

ACE event summary
Private seminar with Rupert McNeil, Government Chief People Officer
21 January 2019



ACE was delighted to welcome the Government's Chief People Officer, Rupert McNeil, to speak to members about a number of 'people' related issues, including attracting and retaining talent; pensions and remuneration; and resilience within public bodies.

Rupert began by discussing recent improvements in government practice as preparations for exiting the European Union has provided the accelerator to building line management capability, resilience, and recruit, retrain and redeploy staff more effectively. For example, the Government is thinking strategically about how to build system-wide capability and has a number of cross-departmental recruitment campaigns.

The Government has also been working to address the unpopular competency-based recruitment approach through a new recruitment platform. By building success profiles and using aptitude tests to identify the necessary behaviours, skills and strengths required for each role to elicit a fully rounded view of the interviewees. This approach has the additional benefits of helping to address the lack of diversity in the civil service, and making it easier to provide comprehensive feedback to successful and unsuccessful candidates. Operating in parallel to this work has been the focus on functions and professions, using technical stands to outline key competencies required and having websites for specific professions so it is easier to navigate careers.

The Government is taking a more structured approach to pay and reward too. Rupert is meeting with the Civil Service Board imminently to discuss two main features of this issue. Firstly, recognising that there are different markets across the public sector, such as generalist, technology, finance, commercial, and specialist; therefore, there may be specific business cases to be made when these skills are required. Secondly, he wishes to address how staff earn more as they become more capable and skilled. How the pensions package is marketed is an equally important aspect to the overall reward offer.

In his role as Chief People Officer, Rupert has been considering the long-term structure of the civil service and public sector, and the impact of automation. Whilst this will result in some job reduction, overall it will be job enhancing, particularly for middle manager process-functions. The civil service will be pushing for more sophisticated opportunities for machine learning and ahead of the spending review is considering opportunities for applications as well as broader work on the ethical issues surrounding algorithms. He is aware that there needs to be effective leadership to keep pace with technological developments and satisfy the public and Parliament that in a world where automation is pervasive, the Civil Service has a grip on its implications. Related to this, and investing in leadership capability, ahead of the spending review, Rupert and his team are working on the business case for the next phase of the Civil Service Leadership Academy.

Finally, the Government HR functional team is thinking about diversity and inclusion in the civil service. There is a strong impetus to enable senior civil service jobs outside London and flexible working, which links directly to the discussion of attracting and retaining quality staff.

Overall, Rupert felt there have been big improvements in the past few years but significantly more can be done. He opened up the Q&A by asking for the audience's views on what his team should be focusing on and how further progress can be made.

During the Q and A session, the following points were made:

The discussion initially focused on whether Rupert's remit expands to public appointments. He explained that his focus is on employed staff, but he does have a wider perspective on the whole system and is in touch with Helen MacNamara, Cabinet Office's Director General, Propriety and Ethics, on how to get the public appointments and executive selection processes intertwined more effectively. They are also considering wider issues such as contingent labour and improving the management of contractors across the public sector. Rupert said he would come back to members with further information about the Taylor Review implications on flexible working, including the 'gig economy' activity.

Secondly, an audience member raised the need to share expertise in automation better across government, citing an example where they hired in expertise from HMRC and was introduced to transformative low-cost technology. Rupert said he has been in conversation with Chief Executive of the Civil Service, John Manzoni, on this point and they want to create a network to share skills. He will make sure ACE members are connected to this work.

One audience member is an advocate for using success profiles as a benchmark for performance management and development, but has found it difficult to find others ready to have these conversations. Rupert agreed that there is a reticence to link difficult issues regarding performance measurement too directly to success profiles, which have gained positive traction across government. Currently the focus was on their use in selection, but the work had potential in other areas like development and training and, in due course, in performance management.

On the issue of retention, Rupert explained that the new cross-government roles should deter movement for internal pay increases. The new pay guidance is quite restrictive, although there is an exceptions process when a reasonable case can be made.

Issues with pensions were also discussed. A rewarding pensions package is a strong incentive for attracting and retaining staff in lieu of a cash alternative. However, one ALB leader shared that a third of their senior team has resigned over the weakness of the pensions scheme, where, for example, the annual limit is creating tax liabilities. Rupert was sympathetic to these issues. The

accrual rate for the Alpha scheme is generous compared to many pension arrangements in the rest of the UK. However, the challenge is that the main pensions scheme is unfunded (i.e. it is a 'pay as you go' arrangement from a public finances perspective). However, a major improvement in flexibility was now available, in that all staff can go into partnership in a defined contribution arrangement. This dealt with a large proportion of people who had problems with the annual and lifetime allowance, however, he admitted it has not addressed the issue for all members, including those who might want a cash alternative, as some other pension arrangements offer in the private sector. A system-wide change will take a long-time; however, there is value in CEOs making the case for exceptions for particular organisations or skillsets. Rupert said conversations are ongoing on these issues and he will provide an update to ACE members after his meeting with the Civil Service Board. He noted that there are links to be made with the inclusion piece, and ensuring that pensions accommodate those taking career breaks.

The need for more research into the benefits and risks of home-working was raised. Home-working can be transformative to some individuals, such as carers, it can build trust between managers and employers, and in an environment where the civil service will never be the highest paying, it can be a real incentive. Therefore, it is important that employers think about the value outputs rather than location of their employees. However Rupert pointed out that there are wellbeing issues to consider. Technology can play a role in addressing risks of isolation, including webchats and surveys.

Audience members gave helpful suggestions to improve home-working, including creating central guidance of best practice and hubs across the country for staff to reside in between meetings. The challenge of creating a tax liability if employees are required to travel frequently was raised, and there are also security issues to consider, if some files have restricted access. Rupert said he will raise this with Mike Parsons, Director General, Government Property in the Cabinet Office and Dominic Fortescue, the Government Security Officer, and he will report back to ACE.

Some arm's-length bodies (ALBs) have been excluded from some central guidance on HR matters, and wanted to know the most effective communications channel. Rupert said that the HR central function is reviewing their governance. He added that he writes a quarterly bulletin to each department head of professions, and will be more explicit that they are responsible for communications to public bodies. Rupert confirmed the government will be circulating information to departments regarding building resilience in the context of EU Exit, and will ensure it reaches ALBs. He is also happy to use direct channels, such as ACE.

Questioned on the diversity and inclusion agenda, Rupert said the Civil Service has set 2020-targets with departments that are both manageable and ambitious. John Manzoni chairs a leadership taskforce and the Civil Service is taking a multichannel approach, including collecting data to inform recruitment, and commissioning outreach programmes and marketing campaigns. Rupert offered to send out further information to ALBs on this if they would like to be involved.

The challenge of appointing specialists from diverse backgrounds was raised. However, one ALB shared that offering graduate placements to those from black and minority ethnic backgrounds was proving an effective way to train up a younger market into specialist roles. At board level, the need to focus on the central criteria and skills rather than experience was noted.

Finally, Rupert was asked about learning from international examples. The late Cabinet Secretary, Sir Jeremy Heywood, set up an index to benchmark the UK Civil Service's performance against others in the world, and Rupert has identified much to be learned from countries such as Canada, Australia, Singapore and Germany. He also reflected on his recent visit to China, where he said they are facing

many similar issues, including the need to align the work of central finance teams and the recruitment needs of departments seeking emerging talent to work in their regions.