

In it for the long haul

As we begin a momentous year in UK politics, civil service chief exec **John Manzoni** and BT managing director of major and public sector **Colm O'Neill** got together to discuss the future of public services. CSW reports. Photography by Baldo Sciacca

As the UK political sphere concentrates its gaze on the looming deadline of Brexit, John Manzoni is keeping one eye on a longer-term goal. “I’m always thinking generation plus one,” the civil service chief executive told the *Blueprint for the Future* event, hosted by BT and CSW, in January. “How do we grow the next generation of civil servants?”

“The civil service is here to fix stuff for the generations,” he added. “We have to address really hard challenges – serious sized problems which take real skill, real leadership and real capability to address.”

Among the challenges Manzoni mentioned were implementing the “huge ambition” in the NHS 10-year plan, putting the industrial strategy into action, and dealing with funding challenges in the defence and justice sectors.

Politicians might be tempted to avoid facing these long-term issues, but Manzoni is clear that the civil service must equip itself to address them. His vision is to create a civil service with “deep, deep competence in implementing really difficult things”, competence borne not just from the right skills and capabilities, but also the right structures and incentives across the system.

“We need to blend real experience as well as intellect. That means changing career paths and remuneration structures” John Manzoni

Reflecting on capabilities, Manzoni said that in the last few years government has not only started to introduce new skills but has “started to change the plumbing and the wiring, which builds those skills from within, as opposed to just hiring from without”.

For the next generation of leaders, he said: “We need to blend what I would call real experience as well as intellect. And that means changing career paths, changing remuneration structures.”

He added that he has a “secret mission, which we are now getting into the gritty bits of” to “end up with no choice but to pay civil servants a more sensible wage and to do



that through the professional axis”.

The most obvious structural change Manzoni has been driving to bring in these skills and capabilities is the introduction of functions in key areas such as HR, commercial and digital. His passion for functions is not because of some technocratic enjoyment, he said, but because of their impact on people. Changing structures helps the “massively intelligent and massively dedicated” people in the civil service to achieve outcomes for the people who use public services.

So after the progress made so far to create the functions, and the cross-government standards and strategies they have developed, Manzoni said he and new cabinet secretary Sir Mark Sedwill have been discussing ways to update civil service governance to reflect the new structures. “It’s a very complex set of accountabilities, across all the civil service,” Manzoni said, “so how do you actually create an environment in which people can take decisions and move forward?”

It’s not just government that has been creating and refining professional functions. BT’s managing director of major and public sector, Colm O’Neill, who joined Manzoni at the event, explained that his business is “at the advanced stages of implementing a completely functionalised structure”.

His advice was to think about the “hardware” and “software” which support the move to a new way of working. The hardware, he explained, is working out processes and a proper reward system for functional working. “If you don’t reward people for operating in a functional environment they will continue to operate in their silos,” he observed.

The software, which he thinks is more important, means building trust and collaboration. “When you



have a siloed environment that goes to a functional environment you need trust because people who are at the pointy end of the business now have to trust these functions that are cutting across their organisation to deliver for them and have their back,” O’Neill said.

In government, progress on the functions agenda has both helped to support and been accelerated by Brexit preparations – “we’ve increased collaboration across government in a way that actually is only just beginning to show, and – by the way – we need it in Brexit,” Manzoni said.

Brexit, as the audience of civil servants knew only too well, presents not just a complex policy and implementation challenge but one with a hard deadline. Whether that is March 2019 or December 2020 doesn’t matter too much, Manzoni said. Either will “feel rather short” to achieve what needs to be done, so there isn’t time for implementation to be considered as a separate and secondary step after policy.

“Brexit has brought this into sharp relief. We have to have the implementation and delivery skills and capabilities alongside the policy capabilities in order to get the job done in the timeframe that is available,” Manzoni said. “So Brexit here is an accelerant of all the things that we’re trying to do... there has been an extraordinary push to get those implementation skills into the system really, really quickly.”

Another event that both demonstrated the benefit of and furthered progress with Manzoni’s reforms was

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the collapse of outsourcing firm Carillion. “Carillion had 450 contracts across different parts of government,” said Manzoni. “We wouldn’t have even known what those contracts were three years ago. As it was, when that company fell almost overnight there was not a single blip in public service, because of the competency and the capability across government.”

Manzoni suggested that Carillion’s collapse was a symptom of the fact that over many years, government and its large outsourcing partners presided over an environment where the cheapest bid always won, creating a “race to the bottom, in my view, between the public and the private sector”.

“That’s quite a hard thing to reverse out of. You can’t



just change it, you have to back out of it in some way,” he said. “But I think we have started to adjust the nature of the relationship between the public and the private sector.” He added that building skills and confidence in government will be a key part of that manoeuvre.

“It starts with skills but it ends with confidence,” said Manzoni. “The confidence to be able to sit down with a partner and say ‘actually you’re making too much money, I need to get some money off you’ or ‘you’re bidding too low, it’s not sustainable.’”

O’Neill concurred that the relationship between government and its suppliers had become more mature in recent years, with the improved commercial capability in government leading to “sensible conversations about what works for both sides, trying to find a route that will work as opposed to dogmatic positions on both sides”.

Another theme of the night was the need to realise the opportunities of new technologies to improve public services. “The changes that need to be driven in the public sector will be very significantly technology enabled,” said O’Neill – flagging in particular the importance of changes to networking and connectivity, and urging all business leaders to get to grips with the opportunities presented by new 5G networks coming on stream.

Manzoni’s answer to the challenge of realising new opportunities was to shift away from systems that focus too much on controlling risks and value for money, towards ones that support innovation. “By the nature of our control systems, we definitely waste

less public money than we would if we were in the private sector,” he said. “The truth is, though, we also change a lot more slowly. It’s a very interesting balance and, actually, we’ve got to turn the dial a bit.”

Manzoni added: “The world outside is changing fast... and we’ve got to be a little braver.” This means changes to the whole system – changing structures and incentives to enable people to try new things, he said.

“My challenge,” he concluded, “is that you can have a nice life, go to work every day, and it’s really interesting. But, how do we actually open up our system, so that we can embrace change, and deal with the really hard challenges we face?” ■