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**HEALTH AND SAFETY EXECUTIVE
The HSE Board**

CIVIL SERVICE CAPABILITY REVIEWS

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Issue

1. Some recommendations of interest from the first four Civil Service Capability Reviews.

Timing

2. Routine.

Recommendation

3. This paper is to inform discussion at the Board's Meeting on 5 September and its Awayday on 6 September. In particular, in the discussion on governance the Board might like to bear in mind some of the recommendations on the role of Boards in setting priorities, managing performance, and accessing external advice. The recommendations on delivery, user focus, and skills capacity are also relevant to the debate on the Fundamental Review and Business Plan.

Background

4. The first four capability reviews were published last month. Access to the reports on the Home Office, DWP, Department of Constitutional Affairs and Department of Education and Skills can be accessed by clicking on the following link - http://www.civilservice.gov.uk/reform/capability_reviews/publications
5. The reviews were announced by Sir Gus O'Donnell in January with the following objectives:

“The reviews aim to improve the capability of the Civil Service to meet today's delivery challenges and to be ready for tomorrow's. Capabilities in three key areas are being assessed – leadership, strategy and delivery. Each review aims to identify where departments need to improve, and will include the development of an action plan to address these findings. The programme will be rolled out across all 17 main departments over the next 18 months.”
6. The model of capability was designed specifically for the reviews following consultation with senior leaders in Whitehall and with external experts. The model allows judgements to be made against 10 elements across leadership, strategy and delivery using an underlying group of 49 questions. (The 10 elements with their question sets are attached as an annex to this paper.) Markings are then given in each of the ten categories on the following declining five point performance scale – strong, well placed, development area, urgent development area and serious concerns.

7. Each capability review is carried out by the Prime Minister's Delivery Unit (PDMU) with a team of external reviewers drawn from the private sector, the wider public sector and board-level members of other government departments. HSE's Brian Etheridge is currently seconded to the PDMU working on the capability review of the DTI.

Argument

8. Reading through the question set helps identify those areas where HSE would, if it were subject to such a review, have a good story to tell and some areas where relative weaknesses might be identified.
9. But the Capability Reviews themselves give some piquancy to the question set and an eclectic selection of some of the common themes which emerge include:

- a. Strengthening governance – the reports focus on three key elements:

- i. Collective coherence;
- ii. External challenge through non-executive directors; and
- iii. Sub-board structures.

The strong flavour here is not around compliance with best practice but using good governance to drive through and deliver improvements – whether policy, operational or organisational. Governance does not stop at board level – recommendations are made on improving the SCS Leadership as well as empowering it to deliver organisational priorities within a coherent culture.

- b. Management issues – three arise frequently:

- i. A requirement for a step change in the quality of, and the value attached to, people management;
- ii. Better management of poor performance and rewards for those who do it best; and
- iii. Talent spotting and development, aligned with succession planning.

- c. Successful delivery of PSA targets is not enough to secure uncritical capability reviews – in the Home Office Capability Review it records that “The Department became very focussed on PSA delivery and achieved notable successes against those targets” and yet its assessment contained no marking on the top two points of the performance scale and contained two markings in the lowest.

- d. Recommendations of particular interest in the DWP Capability Review are:

- i. Under the general heading ‘Building an effective leadership team’:
 - Taking ownership of the key issues that affect the organisation as a collective team, rather than delegating these to small groups in specific business areas;
 - All Executive Team members need to own the corporate agenda and direction of DWP, not just for their own areas of responsibility; and
 - Collectivity should be embedded in performance management and role descriptions.
- ii. Under the general heading ‘Managing for improvement’:

- Whilst acknowledging that front line staff are passionate about their commitment to their customers and are a huge asset to the department, too many staff at present do not feel they are listened to and their concerns acted upon;
 - Better and more visible feedback loops between delivery and policy would help; and
 - Better understanding of unit costs alongside the good existing information on outputs and outcomes would enable more delegation with clear lines of accountability.
- iii. Under the general heading of 'Learn how to learn':
- Continuous improvement can only be brought about by an ongoing commitment to learning, listening and growing; and
 - The department should give urgent attention to bringing about the cultural and behavioural changes required to instil a culture that encourages openness and learning.

Leadership

Key questions that test current capability

L1 Set direction

- How do you set a clear direction and articulate the vision to provide a compelling and coherent view of the future?
- How do you take difficult decisions, and do you follow them through?
- How do you generate common ownership of the vision amongst the board, the department and delivery owners?
- How do you maintain focus when faced with crises/system shocks? How do you balance this with the need to keep the vision up to date when circumstances change?

L2 Ignite passion, pace and drive

- Are you seen as role models in the department, inspiring the respect, trust, loyalty and confidence of superiors, peers and staff? Do you talk, listen and act on feedback and thereby demonstrate an understanding of the business?
- Do you display passion about meeting delivery outcomes?
- How do you engage personally with customers and staff in the department and across the system?
- How do you maintain energy and enthusiasm? How do you inspire staff to be proud to work for the organisation?

L3 Take responsibility for leading delivery and change

- Do you drive delivery by: taking responsibility, welcoming challenging feedback on performance and learning lessons from successes and failures?
- How do you role-model an effective corporate culture of teamwork within the system?
- Do you and the senior leadership team act as an effective guiding coalition and initiate work across boundaries to achieve delivery outcomes?
- Do you accept the pressing need for change? Do you demonstrate your personal commitment to that change?
- How do you manage change effectively? How do you champion and drive through that change, addressing and overcoming resistance when it occurs?
- Are you open, honest, courageous and unflinching in delivering tough messages to your ministers and the department?

L4 Build capability

- How do you nurture talent and encourage innovation in order to build capacity?
- Do you have a leadership development/promotion process that is fair and transparent?
- How do you manage the performance of everyone by rewarding good performance and tackling poor performance?
- Do you get enthusiastically involved in identifying talent and building capability in individuals and teams?
- Do your culture, behaviour and staff profile reflect the diversity of the customers you serve?

Strategy

Key questions that test current capability

S1 Focus on outcomes

- Do you have one overarching set of clear and challenging outcomes, aims and objectives which will improve the overall quality of life for customers and benefit the nation?
- How do you work with ministers to develop strategy?
- How do you negotiate trade-offs between 'priority' policies?
- How do you work with other departments and partners external to government when developing strategy?

S2 Base choices on evidence

- How do you understand what your customers and stakeholders want?
- How do you identify future trends and plan for them? How well do you identify and manage the associated risks?
- How do you innovate by developing creative solutions to challenging problems?
- How do you ensure appropriate ambition?
- How do you choose between the range of options available?
- Once a strategic challenge has been identified, what process do you follow to address it, and who is involved?
- How do you ensure that your decisions are informed by sound evidence and analysis?
- How do you design systems which deliver your strategic objectives? How do you consider whole systems and understand the cost base?

S3 Build common purpose

- How do you align and enthuse the different players in the delivery chain to deliver?
- How do you remove obstacles to effective joint working? How do you share learning in order to ensure the strategy is delivered?

Delivery

Key questions that test current capability

D1 Plan, resource and prioritise

- Do you have the right skills, resources, structures and plans necessary to deliver the strategy as part of a clear model of delivery?
- Do you prioritise (and de-prioritise) and sequence deliverables, taking account of a proper risk management strategy, focused on change management priorities?
- Are your delivery plans aligned with the strategy? Are they robust and regularly reviewed?
- Are your delivery plans consistent with each other? Do they form a coherent whole which will deliver your strategy?
- How do you maintain a focus on efficiency and value for money?

D2 Develop clear roles, responsibilities and business model(s)

- Is the purpose of the departmental centre and headquarters functions clear?
- How do you ensure you have clear roles and responsibilities, rewards and incentives, which are understood across the delivery chain? Do they reflect the business model(s), and are they supported by appropriate governance arrangements?
- How well do you understand your business model(s)?
- How do you know whether you have the right balance between centralised and decentralised services?
- How do you identify and agree accountabilities and responsibilities for delivering desired outcomes across the delivery chain? How do you make sure that they are clear and well understood by all parties?
- How do you negotiate and contract with delivery agents, stakeholders and partners? How are these agreements documented and shared?

D3 Manage performance

- Do you have high-quality performance information supported by research and analytical capability? Does it allow you to track performance across the delivery chain?
- Do you actively respond to performance issues and follow them up?
- How effective is high-level programme and risk management across the delivery chain?
- How do you ensure and maintain effective control of the department's resources and the quality of its outputs?
- How do you know that your delivery chain understands customer needs and the drivers for satisfaction and responds to them?
- How do you ensure that your delivery chain captures and realises benefits?
- How do you feed this information back into the development of your strategy?