

Letter of 22 May 2013 from the Minister for Housing and the Central Government Sector to the House of Representatives on the Civil Service Reform Agenda

During the debate in parliament on the budget for Housing and the Central Government Sector for 2013, I said I expected to be able to present the Civil Service Reform Agenda to the House in May 2013. The Reform Agenda is herewith enclosed. I have given it the subtitle 'service-oriented, effective, cost-conscious'. These three attributes sum up the kind of civil service that the reforms are designed to bring about. In this letter I will explain a number of key elements of the envisaged approach.

Major renovation, solid foundations

Over the years ahead the Dutch civil service faces the task of implementing substantial cutbacks at the same time as adapting to changing circumstances. Over and above the savings agreed previously, the coalition agreement includes additional cutbacks of nearly €1.2 billion, including spending reductions on the General Intelligence and Security Service (AIVD) and missions abroad. In principle the government is seeking to achieve these savings by reducing staff and other expenditure by the civil service with as little impact as possible on the service provided to society. Including previous cutbacks, expenditure will therefore fall between 2010 and 2018 from an estimated figure of more than €17 billion to around €13 billion (including autonomous administrative authorities (ZBOs)). This will inevitably result in a smaller civil service, with a total of some 150,000 FTEs being reduced by an estimated 8%-12%, excepting politically desirable spending increases. These savings will also have an impact on the private sector because fewer external staff will be hired, procurement will fall and the real estate portfolio will shrink. A smaller civil service already faced the task of adapting to a changing landscape, such as increased dynamism in society and a different perspective on the division of responsibilities between government and society. Fortunately, the civil service has solid foundations. The Dutch civil service performs well and has a high-quality workforce. The government is therefore confident that the civil service will be able to accomplish both its budgetary and social tasks with the necessary organisational changes and a personnel policy geared to the new challenges. The latter is necessary because the staff of the civil service are its greatest asset. One of the sections of the Reform Agenda is specifically devoted to future personnel policy.

Process of continual change

The Netherlands will always be a work in progress. For many staff, this is one of the reasons why they want to join the civil service. The civil service too will always remain a work in progress. Adapting to changing circumstances and new social challenges is the order of the day. Individual ministers respond to these changes. The Minister for Housing and the Central Government Sector is called upon to do so in the case of changes across central government. While keeping in mind the relationship between the government and society and the government's changing role, my primary focus in this Reform Agenda is the organisation and personnel policy of the civil service. Here too, we see a process of continual change. It started with the organisation of government-wide operational management at the time of the Central Government Reform Programme. This was carried forward by the Compact Civil Service Programme, which added the government-wide integration of aspects of implementation. The Reform Agenda continues down the same path. It intensifies and expands the government-wide approach to operational management and intensifies the government-wide approach to policy, implementation and supervision. The government takes account of the limits of the civil service's capacity to change by staggering the introduction of the various measures. This is made possible by the timetable agreed in the coalition agreement for the implementation of the additional cutbacks.

Principles for the organisational structure of the civil service

The government has adopted a number of common principles for the organisational structure of the civil service to support the developments described above. The organisational structure is premised on central government functioning as a single entity. While important organisational functions and facilities must be available within central government, they do not need to be present at every ministry. Each organisational unit within the civil service can be deployed flexibly and is available to carry out work for other parts of the civil service. Also, the services provided to citizens can be improved by increasing the coherence and transparency of central government. Sticking to core tasks is another principle that applies within the civil service. Excessive layers of government and officialdom will be stripped away, as will excessive internal regulation, checks and set-offs.

Policy, implementation, supervision and operational management

Social issues and the political assessment thereof determine how the civil service fulfils its various functions: preparing policy, implementation, supervision and operational management. In the future, operational management will be able to support the other functions on a plug-and-

play basis, so that it will also be simpler to organise these primary processes flexibly. An important part of the Reform Agenda is devoted to improved cooperation in implementation and supervision, as a result of which it will also be possible to improve service provision. ZBOs will be expressly involved in these initiatives. A number of secretaries-general will act as portfolio managers of these government-wide change processes.

Ministry cutbacks and regional effects

During the debate on the budget for 2013, I indicated that the government expected to be able to incorporate the cutbacks of almost €1.2 billion into the budgets in the 2013 Spring Memorandum. However, this time frame has proved to be too ambitious. Because the cutbacks will take effect from 2016 onwards, it has been decided to give the ministries more time. The financial implications will be worked out in the summer as part of the decision-making process on the budget. However, as promised I will inform the House in June of what impact the reduction in spending on central government accommodation will have on regional employment.

The civil service as an attractive employer

It is of great importance to the civil service that it remains an attractive employer. General labour market shortages are not expected in the near future and central government will need to take effective action to help employees who are facing redundancy to find new work and to promote greater mobility. The recent agreement on a new redeployment and redundancy policy provides a good basis for doing so. In the future, the civil service also wants to look at increasing the number of jobs in the lowest pay scales and to target groups like disabled persons, women and young people. The central government trainee programme and a number of other trainee programmes for specialised jobs will give young people an opportunity to join the civil service and build a career within it. This proposal and the principle included in the new redeployment and redundancy policy that any redundancies should be proportionally spread across all age categories also implement the Schouw/Hachchi motion (Parliamentary Papers, House of Representatives 2011-2012, 33 000-VII, no. 30) and the Schouw et al. motion (Parliamentary Papers, House of Representatives 2010-2011, 32 500-VII, no. 31).

CIVIL SERVICE REFORM AGENDA

service-oriented, effective, cost-conscious

1. Major tasks facing the civil service

The Netherlands faces major challenges in the years ahead. The economy is facing turbulent times. The government's budget has been thrown off balance. The national debt is rising and the budget deficit is too big. The government must live within its means and is reducing public spending. Its plans for doing so are set out in the coalition agreement 'Building bridges'.

Reducing the budget deficit entails far-reaching reforms. These reforms are necessary to safeguard the long-term viability and affordability of public services. The civil service, too, will have to make substantial changes.

The coalition agreement includes general spending cuts for the civil service of €1.1 billion and additional cuts to the General Intelligence and Security Service (AIVD) and the Ministry of Foreign Affairs' mission network. These spending cuts come on top of the reductions in staff and other expenditure of over €3 billion agreed previously. As a result, central government expenditure will fall sharply from an estimated €17 billion in 2010 to around €13 billion in 2018. Some of these savings can be achieved through greater efficiency in the areas of accommodation, procurement and ICT. The savings will also have repercussions for the central government workforce. The number of people employed by central government was already falling, and this trend will continue. Many thousands of jobs are expected to disappear in the years ahead. This will require the development of a revised personnel policy.

The additional savings of more than €1.1 billion present the organisation and the staff of central government with a formidable task. Central government is expected to function even more efficiently and to continue to adapt to developments in society at large such as increasing digitisation and internationalisation. Digitisation will change the way government is organised and will make it possible, for example, to perform tasks remotely. What were once national matters have in many cases become European or international matters. As well as policy issues affecting society at large (environment, immigration), they also include harmonised approaches to implementation (grants), supervision (international companies) and operational management (procurement and tendering). Central government therefore also needs to adapt to the increased dynamism in society in terms of its organisation and workforce. Each ministry will undertake this task based on its own specialism, knowledge and skills. But in an increasingly

complex society, the government cannot be expected to do everything. New governance arrangements are emerging, which seek for example to find the right mix of hierarchical, market and network-based steering. They often entail a re-assignment of responsibilities: giving a greater say to citizens and businesses, to local government, and to initiatives from society itself. This is consistent with the trend towards a new model of responsibility, with different governance arrangements and different instruments being used by the civil service. Amid these changes, public administration must be effective and become increasingly efficient.

The civil service will therefore have to adapt in the years ahead in order to keep up to date. The common thread running through the tasks facing the civil service and its staff is that new duties have to be undertaken for society with fewer people and fewer financial resources while ensuring continuity in the quality of services provided. Changes already in the process of being made must be completed and at the same time new reforms must be started. In other words, the civil service has to continue to operate effectively while undergoing not just minor maintenance but a thorough overhaul.

Fortunately, the Dutch government has a solid basis from which to tackle these new challenges. The Netherlands possesses a high-calibre civil service staffed by well-trained and dedicated professionals. International comparisons show that, performance-wise, the Dutch civil service is among the best, both in terms of size and quality.¹ This good starting position is cause for confidence that the civil service will be able to fulfil both its budgetary and social tasks.

2. Objectives of the Reform Agenda

The Reform Agenda is designed to contribute to three broader objectives for the civil service:

- to provide a good service to citizens, businesses and institutions;
- to increase effectiveness and reduce unnecessary bureaucracy;
- to reduce the administrative costs of the civil service.

¹ Countries compared on public performance, SCP, 2012; *Werken in de publieke sector – feiten en cijfers* (Working in the Civil Service – Facts and Figures), Ministry of the Interior and Kingdom Relations, 2012.

Principles for government services

- 1. Demand-driven: our work is focused on the needs of citizens, businesses and institutions.*
- 2. Quick and reliable: citizens, businesses and institutions are served quickly and reliably.*
- 3. One government: we do not bother citizens, businesses and institutions with the differences between our organisations: we operate as one government.*
- 4. Data are only requested once: repeated requests are not made for information included in government databases or available within organisations.*
- 5. Transparent and accountable: service performance is measured across government and published. Public government information is made actively available online.*
- 6. Efficient: services are organised as efficiently as possible, bearing in mind the needs of citizens, businesses and institutions.*

Good services

Dutch people are used to a high level of service, increasingly delivered via the internet and other digital facilities. That is the benchmark level for citizens in their relationship with the civil service. Citizens expect a service that is quick and customer-friendly, where ease-of-use is a priority. They do not want to be sent from pillar to post or have to contend with unnecessary bureaucracy or administrative burdens. This is especially true for more vulnerable citizens, who often have dealings with several government bodies.² From the public's perspective, government policy development, policy implementation and back offices should function as an integrated whole. The ability to deliver services of a high standard therefore affects not only the interaction with society, but also the interaction between government bodies. Government tasks should be allocated to various tiers of government and organisations on the basis of a government-wide perspective with a view to efficiency, effectiveness, quality and professionalism. Sometimes this means that tasks have to be decentralised, while in others the opposite is true and tasks have to be combined.

Faced with these challenges, government bodies are increasingly aware of the need to work together, both within a single tier of government and between different tiers. A good example of the latter are the 'principles for government services', which were drawn up jointly by central government, the municipalities, the provincial authorities, the water authorities and executive organisations.

² Nationale Ombudsman report 2012, House of Representatives 2012-2013, 33 539, no. 2.

Effective civil service

The civil service needs to operate more as a single entity in order to perform its tasks effectively vis-à-vis citizens, businesses and other public authorities. Historically, the civil service has developed along ministerial lines, each ministry having its own policy development channels, its own executive organisations, its own inspectorate and its own operational management services. This is represented in the vertical axis in the diagram below. This development has meant that similar work has been done at different locations within the civil service, that cooperation across ministerial boundaries has been difficult and that the organisation of services for citizens has been fragmented. Momentum has already built up within the civil service in recent years in favour of closer cooperation between ministries. The civil service is being structured more as a single organisation, within which various tasks and processes take place that must be organised efficiently and effectively. By viewing ministries along the horizontal axis, we can see where there are opportunities to work together, tackle inefficiency and improve service provision. It goes without saying that vertical integration (policy-implementation-supervision) remains important.

MINISTRY-BASED APPROACH

FUNCTIONAL APPROACH			Ministry	Ministry	Ministry	Ministry
			↓	↓	↓	↓
	Flexible policy units	→	Policy core	Policy core	Policy core	Policy core
	Clusters with similar processes and target groups	→	Executive organisations	Executive organisations	Executive organisations	Executive organisations
		→	Supervisory organisations	Supervisory organisations	Supervisory organisations	Supervisory organisations
	Government-wide infrastructure	→	Operational management	Operational management	Operational management	Operational management

In order to increase the existing momentum, the government has devised the following principles for the organisational structure of the civil service. The organisational structure is premised on central government functioning as a single entity. While important organisational functions and facilities must be available within central government, they do not need to be present at every ministry. Each organisational unit within the civil service can be deployed flexibly and is available to carry out work for other parts of the civil service. Duplication can be avoided by structuring organisations by function and social target group. Also, the services provided to citizens can be improved by increasing the coherence and transparency of the civil service. With this in mind the civil service will be fully digital by 2017, both in terms of its services to citizens and in terms of organisation (time-, location- and equipment-independent working). Linked to this is the ambition that citizens will only have to submit data once to the civil service. Sticking to core tasks is another principle that applies within the civil service. Excessive layers of government and officialdom will be stripped away, as will excessive internal regulation, checks and set-offs. The number of layers of management will be kept to a minimum, enabling civil servants to assume maximum responsibility. Within its own organisation the civil service will naturally implement the policy objectives applied by the government to all sectors (for example with regard to employment practice, sustainability and innovation). Work will continue in the period ahead on shaping central government as a single entity.

Lower administrative costs

Over the last few years successive governments have imposed big cutbacks on the administrative expenditure of the ministries (staff and other expenditure of the line ministries, departmental agencies and autonomous administrative authorities (ZBOs)). The table below shows the envisaged reductions in administrative spending from 2011 and their cumulative effect in subsequent years. The coalition agreement of the first Rutte government planned permanent savings of €1.8 billion annually. Additional spending cuts of €1.1 billion were envisaged under the coalition agreement of the second Rutte government. In addition, specific organisations have also been subject to cuts. For example, the current coalition agreement includes cuts to the General Intelligence and Security Service of €45 million and to the Ministry of Foreign Affairs' mission network of €40 million. Besides these reductions in expenditure, the current coalition agreement also envisages a spending increase of €157 million on the supervisory capacity of the Tax and Customs Administration.

	2011	2012	2013	2014	2015	2016	2017	2018	struct.
Coalition agreement 2007	700	700	700	700	700	700	700	700	700
Supplementary policy agreement 2009	100	200	300	400	400	400	400	400	400
Budget memorandum 2011		200	200	200	200	200	200	200	200
Coalition agreement 2010 (Rutte I)			400	1100	1500	1800	1800	1800	1800
Coalition agreement 2012 (Rutte II)						400	900	1100	1100
Total (in millions of euros)	800	1100	1600	2400	2800	3500	4000	4200	4200

These spending reductions have been allocated to the ministries via generic and specific targets and incorporated into the ministries' budgets. Ministries are responsible for achieving the targeted reductions in spending. In so doing they will have to assess what portion of the savings should be realised on staff expenditure and what portion on other expenditure. In view of the size of the cutbacks, job losses are inevitable. The exact number of jobs involved will become clear once the ministries have worked out the details of their plans for the additional spending reductions. An initial estimate indicates that by 2018 some 8% to 12% out of a total of 150,000 FTEs³ (central government sector + ZBOs, excl. Ministry of Defence) will be lost. This estimate excludes spending increases that may prove to be politically desirable in the coming period. Against this background it is also important to note that agreement has been reached with the trade unions on a new redeployment and redundancy policy. Over the coming years the ministries will work out the details of how the additional spending reductions will be realised. From a financial perspective, they will be incorporated in the budgets this summer. Ministries can use the opportunities provided by the Compact Civil Service Programme and this Reform Agenda as a means to achieve the cutbacks.

Although they are directed at the organisation of the civil service, the cutbacks will also have external repercussions. Reductions in the hiring of external staff and in procurement will result in lower turnover for the businesses concerned, and reductions in staff numbers and premises will have an impact on regional employment and the property market. As promised, the House will be informed before the summer of the regional effects of the various developments regarding central government accommodation. Several initiatives set out in this Reform Agenda will ease the regulatory burden, notably those concerning databases, supervision and the digitisation of

³ As at year-end 2012 (2012 central government operational management report).

central government. Further information will be provided in the form of a progress report on the regulatory burden which will be presented to the House.

Multiyear change process

The Civil Service Reform Agenda combines making necessary savings with preparing the civil service for new developments in society and governance. In so doing it continues a trend that was started in recent years with the Central Government Reform Programme (2006-2010) and the Compact Civil Service Programme (from 2011).

The Central Government Reform Programme focused on improving operational management within central government. It included measures such as the establishment of the civil service job description and evaluation system, the introduction of a digital workstation and a central government security pass, and the adoption of a single logo for the entire civil service. In addition, a Directorate-General for Central Government Organisation and Operational Management was set up to provide a government-wide framework and shared service organisations. Partly based on proposals put forward in the Reassessment (*Brede heroverwegingen*), the Compact Civil Service Programme was devised in 2011. The introduction of this programme has placed even greater emphasis on the development of a government-wide infrastructure for operational management. It also allows for the possible participation of ZBOs in this initiative. Most projects in this programme run until 2015, although some (such as those relating to accommodation and data centres) run until 2017.

The Compact Civil Service Programme also includes initiatives to improve the coordination of work processes in the areas of implementation and supervision. These processes are similar in terms of their nature and social target group. A start was made under the Compact Civil Service Programme to integrate activities across ministerial boundaries.

These initiatives are taken forward in the Reform Agenda. The projects carried out under the Compact Civil Service Programme will be completed. Where possible they will be accelerated or intensified. New initiatives have been added. To a greater extent than before, these cover the primary processes of policy, implementation and supervision. Organisational changes in this area impact on the policy responsibility of ministers and state secretaries and on the service provided to the public. For this reason they must be carefully considered and prepared. The time frame defined in the coalition agreement for the additional savings provides the necessary

scope for working out these parts of the Reform Agenda properly and if necessary adding new initiatives.

3. Preparing policy differently

Social issues and the problems encountered by citizens should be the focus of the civil service's actions. In practical terms these are primarily the actions of central government's executive and supervisory organisations, since it is they that actually deliver services to the public. Policy preparation is subservient to these government actions and aims to increase their problem-solving capacity, effectiveness and efficiency.

Structure and functioning of policy 'cores'

Some 10,000 FTEs work within the civil service policy function out of a total of 150,000 FTEs (central government sector + ZBOs, excluding the Ministry of Defence). These policy cores assist ministers and state secretaries in preparing, adopting, evaluating and adjusting policy. Some 60% of policy officers work for the directorates-general and some 40% for units that support the directorates-general (e.g. ministry departments specialising in financial affairs, legal affairs and legislation, management support, etc.). These specialised departments often also work for the ministries' executive organisations and inspectorates.

Since the 1990s, successive governments have had a preference for small civil service organisations at the ministries in The Hague concentrating on the policy function. Hence, between 2002 and 2012, the policy cores have shrunk by nearly 20%. They are likely to decrease yet further in size due to the new spending cutbacks. However, it seems that the biggest gains in the policy function are to be realised by improving structures and functioning rather than further reductions in size. Issues that will be examined in this context include: making the organisation more adaptable to political and social demands; involving civil society, executive organisations and inspectorates in policy preparation; investing in staff quality; and reducing the internal decision-making and control burden. The organisation and functioning of the specialised advisory departments (financial affairs, communication, legislation, etc.) will be assessed separately for each discipline.

In the first half of 2013 an orientation and consultation phase will take place, coordinated by the Secretary-General of the Ministry of Finance, in order to get a good picture of the desired future development of the policy cores.

Structure and functioning of the advisory system

An effective advisory system is also essential to the quality of policy development. The strategic advisory bodies give independent but committed advice to the government and parliament on the main outlines of policy, oriented towards the medium and long term. By virtue of their composition, they offer the government information and expert advice. In particular, they fulfil the following functions: brokering between the academic world and that of policy practice; producing new policy options which may depart from established political and government thinking; and bringing social and other trends and themes to the government's attention. At the moment there are 27 advisory bodies which fall under the Advisory Bodies Framework Act. The wider advisory system also includes other independent advisory bodies such as the Scientific Council for Government Policy, the Social and Economic Council (for which giving advice is a secondary task), research bureaus like the Netherlands Bureau for Economic Policy Analysis, the High Councils of State, and the 300 or so independent committees (including ad hoc evaluation and investigative committees, objection committees, and advisory committees on policy implementation).

Since 2011 the plans for the future development of the advisory bodies have been laid down by the letter to the House on the future of the advisory system and the letter on the evaluation of the Advisory Bodies Framework Act.⁴ These letters deal with the clustering of a number of strategic advisory councils and related changes to the system, and further moves towards joint premises for the research bureaus and strategic advisory councils. The advisory system will be developed in the coming period, under the coordination of the Secretary-General of the Ministry of the Interior and Kingdom Relations, along the following lines:

- *Improved follow-up to advisory opinions:* The strategic advisory bodies focus on broad government policy. Closer interaction between the government and the advisory bodies helps to enhance the usability of advisory opinions. In this context, a number of intersectoral multiyear advisory themes will be identified on the basis of the coalition agreement and the strategic knowledge agenda which will serve as a basis for coordinating the content of the work programmes. This will provide a basis for further discussions between government representatives and the strategic advisory bodies, the Social and Economic Council and the research bureaus on multiyear programming. In addition, a coordinated and complete

⁴ Parliamentary Papers, House of Representatives 2010-2011, 32500-III, no. 11 and 2011-2012, 28101, no. 11.

request for an advisory opinion is essential to a good follow-up to strategic advisory opinions. Following consultations with the advisory bodies, requests for advisory opinions will therefore be formulated for the whole of central government.

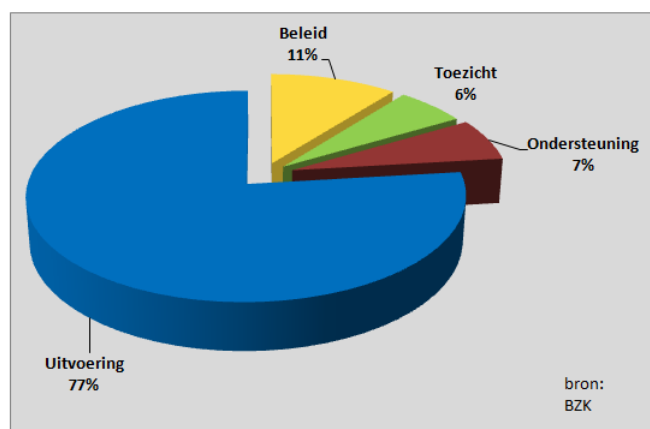
- *Completion of ongoing processes:* This concerns in particular the establishment of the Science and Innovation Council, hand in hand with the disbandment of the Advisory Council for Science and Technology Policy and the General Energy Council. Expansion of the range of products offered by the advisory bodies (including advisory opinions on urgent issues drawn up at short notice) will also be continued.
- *Study on the further reduction of advisory bodies:* A study has been initiated to examine: (1) the options for further clustering of advisory bodies that fall under the Advisory Bodies Framework Act; and (2) the usefulness of and need for the remaining independent committees (including ad hoc committees) and possible overlap with the permanent advisory bodies. Among other things the study will look at the possibility of clustering the advisory bodies operating in the sociocultural domain (the Council for Public Health and Care, the Regional Environmental Forum, the Education Council of the Netherlands and the Council for Culture); the merger of the Council for Public Administration and the Financial Relations Council; and the merger of highly specialised advisory bodies operating in the domain of law and public administration (the Committee on Copyright Law, the Committee on Company Law, the Advisory Committee on Civil Procedural Law and the Government Committee on Private International Law). In addition, the ministries will conduct an assessment of all the external advisory bodies and committees that come under their remit.

4. Better implementation

[figuur: policy 11%, supervision 6%, support 7%, implementation 77%, source: Min. of Interior]

Most staff are employed in the area of implementation

The majority of the civil service is engaged in implementing policy and providing services to the public. Executive organisations (like the Tax and Customs Administration, the



Custodial Institutions Agency, Rijkswaterstaat and the Immigration and Naturalisation Service) employ over three-quarters of central government staff. The distribution of staff over the various categories is shown in the diagram.

Ministerial change processes

Because a large part of the workforce and the organisation is engaged in implementation, this will also necessarily be the area in which a large part of the ministerial spending reductions will be made. The ongoing cutbacks have therefore already resulted in major organisational changes, often with significant repercussions for staff, at a number of large executive organisations.

- The Tax and Customs Administration will review its office network to reduce implementation costs.
- For the Custodial Institutions Agency of the Ministry of Security and Justice, a spending reduction of €340 million will result in, among other things, the closure of prisons and the loss of 3,700 jobs.
- A major reorganisation is under way at Rijkswaterstaat (Directorate-General for Public Works and Water Management of the Ministry of Infrastructure and the Environment), in part to lower implementation costs.
- Policy implementation by ZBOs which fall under the remit of the Ministry of Health, Welfare and Sport will be restructured in the years ahead.
- All parts of the Ministry of Defence will be reorganised in order to achieve the target of cutting 12,000 jobs.
- NL Agency will be merged with the Ministry of Economic Affairs' National Service for the Implementation of Regulations, and the Government Service for Land and Water Management will have to contract by one third between 2012 and 2015.

Naturally this list is not exhaustive. Large-scale reorganisations are also taking place at the other ministries in order to achieve the ongoing spending cutbacks and preparations are being made to implement the new round of cutbacks from 2016. Although the choices made in this respect are primarily the responsibility of the minister concerned, it is the responsibility of the Minister for Housing and the Central Government Sector to review ministries' plans for compatibility with the aim of shaping central government as a single entity.

Government-wide change processes

Although each executive organisation has its own specific tasks, overlaps often exist in the underlying work processes and target groups. This presents opportunities for cooperation and consolidation, thereby cutting costs and making it possible to structure the services delivered to the public and businesses more coherently. As part of the Compact Civil Service Programme, the process of consolidating implementation tasks in the areas of payment collection, the award of grants, income support and real estate has commenced. These activities are being continued as part of this Reform Agenda and will be supplemented by new initiatives. These include a more robust approach to government buildings, closer cooperation between bodies that provide income support to citizens (the Employee Insurance Agency (UWV), the Social Insurance Bank (SVB), the Tax and Customs Administration and the Education Executive Agency (DUO)), better use of databases, more rapid consolidation of back offices administering grants and further digitisation of the civil service.

- *Payment collection*

The payment collection tasks performed by various central government organisations are to be assigned to a single payment collection office for the whole of central government. In the first instance this will involve the final phase of the payment collection process at six central government organisations. The Minister of Security and Justice expects a decision to be made on this before the summer recess. From 2014 onwards, opportunities will be examined for including payment collection activities performed at other government organisations in this initiative and/or including other steps in the payment collection process.

- *The award of grants to businesses and institutions*

The Minister of Economic Affairs is responsible for integrating and harmonising the award of grants to *businesses*. All grants that support business, either directly or indirectly, have been brought together under a single organisation. The Grant Implementation Framework (RUS) came into force on 1 January 2013. It is binding for new grant schemes. A transitional period up to 1 January 2015 will apply to existing grant schemes. The RUS provides for the further standardisation and harmonisation of the implementation of grant schemes with a limited number of options. This contributes to efficient implementation at low costs.

The RUS also applies to grants awarded to *institutions*. The Minister of Social Affairs and Employment is responsible for amalgamating the back offices that deal with grants awarded to institutions by the Ministry of Education, Culture and Science, the Ministry of Health,

Welfare and Sport and the Ministry of Social Affairs and Employment. It is envisaged that they will start by working together more closely and eventually form a shared service organisation. The three ministries intend to commence this amalgamation initiative in 2014 if possible – earlier than planned – in order to move through the various phases more quickly. The scope of this initiative could be extended by involving more ministries or grants administered by ZBOs. The Ministry of Foreign Affairs is currently examining what the best structure would be for implementation in an international context.

- *Income support / Accelerated use of databases*

In the field of income support, the aim is to integrate the schemes run by the UWV, the SVB, the Tax and Customs Administration (Benefits Unit) and the DUO and to promote increased cooperation between these bodies. The objectives are to reduce implementation costs, improve the service delivered to the public and rein in fraud. Activities that have already been completed include the immediate establishment of the definitive amount of benefits by the UWV and the continuation of the pre-filling in of data on forms for the public.

A proposal is being developed, under the coordination of the Secretary-General of the Ministry of Social Affairs and Employment, to accelerate the effective use of databases. The objective is to reduce implementation costs by means of improved use of basic data by central government executive organisations. In so doing, reference will be made to the long-term objective developed in the framework of the Compact Civil Service Programme for income support provided to citizens, which provides good pointers for finding opportunities to make savings. For example, transparency in dealings with the public and digital communication with the public enables people to correct errors in data more quickly and cuts down on errors in implementation. As a result, lower implementation costs can be achieved. On this point there is a connection with the Digital Government in 2017 initiative. An assessment will also be carried out of the scope for making savings by basing legislation on more standardised concepts, data for which is available in government and sectoral databases. It is expected that a proposal will be presented when the exploratory phase is completed in the summer of 2013.

- *Real estate*

In order to increase the return on central government real estate and make savings, a merger of the Government Buildings Agency and the State Property and Development Agency is being prepared. The merged entity will formally come into being on 1 January 2014 as the Government Real Estate Agency. In addition, a strategy is being devised for the central government real estate portfolio which is intended to improve its management.

A more far-reaching approach to central government real estate is being set in train under the leadership of the Secretary-General of the Ministry of the Interior and Kingdom Relations. A number of activities are planned as part of this approach. The setting up of a Government Real Estate Agency and the preparation of a real estate portfolio strategy were already under way. These initiatives will now be supplemented by the accelerated disposal of superfluous real estate, the integration of other real estate agencies or units with the Government Real Estate Agency, additional receipts from real estate and a proposal to simplify the administrative (and other) rules governing central government real estate.

- *Digitisation of services*

The coalition agreement 'Building bridges' expressed an ambition to make further progress in the digitisation of government services. For the civil service this means being fully digital by 2017, both in terms of its services to the public and in terms of organisation. People will have the right to provide their data only once to the civil service. The Secretary-General of the Ministry of Economic Affairs will elaborate these plans, which have five components: 1. a survey to identify measures that would enable people to provide their data to central government only once; 2. making optimum use of generic ICT facilities that have additional savings potential (such as the 'Message Box' email system); 3. preparing the basic facilities for digital government as set out in the national implementation programme on e-government (i-NUP); 4. taking the necessary legislative measures to ensure that businesses and citizens can carry out transactions online with the government; and 5. integrating interested ZBOs. Business cases for the first two components will be available in the summer of 2013.

5. Stronger supervision

Ministerial change processes

Supervision and inspection have attracted a great deal of interest in recent years. Both excessive rules and supervision (the 'supervisory burden') and shortcomings in supervision (to prevent abuses and incidents) have triggered debate among politicians and in society at large. These debates have had a clear impact on the way inspectorates are organised and operate. The number of national inspectorates has fallen from 16 to 10 and staff numbers at national supervisory bodies have fallen by 12% on balance since 2006.⁵ Various supervisory bodies have recently undergone intensive change or are currently doing so. Some examples:

- In 2012 the Transport and Water Management Inspectorate and the Inspectorate of Housing, Spatial Planning and the Environment merged to form the Human Environment and Transport Inspectorate.
- In the same year, the Labour Inspectorate, the Social Information and Investigation Service and the Work and Income Inspectorate merged to form the Social Affairs and Employment Inspectorate.
- The General Inspection Service, the Plant Protection Service and the Food and Consumer Product Safety Authority also merged in 2012 to form the Dutch Food and Consumer Product Safety Authority.
- The Netherlands Competition Authority, the Independent Post and Telecommunications Authority and the Netherlands Consumer Authority merged on 1 April 2013 to form the Authority for Consumers and Markets (ACM). Legislation will follow in the near future to harmonise the ACM's tasks and regulations. A fresh assessment will be made at a later stage to assess whether it would be advantageous to transfer market supervision from the Dutch Healthcare Authority to the ACM.
- Substantial changes are being made at the Healthcare Inspectorate (IGZ) in response to two reviews of its operations. In future the IGZ will supervise unscrupulous, incompetent and dysfunctional care providers more strictly and take enforcement measures against them sooner. Also, the IGZ will monitor more closely whether care providers actually take promised remedial action and there will be a new service for the members of public wishing to submit complaints.

Primary responsibility for the choices made in these change processes rests with the minister concerned. However, it is the responsibility of the Minister for Housing and the Central

⁵ Staff numbers at national inspectorates have fallen by 19% since 2006, while those at market and financial supervisory bodies have risen by 13%.

Government Sector to ensure that each ministry's plans are compatible with the government's overarching vision for supervision, including the desire for greater effectiveness, greater coherence and a lighter supervisory burden for citizens, businesses and institutions. To this end, cooperation and risk-based inspection will be strengthened.

Government-wide change processes

In recent years the national inspectorates that work together in the Inspection Council have designed a domain-oriented approach. They present a single face to citizens and businesses. The consolidation of physical supervision of businesses undertaken as part of the Compact Civil Service Programme will be continued under the Reform Agenda. Three elements will be added. The supervision-related activities coordinated by the Secretary-General of the Ministry of Infrastructure and the Environment will therefore embrace four points:

- *Working as if there were a single national inspectorate:* The aim here is to improve cooperation in day-to-day inspection work, so that the citizens and businesses supervised can see that the national inspectorates are working together and take their needs into account. This makes supervision more effective and can help reduce the regulatory burden.
- *Operational management of national inspectorates:* This concerns the combination of a number of operational management activities like human resources, accommodation and ICT. The basic principle is that national inspectorates will work together on inspectorate-specific matters. As far as generic operational management is concerned, the inspectorates will join in with government-wide developments. In this subprogramme, the Inspection Council's existing work programme is being elaborated to include concrete objectives and time frames.
- *Making statutory tools stronger and more uniform:* There is increasing social and political pressure for effective supervision of businesses and institutions in the public and private sectors and effective enforcement of the regulations applicable to them. The aim here is to make the inspectorates more effective. This can be done by developing and harmonising the enforcement tools and by making more uniform arrangements concerning the inspectorates' role, positioning and powers in relation to the context in which they operate. This will ensure that national inspectorates acquire a more recognisable position of greater equality in respect of the public and private domains and that supervision becomes more effective.
- *Improving the physical supervision of businesses:* This is the continuation of a project from the Compact Civil Service Programme. The aim is to improve the national supervision of

businesses that have a high security risk. This is being included in government policy with regard to central government's responsibility for compliance with the rules on high-risk activities. It was prompted in part by the reports issued by the Dutch Safety Board after the fire in Moerdijk and the problems relating to tank storage in Rijnmond.

6. Government-wide operational management

Government-wide infrastructure

The recent period has seen significant progress towards government-wide cooperation in the field of operational management. The creation of a government-wide operational management infrastructure began with the Central Government Reform Programme (2006-2010) and efforts were then stepped up under the Compact Civil Service Programme (from 2011). The infrastructure consists of government-wide frameworks and shared services organisations (SSOs). The main aim is to provide high-quality services for ministries' primary processes at a good price. The following results must be achieved by 2016:

- *Joint personnel policy:* Staff and managers should have appropriate instruments for influencing recruitment, transfers and staff departures. This will ensure a good match between staff capacity and quality and the tasks to be performed by the civil service. Civil servants should be able to work securely at any place and at any time.
- *Joint ICT services:* The civil service should have a more coherent ICT infrastructure and large, high-risk ICT projects should be better organised.
- *Joint accommodation and facilities:* On the basis of master plans, government offices should meet the criteria laid down in office location policy. The offices should be facilitated by one of the four corporate service providers.
- *Joint procurement:* Professional SSOs and procurement centres should provide customised services with an optimum price-quality ratio in accordance with policy frameworks. All generic purchases should be made government-wide by specialised procurement centres.

Implementation in full swing

In recent years both the line ministries in The Hague and the main executive organisations have made great strides towards achieving these goals. Various government-wide SSOs have been set up to serve the ministries, such as P-Direkt for salary records, the Human Resources Expertise Centre, FM Haaglanden for facility management, SSO-ICT in The Hague for

workstation management, 3W for supporting the international services of central government, and the Central Audit Service. Efforts to give ministries access to these shared services are in full swing. By the end of 2014 all ministries will have been connected to these parts of the government-wide infrastructure, with a few exceptions. Shared services have also been created within the large executive organisations (e.g. the Tax and Customs Administration, the Custodial Institutions Agency (DJI) and Rijkswaterstaat). This means that they too can act as corporate service providers for other central government organisations throughout the country. As far as central government accommodation is concerned, master plans for each province will be prepared this year, setting out which premises will continue to house the civil service and which will not. The House will be notified accordingly in June in a letter that will also cover the accommodation plans of the Ministry of Security and Justice and the Ministry of Defence. As far as procurement is concerned, procurement centres (IUCs) will be set up this year with a view to introducing government-wide category management for all generic central government purchases. The creation of the information infrastructure will be completed by 2017. It will include standardised ICT workstations, government data centres, networks, document management, identity management and information security. It is very important to conclude this process in the coming years so that the intended results can be achieved. This will lay the basis for further operational management measures, geared to the additional spending cuts from 2016 onwards.

Survey of scope for further cuts

With the follow-up cuts in mind, the government is already surveying various possibilities concerning operational management. As regards the connection of the line ministries in The Hague to the government-wide SSOs, existing implementation efforts are already approaching the limits of what is feasible. This process will be virtually complete by 2015. The governance of operational management will, however, be further scrutinised (see next section). As far as the government-wide infrastructure is concerned, the following potential additional cuts have been identified:

- As regards accommodation, the application of stricter standards (from 0.9 to 0.7 workstation per FTE) will yield an additional saving of €19 million per year over the 2016-2025 period, followed by a saving of about €70 million per year on a structural basis.
- As regards human resources, an additional saving of around €36 million on a structural basis can be achieved through a combination of measures (e.g. implementation of the work-related costs scheme, introducing self-insurance for the work resumption (persons partially

capable of work) scheme (WGA), possible connection of the Ministry of Defence and autonomous administrative authorities (ZBOs) to the second-line service system, and more targeted training).

- As regards ICT, government data centres are currently being set up. Additional savings can be made by, for example, accelerating the connection of existing participants, extending it to include ZBOs, hosting consolidation and application rationalisation.
- As regards procurement, additional savings can be made by increasing ministries' participation in category management, generating extra revenue in specific categories, involving ZBOs in the procurement programmes, better application of sourcing (including insourcing) before purchases are made, and (in the long run) further concentration of procurement centres.

The above savings are no more than initial estimates; more accurate calculations will be made in the coming period. The money saved will help ministries to meet their existing spending cut targets.

Governance and sourcing

Now that operational management is increasingly being performed through government-wide SSOs, the governance of operational management can be simplified. The details of a new governance model are currently being worked out under the direction of the Secretary-General of the Ministry of Education, Culture and Science; service provision will be decided centrally rather than by individual ministries. One of the points under consideration is whether commissioning practice in respect of SSOs – at the moment all participating ministries can act as clients – can be simplified, and if so, when. The possibility of using central financing for generic service provision is also being examined. Under the new governance model, the main savings will arise from the delivery of uniform, standardised generic services to participating ministries and the simplification of SSO governance. Further details will be worked out so that certain ministries can begin a pilot project with the new governance model.

In this connection, the issue of whether to insource or outsource will be addressed: which operational management tasks should be performed by the ministries themselves and which should be outsourced to the private sector? An important consideration in this regard is the coalition agreement proposal to create more permanent low pay scale jobs in the civil service.

7. Autonomous administrative authorities more interlinked

As part of the Compact Civil Service Programme, moves are being made to connect autonomous administrative authorities (ZBOs) to the operational management infrastructure as far as possible. As part of the Reform Agenda, these efforts will be strengthened and extended, under the direction of the Secretary-General of the Ministry of Security and Justice. The following current and new initiatives will be tackled together.

Amendment of the Framework Act

The Minister for Housing and the Central Government Sector intends to propose amending the Autonomous Administrative Authorities Framework Act so that, in agreement with the ministers concerned, he has the power to force ZBOs to participate in parts of the government-wide operational management infrastructure. This is a consequence of the coalition agreement proposal that all ministries and ZBOs should participate in government-wide shared services, including in the area of operational management.

Assessment of the value and necessity of ZBO status

The coalition agreement says that the following criteria will be used when deciding whether a ZBO is the appropriate form of organisation for a specific task: first decide whether a task should be outsourced or kept in the public domain; within the public domain, a task should be performed by a departmental agency unless there is a specific reason why it should not be; if use of a ZBO is necessary, it should be constituted under public law and have no legal personality. ABD-Topconsult will conduct a review of ZBOs. The aim is twofold: to reduce fragmentation and to examine the scope for savings by clustering or reclustered executive organisations. The value and necessity of supervisory boards will also be examined.

Application of ABD procedure when appointing members of supervisory and executive boards

The Senior Civil Service (ABD) will draw up a detailed proposal for directors of ZBOs to be appointed via the ABD in future. As regards the intention that the appointment of members of supervisory boards should also be prepared by the ABD, the decisions on supervisory boards arising from the review will be awaited.

ZBO programme analogous to Compact Civil Service Programme

ZBOs have taken the initiative to jointly draw up a programme analogous to the Compact Civil Service Programme. A large number of ZBOs are involved: the RDW Centre for Vehicle

Technology and Information, the Land Registry, the Employee Insurance Agency (UWV), the Social Insurance Bank (SVB), the Central Agency for the Reception of Asylum Seekers (COA) and the Central Administrative Office for Exceptional Medical Insurance (CAK), which have re-established links with organisations such as the Care Needs Assessment Centre (CIZ), the Education Executive Agency (DUO) and the Tax and Customs Administration. The ZBOs concerned will draw up detailed proposals and discuss them with the Minister for Housing and the Central Government Sector. The coalition agreement proposal that some ministerial cutbacks could be achieved by setting statutory norms for ZBOs' operational expenditure will also be considered in this regard. The coalition agreement proposes that the norms should be based on the expenditure level at line ministries and departmental agencies. The first step is to examine whether setting norms can save money. To that end, certain ZBOs and departmental agencies will provide information on their operational management.

ZBOs are already taking steps to make operational management more efficient. They include actively searching for ways of reusing facilities, such as the product catalogue of the 'manifesto group' (*Manifestgroep*). The scope for developing shared services in various fields is also being explored. Other initiatives focus on further digitising service provision and simplifying legislation. An example is the use of Open Data or the implementation of i-NUP facilities. As far as the latter is concerned, the 'Message Box' email system is a way of digitising a large number of paper letters to Members of the public. The introduction of eID is also proceeding smoothly.

In addition to these initiatives, ZBOs see simplifying legislation as a way of reducing implementation costs. This could be done by harmonising terminology, making it possible to obtain various data and other components from standard databases and individualising benefits (so that family composition does not have to be taken into account). This is related to various other aspects of the Reform Agenda.

Finally, there are initiatives aimed at ending or simplifying services. For example, the Land Registry can phase out its own delivery channels because geoinformation is delivered via Public Services on the Map (PDOK). In addition, in the future the Land Registry will be able to automatically derive parts of the topography database from the large-scale topography database, which has yet to be introduced.

8. The civil service as an attractive employer

Staff are the most important asset

The preceding sections have looked at the organisational changes in the central government sector. Needless to say, these developments also have major consequences for the most important asset that central government possesses: the people working for the Netherlands. The central government sector includes the staff of all ministries (excluding the Ministry of Defence), the High Councils of State and support staff employed by the judiciary. Cooperation between the central government sector and the Ministry of Defence on personnel policy is increasing. For instance, the Ministry has introduced a job description and evaluation system based on the one used in the civil service. Some ZBOs have already adopted the central government sector's personnel policy, while others have their own collective labour agreements or apply the welfare sector's, for example.

Working for the Netherlands – keeping it attractive

For civil servants, working for the Netherlands means working on an ideal – in the knowledge that everyone has a different ideal and ideals are never fully realised. A country is always a work in progress. Working for the Netherlands is therefore not easy but it is certainly extremely interesting. In virtually every field and at every level, central government offers attractive and stimulating jobs, and the jobs are located throughout the Netherlands. The nature of the work, the scope for development and the availability of jobs in different regions are key factors in making central government an attractive employer. Central government faces the challenge of remaining an attractive employer, even in times of spending cuts.

The terms of employment in the civil service already include many options, which enables staff to strike a balance between work and private life. In the years ahead, the general terms of employment in the civil service will be harmonised and the scope for tailoring them to individual requirements will be expanded.

Strengthening results-based management

Working for the Netherlands means delivering results. Taxpayers have a right to expect this. Managers and staff make agreements on the results to be achieved, and managers have to give a clear assessment of staff performance. If an employee no longer performs adequately in their present job, action must be taken. Managers often find it difficult to call staff to account and take appropriate measures. A change of job and work environment can sometimes help people to perform adequately again.

Managers also find it difficult to allow competent staff to leave or to encourage them to move to another job. However, binding staff to the same job for too long can eventually adversely affect their performance and their position on the labour market. That is why investing in managers' HR skills is a permanent necessity.

Labour market development

In the years ahead, many older staff will leave the central government sector. However, in most sections of the civil service this will not lead to the recruitment of large numbers of new staff, because in the coming years central government will have to significantly reduce its administrative costs, which largely consist of personnel costs. The scope for recruiting new staff therefore depends heavily on the number of staff leaving for reasons other than age. This means staff moving to jobs outside central government. For some professions (e.g. many technical jobs), there are already openings for new staff. For other job categories, there are limited opportunities outside central government, because in the private sector, too, few new workers are being recruited. In the coming years some organisations will take on a substantial number of new staff. This applies, for example, to the Tax and Customs Administration. Furthermore, some organisations (especially in the ICT field) are choosing to restrict the number of external staff by taking on staff themselves. This means that in the years ahead there will be major differences in the recruitment and departure of staff in different parts of central government. The long-term development of the labour market largely depends on economic developments. The general outlook is that the number of jobs for which there are labour market shortages will increase in the long run.

Promoting internal and external mobility

Cutbacks and reorganisations will lead to job losses. The central government sector wants to help as many staff as possible to find new work if they lose their jobs as a result of a reorganisation. The sector recently made government-wide agreements with civil service trade unions on this matter. The agreements will apply from 15 April 2013 until 31 December 2015. The main points are:

- civil servants will receive intensive assistance in finding a new job;
- the obligation to accept a suitable alternative job will apply to the entire public sector and not just the civil service;

- the 'last in first out' principle will be replaced by the 'reflection principle' (meaning that job losses must be proportionally distributed among the various age groups) for the duration of the agreements;
- the maximum resignation incentive payment will be €75,000. Further consultations will be held on how the social accord between the government and social partners will affect this agreement;
- until the end of 2015 no employment contracts will be terminated as a result of a reorganisation unless the employees concerned fail to cooperate with efforts to find them a new job.

The mobility organisations in the central government sector will play an important role in implementing the policy outlined above. In addition, joint efforts will be made with market players to help staff find a new job. In some cases, there will be plenty of opportunities for staff who lose their current job to find another job in the central government sector. In other cases, it will make more sense for staff to immediately look for a job elsewhere. The UWV and regional partners will then be asked to provide assistance. This means that staff will have to be realistic and honest about themselves, and reflect on their position on the labour market as a whole. Managers will need to make full use of the tools available and pursue an ongoing dialogue with staff both on their performance and on the further development of their career. It sometimes seems that mobility is only considered in the event of reorganisations. Part of the present personnel problem stems from the fact that personnel policy has focused too heavily on suitability for the job and too little on suitability for the labour market. Regular changes of job or work environment lead to a more secure position on the labour market. Job rotation will therefore be encouraged for all staff. The specific details (where to, after how many years?) will depend on the type of work, field of knowledge, position as specialist or generalist, stage of life and other factors. Staff pools can also contribute to staff mobility and organisational flexibility.

Ongoing investment in target groups, knowledge and development

Working in the central government sector means working in an organisation that changes with its environment. New rules and technological innovations bring change. This means that staff will require frequent refresher courses if they are to continue to perform well, especially in an organisation like the civil service with a rapidly ageing workforce. This may happen on the initiative of the employer, who can ask a staff member to take a course. But staff can also apply

for a course themselves because further training will help them to perform their present job even better or increase their career prospects inside or outside the civil service.

The percentage of women in the civil service has increased in recent years. Several organisations now employ more women than men. The current percentage of women in senior management positions is about 26%. The coalition agreement sets a target of 30%, so this means raising the figure by four percentage points in five years. To achieve this, the ABD will identify and actively guide a government-wide pool of talented female staff from scale 15 upwards, in conjunction with ministerial management development activities. Women's 50% share in the ABD candidates programme will be consolidated and efforts will be made to ensure that selection committees include at least one woman and more often two. Attention will also focus on the heterogeneous composition of management teams, so that they too include at least one woman and preferably several. Where there are several equally suitable candidates for senior management positions (including ministerial senior management boards), women will be given preference.

It remains very important for young people to be able to gain an insight into what it means to work in the central government sector through learning and work experience, not least with a view to future recruitment needs and the deployment of new knowledge. Although vacancies are limited, central government will continue to focus on involving young people in working for the Netherlands. The central government trainee programme will therefore be continued in the coming years, with 100 to 120 trainees annually. There are also trainee programmes for financial policy officers (BoFEB), legislative drafters and technical jobs at Rijkswaterstaat. If trainees prove suitable and perform well, they will be offered a job at the end of the programme. In addition, central government will offer about 4,000 work placements per year to pupils and students from various educational institutions.

Disabled persons

In 2011 central government set itself the target that at least 1% of its staff must be drawn from people who qualify for assistance under the Work and Employment Support (Young Disabled Persons) Act (WAJONG), the Sheltered Employment Act (WSW) or the Work and Income (Capacity for Work) Act (WIA). In the past mostly temporary projects were set up for people receiving assistance under the WSW and WAJONG schemes so that they could acquire work experience, but this did not lead to permanent jobs. That is why a multiyear approach has now been adopted.

The social accord contains agreements on creating extra jobs for the disabled. The central government sector, too, will recruit more disabled persons. Modifying work processes, creating lasting work packages, providing appropriate guidance and working with the UWV are some of the measures that will have to be taken. Other measures under consideration include other recruitment pilot projects and specific training programmes, such as a trainee programme for disabled persons.

Increasing the number of jobs in the lowest pay scales

The coalition agreement announced that central government would create more jobs in the lowest pay scales. In recent years such jobs have declined as a result of the digitisation of work processes (with major consequences for the jobs of records officers and clerical officers) and the outsourcing of tasks that are not considered to be part of central government's core tasks (e.g. cleaning, catering and security). The ambition to create more low pay scale jobs in the central government sector will be achieved in several ways:

- a sourcing framework will be adopted for proposed contract award procedures (outsourcing will be applied only if it leads to cheaper services of the same quality);
- through an analysis of work processes in different parts of the organisation, simple elements of more highly skilled jobs can be combined (job carving); the civil service job description and evaluation system will be supplemented, where necessary, with new jobs in pay scales 1 to 4.

In addition, the central government sector will apply good socially responsible commissioning practices (as stipulated in the cleaning code) based on the principle that long-term work should where possible lead to a permanent appointment – with the supplier or central government. The central government sector will take the initiative in agreeing such codes for other sectors as well (e.g. catering and security). It will also include social return conditions in contracts.

Problems in future personnel policy

The labour market and central government tasks are being affected by numerous increasingly rapid developments. They need to be anticipated promptly, often without knowing exactly what the outcome will be. This gives rise to various problems.

As already mentioned, the coming years are likely to see labour market shortages for more and more jobs. This will affect the salaries that companies are prepared to pay, while central

government is currently operating a general salary freeze. For jobs where labour is scarce, this may undermine its position as an employer.

Objectives for specific groups (disabled persons, people in low pay jobs, etc.) often mean that concessions have to be made in relation to what can be achieved with personnel policy in general (e.g. in terms of numbers and productivity). After all, the funds available can only be spent once. The objectives for specific target groups will therefore always have to be considered in the light of personnel policy as a whole.

The government's objective of standardising the legal status of civil servants will eliminate obstacles to exchanges with the private sector. At the same time, it raises new questions such as how to protect central government staff against political caprice and whether central government should continue to use government-wide labour agreements or apply other collective labour agreements for sections of the civil service.

It is therefore important to regularly review central government personnel policy in the light of developments in society, changes in central government tasks and labour market developments. For it is not the strongest or smartest organisation that survives, but the organisation that can best adapt.

9. Management and accountability

Political management

Reforming the civil service is the government's express ambition, and specific responsibility rests with the Minister for Housing and the Central Government Sector. The Minister is therefore politically accountable for the Civil Service Reform Agenda. He will regularly consult other ministers and ministries' secretaries-general on the programme's progress and the results to be achieved. Several secretaries-general act as portfolio holders for specific parts of the Reform Agenda. The ministries will inform the Minister for Housing and the Central Government Sector of the organisational consequences (in terms of policy, implementation, supervision, operational management and ZBOs) that their plans will have for achieving the spending cut targets. He will assess their plans in the light of the plans for the organisation of the civil service set out in the coalition agreement and this Reform Agenda.

Budget cuts

Between 2013 and 2015 ministries will implement the spending cuts agreed by the first Rutte government and during the preceding period, as set out in the table in section 2. Under the coalition agreement of the second Rutte government, ministries have to make additional cuts in administrative expenditure from 2016 onwards. Each minister is responsible for achieving the spending cut targets at his or her own ministry. The new 'accountable budgeting' system has ensured that a clear distinction is made between administrative expenditure and policy expenditure in the civil service. This makes it possible to make the necessary savings by cutting administrative expenditure. The Ministry of Finance will assess whether this is the case. The cuts will be accounted for solely in ministries' standard annual reports. The annual operational management report will present a government-wide view of where the cuts are being made, based on these reports.

As with the Compact Civil Service Programme, various plans in the Reform Agenda will help ministries to meet their spending cut targets. Financial arguments and/or business cases will be presented for these plans and, where relevant, benefits realisation management will be applied. However, this will not form part of the financial accountability process but will support the decision-making and implementation process.

Informing the House of Representatives

The House will receive an annual report on the progress of the Reform Agenda, just as it does for the Compact Civil Service Programme. The report will form part of the annual operational management report, and will give the House a complete overview of the state of affairs relating to operational management in the civil service. In the annual operational management report, the Minister for Housing and the Central Government Sector will also present a comprehensive picture of civil service costs based on the accounting information available at the Ministry of Finance. Together with the personnel and organisational information, it will provide the House of Representatives with a good picture of how the civil service is becoming smaller and less expensive.