

REVIEW OF THE OFFICE OF THE COMMISSIONER FOR PUBLIC APPOINTMENTS

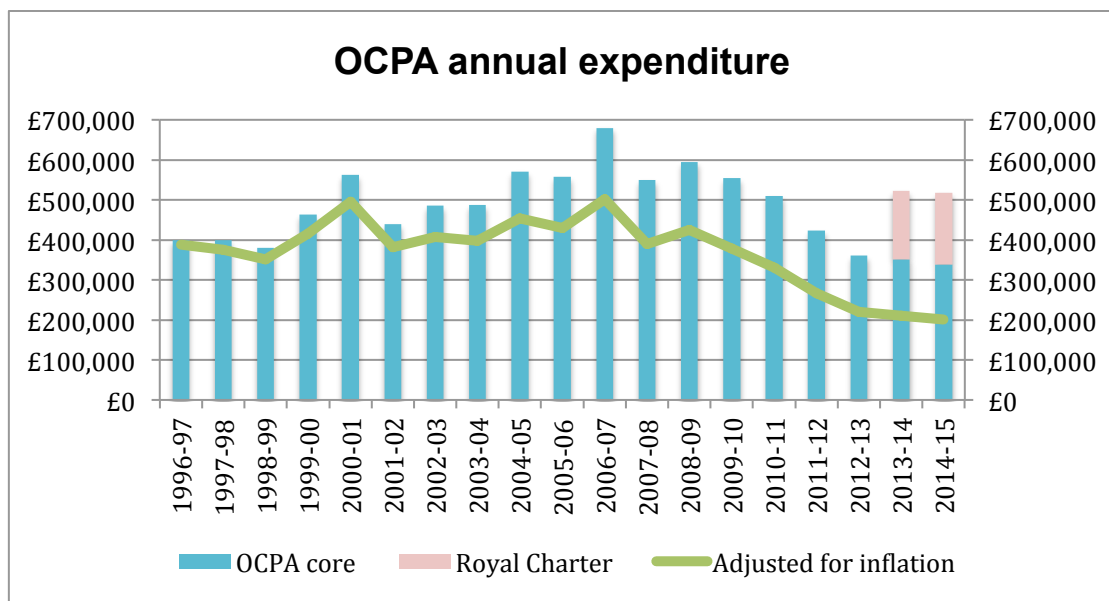
MEMORANDUM FROM THE CHIEF EXECUTIVE

1. This submission focuses on the potential resource implications of splitting the Commissioner for Public Appointments (CPA) and First Civil Service Commissioner (1CSC) roles and of any substantive change in the arrangements for resourcing the office of the CPA (OCPA).
2. The key points are that:
 - spending on OCPA work is at its lowest since the office was established;
 - splitting the CPA and 1CSC roles would require additional resources within the Secretariat, incurring additional cost in addition to any additional Commissioner remuneration; and
 - splitting the CPA and 1CSC roles could also make it more difficult to retain the current joint secretariat, which would have further cost and other practical implications.
3. These points would not, of themselves, justify a decision to split or not split the CPA and 1CSC roles. But they are relevant factors to be recognised in implementing such a decision.

Background

Expenditure

4. OCPA's core expenditure in 2014-15 was £338,000, down from £352,000 the previous year and at its lowest level since the office was created in 1996.



5. In addition, for the past two years OCPA has incurred additional (non-recurring) expenditure associated with the role given to us by the Royal Charter on press self regulation.

6. OCPA expenditure does not include the fees paid to the Public Appointments Assessors (PAAs) who chair competitions, which is currently paid direct to PAAs by Departments.

7. The Government's 2010 decision to appoint a dual-postholder to replace the previously separate CPA and First Civil Service Commissioner (1CSC) resulted in a saving in Commissioner fees of over £170k shared between CSC and OCPA. Previously, the cost of the CPA and 1CSC had been £94k and £167k¹ respectively. The new dual-post holder is paid a non-pensionable salary of £85k.

Secretariat support

8. Secretariat support is provided through a joint secretariat, which also supports the Civil Service Commission (CSC), the Advisory Committee on Business Appointments (ACOBA) and the House of Lords Appointments Commission (HOLAC). The teams have always shared a senior manager (currently the Chief Executive of the Civil Service Commission) and worked closely together, and have become more integrated in recent years.

9. In 2010, following the Government's decision to appoint a single dual-postholder to replace the CPA and 1CSC, the OCPA and CSC secretariats were formally merged, leading to a reduction in annual staff costs of approximately £275k across the two organisations.²

10. We currently operate the joint secretariat under a 18.6 WTE headcount ceiling set by the Cabinet Office. This is tight, but has been but sustained by the fact that most staff, particularly the senior team, have been willing to operate above their conditioned hours on a regular basis. Around 13% of the staff effort (2.4 WTE) supports OCPA.

The cost of chairing competitions

11. As mentioned above, the fees paid to PAAs for chairing competitions is currently paid direct by Departments and therefore not included in OCPA's expenditure. We have been considering whether to change this arrangement – with OCPA paying direct and then seeking reimbursement from Departments, to make the costs more transparent – but have not done so.

¹ This figure included superannuation costs as the 1CSC role was previously pensionable.

² The HOLAC and ACOBA secretariats were merged at the same time, with proportionately similar savings in staff numbers and costs, reflecting primarily the reduction in the workload of HOLAC 10 years on from its initial creation. The ACOBA and HOLAC teams have been fully integrated with the rest of the joint Secretariat since 2013.

12. The cost of this is spread across Departments, but we estimate it amounted to approximately £32,000 during 2014-15, based on 79 competitions chaired.

13. This figure reflects the arrangement under the current (2012) Code of Practice for Public Appointments, under which PAAs chair the panels for only the most senior competitions. Prior to the 2012 Code, Independent Public Appointment Assessors (IPAAs) chaired the panels for all public appointment competitions. There were 160 IPAAs, who chaired all of the 1740 competitions in 2011-12 (the last year to which the previous Code applied), at an estimated cross-government cost of £700,000.

Splitting the Commissioner roles

14. As David Normington has noted in his submission, the advantages of continuing to combine the roles of Commissioner for Public Appointments (CPA) and First Civil Service Commissioner (1CSC) are no longer as strong as they were in 2010:

- The substantive gains have been made in terms of bringing the Code of Practice on Public Appointments more closely in line with the principles-based approach of the Civil Service Commission.
- And we have identified some disadvantages to both institutions, particularly the fact that it is often difficult for some of our external stakeholders to be clear which institution we are representing in our interactions with them.

15. There remain some cost advantages in retaining the link: we only pay for one CPA/1CSC; and we are able to keep staff numbers (and therefore costs) lower.

16. The flip-side is that one institution inevitably suffers when there is an increased work focus on the other, as there is only one set of resource to go round. Initially, it was the Civil Service Commission's work that suffered while the Commissioner and secretariat focused on the review of the CPA Code of Practice. But more recently, as David Normington has noted in his submission, it has been work on public appointments that has often taken a back seat to work on Civil Service recruitment and Code issues.

17. With a single post-holder occupying the CPA and 1CSC roles, decisions about the deployment of resources between those institutions are much easier to manage whenever pressures of work on one side of the house arise and there is no need either for a negotiation between two office holders about where to prioritise resources when this occurs or for one office holder to feel that their work has been squeezed by the pressures created or experienced by their counterpart.

18. If the CPA and 1CSC roles were split, that would no longer be the case. The two post-holders will each have their own specific work agendas that they wish to pursue and will be in competition with each other for resources. In view of this, it therefore seems inevitable that, if the

Commissioner roles were split, there would need to be some increase in support for the CPA.

19. It is hard to make an accurate forecast of what additional resources would be required within the Secretariat as this in part depends on whether the CPA's role is likely to change. For planning purposes, to ensure the CPA had access to dedicated on-hand research/analytical capability to support him or her, in addition to the existing policy and administrative support, I estimate we would need an increase of at least one Band B2 (HEO/SEO) staff member to support a new stand-alone CPA. The approximate cost of an additional B2, including accommodation overhead payable to the Cabinet Office, would be £65k, on top of any increase in Commissioner remuneration.

Splitting the Secretariat

20. It does not necessarily follow that, if the Commissioner roles are split, the secretariats would also need to be split. As explained above, the secretariats have been managed together throughout OCPA's lifetime. And shared secretariats have been endorsed by the Triennial Reviews of both CSC (published February 2015) and HOLAC (unpublished, November 2013).

21. But there are challenges in maintaining a shared model. The main advantage of splitting the secretariats would be to reduce the current **multiple accountabilities** (we currently serves three Principals – the CPA/1CSC and the chairs of HOLAC and ACOBA – and would, if the CPA/1CSC posts are split, serve four in future) and addressing the related issue of **multiple reviews**.³

22. On the other hand, some of these challenges may be outweighed – at least for some of the institutions – by the advantages of retaining a joint secretariat. The most obvious one is **efficiency/economy of scale**, as the institutions can share central support services and retain the shared OCPA/CSC compliance monitoring audit arrangements as well as all reporting to the same senior manager, the CSC's Chief Executive. I estimate that a split in the secretariat would create a resource pressure of around £145k as a result. The other advantage of the current arrangements is that they provide a degree of additional **independence** for OCPA, ACOBA and HOLAC, which are able to take advantage of the fact that they are supported by a secretariat that is independent of Government (the CSC being an independent executive NDPB, established by primary legislation, with a Chief Executive that is an Accounting Officer). The degree to which this is important in maintaining public confidence varies between the three institutions.

23. Each of the four institutions has different needs and interests, and the decision about the extent to retain a joint secretariat goes beyond the terms of

³ Unlike most organisations who have a Triennial Review every three years followed by two years to implement the recommendations and improve performance as a result, we have had a Triennial (or equivalent) review each year for the past three: the HOLAC review (2013), the CSC review (2014) and now the OCPA review (2015), with the delayed Triennial Review of ACOBA waiting on the horizon)

this Review, although the outcome of the Review will affect it. It is an issue that I will be looking at with my Principals and the Cabinet Office in the weeks ahead.

Clare Salters
Chief Executive, Civil Service Commission
Supporting ACOBA, CSC, HOLAC and OCPA
15 September 2015