



CIVILSERVICE

Capability Reviews

BIS | Department for Business
Innovation & Skills

Department for Business Innovation and Skills
Capability Action Plan

1. Foreword



Martin Donnelly, Permanent Secretary

The review comes at a critical time for the Department for Business, Innovation and Skills (BIS), having been through a significant programme of change. BIS was one of the first departments in Whitehall to implement an extensive change programme both to enhance capability and to tackle a significantly reduced budget. These changes are now beginning to embed and put BIS in an even stronger position to help deliver the Government's growth agenda.

We ran our restructuring at pace to minimise disruption and to end uncertainty as quickly as possible. We have now created flatter structures, clearer responsibilities, greater accountability and the space for staff to develop and be stretched. During these changes the Board and I worked hard to communicate openly and honestly with staff. We have continued that engagement into a new phase of change: how we work together as a Department, what our shared values are, and how we all contribute to UK economic growth.

During the past year BIS and our delivery partners have a great many achievements of which we can be proud. The most public of these were the publication of the Growth Reviews in March and November 2011; the launch in June 2011 of the £1bn Regional Growth Fund to support business growth projects; cutting £3bn of costs to business in simplifying regulation; and publication of the Higher Education white paper in June 2011. But there were very many more across all our key objectives on skills, market frameworks, inward investment, trade and enterprise – and our internal awards scheme demonstrated the great breadth of talent and expertise within the Department.

This Capability Assessment shows where we are doing well as a Department. We are delivering on the Government's key growth priorities; we are engaging staff through a complex period of change; we have a strong commitment to increasing capability. It also shows where we need to go further. Our leaders need to better express the BIS vision, both within and outside the Department; we need to prioritise more systematically; and we need to continue to keep a tight focus on performance management. I am confident that we have the right plans in place to address these issues – but there is no room for complacency.

In the midst of political and organisational changes BIS and its partner organisations have continued to drive the Government's growth agenda. While there are significant economic challenges for the UK to face, our change programme has put us in a good position to tackle these and, by working together with our partners, achieve our Departmental vision.

I would like to personally thank all of our staff who have shown resilience, drive and commitment to deliver BIS policies and support the Department in the midst of significant change.

A handwritten signature in black ink that reads "Martin". The signature is written in a cursive, slightly stylized font.

Martin Donnelly

28 March 2012

1. Foreword



Julia King, Non-Executive Director

The past 18 months has been a challenging time for BIS, a period in which the organisation has been undergoing major change. Developing and delivering the strategy and policy framework for a new agenda for growth at a time of major global economic downturn is a significant challenge; doing so effectively at the same time as managing a cut in the Department's budget and 20% reduction in headcount is a major achievement.

BIS has successfully handled a reduction in its financial resources and people as well as organisational redesign while continuing to deliver on the Government's ambition of building sustainable growth, with notable successes such as the Growth Reviews. This process has had its difficulties. Through the process, the Board has grown in confidence and impact, and shown positive and responsive leadership in addressing the issues. The leadership team can take real credit for effective management of the Department during this difficult period.

Recognising the achievements to date does not imply any sense of complacency. The Board is fully aware that the change process continues. The results of the People Survey and feedback from stakeholders suggest that there is more that the Department needs to do to realise the ambition of being an influential leader of the growth agenda. Looking forward BIS needs to communicate its vision and objectives for growth more clearly and passionately, engaging staff and stakeholders, and representing its customers across Whitehall. As the Department for Innovation, the Department should challenge itself to become an exemplar for innovation in the public sector. The Review identifies that BIS has structures in place to support innovation, and there are a number of strong examples of new ways of working, including fresh approaches to staff engagement, across the organisation. Further improvements will be needed to foster a stronger culture of innovation.

The Review highlights this focus on continuing to improve, noting that BIS has developed a range of strategies and plans to address areas of weakness. In doing this the team are building on a strong track record of effective and responsive delivery through a time of both external change and internal restructuring. I am confident that the Department will continue to address its challenges with energy and professionalism, developing a clear articulation of what success looks like, and prioritising actions to achieve this. I look forward to helping it to do so.

A handwritten signature in black ink, appearing to read 'Julia King', with a stylized flourish at the end.

Professor Julia King CBE

28 March 2012

Contents

1. Foreword

2. Challenges for the Department

3. Assessment of Capability

4. Action Plan

Annex A: The model of capability

Annex B: Assessment criteria

2. Challenges for the Department

BIS's vision puts growth at the heart of what we do. Everyone has a role to play in this through the work we do, how we do it and how we work with each other. Our vision is for each of these elements to support the others so that we work effectively together and make a real difference to growth.

Over the Spending Review period BIS will see a reduction of 28% of its budget. Within this BIS will work to save £400m (40%) in administration costs by 2015, £228m of which will be saved by closure of the Regional Development Agencies.

THE DEPARTMENT

The Department for Business, Innovation and Skills (BIS) plays a central role in achieving the Government's ambition of balanced and sustained growth through its policies on skills, markets, innovation, trade and enterprise.

MAKING A DIFFERENCE	
OBJECTIVES	OUTCOMES
INNOVATION Stimulate innovation and commercialisation in science and research	A research base which delivers maximum benefit for the UK
	World-class translation of knowledge and ideas into successful commercial and public service outcomes, increasing productivity, growth and quality of life
	A sustainable, autonomous English higher education system with world class teaching that is open to people from all backgrounds
SKILLS Promote more opportunities for individuals in realising their potential	An internationally competitive skills base, helping businesses to grow and individuals to succeed
	A stronger entrepreneurial culture and business environment in which SMEs can access the finance, information and advice they need to start up and grow
	Increase private sector growth across the country
	Year-on-year growth in UK manufacturing and services (for each sector)
ENTERPRISE Make it easier for enterprises to start, grow and invest in the long-term	Maximising business opportunities and maintaining competitiveness in the transition to a green economy
	Improved efficiency of the management and service delivery of public data
	Safeguarding the future of Royal Mail and the Post Office
	UKTI targeting innovative and high growth SMEs
	UKTI bringing high value opportunities home
TRADE Support UK trade overseas and inward investment	UKTI building a pipeline of high quality inward investment
	UKTI building strategic relationships
	Encouraging free, fair, and open markets
	A competitive, efficient and effective labour market framework that supports economic growth and employment
MARKETS Create markets that serve businesses' and consumers' long-term interests	A world class competition framework
	An effective consumer framework with empowered consumers that delivers growth and consumer welfare, with minimum regulatory burdens on business
	An effective corporate law, governance and insolvency framework
	A wider business environment that supports growth
	Government policy that helps facilitate sustainable, balanced economic growth
EFFECTIVE BIS Make BIS into a highly effective organisation that's a great place to work	A regulatory environment which removes barriers to businesses and individuals
	BIS evidence base provides robust underpinning to policy making, including consistent and comparable appraisal and evaluation evidence
	The Department, its Ministers and its policies are effectively positioned and promoted, with increases in external reputation and internal pride
	A high performing, well managed, engaged workforce to support delivery of the BIS mission
	BIS has a strong capability and credible financial management and resource stewardship
	Quality, professional and highly efficient Corporate Services integrated to support excellent performance across BIS

2. Challenges for the Department

We have over 2,500 talented staff in our core department and an additional 550 staff working in UK Trade and Investment across the globe. The Department works closely with a wide network of over 40 partner organisations, employing around 28,000 staff that support delivery of the Government's growth objectives. In 2011-12 the Department had an overall budget of £17.7bn. This is set to reduce to £14.8bn by 2014-15.

KEY CHALLENGES

BIS faces three key challenges as a Department, which it needs to successfully manage to deliver the Government's growth agenda.

1) A complex policy environment: BIS is one of the more complex of Whitehall departments. It has responsibility for both policy and delivery, as well as a wide breadth of policy areas covering innovation, skills, enterprise, trade and markets. This complexity creates an inherent challenge to create, embed and deliver a coherent vision.

2) A challenging economic climate: BIS works with a wide range of partner organisations and stakeholders to achieve its core mission of delivering growth in the UK economy. The challenging backdrop of the global economic downturn makes our mission as important as it has ever been, but also commensurately more difficult to deliver.

3) Reduced budgets: As part of Whitehall's contribution to reductions in public spending, the Department needs to achieve the Government's growth objectives within a significantly smaller budget. The 2010 Spending Review reduced BIS's resource budget by 25%, capital budget by 44% and administration budget by 40% (or 22% excluding the RDAs).

To meet these challenges, BIS implemented a radical change programme in 2011 to make the department:

- **Smaller:** to work within our reduced budget
- **Flexible:** with greater team working, less hierarchy, and staff ready for the unexpected
- **More focused:** on our Ministers' priorities
- **More connected:** with partners, other parts of government, stakeholders and with other BIS staff, sharing our knowledge across the Department and partner organisations
- **More skilled:** training BIS staff to make full use of our expertise and to build new skills




Key to the change has been an extensive effort by BIS staff to identify how the Department can become more flexible, innovative and open as an organisation. We are currently mid-way on that change journey but already beginning to see practical benefits.

Together with its partners BIS is working hard to overcome these challenges, to make a difference supporting sustained growth and higher skills across the economy.




3. Assessment of Capability

BIS is delivering successfully in a challenging economic climate, but has further to go in fully achieving the Government's growth objectives. The Department has undertaken a major change programme at pace and is now in a good position to deliver over the remainder of the spending period. To do so, however, it will need its leaders to better express the BIS vision, both within and outside the department. Against the Capability Model, BIS has self-assessed as Amber/Green. This assessment reflects that the department is largely aware of the main areas of weakness and has robust plans in place to address these gaps.





Leadership

L1	Set Direction		Amber/Green
L2	Ignite passion, pace and drive		Amber/Red
L3	Develop people		Amber/Green

Strategy

S1	Set strategy and focus on outcomes		Amber/Green
S2	Base choices on evidence and customer insight		Amber/Green
S3	Collaborate and build common purpose		Amber/Green

Delivery

D1	Innovate and improve delivery		Amber/Green
D2	Plan, resource and prioritise		Amber/Green
D3	Develop, clear roles, responsibilities and delivery models		Amber/Green
D4	Manage performance and value for money		Amber/Green

3. Assessment of Capability

In a challenging economic environment BIS has demonstrated a strong focus on impact, in delivering the government's growth agenda, and capability, by implementing a radical programme of change throughout the department.

The Department has delivered major successes on the Government's growth agenda.

BIS is working well together on reputational and priority issues, successfully delivering on the Government's priorities and increasingly taking a leadership role on growth policy across Whitehall.

Some recent examples include two phases of Growth Reviews which were published alongside the Budget (March 2011) and the Autumn Statement (Nov 2011); publication of the HE White Paper (June 2011) and launch of the £1bn Regional Growth Fund (June 2011).

To increase impact BIS has set out a clear framework for how the Department aims to drive growth. This includes clear objectives and outcomes that are communicated through the 'Guide to BIS', helping everyone in the Department understand their contribution to Government's wider growth priorities.

The Department has demonstrated a strong focus on developing its internal capability.

Over the past 18 months, the Board has given particular focus to developing the Department's capability in order to improve BIS's ability to deliver its objectives.

Through the change programme the Board identified areas of weakness on Departmental capability and has ensured that BIS has a well thought through portfolio of strategies and plans in place to address these. The change programme comprised of a departmental wide restructuring – reducing ten layers of management down to six, and moving 25% of eligible generalist staff to new teams – as well as parallel voluntary exit and compulsory redundancy schemes. This was achieved at pace to minimise staff uncertainty and leaves BIS well positioned for the remainder of the Spending Period.

To help engage staff both during and after the restructuring, BIS ran an extensive series of communication programmes. These were used to explain changes and to promote the Department's vision to staff, as well as to provide opportunities for staff to feedback to senior leaders on how BIS capability could be improved. The Board responded to this feedback by inviting cross-grade 'task & finish' groups to lead a range of projects to address those issues.

3. Assessment of Capability

BIS has further to go in achieving its ambitions for growth. To do so, the Department needs to improve communication of its vision amongst staff, Whitehall and wider stakeholders; as well as improve prioritisation on what is most important for growth.

BIS must improve communication of its vision and better engage staff and stakeholders.

Although the Department has a clear vision for growth, results from the People Survey suggest that this has not filtered effectively across the organisation. A similar message is evident in external feedback: while BIS has encouraged a pro-growth agenda, there is more that could be done to communicate and clarify BIS's purpose.

To have greater impact in driving the growth agenda, BIS needs to better articulate its mission. This needs to be done in an engaging way that better communicates how staff, partners and external stakeholders all contribute to Government's growth priorities.

BIS could also improve its influence by acting as even more of a thought leader across Whitehall, strengthening analysis and sharing world-class research to promote pro-growth policies.

BIS should continue to improve prioritisation in support of delivering its mission.

BIS has a uniquely wide breadth of policies, ranging from business support to market frameworks to trade to skills and education. Within constrained resource budgets, there is a risk that the Department becomes overstretched and does not deliver effectively against its objectives.

To balance this risk, the Department must continue to encourage flexibility and openness in responding to new priorities. BIS must further develop a culture of prioritisation to ensure that the right decisions are made when allocating resources at all levels of the Department.

As a result of the change programme there are a wealth of strategies, plans and initiatives in place to improve the Department's capabilities. These plans are already beginning to demonstrate real improvements to the Department and during 2012 the Department will continue to focus on embedding these changes. Looking forward it will be important for the Department to clearly articulate what success looks like.

3. Assessment of Capability

Leadership

BIS's change programme has been driven by a strong focus on developing staff at all levels.

Set Direction

- Through the change programme, the Board articulated priority areas to improve Department capability and set an ambitious timetable for change. They worked together in a corporate manner and effectively engaged BIS Non-Executive Directors to deliver change at pace.
- New corporate governance arrangements are being implemented that will improve, speed up and devolve decision making throughout the Department.

Ignite passion, pace and drive

- There has been an extensive programme of staff engagement to ensure that staff are well informed and have the opportunity to contribute to decisions that affect them. Leaders at all levels must now act on the feedback and communicate the resulting changes. We are working to develop common values and behaviours to create a stronger culture of developing capability

Develop people

- People capability has been at the centre of reorganisation decisions to ensure that the Department retains and develops its talented staff. BIS has a performance management strategy and in March 2011 BIS launched an ambitious Learning and Development strategy. The Learning and Development strategy is led by the capability requirements of the Department and provides a strong 'offer' to support staff development across all grades.
- The Department has launched a new strategy for identifying, managing and supporting talent, which includes specific talent interventions to raise the capability of all staff as well as enabling those with the highest potential to progress.

To go further, leaders at all levels need to actively promote the 'business of BIS' and work to develop and embed BIS values and behaviours.

Set Direction

- The Board has set a clear strategic vision but BIS's People Survey results suggest staff are not universally bought-in to the Department's mission. While most staff understand how their work contributes to the objectives of their team, not all see the same links to BIS's wider objectives.

Ignite passion, pace and drive

- Feedback from the change programme identified that BIS's senior leaders need to be more visible. While the Board has committed to an ambitious engagement programme over the next 12 months the challenge will be for all leaders, from Directors down, also to engage with staff to promote the Department's vision.
- Some external feedback suggests that senior staff do not always act as ambassadors for BIS and are often not able to talk about BIS beyond their own policy areas. The Department is addressing this through a series of cross-BIS initiatives, including dedicated senior staff policy sessions.

Develop people

- The Departmental restructuring highlighted that some line managers had avoided difficult conversations around poor performance, meaning that behaviours and attendance were not always tackled but passed around. This is now being addressed through the implementation of a Performance Management Strategy, including compulsory training for all BIS line managers to ensure they have the skills and competencies to effectively manage performance of all of our people.

3. Assessment of Capability

Strategy

The Guide to BIS sets out the Department's vision and objectives, which, supported by a framework for prioritisation, will drive a focus on growth.

Set strategy and focus on outcomes

- BIS has responsibility for a broad range of policies that contribute towards growth. The Department has articulated its strategy in the 'Guide to BIS', setting out the Department's vision and a performance management strategy. The Department's Business Plan for 2012 will be even clearer in describing the Department's vision and objectives, with more explicit plans in place to achieve balanced and sustained growth.

Base choices on evidence and customer insight

- BIS has a strong culture of using evidence, especially economic analysis, appraisal, evaluation and statistics, to inform policy development in specific policy areas, such as the Red Tape Challenge, Evaluation strategy, the Spending Review and the Growth Reviews. There are plans in place to further enhance the use of analysis and scientific advice across BIS to achieve a consistently high standard across the organisation.
- BIS is building a framework for strategic evidence-based prioritisation. This is important to delivery across the breadth of BIS's policy areas; in particular to ensure an adequate balance between focusing on both short- and long-term strategic issues that support economic growth.
- BIS has appointed a new Chief Scientist to provide advice to the Secretary of State, Ministers and the Management Board, ensuring the Department's policies and operations in priority areas are informed by the best available science, technology and engineering evidence.

Collaborate and build common purpose

- External feedback suggests that at the working level, BIS staff collaborate well with other departments to support achievement of the Coalition's objectives. There is an opportunity to do more of this to drive the growth agenda across Whitehall and with external stakeholders.

To go further, a more strategic approach to stakeholder management will enable BIS to strengthen its role in driving the growth agenda

Set strategy and focus on outcomes

- External feedback suggests that BIS could increase its presence as a thought leader for growth across government, acting as a more focused voice for business and providing world class evidence and research to move the growth agenda forward. In this role BIS could be instrumental in generating ideas and achieving greater impact to drive growth.

Base choices on evidence and customer insight

- Internal and external feedback suggests that customer knowledge and engagement is strong in areas, but uneven across the Department as a whole. There is more that BIS can do to share knowledge across groups and Directorates.
- There are gaps in the Department's science and engineering capability. These are being addressed with the strengthening of the Chief Scientific Advisor team and through detailed plans to improve integration of science and engineering into strategy and policy.

Collaborate and build common purpose

- Due to the breadth of BIS's external stakeholders, the Department could benefit from a more strategic approach to relationship management, identifying key stakeholders and developing stronger relationships with leaders. BIS will need to use the results of its 2012 extensive external stakeholder survey to develop strategic stakeholder engagement across the organisation.

3. Assessment of Capability

Delivery

BIS has gripped delivery over the past 18 months, both on its Business Plan commitments and in improvements to financial and performance management, which is a strength for the Department.

Innovate and improve delivery

- The Board values the role of innovation and has encouraged this through a dedicated 'Innovation month' to promote innovation and stimulate discussions to identify how innovation can be improved throughout the Department. Structures and support, for example a dedicated Innovation Space, are available for BIS staff and stakeholders to use. There are good examples of innovative working, including working collaboratively with external partners (e.g. Vodafone).

Plan, resource and prioritise/Manage performance and value for money

- BIS has improved its performance in delivering Business Plan commitments and is on track to deliver future commitments. The Department is strengthening its performance management arrangements to help ensure an effective implementation of its policy commitments.
- BIS monitors its performance and risk regularly throughout the year, with an additional formal mid-year review of performance, risk and finance. Plans are in place to further strengthen monitoring with a new corporate governance dashboard that will set out priorities for delivery and help leaders drive progress through the new corporate governance arrangements.
- Over the past year, financial guidance, mid-year review of finances and budget administration tools have been significantly improved to strengthen financial management across BIS. This will be supported by improvements to wider management information in the Department.

Develop clear roles, responsibilities and delivery models

- BIS has worked hard to enhance its governance relationship with its network of partner organisations, including an assessment in which more than half were assessed to be strong in Risk Management, Operational Performance or Internal Governance. BIS is working closely with its partner organisations to develop joint action plans to address areas of weakness.

To go further, BIS needs to more clearly communicate its objectives and develop stronger relationships with its partner organisations.

Innovate and improve delivery

- Staff feedback suggests that leaders should continue to promote and encourage innovation, recognising its value by linking it to performance objectives. Staff should also be provided with the space and clarity of risk to innovate. Plans have been developed to address staff feedback and encourage innovation across the Department. In taking forward these actions more could be done to evaluate how successfully innovation is improving policy and business practices.

Plan, resource and prioritise/Manage performance and value for money

- Feedback from stakeholders and the People Survey has shown that BIS needs to communicate more clearly its objectives and role externally; as well as explain to staff how their work links to key objectives. The 2012 Business Plan is being developed to better articulate the Department's vision and objectives and will be aligned to the internal Operational Plan and staff objectives.

Develop clear roles, responsibilities and delivery models




- The way BIS works with its partner organisations varies across the Department. Increased clarity and simplicity around what a 'good sponsorship' model looks like will enable BIS to develop stronger relationships and greater understanding of the work of its partners. This in turn will enable greater sharing of best practice and earlier involvement of partner organisations in priority issues.

4. Action Plan





DEPARTMENTAL ACTION PLAN

Leadership			
Area for development	Milestone	Model Element	Date
<u>Setting direction</u> Clearly communicate the BIS vision for staff and stakeholders	Update 'Guide to BIS' for 2012-13 reflecting newly aligned BIS Structural Reform and Operational Plan	D2 – Planning  Amber/Green	June 2012
	Develop communications plan and communicate updated 'Guide to BIS' to staff and key stakeholders	D2 – Planning  Amber/Green	June 2012
<u>Setting direction</u> Communicate vision for change	Clearly articulate what success will look like for the future of the change programme, ensuring that plans in place are directed and prioritised to achieve that vision.	L2 - Ignite passion pace and drive  Amber/Red	From April 2012
<u>Values and Behaviours</u> Leaders at all levels engaging staff in support of the BIS vision and modelling BIS values and behaviours	Develop and communicate BIS values and behaviours that are linked to the achievement of the BIS vision and help create a clearer contract between staff and the Department	L2 - Ignite passion, pace and drive  Amber/Red	From April 2012
	Implement a programme of staff engagement for all SCS leaders aimed to support the embedding of the BIS vision, values and behaviours	L2 - Ignite passion pace and drive  Amber/Red	From April 2012
	Expand the programme of staff engagement to promote BIS values and behaviours, rewarding staff who demonstrate BIS values and behaviours as part of Phase 2 of the Perm Sec Awards	L2 - Ignite passion pace and drive  Amber/Red	Autumn 2012
<u>Corporate governance</u> Implement effective corporate governance arrangement that drive effective decision making	Implement plans for a new corporate governance structure that empowers more staff to be closer to decision making, free-up Board members' time to focus on the key strategic issues and increase visibility of how important decisions are made in BIS.	L1 – Set Direction  Amber/Green	Apr 2012
	Meet standards set out in the Cabinet Office Corporate Governance Guidance	L1 – Set Direction  Amber/Green	Apr 2012


4. Action Plan

<p>Talent Management</p> <p>Extend the recently launched inclusive approach to talent management, supported by the L&D Strategy</p>	<ul style="list-style-type: none"> Strengthen Talent identification for all staff at middle-management and above, supported by line managers who conduct open two-way conversations with all their staff about career development and appropriate support Roll-out programme of Job swaps, development opportunities and secondments as part of flexible resourcing model 	<p>L2 – Develop People  Amber/Green</p>	<p>June 2012</p>
<p>Performance Management</p> <p>Develop a strengthened culture of performance management which rewards high performance and tackles poor performance</p>	<p>Training</p> <ul style="list-style-type: none"> Launch a new suite of products to support staff and managers in end-year appraisals Complete mandatory performance management training for senior civil service and team leaders – over 1000 staff – via optimising performance management classes <p>Processes</p> <ul style="list-style-type: none"> Launch new managing poor performance process to speed up case resolution Monitor performance management regularly, through 360 feedback, and pulse surveys on development of a coaching culture (including accredited training for ten in-house coaches) Ensure that performance management is a key part of Group People Plans including development of a new peer review process Working with Civil Service HR develop and implement a new model performance management system 	<p>L3 – Develop people  Amber/Green</p>	<p>March 2012 April 2012 June 2012 March 2013 April 2012 onwards April 2013</p>
<p>Learning and Development</p> <p>Continue implementation of the 2011/12 Learning and Development Strategy consistent with new approach set out by Civil Service Learning</p>	<p>Build on the Department’s priorities for learning and development: Leadership and People, the ‘Business of BIS’ and Civil Service Excellence</p> <p>Specific activities will include:</p> <ul style="list-style-type: none"> Continue focus on developing the skills and knowledge required to deliver the BIS vision. Including, developing policy skills at all levels, developing project and programme management skills, ongoing focus on effective performance management and stakeholder engagement Increase awareness of the variety of learning opportunities available, including promoting the wide range of learning resources available through Civil Service Learning and encouraging greater use of internal expertise 	<p>L2 – Develop People  Amber/Green</p>	<p>Apr 2012 – March - 2013</p>






4. Action Plan

Strategy			
Area for development	Milestone	Model Element	Date
<p><u>Business Plan</u></p> <p>Align external and internal business plans to clarify BIS's purpose for staff and stakeholders</p>	Update 2012 Business Plan, including the Structural Reform Plan, to reflect BIS's vision and objectives	S1 – Set Strategy and focus on outcomes  Amber/Green	May 2012
	Update 2012 Operational Plan to align with actions agreed in the Structural Reform Plan		Jun 2012
<p><u>Prioritisation</u></p> <p>Make best use of our resources to deliver the Department's vision</p>	<p>Continue efforts on developing the robust, evidence-based prioritisation framework that will be used by the Board for decisions on the allocation of resources to ensure delivery of the BIS vision for growth</p> <ul style="list-style-type: none"> • First use Mid Year Review 2012/2013 	S1 – Set Strategy and focus on outcomes  Amber/Green	<p>Ongoing from Summer 2012</p> <p>November 2012</p>
<p><u>Policy based on Analysis</u></p> <p>Enhance the use of analysis across BIS so that this is more consistent</p>	<p>Build on the new approach piloted internally to deliver a Chief Economist-led programme of work to ensure a consistently high standard of use of analysis in policy, with an effective structure for drawing out good practice principles for appraisal, monitoring and evaluation and getting them embedded in our work.</p> <p>Conduct a stock take on the use of analysis in support of policy</p>	S2 – Base choices on evidence and customer insight  Amber/Green	<p>Ongoing</p> <p>December 2012</p>
<p><u>Strengthen Science and Engineering Advice</u></p> <p>Ensure science and engineering evidence is properly taken into account in policy development</p>	<ul style="list-style-type: none"> • Science, Engineering Technology (SET) capability assessment completed during the financial year 2012-13. 	S2 – Base choices on evidence and customer insight  Amber/Green	<p>Ongoing</p> <p>April 2013</p>



4. Action Plan

<p><u>Stakeholder management</u></p> <p>Strengthening connections between BIS external stakeholders better to understand issues and improve policy delivery</p>	<p>Build on existing evidence to further develop the BIS Stakeholder Capability Strategy</p> <ul style="list-style-type: none"> • Roll out 'BIS Connect,' a Department wide stakeholder intelligence tool to encourage the sharing of information to demonstrate the 'big picture' and reduce duplication of work across the Department • Complete BIS External Stakeholder Survey • Review BIS Stakeholder Capability Strategy 	<p>S3 – Collaborate and build common purpose</p> <p> Amber/Green</p>	<p>April 2012</p> <p>April 2012 December 2012</p>
--	--	---	---

4. Action Plan

Delivery			
Area for development	Milestone	Model Element	Date
<p><u>Performance Management</u></p> <p>Make better use of management information to drive delivery</p>	Explore options for how management information can be used more strategically to spot performance and risk issues	D4 – Performance and VfM  Amber/Green	Ongoing
<p><u>Performance Reporting</u></p> <p>Improve use of performance data to support decision making</p>	Develop a Corporate Dashboard showing key performance data to inform decision making and communicate performance to staff	D4 – manage performance  Amber/Green	July 2012
<p><u>Financial accounting</u></p> <p>Implement clear line of sight to improve BIS and partners' accounts</p>	Successfully complete first set of Clear Line of Sight compliant accounts, incorporating all Partner Organisations, aligning budgets, estimates and resource accounts to improve transparency and accountability	D2, D4  Amber/Green	July 2012
<p><u>Innovation</u></p> <p>Improve the Department's internal capability</p>	<p>Develop an innovation capability building programme, using prototyping principles, to demonstrate the benefits of applying innovative thinking to policy development and service delivery</p> <p>As part of this explore working in partnership with private sector (or third sector) innovation organisations</p>	D1 – Innovation  Amber/Green	First phase by June 2012
<p><u>Innovation</u></p> <p>Improve the Department's working environment</p>	<p>Complete a project with Vodafone to explore how our working environment, including technology, could help us to work in more innovative, open and flexible ways</p> <p>Recommendations from the project will inform future planned changes to ICT and estates in BIS, and also in the rest of Whitehall. The intention is to establish a model office environment in 1 Victoria Street</p>	D1 – Innovation  Amber/Green	<p>April 2012</p> <p>Summer 2012 and ongoing</p>

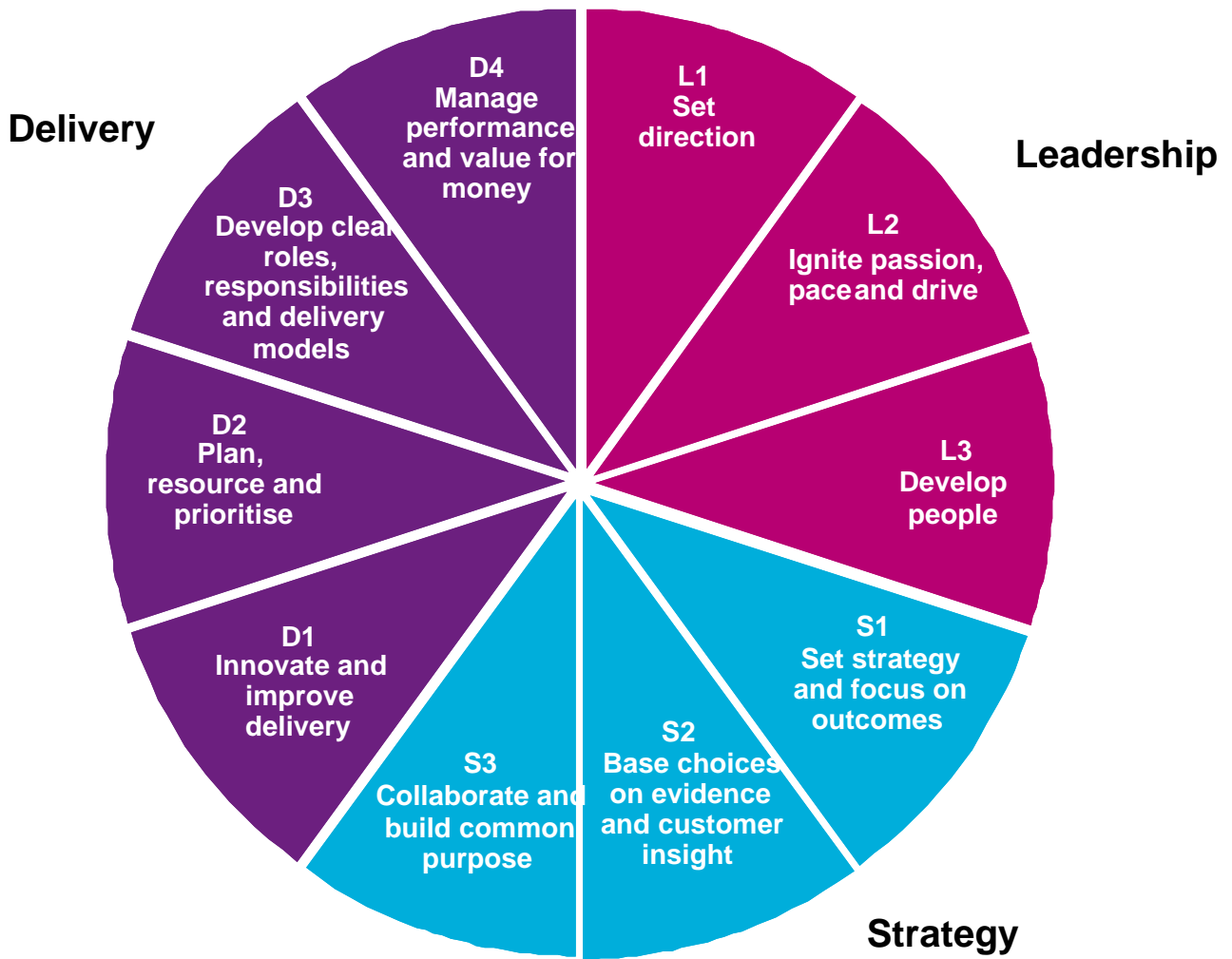
4. Action Plan

<p><u>Engaging with partner organisations</u></p> <p>Improving engagement and management of BIS's Partnership Organisations</p>	<p>Establish a best practice sponsorship and governance model and publicise within the organisation</p> <p>BIS sponsor teams and Partner Organisations to work together to embed best practice and reviewed during each Joint Action Plan review</p>	<p>D3 – Roles and delivery models  Amber/Green</p>	<p>June 2012</p> <p>Ongoing</p>
	<p>Complete up to eight panel reviews of Joint Action Plans between BIS and Partner Organisations in order to make recommendations to improve effectiveness in addressing weaknesses spotted during partnership assessments during summer 2011</p>	<p>D3 – Roles and Delivery models  Amber/Green</p>	<p>By March 2013</p>

DELIVERING THESE ACTIONS

The Capability Review has provided a useful stock take of the Department's change programme. The Department has applied lessons learned from its predecessor departments and this action plan will be used to help set the direction for the next phase of the change programme. In delivering this action plan BIS will continue to work innovatively, learning from best practice in other organisations (for example, our joint project with Vodafone to improve ways of working).

Annex A. The model of capability



Annex A. The model of capability

A purple triangle pointing downwards with the text 'L1' inside.

Set direction

- Do you have and communicate a clear, compelling and coherent vision for the future of the organisation?
- Does the Board work effectively in a corporate culture of teamwork, including working across internal boundaries and making effective use of non-executive directors?
- Does the Board take tough decisions, see them through and show commitment to continuous improvement of delivery outcomes?
- Does the Board lead and manage change effectively, addressing and overcoming resistance when it occurs?

A purple triangle pointing downwards with the text 'L2' inside.

Ignite passion, pace and drive

- Do you create and sustain a unifying culture and set of values and behaviours which promote energy, enthusiasm and pride in the organisation and its vision?
- Are the leadership visible, outward looking role models communicating effectively and inspiring the respect, trust, loyalty and confidence of staff and stakeholders?
- Do you display integrity, confidence and self-awareness in your engagement with staff and stakeholders, actively encouraging, listening to and acting on feedback?
- Do you display passion about achieving ambitious results for customers, focussing on impact and outcomes, celebrating achievement and challenging the organisation to improve?

A purple triangle pointing downwards with the text 'L3' inside.

Develop people

- Do you have people with the right skills and leadership across the organisation to deliver your vision and strategy? Do you demonstrate commitment to diversity and equality?
- Do you manage individuals' performance transparently and consistently, rewarding good performance and tackling poor performance? Are individuals' performance objectives aligned with those of the organisation?
- Do you identify and nurture leadership and management talent in individuals and teams to get the best from everyone? How do you plan effectively for succession in key posts?
- Do you plan to fill key capability gaps in the organisation and in the delivery system?

Annex A. The model of capability



S1

Set strategy and focus on outcomes

- Do you have a clear, coherent and achievable strategy with a single, overarching set of challenging outcomes, aims, objectives and success measures?
- Is your strategy clear what success looks like and focused on improving the overall quality of life for customers and benefiting the nation?
- Do you keep the strategy up to date, seizing opportunities when circumstances change?
- How do you work with your political leadership to develop strategy and ensure appropriate trade offs between priority outcomes?



S2

Base choices on evidence & customer insight

- Are your policies and programmes customer focused and developed with customer involvement and insight from the earliest stages? Do you understand and respond to your customers' needs and opinions?
- Do you ensure that your vision and strategy are informed by sound use of timely evidence and analysis?
- Do you identify future trends, plan for them and choose among the range of options available?
- Do you evaluate and measure outcomes and ensure that lessons learned are fed back through the strategy process?



S3

Collaborate and build common purpose

- Do you work with others in government and beyond to develop strategy and policy collectively to address cross-cutting issues?
- Do you involve partners and stakeholders from the earliest stages of policy development and learn from their experience?
- Do you ensure your department's strategies and policies are consistent with those of other departments?
- Do you develop and generate common ownership of the strategy with your political leadership, the board, the organisation, delivery partners and customers?

Annex A. The model of capability



D1

Innovate and improve delivery

- Do you have the structures, people capacity and enabling systems required to support appropriate innovation and manage it effectively?
- Do leaders empower and incentivise the organisation and its partners to innovate and learn from each other, and the front line, to improve delivery?
- Is innovation explicitly linked to core business, underpinned by a coherent innovation strategy and an effective approach towards risk management?
- Do you evaluate the success and added value of innovation, using the results to make resource prioritisation decisions and inform future innovation?



D2

Plan, resource and prioritise

- Do your business planning processes effectively prioritise and sequence deliverables to focus on delivery of your strategic outcomes, and do you make tough decisions on trade-offs between priority outcomes when appropriate?
- Are your delivery plans robust, consistent and aligned with the strategy? Taken together will they effectively deliver all of your strategic outcomes?
- Do you maintain effective control of the organisation's resources? Do your delivery plans include key drivers of cost, with financial implications clearly considered and suitable levels of financial flexibility within the organisation?
- Are your delivery plans and programmes effectively managed and regularly reviewed?



D3

Develop clear roles, responsibilities and delivery models

- Do you have clear and well understood delivery models which will deliver your strategic outcomes across boundaries?
- Do you identify and agree roles, responsibilities and accountabilities for delivery within those models including among arm's length bodies? Are these well understood and supported by appropriate rewards, incentives and governance arrangements?
- Do you engage, align and enthuse partners in other departments and across the delivery model to work together to deliver? Is there shared commitment among them to remove obstacles to effective joint working?
- Do you ensure the effectiveness and efficiency of your delivery agents?







D4

Manage performance and value for money

- Are you delivering on the priorities set out in your strategy and business plans?
- Does the need to ensure efficiency and value for money underpin everything that you do?
- Do you drive performance and strive for excellence across the organisation and delivery system in pursuit of your strategic outcomes?
- Do you have high-quality, timely and well-understood performance information, supported by analytical capability, which allows you to track and manage performance and risk across the delivery system? Do you take action when you are not meeting (or are not on track to meet) all of your key delivery objectives?

Annex B: Assessment Criteria

 Green	<ul style="list-style-type: none">• Outstanding capability for future delivery in line with the model of capability.• Clear approach to monitoring and sustaining future capability with supporting evidence and metrics.• Evidence of learning and benchmarking against peers and other comparators which confirms progress towards world class.
 Amber/ Green	<ul style="list-style-type: none">• Has identified capability gaps, is already making improvements in capability for current and future delivery and is well placed to do so.• Is expected to improve further in the short term through practical actions that are planned or already underway and has clear metrics to support progress.
 Amber/ Red	<ul style="list-style-type: none">• Has weaknesses in capability for current and future delivery and/or has not identified all weaknesses and has no clear mechanism for doing so.• More action is required to close current capability gaps and deliver improvement over the medium term.
 Red	<ul style="list-style-type: none">• Significant weaknesses in capability for current and future delivery that require urgent action.• Not well placed to address weaknesses in the short or medium term and needs additional action and support to secure effective delivery.

Capability Reviews Team
Cabinet Office
1 Horse Guards Road
London
SW1A 2HQ

Telephone: 020 7270 5000

E-mail: capabilityreviews@cabinet-office.gsi.gov.uk
Web address: www.civilservice.gov.uk/capabilityreviews

Publication date: March 2012
© Crown copyright March 2012

All rights reserved by the Cabinet Office, United Kingdom. No part of this publication may be copied or reproduced or stored or transmitted in any form without the prior written consent of the Cabinet Office.
For permission please contact capabilityreviews@cabinet-office.gsi.gov.uk

Prepared for the Cabinet Office by Department for Business Innovation and Skills
URN 12/695 - Department for Business, Innovation and Skills Capability Action Plan