



Is Whitehall Fit For Purpose?

An Analysis of the Capability Reviews

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Fit For Purpose? Auditing Whitehall

‘The principal challenge is to shift from policy advice to delivery’ Tony Blair, Speech on Civil Service Reform, February 2004

How good is Whitehall at delivery? Analysing data published as part of the Departmental Capability Reviews, ippr research shows that despite the strong emphasis placed on ‘delivery’ by the Blair governments, key Whitehall public service delivery departments continue to under-perform in this vital area. Of the six departments assessed in this paper four were found to have significant weaknesses in terms of their ability to deliver effectively. In short, Whitehall has a long way to go if it is to improve its capacity to deliver public services.

The Capability Reviews – which assess each department’s capability in the core areas of leadership, strategy and delivery – have identified delivery as Whitehall’s real trouble spot, finding that:

‘There was considerable doubt about whether the current delivery models were chosen strategically for the purpose in mind – rather than inherited as an accident of history. There is often a lack of clarity as to precisely how the different models are intended to work together. And staff at all levels are often unclear about the models and their roles within them. Accountability frameworks ... are not always clearly understood’ (Cabinet Office 2006a: 18).

The publication of the second wave of Capability Reviews in December 2006, simply served to reinforce this view. The Cabinet Secretary, Sir Gus O’Donnell, was forced to concede that Whitehall is ‘not strong at delivery’ (Public Finance 2006).

Background to the Capability Reviews

Departmental Capability Reviews (DCRs), which assess how well placed government departments are to meet the demands of the future, were first announced in October 2005.

Since then seven Whitehall departments have been reviewed. The first round, published in July 2006, assessed four major public service delivery departments: the Department for Constitutional Affairs (DCA); the Department for Education and Skills (DfES); the Department for Work and Pensions (DWP); and the Home Office. The second round, published in December 2006, assessed the Cabinet Office; the Department for Communities and Local Government (DCLG); and the Department for Trade and Industry (DTI).

The reviews assess departments against a ‘model of capability’, which has been specifically designed for Whitehall by the Cabinet Office, in consultation with a range of internal and external experts. The model consists of three core capability areas – leadership, strategy and delivery – which are further broken down into sub-categories, enabling judgments to be made across a range of ten capabilities. They are:

- Leadership
 - Set direction
 - Ignite passion, pace and drive
 - Take responsibility for leading delivery and change
 - Build capability
- Strategy
 - Focus on outcomes
 - Base choices on evidence
 - Build common purpose
- Delivery
 - Plan, resource and prioritise
 - Develop clear roles and responsibilities and business model(s)
 - Manage performance

Departments are then assessed against each of these ten capabilities areas within five levels of assessment:

- Strong
- Well placed
- Development area
- Urgent development area
- Serious concern

ippr's scoring system

Using data from the Capability Reviews we have developed a scoring system that allows us to assess each department across the capability model criteria.

We have simply assigned a score to each assessment category used in the reviews, which are set out below.

The scoring system allows us to summarise departmental performance in specific areas and to calculate averages across departments and across capability areas.

ippr's analysis focused exclusively on public service delivery departments and does not therefore include the Department for Trade and Industry. We did, however, include the Cabinet Office, on the grounds that it has been tasked with 'leading the Government's programme to transform the delivery of public services' (Cabinet Office 2006b: 16).

The scoring system is as follows¹:

- 1 = *Strong*:** good capability for future delivery in place. Clear focus on the actions and improvement required to deliver transformation over the medium term.
- 2 = *Well placed*:** well placed to address any gaps in capability for future delivery. Is making improvements in capability and is expected to improve further in the medium term.
- 3 = *Development area*:** the department should be capable of addressing some significant weaknesses in capability for future delivery by taking remedial action. More action is required to close those gaps and deliver improvement in the medium term.
- 4 = *Urgent development area*:** significant weaknesses in capability for future delivery that require urgent action. Not well placed to address weaknesses and needs significant additional action and support to secure effective delivery. Not well placed to deliver improvement over the medium term.
- 5 = *Serious concerns*:** serious concerns about current capability. Intervention is required to address current weaknesses and secure improvement in the medium term (category reserved for most serious gaps and should only be used infrequently).

So for instance a department that scores a '2' is considered to be well placed in terms of its key capabilities, where as a department scoring a '4' is considered to be an urgent development area. On our assessment, and as is clear from reading the definitions for each category, we would argue that a score of anything more than a '2', that is anything worse than 'well placed', indicates that the department lacks the key capabilities needed to perform adequately over the medium term. Or to use Home Secretary John Reid's phrase, scores of '3' and above suggest that departments are not fully 'fit for purpose'.

Results

The scores for all the capabilities assessed as part of the reviews are presented in Table 1 on the following page.

1. The definitions for each assessment category (for example, 'strong'), are taken direct from the reviews themselves (Cabinet Office 2006a, 2006b)

Core capabilities	Cabinet Office	DCA	DCLG	DfES	DWP	Home Office
<i>Leadership</i>						
Set direction	2	2	2	3	3	4
Ignite, passion, pace and drive	2	3	2	1	2	3
Take responsibility for leading delivery and change	3	4	3	2	3	3
Build capability	4	2	4	4	4	5
<i>Strategy</i>						
Focus on outcomes	2	1	2	3	3	3
Base choices on evidence	3	2	4	2	1	3
Build common purposes	3	2	3	2	2	3
<i>Delivery</i>						
Plan, resource and prioritise	4	4	3	3	4	5
Develop clear roles, responsibilities and business models	4	4	4	3	2	4
Manage performance	3	3	4	3	3	3
Average (across all 10 categories)	3	3	3	3	3	4

Source: adapted from Cabinet Office 2006a, 2006b

Note: Where necessary we have rounded the scores to full numbers: a score of '3.5' is rounded up to 4, a score of '2.4' is rounded down to 2.

Assessment

Table 1 does not make for positive reading. Not one of the departments assessed scored a '1' (strong) or a '2' (well placed). In other words none of the major public service delivery departments that have been assessed so far have been considered to have the necessary capabilities needed to deliver effectively. Five were found to be 'development areas', while the Home Office came out as 'an urgent development area'. This seems quite remarkable given the repeated attempts to reform the civil service in the last decade.

To put this in context it is worth comparing the results here with those of the Comprehensive Performance Assessment (CPA), the performance regime in local government: in 2005 68 per cent of councils were assessed as achieving three or four stars – the equivalent of a score of '2' or '1' here (Audit Commission 2005).

Looking at the capabilities in more detail, Table 1 shows that of the three core capability areas – leadership, strategy, and delivery – strategy comes out on top. The DCA and DWP both averaged scores of '2' and so are considered to be 'well placed' when it comes to strategic capabilities. The four other departments all scored '3'.

The picture is less positive when it comes to 'leadership'. In particular all departments, with the exception of the DCA, were considered to have real weaknesses when it comes to the ability to 'build capability'. The average scores across the departments here is '4': an urgent development area. This is troubling since this

capability includes the following important areas: nurturing talent and encouraging innovation; leadership development and identifying talent; and performance management – the rewarding of good performance and tackling poor performance (Cabinet Office 2006a). One could reasonably expect all three to be considered core capabilities in their own right.

Whitehall and delivery

The most troubled area, however, concerns ‘delivery’. Despite the almost excessive focus on ‘delivery’ by the Blair governments, the capability reviews reveal that key Whitehall public service delivery departments exhibit significant shortcomings in this area.

Incredibly, the average score in this category across all six departments is ‘4’. This means that these departments have ‘significant weaknesses ... that require urgent action’ in order to secure ‘effective delivery’. Not a single department was considered to be either in a ‘strong’ or ‘well placed’ position in terms of its delivery capabilities.

The respective scores for each department in the delivery category are:

- Cabinet Office (4) – **Urgent development area**
- Department of Constitutional Affairs (4) – **Urgent development area**
- Department for Communities and Local Government (4) – **Urgent development area**
- Department for Education and Skills (3) – **Development area**
- Department for Work and Pensions (3) – **Development area**
- Home Office (4) – **Urgent development area**

The average scores for each delivery area are:

- ‘Plan, resource and prioritise’ (4) – **Urgent development area**
- ‘Develop clear roles, responsibilities and business models’ (4) – **Urgent development area**
- ‘Manage performance’ (3) – **Development area**

Table 2, which summarises the capability scores for delivery, reveals that the real weak spot concerns the ability to ‘plan, resource and prioritise’ and to ‘develop clear roles, responsibilities and business models’.

Using the Cabinet Office’s own criteria, in practice this means that these departments do not have the right ‘skills, resources, structures and plans necessary to deliver’, and that delivery plans are weak, incoherent and do not focus on value for money. They also indicate significant problems with defining clear responsibilities – which only serves to undermine effective performance accountability (Cabinet Office 2006a).² Whichever way it’s viewed, this is quite an indictment of the Whitehall Civil Service.

Delivery Office	Cabinet	DCA	DCLG	DfES	DWP	Home Office	Average
Plan, resource and prioritise	4	4	3	3	4	5	4
Develop clear roles, responsibilities, and business models	4	4	4	3	2	4	4
Manage performance	3	3	4	3	3	3	3
Average	4	4	4	3	3	4	4

Source: Adapted from Cabinet Office 2006, 2006b

2. See Appendix 1 for more details on this.

Conclusions

'Delivery' has become the signature tune of Labour's public service reform programme, but as the results above show, Whitehall has a long way to go before it can claim to be effective in performing this role.

As ippr argued in its recently published report, *Whitehall's Black Box*, the civil service needs fundamental reform if it is going to meet the challenges it faces. This needs to start with reform of Whitehall's governing constitutional conventions, recasting the doctrine of ministerial responsibility and ensuring that ministers and civil servants are held to proper account for their performance. The bleak picture of civil service performance offered by the Government's own Capability Reviews makes the case for fundamental reform irresistible.

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Appendix 1

The Cabinet Office defines each capability criteria in the delivery category as follows:

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?

Develop clear roles, responsibilities and business model(s)

- Is the purpose of the departmental centre and HQ 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 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?

Manage performance

- Do you have 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 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?