurs.

Over time, fixed-term contracts have been introduced into the British Civil Service, which are temporary appointments to meet short-term needs – although such appointments must be compliant with the Service’s Recruitment Principles. However, in the case of appointments to the Graduate Fast Stream won by open competition (and through the separate in-Service Fast Stream for serving civil servants), fixed-term contracts normally do not apply.<sup>4</sup>

The loss of “jobs for life” and the use of fixed-term employment contracts for some staff in the British Civil Service affects “administrative culture” by creating insecurity and worry for those on contracts as to whether or not they will be renewed.

Alongside the disappearance of “jobs for life” has come a dramatic reduction in British Civil Service numbers in the last few decades from so-called “efficiency” drives, austerity measures since the global financial crisis of 2008 onwards, and Spending Reviews. However, only some 16% of all British civil servants these days retire at, or around, their normal retirement age, while over 60% resign to follow alternative careers or for other reasons.<sup>5</sup>

## 3. PRIVATISATION OF PUBLIC SERVICES AND FUNCTIONS, AND PUBLIC PRIVATE PARTNERSHIPS

Referring here to wider UK State-owned assets, such as public corporations which have been privatised,<sup>6</sup> these developments took place particularly under Margaret Thatcher (Conservative Prime Minister 1979-1990) and John Major (Conservative Prime Minister 1994-1997). For example, in 1981 The British Telecommunications Act divided the Post Office Corporation into British Telecoms (BT) and the Post Office – with The Telecommunications Act of 1984 making provision for BT to be privatised. The Gas Act of 1986, in turn, made arrangements for the privatisation of British Gas Corporation, and numerous other privatisations occurred.

During John Major’s Administration, the privatisation of British Rail went ahead which has proved particularly controversial. British Rail (BR) was a public corporation but, on privatisation, the responsibilities for track were separated from train operations, which still today in 2017 causes problems.

One of the criticisms of privatisation in the UK has been “how” the State assets were sold, with many State assets being sold by British Government for much less than their actual worth, having been undervalued at privatisation.

While the outright sale of State-owned assets is not as obvious since 2010 under the Coalition Government (2010-2015, with David Cameron, Conservative Prime Minister and Nick

Clegg, Liberal Democrat Deputy Prime Minister), privatisation by means of outsourcing services was prevalent (privatisation by the back door without the upfront income stream of proceeds from selling off assets). The National Health Service (NHS) is a classic example of “outsourcing”. The Health and Social Care Act 2012 was the most controversial set of reforms in the history of the NHS, expanding greatly the role that private companies play in delivering health services.<sup>7</sup>

Alongside privatisation has developed the concept and practice of Public Private Partnerships (PPPs) for public services projects, the term being defined as “partnerships which involve everything from operating facilities and providing services on behalf of the public, to flexible methods of financing these services”.<sup>8</sup> The UK has pioneered PPPs since 1991: for example, in 1996, an early contract was signed for the design, building, financing, and operation of a 1,000 bed hospital in Norwich, England (completed in 2001 on budget).<sup>9</sup>

One of the benefits of PPPs is that they can improve the operation and efficiency of public services by accessing private sector processes, technology and innovation, and adding an alternative source of funding for public infrastructure and services.<sup>10</sup> Disadvantages of PPPs, however, include the fact that forecasting the incomes to be obtained from the new investment projects is subject to uncertainty; PPP projects can overrun in time and costs, and in the UK there has been a lack of commercial awareness in the public sector.<sup>11</sup>

In terms of the effects of these modern developments on traditional “administrative culture”, privatisation has led to a loss of certain government services and functions to the private sector, while PPPs attempt to introduce commercial practices and culture into the public sector.

#### 4. THE SEPARATION OF POLICY FROM ADMINISTRATION: EXECUTIVE AGENCIES

During the period 1900-1939 in the UK there was an emphasis by administrative thinkers on integrating policy with administrative functions of government – in contrast to Woodrow Wilson’s argument of 1887 in the United States of America that administration should be separated from both policy-making and constitutional matters.<sup>12</sup>

By 1988 in the UK the trend began under Conservative Prime Minister, Margaret Thatcher, to establish executive agencies to deliver Central Government services, separate from policy-making. A Report Thatcher had commissioned was published that year, entitled “Improving Management in Government : the Next Steps”, which proposed the creation of semi-autonomous agencies to focus on the delivery of Central Government services, leaving senior officials to concentrate on policy. Thatcher accepted the Report’s recommendations in a statement to the House of Commons in 1988, confirming that executive agencies should be set up having freedom to adopt “business-like” management practices, with quantifiable targets, and placing greater awareness on financial and budgetary matters. Thus, civil servants would be hived off to these semi- autonomous agencies to focus on delivery of executive functions. Each agency would have a “parent” or “sponsor” Central Government Department, with a responsible Minister, as well as its own Chief Executive. Areas of

government business specifically suited for agency status were identified and agency Chief Executives appointed following open competition - about 35% of whom came from outside the Civil Service. By May 1991, 50 agencies had been established.<sup>13</sup>

From the mid-1990s executive agencies continued to grow at a fast rate so that, by 1994, 99 agencies had been created, comprising 65% of the Civil Service. However, the sheer numbers led to their quality being less of a priority and failures in agency performance ensued – for example, HM Prison Service – an executive agency - was criticised severely after a high-profile IRA prisoner escaped, culminating in the sacking of the agency Chief Executive.<sup>14</sup>

The election of the Labour Government in 1997 coincided with the beginning of the decline in numbers of executive agencies, the main creation phase ended, and the “Next Steps” programme was closed. However, executive agencies have continued to be established, as well as dissolved – with 38 agencies on a list issued by the UK Cabinet Office in December 2016.<sup>15</sup> These current agencies range from the Animal and Plant Health Agency to the Driver and Vehicle Standards Agency and HM Courts & Tribunals Service – to name a few. Some other agencies have been terminated by Ministers by dissolving them, merging one agency with another to form a new agency, or returning its functions to its “sponsor” Department.

What impact executive agencies have had on “administrative culture” in the UK is hard to contemplate. Although staff in executive agencies remain civil servants, they may experience a fragmentation in loyalty to the overall Service, being at arms-length from their “parent” Department. And, the emphasis on business-like management practices in executive agencies introduces further a business culture into UK public administration.

## 5. DEVOLUTION OF POWERS TO SCOTLAND, WALES AND NORTHERN IRELAND

Referendums were held in September 1997 in Scotland and Wales, and the majority of voters chose to establish a Scottish Parliament and a National Assembly for Wales. In Northern Ireland devolution was part of the Good Friday Agreement, supported in a referendum in May 1998.<sup>16</sup>

Like the Houses of Parliament at Westminster, London, members of the devolved legislatures nominate Ministers from among themselves to comprise an Executive, known as the devolved Administrations. So, officials in the devolved Administrations do not serve the same Ministers as HM Government (that is, they do not work to the Prime Minister or to Secretaries of State who form the Cabinet, but to their own Ministers with their own political priorities and mandates).

The devolved Administrations’ budgets normally are determined within a Spending Review, alongside the Departments of the UK, and much of the funding is provided to the devolved Administrations from the UK Government as a block grant which can be spent on any devolved responsibilities as the Administration sees fit and with the approval of the devolved legislature.<sup>17</sup>

Concerning Scotland and Wales, the Home Civil Service remains a UK matter – in other words, there is a single Civil Service which provides a degree of interchange of officials between UK Government Departments and the devolved Administrations in Scotland and Wales. Nonetheless, the Scottish and Welsh devolved Administrations have room for manoeuvre in developing staffing policies and arrangements to meet their local needs within the framework of the Home Civil Service.

The situation is different in Northern Ireland, however, as there has been a distinct Service there since 1921. Known as the Northern Ireland Civil Service (NICS) it provides staff for the Northern Ireland Departments and other bodies responsible for services, such as health and social services. However, many civil servants working in Northern Ireland are not members of the NICS but remain members of the Home Civil Service.

In regard to the Home Civil Service, one change occasioned by devolution has been to amend the Civil Service Code, which now provides that “civil servants owe their loyalty to the Administrations in which they serve”<sup>18</sup> - namely, the UK Government, Scottish Executive, or National Assembly for Wales. This change was designed to address the concern that officials’ loyalty might be affected by the fact that they remain part of a single Home Civil Service.

The implications of devolution for “administrative culture” are that, in the case of Scotland and Wales, officials continue to belong to a common Service, being recruited on merit and upholding political neutrality. By contrast, in Northern Ireland with its own Civil Service, a sense of detachment from the rest of the UK has been observed.<sup>19</sup> Over time, however, a House of Lords’ Report has warned that significant pressures may arise in connection with devolution whereby the devolved Administrations in Scotland and Wales want their own distinct Civil Services and the ending of a single Home Civil Service.<sup>20</sup>

## 6. EQUALITY AND DIVERSITY; DIGITILISATION; AND SOCIAL INVESTMENT

The British Civil Service and wider public sector have experienced many transformations during the 20<sup>th</sup> Century and the 21<sup>st</sup> Century to date. Indeed, too many reforms have occurred to encapsulate in this one paper. However, so far 5 main changes have been depicted in this writing, but in this final conceptual category three separate initiatives are combined. They have nothing particularly in common, other than that they impinge on “administrative culture” and serve to complete this paper without unduly extending its length.

### 6.1. EQUALITY AND DIVERSITY IN THE BRITISH CIVIL SERVICE AND AGENCIES

British society has changed since the period 1900-1939, having today a more diverse population. Consequently, the British Civil Service and agencies have widened their overall workforce to reflect this change, and in recognition of the fact that the delivery of public services must extend to everyone in society.

Thus, today’s Civil Service is committed to promoting equality and valuing diversity in every aspect of employment – namely, in regard to women; minority ethnic persons; and the

disabled. Government statistics for 2015 demonstrate that the Civil Service (other than the Senior Civil Service) employed 54.1% of women employees; 10.6% ethnic minority staff; and 8.9% disabled. Regarding the Senior Civil Service it is acknowledged that more needs to be accomplished, as in 2015 there were only 38.6% women; 4.1% minority ethnic; and 3.2% disabled employed.<sup>21</sup>

Central Government Departments and agencies monitor their workforce in terms of gender; ethnic origin; age; disability; and other “protected characteristics”, such as sexual orientation and religious belief, seeking to avoid discrimination against any group of employees.<sup>22</sup>

Obviously, “administrative culture” in Britain has widened also to incorporate this diversity of staff working in the public sector.

## 6.2. DIGITALISATION

Digitalisation of major Government services in the UK has been a priority of late. Digital services are deemed to be simpler, clearer and faster for citizens to use. By March 2015, British Government had delivered a range of digital services used by millions of people, both in the UK and abroad – for example these digitalised services include being able to Register to vote; Renew a patent; Student finance; and Visas.<sup>23</sup> Furthermore, digitalisation is continuing in 2017, with British Government investing financially and Departments and agencies building their skills and digital services.<sup>24</sup>

Britain is considered by Sir Jeremy Heywood, Cabinet Secretary and Head of the Civil Service, to be the world leader in digital government.<sup>25</sup>

As a result of this digital transformation of UK Government, “administrative culture” is transformed in part, now requiring an increased awareness of, and skills in, computers and online processes which give a more immediate response in communications to/from citizens.

## 6.3. SOCIAL INVESTMENT

This paper has looked under section 3 at Public Private Partnerships which bring together public and private capabilities and finance. The UK Government’s additional newer commitment to “social investment” aims to expand responsible business and social enterprise, and co-ordinates the public, private, and social sectors in the UK. For example, The Dementia Discovery Fund, established in 2015, by the Department of Health, Alzheimer’s Research UK, and several pharmaceutical companies, is a £75 million fund combining public funds and private capital – with the aim of speeding up the discovery and development of new treatments for dementia.<sup>26</sup>

Another development has been the growth in the UK of “ Social Investment Bonds (SIBs)”, such as the SIB in Greater London which has helped to put rough sleepers into stable accommodation. SIBs improve the social outcomes of publicly funded services by making funding conditional on achieving results. Investors pay for the project at the start and then receive payment based on the results achieved by the project (that is, social outcomes). The outcomes are predefined and measurable.<sup>27</sup>

Inside UK Government the “Government Inclusive Economy Unit”, part of the Office for Civil Society”, was launched in 2016. The Unit will work with the private sector to increase flows of social investment and private capital to social causes – and work with Central Government Departments to identify opportunities for public and private capital to be co-invested. The Unit also aims to deliver further the Prime Minister’s commitment to SIBs to address longstanding social challenges.<sup>28</sup>

The consequences of social investment for “administrative culture” focus on the further interaction between UK civil servants and outside bodies – in both the private sector and the voluntary/ charitable sectors, so widening and mixing the administrative cultures.

## CONCLUSIONS

This paper has demonstrated numerous ways in which British “administrative culture” has altered in part over the years. A further impact on administrative culture resulted from Britain’s vote on 1<sup>st</sup> January 1973 to join the European Economic Community (as it then was). This development led to many European Directives being transferred into national law and a focus within British “administrative culture” towards communicating to a greater extent with our European neighbours. However, on 23<sup>rd</sup> June 2016, the British population voted by a majority in a referendum to exit the European Union (EU)<sup>29</sup> – and this Brexit process is commencing under Conservative Prime Minister, Theresa May. As a result, British “administrative culture” will shift again from a European direction to a renewed world dimension.

While it can be seen from this paper that British “administrative culture” has been shaped in numerous ways over the years through major changes, the UK Civil Service nevertheless continues to uphold the practice of appointment on merit, and the core ethical values of integrity, honesty, objectivity, and impartiality, which were enshrined afresh in the Nolan Report of 1995.<sup>30</sup> These values have been incorporated into the Civil Service Code,<sup>31</sup> and the Code forms part of the current terms and conditions of employment for civil servants. These values stand firm as the fundamental basis of British “administrative culture”, notwithstanding the various modifications to other aspects of administrative culture set out herein.

## NOTES

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<sup>1</sup> Rosamund Thomas “The British Philosophy of Administration: A Comparison of British and American Ideas” (First published by Longman, 1978; 3<sup>rd</sup> edn. Republished by Ethics International Press Ltd., 1996) – still in print. In Britain in 1900-1939 a “philosophy” of administration involved the unification of a scientific approach to administration and ethical ideals. “Administrative culture” is part of this “philosophy”.

<sup>2</sup> Definition by Anechiarico, 1998 p. 29 and quoted by Kuno Schedler and Isabella Proeller in “Public Management as a Cultural Phenomenon. Revitalizing Societal Culture in International Public Management Research” published in International Public Management Review Vol. 8, Issue 1, 2007.

<sup>3</sup> “The Fulton Report” Cmnd. 3638, 1968. See also “UK Civil Service – Civil Service Reform – Overview and Comment” at [http://www.civilservant.org.uk/library/1968\\_fulton\\_report.html](http://www.civilservant.org.uk/library/1968_fulton_report.html)

<sup>4</sup> See “UK Civil Service – Jobs for Life” at <http://www.civilservant.org.uk/information-dismissal.html> and “Civil Service Management Code”, November 2016.

<sup>5</sup> In December 2016 the UK Civil Service comprised around 416,000 full-time equivalent civil servants compared to nearly 480,000 full-time equivalent civil servants ahead of the 2010 Spending Review. “UK Civil Service – Jobs for Life” op. cit. and The UK Guardian newspaper at <https://www.theguardian.com/politics/2015/nov.19/how-the-UK-civil-service-has-changed-in-10-charts>. The UK Civil Service comprises the Home Civil Service and HM Diplomatic Service, but excludes the Northern Ireland Civil Service. However, national statistics for the Civil Service usually exclude HM Diplomatic Service.

<sup>6</sup> Privatisation is the process of transferring ownership of a public agency, service, or public property from the public sector (government) to the private sector, either to a business that operates for a profit or to a non-profit organisation.

<sup>7</sup> Alien in the Attic “Shrinking the State: Privatisation in the UK, 28 June 2015 at <http://www.aviewfromtheattic.com/shrinking-the-state>.

<sup>8</sup> Besides Public Private Partnerships in the UK Private Finance Initiatives (PFIs) have also been introduced. A PFI is a method of financing capital investment which requires that the private sector design, build finance and operate specific facilities. See “Gov.uk “ Healthcare: Public Private Partnerships”, 18 December 2013 at <http://www.gov.uk/government/publications/public-private-partnerships>.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> “Public Private Partnerships: the record isn’t great The UK Guardian newspaper at <https://www.theguardian.com/public-leaders-network/blog/2012>.

<sup>12</sup> Rosamund Thomas “The British Philosophy of Administration” op. cit. p. 37.



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<sup>13</sup> The UK Institute for Government “Next Steps Agencies, 1988-97” at <https://www.instituteforgovernment.org.uk>; and “Executive Agencies: A Guide for Departments”, UK Cabinet Office, Agencies and Public Bodies Team at <http://www.civilservice.gov.uk/other/agencies/index.asp>

<sup>14</sup> Ibid.

<sup>15</sup> “List of Ministerial Responsibilities Including Executive Agencies and Non Ministerial Departments”, UK Cabinet Office, December 2016.

<sup>16</sup> Following the public endorsement in the referendums, Parliament passed 3 devolution Acts: the Scotland Act 1998; the Northern Ireland Act 1998; and the Government of Wales Act 1998 (largely superseded by the Government of Wales Act 2006). These Acts established the 3 devolved legislatures, which were given some powers previously held at Westminster, London. Parliament remains sovereign. See “Devolution of powers to Scotland, Wales and Northern Ireland” at <https://www.gov.uk/guidance/devolution-of-powers>

<sup>17</sup> Ibid.

<sup>18</sup> House of Lords – Constitution – Second Report (from the H. of L. Select Committee on the Constitution), Chapter 5: Crown Service: The Civil Service after Devolution, published 17 December 2002.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> “Equality and Diversity – Civil Service” at <https://www.gov.uk/government/organisations/civil-service>

<sup>22</sup> Ibid.

<sup>23</sup> “Digital Transformation” at <https://www.gov.uk/transformation>

<sup>24</sup> Sir Jeremy Heywood “Digital in the Spending Review”, 8 December 2015 at <https://civilserviceblog.gov.uk/2015/12/08/digital-in-the-spending-review>

<sup>25</sup> Ibid.

<sup>26</sup> “Social investment and the new Government Inclusive Economy Unit” at <https://civilservice.blog.gov.uk/2016/10/11/social-investment-and-the-new-government-inclusive-economy-unit>

<sup>27</sup> “Social impact bonds” at <https://www.gov.uk/guidance/social-impact-bonds>

<sup>28</sup> “Social investment and the new Government Inclusion Economy Unit” op. cit.

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<sup>29</sup> Conservative Prime Minister, David Cameron announced the EU referendum but was in favour of Britain remaining in the EU. Following the referendum decision to exit the EU, David Cameron resigned and Theresa May took over as Prime Minister without a General Election.

<sup>30</sup> “Standards in Public Life”, First Report of the Committee on Standards in Public Life” (Chairman Lord Nolan) Vol. 1, London, HMSO Cm. 2850-1, May 1995.

<sup>31</sup> “Civil Service Code” at [civilservicecommission.independent.gov.uk/civil-service-code](http://civilservicecommission.independent.gov.uk/civil-service-code). The Code was introduced first in 1996 and has been updated several times since.