

DECC Continuous Improvement Strategy

2012-13 to 2014-15

DECC Continuous Improvement Strategy

Summary

- 1. DECC is at a very early stage on the Continuous Improvement journey. We would like to move forward on this journey in order to:**
 - **Help us achieve the admin and staffing reductions required by our spending review settlement**
 - **Help make work more engaging for staff**
 - **Help us become better at what we do by becoming closer to our customers.**
- 2. We will start with small steps and build up continuous improvement activity, starting with our “business as usual” areas, and working with our response to the Capability Review and our efforts to embed good programme and portfolio management and policy making, and to support better leadership.**
- 3. Our ultimate aim is to be a continuously improving Department.**

DECC Continuous Improvement Strategy

Where we are

4. DECC exists to head off two risks: dangerous climate change, and a shortfall in safe, affordable energy. Our mission is therefore to *power the country and protect the planet*. In delivering this mission we are working to: reduce carbon emissions at home and abroad, maintain UK security of supply and ensure that UK energy markets are competitive contributing to economic growth and ensuring affordability.
5. DECC is a high-performing, and highly motivated department. 95% of staff are aware of DECC's values – 'Aim High, Reach Out, and Pull Together' – and 78% believe their team operate in accordance with them.
6. In the last year, DECC has begun to align its structures and relationships to improve and focus on delivery. The 'Review of DECC's Delivery Landscape' set out reforms to DECC's relationships with arms-length bodies. DECC has assumed direct responsibility for the implementation phase of Smart Meters. We have also restructured the Department, stopped and scaled back some activities and taken action to ensure DECC becomes more:
 - **Skilled** - with more specialists and generalists more literate in economics, science and commercial skills. The Department will continue to strengthen its use of evidence, making the best use of multi-disciplinary evidence to test the strategic merit, design and deliverability of all of its policies.
 - **Focused** – with resource and efforts concentrated on the 'big fish' that will make the biggest difference.
 - **Project based** – with resources deployed in a better planned, more flexible, multi-disciplinary approach.
 - **Joined up** – with more coordination across DECC and arms length bodies so that we speak with a single voice to our stakeholders, use and manage our knowledge and information better across the Department, and continually strive to develop our capability, to ensure that we develop our people, systems, process and infrastructure in a way that enables us to deliver our business objectives efficiently and effectively.
7. DECC has recently undertaken a second Capability Review which has identified our good progress on responding to the findings of the baseline review in 2009, and our current capability gaps. The ensuing Capability Action Plan identifies key actions to improve our departmental capability across the key areas of leadership, strategy and delivery. The Capability Action Programme to ensure delivery of the improvements we want to make will be a real focus for the coming year.
8. DECC is new to the tools and techniques of continuous improvement. We have reviewed the current situation in DECC's departmental offices against a DWP continuous improvement review tool. This suggests that in most aspects we are very much in the preparation stages of ten formal Continuous Improvement steps, running from preparation to sustaining continuous improvement stages.
9. On the positive side, we have some related tools available, such as the support given by the Performance and Planning Directorate to good project and programme management; work underway in Groups to improve our programme and project management, stakeholder

management and people management; activity of the Consumer Insight team to draw our policies closer to our customers; and of the Commercial Team to draw our policies closer to our commercial stakeholders. Our Capability Action Programme will enhance this support, taking our PPM capability to a new dimension. Continuous Improvement is a real opportunity to complement this change programme, by improving and enlivening our business as usual areas.

10. Going forward, we will introduce and embed Continuous Improvement in the PPM and policy arenas. Ultimately this will ensure that step-changes effected by the Capability Action Plan are embedded and that we continue to improve our performance. During the two-year period when the Continuous Improvement and Capability Action Plan run side-by-side, our strategy in this arena will be driven by our Capability Review response and this will be reflected in our governance structures.

Continuous Improvement objectives

11. The main objectives of DECC's Continuous Improvement strategy are:

- **Help us achieve the admin and staffing reductions required by our spending review settlement.**

In common with other Departments, our spending review settlement requires us to make reductions in staff. Much of this reduction is linked to identified programmes and projects completing or moving to less staff-intensive stages. But some areas (particularly business as usual) have been assigned staffing reductions without specifying a route. Past experience shows that new pressures will emerge during the period and the Capability Review emphasised our need to prioritise to release resources for the most important of our programmes. Continuous Improvement can help teams find efficiencies, and release resource to be used for higher priority work. HMRC have reported average productivity increases of 30 per cent.

- **Help make work more engaging for staff.**

While our staff are well engaged, staff surveys show low responses in some responses which contribute to key drivers. Continuous Improvement should improve scores in areas such of resources and workload in particular work-life balance/acceptable workload, and on leadership around contributing views before decisions are made. Continuous Improvement should also improve some other scores where we are doing well, but could do better. Staff engagement increased by up to 33 per cent in sites touched by DWP Lean work.

- **Help us become better at what we do by becoming closer to our customers**

We have built a professional customer insight team from scratch and are building our skills to become more commercially aware. Continuous Improvement would take this further by putting the customer at the heart of our policy and programme design to support us getting it right first time, reducing the risk of mistakes and knock-on impact on our reputation, and improving the deliverability of our policies and programmes. Making our internal processes more effective and less burdensome will help us support our staff as internal customers and have a knock-on impact on efficiencies in the line. There is also a NAO interest in process management maturity against which we will have to deliver. In time, continuous improvement could become a driver supporting our red tape challenge.

Our vision, our challenges and our strategy

12. DECC is a small department which has few customer facing processes. Instead our activity consists of a number of large, long term programmes. We are at the beginning of our Continuous Improvement journey. While Continuous Improvement has been applied

successfully to PPM and end-to-end policy through to delivery journeys in other Government Departments, it is best known and tools and practices are most developed in the customer-facing process sphere.

13. Best practice and lessons learned from across Whitehall suggest that while our ultimate aim is for a continuously improving department, we should begin with small steps. We therefore set out a two-year initial strategy, to be reviewed at the 18-month mark, to achieve a set of improvements in some priority and non-priority areas, but recognising that we are unlikely to be in a position of *continuous* improvement which takes many years to attain.
14. Annex A sets out our Continuous Improvement strategy in greater detail. As agreed across Whitehall, we have brigaded this under five key themes of customers and stakeholders; architecture, tools and techniques; capability; leadership and people.
15. Our activity will cover three strands:
 - Focused CI pilots, starting with customer service activity which may be applicable in our Energy Development directorate; central functions where our staff are the customers; and other central process functions such as PQs and correspondence. Benefits including FTE released and staff engagement from survey scores would be identified and tracked, so that these pilots would provide hard evidence of whether or not the service was cost effective at the point that it is evaluated to decide whether to commit further resource. We would like to explore further how we could adapt this approach to the policy and project management environment, working as part of our response to the Capability Review. We will also consider the best fit with Cabinet Office-led cross-cutting projects.
 - A service facilitating and supporting one-off, improvement workshops in CI areas such as visual management, effective problem-solving and learning lessons. This would work with DECC Learning, and enhance other support from the Performance and Planning Directorate around good PPM. Success would be measured using feedback, including any evidence of concrete outcomes provided by teams, including improved staff engagement scores.
 - Training and networking support for CI. A number of CI training tools are being developed, including some that will be integrated into compulsory cross-Whitehall senior leadership training. Working with DECC Learning, this aspect of the strategy will begin to embed and spread the use of Continuous Improvement in DECC, including empowering teams to hold their own one-off workshops if the demand is there.

Our resourcing strategy

16. Having considered the options of direct recruitment, and external consultancy, we are pursuing the option of resourcing our Continuous Improvement service through another Government Department, to ensure that in addition to a named, trained Continuous Improvement professional, we would gain access to a wider network of skilled support eg around benefits realisation. Continuous Improvement professionals have useful generic skills in particular facilitation skills, and we would require both experience of operating in a policy and project management environment and expect the service to contribute to Capability Review actions.

Arms-length bodies

17. DECC has responsibility for seven non-departmental public bodies (NDPBs). Four are classed as executive and three are advisory. In addition, DECC has responsibility for oversight of one public corporation and one non-ministerial department. Their size, roles, governance and funding relationships differ. A key part of our strategy will be to engage with

our Arms-Length Bodies, to ascertain the extent of Continuous Improvement and ensure that good practice is shared. We will be particularly focused on ensuring that processes which exist across bodies, or are designed centrally for Delivery Partner implementation, are improved end-to-end. We expect that each member of the DECC family will have a continuous improvement strategy and plan (or align with our own) within the first two-year period.

Theme	Where are we	Key challenge	Where do we want to be (long term)	Where do we want to be (two years)
Customers and Stakeholders	<p>Insight team provides research on our end users</p> <p>Good stakeholder management informs our policies of deliverers' views</p> <p>Customer performance goals/SLAs in customer-facing parts of the business</p> <p>Good customer feedback in our delivery areas</p> <p>Internal customers of central services are frustrated with clunky/slow/silo'd processes</p>	<p>Enhancing our reputation for producing deliverable policies</p> <p>Creating efficiencies for the line in meeting central requirements and managing the business</p>	<p>Customers as key in initiation of policy and customer/delivery needs considered at all stages</p> <p>Greater consideration of the end-to-end process of research to policy to delivery</p> <p>CI embedded in our delivery areas</p> <p>CI embedded in ALB delivery partners</p>	<p>New policies to be customer-focused from the start</p> <p>A set of improvements made to central processes, working with other departments' CI teams for shared services</p> <p>A set of improvements made to our external customer-facing delivery areas</p> <p>CI in ALBs encouraged through network and start-up service offered</p>

Theme	Where are we	Key challenge	Where do we want to be (long term)	Where do we want to be (two years)
Architecture, tools and techniques	<p>No formal CI architecture or tools available internally</p> <p>A resource-constrained service supporting good PPM</p>	Building a CI service from scratch, while building its reputation	Embedded CI within teams, with a proportionate architecture, and supporting with good PPM and policy making	<p>A CI service drawing on the expertise from OGDs is re-resourced on the basis of tracked performance of</p> <p>A set of pilots</p> <p>A set of one-off improvement workshops</p>
Capability	<p>Resourcing for 1x G7 FTE for 2 years, but no one in post. Other support may be available from OGDs</p> <p>A small number of CI trained members of DECC staff have been identified, all of whom are fully employed in non-CI posts</p> <p>No corporate CI experience</p>	Building a CI service from scratch, while building its reputation	Embedded CI within teams supported by central professional expertise	<p>A CI professional providing a central CI service and supporting training in teams using cross-Whitehall training tools and bidding for other support where possible.</p> <p>A strategy to build capability in place incorporating networking of CI experts in teams.</p>
Leadership	<p>Not a priority for senior leaders and little knowledge of the initiative</p> <p>Not understood as a solution when we approach issues</p>	Gaining support for pilots if they are seen as burdensome/a distraction	<p>Senior leaders across the DECC family champion CI and track its progress/benefits realized</p> <p>CI training as part of all leaders' development</p>	<p>Support given for pilots and wider service</p> <p>Consideration given to the results and CI beginning to be embedded as a solution to resourcing and staff engagement issues</p>

Theme	Where are we	Key challenge	Where do we want to be (long term)	Where do we want to be (two years)
People	High staff engagement in general but low staff engagement-related scores in our staff survey around work life balance and some other related metrics.	Gaining support for CI and engagement in exercises when efficiencies and the release of FTE is one of the stated goals	<p>A CI culture embedded at all levels of the DECC family.</p> <p>People are relentlessly striving to improve business performance and seeking coaching and feedback to do so</p> <p>CI training considered a basic training requirement</p>	<p>Staff engage in pilots and workshops, coming up with ideas for improvement</p> <p>Some staff champion CI, recommending tools, supporting local continuous improvement and undergoing training</p> <p>Others see the benefits as staff are released for priority projects</p>

© Crown copyright 2011
Department of Energy & Climate Change
3 Whitehall Place
London SW1A 2AW
www.decc.gov.uk

URN 12D/267