

Capability Reviews

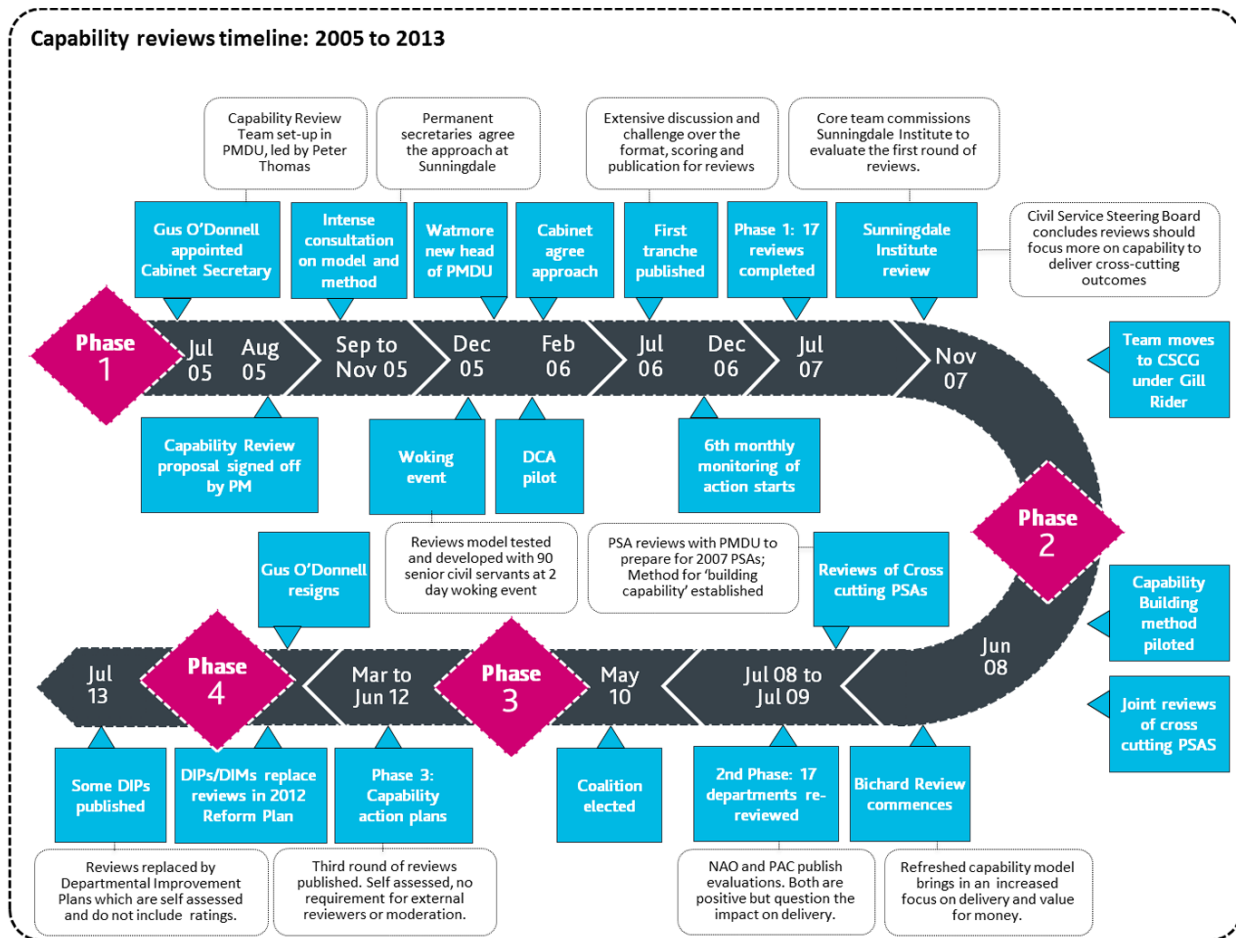


Nehal Panchamia and Peter Thomas

Capability Reviews

Capability Reviews were a direct consequence of the drive for delivery in Labour's second term. They were conceived by Gus O'Donnell as the way to hold departmental leaders to account for improving their departments' capability to deliver. The extensive process of engagement and operating model that underpinned the reform immediately gave it traction in Whitehall. However, the loss of key reform leaders and the failure to reinvent what was only ever designed as a time-limited intervention led to the eventual watering down of the reviews. All the most effective elements of the reform design were abandoned with the move to self-assessment and, later, departmental improvement planning.

Figure 1: Timeline of Capability Reviews, 2005 to 2012



Source: Institute for Government analysis

Phase 1: Birth of Capability Reviews (2005-07)

In June 2005, O'Donnell proposed the Capability Review programme to Tony Blair as part of his pitch for the role of Cabinet Secretary, explaining that he would 'do for departmental capability what [Blair] had done for delivery'.¹ As a result he had a specific mandate to deliver reform. This early prime-ministerial support gave O'Donnell authority, credibility and influence over his colleagues. He had a clear vision and initially suggested examining such things as IT and HR capability, but was open to other people's ideas.²

¹ O'Donnell, G., 'Transforming Departments' Capability to Deliver', Letter to Prime Minister, 27 July 2005.

² CSR, interview 4.

This interest in departmental capability had been growing for some time. New Labour's second term explicitly focused on delivery, epitomised by the establishment of the Prime Minister's Delivery Unit (in 2001) to drive progress against priority Public Service Agreement targets. Although PMDU had begun to embed a focus on delivery in selected departments, officials soon recognised that long-term public service reform could be achieved only if the capability of departments was strengthened. As Michael Barber put it, by 2005: 'We discovered that the departments were not really up to driving the kind of agenda that we were setting them. So we could help them deliver these outcomes, but for sustainable reform, we needed to strengthen the departments as institutions.'³ This priority was reinforced by a number of high-profile reports, including *Delivery and Reform* (2003) and *Delivery and Values* (2004).⁴

In line with this, O'Donnell proposed that the Capability Reviews would assess a department's capability to meet its *future* challenges. He would hold permanent secretaries personally accountable for building this capability, in the same way that PMDU held ministers to account for delivering key prime-ministerial priorities. O'Donnell emphasised that the reviews 'must generate compelling and comparable evidence about capability to deliver, which allows me to hold permanent secretaries to account for the capability of their department and monitor and challenge progress'.⁵

One month after O'Donnell proposed the reviews, a Capability Reviews Team was established in the PMDU, led by Peter Thomas, previously a director of performance development at the Audit Commission. Serious resources were committed to the programme – initially there were four directors and 10 deputy directors: 'If we are going to fail, it won't be because we [lacked] good people.'⁶ As with PMDU, there was a mix of career civil servants and those with experience from the wider public and private sector.

The team had experience of analogous programmes: running priority reviews for PSAs, and developing the best-value inspection methodology for local government, and the later Comprehensive Performance Assessments for local-government star ratings. They also developed and tested elements of what became the review methodology during a commissioned review of performance management at a major public institution. All of this learning was used to develop a model that combined what were seen as the most effective elements of each approach. As a result, there was a reorientation towards the areas eventually looked at (delivery, leadership and strategy) and functions such as IT were seen to be 'second-order'.⁷

This model linked the capability issue directly to the quality of leadership in each department – an approach that went beyond O'Donnell's initial vision and was seen as completely new to Whitehall. As one official put it: 'Whitehall hadn't been through anything like this before, and it hadn't really held up a mirror to itself in the same way.'⁸ O'Donnell was explicit about the personal and challenging nature of reviews:

'Leadership makes the difference ... This is not our comfort zone. We are going to have to say ... "so and so is not good enough" ... We have a tradition of not being honest ... we are willing to discuss anything rather than the person ... for me this is personal. Please concentrate on that.'⁹

In August 2005, the proposition was signed off by the Prime Minister.¹⁰ In September 2005, Jonathan Slater, then the co-leader of the development phase and the PMDU director covering health targets, presented the proposal to a group of permanent secretaries at the Sunningdale gathering, where they 'signed up'.¹¹

³ Kemplay, M., *Tony Blair Delivery Unit: Why did Tony Blair form the Prime Minister's Delivery Unit and was it successful in the years 2001-05?*, BA undergraduate thesis, p. 21.

⁴ Turnbull, A., 'The Balance of Power – Enabling Delivery and Reform of Public Services', 8 August 2003, retrieved 16 January 2014. <http://www.publicnet.co.uk/features/2003/08/08/the-balance-of-power-enabling-delivery-and-reform-of-public-services/>; HM Government, *Civil Service Reform: Delivery and Values*, February 2004.

⁵ Private document from CSR, interview 4.

⁶ CSR, interview 2.

⁷ Ibid.

⁸ CSR, interview 4.

⁹ PMDU, *Our Capability Reviews: Making them work*, presentation, 6-7 December 2005.

¹⁰ CSR, interview 2.

Engagement was designed into the reform process from the outset. This helped to ensure that the reform was described in a language many recognised, consistent with their experience of reflecting on successful delivery: ‘We wanted the design to engage a large number of senior civil servants as well as outside experts – so that they owned, understood and influenced the focus and method of the programme.’¹²

In the next two months, the project team conducted around 100 interviews and ran seven to eight workshop sessions with senior officials involved in delivery, to develop and test the capability model as well as to brainstorm ideas around the method and approach. The programme that was eventually established was therefore ‘stress-tested against a whole series of anxieties’, which was seen to lessen the scope for post-hoc criticism.¹³ As one official explained to us, these efforts to ‘persuade, coax and cajole’ were as important as the formal engagement processes as they ensured that everyone was on the same page and in agreement on the key principles.¹⁴

The intense phase of consultation and engagement culminated in a two-day event at Woking for 90 senior civil servants and a number of experts and outsiders with a perspective on reform and capability. Consultants from Cap Gemini used their ‘ASE’ methodology to plan and run this large co-designed event.¹⁵

‘We were conscious of deliberately setting up an encounter where we would share work in process – with the deliberate intention of having it broken down and rebuilt by one of the most critical and intelligent audiences you could gather. It was the most stressful two days of my career.’¹⁶

Disagreement focused on specific issues of implementation rather than the reform idea itself. The scores, in particular, were an issue of much contention, as were the concerns around Freedom of Information and the extent to which the detail underpinning the reports would be made public.¹⁷ A sub-group from Woking directly fed back the main conclusions to O’Donnell.

O’Donnell made extensive efforts to ameliorate the concerns officials had about the process, and quickly won the support of key permanent secretaries. He was able to do this partly because of his previous position as the Treasury Permanent Secretary and the personal relationships he had developed, but also because of his leadership style. He was seen as charismatic, highly committed and decisive, which helped to dissipate any initial scepticism officials had: ‘Everyone knew it was Gus’s big thing.’¹⁸

Essentially, these two factors – O’Donnell’s leadership style and the team’s engagement effort – were seen as particularly important in ensuring that there was agreement around the legitimacy and aims of the reform agenda, if not on the specific details.

Political ‘permission’ to do the reviews was also critical. There was understandably anxiety among some ministers that the reviews would be used to criticise them, rather than hold officials to account for capability in their department.¹⁹ Prime-ministerial support was crucial at this point and there was one lengthy cabinet discussion where Blair eventually lined up ministerial support behind the initiative. After this, Ian Watmore, who became head of PMDU in January 2006, had one-to-one meetings with key ministers who remained uncertain, to reassure them that the reviews would focus on civil service, not political, leadership.²⁰

¹¹ Ibid.

¹² Ibid.

¹³ CSR, interview 4.

¹⁴ Ibid.

¹⁵ The Accelerated Solutions Environment is a patented approach to collaboration and innovation with large groups, culminating in a one- to three-day event for around 100 people. It is regarded as one of the best-designed and most used methodologies in the market.

¹⁶ CSR, interview 2.

¹⁷ CSR, interview 4.

¹⁸ CSR, interview 2.

¹⁹ Private document; CSR, interview 2.

²⁰ CSR, interview 21.

Soon after, a decision was made to ‘take the politics out of it’ so that the reviews could not eventually be used as a tool by secretaries of state against their departments. This was crucial to the reform’s success – enough political support was won to get the programme up and running, but a conscious decision was made to de-politicise it to establish its credibility and independence.²¹

The first tranche of Capability Reviews began in March 2006. They addressed three broad areas of management capability: leadership, strategy and delivery. A review team was drawn from inside and outside Whitehall consisting of five senior people, including two director generals from other departments and three external members from the private, public and voluntary sectors. A former head-hunter, Esther Wallington, was used to recruit high-quality external reviewers such as Richard Baker of Virgin Active, Rob Whiteman, chief executive of the London Borough of Barking and Dagenham, and Amelia Fawcett, chairman of Pensions First. Each team was supported by two members of the central Capability Review Team, who ran the process and facilitated the review team’s analysis and conclusions.²²

The reviews drew on the evidence provided by the department as well as a combination of interviews and workshops held over a two- to three-week period. There was daily feedback to the department and regular discussions with the permanent secretary as the review progressed. On the basis of this evidence the review team produced a report scoring the department against each element of the capability model. An independent moderation panel was established to ensure consistency between the scores given to each department and to allow for comparison between them.²³

The reviews aimed to provide a shared diagnosis of the current situation and a sense of perspective on the challenge. However, it was not a technical review, but seen as a ‘hard-hitting, personal and emotional experience’.²⁴ The idea that someone else could ‘look in and make a judgement’ about the capability of a department and then crucially compare that judgement with its peers was ‘incredibly painful’.²⁵

Unsurprisingly, there was anger and resistance from some permanent secretaries around the scores they received and some challenged O’Donnell hard not to publish the findings of the first tranche of reviews.²⁶

The draft Department for Constitutional Affairs report was the means by which extensive debate over publication, format, scoring and tone of the report was conducted.

‘Publication was the ... big [problem]. There was what I call the Goldilocks problem; whatever you wrote was either too hot for some people, and for a different audience it was too cold. The first version of the DCA report was at the scalding end of too hot for DCA, and about right for our review team. By the time ... we finished ... it, the review team were a bit offside about it; they thought it was too soft and DCA still thought it was tough. I thought it was the right temperature. We got publication right in the end ... all the time external people were saying to me, “We thought this was going to be a whitewashing exercise and it wasn’t.” But we tried to highlight good things as well as bad.’²⁷

The Prime Minister’s support for publication was crucial in the end, but active efforts were made to connect with departmental concerns and persuade civil servants of the value of the reviews. This underlines the need to connect and build relationships throughout the reform process, rather than assume that once a ‘coalition for change’ has been built, it is done.

The values and ways of working underpinning the operating model were crucial to this endeavour. O’Donnell personally managed some of the difficult conversations and held management teams to account by chairing

²¹ CSR, interview 4.

²² CSR, interview 2.

²³ Ibid.

²⁴ Ibid.

²⁵ CSR, interview 3.

²⁶ CSR, interview 2.

²⁷ CSR, Interview 2.

the moderation panel and the stocktakes. The debriefing process was seen as an honest, hard-hitting dialogue between the Cabinet Secretary and the departments.

'I will use the reviews to expose the improvements needed, get the right people into the right senior posts to deliver the improvements, ensure they get the support they need, reward success and take tough action in response to failure.'²⁸

Gus O'Donnell, 2005

'[The reviews] forced us to address questions which we would otherwise evade, and they did that by getting right in there amongst staff and stakeholders, and showing us how others saw us ... it had the undeniability of powerful, individual, 360-degree feedback, and we recognised that we had to do something about it.'²⁹

Departmental board member

O'Donnell reinforced this in his annual performance reviews with permanent secretaries. This level of personal commitment was seen as critical to making permanent secretaries feel accountable.³⁰

During difficult periods, Watmore was often the last line of defence. He used his previous connections and relationships to develop 'challenging but supportive' relationships with permanent secretaries and director generals: 'He was calm, courageous and, above all, fair, which meant that people basically came to trust the endeavour, even if they didn't like the results.'³¹ The PMDU 'brand' was seen to support this style of working. It had developed a reputation for being firm but constructive, the teams working collaboratively with departments to solve problems, rather than just telling them what to do.³²

The reviews came to be seen as robust primarily because they applied the model consistently across all departments and allowed for comparison between them.³³ This focused the attention of permanent secretaries on the relative strengths and weaknesses within their departments, and injected a degree of competition, which acted as a constant pressure for improvement: 'Without the scores, they wouldn't have listened.'³⁴

The composition of the specific review teams was seen to enhance the credibility of the process. The presence of director generals introduced an element of peer review, which incentivised senior officials to care about the process. The presence of external reviewers, especially at the moderation stage, helped O'Donnell resist pressure from permanent secretaries to water down the reports.³⁵

'The review team members' interaction with the permanent secretary and the board is crucial in ensuring the review's conclusions are both valid and – especially – accepted by the top management team. In most cases, review team members had repeated and frank meetings with the permanent secretary, especially about difficult issues such as weak board members. These meetings reinforced permanent secretaries' engagement in the review and their determination to follow through ... Interaction with departmental boards ... was an intense, emotional occasion for both parties. The feedback presented was open and hard hitting.'³⁶

²⁸ Private document, CSR interview 2.

²⁹ Ibid.

³⁰ CSR, interview 2.

³¹ Ibid.

³² Ibid.

³³ CSR, interview 4.

³⁴ CSR, interview 2.

³⁵ Ibid.

³⁶ Sunningdale Institute, Take-off or Tail-off? An evaluation of the Capability Reviews Programme, November 2007, p. 12.

The fact that the same model and approach was applied to each department helped sustain difficult conversations. As one official explained to us: ‘If you were unable to robustly answer questions around methodology it would have been easily pulled apart.’³⁷

Eventually, there was a high level of acceptance of the issues identified by the review teams.³⁸ For example, David Normington (then permanent secretary at the Department for Education) and Leigh Lewis (then permanent secretary at the Department for Work and Pensions) were initially critical of their scores, but ended up taking the areas for action seriously and used the reviews to support their own change programmes. Likewise, initially sceptical ministers – such as Alistair Darling and David Miliband – began to appreciate the value of the reviews.³⁹ As more and more director generals participated in the programme as reviewers, the body of supporters and advocates grew.

Phase 2: Refreshing and building on the reviews (2008-10)

In summer 2007, the Capability Review Team wanted to take stock of the progress made during the first couple of years and commissioned the Sunningdale Institute to conduct an evaluation. This praised the overall process, but recommended shifting focus on to how departments work together on cross-cutting issues and capabilities, given the concurrent move towards cross-cutting PSAs.⁴⁰

Following this, there were a couple of roundtable discussions with lead permanent secretaries and a workshop at the Autumn Sunningdale (the twice yearly meetings of all permanent secretaries) to reflect on the implications of the report. In November 2007, the Civil Service Steering Board agreed that the Capability Reviews had value, but that there was a need to begin focusing on the ability of departments to deliver on cross-cutting objectives.⁴¹ It also decided that the capability model should be refreshed, and appointed Sir Michael Bichard to conduct a review.

At the same time, there was a growing awareness that more needed to be done to help departments build and improve their capability. As one official explained to us: ‘We came to realise that only one or two of the permanent secretaries had what they needed to lead their department to fix the capability gaps identified.’⁴² There was thus a sense that the review process had to be refocused towards promoting actual change.

Attempts were made to reinvent the reform in these two directions – cross-cutting reviews and building capability. At the same time, there were some key changes in organisational structure and leadership. Watmore and Peter Thomas, architects of the initial reform, left the team in June and December 2007 respectively. In January 2008, the Capability Review Team moved from PMDU to the Civil Service Capability Group (CSCG), led by Gill Rider. Brian Etheridge, a member of the review team from the early days, replaced Thomas as head of the central Capability Review Team.

In the midst of these changes, a PSA review programme was established (in partnership with PMDU) to support departments in preparing to deliver the 2007 cross-cutting PSAs. This would focus on challenging cross-cutting PSAs where PMDU assessments had raised concerns around issues such as cross-departmental ownership and prioritisation, leadership, governance and capability. The proposition suggested a targeted review process, embedded within PMDU’s performance management of PSAs, while building on the experience of Priority and Capability reviews. The teams would include members of PMDU and the Capability Review Team, as well as members of the lead and contributing departments. This combination aimed to ensure that the reviews could quickly focus on key challenges, develop a spirit of shared ownership

³⁷ CSR, interview 4.

³⁸ CSR, interview 2.

³⁹ CSR, interview 21.

⁴⁰ Sunningdale Institute, *op. cit.*

⁴¹ CSR, interview 4.

⁴² CSR, interview 2.

and increase the likelihood of successful follow-up after the review was complete.⁴³ They were only carried out for six of the 30 cross-cutting PSAs.⁴⁴

Around the same time, a pilot method for ‘building capability’ across Whitehall on key issues was established, led by Andrew Templeman, one of the architects of the Capability Reviews. Officials from across Whitehall were deployed to work on a specific problem that really mattered to the commissioning department. The initiative was tested in the Department for Innovation, Universities and Skills, followed by projects in the Ministry of Justice and Department for Work and Pensions. It was seen as valuable by those involved:

‘Spending one day a week on the programme was brilliant, amazing, driving focus and demanding progress.’

‘This is definitely better quality than could have been produced in a single department. The range of knowledge, insight and disciplines is greater and the output is better presented and more thorough.’⁴⁵

But neither of these two initiatives really took off. Both were severely constrained by limited resources and funding. As one official put it, the ‘reviews were funded from a levy of departments, so we were a zero-cost team; departments had to pay for them ... We had no resources to deploy to building capability unless a department chose to invest in it.’⁴⁶ Fundamentally, the initiatives lacked a sufficiently influential advocate who could persuade permanent secretaries to support and fund an increase in ambition.⁴⁷ As such, the opportunity substantially to refresh the programme was lost.

Meanwhile, the capability model itself was refreshed in 2008, after consultation with stakeholders, experts and academics. This brought in an increased focus on delivery and value for money, among other things, but the core elements remained by and large the same.⁴⁸

A second round of reviews was conducted on the basis of this refreshed model. The continuation of the reform programme was helped by the established credibility of the programme, an experienced central team and the sustained personal commitment of O’Donnell. The rhythm of regular monitoring at six, 12 and 18 months continued. Two of the original reviewers returned to do a more time-limited reality check on progress to equip O’Donnell with a sound basis for testing and challenging the departmental board on their progress.⁴⁹ O’Donnell continued to head these stocktakes personally – going physically to the department and its board meeting to run them. His unwavering commitment left no one in any doubt that he was following through and holding them to account for action and progress.⁵⁰

Phase 3: Decline into self-assessed reviews (2010-12)

By 2009, those involved in the programme felt that the review process was increasingly becoming bureaucratized: ‘Departments knew the exam questions and were beginning to find ways of answering them.’⁵¹ There was a sense that less was to be gained from bringing in an external set of reviewers, which was, in any case, expensive.⁵² The post-2008 austerity drive gave this argument traction.⁵³

⁴³ PMDU, *Guide to PSA reviews*, November 2007.

⁴⁴ CSR, interview 31.

⁴⁵ Civil Service Capability Group, Presentation on the Capability Building Programme, July 2010.

⁴⁶ CSR, interview 2.

⁴⁷ CSR, interview 2.

⁴⁸ CSR, interview 3.

⁴⁹ CSR, interview 2.

⁵⁰ Ibid.

⁵¹ CSR, interview 3.

⁵² CSR, interview 3; CSR, interview 4.

At the same time, some senior officials were concerned about being labelled adversely by the reviews in the run-up to a general election: ‘Nobody wanted to look terrible in the eyes of an incoming government.’⁵⁴ The new non-executive directors, for their part, never really understood the value of the reviews and found them ‘a bit irritating’.⁵⁵ And the Conservative Opposition saw Capability Reviews as part of Labour’s top-down performance management approach, which it was keen to challenge.⁵⁶ O’Donnell’s commitment began to wane during this time. As one official observed, he became ‘focused on guarding the legacy of them and what they had actually enabled to happen, [rather] than on building something on them’.⁵⁷

In May 2010, the Coalition Government was formed and immediately dismantled New Labour’s performance management machinery, which spelt the death knell for Capability Reviews. Later that year, a third round of reviews was announced, renamed Capability Action Plans (CAPs). These were different from the first two sets in that they were entirely self-assessed and included no scores, no cross-cutting review and no external moderation.⁵⁸ The idea was to embed the reviews within departments, given the strengthened roles of boards and greater acceptability of the agenda (‘it was up to departments themselves’),⁵⁹ but it was seen by some as a disguised attempt to bury the Capability Reviews without actually abolishing them altogether.⁶⁰

The loss of external peers in most cases, a weaker model for carrying out the reviews, and the lack of moderated (and therefore valid and comparable) scores removed the incentive and competitive pressure to improve, a key reason for the success of the previous phase. This change in the operating model took the bite out of the reviews. They were no longer seen to be honest or hard-hitting assessments – all the incentives pointed to claims of better rather than actual performance, or at worst, covering up poor performance – which meant that they weren’t really taken seriously.⁶¹ As one official put it: ‘The previous Capability Reviews had people worried; these ones didn’t.’⁶²

Transition and demise (2012 onwards)

During early 2012, a few permanent secretaries and director generals were keen to strengthen CAPs and include them in the Civil Service Reform Plan.⁶³ However, the Coalition Government had little interest in pursuing this agenda, and no senior official was able to present a compelling vision that could change ministers’ minds.⁶⁴ Sir Gus O’Donnell had resigned from his post as Cabinet Secretary in December 2011. And, given the lack of political interest, there was little appetite among other senior officials to refocus the reform programme. Essentially, the reform was personally identified with O’Donnell and did not have the collective leadership around it to survive his departure: ‘When something gets identified as being a person’s thing, it tends to pass with the person.’⁶⁵

Capability Reviews did not feature in the 2012 Civil Service Reform Plan and were instead replaced with Departmental Improvement Models and Departmental Improvement Plans. These focus on longer-term

⁵³ CSR, interview 10.

⁵⁴ CSR, interview 21.

⁵⁵ CSR, interview 4.

⁵⁶ CSR, interview 21.

⁵⁷ CSR, interview 4.

⁵⁸ CSR, interview 2.

⁵⁹ CSR, interview 3.

⁶⁰ CSR, interview 2.

⁶¹ CSR, interview 4.

⁶² CSR, interview 16.

⁶³ CSR, interview 4.

⁶⁴ Ibid.

⁶⁵ CSR, interview 21.

plans and how the organisation might need to be reshaped and structured to support delivery of the Business Plans.⁶⁶

Reflections on the reform lifecycle

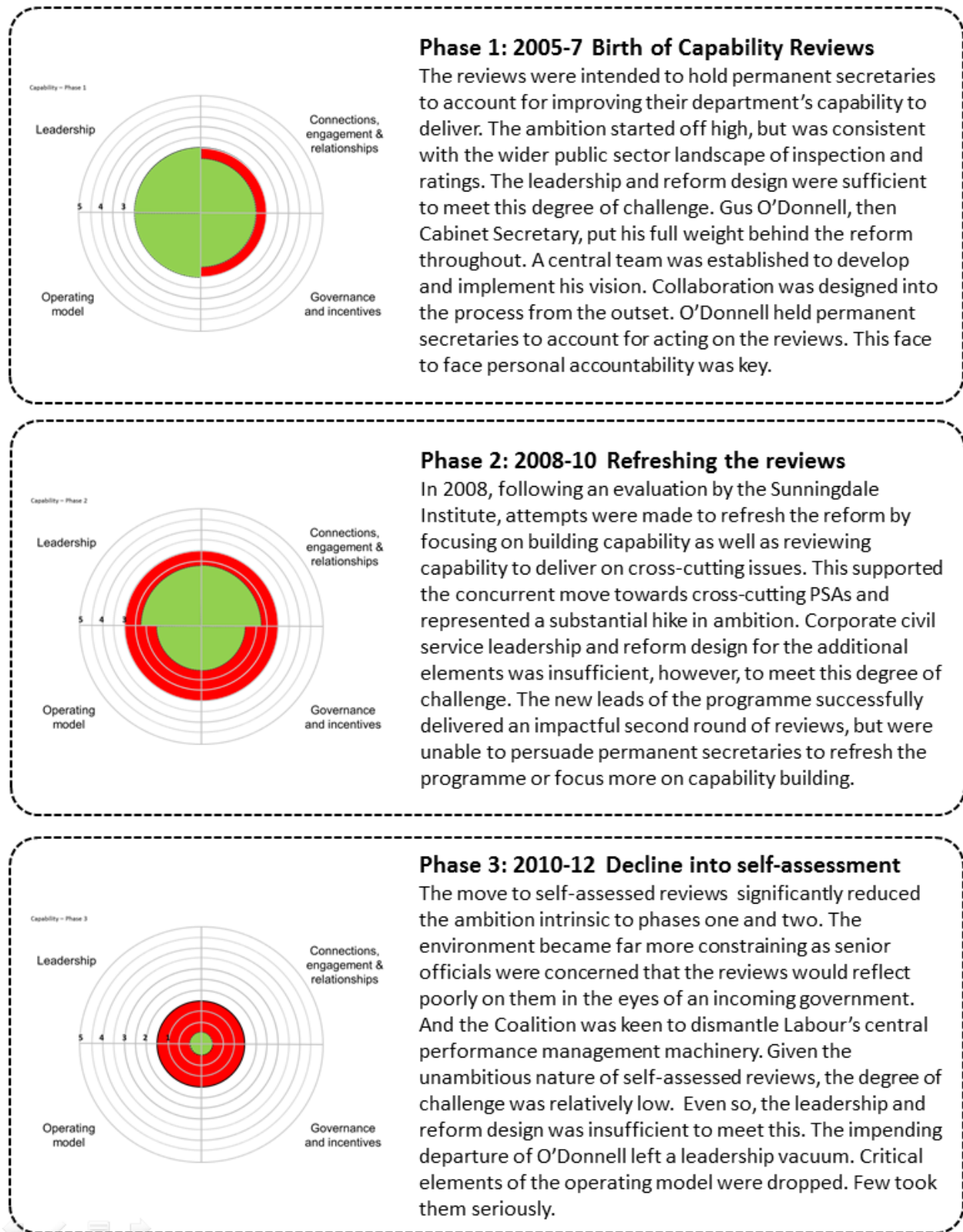
Capability Reviews immediately got off to a strong start with very effective leadership by the Cabinet Secretary and a well-designed operating model. The reform 'burned brightly'⁶⁷ for a few years and helped to create a new agenda focused on capability to deliver. Attempts to push the ambition further, however, failed and the move to self-assessment in 2010 initiated a period of stagnation and decline.

Ultimately, it remained over-reliant on the personal leadership of the Cabinet Secretary, critical to getting it off the ground during the first phase. In the absence of a successor to O'Donnell's leadership of this reform, the tactical resistance of some permanent secretaries ahead of the 2010 election meant the approach was watered down to the point of irrelevance in most departments. The chance to build on the legacy was missed when Departmental Improvement Plans were created without connecting to what had gone before.

⁶⁶ Cabinet Office, *The Civil Service Reform Plan*, June 2012, retrieved 15 January 2014. <http://www.civilservice.gov.uk/wp-content/uploads/2012/06/Civil-Service-Reform-Plan-acc-final.pdf>

⁶⁷ CSR, interview 21.

Figure 2: Three phases of Capability Reviews



Source: Institute for Government analysis

Legacy

The Capability Reviews were the first organisational capability assessment framework in the UK systematically to assess the organisational capabilities of individual departments and to publish results that could be compared across departments.

'Whitehall hadn't been through anything like this before, and it hadn't held up a mirror to itself in the same way against a really consistent process. The process of having people in from other sectors to do reviews of departments, it was very new and quite challenging for people and was a very big deal.'⁶⁸

By the end of 2009, all major departments were re-reviewed and it was reported that 95% of areas that were assessed in the baseline reviews as needing urgent development had been addressed. In particular, progress was reported in terms of leadership, notably in the capability and effectiveness of top leadership teams, and in strategy, with departments improving the way they used evidence and analysis in policy making.⁶⁹

The reviews directly led to the creation of the civil service staff engagement survey, which exposed key capability gaps without having to rely on a high-level external review. This survey was championed by O'Donnell, who found staff survey data invaluable in his stocktakes and monitoring discussions with boards, but desired better-quality, comparable data across the service. It was seen as a way to reduce the need for an expensive, high-level snapshot provided by the Capability Reviews – and instead provided regular, robust pictures of management and leadership in departments and agencies.⁷⁰

Capability Reviews have been seen as good practice at home and abroad. In 2010, Australia introduced its own version using a very similar model,⁷¹ and in 2012 the UK's Government Communication Network introduced Communications Capability Reviews, though there are some differences to the originals (for example, scores are not published).⁷² Very similar reviews, using the basic methodology, have been run in agencies and strategic health authorities.⁷³

Although the reviews survived some minor changes (i.e. the move from PMDU to CSCG and a change of prime minister in 2007), they were highly personally identified with O'Donnell and thus faltered after his departure in 2011. In the end, the programme 'burned very brightly for three, four, five years maybe and was taken extremely seriously at the time but then dissipated'.⁷⁴

Despite its formal demise, the programme helped set a new agenda focused on capability to deliver. For example, a small team, led by Nancy Braithwaite, a founder member of the central Capability Review Team, identified common themes and drew out good practice from across Whitehall. This strand of work established the agenda and the terms of debate around capability.

⁶⁸ CSR, interview 4.

⁶⁹ Cabinet Office, *Capability Reviews: An overview of progress and next steps*, December 2009.

⁷⁰ CSR, interview 2.

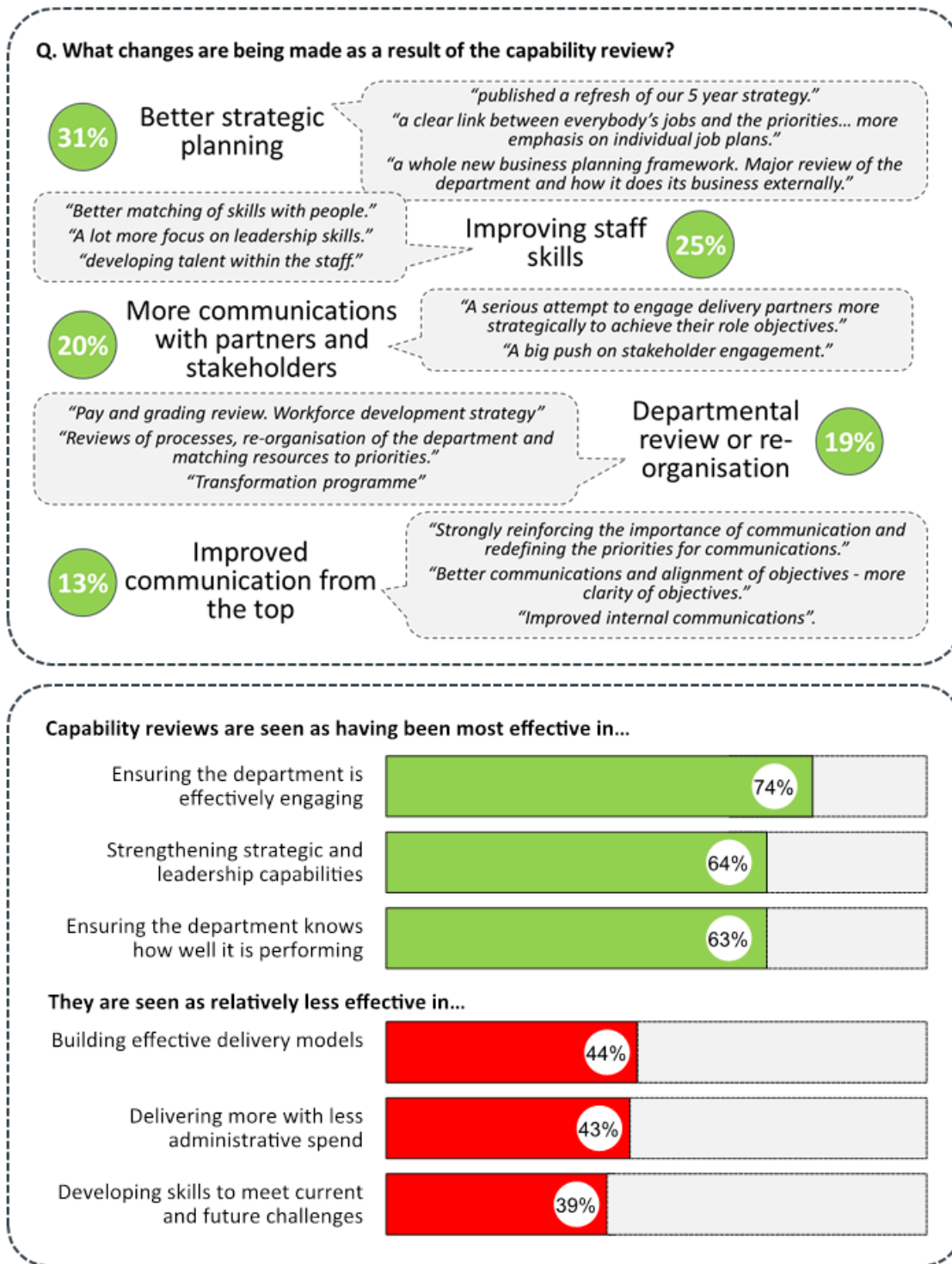
⁷¹ Australian Public Service Commission, 'Capability Review Program', webpage, retrieved 16 January 2014.
<http://www.apsc.gov.au/aps-reform/current-projects/capability-reviews>

⁷² Government Communication Service, 'Capability Reviews', webpage, retrieved 16 January 2014.
<https://qcn.civilservice.gov.uk/capability-reviews/>

⁷³ CSR, interview 2.

⁷⁴ CSR, interview 21.

Figure 3: The impact and effectiveness of the early Capability Reviews



Source: Opinion Leader, Cabinet Office: Capability Reviews Research with Senior Civil Servants, August 2007. Telephone survey of 338 directors and deputy directors in tranches 1 to 5 of the first phase of reviews

The reviews themselves challenged departments to consider how they needed to adapt in response to the changing environment. One aspect of this was changing the way civil servants conceptualised organisational capability to deliver.⁷⁵

⁷⁵ CSR, interview 4.

'When I joined the Civil Service, no one talked about leadership; they talked about management, and most commentators would have said that leadership was an aspect of management. Now we're quite clearly saying that management is an aspect of leadership; we've turned that equation completely on its head in a way that's totally accepted now.'⁷⁶

The model allowed departments to address capability in a more systematic way – no longer focused on a particular piece of delivery or policy, but on the fundamentals that underpinned delivery across the board. This was seen to validate the idea that capability could be constructively compared across departments. 'So I think the strength of this was it had never been done before, never done in this way.'⁷⁷ For example, the Department for Transport uses the capability model when thinking about its change process.⁷⁸

The perspective the reviews gave to the people involved is seen as one of the reform's lasting legacies. The reviews made permanent secretaries realise that they weren't immune from external challenge and support, while making them more open to it⁷⁹ – potentially helping to pave the way for non-executive members of departmental boards.⁸⁰ Reviewers also learned from each other and picked up new ideas and routines, some of which continue to be 'passed around in secret'.⁸¹ Many of those involved have gone on to become permanent secretaries.⁸²

Although some journalists were initially sceptical of the reform programme, many came to appreciate its value and the impact it had on Whitehall:

October 2005: 'The project that clinched [O'Donnell's] job for him is now rolling and reverberating around Whitehall ... On paper the reviews are a revolution. O'Donnell, not without some passionate infighting, has got the permanent secretaries to agree to publish disclosure of their failings and even put numbers on them.'⁸³

August 2006: 'Despite my own and other misgivings, the departmental Capability Reviews turned out to have teeth after all ... they paint a sorry picture of the first four departments scrutinised.'⁸⁴

January 2007: 'These are remarkable documents ... they spell out multiple weaknesses ... The Cabinet Office reviewers pronounced it not up to the job.'⁸⁵

⁷⁶ CSR, interview 3.

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Leading Change in the Civil Service (hereafter, LCCS), interview 14.

⁸⁰ CSR, interview 4.

⁸¹ CSR, interview 11.

⁸² Ibid.

⁸³ Walker, D., 'Keeping up appearances', *Public*, 26 October 2005.

⁸⁴ Talbot, C., 'Who's the weakest link now?' *Public Finance*, 4 August 2006.

⁸⁵ Public, 'Not good, not bad, but indifferent', News Items, January 2007.

External evaluators and commentators, including the Sunningdale Institute (2007),⁸⁶ National Audit Office (2009),⁸⁷ Public Accounts Committee (2009)⁸⁸ and Reform (2009)⁸⁹ were likewise positive about the reviews, but also identified weaknesses – for example the lack of clear, empirically observable connections between the reviews and improving capability to deliver.

⁸⁶ Sunningdale Institute, op. cit.

⁸⁷ National Audit Office, Assessment of the Capability Review Programme, February 2009.

⁸⁸ Public Accounts Committee, Assessment of the Capability Review Programme, July 2009.

⁸⁹ Haldenby, A., Parsons, L., Rosen, G., and Truss, E., *Fit for Purpose*, Reform, March 2009.