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2 March 2000



CORRIDOR OF EMPOWERMENT

Is reform sweeping through Whitehall?



Open-plan government

Labour's campaign to accelerate reform in the civil service is at last taking effect. At the Home Office – seen by many outsiders as the epitome of insular bureaucracy – the walls are coming down in more ways than one. **Eila Rana** describes how the changes are affecting the ranks in Whitehall

The scene is almost Orwellian: an endless maze of corridors lined with brown doors that open on to small, cellular offices, each one the same as the next. These are the headquarters of the Home Office.

The physical isolation of the people who work here, cut off from each other as well as from the outside world, is a powerful symbol of the old civil service. But this is all about to change. The walls of the Home Office are coming down, literally. The department's 10,000 staff, currently occupying six central London buildings – all in varying stages of decay – are to be rehoused in a single, largely open-plan centre.

This move to a new world will be in keeping with the prime minister's campaign for change in the civil service, crystallised in the *Modernising Government* white paper, published in March last year.

The document, born of government frustration with the slow pace of civil service reform, summed up the new agenda for modernising Whitehall. It outlined three aims: "joined-up" and strategic policy-making; a shift in focus from public service providers to users; and delivering high-quality and efficient public services (see panel, page 38).

JAMES BRADY



Administrative reshuffle:
David Omand, permanent
secretary at the Home Office

The white paper seems to have instilled a new sense of urgency across all central government departments. The new Home Office building will take three or four years to complete, but civil servants there are already getting to grips with change. Even before the paper was published they were faced with tough new policy targets, set by Tony Blair and his ministers.

"The home secretary has set some difficult things for us to do that involve real and positive changes in society," says David Omand, permanent secretary at the Home Office.

A 30 per cent reduction in vehicle crime by 2004 is only one of the "big challenges". Another is to halve the time from arrest to sentencing of persistent young offenders by April 2002.

"If we don't improve the way we make policy, connecting up with people outside the department and seeing it through to delivery - and if we don't manage our performance in a professional way and use project management to bring in changes - then we can't deliver the programme the government has given us," Omand says.

In response to the targets, the department published a booklet, *Modernising the Home Office - Our Contribution to Better Government*, in 1998. It reviewed the Home Office's role, whittling it down to a single purpose for all employees to focus on.

This aim was: "To build a safe, just and tolerant society in which the rights and responsibilities of individuals, families and communities are properly balanced, and the protection and security of the public are maintained."

"Drawing up that document was a big step for us," says David Pepper, director of corporate development, who was drafted in 20 months ago to oversee the creation of the new building, the installation of an IT system and the new HR processes. "It created a clear statement of purpose. It was the first time something like that had happened for the Home Office."

The single purpose was to be achieved through seven aims, set out by Jack Straw, the home secretary. In line with the culture of project management that Omand was keen to instil, the heads of directorates at the Home Office each took ownership of an aim. The fourth aim - "effective execution of the sentences of the courts so as to reduce reoffending and protect the public" - fell to Sue Street, head of the sentencing and correctional policy directorate (SCPD) since January 1998.

Although Street has been a civil servant for most of her life, she spent three years as a management consultant. It was there that she picked up the rigours of the project management culture.

"What I've learnt is that I don't have confidence in a policy unless it's been 'reality tested'. It is not the job of the civil service to think up brilliant policies and then push them out, because that simply doesn't work," she says. "If that was the perception of the directorate, we had to address it."

Mission control

A key part of Sir Richard Wilson's vision of a modernised civil service is the **Centre for Management and Policy Studies (CMPS)**, which will be the nerve centre of the reformed organisation.

Professor Ron Amann, former chief executive and deputy chairman of the Economic and Social Research Council, has been brought in as director-general of the centre, which was launched in December last year.

His task is to create a new generation of civil servants who have the skills, training and values to reflect a society moving towards information technology, globalisation, flexible working, partnerships and racial diversity. To attract, nurture and retain the right people, Amann must reform career progression in the civil service. It is not simply a question of pay, but of better training opportunities and a chance to get out from behind the desk.

Better training is integral to the CMPS's other mission - to develop joined-up policy-making across Whitehall, in a bid to deliver high-quality services.

For Amann, the solution is to develop better ways of managing knowledge. He wants to see the government intranet used in more imaginative ways and is keen to develop knowledge pools around policy areas that involve more than one department.

Wilson wants the CMPS to become a link to the best research, evidence and international experience available to policy-makers. His desire for policy-making to be more scientific and evidence-based, using the latest technology, means the CMPS has a huge training task on its hands.

The **Civil Service College** has a central role to play in meeting the challenge, according to its newly appointed chief executive, Ewart Wooldridge.

The former IPD vice-president has been appointed at a critical time in the college's history. From 1 April 2000, it will cease to be a government agency, instead

Before she took up her post, Street spent time finding out how her directorate was viewed by its partners outside the Home Office. She concluded that it was seen "as a high-performing directorate with very skilled and intellectual people, but it was also considered to be rather remote, with traces of arrogance".

Street decided she had to start knocking down walls in more ways than one. She asked independent consultants Fiona Coffey and Tony Page to design a training programme, on the project-based approach to working, in conjunction with the Civil Service College (see panel, above).

The request set alarm bells ringing with Coffey, who was a former colleague of Street's at PricewaterhouseCoopers. Together they had previously worked on a similar project when Street



Sir Richard Wilson (top), head of the civil service and Ewart Wooldridge, chief executive of the Civil Service College



'When you face going out of business, you don't need to create a climate for change. It's not the same in the public sector'

EWART WOOLDRIDGE, CHIEF EXECUTIVE, CIVIL SERVICE COLLEGE

becoming part of the CMPS and central to the civil service reform programme.

The college has been given more than three-quarters of the CMPS's £23 million budget. It has been given the task of creating a climate for change and equipping civil servants with the necessary skills for the 21st century.

"When you face going out of business, you don't need to create a climate for change. But it's not the same in the public sector," Wooldridge says. "The first phase of this programme is about helping civil servants to understand the reason for change, to buy into that reason and then to equip managers to handle that change."

The college has set up a series of courses about "mastering change" and is also developing courses in project and programme management.

Leadership and self-awareness skills are also on the agenda. Wilson has pledged to roll out 360-degree feedback and personal development plans to every senior civil servant by the end of 2001.

One of the toughest reform objectives is to increase the number of women, ethnic minorities and disabled people at all levels in the civil service. Wooldridge wants to go further, putting the culture of diversity "into the mainstream of how we run the civil service".

He is currently restructuring the college's equal opportunities and diversity training programmes to meet the needs of the reform agenda.

And Ron Amann has given himself a year to convince policy makers of the case for changing the way they work. But he warns: "The full realisation of the vision of a civil service plugged into IT and operating on the basis of knowledge is going to take a long time."

was head of the fire and emergency planning directorate in the Home Office.

"We got so far, but then we realised it wasn't making any real difference," Coffey says. "There was a lot of talk about what the new approach was going to do and people wanted to follow Sue. But, in reality, they didn't understand how it would change anything on the ground."

At the SCPD, after discussions between Street, Coffey, Page and Home Office consultant Tony Williams, they realised they first needed to create a desire for change among the directorate's 300 staff.

If Street was to fulfil her objective, she had to change the way the directorate worked - policy needed to be made from the outside in, there had to be more flexible teamworking and a greater release of talent and ideas, regardless of grade.



"We had been putting bricks on top of people's heads instead of under their feet," Street says. "We were missing a lot of innovation and ideas because of the deferential culture."

The change in working styles is intended to have long-term effects. More immediately, it should help people to prepare for a new computer system that is to be introduced this summer.

Street asked her senior team to help design a proposal for staff on how to prepare for change. Employees who had been cooped up in the Home Office for years were encouraged to go on field visits to see how their work was affecting people on the front line. Stakeholders were invited in to let staff know how civil servants were viewed by outsiders. And junior staff were given a chance to air any of their misgivings about change.

Crash course

The field visits were illuminating. Mike Boyle, head of the directorate's mental health unit, even found himself directing traffic after the Metropolitan Police officers he was shadowing were called to deal with a road accident.

"I found that day very educative. It showed me that keeping a broader perspective is key to our work," he says.

The meetings with stakeholders were more difficult. "Visitors told us pretty plainly what they thought about us, which was quite hard to take," Street says. "Staff at the meetings became quite distressed. Some barriers went up straight away, so we then had to break those down." The frank and

White-house summit: the permanent secretaries formulated their plans for reform following a critical meeting at the Civil Service College

Momentum for modernisation

When the Labour government came into office it was firmly focused on delivering results in the community. It wanted to tackle pressing social problems including homelessness, teenage pregnancies and troubled housing estates.

Frustrated by the slow pace of working in the civil service, Tony Blair and Jack Cunningham, the former Cabinet Office minister, put their names to the *Modernising Government* white paper.

Its central purpose was "to make life better for people and businesses". That was underpinned by three aims – joined-up and strategic policy-making, a shift in focus from public-service providers to users, and delivering high-quality, efficient public services.

The aims were to be met by five key commitments, including forward-looking policy-making that delivered results and a new information-age government that used the latest technology.

Whitehall reform had been simmering away long before Labour won power, but the white paper put it on a more organised footing, setting targets for change to be met by specific deadlines.

Sir Richard Wilson, head of the civil service, set up four committees to look at performance management, diversity, bringing in and bringing on talent, and vision and values in the civil service.

Their reports were presented to the much-publicised meeting of permanent secretaries at the Civil Service College in Sunningdale last September.

"Sunningdale will be looked back on as being critical to the development of the modernising agenda," said David Pepper, director of corporate development at the Home Office. "It gave us a clearer sense of leadership from Richard Wilson and made a commitment of real resources to make change happen."

The meeting resulted in *Civil Service Reform*, Wilson's report to Blair, which was a direct response to the white paper. It outlines a tough programme for change involving 27 key actions, all to be delivered by September 2002.

The actions are based on six key themes – stronger leadership with a clear sense of purpose; better business planning from top to bottom; sharper performance management; a dramatic improvement in diversity; a civil service more open to people and ideas and which develops talent; and a better deal for staff.

This week, each government department was expected to publish its own plans for modernisation and these will give extra momentum to the agenda.

"I don't want anyone to think the fact that we need a modernisation programme is a sign of failure," Wilson says. "It is a sign of strength. We are an organisation with a lot of energy and a lot of will to improve performance."



SCPD views: Sue Street (third from left), head of the sentencing and correctional policy directorate, with her colleagues (from left) Leslie Bateman, David Omand and Nigel Shackelford

'Visitors told us pretty plainly what they thought about us, which was quite hard to take. Staff at the meetings became quite distressed'

SUE STREET, HEAD OF THE SENTENCING AND CORRECTIONAL POLICY DIRECTORATE

open meetings between junior and senior staff were equally difficult. "The messages were blunt," Street says. "They said we needed to provide more people and more money. But they were pleased to be given the chance to talk in that way."

If the project was not to be regarded as simply the latest fad, Street and her team had to act quickly on what they had heard. They came up with a set of 19 short-term commitments. Of these, 16 have been met. The senior team has until

May to deliver the remaining three: tailor-made training, open days and more contact between the directorate's units.

In return, Street's enthusiasm has been spreading through the directorate. "It's been more than empty words - I've lost count of the number of times I've been involved in policy formulation," says John Cross, assistant chief of Wiltshire Probation Service, who has been seconded to the Home Office to work on the modernisation of probation services. Street has called him her "reality tester", because he demonstrates, from the outside in, how policies work in practice.

When Cross arrived at the Home Office a year ago, modernisation was being dismissed as the flavour of the month. He now detects a change in people's attitudes and senses they are willing to make the leap of faith that Street is asking for. Two years on from her appointment, she thinks the directorate is 70 per cent there in terms of attitude and 50 per cent there in terms of action. The

United in support

The civil service unions, closely involved in consultations on reform, have backed the agenda for change. The unions and the civil service are expected to sign a partnership agreement, endorsed by Tony Blair, promoting positive and effective relationships as the civil service develops over the next few years.

"The partnership agreement is not an end in itself," says Charles Cochrane, policy director with the Public and Commercial Services (PCS) union. "It is the beginning of a process, and hopefully it will lead to new working arrangements with the Cabinet Office."

There is a general sense of optimism about the reform programme, but Cochrane believes the devil is in the detail. A central union concern is reform of the pay system, which is currently linked to individual performance. The recent Makinson report to the Treasury called for the system to be scrapped, branding it as "ineffective and discredited". And the *Civil Service Reform* document has pledged to put new pay and appraisal systems in place by April 2001.

The PCS welcomed the Makinson report. Alan Churchard, the union's deputy general-secretary, said: "Any new approach must be considered carefully and we must make sure the basics are put right before putting any new systems in place."

Jonathan Baume, general secretary of the Association of First Division Civil Servants (FDA), is also keen for the "badly structured and demotivating" pay systems to change. But he believes *Civil Service Reform* is a positive development for the FDA's 10,500 members.

"The report has promised 'conditions of good service, meeting or exceeding best employment practice in the UK'," Baume says. "That's quite a challenging commitment and one we will hold the government to. In future, we will be able to test all personnel practices against that kind of commitment, and we've never had anything like that before."

project-based approach to work is on the increase, but not all work is delivered on a project basis. Staff are working more flexibly, but there is still a lot of working "up and down the line". More meetings between staff and stakeholders are planned and Street wants everyone to make at least two field visits a year. The challenge now is for her and her team to build on the momentum they have triggered. They are facing the problems experienced by all organisations going through change, such as gaining people's commitment.

"I certainly haven't got everyone signed up," Street says. "I'm sure there are still those who feel things don't need to change. What we do know is that the outside world detects a big difference and that's very encouraging."

Sir Richard Wilson, head of the civil service and responsible for delivering reform, says: "We do

have to address people's concerns and, so far as we can, persuade staff that change is necessary to improve their working environment."

For Wilson, one of the biggest risks to the reform programme is the loss of momentum. "One should be persistent in driving through a programme of change. It would be a big mistake to stop telling people what we want to do and to stop giving them a sense of where they are now," he says. "We will never achieve everything we want to achieve, because there will always be ways to improve performance, but the effort and energy we need to put into these things is very important for the reputation of the civil service."

A personnel involvement

Geoff Armstrong, director-general of the IPD, agrees. "In any organisation managing change it is very important to understand why change is necessary, and to paint a clear picture of how behaviour will need to change," he says. "The key thing for the civil service will be top-level, consistent leadership and championship for change, communicated and articulated in a way that will inspire committed followers."

Because of his experience of change management, Armstrong has been drafted in as one of the first two non-executive directors on the Cabinet Office management board. From such close quarters, he is convinced that the reform programme is not simply a fad, but he is still cautious.

"I'm relatively confident that change will happen, but we have got to have a little reservation, because these people are superbly intelligent. They have made a career out of refining and refining, so it is possible to intellectualise things to a standstill," Armstrong says. "My sense is that there is a recognition from the top that, for the sake of the service for the third millennium - and for the sake of the maintenance of its integrity, impartiality and objectivity - they do need to deliver."

The SCPD project - the Home Office's first structured project to have developed new working methods - is exactly the sort of work that will help the civil service to achieve its ambitions.

Progress may be slow, but one highly significant policy change has already emerged from the work in Street's directorate. When Jack Straw announced that his original plans to turn the probation service into a national agency had been dropped, the change of heart was heavily influenced by the closer relationship with the probation service developed by middle-ranking civil servants in the SCPD.

The insights from this enabled them to recommend that the probation service's current local structure should be kept, but streamlined, and supported by a national directorate. The compromise gives Straw the accountability he wants and the operational staff keep the local discretion they wanted to maintain. If anything demonstrates the case for change, this is surely it.

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Geoff Armstrong, Director-General, IPD