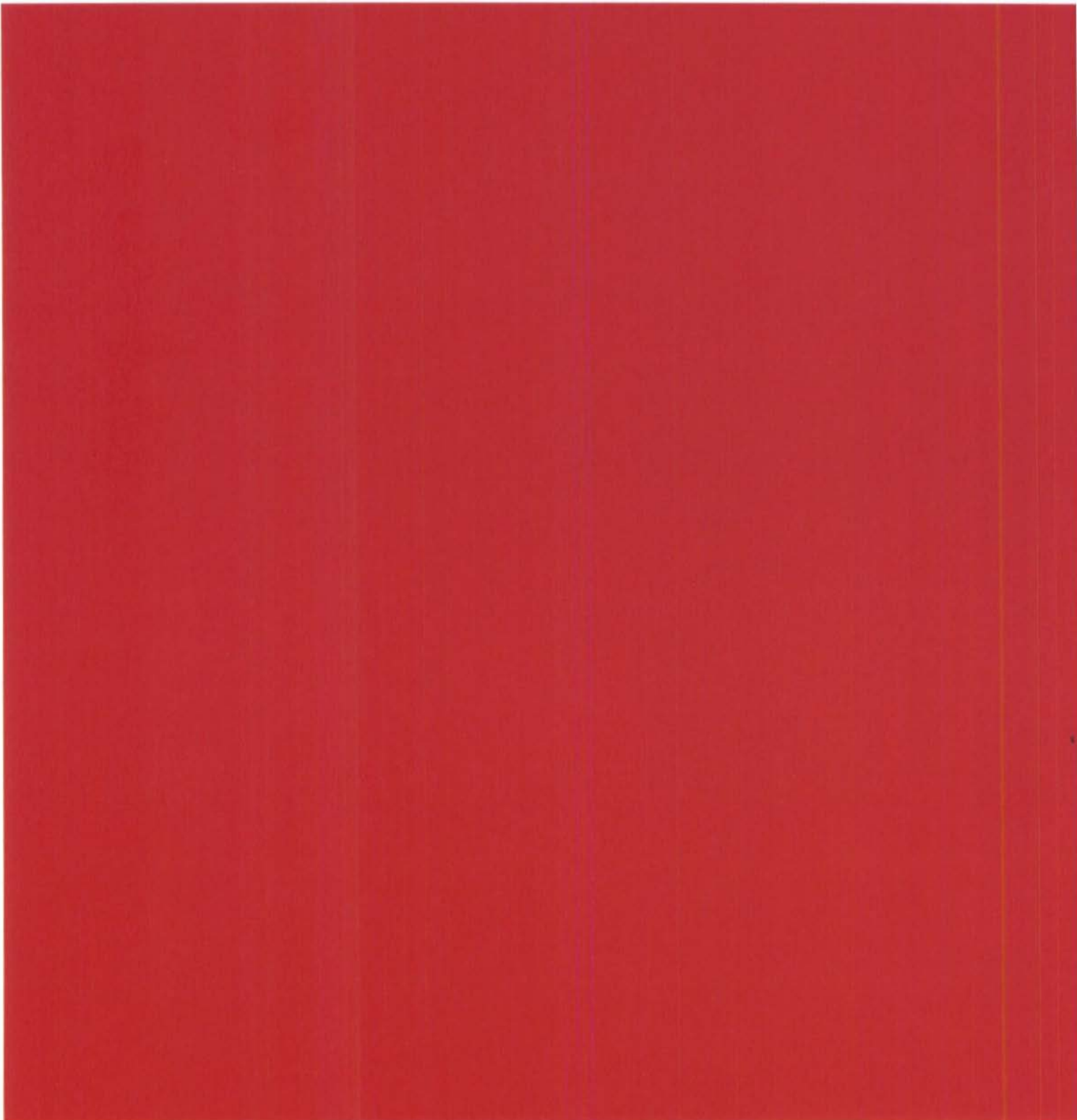




# Department for Education: Interim Capability Assessment



# Foreword

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## **Sir David Bell, KCB, Permanent Secretary**

It is almost four years since the last formal review of the Department's capability. Much has happened since then; the first Coalition government for 60 years, a new name and a different policy focus.

The timing of this Interim Capability Assessment could not be better. The Department is increasing in size with four new Executive Agencies being created in April 2012. So, it is right that we look at our capabilities now to inform how we shape our new operating model. In addition, after six years in post, I leave the Department at the end of 2011 to become the Vice Chancellor of the University of Reading. My successor, when appointed, will have a very useful stocktake of the Department's strengths and weaknesses. This should enable them, and a refreshed Executive Management Board, to build further success in the future and undertake a full Capability Review of the Department in due course.

Under the leadership of a dynamic and reforming Secretary of State, the Department has been at the forefront of implementing the Coalition government's domestic policy programme since May 2010. It is a matter of great pride that our previously identified strengths have been apparent as we have supported the Secretary of State and his ministerial team in policy formation and on-the-ground support for implementation and delivery. 1400 Academies, 24 Free Schools, a new focus on behaviour and discipline, and reforms to early years, social work, special educational needs, adoption and capital funding are just some of the changes we have seen in a very busy period. In addition and with the help of staff across the Department, we are restructuring our arms-length bodies with the creation of four new executive agencies on track for April 2012. At the same time, we are well ahead of trajectory in reducing our spending on administration as we seek to demonstrate that we can be a smaller, yet more effective organisation.

Of course, it has not all been straightforward or plain sailing. There have been mistakes, some of them high profile, but the Department's successful profile at the end of 2011 is testament to the resilience and strength of character of the people who work here. Our capability has been tested, yet much has been achieved. At the same time though, we have highlighted areas for action through this review. Its interim nature provides an opportunity for us to respond quickly, ahead of any further review that might be undertaken in the future.

# Foreword

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I am very grateful to all those who have contributed to this Interim Capability Assessment. The internal team who led it have struck exactly the right balance between familiarity and independence. Their work has been enhanced by the active contribution of the Department's non-executive Board Members. We have also been assisted by our Steering Group and, in particular, its external members. Bernadette Kelly, a Director General at the Department of Business, Innovation and Skills and Brian McBride, formerly Chief Executive of Amazon UK, have been rigorous throughout and have ably contributed to the process.

Finally, this report is only a small snapshot of the varied and exciting work that I have been privileged to lead since 2006. Quite literally, there has never been a dull moment. My time here has been enhanced immeasurably by having the pleasure and privilege of working alongside passionate and highly professional civil servants. I have been well served by people who want, more than anything else, to improve the lives and life chances of children and young people, irrespective of background or circumstance. I conclude by paying tribute to them, and successive ministerial teams, for their commitment to improving education and children's services in this country.

December 2011

# Foreword

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## **Anthony Salz, Lead Non Executive Member of the Departmental Board**

I am pleased that the Department has conducted such a thorough interim assessment of its capability. The review has identified a number of real strengths in the Department. It has also identified areas for improvement to move the Department from good to great. I am confident that the right areas have been identified. The Department is fortunate to have staff who are hugely committed to the vision of achieving a highly educated society with more equal opportunities for its children and young people. With the agenda provided by this review and the commitment of the Department's staff, a new leadership team will be well placed to make substantial progress over the next year and beyond. The Non Executive Board Members will be challenging the department to grasp the opportunities for improvement that this interim assessment has identified.

December 2011

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# 1. Challenges for the Department

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**The Department is facing three broad delivery challenges which have been identified through this interim Capability Assessment which it needs to respond to over the next year. These are:**

- **Delivering the complex reform agenda for the education system and children's services**
- **Continuing to shape the Department's structure and delivery mechanisms to support the ambitious reform agenda effectively**
- **Managing the change in senior leadership and maximising the opportunity this presents**

**The recommendation themes which have emerged from this Review have a clear link to the Department's delivery challenges.**

## The Department

The Department for Education was formed on 12 May 2010 and is the successor to the Department for Children, Schools and Families. The Department is responsible for education and children's services and has a clearly articulated vision of *achieving a highly-educated society in which opportunity is more equal for children and young people no matter what their background or family circumstances*. The Department's vision will be delivered through five strategic aims which support the Structural Reform Priorities set out in the Department for Education Business Plan. They are:

- Raising the standards of educational achievement
- Closing the achievement gap between rich and poor
- Reforming the schools system
- Supporting all children and young people, particularly the disadvantaged
- Improving the effectiveness and efficiency of the Department

The core Department employs approximately 2,500 staff who work across 5 different sites<sup>1</sup>, with a focus on policy development and implementation. The Department also supports the delivery of education and children's services through a network of providers and partners including local authorities; the third sector; Ofsted and Ofqual; Academy providers and schools. In October 2011, the Standards and Testing Agency joined the Departmental Group. By April 2012, it will be joined by three other executive agencies – the Education Funding Agency; the Teaching Agency and the National College for School Leadership – which will approximately double the staffing complement of the Department<sup>2</sup>.

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<sup>1</sup> The Department for Education is currently based across five sites: London (58.6%); Runcorn: (8%); Darlington (15.5%); Sheffield (16.8%) and Coventry (1.1%). With the inclusion of the executive agencies, the number of sites will increase and the percentage of staff working in each will also change.

<sup>2</sup> Executive agencies will have their own budgets and separate accounts with the Chief Executive being the accounting officer. All staff will be Department for Education employees and on Department for Education terms and conditions using shared and centralised corporate services, wherever possible.



# 1. Challenges for the Department

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The Department for Education's Board has been chaired by the Secretary of State since the Summer of 2010. This change in governance arrangements was put in place to improve management of the Department and to reflect this Administration's requirement for Departments to have Ministerial presence on their Boards. As a result the Departmental Board has the following members: the ministerial team, Permanent Secretary and the heads of each of the Department's three directorates, and four external non-executive board members. The Board provides strategic leadership, focusing on performance and delivery of the Department's priorities. The Executive Management Board (EMB), chaired by the Permanent Secretary, was set up in July 2010 as part of the new governance arrangements and focuses on providing collective and corporate leadership of the Department<sup>3</sup>.

## Key challenges over the next year

### Delivering the complex reform agenda for the education system and children's services

The Government has a very ambitious reform programme for education and children's services. The structural reform priorities of this Government, as set out in the Departmental Business Plan<sup>4</sup>, need to be delivered at pace. Meeting these commitments has required the Department to give even greater priority to implementation and supporting delivery of services either directly or through our partners. This shift has presented a significant challenge for the Department, particularly in light of increased pressures on budgets.

The Department's education reform programme was formulated clearly in November 2010 with the publication of the White Paper, *The Importance of Teaching*<sup>5</sup>. This set out a set of policies for the system with a clear focus on freeing schools from the constraints of central Government direction and placing teachers firmly at the heart of school improvement. In addition to this, a number of independent reviews have reported, including Lord Bew's review of Key Stage 2 testing, assessment and accountability<sup>6</sup>, Dame Claire Tickell's review of the Early Years Foundation Stage<sup>7</sup> and Professor Eileen Munro's review of child protection<sup>8</sup>, all of which have provided clear recommendations to Ministers and have helped shape the direction of policy and delivery across the full remit of the Department. It is clear that the pace of reform will continue over the lifetime of this Parliament.

The Education Act<sup>9</sup> represents an important step in implementing the Government's education reform programme and will help create an education system that delivers ever higher standards for all children. Simultaneously, change on the ground is already well underway, for example through the expansion of the Academies programme and introduction of new Free Schools<sup>10</sup>, as well as the reform of the National Curriculum and qualifications and the new approach to the Early Years Foundation Stage.

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<sup>3</sup> EMB discharge these duties by: taking forward its agreed strategic aims and objectives; advising on the allocation of financial and human resources; managing departmental resources and monitoring the achievement of performance objectives; setting standards and values; maintaining a transparent system of prudent and effective controls (including internal controls); assessing and managing risk; and leading and overseeing the process of change and innovation which enhances the Department's capacity to deliver.

<sup>4</sup> The Structural Reform priorities are: (1) Increase the number of high quality schools and introduce fair funding; (2) Reform the school curriculum and qualifications; (3) Reduce bureaucracy and improve accountability; (4) Train and develop the professionals who work with children; (5) Introduce new support for the Early Years and (6) Improve support for children, young people and families, focusing on the most disadvantaged.

<sup>5</sup> Available at: <http://www.education.gov.uk/schools/teachingandlearning/schoolswhitepaper/b0068570/the-importance-of-teaching/>

<sup>6</sup> Available at: <http://www.education.gov.uk/ks2review>

<sup>7</sup> <http://www.education.gov.uk/tickellreview>

<sup>8</sup> <https://www.education.gov.uk/publications/standard/AllPublicationsNoRsg/Page1/CM%208062>

<sup>9</sup> More information is available at: <http://www.education.gov.uk/aboutdfe/departmentalinformation/educationbill>.

<sup>10</sup> By the end of November over 1,000 sponsored and converter Academies had opened with the total number of Free Schools approved to open in 2012 or beyond at 63.

# 1. Challenges for the Department

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As the reform programme continues, it will be essential to strike the right balance, at the right time, between policy development, implementation and supporting delivery. This will be a substantial challenge for the Department, given the tight administrative budget sharpening the focus on innovation, value for money, and effective delivery. In addition, it will also be important to ensure that the Department is clear about who its customers are in the new policy landscape, to establish effective relationships with them, and to identify the most appropriate delivery mechanisms for both the Department and its partners.

## **Continuing to shape the Department's structure and delivery mechanisms to support the ambitious reform agenda effectively**

As the previous section set out, the Department is delivering a significant reform programme at pace, giving more freedom to frontline providers, at the same time as living within a tough financial climate for both the Department and our partners. This will continue to have an impact on what the Department needs to deliver going forward. In addition, the Departmental Group is expanding with the creation of the four executive agencies by April 2012. Managing a smooth transition while continuing to deliver an ambitious reform programme represents a significant challenge and requires the Department's senior leaders to set out clearly how they see the Department, its agencies and partners working effectively together in an increasingly tight fiscal environment. This will also require the Department to consider how best to plan, resource and prioritise across its activities and to ensure that the balance is appropriate between policy development and delivery. In short, the Department will need to decide how best to invest in improving its performance and planning structure to continue to deliver, as well as supporting its workforce to achieve further improvements.

## **Managing the change in senior leadership and maximising the opportunities this opens up**

One of the Department's real strengths identified in this Review is the leadership provided by the current Permanent Secretary and the Director General cohort, through the passion, pace and drive which they inspire across the Department and the wider system. By the end of 2011, the make-up of Department's senior leadership will have changed significantly and this poses a risk to the Department's future leadership capability. The review has also identified that there are, from middle to senior managers in the Department<sup>11</sup>, some very strong leaders in post but that there are issues around the consistency of leadership behaviour within the Department. Not all leaders will be the same in terms of their behaviour but it would be helpful for the Department to identify behaviours which are expected from leaders at all levels going forward for which they can be held accountable. This report recommends that this theme is addressed in greater detail in a full Capability Review at the appropriate time.

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<sup>11</sup> From Grade 7 to Director level.



## 2. Interim Assessment of Capability and Areas for Development

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The themes emerging from this interim assessment of capability for the Department will need to be examined in closer detail once the changes to the Department's operating model have been completed and the new structures have bedded-in. However, in the short-term, this review will help the incoming leadership of the Department to identify those areas which offer the greatest opportunity for improvement in the next year in the first instance and allow them to take action to improve performance quickly.




**Leadership:** Leadership in the Department is generally rated highly by both staff and external stakeholders. The senior leadership of the Department will be changing substantially over the coming months and this is a risk which the Department's remaining and new leadership must address proactively. The Department is well placed to respond with a very capable set of leaders at Director-level and below and it will be important to ensure that this strong foundation is built upon to enable a cohesive leadership team to be put in place as quickly as possible.





**Strategy:** The Department has adapted well, albeit more slowly in some areas than others, to a new set of Ministerial priorities. It is now clear about the strategic direction across its policy remit, although leaders still need to define a cross-Department narrative on what success looks like. The use of evidence and analysis is strong and these skills should be used going forward to identify appropriate measures of success for the Department. However, the way in which stakeholder and customer perspectives are used to influence policy, planning and how policies will be delivered, is not always consistent. Changing relationships with both the education sector and children's services mean the Department now needs to articulate clearly how it will build a sense of common purpose with its partners going forward and manage expectations accordingly.

**Delivery:** This is the component of the capability model which offers the greatest opportunity for improving the consistency of Departmental performance and to continue to change the Department's culture. The Department is increasingly working on supporting delivery and has radically changed its focus since the formation of the Coalition Government, implementing a substantial reform programme at pace. However, the majority of delivery in education and children's services will still be achieved through our numerous partners rather than by the Department directly. The Department encourages and empowers staff to be innovative within the fiscal and policy framework. However, the Department needs to do more to establish firm standards for prioritisation, planning and understanding the implications for roles and responsibilities within the Department and for delivery partners going forward as it moves into the next stage of reform. It will be important for each element of the Department to understand what role they should be playing in the delivery of education and children's services and, where uncertainty exists, acknowledge this to partners.

## 2. Interim Assessment of Capability and Areas for Development

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

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

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

## 2. Interim Assessment of Capability and Areas for Development

### Leadership

**Leadership in the Department is generally rated highly by both staff and external stakeholders. The senior leadership of the Department will be changing substantially over the coming months and this is a risk which the Department's remaining and new leadership must address proactively. The Department is well placed to respond with a very capable set of leaders at Director-level and below and it will be important to ensure that this strong foundation is built upon to enable a cohesive leadership team to be put in place as quickly as possible**

The Permanent Secretary and the Board have set out a clear direction for the whole Department to deliver the Government's education priorities. In individual policy areas, such as Academies and Free Schools, this focus was quicker to emerge than in other areas following the 2010 General Election and a quick start to implementation was made possible by the Board and Ministers taking tough decisions on other areas of Departmental activities. Through its direction on flagship policies, the Board and the wider Departmental leadership, has demonstrated a clear commitment to continuous improvement of delivery outcomes. It is clear that the Permanent Secretary and the Director General cohort are well respected and foster ambition, integrity, passion, pace and confidence in the Department and its stakeholders. The strength and commitment of the Department's staff are a key asset and its leaders, at every level, have been successful at motivating staff to drive through an enormous amount of change at a rapid pace since May 2010. **It will be important for the Department's leadership to build on the work which has already taken place to articulate its vision, aims and objectives to ensure that they are appropriate for the Department in its new shape once the four executive agencies have been established and remain so. Consideration should be given to how the non-executive board members might support the work of the EMB more effectively through increased visibility across the Department.**

The Department enters a period of leadership uncertainty in late 2011 with the departure of the Permanent Secretary and other members of EMB. This is coupled with consideration being given to changes to the future operating model of the Department as it prepares for the integration of four executive agencies in April 2012. The resulting degree of change means the interim EMB, and the Departmental Board, will need to manage the transition to its new leadership team carefully. There is consensus among both staff and stakeholders that internal and external communications from senior leaders were strong in the run-up to and immediately after the election, but that in the subsequent 18 months communication from senior leaders has been less consistent. **The Department should ensure that frequent communication is in place to all staff during the coming period of change, setting out timescales and processes to ensure transparency and clear leadership during this period.**

It is clear that staff within the Department are knowledgeable, flexible, passionate, enthusiastic and have significant potential to develop the new skills required to deliver the reform agenda where they do not already have them. Departmental staff believe, on balance, that the approach to talent management is appropriate. The challenge will be to maintain that in the face of falling training budgets. **It will be important to ensure that the Department is clear what skills will be required going forward<sup>12</sup> and that staff receive the right type of support to develop the most appropriate mix of skills to deliver the Department's vision and reform agenda.**

The Department has a well-established performance management system in place across the organisation and clear procedures for managing poor performance. However, the Department could improve the level of support it offers managers during performance procedures to ensure a more robust approach is taken. The Department has a number of high performing staff below Senior Civil Service level. The Department, like all Departments in the current fiscal climate, is in a period of pay restraint. **Within this context the**

<sup>12</sup> For example, greater commercialism; how to support Academies and Free Schools effectively around legal and property issues or varied styles of leadership.



## 2. Interim Assessment of Capability and Areas for Development

Department should examine its approach to reward, incentives and role content within grade once the future operating model has been agreed. This will ensure that it is continuing to deliver efficiency and value for money and to ensure all staff have challenging, stretching but rewarding roles and the ability to progress and develop.

This component of the Department's capability will be a key theme for a full Capability Review once the new senior leadership team is in place and the Department's future operating model has been established.

### Strategy

The Department has adapted well, albeit more slowly in some areas than others, to a new set of Ministerial priorities. It is now clear about the strategic direction across its policy remit, although leaders still need to define a cross-Department narrative on what success looks like. The use of evidence and analysis is strong and these skills should be used going forward to identify appropriate measures of success for the Department. However, the way in which stakeholder and customer perspectives are used to influence policy, planning and how policies will be delivered, is not always consistent. Changing relationships with both the education sector and children's services mean the Department now needs to articulate clearly how it will build a sense of common purpose with its partners going forward and manage expectations accordingly.

The Department has adapted well to a new set of Ministerial priorities, and staff understand and are focused on delivering the outcomes sought in a number of key individual policy areas. It has taken more time than envisaged to define and articulate the Department's ambition across its entire policy remit. However, the recent publication of an overarching vision statement, with a supporting framework of aims and objectives, has helped clarify for staff the full set of priorities for schools as well as the children, young people and families sectors. **The Department's leaders now need to build on this momentum by developing a narrative which clearly defines success for the whole organisation, as well as in individual policy areas.**

The use of evidence is a strength. The Department has built a talented cadre of analysts and officials who continue to become more sophisticated in their understanding and use of evidence. Staff dedication means there are numerous examples of excellent knowledge across the Department, with officials having a detailed grasp of the evidence which underpins their policy area. All of this ensures that decisions are informed by a robust consideration of the evidence, and both officials and stakeholders identified a number of examples where this was the case. However, some external partners expressed the wish that the evidence which had led to certain decisions should be made more transparent to those outside the organisation. **The Department will need to explore ways to ensure that insight and expertise is retained and shared through more effective knowledge management.**

Staff are keen, where possible and appropriate within the political landscape, to build effective working relationships with colleagues across Government. In addition, the Department has actively sought out the views and expertise of those using and working within the education system and children's services to help shape a number of its key policies and implementation plans. However, this engagement may not always happen early enough from the point of view of our partners to allow them to influence development fully and we need to be clearer where decisions are taken, where accountability lies and who has responsibility should there be issues going forward. It needs to be embedded in the Government's overall approach to public service reform, which emphasises devolved decision-making and more local accountability. This has signalled a shift in the Department's relationships with schools and local authorities in particular. The Department is working hard with Ministers to fully understand the implications of this new approach on our

## 2. Interim Assessment of Capability and Areas for Development

relationships with a range of partners, and to reframe relationships where necessary. **Looking forward, the Department will need to clarify its external relationships and, where appropriate, will engage partners, customers and stakeholders at an early stage to build common purpose through the formation of policy and planning for its implementation.**

### Delivery

**This is the component of the capability model which offers the greatest opportunity for improving the consistency of Departmental performance and to continue to change the Department's culture. The Department is increasingly working on supporting delivery and has radically changed its focus since the formation of the Coalition Government, implementing a substantial reform programme at pace. However, the majority of delivery in education and children's services will still be achieved through our numerous partners rather than by the Department directly. The Department encourages and empowers staff to be innovative within the fiscal and policy framework. However, the Department needs to do more to establish firm standards for prioritisation, planning and understanding the implications for roles and responsibilities within the Department and for delivery partners going forward as it moves into the next stage of reform. It will be important for each component of the Department to understand what role they should be playing in the delivery of education and children's services and where uncertainty exists acknowledge this to partners.**

The Department encourages and empowers staff to innovate within a set of well-understood political and financial parameters and has adopted a less risk-averse approach to its business. There has been an increase in operational delivery through the Department's work on Academies and Free Schools, which balances out its more traditional policy development work.

contributed to a small number of high-profile mistakes which damaged the reputation of the Department and its Ministers. Senior leaders have recognised this and ensured that processes are in place to avoid a repeat of such errors. **The Department should continue to build and enforce robust quality assurance mechanisms, including making sure that planning processes and risk management procedures are in place for all projects.**

It is was found that the Department has responded well to change, and has demonstrated its ability to review, reprioritise and realign resources in line with objectives. However, there is clear scope to achieve this in a more systematic way across the organisation including moving staff in a more flexible and responsive manner in some instances. **The Department has already begun to strengthen its approach to workforce planning and delivery and should continue to build on this approach.**

There are a number of different business planning processes in place across the Department. The resulting variance of approach, including timescales for reporting, has meant that the Department, as a whole, has found it challenging to plan for the short, medium and long term. The Interim Assessment found evidence that, due to the dramatic pace of change, the Department has not necessarily consistently stopped to examine progress made, nor to assess whether it is taking the most cost effective approach to delivering Ministerial priorities. **The Department should ensure that one set of business planning tools are used across the organisation to ensure consistency of approach. In addition, the Department should ensure that planning is focused on achieving outcomes and improving delivery, and that the Department is not duplicating what our delivery partners should be achieving. In addition, it is important that processes in place within the executive agencies are aligned going forward.**



## 2. Interim Assessment of Capability and Areas for Development

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The Department has recognised this weakness, however, and has put in place new Governance arrangements, including the creation of the Performance Committee<sup>13</sup>, as a Departmental sub-board, to provide detailed challenge and scrutiny of the Department's performance. This focuses particularly on progress against plans and on assessing the impact of reform on the system as well as on outcomes for children and families. The Department's processes surrounding business planning and corporate performance management have improved significantly in the last year, especially in terms of availability of financial data and the scrutiny and challenge applied to it. The significant role played by the non-executive board members in achieving this has been recognised. **The impact of the Department's Performance Committee should continue to be strengthened. This can be achieved by further improving the level and consistency of timely performance information, focused on Ministerial priorities, provided to it by the Department. In addition, the Committee should be able, through this succinct information to focus on what success looks like for the Department and to monitor progress against these outcomes effectively. In particular, the Department needs to ensure that the inclusion of the executive agencies within this reporting structure is seamless.**

The Department has seen an increased focus on ownership and accountability, has improved governance arrangements within the Department and brought oversight of operational delivery closer to the Secretary of State. The Department is reforming its delivery model through the closure of 11 Arms Length Bodies and the formation of four delivery-focused executive agencies directly accountable to Ministers<sup>14</sup>. This move signifies a radical shift, with the changes designed to help the Department to improve the transparency, accountability and efficiency of the education system. The creation of a number of new executive agencies will contribute to the new delivery model, combining the traditional policy functions of the Department with the advisory and executive functions of its executive agencies. This is projected to reduce the administrative cost of the Departmental Group in line with the commitments set out in the Spending Review. However, in addition to clear benefits, the creation of the new Agencies also highlights the need for clarity over how the different members of the Departmental Group will work together in practice. **The Department should consider how the roles and responsibilities of the members of the Department for Education Group complement each other to avoid duplication of effort and more streamlined delivery. In addition, the Department should extend this consideration to how it supports the delivery of priorities through partners across education and children services.**

The focus on value for money has improved since 2010 and this has been balanced with political drivers well by the Department. The Department has achieved this through the introduction of the efficiency controls and the scrutiny of Departmental expenditure. The Spending Review process also contributed to a more rigorous approach where the Non-Executive Board Members challenged initial bids to ensure that resources were properly aligned to Departmental priorities. **The Department should continue to use the expertise of their non-executive board members to achieve the right balance of resources across Ministerial priorities.**

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<sup>13</sup> The Performance Committee is chaired by the Lead non executive board members, with members in the other Non Executive Directors, Permanent Secretary, Directors-General, and Director of Strategy and Performance.

<sup>14</sup> Following a review of the Department's 17 Arms Length Bodies, 11 of these have either been, or are in the process of being, closed with only four being retained (Ofsted, Ofqual, School Teachers Review Body and the Office of the Children's Commissioner.) The School Food Trust is being granted independent status and the future of the Children and Family Court Advice and Support Service (Cafcass) will be outlined in the Government's response to the Family Justice Review. The Standards and Testing Agency (STA), opened in October 2011 in preparation for the start of the 2012 National Curriculum test cycle in the autumn. The Education Funding Agency (EFA) will replace the Young People's Learning Agency (YPLA) and Partnerships for Schools (PfS) from April 2012, and be responsible for distributing funding for children and young people and capital colleges. The Teaching Agency (TA) will take on a number of functions from the Children's Workforce Development Council (CWDC), Training and Development Agency for Schools (TDA) and General Teaching Council for England (GTCE) from April 2012, and focus on improving the recruitment, selection, and training of teachers and leaders, early years professionals and educational psychologists. The agency will also be responsible for the regulation of teachers. Support for exams officers will also transfer from QCDA to the TA, but sit within the Department from November 2011 until the TA is set up in 2012. The National College for School Leadership (NCSL) will change its status to become an Executive Agency from April 2012.

## 2. Interim Assessment of Capability and Areas for Development

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The Department has begun looking at a number of core processes, from how it manages correspondence to Academies conversion, to improve effectiveness and drive-out any inefficiencies. **The Department should continue this approach and it should be adopted more systematically across Departmental responsibilities.**

### Next steps

This interim assessment has identified areas for development which the Department should focus upon over the next year as the Department change programme is completed and the new leadership team is put in place. It will be for a full Capability Review to assess the impact of these recommendations and to build upon this interim assessment.

The new leadership team, once in place, should determine the delivery timescale for each of the areas highlighted in the section above and should take responsibility for implementation plans, and for communicating progress across the Department ahead of the full Capability Review.

# 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 and 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?

## 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

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 <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>

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