

Cabinet Secretary Lecture at The Blavatnik School of Government

People often ask whether I've kept a diary and whether I plan to write my memoirs. Well, to the relief of whoever takes over from me, let me assure you that I haven't and I won't, although it is sometimes fun to come up with the title. I quite liked "Big Egos. Thin Skins" given the amount of time one spends on personnel issues, but I have decided to gift that to one of the Chief Whips.

In the end, I settled on: "The Years of Living Dangerously". And perhaps I will use that as the theme for speeches and lectures as I head into my anecdotage over the next few years.

But that isn't the purpose of today. I want to thank Ngaire Woods and the Blavatnik School not only for hosting me and you for this event, but, more important for the outstanding partnership we have formed over the past few years, symbolised as she just said most poignantly in the establishment here of the Heywood Fellowship through the Heywood Foundation in memory of my late predecessor, Jeremy Heywood, Lord Heywood of Whitehall, which will provide opportunities for young civil servants from all backgrounds. Jeremy was very committed to diversity and inclusion, mentored by serving permanent secretaries to explore the key public policy issues of the day. Perhaps my remarks today might provide some material.

This is my last significant lecture as Cabinet Secretary, National Security Adviser and Head of the UK's Civil Service. And so, in indicating what I see as the path ahead for the public service to address the challenges and opportunities of this extraordinary period in our national story, I thought I would begin by reflecting briefly on my own journey to this point and how the formative experiences of serving my country in some of the most exotic and challenging parts of the world as well as some of the most challenging jobs at home, shaped my personal philosophy of governance and thus the lessons I draw for the future.

31 years ago this month, apprehensively, I entered a somewhat shabby office building about a mile from Whitehall and began my career in the Diplomatic Service. Margaret Thatcher was still prime minister, Robin Butler was the new Cabinet Secretary, the Berlin Wall was still standing, the primary terrorist threat was the IRA, people chain-smoked in dingy offices, there were few computers and no mobile phones, and I remember being reprimanded for not wearing a jacket for a meeting with someone I would now regard as a mid-ranking official, probably dressed in a T-shirt on Zoom. Incidentally, a top columnist complained recently that I wasn't wearing a jacket in a Cabinet meeting so not everything has changed in the past few decades.

In my first job, I found myself on duty the weekend Saddam Hussein's Iraq invaded Kuwait. With the Cold War over, instability in the Middle East came back into focus, and so I was sent to learn Arabic and was then posted to

Egypt, Syria, Jordan and Iraq, the last as a UN weapons inspector, my first experience of operating in an international organisation. After a posting in Cyprus, which is the closest I came to western Europe and where I met my wife windsurfing, my career shifted to south Asia with postings in Pakistan, and Afghanistan as ambassador and then the NATO representative – probably the defining moment of my career as I led the allied civilian effort during the Obama surge alongside Generals McChrystal and Petraeus, two of the outstanding leaders from whom I learnt so much, and working for a great boss, Anders Fogh Rasmussen, the NATO Secretary-General. After that came over four years at the Home Office and the last three-plus as National Security Adviser and then Cabinet Secretary.

There's an old joke about used cars: it isn't the years, it's the mileage. While my predecessors might have spent longer at the wheel, I feel I've put a lot of miles on the clock. I've had a gun in my face from Saddam Hussein's bodyguards, a bomb under my seat at a polo match in the foothills of the Himalayas, I've been hosted by a man plotting to have me assassinated, I've been shot at, mortared and even had someone come after me with a suicide vest. So when people ask me how I handle the political sniping which is a regrettable feature of modern governance, I simply remind myself that it really isn't as bad as the real thing. I hope my successors escape both.

All that aside, while serving in this job, the pace has kept up: we've seen the first chemical weapons attack in western Europe in a century, the worst global pandemic in a century and the era-defining issue of Brexit. Add in two general elections, a change of prime minister during a minority government, the tragic death of my predecessor, the biggest parliamentary defeats in history, scandals, leaks, resignations plus a couple of constitutional crises ... To go to Lord Butler's favourite sport, it's been quite an innings, if more a one-day thrash against pace bowling on a rough wicket than an elegant test match special.

While the first cabinet secretary was the national security adviser of his day, the next ten, as Ngairé mentioned, spent their careers in domestic and economic policy, although several, like me, the 12th, were also tested in the furnace of running the Home Office. As the Prime Minister observed in our exchange of letters, my job has been primarily to help steer governments through crises. That's also really been the story of my whole career. And so the lessons I draw are from that set of experiences. I hope some of it is useful to my successors or to students of governance.

Well, of course, I've learnt loads of lessons, mostly about myself and mostly from my mistakes. But since this is a lecture and not public therapy, I will leave those aside and confine myself to three big lessons I draw for government.

For the UK, for the past several centuries among the most globalised economies and open societies in the world there are three: first, the global is national and even local, and therefore in our own national interest we must be involved in shaping the global agenda; second, since we cannot do so alone, that requires catalytic interventions alongside allies and partners, and within this country, which are most effective if we bring together all

our national capabilities in a common endeavour – fusion; third, that requires first-rate professional and political system leadership, and a first-rate, modern public service system to be led. Let me touch on each of these in turn.

I could spend days giving examples just from issues on which I have worked in my own career of how global events shape our domestic agenda. The fall of the Berlin Wall, the dotcom bubble, 9/11, the financial crisis, the Arab Spring and, of course, Covid-19 are global events with profound national consequences, and, in many cases, equally profound consequences for communities and citizens. And all occur against the global mega-trends: ageing societies and falling birth-rates, globalisation, the 4th industrial revolution which will have bigger economic and social consequences than any since the first, the rise of China and the Thucydidean rivalry with the US, and the biggest of all, climate change and how we respond.

As Lenin observed, everything is connected to everything else. Climate change, for example, is not just an environmental question, but one which will have profound economic and social effects over the course of the next century: just imagine the pressures which will arise in and from Africa as the Sahara spreads south and the world's only youthful population heads north. Think of the impact of rising sea levels on Bangladesh or the Commonwealth's small island states.

Covid is a global public health crisis, which has led to an unprecedented global economic shock, affecting the poorest and most vulnerable in our own societies worst, and with geo-political consequences inevitable but yet to be determined. And, for the UK, as for other countries, our economy, society and politics will be dominated probably for the next decade by our response, recovery and renewal. "Build back better" is a national and global programme.

For over a decade, the UK has taken an expansive view of national security. Successive governments have concluded that it should encompass not just keeping our citizens safe and our country secure, but also our economic prosperity and global influence. Climate change and the Covid crisis remind us that environmental security, societal resilience (health, well-being and inclusion), and even national identity and integrity are part of the same equation. Whatever lessons we learn at home about our national response to Covid, we know that the global system did not respond well to either the public health or economic shocks: it was at best fragmented and often contested.

Second, given how exposed the UK is to global trends and how much of our future prosperity relies on grasping the economic opportunities of the global era, how do we shape the global agenda? Throughout my career, the UK has been one of the few countries with a genuine global foreign policy. Most countries don't: they are preoccupied with their own national issues and with their immediate neighbourhoods. For much of the past decade, however, the UK has found ourselves among their number.

Having long taken for granted our national identity and global position, the 2014 and 2016 referendums heralded a period when our focus turned inward, and

the first question visiting ministers would ask would not be what we thought about the global issue of the day, but how we were doing ourselves.

The Prime Minister and Chancellor have set out recently how, at home, they want the past decade of retrenchment to become the next decade of recovery and renewal. In parallel, abroad, the past decade of introspection should become the next decade of involvement and initiative.

We have leadership opportunities, notably next year when we host COP26, the major climate change summit, and take on the G7 presidency. As you might know, as part of my next phase portfolio, I will be chairing a G7 panel on global economic resilience to address some of the market failures and distortions which the financial crisis and covid economic crisis have highlighted. But there is much more to the UK's leadership role than the diplomatic convening opportunities which arise from time to time.

This brings me to the topic which has been the theme of my leadership in every leadership job I've done, epitomised in the national security community's Fusion Doctrine. I've given separate lectures on that so I won't dwell upon it today, but simply highlight the key elements: first, collaborative strategic planning and implementation; second, the deployment of all national capabilities – defence, diplomacy, development, economic and security, public, private and third sectors, citizens and communities – in a common national endeavour; third, the key role of government is to identify the catalytic interventions with which to lead those complex systems.

I will return to the first two points in a moment, but I want to dwell briefly upon the third. When dealing with an international question, the UK is never the only and rarely the most important actor. And, whisper it quietly, the same is mostly true of government when dealing with a domestic policy question, although the view often in Whitehall and Westminster that government should be both omniscient and omnipotent, and held accountable accordingly, runs deep. As Keith Joseph joked: the first words every child learns in the English language are "What is the Government going to do about it?"

Those of us who have been involved in building or rebuilding governance from scratch in countries like Afghanistan or Iraq, or indeed in supporting governments in other fragile or failed states, perhaps have a clearer perspective on the limitations of central government than we usually permit ourselves when examining our own. I've often seen myself as an outsider with an insider's knowledge. In the "Seven Pillars of Wisdom" T E Lawrence put it best: "Do not try to do too much with your own hands. Better they do it tolerably than that you do it perfectly ... you are to help them, not [do] it for them. Actually, also, under their conditions, your practical work will not be as good as, perhaps, you think it is". Or in the famous development aphorism: "better teach to fish than provide a fish".

In a complex society and economy, and in an even more complex world, the role of government is to convene, orchestrate and ensure that policy interventions catalyse the right response from citizens, communities, businesses, and internationally from other countries. And they should be designed or rather

co-designed with that purpose in mind rather than reaching automatically for the traditional levers of legislation, regulation, or direction, which often provokes frustration in Whitehall that local and devolved government, businesses and charities, citizens and communities aren't getting with the programme.

With all the data available to us in the modern era, the man or woman in Whitehall really should know best, but knowledge isn't impact and so insight from big data should inform our leadership of the wider system, and that leadership must be persuasive and convening to be truly effective. And of course, nowadays, based on data and behavioural science and understanding the impacts of our actions.

One of the proudest achievements of my time as Cabinet Secretary has been the establishment of the National Leadership Centre and of the Public Service Leadership Group (a Top 300 to replace Whitehall's old Top 200) bringing together great leaders from across the entire public service – military, police, fire, health, education, local, devolved and national government, civil servants and other public servants – to build the networks to deliver for government and citizens, and to learn from one another's leadership experiences. Or to put it simply, and perhaps for those of us who have been somewhat slow learners on this: Sunningdale on steroids!

That also means systematic reform. I have never really thought of myself as the head of the Civil Service but more as operating from the heart of the public service. My fondest memories of this job will be the time I've spent with our brilliant public servants from all disciplines on the front line. And one of the best leadership techniques I've developed is to bring that front-line perspective back to the policy centre. While restructuring programmes can be disruptive and controversial in the short term, properly designed and implemented, there is the opportunity to make governance one of the UK's competitive advantages over the next decade.

We have a strong platform. We've seen the excellence of British public service over the past couple of years in the preparations for Brexit and in the response to the Covid crisis. We should apply that methodology – collaboration, innovation and impatience – to normal business. As the Prime Minister indicated last week, whenever the Covid inquiry is held, it should, of course, ask whether the Government took the right decisions at the right time. Let's reflect and learn. What I do know is that the response of the whole public service was extraordinary. In this country, unlike some others in Western democracies, everyone who needed a ventilator, everyone who needed any kind of treatment for Covid, had the treatment they needed, and I was at a company this morning that was involved in that endeavour.

Teamwork between military, health professionals and civil servants delivered the Nightingale hospitals faster than China delivered theirs. With grassroots groups and the charitable sector, we designed and delivered programmes to shield 1½m of the medically vulnerable and other programmes to support many more of the socially vulnerable who struggled with the lockdown. We designed and delivered the furlough programme and the support to businesses and did so in record time. We registered millions for benefits and support to find new

work. We repatriated over a million citizens who risked being stranded overseas. And as the lockdown was being imposed, we planned for its release: the covid-secure economy, smart local lockdowns, school re-opening, and, as I have seen here in Oxford today, the search for effective treatments and vaccines where the UK's world-class life sciences base and public-private partnerships puts in a strong position to serve the needs not just of our own people but of the global population. And we did all that while switching, in the space of a few days, from having 95% of our staff from working in the office to 95% of them working from home, a process we are now reversing. But don't take my word for it or just focus on Covid.

As we heard from Ngairé, the independent InCISE assessment of public service capabilities, launched here at the Blavatnik puts the UK in first place overall internationally, while also indicating where we can improve by learning from others. We should acknowledge that the best internationally are ahead on digital services and diversity, despite huge improvements over the past few years. But we should celebrate that we are particularly strong in policy-making, regulation (top), fiscal and financial management, procurement and openness. Public trust in civil servants and their own engagement scores are at record levels, and are catching up with the very high scores for medical and emergency services.

An independent leadership assessment puts our top public servants on a par with the best of the private sector, although naturally more focused than their counterparts on collaboration and the citizen, and less on the bottom line. However, Whitehall structures would be familiar to Gladstone. The West Lothian Question is unresolved. Governance is highly centralised but federated at that centre. The British Cabinet is twice the size of President Trump's and four times the size of President Xi Jinping's. Three-quarters of the most senior civil servants are based in London. Too few are from ethnic minorities. Whitehall is around a tenth of the Civil Service, which, in turn is around a tenth of the wider public service. The boundaries within Whitehall are largely happenstance, but skew ministerial and official behaviour. The upshot is that central government is too metropolitan, too short-term, too siloed, too rivalrous and too focused on the preoccupations of Westminster and Whitehall rather than the issues on the frontline which matter to our citizens.

All of that comes together in Whitehall – the fraction of the public service in the nucleus of the system. And our core job is system leadership: not policy formulation so much, not even policy advice but policy delivery, i.e. the interventions required to catalyse the entire system to implement the programme of the government: public, private and third sectors, communities and citizens.

Reform of the Civil Service is rightly back on the agenda. A few months ago, Policy Exchange produced a thoughtful paper, Whitehall Reimagined, setting out a range of proposals for reform. It acknowledges significant improvements to the professionalism of many of our specialist functions, our commercial, digital, financial and HR. And whatever new ideas we adopt, that effort should continue. But much of the public debate about Civil Service reform confuses Whitehall with the wider Civil Service, and falls into the trap of

arguing that success is guaranteed by the injection of different kinds of clever people. More on that in a moment. Because we need more than that too.

We need the horizontal structures of Government to be as strong as the vertical: the weft holds the warp together. This has been tried many times before, for example Tony Blair's joined-up government and Gordon Brown's cross-cutting public service agreements. For the past year, through the Strategic Framework programme, we have sought to draw upon international best practice. New Zealand, for example, has developed a national performance framework which applies independent assessment to a range of indicators other than economic growth.

In the UK, as I mentioned, this approach is most advanced in national security with the development of the Fusion Doctrine in the 2017 Capability Review. It applies our security, defence, influence, communications, diplomatic and economic development capabilities to our security, influence and economic goals, and plans horizontally and collectively while delivering vertically and through the departments. It also brings system leadership to implementation, i.e. getting ministers and officials to convene the sectors for which they are responsible, not just deploy the capabilities which they control.

The Strategic Framework we have developed in the past couple of years extends this approach from security, prosperity and influence overseas to environment and sustainability, health/well-being/inclusion and to the integrity of the Union. These half dozen pillars could form the basis of a UK National Performance Framework, like New Zealand's, assessed independently against international criteria and comparators, such as the Sustainable Development Goals, IFI indices of competitiveness, the well-being index, NATO criteria of capability and readiness, and so on.

However, were we to try to apply this Fusion model, choose your own term if you prefer, to everything, we would over-complicate issues which naturally sit with individual departments and have sometimes done so in the past. For example, as long their programmes are designed to meet the Government's agenda to raise skills and thus productivity, DfE should just be left to get on with reforms to further education. But they will need other departments and their sectoral partners to help crack some of the most challenging issues with vulnerable children for which they are also responsible. This is invariably the case with prevention or early intervention on the knottiest social policy issues. My friend Louise Casey's outstanding work over many years on homelessness, troubled families and others for whom the system doesn't work is a key example.

How to approach each issue depends on its political priority for the government of the day and delivery complexity. The answer is not to create another central unit for every cross-cutting issue or every priority. The national security experience suggests that the best bet is to identify a few key Government priorities which require the involvement of several departments and their sectors, apply the full-fat collaborative model to those, allocate resources to those priorities first during Spending Reviews, and use a National Performance Framework to monitor departments' progress

against the rest. Different governments will of course have different priorities and the job of the civil service is to deliver those, although many command wide political consensus: climate action, strengthening the Union, the productivity gap and serious crime would probably all make the cut for most governments.

Each should have a combined budget, be led by task-forces led by ministers, with officials, external experts and practitioners, and be overseen by the relevant Cabinet committees. But what DNA do we need in the Whitehall nucleus?

There has long been an argument about generalists vs specialists and the effect of the churn of our brightest and best through different jobs on the development of genuine expertise. I agree with that critique. It is important however to understand some of the impetus. Over the past decade, part of the impetus for rising churn among our best officials has been a decade of pay restraint. Some of our most talented have gone, leaving the scarce remainder in a sellers' market able to move jobs, secure promotion and negotiate higher salaries in departments under the spotlight. So part of the reform agenda to slow down churn, to keep people in areas where they can develop a genuine expertise, should be a fundamental review of pay, progression, of pensions and of the ACOBA rules, which impede interchange with the private sector for people rising through the system, incentivise the solid but unspectacular to time-serve, and propel churn among the most talented. It does need to be a comprehensive look. Whitehall needs all the talent we can get, so we must continue the effort to stimulate interest from people who wouldn't normally think of the Civil Service or even the public service.

One of the big issues is to attract and promote people from every community in this country, especially from black and ethnic minorities, who remain under-represented in positions of authority, and whose perspective is underrepresented in the policy debate. We have a proud record but still much to address to meet our aspirations. We tend to refer to Diversity and Inclusion, but, in my view, the real answer is Inclusion and Diversity, i.e. an inclusive culture is the bedrock of a truly diverse institution. The Black Lives Matter movement reminded us that, irrespective of the numbers of staff in the Civil Service at whatever level, the experiences of ethnic minorities of government and of public service, whether as officials within it or citizens depending on it, remain highly differentiated.

The 2020s must be the decade in which this becomes a thing of the past. Moreover, new talent should complement not juxtapose, and be embedded across the system. We should also embed red-teaming and the champion/challenger model in policy design as we have done with the post-Chilcot "anaconda framework" in national security. This requires ministers intellectually self-confident enough to welcome challenge to their schemes as well as to the Civil Service business as usual, rather than regarding it as mulishness or central coerciveness from Number 10 and the Treasury.

Some of the injection of external talent should come from exchanges with other countries' public services. We should exploit the InCISE Index to import best practice from elsewhere and challenge ourselves to be in the top

ranks across the board not just overall. This should be part of a continuous and competitive improvement programme to maintain our position at the top of the international public service league table and make it central to this country's international competitive advantage.

The really big change for the Civil Service beyond Whitehall and for the wider public service in the 2020s will be the dual channel shift into digital services for the vast majority of our citizens plus bespoke services for the vulnerable, disaffected and those with complex needs: Amazon plus the Troubled Families Programme if you like. Over the next few years, data-enabled digital tech should replace the work of thousands of civil servants in bulk processing units dealing with tax and benefits and registrations and immigration and so on. But alongside that, we must recruit, retain or retrain those with high EQ as well as high IQ to work at the sharp end with local government, and the private and third sectors, to wrap coherently the full range of public services around our most challenged or challenging citizens. Although it won't grab the headlines, this dual channel shift will be transformational and we need world-class leadership, digital and technical skills to deliver it just as they do in every other sector.

Even with the current departmental structures, I mentioned the size of our Cabinet earlier, we could deliver much of the improvement to coherence and impact by strengthening the horizontals and modernising the public service along the lines I have set out. And, in view of the inevitable cost and political friction of any significant machinery of government change most governments have mostly focused elsewhere.

There is now an opportunity, however, to shape government for the post-Brexit and post-Covid decade, to move more people out of Whitehall, and to embed active unionism and social inclusiveness firmly in Government culture. Dominic Raab's 2013 paper, *Weight Watchers for Whitehall* sets out a compelling argument for reducing the number of main Whitehall departments to around a dozen. We all have our own favourites: for example, I have long argued for an integrated department of global affairs, a prospect which I hope the new FCDO – the Foreign, Commonwealth and Development Office – will realise. The key point, however, is not what my version or anyone else's is, it is that, like our main competitors, our machinery of government should be streamlined, stabilised and not subject to the vicissitudes of frequent reshuffles.

As Michael Gove, the Chancellor of the Duchy of Lancaster, set out in his recent Ditchley speech, we must also energise governance beyond Whitehall, with a new compact with the devolved administrations as powers are repatriated from Brussels, and perhaps with territorial offices within England to advance the devolution and local growth agenda, lead reform of fragmented local structures such as police and fire, convene departments, metro mayors etc to identify and inject regional and devolved priorities into national policies, and to oversee and align their implementation with local circumstances. Regional groups of MPs could enhance parliamentary engagement and scrutiny of such a mechanism. We have begun a programme to appoint senior officials to the regions much along the FCO's Head of Mission model to improve the integration of Civil Service effort and engagement on the ground

beyond Whitehall, and to provide focal points for moving more of Whitehall out to hubs and campuses elsewhere. As with any reform, the key is to do it properly. In this case, that means moving core, including ministerial functions, to the new hubs, not just the back office and operational activities.

A package along these lines would amount to the most ambitious peace-time reforms to Whitehall and the wider governance system since Attlee. We have to implement it while driving through the Government's manifesto commitments, the post-Brexit reorientation of the economy, the Covid recovery, addressing climate change and the technological revolution, leading the G7 and COP26, all while wrestling with the challenges to the integrity of the UK.

Bandwidth would be an issue. But, in my view, trying to transform the economy and society through an untransformed government system is unlikely to prosper. And so I hope that Michael Gove and my successor and Alex Chisholm will have the remit to press ahead under Parliamentary support accordingly.

So there it is. Thirty years of thinking about public service distilled into about thirty minutes of public reflections.

While there is much talk about Civil Service reform, officials tend to talk about wider public service and governance reform and I hope this valedictory lecture indicates why that more ambitious approach is the right one. President Franklin Roosevelt once remarked that: "There is no higher calling than public service". He meant political just as much as professional public service. And he was right. While politicians and officials have different pressures and different impetuses, and there are sometimes frictions between the two professions, government at all levels is most effective when we work as a team under clear political leadership in an atmosphere of mutual respect and support. And mostly over my experience over the past 30 years, we have done just that. I've had a spectacular run over the past three decades and look forward to new opportunities in the next. I've served in some of the most challenging and rewarding jobs in national and international public service, and alongside some of the most remarkable and dedicated people. It has been a privilege. Thank you.