

# Department for Environment, Food and Rural Affairs Capability Action Plan

# Foreword

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**Bronwyn Hill**

**Permanent Secretary of the Department for Environment, Food and Rural Affairs**

Since joining Defra last spring, I have been impressed by the commitment, passion and enthusiasm our staff and delivery partners have for our work. We have acted with pace to deliver the Coalition's Structural Reform priorities, embraced the new emphasis on Big Society and localism, and taken decisive action to ensure that we live within our means.

Through a series of long-term strategies, supported by first class evidence, we have set out an ambitious vision for the future and, in partnership with our delivery network, we are focussed on effective and efficient implementation. We continue to work closely with our wider partners and stakeholders - from industry groups to community volunteers and advisory bodies.

We have put in place an ambitious Change Programme to enable us to face the tough challenges ahead. This will create a leaner, more agile Department, with clear priorities, a joined-up approach to delivery and a business-like culture of high-performance. The vision for our Change Programme is to "Lead as one team with confidence, passion and innovation towards a sustainable future for all".

At its best, Defra is a great department. We want to build on the strengths of Defra and its people to make us at our best more of the time. Our Change Programme and the actions set out in this Capability Review will help us to achieve that.

A handwritten signature in blue ink, appearing to read 'Bronwyn Hill', written over a light grey rectangular background.

**April 2012**

# Foreword

## Non Executive Directors



**Iain Ferguson**  
**Lead Non Executive**  
**Director**



**Catherine Doran**



**Sir Tony Hawkhead**



**Paul Rew**

As Independent Non-Executive Directors we have reviewed the appraisal process, have interviewed several senior executives across the Defra network and have taken note of stakeholder and employee survey results.

We undertook an independent capability scoring exercise which we then discussed with the Senior Management Team. This led to the agreed Assessment of Capability shown in this review.

We have been impressed by the rigour and thoroughness of the review and believe that both the strengths of the Department and the areas for improvement have been clearly and correctly identified.

We support the prioritisation of three key areas for particular focus-

- Build leadership capability and improve staff engagement.
- Maximise Defra's impact through focus on working with and influencing others.
- Strengthen planning and prioritisation and exploit benefits of 'working as one' in the Defra network.

We agree that the Action Plan addresses the key areas for improvement, establishes measurable milestones and sets sensibly stretching deadlines.

We are confident that successful execution of the Action Plan by Bronwyn and her team should enable Defra to be a more effective, influential and respected organisation, building on the encouraging progress which has already been achieved.

**Iain Ferguson, Catherine Doran, Sir Tony Hawkhead, Paul Rew.**  
**Defra Non Executive Directors**

**April 2012**

**Publication number: pb13755**

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# 1. Challenges for the Department

## **'Growing a green economy, protecting our natural resources'**

The Department for Environment, Food and Rural Affairs is about our quality of life and the natural resources – such as air, water, soil, plants and food – that we need now and in the future. The issues Defra deals with affect people locally, nationally and internationally. We promote efficient business, protect communities from flooding and help rural communities to thrive. In all of our work we strike the right balance between economic, social and environmental goals, for a sustainable future.

Defra will need to operate effectively with one third less budget over the Spending Review period. To respond to this challenge and live within its means, Defra is implementing an ambitious Change Programme which will reshape the Department and transform its ways of working, ensuring that value for money is at the heart of everything we do. The recommendations from this Capability Review should be seen alongside our Change Programme.

## **The Department**

Defra and its Executive Agencies now<sup>1</sup> employ 8298 full time equivalent staff, of whom 2080 are in the core Department, a reduction of 8.9% over the 9 month period to 31 December 2011. A further 14,709 full-time equivalent staff are employed by the NDPBs, down from 15,468 on 31 March 2011. The Department is heavily dependent on delivery through its Executive Agencies and NDPBs, the largest of which are the Rural Payments Agency, Animal Health and Veterinary Laboratories Agency, Natural England and the Environment Agency. It also works closely with local government, business and the voluntary sector to deliver its outcomes.

The Department's planned expenditure over the Spending Review period 2011-15 is £9.6bn<sup>2</sup>. The Spending Review 2010 settlement requires Defra to make a 30% reduction in its budgets (Departmental Expenditure Limit) in real terms by 2014/15 compared with 2010/11. Overall, the Department's Administration budget will be reduced by 33% in real terms. Good progress has already been made in reducing costs. This has included taking action through estates and IT spending and through voluntary exit schemes.

Defra's Business Plan for 2011/15 sets out three main priorities for the Department and two major responsibilities. The Plan is currently being refreshed and an updated version will be published shortly.

### Priorities:

#### **1. Support and develop British farming and encourage sustainable food production**

Help to enhance the competitiveness and resilience of the whole food chain, including farms and the fish industry, to ensure a secure, environmentally sustainable and healthy supply of food with improved standards of animal welfare.

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<sup>1</sup> 31 December 2011

<sup>2</sup> Excludes depreciation

# 1. Challenges for the Department

## 2. Help to enhance the environment and biodiversity to improve quality of life

Enhance and protect the natural environment, including biodiversity and the marine environment, by reducing pollution and preventing habitat loss and degradation.

## 3. Support a strong and sustainable green economy, resilient to climate change

Encourage businesses, people and communities to manage and use natural resources in a sustainable manner and to reduce waste; and work to ensure that the UK economy is resilient to climate change; and enhance rural communities.

### Major responsibilities:

#### 1. Prepare for and manage risk from animal and plant disease

Protect the environment, society and the economy from the risks of animal and plant disease through a range of controls, surveillance and horizon-scanning activities that help us understand the risks and maintain proportionate management responses

#### 2. Prepare for and manage risk from flood and other environmental emergencies

Maintain an effective, resilient and robust capability to respond to the full range of environmental emergencies, including by reducing the threat of flooding and coastal erosion by understanding and managing the risks.

## Key challenges

The work of Defra affects the well being of every person in the country. It has the potential to impact on generations to come and play a key part in our economic growth.

Since May 2010, the Coalition Government has put in place reforms designed to fulfil its Programme for Government objectives, where more is done to support farming, protect biodiversity and encourage sustainable food production. Defra has successfully acted on these priorities – for example through the first White Paper on Natural Environment for over 20 years and the England Biodiversity Strategy, a comprehensive review of Waste Policy, a plan to underpin the Transition to a Green Economy, a Water White Paper and a response to the Macdonald Review on Regulation in Farming. In 2012, the focus moves on to effective delivery of these policies.

Defra is the champion in Government for rural areas and the countryside - 86% of England's landmass and over 19% of the population. Challenges facing these areas include affordable housing, older communities, distance from main economic centres and essential services and local amenities. The Government remains committed to addressing these challenges so that rural communities can flourish.

Defra plays a key role in preparing for and responding to animal and plant disease outbreaks, and flooding as well as other environmental emergencies.

Defra's challenges for the future are driven by significant shifts in the global context, both environmental and socio-economic. Population growth and changing consumer preferences will continue to put unsustainable pressure on our environmental resources across the world. Population increase will increase demand for homes, facilities and infrastructure,

# 1. Challenges for the Department

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with greater pressure on water, waste, energy and transport. Underlying all this will be the impacts of global climate change.

We face these global and national pressures at a time when economic recovery is the first priority of the Coalition Government. So Defra's role in growing a green economy whilst protecting our natural resources continues to be essential. The goods and services provided by the environment are key to sustainable economic growth both here and overseas. Protected natural areas have a value many times higher than the cost of their protection and there are multi-million pound opportunities available from greener goods and services, and from markets that protect nature's services.

Against this background, and with fewer resources, Defra needs to work more effectively to deliver its diverse portfolio. Defra needs to find new and innovative ways of achieving its goals, working with and through others, and getting the best from the enthusiasm, skills and commitment of our people.

## The Change Programme

The **Defra Change Programme**, launched by the Permanent Secretary in May 2011, is designed to help the Department address these challenges. The Capability Review has been taken forward alongside the Change Programme, drawing on much of the same evidence, and testing the Change Programme Actions against the Review's findings. As a result, the Capability Action Plan reflects the common priorities for action that have been identified.

As we started the process of the Capability Review assessment in Autumn 2011, plans for the reshaping of Defra and for new ways of working were still developing. When the Executive team and the Non-Executive Directors reviewed the scoring against the Model of Capability early in 2012, the Change Programme was well advanced, but not all of the actions were yet fully in place or announced to staff, which is reflected in some of the scores.

We are publishing this Capability Review and Action Plan just as we reach a major milestone on the road to our new reshaped Defra, as the SCS take up their new roles across the core Department. We have launched our new statement of purpose and behaviours – *'Defra: what we do and how we do it'* which responds to one of the key concerns raised by staff and stakeholders. The statement, which was developed and tested with staff, sets out the unifying purpose of Defra, what we do and how we need to work together to achieve our overarching goals.

In September, Defra will complete the move to new teams across the core Department. As well as enabling Defra to live within its means, this reshaping will strengthen Defra by creating a structure which is flexible and responsive to changing priorities, breaking down silos, joining up across policy, evidence and delivery and creating space for strategic thinking. It will provide a stronger commercial core under the new DG Chief Operating Officer, to drive efficiency and stronger collaborative working across the wider network. It sets out new expectations on how we deliver our objectives and how we work with others.

# 1. Challenges for the Department

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Through it we will see a smaller, flatter structure which provides more rewarding and challenging jobs for all staff.

For our staff, key benefits of the Change Programme will be:

- greater clarity on our vision and purpose, and how individuals and teams contribute to it;
- a renewed commitment to improve our leadership capability, new Learning and Development and People Strategies and new ways of working;
- a Department which works as one team, with more challenging and stretching roles at every level;
- a confident department, which works more effectively with its stakeholders, both within government and outside it.

This Capability Action Plan summarises the key steps we are taking to ensure the Department is ready to meet its challenges, contribute to economic growth, provide a great service to customers, support and develop its staff and ensure that our natural resources are protected for future generations.






## 2. Assessment of Capability




Defra has set a clear direction for the future to deliver across its diverse and ambitious agenda in increasingly challenging times. It has already achieved much to meet the requirements of the Spending Review and plans are in place, through a programme of transformational change, to ensure that it is flexible and responsive for the future. Defra has clear strengths in evidence and has built its capability in prioritising and managing resources. It can point to many successes in developing and delivering policy and working with stakeholders in new ways.

The passion and commitment of its staff is a key strength for Defra. Defra needs to continue to build on that strength, providing inspiring leadership to engage people in the future direction and to ensure that new and innovative approaches are more consistently applied to the challenges ahead. It should work more strategically with stakeholders, find more innovative ways to deliver its agenda, and make the most of the benefits to be gained from working as one team with its delivery network.





### Leadership

<b>L1</b>	Set Direction		Amber / red
<b>L2</b>	Ignite passion, pace and drive		Amber / green
<b>L3</b>	Develop people		Amber / green

### Strategy

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

### Delivery

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

## 3. Action Plan

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### Leadership

**The senior leadership team in Defra has set a clear direction and is well on track to deliver its vision for change.**

- At the end of their first year, the Supervisory Board and Management Committee are well established and working effectively, with valuable constructive challenge provided by a full complement of Non-Executive Directors.
- The Board has reviewed its policy priorities to give greater clarity on the outcomes Defra aims to deliver to 2015 and inform resource allocation.
- The Executive Team has a strong sense of direction and a clear vision for the type of Department it wants Defra to be, and has set out an ambitious programme of transformational change. Defra is well on track to achieve its vision for change with a reshaping of the Core department designed to
  - be more efficient and flexible (including saving £5m per year on pay costs);
  - remove silos and create stronger strategic relationships with the Defra Network of Arms' Length delivery bodies;
  - focus on partnership working - having the confidence to innovate, trying different approaches working with and through others;
  - provide challenging and rewarding jobs at all levels of the organisation – with less hierarchical ways of working; and
  - make Defra more business-like, transparent and accountable.
- The senior leadership team exercises active, visible leadership and has set a clear agenda to raise the performance of the Department to one which works at its best most of the time. Engagement with staff on change has been well received and has influenced the shape of the programme.
- A key strength is that people in Defra are passionate about their subject and have a strong positive commitment to their own work and that of their team.
- Defra has continued to develop a culture of high performance in its staff, through its performance management system, refreshed and updated competencies, leadership development, change management programmes and a well embedded culture of equal opportunities. Talented people are identified and supported so that the right people are available to fill key posts.
- In December 2011 Defra retained its accreditation for the Investors in People standard. The review recognised that there was much to be done, but confirmed that the changes in progress had the potential to move Defra forward to become a high-performing workplace.

**There is more to be done to build our leadership capability and improve staff engagement**

- Staff welcome the vision for change and the ways in which the Change Programme has communicated with and engaged people, but want to see more done to bed it into the organisation and reflect the changes to new ways of working. They also would like to see further progress on prioritisation, so there is greater clarity about where scarce resources should be targeted.

### 3. Action Plan

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- Responding to these concerns, Defra is working with people across the organisation to develop a new Statement of Purpose and Behaviours, to provide a clearer narrative and context for people's work which will help to motivate and engage them. This will be launched in April 2012, followed up by a series of events to embed the new ways of working and develop our leadership capability.
- External stakeholders have also said that greater clarity about Defra's overall purpose and priorities would help improve its focus and influence.
- Defra has invested in leadership development and has some high calibre leaders. But the challenges we face mean we need greater consistency in leadership behaviours and management capability throughout the SCS, to offer inspirational role models and to lead people through times of change. This will be a focus for forthcoming SCS events on leadership behaviours. We will use the SCS performance system to reward and incentivise this change. We also recognise the need to develop leaders below the SCS and will be involving Grade 6s and 7s in future leadership events and providing capability building through Civil Service Learning.
- Staff have concerns about access to learning and development and the opportunities to develop their skills and competencies. There are some important skills gaps to be filled if the reshaped Defra is to function at its best, for example in commercial and financial management as well as more general management skills.
- We are actively promoting the learning and development offer available, and the resources to support it, following the move to Civil Service Learning.
- We are developing a new Strategic Learning and Development Plan with an updated analysis of the learning and development needed to support the reshaped Defra.
- Defra's performance management system has helped to raise levels of performance but continues to be a key issue for many people. Defra is on course to be an early adopter of the new Civil Service-wide principles and is introducing a new performance management system across the core Department and its Executive Agencies from April 2012, providing renewed focus on the active management of performance.
- We will put in place a People Strategy to bring together the various initiatives being taken to develop our people, implemented through local People Plans in each business area, with senior managers being clearly accountable for their delivery.
- With these and other actions, we plan to achieve improvements in the overall level of engagement of staff, to make Defra a great place to work.

## 3. Action Plan

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### Strategy

#### **Defra has a clear set of strategies underpinned by the highest quality evidence**

- As part of delivering the Coalition Government's structural reforms, Defra has a clear set of priorities for its work. These are set out in the Defra Business Plan and are updated annually.
- Since May 2010 we have published a series of strategies including the Natural Environment White Paper, the first in 20 years, and the groundbreaking National Ecosystem Assessment, a review of Waste Policy, Transition to a Green Economy, the England Biodiversity Strategy, the Water White Paper and the Government's response to the Macdonald Review on better regulation in farming.
- Defra has a diverse and complex strategic portfolio, so our new statement of purpose and behaviours will provide an overarching strategic description of the Department's purpose and ways of working for staff and stakeholders.
- Defra's strategies are underpinned by evidence of the highest quality. Defra has a strong, established scientific and analytical capability which informs its strategies and policies and carries out comprehensive horizon scanning for the long term, given the nature of its work.
- Defra is an outward looking Department and delivering on its objectives requires working closely with and through others. Defra works hard to do this well - with other Government Departments, the delivery network, in Europe, industry groups, local government, civil society and customers – and has many success stories.
- Defra has developed a new focus on customers. Steps have been taken to boost the Department's customer insight capability and expertise in influencing behaviours, providing specialist advice on behaviour change to support policy making and working directly with Defra's customers. Defra should build on this progress embedding a customer focus in all it does.

#### **Defra needs to maximise its impact through a renewed focus on working with and influencing others**

- Defra must provide an authoritative voice in Whitehall and beyond on the economic importance and value of environmental goods and services, ensuring its efforts to influence others result in tangible outcomes.
- Defra's scientific capability and use of evidence is a strength. Defra needs to ensure that it capitalises on this advantage, responding swiftly to policy challenges and maximising the impact of its evidence base by influencing others.
- Reduced funding and the power shift to Big Society and localism puts renewed emphasis for Defra on innovative ways of developing and delivering policy through others. Work is in hand to bring about a step change in performance through Defra's Civil Society Advisory Board and the development of a new approach to Strategic Relationship Management within the reshaped organisation.
- Defra has an established 'policy cycle' process through which policies are developed, delivered and evaluated. More should be done to bring 'delivery' in earlier in the cycle and to ensure the evaluation feedback loop is effective. The new Evaluation Board will ensure lessons learnt from delivery are fed back more transparently into policy making.

## 3. Action Plan

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### Delivery

#### **Defra continues to improve its approach to resourcing and delivering its policies, against an increasingly challenging background**

- Effective delivery of Defra's complex and diverse agenda depends on a strong network of NDPBs, Executive Agencies and other organisations. Since the review of Arm's Length Bodies, Defra has streamlined the delivery network, bringing greater clarity to both the roles and responsibilities of individual bodies and developing a clear line of sight from objectives to delivery on the ground.
- Defra and its delivery network have many positive examples of innovative approaches to policy development and delivery on the ground (examples include the creation of the Animal Health and Welfare Board for England, Flood and Coastal Resilience Partnership Funding, the Climate Change Adaptation programme). The Change Programme has also harnessed the ideas of people across the organisation to identify better ways of doing things through the Streamline Challenge. There is more to be done to ensure that Defra focuses more consistently on innovation and continuous improvement in thinking about policy and delivery, and that the right behaviours are supported and encouraged.
- Defra is taking a systematic approach to regulatory reform, from development of policy to implementation on the ground. A major review of farming regulation has been completed and is now being implemented, and ambitious proposals are being brought forward as part of the Government's Red Tape Challenge.
- As the Department with responsibility for a range of emergencies including flooding, animal and plant disease, Defra maintains and regularly exercises its capability to respond to incidents, and ensures that lessons are learned for the future.
- Defra has continued to improve the management and control of resources. The continuous financial prioritisation system is robust and enables Defra to manage and re-deploy its resources and live within its means.
- Significant efficiency savings have been achieved and Defra is broadly on track to meet its overall budget reductions of 33% in real terms over the Spending Review period.
- Defra is looking with its Arm's Length bodies at how they can better exploit the benefits of running the network as a more cohesive business. This includes taking a joint or collaborative approach to corporate services, operational efficiency and commercial opportunities. The work in corporate services is most advanced, with clear cross-network strategies for Estates, Strategic HR and ICT already set out to deliver significant efficiencies. The Estates Strategy, for example, covers the principal property holding bodies within the network and is designed to save £55-60m of a £170m budget over the Spending Review period.

#### **Defra should continue to strengthen its planning and prioritisation and exploit the advantages of working as one team with its delivery network**

- Defra, with its delivery network, must continue to seek innovative and money saving solutions to delivery, and work more with civil society to help develop local solutions.
- Although the system of continuous business planning has served Defra well, to address the challenges ahead a more structured approach will be needed. The work on policy




## 3. Action Plan

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prioritisation provides a sound basis on which to take forward strategic business planning across the Network, with a stronger focus on the relationship between costs, outcomes and value for money.

- Defra should build on its strengthened financial management and deliver the benefits from its investment, as recommended by the NAO. Defra has identified the need to strengthen its commercial capabilities and should vigorously pursue its new Commercial Strategy and evaluate the impact.
- There are further benefits to be realised by managing the corporate services of the network as a single business, where it makes sense to do so. The Chief Operating Officer post, created as part of the Change Programme, will lead this work.
- There are other potential benefits in managing Defra and its network as a single team, working across organisational boundaries and pooling expertise. A strategic group, bringing Directors General and a number of CEOs from delivery bodies under the Permanent Secretary's chairmanship, is being developed to work on significant cross-network issues.

### 3. Action Plan

Area for development	Milestone	Model element	Date
<b>Leadership</b>			
<i>We will set a clear direction for the Department, strengthen our leadership capability and build staff engagement:</i>			
Set Direction  Ignite passion, pace and drive	<ul style="list-style-type: none"> <li>Produce a Statement of Purpose and Behaviours to clearly encapsulate what the department does and how we do it; and set out our priority outcomes to 2015.</li> <li>Provide visible role-modelling of leadership behaviours and engagement from the top.</li> <li>Deliver a series of leadership events for SCS and Grade 6/7 staff under the banner <i>Leading Defra's Future</i>. Key elements to include leadership workshops for core-Defra SCS, tailored programme for G6 &amp; G7.</li> <li>Deliver a co-ordinated series of staff engagement activities and other actions to embed new ways of working and behaviours at all levels and feed through into individual objectives. Key elements to include programme of workshops and master-classes by leaders inside and beyond Defra.</li> </ul>	L1   L2 	'Defra: What we do and how we do it' launched 2 April 2012. Outcomes and further follow up from Spring 2012.  March – October 2012  Launch April 2012
<i>We will use a package of measures to develop our people, fill capability gaps and make the best use of our talent and skills:</i>			
Develop people	<ul style="list-style-type: none"> <li>Complete reshaping of core department to provide more challenging and rewarding jobs at all levels</li> <li>Fully implement refreshed Defra competencies at all levels.</li> <li>Produce and implement an overarching People Strategy supported by local People Plans which will include:               <ul style="list-style-type: none"> <li>a strategic learning &amp; development plan</li> <li>a focus on influencing skills</li> <li>new performance management arrangements including procedures to manage poor performance</li> <li>talent management</li> </ul> </li> <li>Take steps to improve our financial and commercial capabilities through up-skilling and recruitment whilst reducing dependency on interims.</li> </ul>	L3 	September 2012  April 2012  From May 2012  From April 2012

### 3. Action Plan

Strategy			
<p><i>We will take steps to maximise our impact on others, providing an authoritative voice on the environment, food and rural affairs and improving our collaboration with stakeholders and customers:</i></p>			
<p>Set Strategy and focus on outcomes</p> <p>Base choices on evidence and customer insight</p> <p>Collaborate and Build Common Purpose</p>	<ul style="list-style-type: none"> <li>Action under Leadership also supports strategy</li> <li>Embed multidisciplinary evidence specialists in policy teams under SCS evidence leadership</li> <li>Develop new arrangements for strategic relationship management, including building stronger relationships with civil society.</li> </ul>	<p>S1 </p> <p>S2 </p> <p>S3 </p>	<p>April 2012</p> <p>March 2012 – summer 2012</p>
Delivery			
<p><i>We will make the most of the expertise in our network and ensure our delivery arrangements and strategic priorities are aligned:</i></p>			
<p>Innovate and improve delivery</p> <p>Develop clear roles, responsibilities and delivery models</p>	<ul style="list-style-type: none"> <li>Through new ways of working, focus consistently on encouraging and mainstreaming innovation in policy and delivery.</li> <li>Implement new DG structure within core Defra including a new Chief Operating Officer with a remit to improve engagement with executive agencies</li> <li>Launch a cross-network strategic leadership group to develop joint or collaborative approaches to priorities for resource planning and corporate services</li> </ul>	<p>D1 </p> <p>D3 </p>	<p>April 2012 – April 2013</p> <p>April – September 2012</p> <p>June 2012</p>
<p><i>We will strengthen our resource planning including a renewed focus on value for money:</i></p>			
<p>Plan resource and prioritise</p> <p>Manage performance and value for money</p>	<ul style="list-style-type: none"> <li>Implement new integrated business planning processes to deliver the set of prioritised outcomes to 2015</li> <li>Launch a new performance and accountability framework to measure progress in delivering our strategic outcomes and in assessing value for money</li> <li>Implement a refreshed system for in-year financial reprioritisation and approvals function</li> <li>Place a greater emphasis on value for money through the new competency framework and performance management system holding managers to account</li> </ul>	<p>D2 </p> <p>D4 </p>	<p>Develop 2012/13 operational 2013/14 financial year</p> <p>From April 2012</p> <p>Before end financial year 2012/13</p> <p>Deliver in 2012/2013</p>



## 3. Action Plan

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### **Approach to capability management**

The actions described in this plan reflect changes already underway or planned through Defra's Change Programme and will be taken forward as part of that programme, as well as within the Business Plans for relevant areas of the business in a continuous improvement process. They will be overseen by the Change Steering Group. Owners for each of the actions are identified in underpinning plans. The Change Team will monitor progress as part of the benefits realisation plan for the Change Programme.

# Annex A. The model of capability



# Annex A. The model of capability

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L1

## 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?



L2

## 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?



L3

## 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

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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

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**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?

# Annex A. The model of capability

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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

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