



Department for
Communities and
Local Government

Continuous Improvement Strategy

Department for Communities and Local Government

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Any enquiries regarding this document/publication should be sent to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

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Foreword

We are proud that the Department for Communities and Local Government consistently delivers its far-reaching agenda both to high quality and to challenging timescales.

Our growing reputation as a Department has given us an increasingly central role in helping deliver the Coalition Government's priorities and ensuring conditions are created for successful local places.

Our ambition is to become a Better Department that can realise its full potential. We have reflected on our Capability Reviews, staff surveys, on-going feedback from staff and partners, and we know we have made some good early progress. However, more importantly, there is still more to be done.

Continuous Improvement for the Department is about achieving a shift in culture so we always think about how we can maximise our efficiency, effectiveness, and respond to external influences; simplify, standardise and streamline everyday systems and processes across our business; and join up with others where we can and actively manage performance to ensure progress. It is also about challenging ourselves personally to improve our performance and grow our skills whenever we can.

This Continuous Improvement Strategy outlines our approach so far by sharing examples, making it clear that we will further build up our capability by learning from our targeted activity and what is planned for becoming a Better Department. Beyond our Department, there is also important learning from others' experiences in their Continuous Improvement journeys, in order to be more flexible, open and innovative.

Sue Higgins, Director General for Finance & Corporate Services

Section 1 - Introduction

In 2009, the Department for Communities and Local Government made a commitment to using a Continuous Improvement approach, based on Lean principles, to improve effectiveness, quality of services and to increase the engagement of our staff in this activity.

Lean Principles

By reviewing processes and systems and increasing our Lean Capability through learning and sharing of lessons we have been working hard to:

- deploy Continuous Improvement in our transactional and process driven business areas of the Department, specifically targeting areas where under performance has been identified
- embedding Lean thinking within transactional teams ensuring that new projects and programmes benefit from the start
- where capacity exists, proactively support policy teams that identify potential to use Continuous Improvement techniques in their areas - building this area of work over time as transactional areas are dealt with

We have achieved a great deal through improving processes and systems, reducing barriers and bureaucracy and have learnt more about:

- **Stakeholders and customer insight** - how we can support staff to identify and focus on our customers and identify what adds value to the customer
- **Flexibility** - how we can use Lean tools and techniques to support staff to identify new ways of working and encourage innovation and so take pride in their work
- **Resilience** - the use of Lean principles to help us to re-design our systems and processes and ensure they are effective and robust and can deliver what we need for our customers
- **Skills** - we always need to challenge ourselves about whether staff have the right skills and know how to take personal responsibility for improving their performance and developing themselves
- **Behavioural change** - using Lean to encourage cultural and behavioural change as well as using it to improve delivery. Our use of Lean supports bottom-up change

To deliver this we developed our own Lean capability and capacity by:

- training the dedicated resource to this project
- drawing on external Continuous Improvement support over a period of time
- training of around 80 staff in more basic Lean skills to support them in using Lean thinking in their work

- raising awareness of Continuous Improvement in the Department and providing basic training on Lean for those who wish to use the techniques in their areas

To date the most visible benefits from Lean that have achieved have been in transactional and process areas, notably transactional finance and Ministerial Correspondence, and in support of some priority policy areas. Annex A provides a summary of some of our most successful examples. Some of the highlights include:

- cutting 10 processes out from the handling of ministerial correspondence to achieve over 80 per cent of draft replies submitted within five working days
- reducing the Department's Directors monthly financial reports cycle from 12 to eight days by the use of automation and standardisation
- once being a poor performer in the HM Treasury Forecast League table to now being consistently in the top five
- the Department now averaging 60 working days for EU procurement against the Government target of 120 working days
- eliminating instances of overpayment when staff leave the Department
- reducing the number of unclosed sickness absence records by up to 75 per cent
- significant progress in integrating eight very different Regional Development Agencies into a single, effective national delivery network supporting local growth
- radical reform of the system for funding local government so councils keep a share of locally collected business rates, providing a strong incentive for growth and reducing dependency on government grant

Wider Continuous Improvement Approaches

The Department is working to develop a culture of Continuous Improvement, delivering better outcomes by focusing on our customers and eliminating waste.

To this end, we are:

- embedding Continuous Improvement thinking into our PPM approach
- a variety of visual management techniques across the Department
- beginning to introduce Lean thinking and techniques into policy implementation
- ensuring that where we identify areas of best practice that these are shared across the department
- making sure that we learn from our mistakes by sharing lessons learned from our key projects and programmes

We are also looking at the way we develop policy in line with the Civil Service Reform Plan (particularly open policy making) and looking at how we can improve the efficiency and effectiveness of organisations with which we work. For example de-ring-fencing funding and removing top-down targets for local government.

We are working more and more collaboratively with departments across Whitehall to avoid duplication and to improve the effectiveness of policy making.

Through our decision making and investment structures, we ensure challenge on both the efficiency and effectiveness of proposals; on lessons learnt from previous policies and programmes; and on whether delivery is in line with expectations.

Arms Length Bodies

We are actively thinking about what continuous improvement means for the Department's Arms Length Bodies, helping them to engage in collaborative, effective working both in their own roles and in their dealings with the Department.

Section 2 - How the Continuous Improvement Journey will work in DCLG

The Department for Communities and Local Government has established itself as an effective champion of localism and a Department that delivers what it says it will. We have achieved a massive amount at the same time as going through a big change in our role and a major restructuring which saw a 37 per cent reduction in our staffing. The change in role and extra responsibilities we have been given reflect well on the Department. We are making a positive difference but our staff survey results show that our success in delivery is not matched by the confidence staff have in the Department which they want to feel more able to influence and shape.

Our purpose is to achieve:

- Better Government - empowering communities and enabling decisions affecting people's lives to be taken at the lowest practical level
- Better Places - creating the conditions for all parts of the country to succeed
- Better Department - staff feel involved in and proud of the work of the Department on the objectives above

This means we need to continually improve and be a Better Department that continues to be great at delivery, and is a great place to work.

Going forward, Continuous Improvement will be an integral part of what is being done to build a Better Department. Through the Better Department programme of work we aim to increase staff engagement, grow capability and make best use of our resources.

We strive to become a Better Department so that:

- we have a clear and compelling core purpose, that our staff understand
- we achieve and maintain strong and visible leadership at all levels
- we deliver efficiently and effectively on Ministerial wishes
- we get the basics right to create the conditions to enable staff to feel trusted and empowered in what they do to make a difference
- we are powerful at influencing to get the very best outcomes we can for communities
- we take proper time to develop our people so everyone has access to the right learning and development opportunities to develop in their role and progress in their career
- we work effectively and collaboratively as One Department

This will be successful, if we:

- know what we are doing and why we are here
- make the most of our resources

- ensure our Ministers get the best possible service
- develop as individuals but work as one team
- are proud and motivated to work in our Department
- give local people a voice at the heart of Government
- deliver on our commitments

Our programme is focused around five workstreams:

- **Leadership** - Our leaders demonstrate strong, visible, collective leadership and give everyone opportunities to take personal responsibility for making DCLG a Better Department.
- **Influencing** - We are influential with our partners and other Government Departments to deliver our priority outcomes.
- **People Development** - We take responsibility for our own development, and sharing our experience and are supported to do this by effective development discussions and a culture of regular constructive feedback.
- **Getting the Basics Right** - We make the best use of people, tools and processes to get the job done well.
- **One Department/One Team** - We work inclusively, collaboratively and flexibly with colleagues across the Department's teams to make a real difference.

Each workstream is led by senior leaders in the Department, and Continuous Improvement will be an integral part of how we deliver a Better Department. All action will sit alongside governance arrangements reporting quarterly to the Executive Team and more regularly to the Director General for Finance and Corporate Services, the senior responsible officer.

The workstreams draw closely on the Capability Action Plan published in May¹.

In 2012/13 we will be focusing on the following actions:

- refreshing and rebuilding our capability following our major restructuring
- continuing to work with other areas of the business and ongoing projects to develop our capabilities, including Commercial Capability
- working with groups of staff to encourage further flexible working across the organisation
- building further capability throughout the organisation to enable our staff to continue to work effectively, delivering policy with less resources
- continuing to help all staff have good quality conversations about performance and development which help them improve, by embedding a performance process which gives equal weight to achievements and competencies

Along with this, we will also focus on specific projects for example on:

- getting fully prepared for shared services so processes and systems comply and staff become more engaged with what is involved and what they need to do

¹ <http://www.communities.gov.uk/publications/corporate/capabilityactionplan2012>

- creating a skills bank that will allow people to share the benefit of their experience, knowledge and skills to improve capability across the Department

Alongside these, the Board and Executive Team will continue to scrutinise Departmental performance data in order to identify areas of best practice and make sure these are disseminated across the Department. Also to identify areas which are performing less well in order that they can be give additional support in order to raise their performance. To support this, the department uses a range of assurance activities to understand the effectiveness and efficiency of delivery and identify recommendations for improvement.

We continue to work with the Major Projects Authority to encourage all of our projects and programmes to undertake periodic assurance reviews - such as Gateway Reviews. These short peer reviews are undertaken by small teams who work outside of the policy area, or outside the Department in the case of significant projects and programmes and enable project teams to get an objective assessment of their project. These reviews will typically result in a small number of recommendations which when implemented will improve the likelihood of successful project delivery.

We will also continue to encourage teams to carry out lessons learned sessions as their projects come to an end. These sessions focus on identifying both the things that have gone well and those that went less well and generate practical advice and solutions for avoiding similar problems in the future. These lessons are collected by the Department's Project Management Centre and project teams starting new projects are encouraged to review previous lessons for similar projects before embarking on their project.

Section 3 - Continuous Improvement in the Department's Arms Length Bodies

In 2010, the Department set out plans to reduce the size of the Departmental Group by two thirds. In doing so the Department has brought a range of services closer to the public that uses them, increasing democratic oversight and saving £230m.

Following the success of this reform programme, the Department is now starting to place more focus on improving the way we carry out our sponsorship role. This will lead to a more mature and effective relationships with Departmental Arms Length Bodies - working towards a collaborative relationship which balances robust spending control whilst giving them the flexibility they need to effectively deliver Government priorities.

To achieve this we are looking at the core role and skills needed for good sponsorship and considering how sponsors can contribute to a culture of continuous improvement.

We are also working to streamline business processes, to ensure Arms Length Bodies' 'customers' are receiving the quality of service they need from the Department's corporate centre on issues such as finance and procurement.

We have actively brought our Arms Length Bodies into departmental management and finance systems, promoting collaborative, corporate working. We have looked at the scope to reduce our fixed costs through the sharing of back office services with our Arms Length Bodies and other Departments. As an Executive Agency, the Planning Inspectorate now shares some services with the Department, such as legal and internal audit, and work on transactional finance and HR services is underway.

The Department and its Arms Length Bodies now regularly come together in a senior level group forum to review common issues and jointly work through solutions; this has offered an excellent opportunity to strengthen relationships between the organisations in the departmental group and share experiences, good practice and lessons learned. This has meant lessons have been shared and links created across the Department. Increasingly work has broken across boundaries as sponsors and Arms Length Bodies share their experiences and help each other through common issues.

Homes and Communities Agency Sponsorship Review

As well as restructuring within the Department for Communities and Local Government, 2011 saw major organisational changes within the Homes and Communities Agency (HCA). These changes included: taking on former Regional Development Agencies economic assets and regulation of the social housing

sector; and the transfer of functions and budgets in London to the Greater London Authority.

Faced with these challenges, the Department and the HCA undertook a joint review of how sponsorship should work in this new world with reduced resources.

Through restructuring, a single Sponsorship team has been established bringing together programme management, investment and regulation policy expertise with sponsorship to achieve a strategic and dynamic relationship with the HCA. A simpler and clearer assurance accountability framework is also in place for supporting decision making on policy, performance and finance as well as improving monitoring and performance reporting of core data which routinely meets our needs.

We have not limited Continuous Improvement to systems and processes, and are also exploring utilising the synergies between HCA's local presence and the Department's localities supportive approach to enable communities to realise their potential. This will be ongoing work, with an assessment this autumn using the Institute for Government's toolkit for evaluating the effectiveness of sponsorship relationships, to help judge our progress and inform what further action is required.

HCA has responded flexibly, quickly and effectively in a period of rapid change from delivering significant savings, to refocusing on new government priorities and approaches and taking on new roles such as developing and delivering new programmes such as the Affordable Housing Programme and Get Britain Building to being a key part in supporting the Government's aims for using public sector land to support wider objectives on growth, housing and schools.

To achieve this, HCA is refreshing its working practices and through its People Plan, an internal published strategy is focused on a strategy that will:

- develop and articulate initiatives that promote employee engagement and set a clear and shared vision, values and purpose for the Agency
- capture and develop employee recognition and reward initiatives
- develop initiatives that create inspiring leaders and effective managers through targeted talent management
- capture and develop efficient processes and ways of working (effective working practices)
- capture initiatives that support development of skilled and knowledgeable staff.

The Planning Inspectorate (PINS)

Leading up and subsequent to the Integration of the Planning Inspectorate (PINS) and the Infrastructure Planning Commission, a strong management and leadership structure has been delivered. A revised Strategic Plan, post April 2012, has been produced which defines the organisations vision and Strategic Priorities. The PINS Improvement Programme is in place to monitor the delivery of those Strategic Priorities and associated improvements, and works alongside the Board and the PINS Business Improvement team to ensure that the process of "review, challenge, improvement" is continuous, and that Continuous

Improvement is embedded as behaviour of all staff, rather than a specific task. A network of Change Champions - a cross section of grades and business areas has been introduced to assist with this.

Key achievements delivered to date include:

- improved and comprehensive staff engagement methods
- streamlined governance arrangements, with improved leadership and empowerment
- bringing together skills and knowledge in the most efficient way for cross organisation delivery through 'combined' functions, such as IT support; Environmental Services and Legal; and Customer Support
- reduction of Temple Quay House accommodation from 3.5 floors to 2 floors. Providing an enhanced working environment and significant cost saving
- savings through collaborative procurement
- creation of a Business Improvement Team to support Continuous Improvement
- definition of a programme to deliver continuous improvement, including review of casework processes; development of a replacement casework management system, implementation of shared IT services and delivery of an enhanced knowledge/information system.

The Business Improvement Team is led by an experienced Lean practitioner who is in turn managed by an accredited Six Sigma Black Belt. The team will subsequently be trained in 'Vanguard' Method which encourages a systems thinking approach to Continuous Improvement.

The team's first major project has been reviewing the delivery of casework support for inspectors. The project has identified issues of waste and duplication. A combination of technical and procedural improvement suggestions have been made, with the project now progressing towards implementation of these changes.

It is expected that the set up of any new procedures within PINS resulting from changes to the planning system will be done with Lean considerations in mind, ensuring value for the tax payer.

Section 4 - Conclusion

Achieving Continuous Improvement is an ongoing commitment. We see Continuous Improvement as an integral aspect of our ambition to become a Better Department. Areas where we are particularly focussing include:

- strong, visible and collective leadership that is making the Department strong and able to continuously respond well to new challenges
- staff actively replicating learning and good practice
- developing and sharing more innovative approaches to policy making ensuring information is comprehensive and accessible
- identifying new and effective ways of identifying and influencing cross Whitehall agendas
- making best use of people, tools and process to get the job done well first time
- performing as one team across the Department

We are working to ensure that Continuous Improvement becomes our default way of thinking about how we approach our business enabling us to deliver our priorities more efficiently and effectively.

ANNEX A

Examples of Continuous Improvement projects undertaken in DCLG

The examples given here have been grouped in the following sets;

Back office examples

- Information Technology
- Property Asset Management Unit
- People Capability and Change

Transactional examples

- Procurement
- Finance

Policy Making examples

- Business Rates Retention
- Flexible Deployment in the Planning Directorate

Delivery examples

- National Planning Casework Unit
- Transformation of Ministerial Support Team
- Integration of European Regional Development Fund

Back Office examples

Information Technology

The IT team have reduced waste and increased the Departments capabilities while working with reduced resource.

Key achievements include:

- replaced 300 printers with 60 multi-function devices with secure PIN printing, at reduced cost
- improved remote and flexible working capability by enabling all laptops to connect simultaneously to the corporate network
- moved 13 miles of documents to a new shared document repository reducing storage and retrieval costs

Work has also begun on:

- providing video conference facilities in all DCLG buildings, reducing travel time and costs
- providing instant messaging to reduce email traffic and improve internal communications

Property Asset Management Unit

The Property Asset Management Unit has been working hard to increase efficiency and remove waste in all of their process over the past year.

Key achievements include:

- headcount reduction from 39 to 13 staff since April 2011
- reduced the size of our property estate by 87991m² (35 per cent) between January 2011 and January 2012, proportionately the second largest reduction of any Department of State
- procured a new Total Facilities Management contract with Department for Education which reduced the number of contracts from 57 to five, and reduced the cost by around £3m per year

People, Capability and Change

People, Capability and Change have applied lean techniques to its HR Shared Services to both improve existing processes and address some concerns highlighted by Internal and National Audit.

Key achievements include:

- the introduction of People Information Management System User Guides for Managers and Staff to help them make the most of HR self service functions. A specific objective was to ensure HR Shared Services Centre were notified promptly when a member of staff resigned from the Department, thereby avoiding an overpayment of salary. Since November 2011 there have been no cases of non-compliance in this area
- introduction of a sick absence non-compliance report to highlight all instances where a sickness absence records remains live after a projected return date. This has resulted in improved accuracy of sickness data and has mitigated the risk of staff going onto half or no pay because the absence has not been closed correctly
- a regular 10 per cent check is now conducted on DCLG leavers and joiners to ensure all processes have been conducted correctly and that the individual has been put on or taken off payroll as appropriate and that the necessary records updated on the HR database
- introduced a one-stop shop for Reasonable Adjustments to improve the department's response time to staff who need non-standard equipment to help them do their job. The new process consolidates five points of contact into one and redefines delegated financial authority into one place to improve consistency of value for money decision making

Transactional examples

Procurement

The procurement team have applied Lean to purchasing practices, including increasing the amount of pre-market engagement and using the “open” procedure by default (avoiding separate pre-qualification).

Key achievements include:

- the Department now averages 60 working days for EU procurements against the Government target of 120 working days
- all our operational procurement staff will be undertaking e-learning regarding lean procurement during this coming year to further embed the practices
- the team have delivered against their commitments to improve engagement with Small-Medium Enterprises
- 24 per cent of DCLG group spend over the past year has been with Small-Medium Enterprises, against the Whitehall aspiration of 25 per cent

They are now aiming to exceed the 25 per cent aspiration through planned initiatives such as an “Small-Medium Enterprise day”, which will introduce Small-Medium Enterprises to key categories of spend, with the aim of expanding our supply base. We are also introducing contractual targets for the use of Small-Medium Enterprises into our major contracts.

Other key achievements are around the quality of our procurement management information, by implementing a central contracts database, refining our coding scheme and ensuring coding is right first time. We have implemented e-requisitioning and workflow of requisitions through category experts to check compliance.

Key achievements include:

- our procurement data accuracy rate (based on value) is now at 99 per cent against around 56 per cent nine months ago.

Finance

Continuous Improvement and Lean methodology have also been successfully deployed in DCLG’s finance system and finance back office functions. They have benchmarked performance with other organisations to gauge the efficiency of the operations and taken opportunities to learn from how other organisations deliver services.

Key achievements include:

- a Transaction Finance pilot to reduce the DCLG Directors monthly financial reports cycle time from 12 to eight days by the use of automation and standardisation

- visual management and process mapping rolled out in the Central Invoice Processing team which improved focus and role differentiation
- visual management used in five further teams and in large cross team projects lead to positive feedback and good support for this work
- a focus on work quality, reducing rework and checking and removing redundant processes
- significant reduction in resource time input to the process, freeing up time to deliver parallel processes (for example each report will take approximately one - two hours to complete, instead of one - two days as previously)
- standardised working practices through introduction of a standard operating procedures manual
- greater flexibility for using resources to ensure capability is in place, for example accounting for incoming work and visual management of workload spread

A culture of Continuous Improvement is promoted through an expectation that improvements to services are recorded in monthly management reports for discussion and feedback, and through an internal quality audit process taking place across business processes.

Similar techniques have also been applied to the administration of our Department's budgets.

Key achievements include

- directors' performance is now measured and reported on a monthly basis against a series of key metrics, including forecasting, business case quality, and prompt payment performance. The information is used to target areas for improvement with extra Business Partner support
- using an integrated system to monitor and manage changes to our Department's budgets during the year. The system automatically reconciles our internal changes to our budgets on Treasury's database and has reduced management resource time by around 50 working days a year (five days per team member)
- we have moved to using a "Single Administration Budget" approach with our arms length bodies. Both the Department and our Arms Length Bodies review their budgets for that year through our Quarterly Business Review process. This process means that administration resources can be flexed to meet pressures more easily and the Department can plan how to use any forecast under-spends across the group to reduce costs in future years
- have a new Finance Training Scheme in place to increase the number of Finance Qualified Professionals in the Department
- the Department used to be a poor performer in the HM Treasury Forecast league table but now we are consistently in the top five. This has been achieved through Finance Business Partners working closely with budget managers, adopting challenge and support approach.

Policy Making examples

Business rates retention

Work to radically reform the system for funding local government by allowing councils to keep a share of locally collected business rates, providing a strong incentive for growth and reducing their dependency on government grant, illustrates how continuous improvement can support policy as well as transactional work.

The team placed robust analysis at the heart of the policy making process, incorporating analysts working alongside policy experts to model the impacts of different scheme design options on local authorities and the national economy, using data from local government and empirical results from economic literature. This was a powerful tool in influencing Whitehall Departments and building strong collective support for reform. For instance, economic analysis demonstrating the potential to add £10bn to the economy was key to persuading Departments to roll over £8bn of formerly specific grant funding into the rates retention system, enabling the locally retained share of business rates to be set at a sufficiently high level for a sufficiently long period to drive real behavioural change and growth.

From the outset, the team adopted an open policy-making approach, capturing the knowledge of a wide range of external experts through establishing formal working groups, and disseminating information on emerging proposals widely and early through formal consultations, detailed supporting material and advice, and extensive presentations and discussions across the country. Co-designing and destruction-testing the proposals with external practitioners in this way has helped to ensure proposals for reform are of a high quality and deliverable, build wide-spread awareness and understanding of the change, and prepare councils for a challenging April 2013 implementation date - generating extensive praise from the sector for material it judged to be unusually comprehensive, helpful and well written.

Throughout the project, the team has maintained a strong culture of flexible working, and has supported and empowered new team members and temporary staff to rapidly make a high quality contribution. This has been key to its success against a backdrop of high staff turnover and resource constraints.

Flexible Deployment in the Planning Directorate

In April 2011, our Planning Directorate undertook to facilitate the introduction of more flexible working arrangements across the Directorate. The aim was to encourage staff to provide and seek opportunities to become involved in a range of work to meet the needs of the business, and their own development.

Key achievements include:

- shared learning and best practice ahead of a wider rollout of flexible working across DCLG both within our organisation and with other government departments

- pulse Survey results indicate that staff are positive about the opportunities that have been opened up through having a flexible workforce and more challenging and stretching roles as a result

Going forward, we will seek to gather intelligence on the levels of flexible working as experienced by all staff with a view to completing formal evaluation at the end of the reporting year.

Delivery examples

National Planning Casework Unit

Working with HM Revenue and Customs, our new National Planning Casework Unit has implemented a range of Continuous Improvement tools to adopt standard ways of working and secure efficiencies across its range of responsibilities. Key achievements include:

- developing and implementing a repeatable baseline activity analysis
- conducting a Capability and Capacity Assessment identifying potential staff capacity for future programmes
- improving capability through in-house skills transfer
- delivering more casework in less time with less than half previous resource
- 25 per cent (£11,000) savings in running costs
- continuously meeting or exceeding ministerial casework targets for 10 months
- reviewing performance capability

The success of these initiatives has been a result of strong leadership, clear priorities, active engagement of staff at all levels and a real focus on performance which we want to build on and share across our organisation.

Transformation of Ministerial Support Team

In 2009-10 Lean techniques and other tools were used by our Ministerial Support Team to improve correspondence answered within 15 working days, and to transfer knowledge and lean practitioner skills to staff. The pilot determined a baseline and key achievements include:

- more effective use of management tools such as technology, visual management and coding
- strengthening employee participation and quality assurance
- reduction in processing time
- an increase in job satisfaction, engagement and management support in the team.

Across the Department, renewed focus and visibility of deadlines has resulted in a general uplift in performance (see below) and the team are helping spread knowledge of Lean techniques across the Department.

Development of these processes and techniques, has helped support Continuous Improvement with over 80 per cent of draft replies regularly being submitted within five working days. The Lean review also helped underpin a reduction in response target for answering MP and Peers correspondence from 15 working days to 10 working days.

	Number of MP and Peers letters received	% MP and Peers letters answered within 10 working days	% MP and Peers letters answered within 15 working days
2010	9117	53%	77%
2011	12,680	65%	85%
2012 (Jan - Jun)	4753	70%	86%

In July 2012, a short external review of the quality and handling of correspondence found that departmental processes were sound. Going forward, a range of measures are organised to continue to improve performance, including sessions for staff on working with ministers and handling correspondence. Ministers continue to give this work high priority with a designated champion minister for correspondence. Performance data is also shared monthly with ministers and teams across the Department.

Integration of European Regional Development Fund

In July 2011, responsibility for the management of £3bn European Regional Development Fund (ERDF) transferred from Regional Development Agencies to the Department for Communities and Local Government. This brought together eight very different structures, management processes and ways of working into the Department. The Department has made significant progress in integrating ex-Regional Development Agency staff into the Department now operating as a single, effective national delivery network supporting local growth. It has achieved this through strong leadership, a planned and structured approach and empowering and engaging staff to help shape the future of the network.

- the first step was transfer itself. All 200 staff were transferred into new locations and management arrangements within a year of the initial announcement. In tandem with this we increased local influence and decision making through strengthened local European Regional Development Fund governance arrangements
- the next step was to standardise the eight business processes into one. We used Lean techniques to break down business processes to a fine level of detail, reengineer them and adopt best practice out of existing procedures. The result is improved business resilience, efficiency and responsiveness through the sharing of skills, expertise and capacity

across the network. Because processes are the same compliance is easier to monitor, something crucial in a programme which is heavily monitored by the European Court of Auditors

- we then started a further project, Shaping the Future, to integrate the delivery teams fully with the policy team and make a reality of the concept of one team rather than nine. This is due to conclude in the autumn. We have already improved delivery by creating a set of cross-cutting networks focusing on key areas of the programme

This has resulted in demonstrable impact on European Regional Development Fund Programme performance:

- despite challenging economic conditions, and from a relatively high risk position at the point of transfer, all European Regional Development Fund Programme expenditure targets were met in 2011
- significant improvement in European Regional Development Fund compliance with a reduction in national Programme error rates
- creation of capacity to take on new and additional responsibilities including monitoring of Regional Growth Fund projects

The programme has been transformed from the Department's biggest delivery risk to a key part of its strategy for delivering national and local growth.