

The creation of capability reviews – the inside story.

This is a narrative I produced in June 2006 to support artists who I commissioned to produce a cartoon strip to mark and celebrate our first year and to support the induction of new members to the core capability review team.

It is unedited save for the odd personal reference which seemed inappropriate to retain and of course correction of my usual typos. It gives the inside view from the core team about those early stages of the programme and what it felt like.

The capability reviews story so far

Birth – just when the PMDU's founding father had left the family

I went into what I thought was an induction meeting with the new Cabinet Secretary who instead said:

"I want something a bit like PMDU priority reviews and Corporate Performance Assessments (of local councils) which allows me to hold permanent secretaries to account for improving the capability of departments in the same way that PMDU equips the PM to hold Secretaries of State to account for delivery of PSAs".

His timing was interesting - the founding head of PMDU had just left and there was an exodus from the unit afterwards with over half the staff leaving within 5 months, I was acting as head of the unit in the interim. So we had to nurture and restore PMDU to full health at the same time as developing capability reviews.

We identified some key success criteria for the project.

I said right off that the key factor in CPA was that the scores were published – Gus said *"I think that is a step too far!"*.

Sign-up – but not much understanding of what it meant or where it would take them

Within 4 weeks a proposition was developed by me with support from Jonathan Slater and put to the PM for approval.

Jonathan presented the proposal to the perm secs sunningdale gathering in September where "they signed up". By this point a couple of the perm secs had persuaded Gus that published scores were necessary for the credibility of government (David Normington being the key influence).

The small performance partnership team from the cabinet office of Adam Pemberton, Nancy Braithwaite, Jonathan Slater and Sarah joined PMDU to work with me on development.

Alex Allan made the bold step of offering DCA to be the pilot – without having any real idea what he had signed up to.

Very serious about engagement and getting ownership

One of the success factors we designed as an integral aspect of the whole programme was engagement. We wanted the design to engage a large number of senior civil servants as well as outside experts – so that they owned, understood and influence the focus and method of the programme. We also argued strongly for 2 of the 5 review team members to be DG's so that the review is part of what senior manager do – rather than part of what they fight off from outside.

We did around 100 interviews and ran workshops during the early autumn with about another 200 senior managers.

So we planned and got support for a major investment in a programme of development with the consultancy (who we hired primarily for their brilliant design and facilitation capability which I had seen in play on a PMDU priority) – and a process of engagement leading to 2 day event for 90 people in Woking.

But it felt risky – I asked Gus whether he was prepared to commit to getting senior civil servants away for 2 days to ensure engagement and ownership – he said no, he didn't like away days. Fortunately he changed his mind and brought a brilliant input and personal leadership to the crucial Woking two day workshop.

A rag tag band – heavy, awkward use of consultants

We had no staff at all of the development phase so entered into a major contract with one of PMDU's call off contractors – to help develop the model and methodology – and most importantly to help design and run the large and ambitious engagement events. Everyone baulked at the cost of this - £400k – but we had no choice given the lack of internal capacity. But it caused problems.

Mobilising to get the right resources for the full programme

We started to look for others to join the team – Andrew Templeman joined us but only had about 1 or 2 days a week until the beginning of December.

Crucial success factor in this phase was deciding that we needed a professional head hunter to seek out and recruit the external review team members – Andrew Templeman sought out Esther Wallington who joined us and did a brilliant job on this – without her we would have sunk.

Joanne Peel from DCA, Rosita Hill from DTi, Sue Bramwells from OGC and Christine Hill joined. We looked to outside organisations for secondments – Keith Holden joined us from NAO – and as well as being very tall looked a bit astonished at the anarchic outfit he had joined that did everything the night before and appeared to have no formal roles, structures or decision making.

We also initiated what ended up being a long drawn out process to get offers of free secondees from departments which lead eventually to our full team assembling in around March – with four Directors drawn from departments – and 7 review managers drawn from PMDU, departments and secondees from outside. We pinched one of the designers and facilitators of the Woking workshop.

Nancy started setting up a process and engagement with the Department – tricky given almost no element of the process, model or outputs had been developed let alone agreed.

Method and ‘the bloody model’ – what do we mean by capability?

Luckily between us in the core team we had experience of the previous programmes that were seen to have failed – as well as the examples Gus was drawing on – PMDU priority reviews and CPA which some of us had been instrumental in developing and delivery at the Audit Commission.

The method for doing reviews changed very little from our original proposition in July.

We managed to stick to the process of engagement we outlined.

Our final approach fits very well with the vision we set out in July.

But the really difficult bit of this phase was developing the ‘model’ – we took the approach of key questions that the review needed to answer. The pie chart was born – we agonised over the strategy component for months – with some tense and frustrating exchanges with the consultancy team who wanted to work in their standard format.

We were trying to make it focused, selective – fit with civil service leadership models, the professional skills for government programme – draw on the CPA model and the best of inspection models – and find language that civil servants could engage with

We were endlessly drawing and redrawing the model and the key questions and arguing about how to cover the corporate service functions and at what level we were looking at capability.

The consultancy team were arguing amongst themselves – and so were we. It was a stressful and at times unhappy phase – high expectations from outside, but little understanding by civil service leaders of what it entailed. We only had tiny internal resources – and we didn’t have enough desks (no change there – this is a bit of a theme in the team- hot desking continues to this day – you never know who is going to be sitting in which desk or on what floor).

In the end this must have paid off because the model has stood up very very well – with just one tweak following the DCA pilot – neither review teams nor departments have pushed back against it.

Pace from perm secs – but was there passion or understanding?

At this point – perm secs on receiving an update felt that we were being too cautious in proposing a 24 months programme – and suggested that we increase the number of reviews we were planning by Christmas 2006 from 6 to 13, finishing the whole programme within 12 months – May 2006.

This phase was tricky because the territory of capability is not natural territory for Gus or most permanent secretaries. They thought it would be about IT or finance functions – rather than about them, their individual and collective leadership skills – although Gus quickly moved into the right space with clear messages it was too be personal and about ‘our leadership’. So we were upwards leading the programme in some ways at the start.

Perm Secs definitely signed up to something they didn’t understand – some probably with the expectation that they would see it off like most previous things have been seen off. And some did try to see it off when it came to their department.

Announcing the programme – then getting cabinet ‘support’

Gus announced the programme at a hearing of Parliamentary Affairs Select Committee – and then the following week Ian took the programme to Cabinet. Gus hoped for a 5 minutes rubber stamping – but it took 50 minutes and appeared in the minutes as ‘cabinet agreed to the programme’ – but instead there was an awkward discussion where they said “I don’t like the word capability”, “I don’t like the word ‘review’”, “I don’t think we should have scores” and, “we don’t need to publish these do we?”

Running before we had started to walk

One big challenge in this development phase was setting up the pilot before knowing what the method, scores, report format etc would be. Somehow Nancy managed to achieve really high quality engagement and trust with the department despite being able to offer none of the answers to their perfectly reasonable questions of “what will it be like?”

Moving from development to piloting – very exposed and anxious in Woking

The project in this phase was very difficult to make specific and programmable – it was a phase of generating and testing ideas – whilst feeling more and more anxious about what we would have to share with the 90 most senior civil servants at Woking. We were conscious of deliberately setting up an encounter where we would share work in progress – with the deliberate intention of having it broken down and re-built by one of the most critical and intelligent audiences you could gather.

We tested in the most intensive 2 days imaginable our proposition for scope, method, outputs, success criteria.

These were challenged, revised, argued about from a range of angles. The event was a great success and created a group of people that have been crucial to taking this forward ever since.

Ian Watmore was at the event – and even featured in the infamous ‘Woking video’ which we have used endlessly as part of induction ever since. He had his interview for the PMDU job on the Monday – and came to Woking for the Tuesday.

DCA were heavily represented and got very anxious on day one bringing understandable tension and frustration (they had a serious personal stake in getting a good outcome) to the second day. But for those of us locked in a room for four hours hotly debating the approach with them until 11.30 on Tuesday night it was a very uncomfortable and difficult stage.

DCA left the session with an ‘opt out clause’ which they have not felt the need to invoke.

Five people from the Woking group fed back to Gus and three other perm secs with what Woking felt were the key issues/messages for Gus.

Woking people felt strongly that this was the start of a ‘new deal’ of accountability and transparency for perm secs – but the perm secs poo pooped that then. I think they have probably changed their minds.

The pilot in earnest

By 7 days after Woking formal engagement with DCA had started – the first session between the review team and the board. This intensified through workshops and interview and orientation visits – where we were inventing the process just in time – sometimes on the morning! Field work started in mid February – based in a tiny room with no computers, not enough room on the table because of all the papers – we had no means of automating the processing of the evidence (the evidence record processing software was developed to resolve this for the next reviews). So Nancy, me and Sue spend hours inputting evidence records – and processing them to give reviewers the whole picture of what story their evidence was generating against (KLOE – one of our methodological symbols: key lines of enquiry which the review team refine before the fieldwork starts and then use to focus the intensive period of fieldwork).

But we were still working with key elements in flux

We still had not managed to get Ian to agree to the model – or the assessment scoring approach.

So during this review the scoring system changed three times – and finally fell over on day 10.

Ian new – standing to one side

Ian started in January – and knew that we had gone too far to reinvent the approach to the pilot. But he deliberately and openly stood slightly to one side of debates over the methods so that if it all crashed and burned in the DCA he could come in and reinvent. This was uncomfortable at times- feeling we were being observed and judged.

But once he observed the feedback to the top team he knew he had what was needed and has been right with and behind the team and our vision of how this whole thing needs to be – and brave in challenging and facing down those who wanted to push too far to undermine the programme.

A world of WIPS

We deployed our approach to quality control which has become common currency and worked very well WIPs (work in progress) workshops run by Andrew Templeman in the main – and other QA checks on plans and progress have been an important factor in helping the reviews stay on track.

This is a smart, flexible approach to getting quality, assurance and moderation build in as part of the process in a way that helps the review teams rather than imposes extra work on them. Unusually good and flexible I think.

It's a personal and emotional experience – not a technical review

In this review we learned for the first time what a hard hitting, personal and emotional experience this is for top teams and perm secs. In every review there comes a point where the review team push the perm sec to test whether they are really hearing what they are saying – this often – and many reviews did lead to anxious and/or angry phone calls to Ian and Gus complaining about how unfair and unjust the whole thing was. This happened on day

10 – Friday – on one review – and on Monday we had to present our feedback to the whole top team in a 3 hour session.

The key moment in each review – feedback to the top team

By Monday we had calmed down the perm sec and agreed how to play the workshop – but didn't use the scores since the system did not work well enough.

The feedback was awesome – you could hear a pin drop as the reviewers fed back directly to the top team about their strengths and areas for development, tackling issues like interpersonal conflict, unprofessional behaviour, not backing each other or sticking to decisions they had taken as a group. This set the standard for direct, fair feedback in subsequent reviews.

But we had still not got agreement to what format the formal written report looked like – what the action planning phase involved, or what the required output looked like. And certainly not what the scoring system was. We still had two sets of scores at this point – a direction of travel and a capability rating.

Rolling out – going industrial

The rest of tranche 1 – three at a time and professionalising our operation

Home office review was next up from DCA. This faced the huge challenge of having the home sec resign on day 1 of the fieldwork – and an increasingly beleaguered and irritable perm sec burdened with the weight of events and finding the challenge of the review team a push too far.

We applied as many of the early lessons from DCA as possible – we created a good evidence processing tool – which despite some teething problems was a whole lot better than DCAs steam powered version.

Our London Zoo core team workshop was the first time that most of the teams had met and got together. There was something of a culture clash as those of us who had got used to our somewhat organic development phase and the fact that many questions could not be answered – came up against those who were about to be thrown into a review and wanted to know more and understand the thinking better. It was a bit uncomfortable at times but good challenge and discussion as the quality and diversity of the team showed itself clearly for the first time.

We starting the slow push to make our core operation more professional and structured trying to sort out clarity about roles and responsibilities for the PMDU staff and get some better decision making and management structures in place – its taken us a whole but we are nearly there now.

Then DfES and DWP – both tough in different ways. Education team did a brilliant turn around job from late in week 1 of fieldwork when their team was struggling and the lines of enquiry were not really working. Their turn around owed a lot to Richard, Sarah, Simon and Anja working about 18 hours a day – with a huge pile of empty bottles of wine and pizza boxes mounting as they ate dinner and breakfast in their team room. But they have got to probably the best point of any review in terms of getting engagement and commitment from the

department. But maybe that also owes something to the fact that this department had the most engaged leader of the four by quite a long stretch.

DWP was our roll Royce in terms of process and team functioning- Nancy applying all the lessons from DCA and with the extra analytical support of Nikki and Ruth – became our dream team. But as you would expect this perm sec fought like a cat about the scores and the overall picture – particularly when he sensed the relative position of his department to the others.

Emotion and celebration

All reviews found the process of fieldwork – interaction with perms secs and boards is an emotional rollercoaster. Some days review teams think they have cracked it – others they are desperate with the contradictions and complexity of the issues they face and can't see a way forward. The core PMDU team (of review director, review manager, review analyst and review support) are key to managing the process – and keeping the confidence and focus of the review team itself.

The theatre and tension of the feedback workshop with the top team immediately after the workshop is the most intense moment of all – and most teams experience some mix of euphoria and relief – and in the case of the DfES team what was described by irritated central finance who reviewed the invoice as a “champagne lunch” at Shephard’s restaurant. We felt that given the review team had done the review for nothing, it was a small price to pay. But we ended up paying the bills personally when finance played tough.

Pressured, but enjoyable and brilliant learning experiences

Some of the most interesting parts of the review are the very insightful and thoughtful discussion about change, barriers to change and potential solutions around the issue facing the department – worth a dozen seminars, MBAs and business books. PMDU teams have learned loads from the experience – watching senior leaders from public and private sector react to and get underneath the challenges of capability in the departments.

Most teams became increasingly confident – with the external review teams leading and shaping the process – supported and guided by PMDU.

Review team members enjoyed the process – they said they found it challenging insightful and fun.

And still plenty of uncertainty

We still didn't have a finalised scoring system – a finalised reporting format, or an agreed approach to action planning until weeks and sometimes days before publication.

The model was still likely to change to a four quadrant model until close to the end of the fieldwork for each of the last three reviews – we took the judgement call not to share this with the review teams since Andrew thought they would riot if we made yet more changes to what they were working with. Ian and I had been disagreeing about this quadrant for months – both convinced we were right.

In the end Ian used Robert Devereaux to referee and he came down on the side of the model you know today. I couldn't resist gloating that I was right – but Ian rather smartly observed he

was still right, but right at the wrong time – arguing that his problem was that he hadn't been right early enough and therefore it became too late to do what he wanted.

To the end of the beginning

And because of the five month foot print of each review – we were still learning lessons during tranche 1 when we had to set up and start tranche 2 reviews – and tailor some of the review to adapt to the stage of change that some departments like DCLG were in.

And people in tranche 3 want to get ahead of the game – some directors are now dealing actively with three departments.

The long road to publication – finding a format for reporting

This was the catalyst for a long period of discussion with Gus and Alex and some other perm secs using the content of a real department to finally engage with issues that we had tried to resolve earlier – but people would sign up in principle or theory but really realise what it would look like in practice.

We produced the draft report with the review team in rapid time – Ian Watmore (perm sec of PMDU) thought it was 'brilliant' AND 'unpublishable. Alex disliked it so much he refused to have a copy in his department.

So for the first of several times in this process Ian went away with a cold towel around his head and tried to produce a report that was publishable, true to the findings of the review team! not easy. Best summarised as putting a soft wrapper around a hard centre.

The PMDU team began to realise that they were in the challenging place of walking a tightrope between have a report/findings/draft that was honest to the findings – and that the review team would stand by – against the pressure of some perm secs to have a report that made them look better than the review team thought – and would not allow them to be held to account. And we realised that some perm secs were not only bothered about the outcome for their current department – but also for their previous department. And some ex-perm secs began to look large concerned about their legacy.

The review teams each fed back directly to Gus in the same terms as they did to departments – this was a key phase in ensuring that Gus got engaged with the key issues and developed confidence in the credibility and clarity of the review team members insights.

Nervous – isolated – more pressure

Non the less the pressure from his colleagues – and relative lack of meaningful support for the perm sec cadre contributed to Gus looking increasingly nervous as Easter came about the outcomes of the remaining 3 reports and what hurdle publication of any sort of report would be. Voice began relentlessly to say that you couldn't have these sorts of reports published – they certainly couldn't have the scores in them.

The new Chief Inspector of Schools who had been a reviewer for DCA bet me £5 that we would never get published reports with scores in them.

Tough road to publication– leadership from Ian and Gus

During this sequence Ian has probably had more perm secs cursing at him face to face and over the phone than anyone else in government. But Ian supported Gus to hold his nerve and be bolder and braver through what could have become a dreadful period of compromise and watering down. Instead we are in a position where all the review teams own their scores – and accept the report – and feel positive about the response and action plans from the department. Mind you I think that in honesty they are sceptical that only 1 or 2 of the perm secs has what they need to lead their department to fix the capability gaps identified.

Engaging the PM

A complication in this period and the end game leading to publication on the 19th July was that the PM had promised in the immediate aftermath of the poor showing by the government in the local elections to re-launch his administration with big announcements and a fundamental spending review (FSR). In the event the FSR never happened and he was left with our reviews as the sole content for his much trumpeted major announcements. This led to an uncomfortable period around the run into publication of the PM looking for more ‘crunchy’ and specific recommendations of the kind he was hoping for from the FSR – but which are not the right territory for the reviews of capability.

Moderation and comparison

At a late stage we had ‘external moderation’ again this was the stronger version of moderation – i.e. involved potential critics and people seen to be independent like Lord Bichard, Coen (LGA Chief Executive) and Michael Lyons. They were positive about the reports, identified a couple of scores they felt were out of line with the evidence. A helpful stage in the process which led to the right outcome for the DCA review team – and allowed resolution of an ongoing discussion with Leigh Lewis about DWP scores. Gus became increasingly brave in facing down challenge from perm secs at this stage.

As they saw each others scores there was another round of challenge and push back as they saw reality confound the conventional wisdom on Whitehall reputations.

A very intensive and times irritable period with Gus, Ian wrangling with no10, perm secs, without visible support from other perm secs to do the right thing and ensure the programme retained integrity.

A little bit of something outstanding on the side

At the same time we did a little known but truly outstanding pre-capability ‘health check’ review of no10 which has exceeded our wildest expectations in terms of ownership, acceptance and action – it could have been a huge disaster weighed down with risks and difficulty.

Launch and celebration

And then a frenzy of proofing, late, late very late comments – especially from the treasury (day before launch of the first 4 reports) typesetting and agreeing the PM/Gus statements and the overarching narrative for tranche 1.

And on the day of launch – the hottest day for years in London – a celebration hosted by Gus with all the review team members from tranche 1 and 2 and the whole PMDU capability review team in Lancaster House.

Where now – what next?

Important gains/symbols of success for us at this point:

- all review teams happy with the scores and draft reports
- PM and Gus like the overarching narrative and emerging themes about the civil service that we have drawn from the first tranche
- A high level of acceptance of the issues identified by review teams in departments
- External commentator views? – we'll see.

But big challenges:

- what action will be taken – is there the right support to help people fix these tough issues
- will we be able to challenge and accelerate action and progress
- will Gus really hold them to account – will the stock takes have bite
- will the centre change as it needs to if it is to better support this whole process and help departments make a step change in their capability to deliver.
- WE need to add more value in solutions and help supporting people to fix the problems
- Ensure that the systemic issues are tackled effectively corporately by Gus and his leadership team
- get the evidence base and analysis stronger and more compelling
- Really follow through and nail down improvement- intervening to support and diagnose if progress is not being made.

Peter Thomas, Cabinet Office, June 2006.