

**Department of Health
Capability Action Plan 2011-2012**

Foreword



Una O'Brien, Department of Health Permanent Secretary

The Department of Health has evident strengths. It comprises excellent civil servants and first class secondees from the NHS, government and elsewhere. We are an agile and responsive organisation known for our strengths in delivery and our ability to tackle and deal with complex problems as they arise.

Yet the Department of Health faces unprecedented challenges. People in England are living longer, but too many suffer from long-term conditions that diminish their sense of well-being and capacity to live life to the full. And it is well known that diseases of over-consumption – linked to food and alcohol – are leading to avoidable illness and negative consequences for individuals, families and communities. The scale of these challenges is growing.

Nationally, we are fortunate to have well developed services that care for people – the NHS, social care, and public health – but in order to cope with the impact of demand and rising public expectations for better quality, all three will need to change substantially in the coming years. The Department has a critical role in shaping and enabling that change.

The scale of these challenges is profoundly sharpened by the current economic climate. It does not feel conducive to change, yet paradoxically, now that we know tough times will last for some years to come, change and innovation need to accelerate more than ever. This calls for leadership. Leadership that articulates why change is necessary, brings people together around a common purpose, and enables and empowers people to act. For it is only by working collaboratively across boundaries, seeking creative cost-effective solutions, and seeing through difficult decisions that we can hope to improve what we have and build a healthier society.

The Government's overall strategy for the health and care system is clear, with five clear and consistent objectives and a strong focus on achieving better outcomes for people. The Health and Social Care Bill heralds large scale change to the number, size and role of hundreds of organisations that enable the system to work effectively.

For DH, what makes this change different from those we have led before, is that we are directly affected. Functions will change, all jobs in the DH are affected, but about a third will either be moving or will not exist at the end of 2014. Our ability to lead and manage the transition and handle risks to delivery will be tested like never before.

Thus for the Department of Health, this Capability Review came at a significant time and a good time. It has provided an opportunity to reflect on the talent and skill within the department, and to re-calibrate these strengths against a much tougher climate and an exceptional set of challenges.

For all of these reasons, the scores in each category of capability in this review: Leadership, Strategy and Delivery, are deliberately demanding, and an honest assessment.

Since the first of our capability reviews in 2007, the Department has made significant improvements in the areas of policy and strategy, use of evidence and analysis, and relationships with stakeholders. These improvements were acknowledged in 2009 and have been sustained. But the scale of what is required of the department now and in the future

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has shifted and we have to re-set the bar on the improvement challenge. We cannot afford to stand still.

That is why the Action Plan highlights three arenas for improvement:

Building common purpose and sustaining a strong sense of ownership of the change agenda: staff and stakeholders are looking to the Department to communicate the vision and the practical operating arrangements for the reformed system, clearly, regularly and effectively. Trust and confidence are vital to success and much more work on this front will be needed. The pause to the legislation last year showed what can happen when we travel too fast; but we now have strong models of engagement and new communications leadership, both of which will help to improve this area.

Work differently to achieve more: the Department will still hold ultimate accountability for the outcomes and impact of the health and care system, but will have fewer levers to direct or manage performance. Instead, the DH will have to become much better at understanding what patients and the public want and need; assessing the challenges to the nation's health and advising Ministers on priorities and options; and ensuring that the new health and care system is set stretching objectives, is accountable and delivering better value for money and outcomes for citizens.

The right people, in the right place, with the right skills: the size of the Department is reducing, thus the range and depth of the skills people bring will matter more than ever. Traditional civil service skills of analysis, problem solving and policy advice will still matter, but new skills will be as important, not least the ability to influence, to get things done with and through others, to build alliances and lead by example. Further, the Department will have to be stronger in the skills of assessing performance and holding to account. While we are working to build the relevant skills for the new system, we need to spend more effort to articulate what this means for individual members of staff, explaining how the Department will comprehensively develop them, whilst retaining talent and enabling people to gain experience of the frontline and of other organisations in the system.

Any job that involves supporting people's health and care is energising and purposeful, yet at the same time involves a deep sense of obligation and responsibility. This is what keeps us going. I know the challenge ahead is formidable, but we have excellent levels of expertise, enthusiasm and commitment in the Department and those strengths will help us to deliver the world class results we seek. As our action plan highlights, we are setting out to tackle this ambitious agenda with clarity of purpose and determination.



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Dr Catherine Bell, Non-Executive Member of the Departmental Board

As Non-Executive members of the Board, our role in the Capability Review process, undertaken during 2011, was to ensure that the self-assessment has been objective and balanced and to provide constructive challenge. We have worked closely with the Department to develop a robust report that highlights the key areas where the Department is strong, and where it needs to improve.

The Capability Review has sharpened the Board's focus on the Department's future role. It has helped to identify areas of best practice, highlight major challenges, and order priorities as the Department builds common purpose across the health and social care system. The objective is to sustain a first-class Department while executing the Government's wide-ranging reforms.

We are confident that the highly capable staff that we have met throughout the Department will tackle its ambitious agenda with determination. We will therefore continue to take a very close interest in building capability as the Board holds the senior executives to account for delivering the Action Plan.

A handwritten signature in black ink that reads "Catherine Bell". The signature is written in a cursive, flowing style.

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1. Challenges for the Department

The Department of Health (DH) has a clear role: to advise ministers in setting policy, legislation and resources for the health and care system and to ensure this activity results in the best possible health and care outcomes for the people of England. But the way this role is discharged is changing. The Government's modernisation programme and the Health and Social Care Bill reforms mean change for DH as well as for the wider system.

In the future, DH will have a bigger role in protecting and promoting good health and by contrast, less of a role on the operational side of the NHS, a job due to be delegated principally to the NHS Commissioning Board (NHSCB) and local Clinical Commissioning Groups (CCGs). It will though retain firm strategic oversight of the entire system, and will need to be very good at holding it to account.

The Department has three fundamental challenges: to deliver on 'business as usual' during the transition (until at least 2014); to complete design of the new system; and to implement the transition, including change to the Department itself.

The Department

The Department of Health currently combines its role as a Department of State with the headquarters of the NHS and strategic leadership for public health and adult social care. The sector represents about 15% of GDP. The NHS is the biggest employer in Europe with 1.4 million staff and a total budget of £101.9 billion (in 2010/11). DH leads on strategy for adult social care, although delivery responsibility rests with local authorities. Around 1.5 million people work in the adult social care sector, mostly within 30,000 private and voluntary providers of domiciliary and residential care. DH is also the lead department for protecting and promoting public health, an activity delivered currently through both the NHS and the Health Protection Agency. In addition, the Department is one of the busiest in Whitehall, handling annually over 78,000 items of correspondence, answering over 6,000 parliamentary questions and responding to around 2,000 Freedom of Information Act requests.

The Department employs 2,350 permanent staff (full time equivalent), most of whom are based in either Leeds or London.

Progress to Date

The Department has made significant progress since its first capability review. A wide-ranging Development Plan put in place in 2007 focused on improving leadership, direction and policy capability. The 2009 Capability re-Review highlighted the scale and breadth of improvement in the Department's capabilities over the two years, underlined by improved staff morale, improved relationships with stakeholders, an NHS in robust financial health, and a further strengthening of an already good track record on delivery and a significant step change in policy skills. This capability review builds on that progress.

1. Challenges for the Department

The national challenge

The Department of Health, its Arm's Length Bodies (ALBs) and the health and care system as a whole face unprecedented challenges. Demand for NHS and social care services is increasing as the population ages and long-term conditions become more common. The scale of these challenges is profoundly sharpened by the current economic climate. Whilst recent progress in healthcare has been made alongside growing budgets, doing the same things in the same ways is no longer affordable. More needs to be done, working with local government and others, to prevent dependency and illness and get better value for money: obesity already costs the NHS £4 billion a year and this is set to rise to £6.3 billion within four years. The cost of medicines has been growing on average by nearly £600 million a year.

There also remains variation in the quality of health care across the country with the chances of diagnosis and survival varying depending where treatment is provided. The experience of care for many patients remains fragmented between different parts of the health service and between the NHS and social care.

Business as usual

As the Department transforms itself and leads the transition of the system, it must deliver on and manage risks to its 'business as usual', maintaining focus on the here and now. The Department continues to face the daily responsibility of supporting ministers and their priorities, ensuring that business-critical activities are managed effectively, that operational and financial performance is sustained across the NHS delivery landscape, that high quality services are safeguarded, and that local authorities deliver successful outcomes through social care services. Staff continue to design and implement policies to secure improvement in quality and outcomes for patients, service users and carers, whilst working in a tough financial climate and as the Department itself substantially reduces its own costs and size.

Common purpose and a clear direction for the future

The Government's overall strategy for the transition and transformation of the health and care system is clear, with five clear and consistent objectives and a strong focus on achieving better outcomes for people:

- creating a patient-led NHS
- promoting better health outcomes
- creating a more autonomous and accountable system
- promoting improvement in public health
- reforming social care.

In January 2011, the Government introduced to Parliament the Health and Social Care Bill. Its provisions are a crucial part of the Government's vision to modernise the NHS so that it is built around patients, led by health professionals and focused on delivering world-class healthcare outcomes. The Bill contains provisions covering five themes:

- strengthening commissioning of NHS services
- increasing democratic accountability and public voice
- liberating provision of NHS services
- strengthening public health services
- reforming health and care arm's-length bodies.

1. Challenges for the Department

The Department will drive the strategic approach to how the NHS, public health and social care will work together in practical ways in the devolved system, as well as setting out the balance between the role of Government and the role of business, promoting health as a key sector in the growth agenda.

Getting the best value out of the reforms will require the Department to change its internal cultures and behaviours. The new levers for change in the NHS will need to be understood, and the Department will need to adjust. It will need to be more strategic over broader time horizons, and by contrast be less operational and reactive to day-to-day events. Health policy will need to be looked at more in the round as key players such as local authorities, as well as new partners work strategically with the DH to enhance and maintain population health and to prevent ill-health, focusing more on 'the life course'.

The DH will need to ensure that organisations – particularly the NHS Commissioning Board, NICE, Monitor, CQC and Health Education England – can and do work together constructively, rooted in a common purpose of ensuring the best possible health and care outcomes. And DH will need to make very firm and sustained improvements to its model of ALB sponsorship so that performance reporting and value for money are more to the fore. All this must be done whilst tackling the challenge of securing the wider public trust and confidence so vital to success.

Leading and managing the transition

2012/13 will be a key year for the Department in articulating and delivering the vision for the future. It will be required to lead significant operational change across the whole system architecture to enable long-term financial savings for the NHS: over £5 billion by 2014/15 and then £1.7 billion every year after that. In 2012/13, the Department will work through SHA clusters to hold PCT clusters to account for delivery of the requirements set out in the NHS Operating Framework. Subject to Parliamentary approval, the NHSCB will take on its role in stages from summer 2012 with its full range of responsibilities due to come into effect from April 2013. These changes will devolve operational responsibility for the NHS, meaning the Department will focus on strategic issues for the NHS and increasingly on the public's health, alongside responsibility for adult social care.

The NHS Commissioning Board will provide national leadership across the country to improve quality of care for patients, and ensure a consistent delivery of outcomes. It will support and enable CCGs as well as directly commissioning specialised services.

Alongside this, developments will continue to the provider landscape, through the extension of Any Qualified Provider, and to the NHS Foundation Trust pipeline, including through the establishment of the new NHS Trust Development Authority.

A dedicated new public health service - Public Health England (PHE) - will be set up, taking on the functions of the Health Protection Agency; the National Treatment Agency for Substance Misuse; public health and intelligence functions; and national commissioning of health promotion and improvement campaigns.

Adult social care will be reformed with a White Paper in 2012 and legislation thereafter, placing the system on a modern statutory footing, with the reformed system enabling people to be treated with dignity and respect, providing much more control to individuals and their carers, and being more sustainable.




2. Assessment of Capability

The Department continues to sustain successful operational and financial performance, building on a proven track record of good delivery. In the future, the success of the system-wide reforms and the effectiveness of DH's new role will depend on it building and sustaining a strong sense of common purpose and collective leadership to ensure better health outcomes for people.




Since the last Capability Review, the Department's skills, resources and capabilities have been sustained or improved. However, the scale of the challenge facing the Department has increased substantially, highlighting areas for development.

The scores provided reflect the scale of the challenge ahead, rather than the capability of the Department to meet that challenge. This will enable DH to focus on those areas of most importance. Since the last review in 2009 the 'amber' rating has been removed from the criteria (see Annex B).





Leadership

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

Strategy

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

Delivery

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

3. Capability Action Plan: Findings

The model of capability was designed specifically for the Capability Reviews. The model is deliberately selective and designed to focus on the most crucial areas of capability – leadership, strategy and delivery. The model enables judgements to be made against ten elements across leadership, strategy and delivery, using an underlying group of questions.

The review was carried out during 2011 by the Department's own Capability Review Team, which has systematically collated and analysed data and evidence from staff, stakeholders from across the health and care system and from other government departments. Below is a summary of the key findings from the 2011 review.

Leadership

The Department has clearly articulated its purpose, role and senior structure in the new system...

- The Government has set out a high-level vision for how it wishes the Department of Health to be different in the future. In essence a department with a more balanced portfolio between the NHS, social care and public health, with a higher profile for public health and a reformed social care system. It is working towards being more able to make strategic choices, set priorities for the medium term and hold delivery partners to account.
- The Permanent Secretary is visibly leading the translation of this vision into transformation activity and has established a transformation programme to drive, coordinate and implement change within the Department.
- A new senior structure has been agreed; a new Chief Medical Officer was appointed last year, a new Director of Communications in the autumn and the appointment of three Directors General within the new structure has recently been announced.
- DH has put in place a strengthened Departmental Board comprising Ministers, five non-executive directors of whom four are new, and the five leading executive civil servants.
- The Department has an enduring purpose: *better health and wellbeing, better care and better value*, and widely recognised corporate values: *valuing people, purpose, working together and accountability*, and is using these to enable staff to build a bridge between the old and the new.
- The 'pause' in the Health and Social Care Bill and subsequent listening exercise led by the NHS Future Forum shows the Department reacts well to events and is able to adjust to changing circumstances.
- The SCS and wider departmental staff are engaged in discussions about how the organisation is changing and opportunities for working in different ways (for example organising policy work around the human health 'life course' as well as around the known delivery chains).
- The Department is continuing to develop its comprehensive learning and development offer for all grades. It is also being innovative and preparing for the future, by co-developing with Imperial College a tailored Masters degree in health policy. The first cohort started in November 2011 and the second will begin a year later.

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- The Department's health and wellbeing strategy for 2011-15 is designed to inspire, encourage and support staff and has placed emphasis on emotional and mental well-being. The staff engagement index has remained stable at 53% (October 2011) despite being in a period of significant flux.
- The Department is working to connect better to local communities, for example organising volunteering on an individual and team basis. It is also expanding its 'Building Bridges' Programme (which creates links between the Department and local schools) to engage young people in the work of the Department and Government.
- In 2010, the Cabinet Office ranked DH as one of the top four departments for diversity. In October 2010, the Department entered into a voluntary 18 month Framework Agreement with the Equality and Human Rights Commission to demonstrate DH compliance with its equality duties. DH again significantly improved its ranking in the 'Top 100' employers in the Stonewall Workplace Equality Index.

...but there is more to do to articulate and implement the changed role of the Department, to engage staff in what it means for them, and to develop the skills and capabilities needed for the Department to be effective in future.

- The Department carries a deep responsibility to better communicate and explain how the reformed health and care system will work and how the Department itself will relate to the system, and to test the effectiveness of this activity.
- Staff are looking for clear and sustained communication and engagement of the detail of the new organisational structures how and when function transfers will take place.
- While previous capability reviews have shown improvement in managing change, the 2011 Civil Service People Survey results and the mid-year Pulse Survey suggest that while staff understand the reasons behind change they are less confident in how change is being managed.
- Given the scale and pace of the reforms, further work is needed to secure the resilience and morale of staff, ensuring current activity around engagement is continued and improved.
- The Department has more work to do to clarify and communicate what capabilities, skills and behaviours will be required of staff in the future, and help them to achieve these. In particular, skills in achieving change through partnership; influencing and engaging; and in holding to account.
- In order to meet the challenges of the future, the Department should continue to develop mechanisms like the 'project bank' to enable staff skills to be flexibly deployed.
- The Department recognises that further work is needed to tackle poor staff performance and continues to work with the Cabinet Office to introduce more effective policies to assist in this.
- As the Department refreshes its equality objectives it should enforce its bullying and harassment procedures where appropriate, to ensure that the Department remains a safe place for staff to challenge decisions.
- As the Department takes on roles and responsibilities from the Appointment's Commission, it will need to ensure it appoints people from a diverse range of backgrounds, and who are able to be effective in carrying out their corporate responsibilities.
- In designing the new system and managing the transition, DH will ensure that equality is embedded into the new structures and delivery frameworks.

3. Capability Action Plan: Findings

Strategy

The Department continues to work well with its stakeholders, setting a clear strategy for modernising the health and care system...

- The Department has made significant progress in setting clear strategies. For the first time, the Department and health and care systems have a clear focus on outcomes based approaches, with three cross-cutting frameworks, one each for public health, adult social care and the NHS.
- The Department has put “improving the quality of life for the people of England” at the heart of everything it does. Its 2011-15 Business Plan includes 13 indicators measuring the impact on people’s health. The plan and regular reporting on progress are available to the public on the DH website.
- Senior leaders across the Department are visible and outward looking. The Future Forum was well received and demonstrated a model for future engagement, demonstrated in “Caring for Our Future”. Feedback from stakeholders is that DH is making strides in getting the mix of access and engagement right, agreeing that DH “is a good organisation to do business with” and that “DH involves them in policies/strategies”.
- The Department has a well established Policy Research Programme with the primary objective of assisting the Department in formulating, developing or evaluating policy by providing evidence to inform development and implementation. It will continue to evaluate existing or experimental policies and commission research evidence for policy making over the longer term.
- Directors General continue to have personal responsibility for managing relationships with named corporate partners and the Department is establishing a new post of Director General with responsibility for overall strategy for external relations.
- The Department is improving its performance in working with other government departments in cross-cutting initiatives with stakeholders recognising the collaborative approach driven by the Permanent Secretary, NHS Chief Executive and senior team.
- The Department takes its accountability and democratic functions seriously, including those that support positive engagement, such as timely response to Parliamentary Questions and to correspondence, consistently ranking as one of the busiest and best performers in Whitehall.

...but the success of the reforms will depend on it building common purpose and sustaining a strong sense of ownership of the change agenda.

- Whilst the clear focus on outcomes has been widely welcomed, there is a need for the Outcomes Frameworks to mature and embed into the various systems.
- External stakeholders are unclear as to how and when the new policies will translate into practical change. The Department needs to articulate clearly and set the leadership expectations of how DH and its ALBs and partners, such as Public Health England and Local Authorities, will work together in the devolved system.
- Some issues, such as education and training, are still to be resolved, with uncertain consequences for the overall health landscape. This state of considerable flux is causing concern, as well as limiting stakeholders’ ability to plan for the new paradigm.

3. Capability Action Plan: Findings

- Stakeholders feel the Department has further to go in improving its engagement by offering more opportunity for feedback and ‘two-way’ relationships, engaging at the right time and promoting more co-creation and collaboration.
- There remains a challenge for the Department to break down internal barriers as it can be difficult to navigate for those outside, particularly on cross-cutting issues. Stakeholders are keen to spread good practice and joined-up working across the Department, and other government departments want to work with DH to build on its improved joint working.
- The Department should spend more time evaluating previous work and disseminating best practice throughout the Department, with a stronger focus on Programme and Project Management, including recruiting senior staff with PPM skills.
- The Department should improve its strategic role and better understand the financial and economic landscape by involving specialists in industry and improving its commercial knowledge.

Delivery

Known for its strengths in delivery, the Department is adjusting priorities to deliver ‘business as usual’ and therefore approaches the changing delivery landscape from a position of strength...

- The Department’s strategic priorities are translated systematically into annual priorities via the Operating & Outcomes Frameworks, agreements with ALBs and, within DH, the central budget-setting and business planning process.
- The Department maintains constructive working relationships with its ALBs and has clear channels of communication.
- The Departmental Board comprehensively reviews performance reporting and monitoring of progress against Government commitments and corporate priorities for health and care.
- The Department has comprehensive, timely and accurate information on NHS finance and activity, enabling performance on access to the NHS to be closely tracked.
- The Department acted early to identify the scale of the efficiency requirement in the NHS; it is leading the Quality, Innovation, Productivity and Prevention (QIPP) challenge, intended to secure £15-£20 billion worth of savings in the NHS by 2014-15, through reforming NHS operations and designing and delivering better services. It also anticipated pressure on social care, delivering an additional £2 billion per annum for Social Care, including £1 billion of support from the NHS over the current Spending Review period.
- Within the Department, back office functions, central budgets and non-essential work have been scaled back, giving priority to the front-line. A significant reduction in non-permanent staff has been successfully delivered.
- The NHS Chief Executive has conducted an innovation review, looking to accelerate the spread of innovation in the modernised NHS.
- The Department won two Civil Service Awards (2011) for the “Use of Evidence” and “Collaboration”, demonstrating innovative approaches in policy making, and reflecting a culture of innovative solutions to difficult problems.

3. Capability Action Plan: Findings

- The Department has marshalled a wide range of systems and capability to guide and structure the Transition Programme. There is a single integrated programme office for all aspects of the transition (NHS, public health, social care and DH) that focuses on planning, risk and assurance. Roles and responsibilities are clear and governance embedded in mainstream business activity. Decisive action has been taken to manage risk (such as the move to SHA and PCT clusters).

...but as existing and clearly understood delivery roles change and are replaced, the Department will need to be highly proactive in clarifying new roles and ensuring these are well understood.

- The pace and scale of change means that organisational and delivery models are being developed as legislation is going through Parliament, and they therefore carry some uncertainty and may be subject to change. That said, the Department will need pace, clarity and consistent communication to explain how the new system will work and agility to adapt as necessary.
- There is a need for the Department to remake and refashion its relationship model with its ALBs, ensuring greater transparency and value for money is embedded in the new architecture.
- Below the formal structures there is uncertainty about how the informal relationships and processes will work in the new system and there is a need within DH for practical and cultural change in the way staff work with ALBs.
- The Department needs to improve how it tracks performance in social care and public health, and address gaps in information and timeliness, recognising the implications of, and learning from, different accountabilities in local government.
- While the Department has taken great strides in innovation across all three delivery areas, further work is needed to embed innovative capability amongst staff and to ensure that innovative approaches, such as telecare, personal budgets and payment by results are built upon.
- There is still further work to be done to ensure that a culture of financial management and governance compliance within the DH is truly embedded throughout the organisation.
- There is a clear challenge for the Department to ensure that its capabilities to plan, resource and prioritise are as robust for public health and social care as they are for the NHS, whilst recognising the implications of different accountabilities in local government.
- The Department can go further in emphasising personal responsibility and greater accountability of all staff for making decisions and for subsequent outcomes.
- DH can go further in recognising and stimulating the role that health can play in the wider growth agenda.
- More attention is needed to simplify procurement arrangements, which can often be complex and time consuming, particularly for voluntary sector partners.

4. Capability Action Plan: Next Steps

Departmental Action Plan

These are the key actions identified to address the issues identified in the review process and improve the rating assessments. Although they will help deliver the Department's transformation and transition, they do not represent all the required actions – whether planned or underway – to deliver change.

The Action Plan is divided into three key themes, with each one containing three or more objectives: **Building common purpose; Working differently to achieve more; Right people, right place, right skills**

These are the five key priorities – and the actions to deliver these are set out on the following pages – for the Department to take forward in order to ensure it has the capability and capacity to meet the challenges of the future:

Achieving a joint understanding – we will set out a clear direction and focus across all health and care arenas, and set out the joint purpose and direction of the main health bodies.

Communicate and engage clearly regularly and effectively – we will facilitate the widest possible understanding of the reforms.

Spread innovation throughout the Department – we will do this through clearly articulating the Department's overarching approach to research, evidence and innovation

Help everyone to achieve their potential – we will accelerate the development of a highly motivated workforce and focus on embedding a new Programme and Project Management approach














Establish flexible resources to meet need – through delivering a new Project Bank and establishing flexible analytical services

Approach to capability management



Many of the actions necessary to improve the Department's capability are inextricably linked to its transition and transformation programmes. These programmes are well underway and the actions from this review are and will be reflected in these mainstream planning processes. The Capability Action Plan will also be embedded and mainstreamed into the Department's business plan for 2012/13. The Department will use the business plan and the transition and transformation programmes to take stock of progress. This will enable the Department to monitor progress against the capability review actions as well as measuring success in managing change. It will allow the Executive Team and Board to hold responsible Directors to account for progress and to judge if anything more needs to be done to guarantee success.

The Department will undertake a lessons learned exercise from this year's review to ensure that the process continues to be robust and effective, and to inform future capability reviews of the component parts of the future health landscape.







4. Capability Action Plan: Next Steps

Area for development	Action	Model Element	End Date
Building Common Purpose <i>We will work with our stakeholders, partners, staff and with others, taking them with us on our journey of transformation</i>			
1.1 Achieving a joint understanding	i. Set out clear direction and focus across all health and care arenas. Publish three cross-cutting outcomes frameworks (sets of measures that allow people to see how the health and care services are improving outcomes for patients and users of services), with overlapping outcomes measures to ensure integration		Jan 2012
	ii. Appoint the best people from a diverse range of backgrounds to our most senior roles (executive and non executive) in the Department and its Arm's Length Bodies, who perform to the highest standards in delivering their corporate responsibilities	 	Ongoing
	iii. Provide clarity and improve understanding of the new health system. Publish a narrative picture (system map) which sets out a short factual account of what each organisation does and how they all fit together for use by our staff, stakeholders and partners, building on the DH Accounting Officer System Statement (November 2011).	 	June 2012
	iv. Ensure the Department's Arm's Length Bodies are well placed to deliver their responsibilities to meet the challenges ahead with strengthened corporate governance across the system, supported by the effective relationships with the Department: i) Start a programme of performance and capability reviews on all ALBs, to identify gaps and build capability to deliver effectively ii) Establish a Centre of Excellence for Arm's Length Body Performance and Capability.		i) Dec 2011 ii) April 2012
	v. Set out the joint purpose and direction of the main health bodies. Publish a joint statement of intent from the chairs of the Department, Monitor, NICE, Care Quality Commission and the NHS Commissioning Board.	 	April 2012
	vi. Clarify the roles, responsibilities and vision for the transformed Department. Complete and communicate internally the DH Operating Model.	  	April 2013
1.2 External: Communicate and engage clearly regularly	i. Facilitate understanding of the reforms through better communication with our stakeholders and partners. Coordinate activity through our Stakeholder and Communications transition workstream, and use stakeholder	 	Ongoing







4. Capability Action Plan: Next Steps

<p>and effectively</p> <p>1.3 Internal: Improve staff engagement</p>	<p>and partner feedback to improve our work and products to assist them and their staff.</p> <p>ii. Drive improvements in cross-government working and develop greater understanding, stronger leadership and better exchange and dialogue. Interim Action: appoint a Director General for External Relations with responsibility for engagement and partnerships (will also have responsibility for health and care information and patient and public voice in order to help address gaps in data).</p> <p>i. Improve both our employee engagement index and our overall efficiency and effectiveness. Deliver the DH Transformation Programme, which includes a refresh of our values and behaviours and aims to make DH “a great place to work”. Within this, promote staff engagement to drive change and ensure wide staff representation in all projects, communicate and engage clearly and frequently to ensure our staff understand the strategic direction and how they can play their part.</p> <p>ii. Drive improvements in our capability to manage change. Complete our programme of Change Management training. The second phase is nearly complete and we will evaluate success and feed our findings into the final stage with a view to offering 15 workshops per quarter.</p>		<p>May 2012</p> <p>Ongoing: Review quarterly</p> <p>January 2013</p>
<p>Working differently to achieve more <i>We will encourage innovation in our Department, approaching problems differently and embedding sound financial and risk management to help us achieve our goals</i></p>			
<p>2.1 Improve the way we approach problems</p>	<p>i. Accelerate our understanding of industry and commercial issues. Work through the Policy and Delivery Board for Innovation and Growth to allow the Department to maximise its contribution to the Growth Agenda.</p> <p>ii. Increase our economic literacy and departmental capacity to understand the delivery markets for health, care and public health to extend intelligence of market providers, empower consumers, and build the capacity of commissioners. Interim action: Publish Care and Support White Paper April 2012 to include policy position on oversight of the social care market.</p> <p>iii. Work closely with the Department for Business, Innovation and Skills and HMT (Treasury) to consider the development of an appropriate continuity regime for large providers of social care.</p> <p>iv. Integrate worksteams and break down policy silos. Embed a new ‘life course approach’ throughout the Department’s policy teams using the Director General led transformation project. Interim action: Define scope and plan by of the transformation project by April 2012.</p>		<p>Ongoing Bi-monthly</p> <p>April 2012</p> <p>April 2012</p> <p>April 2013</p>

4. Capability Action Plan: Next Steps

<p>2.2 Spread innovation throughout the Department</p> <p>2.3 Embed sound financial management</p> <p>2.4 Reduce the cost of corporate support services in the Department and across our Arm's Length Bodies</p>	<p>v. Embed a forward looking, flexible and innovative culture for Public Health England that encourages new ways of tackling public health challenges, harnessing learning from different sectors and countries. Explicitly recognise this approach in the organisation's first business plan for 2012-13.</p> <p>i. Clearly articulate the Department's overarching approach to research, evidence and innovation in policy across social care, public health and health.</p> <p>i. Improve our capability to plan, prioritise and resource at the highest levels, across all three "pillars" of NHS, public health and social care. Interim action: adjust and simplify business planning process to deliver greater senior leadership and engagement, and to better enable strategic oversight, for example through directorate narratives.</p> <p>ii. Avoid risk of financial loss across the Department and our Arm's Length Bodies. Interim action: review our financial management arrangements, accountability and reporting within the department and the main financial systems.</p> <p>i. Extend collaborative working across the Department and its Arm's Length Bodies. Interim action: share and standardise common and back office services including estates, ICT, finance and procurement to reduce costs and improve efficiency and value for money.</p>	<p></p> <p></p> <p></p> <p></p>	<p>April 2013</p> <p>June 2012</p> <p>April 2012</p> <p>March 2013</p> <p>March 2013</p>
<p>Right people, right place, right skills <i>Our staff are our most important asset. We will help everyone achieve their potential; promoting flexible resourcing to meet business and staff development needs, challenging poor performance where necessary.</i></p>			
<p>3.1 Help everyone to achieve their potential</p>	<p>i. Embed a new Programme and Project Management approach, governance structure and capabilities to make sure we have the tools needed to manage our work, evaluate learning and spread best practice throughout the organisation.</p> <p>ii. Improve our staff's physical and emotional resilience and workplace environment. Building on our Health and Wellbeing work, offering a range of initiatives that promote emotional and physical wellbeing as well as practical workshops to support the wellbeing of staff during transition.</p>	<p></p> <p></p>	<p>April 2013</p> <p>Ongoing: Review quarterly</p>

4. Capability Action Plan: Next Steps

<p>3.2 Establish flexible resources to meet need</p> <p>3.3 Challenge poor performance</p>	<p>iii. Accelerate development of a highly motivated workforce with the new skills needed to deliver the Department's requirements and take on its new roles. Refresh our Learning and Development and our Talent Management strategies.</p>		<p>May 2012</p>
	<p>i. Deliver a new Project Bank to develop a flexible resource to deliver business critical roles within the Department to launch in January 2012.</p>		<p>Ongoing</p>
	<p>ii. Establish flexible analytical services across DH, the NHS Commissioning Board and other Arm's Length Bodies.</p>	 	<p>April 2013</p>
	<p>i. Deliver 'people skills' courses to equip managers with the tools and behaviours they need to manage staff.</p>		<p>Jan 2012</p>
	<p>ii. Improve the way we handle poor performance. Build on the learning from the introduction from April 2012 of the model from the Civil Service Employee Policy unit, introduce more effective HR policies on poor performance, based the CSEP model and on wider consultation.</p>		<p>Sept 2012</p>

Annex A: The model of capability



Annex A: The model of capability

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

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

D1: Innovate and improve delivery

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

D2: Plan, resource and prioritise

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





D3: Develop clear roles, responsibilities and delivery models

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

D4: Manage performance and value for money

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

Annex B: Assessment Criteria

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

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