



National Audit Office

Helping Government Learn

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SUMMARY

Why learning is important

1 To achieve value for money in public services, departments need to learn from success and failure. The Comptroller and Auditor General and the Committee of Public Accounts have examined many instances where major programmes and projects have been either frustrated, or severely hampered, by failure to take on board lessons from their own past experiences or those of others. The Cabinet Office and other organisations at the centre of government have also concluded, following their own reviews, that government departments need to improve their capacity to learn. For example, a summary of recent Capability Reviews argued:

“the Reviews have shown that there is scope for improved learning and sharing across departments and their delivery chains. It is important that good practice spreads across the Civil Service.”

2 This report examines how departments could be better at learning. Learning occurs in many ways. Staff can gain insights and experience from simply doing their work, whilst training can help in developing new skills and knowledge. Feedback from customers and timely analysis of complaints can help drive improvements, and comparisons with the actions of other organisations can act as a stimulus to do things in new or innovative ways. Departments can also benefit from advice and guidance from central bodies such as the Cabinet Office and HM Treasury, as well as from the insights provided by evaluations, audits and scrutiny exercises.

3 Organisations that are successful at learning tend to share certain characteristics. Above all, their senior management actively support and encourage learning, and their staff are incentivised and given time to think about how to improve personal performance and that of their organisation. Accumulated knowledge is readily accessible and acted upon to avoid similar mistakes being repeated.

How we undertook this study

4 We gathered evidence for this report in a number of ways. We examined 11 case examples of learning in a wide range of public sector settings. The case studies were selected because they provided examples of where time and resources have been devoted to learning, leading to improvements in service delivery. The examples in **Box 1 on pages 6 and 7** provide important learning points that are transferable across departments and should signal to those responsible for leading change in departments that greater time and effort devoted to learning can help secure value for money in the delivery of public services.

5 The report also considers why learning is not always widespread, based on interviews across government and a survey of all central departments. It examines the main barriers to learning and the role that the departments that make up the centre can play in supporting the development of organisational learning. We also drew on a wide range of other evidence sources, including a literature review and consultation with a panel of experts and practitioners in leading organisational learning in the public sector.

What we found

6 **There is scope for leaders in departments to give greater priority to learning.** Opportunities include, for example, giving it a higher profile at management boards, and including commitment to learning in competency and assessment frameworks of senior staff. Nearly 90 per cent of management boards do not discuss learning from their activities frequently, a third do not have a member of the board responsible for reporting on organisational learning, and only half of departments have 'contribution to organisational learning' within their competency framework for senior civil servants.

7 **The main barriers to learning experienced by departments are silo structures, ineffective mechanisms to support learning, a high turnover within the workforce and a lack of time for learning.** Learning successfully requires a shift in how people approach their day to day work, and devoting time to learning needs to be valued through greater use of incentives and rewards in departments.

8 **Programme and Project Management Centres of Excellence have yet to realise their full potential to contribute to organisational learning.** For example, only a quarter of Centres of Excellence prepare an annual report on the lessons learnt in their department's experience of delivering programmes and projects, and the majority of Centres report to their departmental board sporadically or not at all.

9 **Central departments, in particular, the Cabinet Office and the Treasury, have an important role to play in promoting learning across government.** Their work gives them insight into what works well and where common causes of failure lie. While departments are aware of the support the centre provides and value its role in establishing and supporting cross-departmental networks, they report that these organisations need to develop a better understanding of departmental delivery issues, and there is scope for a rationalisation of the guidance and support tools provided.

10 **Departments find cross-departmental networks and communities of practice most valuable to supporting learning.** The developing professional networks, some supported by the centre, such as the Chief Technology Officers' Council and the Change Directors' Network, provide a good platform for the sharing of knowledge and experience.

BOX 1: CASE EXAMPLES OF INITIATIVES TO ENCOURAGE LEARNING

A ePassports were successfully introduced in 2006, meeting the US visa waiver deadline, while at the same time keeping within existing service delivery agreements. The Identity and Passport Service learnt from its traumatic experience of introducing new systems in 1999, and made good use of the disciplined application of programme and project management processes.

Key lessons:

- Those leading projects need to be fully committed to the rigorous application of existing programme and project tools.
- Setting expectations for management teams to incorporate lessons learnt into their planning and delivery helps address the risk of knowledge being acquired and shared, but not applied.

B The Productive Ward programme in hospitals has generated some encouraging early results. The NHS Institute for Innovation and Improvement has seen significant reductions in the time taken to dispense drugs to patients, patient handover times and meal wastage, as well as fewer complaints.

Key lessons:

- Learning initiatives work best when they meet genuine demands from the frontline.
- Learning guidance and tools work best when they are developed with, rather than simply for, users.

C The overall response to the 2007 outbreak of Foot and Mouth Disease was successful, with performance, taken as a whole, much improved when compared to the 2001 outbreak (particularly contingency planning), with many of the lessons identified from the earlier outbreak having been acted upon.

Key lessons:

- Continuity in evaluation and inquiry teams enhances effectiveness in learning from reviews.
- Learning gained in one department can be applicable across government as a whole and should be shared.

D The Parliamentary and Health Services Ombudsman's annual report identifies that there is considerable scope for departments to **learn more from complaints**. The Department for Work and Pensions, health and social care organisations, HMRC and the Independent Police Complaints Commission have systems to learn from complaints, but in some cases better coordination would enable lessons to be applied more effectively.

Key lessons:

- Learning from complaints happens best when there are systems to capture and analyse what people are complaining about, thereby drawing out significant themes.
- If complaints systems are too complicated, or if people feel their complaint will not make a difference, they are likely not to complain, and hence their insights into service problems will be lost.

E The Department for International Development has initiated systems and processes that help it **learn from staff and its wider service delivery chain** for tackling AIDS and HIV. This learning has strengthened the HIV and AIDS strategy, helping to target resources more effectively and strengthen partnerships with non-governmental organisations.

Key lessons:

- Learning from all partners across the delivery chain is critical to the development of an effective strategy.
- Intranets can provide an effective means for sharing information and learning, particularly where organisations are geographically dispersed. However, this learning is made more effective by bringing staff together as well.

F The Capability Building Programme brings together people with relevant expertise from different departments to tackle cross-government issues. In this way departments receive support and challenge from teams with broad and in depth experience from across government. The first pilot, which focused on evidence based policy making at the Department for Innovation, Universities and Skills, has helped the department to develop new and innovative approaches.

Key lessons:

- Bringing together people from different departments broadens and deepens the pool of knowledge and experience, enhancing learning.
- Cross-government initiatives work best when there is a well designed and structured process that provides a platform for learning and knowledge transfer.

G HMRC's Angels and Dragons initiative allows front line staff to pitch improvements to business processes to the management board. The scheme cost £2.5 million to set up and has £1 million annual running costs, but is designed to achieve a minimum return on investment of 110 per cent over two years.

Key lessons:

- Senior leaders championing and supporting learning initiatives is essential if staff suggestion initiatives are not to be seen as just a gimmick.
- Linking initiatives to a measurable return on investment helps bring legitimacy and cultural change, developing greater entrepreneurial spirit.

BOX 1: CASE EXAMPLES OF INITIATIVES TO ENCOURAGE LEARNING *CONTINUED*

H The **United States Justice Department's Bureau of Justice Assistance in collaboration with the Center for Court Innovation (a non-governmental organisation)** has brought together law enforcement officials from across the United States to conduct candid assessments of what is working, and what is not working in the United States criminal justice system. Leaders provide grant money for new experiments across the justice community to strengthen performance, informed by these learning 'round tables'.

Key lessons:

- Learning from failure requires a commitment to creating opportunities where problems can be discussed openly without resorting to "finger pointing" and defensiveness.
- The challenge of moving towards this level of openness within public sector organisations should not be underestimated.

I **OGC Gateway reviews** are considered by departments to be effective in providing external challenge and input to project and programme delivery efforts. Over 2,500 reviews have been completed to date. The reviews have been a catalyst for the newly established Major Projects Portfolio report, which is gathering together the key themes emerging from the top 40 major government projects and programmes and Gateway reviews.

Key lessons:

- When taken together, reviews and evaluations of a large number of individual programmes can inform wider decision making and learning across departments.
- Central bodies such as the OGC have a pool of knowledge about what works well and where risks to delivery lie. Departments have much to gain from actively seeking and learning from such evidence.

J The **Beacon Scheme** has been effective in identifying and sharing good practice across local government. Sixty nine per cent of those who attended a Beacon event implemented at least one change they attributed to their engagement with the scheme, and the scheme has boosted confidence and delivery across local government.

Key lessons:

- Acquiring the right knowledge is a strategic task; it rarely falls into an organisation's lap. There is value in reflecting on where knowledge gaps exist and how these can be filled.
- Learning from others works best when learning is adapted to local conditions.

K **Parliamentary scrutiny** conducted by Select Committees is a major component of the external evaluation of government departments. For example, the Science and Technology Committee report on the Use of Science in International Development Policy served to raise the profile of the science agenda across government. The 2005 Committee of Public Accounts report *Achieving value for money in the delivery of public services*, drew together learning from the Committee's work from over ten years of scrutinising government programmes, projects and initiatives.

Key lessons:

- Focused and timely inquiries which address key issues for a department can hold considerable value where the committee and department interact and reflect on findings.
- Examples marshalled from across government illustrate how inhibitors to efficiency and barriers to effectiveness are often similar in nature and their associated lessons are highly transferable.

Conclusion on value for money

Past reports by the National Audit Office, the Committee of Public Accounts and others have identified failures in the delivery of public services that could have been avoided if more learning had taken place. As our case studies show, there is effective learning in departments, but overall the evidence also indicates that learning is not yet sufficiently embedded within departments' working practices, nor is it prioritised as much as it should be. Learning often occurs following a crisis or high profile failure, but departments will be more effective at learning when it becomes a more habitual aspect of everyday working practice. Until then, learning within departments will be constrained and failures will continue to happen, leading to avoidable waste, inefficient practices and ineffective services.

Recommendations

- i** **Four-fifths of departmental management boards discuss how the organisation is learning only "sometimes" or "rarely", and only two thirds have a member responsible for organisational learning, or a strategy linking learning to the delivery of business objectives.** Management boards should assess their organisation's current status in terms of capability to learn from itself and others, using either our self-assessment checklist (Appendix 2) or a similar method, as the basis for a structured discussion to identify strengths and weaknesses, and benchmark themselves against good practice. This analysis will allow departments to identify actions for improved organisational learning.
- ii** **Much learning in government occurs following large projects, initiatives or crises, but to be more effective, learning needs to become a part of day to day practice.** Encouraging learning as a routine element of an organisation's work requires departments and their staff to change behaviours. **Box 2** highlights a number of ways of shifting the culture within departments.
- iii** **There are few incentives to encourage staff to devote more time to learning and reflection on what has gone well or not well with their work. Nearly half of departments do not have learning as part of their competency framework for senior staff.** Departments should build learning into their reward and incentives schemes to communicate more clearly the value of learning and create the expectations that teams will draw lessons from their experiences. Departments should reward those who are seen to demonstrate the types of behaviours summarised above, and they should include 'contribution to learning' as a core competency against which Senior Civil Servants are appraised.

- iv** **Departments find much of the support and guidance from the centre useful, but are confused as to which units and organisations they should approach.** The Cabinet Office and the Treasury should build on the Compact agreed with departments in 2008, by translating its principles into a clear, timetabled programme of action. The objectives should be to create a streamlined centre which is able to justify its interventions on business grounds and develop ways of measuring the added value of central initiatives.
- v** **There has been a proliferation of toolkits, guidance and other products to help government learn. These have been useful but there is a danger of guidance overload.** Led by the Civil Service Steering Board, the centre should rationalise the guidance and support on offer, based on a robust assessment of what departments find most useful and effective. The National Audit Office will also review the toolkits, guidance and support it offers to departments in the light of this conclusion.

BOX 2

Key ways to shift departmental cultures towards learning

- 1 Make staff feel it is safe to speak up about failure and new ideas, for example, by having discussions about specific problem projects.
- 2 Give staff sufficient time to learn and reflect on the way they carry out their work and how it could be done better.
- 3 Encourage the sharing of knowledge within the organisation and discourage knowledge hoarding by teams.
- 4 Reward the generation of new ideas and an inquiring approach, as well as the successful completion of projects.
- 5 Encourage face to face collaboration through networks and through training in team skills.
- 6 Institutionalise the systematic reflection on performance after projects, even if it means delaying moving on to the next project for a while.
- 7 Make sure that learning from consultants is captured before they end their contact with the organisation, and include knowledge transfer in the terms of the contract.
- 8 Acknowledge that work processes are constantly evolving, and that small improvements and constant experimentation are to be expected.
- 9 In communicating the value of learning activity to staff, use language that is most likely to appeal to those involved.

PART ONE

Organisational learning in government

1.1 This report examines the different ways in which departments learn from their own activities and experience, and from those of others, and considers how that understanding can be used to improve the delivery of public services.

1.2 Recent years have seen significant changes in how departments deliver services to citizens. Many public sector operations – for example, purchasing car tax or filing an income tax return – are now delivered electronically, whilst seeking a job involves call centres operated by Jobcentre Plus. Other services are handled in partnership with private or voluntary sector organisations. These changes have been made alongside efforts to achieve greater efficiency and value for money in the provision of public services.

1.3 Continuous improvement in the public sector will require innovative approaches to delivery, much of it based on IT-enabled programmes and projects, and is likely to involve outsourcing and decentralisation.¹ As Government reviews have concluded (**Box 3**), to make these changes and manage the risks associated with their implementation, government departments and agencies will need to learn from their own experiences and those of other organisations. They also need to find ways of capturing the learning gained by external suppliers so that it is not lost to government.

1.4 Past reports by the Comptroller and Auditor General and the Committee of Public Accounts have examined problems with projects and programmes, and with policy implementation. In many cases, these problems could have been avoided if lessons had been learnt from the past. In 2005, the Committee expressed concern about the “failure to apply more widely lessons learned in one

part of the public sector” and about “the repetition of mistakes, even after the causes have been identified”.² Such shortcomings include the failure to learn from good practice identified by others (for example, the National Audit Office and the Office for Government Commerce agreed Common Causes of Programme and Project Failure³), from users and other stakeholders or from past experiences (**Box 4 overleaf**).

BOX 3

Government reports that emphasise the importance of learning

“The public service must become a learning organisation. It needs to learn from its past successes and failures. It needs consistently to benchmark itself against the best wherever that is found”. White Paper Modernising Government (1999)

“A ‘learning to learn’ culture: within which change is continuous rather than spasmodic and there is a commitment to learn from anyone who does something better inside or outside the organisation” Sunningdale Institute, Evaluation of the Capabilities Review Programme (2007, p33)

“The Capability Reviews have shown that there is scope for improved learning and sharing across departments and their delivery chains. It is important that good practice spreads across the Civil Service.” Capability Reviews Tranche 2: Common themes and summaries (2006)

“The Cabinet Office should also share best practice from across Government with Departments that will benefit from it” Chakrabarti Review, Role of the Cabinet Office, (2007, p7)

“Those responsible for public service delivery must also learn the lessons of open innovation and adopt innovative solutions from the private and third sectors” Innovation Nation White Paper (2008)

¹ *Excellence and fairness: Achieving world class public services*. Cabinet Office, 2008. See also *Service Transformation: A better service for citizens and business, a better deal for the taxpayer*. HM Treasury, 2006.

² *Achieving Value for Money in the Delivery of Public Services*, Report by the Committee of Public Accounts; 17th Report, Session 2005-06.

³ Source: www.ogc.gov.uk/documents/Common_causes_of_failure_V1.0.doc.

1.5 The benefits for effective policy delivery of learning from past experiences can be seen in other reports. For example, the successful roll out of the new Jobcentre Plus office network (one of the largest public sector projects of recent years), which came within its £2 billion budget, was partly due to effective learning. The lessons

from the roll-out of 225 initial offices significantly improved the efficiency of the delivery of the overall project by leading to the creation of a core management team and appointment of a senior responsible officer, and to the establishment of a clear understanding of roles and responsibilities of key stakeholders.⁴

BOX 4

Examples of the consequences of failing to learn in the delivery of major programmes and projects.

The Delays in Administering the 2005 Single Payment Scheme in England Public Accounts Committee Fifty-fifth Report of Session 2006-07

The Committee concluded that:

“The single payment scheme was not a large grant scheme but the Department’s deliberate choice to implement the most complex option for reform (the dynamic hybrid) in the shortest possible timescale (in year one of the new scheme), its decision not to implement a de minimis claim and the need to accommodate 46,000 newly eligible claimants, led to a series of risks which individually would have been severe but collectively were unmanageable”

and therefore:

“Given the history of implementing government information technology programmes, and in view of the wider changes being attempted, it would have been more sensible to trial the scheme in the first year and implement fully in year two”.

Child Support Agency: implementation of the Child Support Reforms Public Accounts Committee Thirty-seventh Report of Session 2006-07

The Committee found that:

“The reform programme was ambitious and its management showed a lack of realism in both planning and execution. From the outset, the development of new IT systems and telephony arrangements carried a high level of risk because of their size and complexity, coupled with a substantial business restructuring at a time when the Agency was already struggling”.

And:

“The Department spent £91 million on external advice on the design and implementation of the Reforms between 2001-05, which the departmental financial management system could not break down by supplier. It has now implemented a new system which can interrogate expenditure by supplier. In addition, the Department needs to follow the recommendations outlined in the Committee’s report on the Use of Consultants. In particular its contracts with consultants should include well-defined outputs and the intended benefits of the work.”

The National Programme for IT in the NHS Public Accounts Committee Twentieth Report of Session 2006-07

The Committee concluded that:

“The Department has much still to do to win hearts and minds in the NHS, especially among clinicians. It needs to show that it can deliver on its promises, supply solutions that are fit for purpose, learn from its mistakes, respond constructively to feedback from users in the NHS, and win the respect of a highly skilled and independently minded workforce.”

The cancellation of Bicester Accommodation Centre Public Accounts Committee Twenty-fifth Report of Session 2007-08

The Committee reported:

“The strength of opposition to the proposed accommodation centres from national refugees groups and local resident groups, which was identified during the passage of the Nationality, Immigration and Asylum Act 2002, was not fully reflected in the business case for Bicester. The business case also did not take into account the potential adverse impact on cost and delivery arising from a protracted planning delay. The decision by the Home Office to sign the contract with its preferred bidder before completing the outline and detailed planning processes increased the risk of nugatory expenditure.

The lessons to be learnt from Bicester have wider application to government bodies planning innovative projects. These lessons include: the need to strengthen corporate governance arrangements where consultants are engaged at an early stage, to coordinate policy changes in different parts of an organisation together with consideration of external events, and to increase the effectiveness and scope of consultation with the local community and other stakeholders.”

⁴ The roll-out of the Jobcentre Plus office network, Report by the Comptroller and Auditor General, HC 346, Session 2007-08.

1.6 In their report, the Committee of Public Accounts concluded that the Agency had learnt lessons from early difficulties, and that:

“The successful delivery of the programme can be attributed to sound governance, intelligent use of existing guidance and external advice, and strong support from the leadership of the organisation. A critical factor was the consistent senior management team, who between them had over 100 years of front line operational experience in the Agency’s business. A willingness to revise the approach to the project as roll out proceeded was also an important factor in success. The successful project management approach provides important lessons for other public sector bodies undertaking major procurement and change projects of this kind.”

1.7 Other examples of success brought about through close attention to lessons learnt are set out below (**Box 5**).

What do we mean by organisational learning?

1.8 Our review of the literature on organisational learning has informed our understanding of the factors that shape the way in which departments and agencies learn.⁵ Organisational learning is chiefly about changing behaviour to achieve improvement. It is a continuous process that includes learning from within a department (from, for example, experimentation or from the experience of past success and failure), as well as from outside (from the experience of other departments, agencies and organisations in other sectors).

BOX 5

Examples of programme and project success from learning

Effective use of accumulated knowledge

Following recommendations by the Committee of Public Accounts, after 2002, PFI contracts provided for public authorities to receive 50 per cent of the gains from debt refinancing in subsequent contracts and 30 per cent of the gains in previous contracts which had been let without refinancing gain sharing arrangements. In 2008, a change was made whereby the public sector share of refinancing gains, from debt refinancings of new contracts let whilst the financing markets remain uncertain, could be up to 70 per cent. The refinancing gain sharing arrangements since 2002 have yielded gains of around £200 million for departments. The development of the programme was due to examination of existing knowledge, including a Treasury Taskforce and OGC Best Practice guidelines, as well as the Gateway review process.¹

Updating and testing contingency plans rigorously

The Department for Environment, Food and Rural Affairs has learnt from previous mistakes made in the Foot and Mouth crisis in 2001 and has developed a contingency plan that is being tested and updated continuously to account for new situations. These worked more effectively in 2007 (see Case C in Part Two).²

Adaptable processes through staff training and innovative IT systems

UK Visas had to respond to an increasing demand for visas (demand had increased by over 33 per cent in five years) and a rapidly changing policy environment that demanded greater efficiency. The Agency achieved efficiency improvements in the delivery of the visa service by implementing measures to streamline its working practices, such as adapting work processes to handle applications only once, and rigorous staff training.³

Listening to external advice

The ePassport programme was delivered with mixed teams of specialists from inside and outside of the civil service. The programme delivery team drew extensively on external learning and advice in programme and project management in technically demanding areas, to deliver the programme successfully, while keeping to existing service delivery agreements.⁴

NOTES

- 1 NAO and PAC reports on PFI contracts and refinancing can be downloaded from the NAO website <http://www.nao.org.uk/publications>.
- 2 *Foot and Mouth: Applying the Lessons*, Report by the Comptroller and Auditor General, HC 184, Parliamentary Session 2004-05.
- 3 *Visa Entry to the United Kingdom: The Entry Clearance Operation*, Report by the Comptroller and Auditor General, HC 367, Parliamentary Session 2003-04.
- 4 *Identity and Passport Service: Introduction of ePassports*, Report by the Comptroller and Auditor General, HC 152, Parliamentary Session 2006-07.

5 Available at <http://www.nao.org.uk/publications>.

1.9 Organisations that are successful at learning tend to share certain characteristics (**Box 6**). Above all, they have a culture where learning is prioritised by their leadership, and where staff are incentivised and given the necessary time to learn and to think about how to improve personal performance and that of their organisation.

1.10 We have adapted the following definition of organisational learning:

“in the public sector [organisational learning] can be regarded as the ability of an organisation to demonstrate that it can learn collectively by applying its knowledge to the policy process and to the delivery of policy implementation.”⁶

1.11 This definition highlights that learning is a collective, rather than simply an individual, process. It also highlights the significance of knowledge being used for a purpose, rather than simply collected or stored, and indicates that learning is linked to change in departmental activities.

BOX 6

Key characteristics of a learning organisation¹

- Leadership prioritises learning
- A willingness and ability to change behaviour
- An openness to learning from others and actively seeking lessons that have arisen from the execution of similar activities
- Systems that support the sharing of knowledge and lessons learnt
- Internal customer/client relationships between organisational units which feed mutual adjustment and adaptation
- A culture and climate which encourages responsible, well managed experimentation
- Reward systems that encourage learning behaviour

NOTE

¹ Adapted from Pedlar, M., Burgoyne, J. and Boydell, T. (1991) *The Learning Company*.

The main sources of learning

1.12 The main sources of learning in the public sector are shown in **Box 7**, which draws on our review of relevant literature and emphasises the diverse nature of possible influences. Responsibility for making use of these sources of knowledge and promoting learning is widely dispersed within organisations. For example:

- individuals gain insights and experience from simply doing their work, and derive new knowledge and skills from training;
- policy teams, working together, gather information as they develop and maintain policy initiatives;
- central teams within organisations are often tasked with examining how to bring about change, and human resource and training teams focus on developing skills; and
- it is the responsibility of management boards to make sure that their organisations are learning continuously, and to monitor how successfully this is happening.

Our approach

1.13 To examine organisational learning in departments we examined four key areas – leadership, people, infrastructure and processes. For learning to become part of an organisation’s culture and to lead to enhanced performance, each of these four elements need to be in place. It is not enough, for example, simply to introduce a new IT system or process to share learning if staff are not sufficiently trained and incentivised to use it. Senior management support for learning will not be enough if there are no effective methods for capturing the knowledge secured from evaluations and research. Key aspects of each area are:

Leadership

- There is a commitment to learning as a critical factor in successful delivery, with a recognition that learning needs to happen on a day to day basis.
- Leaders act as role models in championing learning, for example, by attending events and activities that promote learning.

⁶ Adapted from Common, Richard (2004) *Organisational learning in a political environment*, *Policy Studies Journal*, 25 (1): 35-49.

People

- Staff are given the time to reflect on their own experience and that of others, in order to improve future performance.
- Staff are incentivised and rewarded through, for example, appraisal and pay schemes, to share their knowledge, and to make use of the knowledge of others.

Infrastructure

- There are departments or units within organisations with the role of supporting and developing learning. Their effectiveness is evaluated systematically.

- Systems (such as databases and other IT applications) are in place to enable the storing, sharing and utilisation of knowledge and learning. Staff are trained and supported to make use of these systems.

Process and methods

- The use of proven programme and project management tools is part of the organisational culture; staff are expected to use them and are trained to do so.
- Drawing on lessons learnt and good practice is documented and recorded as the key first step to any programme or project.

BOX 7

Sources of learning for departments

Sources of learning

Internal resources and experience

Examples

- Staff experience of doing their job and dealing with customers on the front line
- Training
- Knowledge of past projects and policies

Citizens and consumers

- Customer insight, including research and feedback from service users
- Complaints
- Piloting of projects

Partners, rivals and comparators

- Use of contractors
- Secondments
- Cross-organisational knowledge sharing through professional and other networks
- Benchmarking and other comparisons with similar organisations

Top-down direction, control and support

- Cabinet Office and Treasury advice and guidance
- Centrally set rules for propriety, human resources and organisational management
- Disseminating knowledge of what works (e.g. Prime Minister's Delivery Unit performance monitoring and feedback, and problem solving within departments)

Critiques, advice and media

- Parliamentary oversight, especially select committees
- Stakeholder consultations
- Media scrutiny
- Academic review and comment

Testing interactions, crises and review

- Systematic learning from mistakes and successes
- Evaluation
- Departmental crisis management
- After Action Reviews
- Capability reviews
- Audit

Source: Adapted from Gilson, Dunleavy and Tinkler (2008) *Organisational Learning in Government Sector Organisations: Literature Review*

What we did

1.14 The aim of this report is to illuminate a range of developments in organisational learning in central government. We began by commissioning a literature review. As the review demonstrates, learning cannot happen within organisations merely through the implementation of new structures and processes. Leaders, individuals and teams within organisations need to adapt their behaviour, devoting more time to learning before, during and after programmes and projects. Learning needs to become part of routine day to day working life.

1.15 We examined 11 case studies where public bodies have sought to build learning into their core business. These are set out in Part Two. The lessons in each of these case studies should be transferable to other organisations.

1.16 To understand the degree to which learning is prioritised by departments, and what they are doing to capture and apply learning, we also undertook a survey of all the main departments. The survey also served to gain insight into how departments view the guidance and support provided to them by the centre of government. In the course of investigating the case studies, and in examining the role of the centre of government, we interviewed senior officials in government with responsibility for improving learning. Towards the end of the study, we brought together some of those we had interviewed to discuss our findings and what departments need to do to be more effective at learning. The findings from our survey, and from the interviews we conducted, are set out in Part Three.

1.17 We have drawn together the lessons from undertaking this study into a self-assessment framework (Appendix Two), which provides a basis upon which management boards can develop ways forward for building learning into their organisations.

PART TWO

Case Examples in organisational learning

2.1 Part One showed that organisations learn in many different ways. Learning is not something done separately from everyday activity, nor can greater learning be achieved by simply introducing more systems and processes. To help understand how departments learn, we separated learning into four elements – leadership, people, infrastructure and process – all of which need to be in place for an effective learning culture to take root. The 11 case studies that follow illustrate different ways in which organisations in the public sector are building learning into everyday operations.

Leadership

2.2 Leadership means sponsoring and being accountable for activities which lead to lesson-learning. Leaders can set an example through their own behaviours, by making time available for review before and at the end of projects, and arranging for senior management consideration of lessons learned. The ePassport programme offers an example showing leadership at project and programme level (Case A). A consistent message from our interviews and case studies is the need for behavioural change to be demonstrated at the top of departments. In the case of the United States Center for Court Innovation (Case H) senior managers focused on mistakes and failure, which can be uncomfortable.

Leadership

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People

2.3 The direct experience of frontline staff in their day to day work means they hold important knowledge about what works, and where barriers and risks to delivery lie.⁷ Identifying how to tap into this knowledge effectively is challenging, with staff suggestion schemes often failing to generate ideas and innovations that can be put into practice, or else being neglected.⁸ The Angels and Dragons initiative at HMRC (Case G), offers an approach where ideas are tested by a senior level board, and if successful are seen through by those suggesting the idea themselves. Staff are supported through the whole process, from designing a business case to presenting the proposal to the board, and coached through the implementation process.

2.4 Another barrier to learning in organisations is the lack of time staff have for lesson learning. The NHS Productive Ward Programme (Case B), which aims to increase the amount of time front line staff spend in direct contact with patients, is designed so that ward staff are able to shape and follow training modules in ways that match their needs and priorities. For ward staff to contribute to the design of the changes to their wards, and for the initiative to be effective, they need the time necessary to work through the modules and guidance provided by the NHS Institute for Innovation.

2.5 Learning from others also means learning from external expertise and consultancy. One of the main findings from our report on the Government's use of consultants⁹ was that departments were not regularly planning for, and carrying out, the transfer of skills from consultants to internal staff to build capabilities. In the case of the ePassport programme mentioned above (Case A), however, the programme wrote into all contracts a commitment to knowledge transfer from consultants, and the technical, programme and project management expertise gained as a result is now being employed in the generation of the new passport.

Infrastructure

2.6 Departments need ways of supporting learning, such as information management systems and ways of sharing knowledge, particularly where organisations are geographically dispersed. Online systems, such as that used by DFID (Case E) provide useful platforms for the sharing of knowledge and learning, but they tend to work

best when combined with a commitment to bring people together. The 2007 evaluation of the Beacon Scheme (Case J) found that internet and other broadcast methods for sharing knowledge work best when combined with personal site visits. Good coordination is also required for such personal interaction to take place and be effective.

Process

2.7 Processes are also important for learning. The evidence of our work suggests that departments should focus less on the introduction of new processes for learning, and more on rigorously applying at the right times those that already exist.

2.8 More effective organisational learning means not repeating past mistakes. Evaluations are an important way to learn from past experience, although the learning is often not embedded into organisational culture and working practice. Maximising the impact of evaluation requires investment in communicating the findings and recommendations to a wider audience, in a way that is relevant to how people work. The Foot and Mouth outbreak, and the learning derived from the subsequent reviews, illustrate how evaluation can be effectively integrated into departmental and wider practice across government (Case C).

2.9 While much learning can come from major events and crises, which are often subjected to detailed examination, on a day to day basis there is much that can be gained from taking time to reflect on reasons for success or failure, especially when the insights are derived from outside the organisation. One key source of learning is from users of services. Feedback from positive experiences is valuable, but much can also be gained from careful analysis of the lessons from complaints (Case D). More formal and systematic external scrutiny can also be invaluable. The development of the Gateway process (Case I) has provided a systematic mechanism for capturing and sharing knowledge about what works well in project and programme management. Over 2,500 reviews have been completed to date, and there is scope to learn more from the post-implementation period and benefit realisation through greater use of Gate 5 reviews. Learning also arises from external scrutiny (Case K), through the ability of independent reviewers to undertake objective enquiries.

7 See, for example, *Delivering Efficiently: Strengthening the links in public service delivery chains*, Report by the Comptroller and Auditor General, HC 940 Session 2005-2006.

8 See, for example, *Achieving innovation in central government organisations*, Report by the Comptroller and Auditor General, HC 1447 Session 2005-06.

9 *Central government's use of consultants*, Report by the Comptroller and Auditor General, HC 128 Session 2006-07.

CASE A

Learning from expertise in programme and project management frameworks: the Identity and Passport Service's ePassport programme

1 ePassports were introduced in 2006 to improve security, meet international standards and comply with the US Visa Waiver conditions. The programme was demanding and technically complex, and at the same time as introducing it, the Identity and Passport Service had to maintain normal operations and keep to existing service level agreements. The programme ran to very tight timescales determined, in part, by the United States (US) Visa Waiver deadline of 26 October 2006. These challenges meant that learning before and during the programme was an imperative for successful delivery. The Identity and Passport Service was also determined not to repeat the crisis of the summer of 1999, where the roll out of a new processing system was one of the reasons for a loss of public confidence in the UK Passport Agency.¹⁰

2 The programme commenced in 2003, with a small initiation team and project manager, and concluded in 2006-07. There were several major work streams covering procurement and technical delivery (including systems upgrades), testing, regional production and business change. Overall project costs were £13.5 million and the contract costs £33.6 million (all excluding VAT).

3 In 1999, the Comptroller and Auditor General reported on that year's problems, identifying weaknesses in the UK Passport Agency's management of the new passport processing system, in particular, the management of risks. In response to these lessons, an experienced risk and issue management specialist was employed throughout the delivery of the ePassport programme. The Senior Responsible Officer treated the management of risk and contingency planning as a key "learning activity" and reinforced it by insisting that consideration of risks and contingency planning was positioned at the start of all status and project meetings, rather than at the end.

4 The ePassport Programme management team was drawn from a mixture of private and public sector backgrounds, and a commitment to knowledge transfer was written into all contracts. This sharing brought a wealth of experience to the team, helping them to learn quickly from existing tools in Programme and Project Management.

5 The broad experience of the programme team helped to assess effectively the likelihood and potential impact of risks, and to develop a course of action consolidated into a regularly reviewed contingency plan. The private sector experience within the team was also utilised to manage contractual relationships with third parties, supporting the Service in its role as an intelligent client.

6 The ePassport team was in regular contact with an international network of organisations in five other nations rolling out similar programmes (including Australia and New Zealand). Networking took the form of face to face meetings, bringing together a mix of people with operational and technological expertise to discuss standards and the challenges the various teams were facing. This network was effective in providing an open and regular exchange of ideas and experience, and gave the opportunity to benchmark performance and share good practice.

7 ePassports were delivered to plan and budget and have been successfully transferred into normal business operation. The programme closed in November 2006. Subsequently, it was confirmed by the USA that the UK membership of the VISA Waiver Programme had been retained and, to date, 12 million ePassports have been produced with customer satisfaction levels and service levels maintained. In 2007, the Committee of Public Accounts commended the programme as an example of successful project management and procurement.¹¹

¹⁰ *The United Kingdom Passport Agency: the passport delays of Summer 1999*, Report by the Comptroller and Auditor General, HC 812, Session 1998-99.
¹¹ *Identity and Passport Service: Introduction of ePassports*, Report by the Committee of Public Accounts, 49th Report, Session 2006-07.

8 Project expertise and standards are available from the programme for the development of the next generation passport. The successful team has largely remained together, with new people phased into the team in a controlled way. Nurturing and maintaining successful teams is a good way to not only act as an exemplar for the rest of the organisation, but also to increase the organisation's ability to deliver change effectively and repeatedly. Building on the good practice deployed on the ePassport programme, an internal Management Reference Guide has been produced to ensure effective management control of the National Identity Scheme (NIS). There is an expectation that this is used by managers as a checklist before, during and after all projects and programmes.

9 The Identity and Passport Service also publishes a set of annual reports on the implementation of its main projects and programmes. Compiled by staff from the Service's Standards and Practices team, they are placed on the Service's website. Each report sets out the project objectives, and identifies what has been delivered and the lessons learnt, both in terms of good practice and areas for improvement. Senior Responsible Officers are held accountable by the Executive Committee for implementing the lessons published in their reports.

10 There is scope for wider dissemination of the lessons learnt but despite recommendations by the Committee of Public Accounts on the sharing of good practice from the delivery of this programme, and winning a Civil Service Award for programme delivery, there has been little interest from other departments in learning from the team.

Key Lessons

- Programme and Project toolkits (such as Prince 2) already exist to reflect on performance and capture learning. Those leading projects need to be fully committed to the application of such tools.
- "Lessons learnt" documents work best when they include a candid assessment of performance.
- Setting expectations for management teams to incorporate lessons learnt into their planning and delivery helps address the risk of knowledge being acquired and shared, but not then applied.

CASE B

The NHS Institute for Innovation and Improvement “Releasing Time to Care: The Productive Ward programme”

- 1** The Productive Ward programme seeks to address the variation of patient experience in hospital wards across the NHS by helping nurse leaders and their ward teams to identify ways of releasing more of their time for direct patient care. The NHS spends around £25 billion a year on acute health services. This accounts for 41 per cent of the NHS budget and two thirds of this (around £17 billion) is spent on ward-based care. The ward is the basic work unit of the entire hospital system, and is where quality and safety for patients really matters.
- 2** The NHS Institute for Innovation and Improvement (the Institute) estimates that ward-based nurses typically spend only 25-35 per cent of their time on direct patient care. The rest is spent on activities such as dealing with handovers with other staff, “hunting and gathering” for equipment, and on paperwork and administration. Nearly a quarter of nursing time is spent moving between tasks and patients. The Productive Ward programme is designed to enable nurses to lead change for themselves and identify improvements that will lead to well organised wards, resulting in more time being released for direct patient care.
- 3** The Productive Ward consists of a set of modules written in clear language that provide self directed learning opportunities for frontline staff. Further information, guidance and training can be provided by the Institute to help staff build competence and confidence to lead sustainable improvements in their wards. The key principles behind the programme are that:

 - front-line staff are the experts in their wards;
 - staff should have accurate and timely measures so that they can measure progress;
 - the Board and support systems in the hospital should be aligned to support the ward in providing excellent care;
- the learning modules are underpinned by LEAN principles which encourage standardisation in ward processes to increase reliability and safety. As a result, wasteful activities, such as duplication and over-stocking, are driven out to help to release more direct time for care and improve the patient experience.
- 4** In developing the programme, the Institute drew on the learning acquired from a number of pilot sites in each of the 10 strategic health authorities. Key strategic partnerships were established with organisations such as the Royal College of Nursing because of the need to communicate in appropriate ways to the different sets of professionals and leaders to gain commitment at both chief executive and ward level. Experience had shown, for example, that chief executives engage more readily when guidance is focused on outcomes and efficiencies that align with existing priorities, while nurses are more responsive to messages around gaining more time for improving patient care, as well as reducing administrative duties.
- 5** In developing the content and approaches in the training materials and supporting guidance, the programme has been developed in close partnership with learning partners in each Strategic Health Authority, and whole hospital roll-outs are well underway in Nottingham and Central Manchester. The Institute has worked extensively with the ward teams to refine the training modules and guidance so that the finalised programme, launched in January 2008, reflects the wealth of learning and experiences gathered from the different hospitals.

6 Giving wards the freedom to interpret and adapt the Productive Ward modules has been a key factor in their successful application. The modules focus on giving each ward a systematic way to analyse how they currently operate, and a framework to identify possible process solutions for sustained change. Although the Institute offers support in the development of solutions based on wider experiences, advice is offered in the form of options, rather than a prescriptive instruction.

7 The Institute recognises that different Trusts require different levels of support to get the most out of the programme. As a result, there are three options for implementation, dependent on the local context and experience of organisational change within different trusts. These are:

- NHS organisations in England can request the modules for self-directed learning and implementation. They receive printed and online materials to work through.
- The “standard membership offer” for Trusts in England with some experience and capacity in leading improvement or organisational change. Trusts receive training for three staff in how to implement the 15 modules, which is delivered at four 1-day workshops. The training has a ‘learning by doing’ approach to build capability in the organisation and their staff. Access is also given to a weekly online clinic, during which Trusts can gain expert implementation support live over the internet.
- The “accelerated membership offer” is aimed at Trusts with limited experience in organisational change, and in need of greater knowledge and skill transfer. In addition to the “standard offer” this option includes training in module implementation for 10 staff instead of three, executive coaching to help senior trust leaders scope the work, mobilise the right resources and set up project management arrangements, and three days of on-the-ground support from an expert clinical facilitator (usually a nurse).

8 Although still at an early stage (a full national evaluation is currently being undertaken) the Productive Ward has generated encouraging results and there is growing domestic and international interest in it. The NHS Institute has identified improvements to wards across the NHS as a result of the Productive Ward. Examples from early use include:

- the time taken to dispense drugs to inpatients has reduced by more than half, whilst safety has increased (allowing re-investment of time into safer care);
- patient handover time has reduced by one-third, and quality has increased;
- meal wastage rate is down from 7 per cent to 1 per cent (£10,000 of unnecessary annual meal requests identified in one ward);
- there has been a reduction in patient complaints and greater levels of staff satisfaction through calmer and more organised wards; and
- the initiative has led to a decrease in unplanned sickness and absence amongst ward staff where the Productive Ward has been implemented.

9 Further information on the learning derived to date from the programme can be accessed online at the NHS Institute for Innovation website.¹²

Key lessons

- The Productive Ward programme provides a framework and tools, which have enabled nursing teams to examine what they do on a day to day basis from a different perspective. These tools have greatest impact where there is a genuine demand for them from front line teams, rather than where they are mandated by management.
- Open communication around the time wards need to apply the initiative is key to building trust with users.
- Learning toolkits need to be developed with, rather than simply for, users. It is important that tools strike the right balance between offering sufficient direction and allowing room for local interpretation and ownership. They thus require significant testing with users.

¹² http://www.institute.nhs.uk/quality_and_value/productivity_series/productive_ward_%3a_video_documentaries.html.

CASE C

Maximising the learning from evaluation: The response to the 2001 Foot and Mouth outbreak

1 In 2001, the UK suffered its worst outbreak of Foot and Mouth disease. Dr Iain Anderson's independent inquiry and a report by the Comptroller and Auditor General, as well as reports by the Committee of Public Accounts and the House of Commons Environment Food and Rural Affairs select committee that followed, found that the contingency plans and procedures invoked at the time were inadequate for handling a crisis of the scale of the 2001 outbreak.¹³

2 Dr Anderson's inquiry, published in 2002, identified the main lessons to be learned and included a comprehensive set of recommendations to government and other organisations with a role to play in preventing and controlling any future outbreaks. In 2007, a further outbreak occurred and Dr Anderson was again asked to review the response and identify any lessons that needed to be learnt. The 2007 inquiry concluded that the overall response in handling the outbreak had been good. Performance, taken as a whole, was much improved when compared to 2001, particularly contingency planning. Many of the lessons identified in 2002 had been acted upon, although there was still scope to develop the information systems of the Department for Environment, Food and Rural Affairs (Defra).

3 Clearly communicating the purpose of lesson reviews (such as improving contingency planning) was an important foundation in building good working relationships between the inquiry team and the different individuals and organisations affected by the 2001 and 2007 Foot and Mouth outbreak. A commitment was made to communicate to all involved, and not just the Department.

4 The recommendations made in Anderson's 2001 report, and in the Comptroller and Auditor General's report, encouraged a lessons learned culture within Defra and its agency Animal Health. Lessons reviews are now conducted for any exotic disease incident. For each recommendation, an owner is assigned who is accountable for its implementation. Ongoing scrutiny into whether the 2001 recommendations had been implemented was provided by regular updates requested by the Committee of Public Accounts. In its Ninth Report 2005-06, the Committee of Public Accounts included an update on whether lessons had been applied. It concluded that good progress had been made on most recommendations.

5 The recommendations from the 2002 review are relevant to Defra's work on all forms of contingency planning, not just Foot and Mouth. Since the 2001 outbreak, the Defra team responsible for contingency planning has reviewed and revised the Emergency Planning guide that provides generic advice on planning and response. This activity is reinforced through regular Defra planning events. The January 2009 event gave a greater focus on learning from exchange of experience. The Emergency Planning guide is updated on an annual basis, building in ongoing lessons learned across the department from the handling of various animal disease outbreaks or crises such as flooding. The Exotic Disease Response Framework plan is also updated annually. It can be viewed at: <http://defraweb/animalh/diseases/control/contingency/index.htm>.

¹³ Dr Iain Anderson, *Foot and Mouth Disease: Lessons to be Learned Inquiry Report*, HC 888 2002.
The 2001 Outbreak of Foot and Mouth Disease. Report by the Comptroller and Auditor General HC 939, Session 2001-02.
The 2001 Outbreak of Foot and Mouth Disease. Report by the Committee of Public Accounts – 5th Report, Session 2002-03.
The impact of Foot and Mouth Disease. Report by the Environment Food and Rural Affairs Committee. 1st Report, Session 2001-02.

6 There has also been recognition that although ‘lessons learnt’ documents and supporting materials are useful, the actual experience of handling an emergency is critical. A system is being formalised where employees can support or shadow a team in the midst of handling an emergency. Members of the Animal Health agency worked in the emergency operations centre for the flood response in 2007 so they could pass on relevant lessons from their own experiences. To aid speed of response to policy making on exotic disease incidents, the department has developed a Policy Response Operations Manual, which describes roles and responsibilities and provides web-based access to the supporting materials, movement licences, legislation and control strategy documents. This will support handovers and succession planning, and builds on the Framework operational response guidance.

7 Animal Health reports a shift in the working culture of the teams responsible for handling disease outbreaks. Scenario testing has become part of regular working life and significant national exercises are run on a two to three year basis, with more regular exercises at local office level, to test the effectiveness of contingency plans. In running these exercises, teams have adopted a number of the tools and methods introduced by the military advisers who set up the Joint Coordination Centre to handle the 2001 crisis. These include “hot wash ups and cold debriefs”, which allow for learning in the “thick of the action”, as well as further reflection once the action is over.

8 The team assembled for the 2007 Anderson review contained individuals who had been involved in 2001. This continuity proved advantageous. It enabled the review team to get to the key issues quickly and led to a fully informed analysis of whether the improvements recommended in 2002 had been made. From Defra’s perspective, the consistency in the inquiry teams led to a “more focused”, “tighter” evaluation than might have been the case with a new team in place.

9 The results of the handling of the Foot and Mouth disease outbreak in 2001 resulted in wide recognition that a thorough review of plans and processes was necessary. In 2007, initial signals suggested the outbreak had been handled competently. Under such circumstances, the review team found it harder to get the candid responses they required from Defra to some of their key questions. This reticence was mitigated by reinforcing the approach that the review was about “lessons learned”, rather than the basis for a “blame game”.

10 The Cabinet Office’s Civil Contingency Secretariat, established in 2001, is responsible for emergency planning in the UK. Its Concept of Operations builds on some of the recommendations in the Foot and Mouth reviews, and reflects the close relationships it has sought to develop with teams across government working on contingency planning.

Key lessons

- More constructive relationships develop if the evaluation or review team clearly communicates its purpose from the outset. In the case of the 2002 inquiry, the assembled team recognised the importance of maintaining a focus on identifying lessons learnt and driving improvement.
- Continuity in the make up of inquiry/evaluation teams can enhance their effectiveness by capitalising on existing insight into key issues, understanding of the wider system in which they exist, and building relationships with the key stakeholders involved.
- Maximum value from an evaluation/inquiry can be achieved through sharing key findings and recommendations with a broader audience, as they often have a wider relevance. Sharing these findings and recommendations can lead to a more collaborative response.

CASE D

Learning from complaints

1 Providing appropriate systems and processes through which the public can complain about services is necessary, not only to right individual wrongs, but also to identify areas that need to be strengthened and improved more generally.

Looking across Government

2 The Parliamentary and Health Service Ombudsman undertakes independent investigations into complaints that government departments, a range of other public bodies in the UK, and the NHS in England have not acted properly or fairly, or have provided a poor service.

3 Each year, in an annual report, the Ombudsman provides an account of the key lessons to be learnt from complaints, and how they have been handled that year. In 2008, the Ombudsman published new *Principles of Good Complaint Handling* (see box below), which draws on the experience and expertise of her Office. They provide an objective framework within which public authorities should seek to work. The Ombudsman also publishes special reports in particular areas such as the handling of complaints about continuing care funding.

Principles of Good Complaints Handling (Parliamentary and Health Service Ombudsman). Good complaint handling means:

- 1 Getting it right
- 2 Being customer focused
- 3 Being open and accountable
- 4 Acting fairly and proportionately
- 5 Putting things right
- 6 Seeking continuous improvement

Complaints in this area have decreased as part of the Ombudsman's workload (from 58 per cent in 2005-06 to 31 per cent in 2006-07).¹⁴

4 In recent years, the Comptroller and Auditor General has published three value for money reports on how the Government learns from complaints. In 2005, a report covered redress across government.¹⁵ The report found that in 2003-04, within central government, there were 1.4 million new cases, with over 9,300 staff working on dealing with complaints at a total cost of £510 million.

5 The report found that the public were often confused about how to complain, and identified a wide variation across different departments in how complaints are defined, managed and acted upon. Most relevant to this report were the problems with information management, with around half of central government organisations not able to answer how many complaints they had received in two years before the report. To improve the learning from complaints, the report recommended that departments collect information on complaints and on appeals in a regular and systematic way.

Learning from customer complaints at HMRC

6 The Ombudsman's 2007 report, *Tax Credits; Getting it Wrong*, addresses the issues surrounding the tax credit system and the progress HMRC has made since a previous Ombudsman's report.

¹⁴ *Feeding back? Learning from complaints handling in Health and Social Care*, Report by the Comptroller and Auditor General HC 853, Session 2007-08 (see paragraph 2.50 of the report).

¹⁵ *Citizen Redress: What citizens can do if things go wrong with public services*, Report by the Comptroller and Auditor General, HC 21, Session 2004-2005.

7 Since 2005, HMRC had considered the recommendations made by the Ombudsman and had improved the tax credit system, with enhanced information provided to customers in terms both of its clarity and helpfulness, and a reduction in the backlog of disputed overpayment cases due to a successful streamlining procedure. The number of overpayments being remitted had fallen and overall there were fewer complaints regarding poor advice, inadequate helpline access, underpayments and failure to reply. The Ombudsman has seen a fall in the number of complaints referred to the office by 18 per cent.¹⁶ The report concluded that while there is still more to be done, improvements had been effective, successful and promising for the future.

Learning from customer complaints at the Department for Work and Pensions

8 Jobcentre Plus, The Pension Service and the Disability and Carers Service received 70,000 recorded complaints in 2007-08.¹⁷ For those customers who do complain, the complaints system was found to be easily accessible, with the majority of complaints handled directly by front-line staff.

9 Over 40 per cent of complainants remained dissatisfied, however, for a number of reasons relating both to the complaints process and to the outcome of their complaint. The Department introduced an Independent Case Examiner to report on how it handles complaints. In addition, the Department introduced a process to inform its agencies of the systemic issues observed through the examination of individual complaints cases. The agencies also have processes in place for sharing lessons with local offices.

10 The report did however find a lack of quality assurance standards and different typologies of complaints at agency level, making it hard to make comparisons of emerging problems. The report concluded that the potential to learn lessons from complaints is not fully realised because of a lack of a department wide system to record consistent and timely information on complaints.

Learning from complaints handling in health and social care

11 In October 2008, the Comptroller and Auditor General reported on complaints handling in health and social care.¹⁸ In this case, the complaints systems were also found not to be straightforward (particularly for health service users) and the handling of complaints was taking too long. As a result, many of those who were dissatisfied with the service they had received do not go on to make a complaint, thus reducing the ability for the NHS and social care organisations to learn from complaints. Only five per cent of those dissatisfied with the NHS and 32 per cent with social care made a complaint.

12 Overall, the report found a lack of systematic learning from complaints to improve NHS and social care services, with an absence of any formal means to capture key learning points from complaints. In social care, there is a well developed support network – the National Complaints Managers Group – which provides a way for sharing learning, and the Department of Health has a network, the ‘Voices for Improvement Network’ to foster closer working relationships across health and social care. However, both arrangements lack methods for capturing learning.

13 In 2006, the Department of Health announced its intention to reform the health and social care complaints arrangements. The White Paper *Our health, our care, our say* sets out the Department’s commitment to make it easier for people to complain about their experiences of using health and social care services, improve the quality of responses received, and improve services as a result. This proposal is an important part of the Government’s intention to bring the planning and management of health and social care services more closely together. In April 2009, the Department plans to introduce a new “comprehensive, single complaints system across health and social care, which focuses on resolving complaints locally, with a more personal and comprehensive approach to handling complaints, and greater commitment to learn from mistakes made”.

16 *Tax Credits: Getting it Wrong*, Parliamentary and Health Service Ombudsman, 5th Report, Session 2006-07, Appendix A.

17 *Department for Work and Pensions: Handling Customer Complaints*, Report by the Comptroller and Auditor General, HC 995 Session 2007-08.

18 *Feeding back? Learning from complaints handling in Health and Social Care*, Report by the Comptroller and Auditor General HC 853 Session 2007-08.

Learning from complaints at the Independent Police Complaints Commission

14 In 2008, the Comptroller and Auditor General published a report on the Independent Police Complaints Commission.¹⁹ The report found that there is good sharing of knowledge with the police through the distribution of a series of *Learning the Lessons* bulletins. These bulletins outline the process failings and best practice uncovered by IPCC investigations. The reactions of the members of police forces who were interviewed, were favourable and they regarded the IPCC's work as a positive step in helping the police to improve performance. To further improve learning from complaints the report recommended that caseworkers receive accredited training and that the IPCC should undertake regular satisfaction surveys and external reviews of these cases to help identify any weaknesses in their system.

Key lessons

- Learning from complaints works best when there are systems to capture and analyse what people are complaining about in a consistent and rigorous manner.
- If complaints systems are complicated, or if people do not feel their complaint will make difference they are likely not to complain. This means a key source of knowledge for an organisation is lost.
- Regular reviews of complaints handling to identify any weaknesses in the operating processes are important. Customer satisfaction surveys and external reviews of cases are suitable ways of obtaining the material for these reviews.

¹⁹ *The Independent Police Complaints Commission, Report by the Comptroller and Auditor General, HC 1035, Session 2007-08.*

CASE E

Capturing the knowledge within the delivery chain to inform strategy: The Department for International Development

1 Despite progress internationally in tackling the AIDS epidemic, including lower HIV prevalence in some countries, more access to HIV treatment and greater resources available, the epidemic continues to grow. Prevention programmes are only available to one in five people who need them, and for every two new people on treatment, another five are newly infected.²⁰

2 The Department for International Development (DFID) leads the United Kingdom's contribution to the global response to the AIDS epidemic. It does so through own country programmes, through funding of multilateral development institutions, and through support of relevant research programmes. In 2004, following a report by the Comptroller and Auditor General on the Department's response to HIV and AIDS, the Committee of Public Accounts reported that the Department's overall strategy was unclear. The Committee concluded that the effectiveness of its programmes would depend on knowing what works in tackling the epidemic and why, and on communicating this knowledge globally.

3 In June 2008, the Department published a strategy, "Achieving Universal Access" which sets out the UK's response to these challenges. The strategy is based on a detailed evaluation of the implementation of the previous strategy. The new strategy takes into account feedback and learning from a consultation undertaken in mid-2007, coordinated on the Department's behalf by the UK Consortium on AIDS and International Development (a group of UK based charitable organisations working in the HIV and AIDS arenas). The consultation produced more than 90 submissions from domestic and international NGOs, the private sector, academic institutions, and multilateral agencies.

4 The UK Consortium on AIDS and International Development held a series of online discussions on the AIDSPortal, an international initiative providing tools to support global collaboration and knowledge sharing among those responding to the AIDS epidemic. The discussions ran in parallel with the main consultation process and offered the opportunity to focus in more detail on specific issues drawn from consultation questions.

5 In 2007, the Department held its Human Development Retreat (a network of individuals working in Health and education from across DFID and its regional offices), with the aims of capturing an understanding of what works in tackling HIV and AIDS in developing countries, and helping to find solutions to the barriers and challenges. The event was structured around the central question; "What should the UK do to change the course of the AIDS epidemic?" The Department drew on a technique called 'Open Space', which provides a means of organising a workshop that includes multiple organisations, with different perspectives and agendas.

6 An interim evaluation of the earlier "Taking Action" strategy was included in the design of the new strategy. It was important that the results of this evaluation were in place at the outset of revising the strategy. One of the key lessons was the need to set targets against which DFID could measure their performance, and to which the Department would be held accountable. Specialists who conducted the evaluation of "Taking Action" were directly involved in the development of the measures for the updated strategy.

²⁰ *Achieving Universal Access*, DFID, 2008. www.dfid.gov.uk/Pubs/files/achieving-universal-access.pdf.

7 The Department has introduced an enhanced intranet facility to better capture the knowledge of staff working in developing countries. The AIDS & Reproductive Health Information System (ARHIS) has improved DFID staff access to AIDS and reproductive health information, and started to build an evidence base of best practice and lessons to support policy and programming. The system helps to identify gaps in information and evidence by allowing anyone who accesses it to contribute or modify content. It also aims to foster more collaborative working across different country offices around the globe, and between them and the central offices in London and Scotland. A recent survey found that over 90 per cent of staff using the system felt that it had made it easier to access information, learning and evidence related to their work.

Key Lessons

- Learning from partners is critical to the development of a strategy. Such learning helps to ensure commitment and means that the strategy is based on wide ranging knowledge of the evidence and issues.
- Consulting across a whole delivery chain is challenging. Different staff positions and agendas mean that there are likely to be conflicts of opinion and hence tension around what should be included in the strategy. Focusing on the agreed outcomes, and using external facilitators, helps to manage such tensions.
- Incorporating interim evaluations into the delivery of policy can provide a solid foundation for updating it.

CASE F

Supporting learning across Government: The Capability *Building* Programme, Cabinet Office: “Developing people, Solving Problems”

1 The Capability *Building* Programme was established in response to demands from departments for support in tackling long-term capability issues, and the Sunningdale Institute’s recommendation for a small and highly expert central unit for knowledge transfer and innovation. The unit leads the Capability *Building* Programme which recruits, develops, mobilises and deploys a cross-government team to tackle a priority cross-government challenge. The main objectives are:

- departments get support, experience and expertise applied to cross cutting issues;
- the Civil Service can draw on real examples of improvement which are based on evidence and tested in the real world; and
- the programme develops a bank of talented people who can fill capability gaps across government.

2 With an emphasis on learning by doing, people are recruited to work outside of their departmental ‘silos’, in cross-government teams that can offer a structured mechanism to support learning, and provide the means for people to give their time to a learning and delivery initiative outside of their day job.

3 The first pilot ran in 2008 and focused on evidence based policy making. This topic was chosen in response to concerns, raised in part through Departmental Capability Reviews, that the use of evidence and analysis in policy making was variable across departments. It concluded that more could be done to tap into the good practice from those departments performing strongly in this area and spread it across government.²¹

4 Beginning with a workshop in spring 2008, at which the Cabinet Secretary spoke, the team recruited analysts, policy makers and delivery managers from across government to run a project examining the use of evidence at the Department for Innovation, Universities and Skills (DIUS). The project group, made up of 17 members, drew on a broad range of skills and experience and included representatives from both central and local government. Each person was committed to devoting around 10 days over three months to the project.

5 The team examined the policy making function within DIUS. By pooling their shared knowledge and expertise, the team were able to develop a model of best practice in the use of evidence, with a strong focus on customer and front line delivery. They used this to explore the current reality in DIUS. This resulted in a set of recommendations and suggestions for DIUS to take forward as part of the Department’s wider response to its own Capability Review. The team will return to the Department in the coming year to examine the different approaches being taken as a result of their work and provide external challenge and steer.

6 The pilot was well received by both DIUS and the team who took part. They reported that working alongside people from other departments and areas of government, although challenging, helped spread knowledge and expertise, and allowed for an examination of policymaking at DIUS based on experience of what works.

21 *Capability reviews tranche 2: common themes and summaries (2006)*. Available at www.civilservice.gov.uk/about/accountability/capability/web_reports/tranche2.asp.

7 Towards the end of the pilot, a conference was held to bring together over 150 participants from central government, agencies, local government, the third sector and think tanks to examine the work of the team. Delegates considered the future shape and design of policymaking and how the relationship between civil servants and ministers can be strengthened.²²

8 Based on the success of the pilot, and informed by lessons arising from it, the programme's next initiative is to look at innovation and improvement in operational delivery. A cross-government group has been convened which is exploring six case studies in best practice.

Key Learning Points

- Bringing together people from different departments broadens and deepens the pool of knowledge and experience, enhancing learning.
- Working on a real problem with a real client enables learning from actual experience, which motivates those involved.
- Cross-government initiatives work best when there is a well designed and structured process that provides a platform for learning and knowledge transfer.

22 More information can be found at www.civilservicenetwork.com/awards-events/pe/.

CASE G

Learning from the front line: HM Revenue & Customs' Angels and Dragons initiative

1 The objective of Angels and Dragons is to involve staff in transforming the business operations of HM Revenue and Customs (HMRC), so as to provide a better service to its customers.

2 Previous schemes to learn from front-line staff at HMRC had not been effective. Many ideas lacked the critical thinking necessary to turn them into tangible results, and the ideas that were approved were subjected to the same feasibility and approval processes as large scale projects. This overhead was disproportionate, which often discouraged submission.

3 Angels and Dragons uses a venture capital approach. It provides all staff with an opportunity to put forward innovative ideas and support to carry out an investment appraisal, as well as to implement and deliver the desired outcomes. Proposals that have a potential to deliver a return of 110 per cent over two years are approved by the Board of Angels which is made up of a quorum of senior directors. There are four main stages in the process from idea generation to implementation:

- **Stage 1.** An idea is posted on the HMRC Intranet. The idea remains on the site for four weeks, during which time everyone in HMRC is able to access it to post their comments and suggestions, and to offer help. There is also the opportunity to vote on the quality of the idea.
- **Stage 2.** At the end of the four week period, the Angels and Dragons team will normally liaise with the individual who has proposed the idea to agree a way forward. For example, certain ideas could be acted upon outside of the Angels and Dragons scheme.
- **Stage 3.** A coach is assigned to assist in research and to develop a business case.

- **Stage 4.** The business case is presented to the "Board of Angels" for detailed examination, at which point a decision is taken whether to invest in the proposal. If the decision is taken to invest, the proposer retains ownership of the idea by becoming project manager and receives continued support from the Angels and Dragons team. A "guardian angel" from the Board volunteers to support the idea through to delivery.

4 HMRC has allocated £2.5 million for initial set up costs and approximately £1 million annual running costs to the scheme. The initiative is supported by a team comprising a Senior Coach, three dedicated Coaches, a Project Manager and a Process Lead (primarily responsible for monitoring and administration of the Intranet site). The team also calls on the services of a Finance and Benefits Manager and a central support team from the wider HMRC Pacesetter programme. The governing body, the "Board of Angels", comprises 11 members including the Chair of the Board. They are drawn from HMRC and the private sector, and a quorum of five is required for a Board meeting.

5 HMRC designed the scheme by learning from the experience of other private and public sector organisations that had set up similar schemes. In particular, HMRC has acknowledged the importance of senior level involvement and an Internal Audit review concluded that continued support from senior leadership is necessary to build on the momentum already gained.

6 Since introducing the scheme, HMRC has been in contact with European counterparts – hosting exchange visits from Dutch and German revenue agencies. A key learning point from the Dutch example was that it is essential that the Head of the Tax Authority is seen as an active participant in the scheme. The German revenue agency also emphasised the need to reward contributors with the right level of recognition. In Germany, successful contributors are presented with awards by the Chancellor.

7 The Angels and Dragons team are committed to maintaining the profile of the scheme across HMRC. There is a continuing need for Angels and Dragons to demonstrate to its audience the value added to HMRC operations, so that it becomes fully embedded into the business and is not marginalised as “nice to have, but non-essential”. Without ring fenced financial support for the scheme, there is a risk in the future that good ideas are not taken forward for lack of funds. The Department could then return to the situation which existed prior to the initiative. This would give staff a negative view of the department’s commitment to staff participation in continuous improvement.

8 The HRMC board is conscious of the need to strike the right balance in its communications. The main drivers behind the scheme are as much about cultural change and staff development as a return on investment. Whilst it is too early for the delivery of benefits to be confirmed, HMRC’s Internal Auditors acknowledged that the benefits to those who have participated in the process are already evident. The scheme has been successful in meeting its main objectives, which were to:

- re-invigorate ideas generation processes which were considered not to be making sufficient impact and lacking staff commitment;
- develop the potential of HMRC staff; and
- generate a more entrepreneurial approach to improving HMRC business.

Key lessons

- Senior leadership championing of such initiatives is critical to their being regarded as something more than a gimmick.
- Return on investment is important to measure, but this type of learning scheme also drives a wider set of benefits. In this case, it has helped develop a more entrepreneurial spirit at the front-line and made leadership teams appear “less remote”.

CASE H

Leaders taking the lead in encouraging learning through an open discussion on project failure in the United States Criminal Justice System

1 The United States Justice Department's Bureau of Justice Assistance has brought together law enforcement officials from across the United States to conduct candid assessments of what is working, and what is not working, in the United States criminal justice system.

2 The bureau is building on a decade-long partnership with the Center for Court Innovation (a New York-based think tank) to deal with acknowledged failures of the American judicial process, including sluggish courts, recidivism and a significant loss of public trust. It was these failures that led the Bureau of Justice Assistance to launch its first grass-roots assessment and problem-solving criminal justice initiative in 2005.

3 During this assessment, it became clear that in the few public discussions there had been on criminal justice failures, the focus tended to be on corruption, gross incompetence or specific cases with tragic outcomes. Whilst these kinds of errors needed to be publicised, they typically offered few transferable lessons for those working to drive wider improvements and changes to the system.

4 As a result, in January 2007, the Center for Court Innovation and the Bureau for Justice Assistance set out to conduct a more constructive examination of failure. The two agencies convened a day-long roundtable discussion in New York that brought together judges, court administrators, probation officials, prosecutors, police chiefs and defence lawyers from across the country to discuss lessons to be learned from projects that had failed. The goal was not to apportion blame, but rather to gather together experienced and thoughtful criminal justice professionals to take a deeper look at failed reform efforts and to extract concrete lessons. Getting a group of senior officials to discuss failure in an open and candid fashion is not easy and an expert, independent, facilitator was used to lead the discussions.

5 The Bureau of Justice Assistance has recognised that to encourage criminal justice officials to test new ideas and challenge conventional wisdom to drive improved performance, a climate where failure is openly discussed is needed. The Bureau's aim is for learning from failure to become embedded into how criminal justice officials work. The failure roundtable and the supporting report (*Trial and Error: Failure and Innovation in Criminal Justice reform*) are steps in supporting this cultural change.²³

6 Both the Center for Court Innovation and the Bureau for Justice Assistance recognise that one event and a supporting report will not change the culture of the entire Criminal Justice System. However, they are working together to try to drive a shift in attitude towards failure. The next phase of the "failures" discussion involves a marketing campaign, spreading the word through conferences, comment pieces in newspaper and journals, speeches and articles posted on the internet.

Key lessons

- Learning from failure requires a commitment to creating forums where problems can be discussed openly without resorting to blame allocation. The cultural shift of moving towards this level of openness within public sector organisations on a day to day basis should not be underestimated.
- Intolerance of failure or setbacks creates a culture less amenable to being self critical and open to reflection, which in turn can stifle innovation.

²³ More information can be found at www.courtinnovation.org/failure.

CASE I

Learning from the Centre – Gateway reviews

1 As the lead organisation for the Project and Programme Management profession, and with responsibility for Gateway reviews, the Office for Government Commerce (OGC) has a major role in capturing and sharing knowledge of what works well and the common causes of failure.

2 Gateway reviews are examinations of an acquisition programme or procurement project carried out at key decision points by a team of experienced people, independent of the project team. There are five OGC Gateway Reviews during the lifecycle of a project, three before contract award and two looking at service implementation and confirmation of the operational benefits. The process emphasises early review for maximum added value.

3 Gateway Reviews are considered by departments to be effective in providing external challenge and input to project and programme delivery efforts. However, the process is inconsistently applied across departments. Gate 5, for example, which assesses whether the benefits of a programme or project are being fully realised, are only applied by 20 per cent of departments. Without examining the realisation of benefits, the likelihood is that lessons are not being properly identified and, therefore, not shared. OGC is also aware that Government departments are not systematic enough in completing post-implementation reviews on projects or programmes that have gone particularly well, or badly.

4 Over 2,500 Gateway Reviews have been completed to date, generating large amounts of valuable information, but little attempt has been made, either by OGC or departments, to mine the rich vein of knowledge they generate. In 2007, the Committee of Public Accounts reported that the lessons from Gateway Reviews are not shared consistently across departments, with only some three quarters of Centres of Excellence routinely receiving such Reviews.²⁴

5 OGC has recognised the weakness in learning from Reviews, and plans to produce a series of topic specific ‘lessons learnt’ products to be shared with relevant programme and project managers, starting with a pilot analysis of the lessons identified from experience of delivering shared back office services.

6 To improve further, the newly established Major Programmes and Projects group is gathering together the key themes emerging from the top 40 ‘mission critical’ government projects and programmes. While this work is at an early stage of development, it should support departments in learning from the experience of others before and during implementation of major programmes and projects. OGC’s Procurement Capability Reviews are also making specific recommendations to departments on sharing good practice across internal and external organisational boundaries.

7 Although Programme and Project Management is included in the Professional Skills for Government programme (OGC is the formal lead for the Programme and Project Management Specialism), these skills are yet to be fully embedded across government, with some large scale and high risk projects still overseen by Senior Responsible Officers with only very limited programme and project management experience.

Key Lessons

- Reviews and evaluations of different programmes, when taken together, can inform wider decision making and learning across departments.
- Central bodies, such as OGC, hold a pool of knowledge about what works well, and where risks to delivery may lie. Departments have much to gain from actively seeking and learning from such evidence.

²⁴ *Delivering Successful IT-enabled business Change*, Report by the Committee of Public Accounts, 27th report, Session 2006-07.

CASE J

Supporting learning across local government: the Beacon Scheme – Improvement and Development Agency and the Department of Communities and Local Government

1 In 1999, the Beacon Scheme was introduced with the aim of improving the performance of English local government and other local public services through the identification and sharing of good practice. The Scheme provides national recognition through an application and award scheme. It is run annually by the Department of Communities and Local Government (CLG), along with the Improvement and Development Agency (IDeA). Awards are given to authorities assessed to be models of excellence, of innovation, or both, in specific services or cross cutting themes. The Scheme aims to share these examples of excellence across local government, with award holders expected to commit fully to a year of peer learning and knowledge transfer.

2 An evaluation by Warwick Business School, including a survey of local authorities, concluded that the Beacon Scheme had been effective in identifying and sharing good practice across local government.²⁵ In particular:

- 69 per cent of those who attended a Beacon event implemented at least one change they attributed to the scheme. The top three ‘change areas’ were: revised policy and strategy, changes in approaches to working with partners, and the introduction of a new working practice.
- Participation in the Beacon Scheme is also viewed as having a positive impact on the local authorities, with 78 per cent of respondents agreeing that the scheme has increased external recognition of their achievements and 69 per cent agreeing that it had increased the organisation’s confidence in being innovative.

- Overall engagement with the Beacon Scheme has increased over time. By 2004, most of the 386 local authorities in England had participated in Beacon events as visitors and learners in one or more rounds. In 2004, 41 per cent of survey respondents had participated in Beacon events; in 2006 this had risen to 68 per cent. By 2008 only two local authorities had not engaged with the Beacon Scheme and only 38 had not yet applied for Beacon status.

3 Organisations need to invest time and resource into understanding what they need to know and how they should interpret and adapt good practice to their own environments. Many councils have established “internal learning networks” that work to identify the specific issues or information gaps they need to address through visits to Beacon authorities. For example, at Gloucester Council, senior and operational waste managers and elected members needed to find ways to meet challenging statutory targets. Visiting Beacons that had met similar challenges helped them devise a more effective strategy. A senior manager at Gloucester Council recalls the experience:

“We were motivated to look for specific information. We made huge efforts to go to visit Beacons and felt they were worth going to. We saw why they got it [Beacon award]. . . We got smarter about the sharing of best practice and realised we had to target those areas of the city where we would get the best return. This led us to learn a lot about different types and cycles of collection from people who had piloted them.”

25 The Hartley and Rashman evaluation in 2007 draws on national surveys of local authorities in 2004 (191 responded) and 2006 (174 responded), a front line staff survey with over 1,000 responses, and the development of 18 detailed case studies in 2004-05 and 2005-06. Much of the evidence and insight presented in this case study is taken from materials developed by Professor Jean Hartley and Lyndsay Rashman at Warwick Business School.

4 IDeA provide guidance and support to Beacons to enable learning to take place. Four main methods are typically used to share the good practice. They are:

- National/regional learning conference events. The conferences provide a broad presentation of information about each Beacon within the award theme.
- Open day visits, hosted by Beacon authorities on-site. These offer exchange of knowledge, information and ideas, based on more intensive learning.
- Resource packs and web-based materials developed and made available through the Beacons website (www.beacons.idea.gov.uk) and online communities of practice (www.communities.idea.gov.uk).
- Beacon peer support and coaching. An organisation might request a one-to-one exchange of knowledge and experience with a Beacon authority, through peer support or mentoring arrangements.

5 IDeA also support a peer review programme and a good practice website (IDeA Knowledge), which receives over 140,000 visits a month, as well as communities of practice – networks of people, including officers and councillors, with common problems or interests. They explore new ways of working, develop solutions to problems, and share good practice and ideas.

Key lessons

- Acquiring the right knowledge is a strategic task and rarely falls into an organisation's lap. There is value in reflecting on where knowledge gaps exist and how these can be filled.
- Learning from others works best when it is adapted to local conditions.

CASE K

The role of Parliamentary scrutiny in helping central government learn

1 Parliamentary scrutiny conducted by select committees is an important element of the external evaluation of government departments. Committees have the capacity to draw on a wide range of authoritative evidence, on past reports, and on expert information and advice. They produce reports which can have both breadth and depth.

2 Committees conduct inquiries that can cut across government bodies or focus tightly on a specific issue within a single department. They compile reports on the actions and policies of government, and inform parliamentary and public debate on the key issues of the day.

3 The role of the Committees is essentially twofold: helping to hold government bodies to account, and playing a role in highlighting ways to improve the delivery of public services. The benefits of the select committee approach are its ability to:

- exert pressure over time, require updates and revisit issues;
- highlight the main lessons from the evidence presented to them;
- draw on a wide pool of examples, past reports, expert information and advice; and
- attract attention to particular issues in the wider public consciousness.

Example One: Value of scrutiny in depth: The House of Commons Science and Technology Committee report: *The Use of Science in UK International Development Policy*

“I think this has been a really good example of a select committee doing a really important piece of work and having an influence.”

Secretary of State, Rt. Hon. Hilary Benn MP

The Committee was concerned that the quality of policy making in the Department for International Development (DFID) may, on occasion, have been compromised by a lack of recognition of the value and role of research and evaluation.

4 The Science and Technology Committee’s thirteenth report of session 2003-04 *The Use of Science in UK International Development Policy*²⁶ is an example of a focused inquiry of a department’s activity which contributed to policy development within DFID and, in particular, the creation and appointment of a Chief Scientific Advisor.

5 The inquiry examined how science and technology were informing decisions on the spending of the aid budget, how research was being used to underpin policy making in international development, and how the UK was supporting science and technology in developing countries.

6 The inquiry received more than 100 written submissions and held seven oral sessions, during which evidence was heard from officials from DFID, organisations involved in capacity building, agricultural, forestry and environmental R&D, engineering and health R&D, and officials from the Foreign and Commonwealth Office, UK Trade and Investment, the British Council, and the Secretary of State for International Development.

26 The Committee was replaced by the Innovation, Universities, Science and Skills Committee, in 2007.

7 This was the first time the Department had been in contact with the Committee and its relationship was quite distinct from the Department's more frequent interactions with the International Development Committee. This different relationship was due, in part, to the specialised focus of the report, coupled with the Department's acknowledgement that its use of science could be better coordinated. The Department therefore viewed the report as offering a positive contribution to driving improvement in the Department's policies and performance. Recognising the potential benefits, the Secretary of State established a direct line of communication with the committee and engaged members individually.

“The inquiry you have undertaken has had a profound impact, certainly on me and on the Department ... As far as the relationship between select committees and government departments are concerned, I think this is how it should work, because if we do not inquire and listen to each other and reflect and respond, then the system does not work very effectively.”

Secretary of State, Rt. Hon. Hilary Benn MP

8 Despite its specific focus, the impact of this report has extended beyond DFID. The creation of the post of Chief Scientific Adviser has helped raise the profile of the science agenda across government.

Example Two: Value through breadth: Committee of Public Accounts overview report

9 In 2005, the Committee of Public Accounts produced a report entitled *Achieving value for money in the delivery of public services*²⁷, built on a broad evidence base of Committee reports from the previous ten years.

10 The report brought together findings arising from the Committee's work and allowed it to analyse the barriers to well thought through implementation of government programmes and efficiency in the provision of public services, and to suggest how they could be overcome.

11 The report identified general areas for improvement in project preparation and management, reducing complexity and improving productivity, combating fraud, sharpening commercial astuteness and implementing policy in a more timely way, as well as highlighting more positive messages from ten years of the Committee's investigations.

12 A key theme raised in this report was the suggestion that many government bodies were failing to learn from their own past mistakes and those of others. The mechanisms in place to learn from past mistakes and prevent their future repetition were either absent or insufficiently robust. The report acknowledged the difficulties attached to delivering large-scale and lasting improvements to public services. However, it suggested these difficulties were attributable in part to departments' failure to learn from each other's experience, resulting in basic errors occurring time and again. The report was well received by the Government. In response, the Treasury Minute stated:

“The Government welcomes this incisive report which draws on the experience of the Public Accounts Committee over a decade. The Government values the Committee's considered advice, reflecting evidence gathered at hearings on a wide variety of subjects of public interest.”

Government Response, HM Treasury

Key Lessons

- Focused and timely inquiries that address key issues for a Department can hold considerable value where the Committee and Department interact and reflect on findings.
- The value of the Committee of Public Accounts' overview report was that it built on a broad evidence base, including examples drawn from over 400 reports over ten years, which together covered the majority of departments. This breadth enabled key themes to be credibly identified.
- Examples marshalled from seemingly unconnected arms of government illustrate how inhibitors to efficiency and barriers to effectiveness are often similar in nature and their associated lessons highly transferable.

27 *Achieving value for money in the delivery of public services*, Report by the Committee of Public Accounts 17th Report, Session 2005-06.

PART THREE

What departments and the centre of government are doing to support learning

3.1 Part One summarised the key elements of organisational learning and emphasised its significance for the performance of government departments. Part Two illustrated in more detail how a number of public bodies have sought to extend their learning by using a range of techniques and approaches. Part Three draws on our survey of all the main central government departments to examine the current position on organisational learning.

3.2 An understanding of how an organisation is learning is rarely available from any one part of that organisation. To secure the best response from the survey we sent it to departmental Change Directors, who provided departmental responses, with input from other relevant units and divisions. We chose Change Directors following discussion with the Cabinet Office, as they are the senior officials responsible for implementing the change programmes arising from the findings from the Capability Reviews²⁸ and are thus well placed to provide an overview of departmental structures and activity.

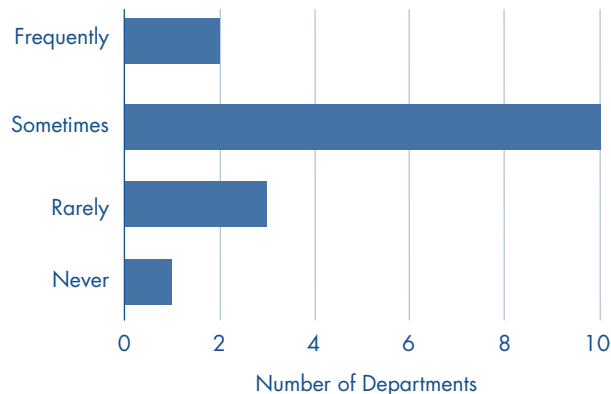
The role of senior management

3.3 Senior management boards must consider many competing priorities, such as policy development, spending pressures, performance against key indicators and future strategy. While organisational learning affects all of these, in most departments our survey suggests that it is not something that is explicitly discussed on a regular basis by some departmental boards. Although the majority of departmental boards have a member of the management board responsible for reporting on organisational learning, only two boards “frequently” discuss learning as a discrete issue. The majority discuss organisational learning “sometimes” or “rarely” (**Figure 1**).

3.4 Not considering organisational learning can create the risk that issues around the wider culture of learning are not addressed by senior leaders together, and so a consensus on how to build learning into the work of the department may not emerge. It can also mean that learning is not seen by staff as a priority for the department. Without senior champions to promote learning, it can be difficult for more junior staff to secure sufficient time for learning, and for a learning culture to take hold. A similar concern was identified in the 2008 White Paper *Innovation Nation*, which identified a climate within departments where ‘innovation’ – often based on learning from past experiences – was regarded as a marginal activity, at odds with the main job of delivery.²⁹

1 Frequency of ‘learning’ on the agenda of management boards

How often is organisational learning discussed at your Management Board? Number of Respondents = 16



Source: National Audit Office survey

²⁸ *Assessment of the Capability Review programme: Report by the Comptroller and Auditor General, HC 123, Session 2008-09.*
²⁹ *Innovation Nation, Department of Innovation, Universities and Skills, March 2008 at: www.dius.gov.uk/publications/scienceinnovation.pdf.*

3.5 Some departments have increased their attention to organisational learning. For example, following its Capability Review in 2006, the Home Office acted to increase the profile of learning at Board level. There is now an expectation that when programme and project teams present to the Home Office Board, they refer to the lessons they have learnt from others, as well as good practice they have followed and found to be effective. The Management Board will then discuss whether the lessons learnt are applicable more widely across the department, and how they might best be translated across the organisation. The performance and functioning of the Management Board itself are also on the agenda in their own right as a strategic priority for the department.

3.6 Ten departments reported that they have a strategy in place to improve learning and two departments have such strategies embedded into various other levels of the organisation. Strategies for organisational learning are usually placed within wider organisational strategies such as for knowledge management. The Department

for Food and Rural Affairs (Defra), for example, has recently developed a knowledge strategy supported by departmental values and, importantly, linked to the department's competency framework for staff. Adhering to the strategy is designed to make it easier for Defra staff to find colleagues with the knowledge they need to do their own work (**Box 8**).

Tackling barriers to effective organisational learning

3.7 A key role of organisational leaders is to tackle the barriers to effective organisational learning. Our literature review and the cases (for example, the Productive Ward initiative and HMRC's Angels and Dragons scheme), illustrate the importance of making sure that staff have the time to reflect on their work (and the work of others). Around one third of departments reported "a lack of time" as one of their top three barriers to effective learning, highlighting how the inevitable pressures of immediate delivery can often drive out time for consideration of the wider lessons which could, in the longer term, make for more effective services (**Figure 2 overleaf**).

3.8 An even more widely reported barrier to learning experienced by around half of departments was silo structures across organisational units. Both these issues were highlighted in our cases in Part Two. Approximately a third of organisations also reported that a high turnover of staff and ineffective mechanisms for sharing knowledge were problems. Together these illustrate the range of issues that leaders, seeking a cultural change in their organisations, need to address.

Skills and incentives

3.9 Learning initiatives are likely to work best when combined with developing the required skills and capabilities needed for their successful implementation. For example, the Productive Ward programme team in the NHS Institute for Innovation and Improvement provides a package of training support to participants in each of the 13 learning modules (Case B). Elsewhere in the NHS, the Department of Health's introduction of IBM's collaborative tool, Quickplace, which provides the facility for virtual collaborative working and knowledge sharing across and beyond departmental boundaries, was under-used for two years before the Department developed a training programme and application process to go with it. It is now used extensively and with increasing effectiveness.³⁰

BOX 8

Defra knowledge and learning strategy

The Defra strategy explicitly links the importance of learning to the achievement of the department's aims and objectives. All staff are expected to:

- understand that knowledge is one of Defra's most important assets and that its key activity is the acquisition and use of the knowledge, skills and experience of its staff to make policy and deliver projects;
- be able and motivated to exploit and improve that knowledge by:
 - adding to the sum of Defra knowledge and sharing what they know;
 - using others' knowledge to get up the learning curve faster;
 - helping Defra retain knowledge when they move or leave; and
 - taking opportunities to learn.
- know:
 - how to do what they need to do, how the organisation got to where it is, what mistakes to avoid;
 - who could be useful, needs to be involved; and
 - what the evidence is, where it is located and how to evaluate it.

Source: Defra (2008), *Knowledge Management and Information Strategy*

3.10 The Senior Civil Service Leadership Model (rolled out in March 2006) sets out a number of competencies that are considered crucial if organisational learning is to take place. These include: openness to learning, using learning to improve personal and organisational performance; and an ability to build relationships with teams, peers, partners and stakeholders. One of the long term impacts of the Foot and Mouth outbreak in 2001 has been the increased emphasis within the Animal Health Agency on the importance of continuous learning. Scenario planning, which involves considering new solutions based in part on learning from past experience, is now core to their work, characterised by what they call a ‘what if’ culture within all teams (Case C). The Professional Skills for Government programme is also seen by departments as an effective catalyst for increasing learning. The programme requires civil servants aspiring to enter the Senior Civil Service (SCS) to spend time on secondment gaining experience of frontline service delivery or from the private sector (**Box 9**). Our survey indicated, however, that only half of departments have ‘contribution to organisational learning’ within their competency framework for senior civil servants.

BOX 9

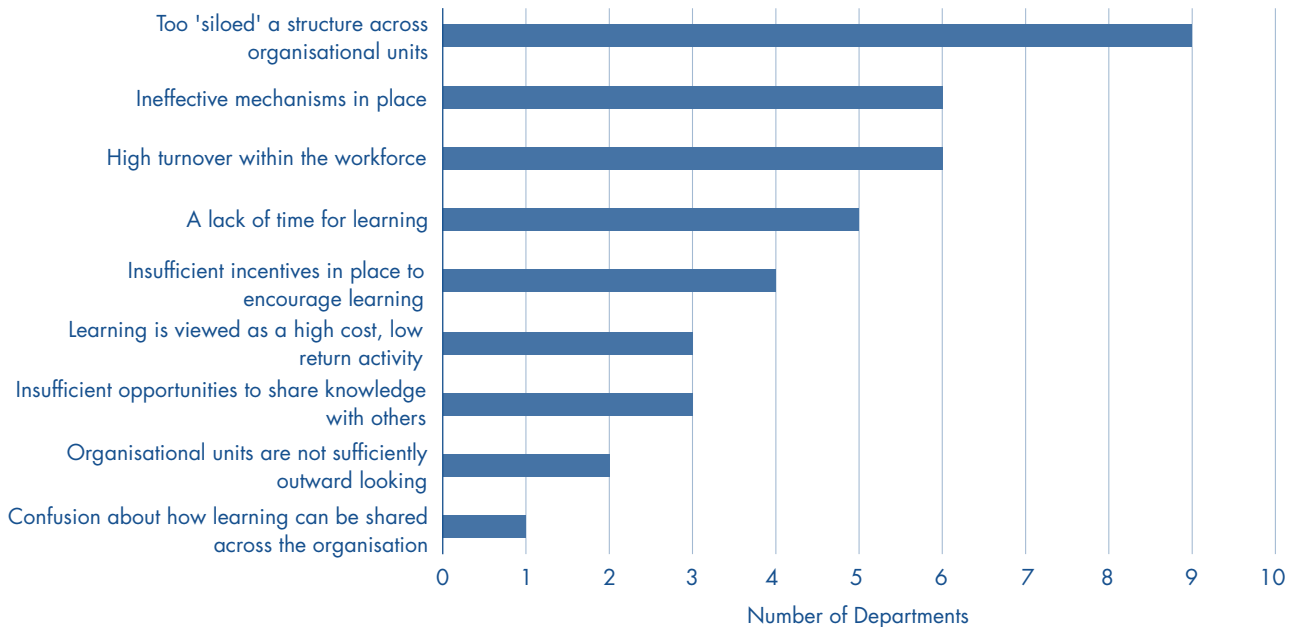
Professional Skills for Government

To progress in the civil service, individuals will now need to demonstrate skills in the four areas below:

- Leadership.
- Core skills – people management, financial management, programme management, project management and the analysis and use of evidence. And additionally, for the Senior Civil Service, strategic thinking, communications and marketing.
- Job-related professional expertise – building on the work of the Centres of Excellence across Government.
- Wider experience – familiarity with different ways of working – obtained from other areas of the civil service or, for example, the commercial world.

2 Barriers to organisational learning

What are the main barriers to learning in your organisation? Number of Respondents = 17



Source: National Audit Office survey

3.11 Departments find that face to face approaches to learning are more effective than IT systems in supporting learning. Cross-departmental networks are in place in almost all the organisations we surveyed. And just over half of departments reported that they use “cross-government communities of practice”, networks that bring together groups of people from a common profession, for example, IT professionals, to learn from one another by sharing knowledge and good practice. The National Audit Office itself has developed practice networks which enhance cooperation between different teams through the sharing of expertise in areas such as performance measurement, financial management, efficiency and regulation.

3.12 Recognising and rewarding the right behaviours helps to build momentum and encourages others to adopt them. Ten of the 17 departments we surveyed monitor the contribution that staff make to organisational learning through recognition in staff appraisal processes and reward schemes.

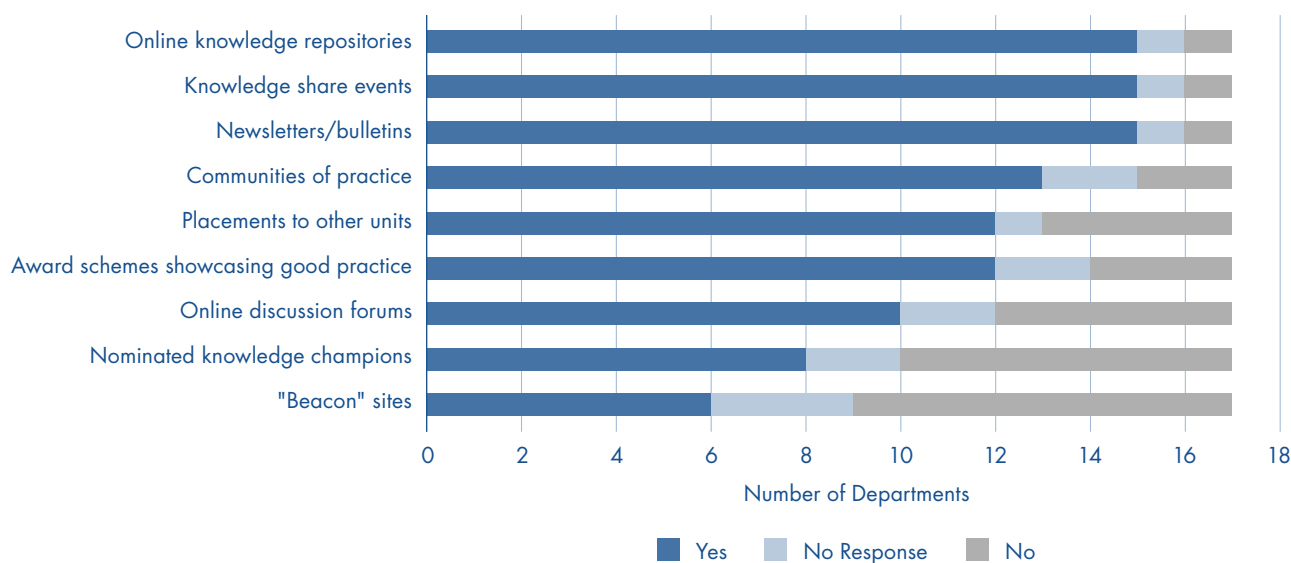
3.13 However, a quarter of departments cite “insufficient incentives” as one of their top three barriers to improving learning. Cross-government recognition exists in the form of the Civil Service Awards, which reward teams who demonstrate excellence in areas including “joined up Government” and “strategic use of analysis”. In local government, as we saw in Part Two, the Beacon Council scheme has proved effective in recognising excellence.

Ways to support learning

3.14 Departments have a number of ways of sharing learning, with newsletters and bulletins, knowledge sharing events and on-line knowledge repositories in place in almost all departments (**Figure 3**). Assessing how effectively they work is important, but in more than half of departments in each case, there is no active monitoring of the effectiveness of these measures.

3 Ways of sharing learning across organisations

What mechanisms are in place to share learning across your organisation? Number of Respondents = 16



Source: National Audit Office survey

3.15 There is also a danger in equating the collection of information with its effective use. Most departments use IT-enabled tools to share learning, in particular, online knowledge repositories or databases, but less than half measure their impact. Some interviewees expressed scepticism as to how effective such systems are on their own in enabling knowledge sharing, and a Cabinet Office Study on collaborative working found that: “collaborative tools are only effective if the culture and governance of the organisation is in place to allow them to succeed”.³¹

3.16 In 2003 and 2004, Programme and Project Management (PPM) Centres of Excellence were established in departments as one of the key Cabinet Office actions to strengthen the delivery of government IT-enabled programmes and projects. Centres of Excellence are teams that provide strategic oversight, scrutiny and challenge across a department’s portfolio of programmes and projects. They act as a focal point for supporting individual programmes and projects, and drive the implementation of improvements to increase the department’s capability and capacity in programme and project delivery.

3.17 Over half of the departments in our survey rate their Centre of Excellence as ‘effective’ or better in supporting the capture and distribution of knowledge, but slightly fewer rate the support for the application of knowledge as ‘effective’. However, there is still potential to increase their impact. More could be done, for example, to share and apply the knowledge they have of what does and does not work with staff (Figure 4). At present, only around one quarter of Centres of Excellence produce a regular report of lessons learnt from programme and project delivery, although more are planning to “at some point in the future”.

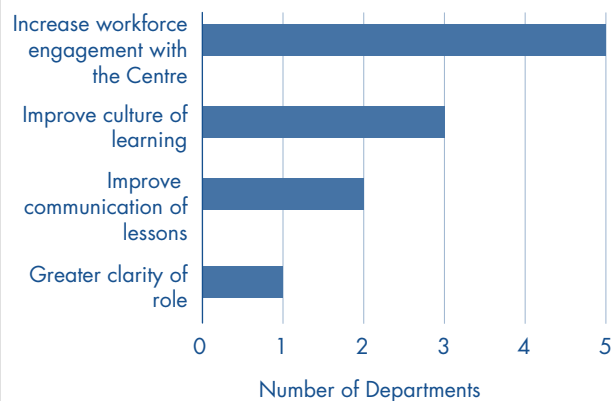
3.18 The ePassport programme case study and our interviews across government support the view that programme and project management methodologies such as Prince 2 and the Office of Government Commerce’s ‘Managing Successful Programmes’ provide effective guidance that supports learning from past experience. Such methods are not however applied consistently across departments. For example, two-thirds of departments do not have a formal requirement in place to search for relevant knowledge, skills and experience at the outset of a project/programme, which is a requirement of the Prince 2 methodology.

3.19 A number of departments have a strong culture of evaluating programmes and projects. Some are undertaken in-house, whilst others are commissioned from external specialists. Maximising the impact of evaluation entails communicating the findings and recommendations with a wider audience in ways that are relevant to how they work. Almost all departments use some form of evaluation to improve the delivery of programmes and projects, but there is scope to improve communication of the findings as nearly a third of departments responding rate the learning from these evaluations as being communicated across the organisation less than effectively. Ideas for improving the usefulness of this knowledge include improving its targeting across the organisation, producing it in a more consumable format and formalising the way it is disseminated.

3.20 On a day to day basis, there is much that can be gained from taking time to reflect on reasons for success or failure. Learning can be achieved through the application of existing programme and project management methodologies such as Prince 2. However, other non-traditional processes and methods have proved effective in increasing day to day learning, such as After Action Reviews adopted by BP and Defra (Box 10).

4 Actions to improve the contribution of Centres of Excellence

What one action could the Centre of Excellence take to improve the contribution it makes to learning across the organisation?
Number of Respondents = 15



Source: National Audit Office survey

³¹ Collaborative working across Government – Central Office for Information, May 2008.

BOX 10**Adopting After Action Reviews**

"After Action Review" is a process designed by the US Army to learn quickly from missions and identify improvements. The process has been rolled out in US Government departments such as US AID. It has been adopted by BP, and a UK Government variation referred to as "hot wash ups" is now used in the implementation of contingency plans during emergencies. These were introduced by the military advisers brought in to support the 2001 Foot and Mouth Outbreak.

After Action Reviews are flexible enough to be applied at a frequency suiting the project/programme or activity in question – they can be daily or quarterly. They are typically led by a team member who has been trained to facilitate a review, which always have the same set of rules. These include: "No thin skins", "Leave your stripes at the door", "Absolute candour", "Focus on our issues, not the issues of those above us".

They also have the same structure of questions:

- What were the intended results [of the project or activity]?
- What were the actual results?
- What caused the results?
- What will we keep doing or improve on?

A key risk is turning the dynamic process into a "report" or a "meeting", which does not affect how the team operates. A key success factor is therefore linking the lessons learnt with actions and owners before the review is closed.¹

NOTE

¹ This explanation of the After Action Review is based on the Marilyn Darling, Charles Parry and Joe Moore article: "Learning in the Thick of It," Harvard Business Review – High-Performance Organization Issue – July 2005".

Retaining critical knowledge

3.21 Departments need to develop and build into their succession planning effective ways to capture and share the knowledge and experience of those who leave. Nearly half of departments consider the "formalisation of the Senior Responsible Officer handover processes" as the single most important improvement that could be made to address this challenge. The process and methods used to capture the knowledge of Senior Responsible Officers on leaving their roles varies greatly across Government, but over half of departments utilise some form of written handover. While 60 percent of departments find this handover 'effective', a third of departments rate such handovers as 'moderately ineffective', with no departments rating the handover as 'highly effective'.

3.22 One department, Defra, has adopted a Retention of Critical Knowledge Process, which provides a framework for the department to identify, capture and share the critical knowledge of people leaving the organisation. The process is based on the experience of the Tennessee Valley Authority, a utility company in the USA which applied it to identify the knowledge they were about to lose when a large number of people came up to retirement age at the same time. A similar situation is illustrated by the case of the ePassport programme, which used a mix team of civil servants and consultants. The Identity and Passport Service identified that using consultants can be a risk for their business and now includes the requirement for knowledge transfer arrangements in its invitations to tender for contracts.

3.23 Building on the Defra experience and other good practice in government and outside, the Government published a Knowledge and Information Strategy in November 2008. It is led by the Knowledge Council, and supported by the Knowledge and Information Management Network (based at the National Archives). The strategy's key principles and actions are to:

- improve the value of the information and knowledge held;
- build a knowledge management and knowledge-sharing culture;
- use common standards and processes;
- build capability;
- strengthen leadership across government and within departments; and
- improve technology.

The role of the centre

3.24 Much of the focus of this report is on how individual organisations learn in order to drive their own performance. However, a number of central departments play a key role in supporting learning across government. Because of their insights into what works well, their understanding of where good practice lies, and their knowledge of the common causes of failure, the departments at the centre of government (HM Treasury, the Cabinet Office and bodies such as the National School of Government and the National Archives) offer a source of lessons that can be applied across government. They also have a shared interest in finding ways of helping government learn more effectively and disseminating them.

3.25 The central departments cannot, however, simply apply a "command and control" approach to changing the way in which departments manage their affairs. They can instead use the knowledge they gain from their work (such as undertaking capability and spending reviews) to influence departments, and help them improve their capacity and performance.

3.26 A separate role of the centre is to stimulate and support the development of cross-government networks and groups such as the Chief Information Office Council (and its Technology Officers Council), the Government Social Research network, the Knowledge Council and the Change Directors Network. For example, a small team (three people) in the Cabinet Office run a Chief Technology Officers Council network for government, which has 11 operational groups and 367 members.

The centre also provides support to cross-government working more generally, especially in the case of joint Public Service Agreements.

3.27 **Figure 5 overleaf** illustrates the wide range of organisations and units which have an interest in supporting learning in government. The diagram illustrates the different roles and responsibilities. They include:

- ensuring the Civil Service has the capabilities it needs (Civil Service Steering Board);
- evaluating progress on Public Service Agreements, unlocking barriers to good performance in partnership with departments, and capturing good practice on delivery (the Prime Minister's Delivery Unit);
- evaluating programme delivery capability (the Office of Government Commerce); and
- providing training and development (the National School of Government).

3.28 Despite the scale and range of support, only three departments reported that they find the support from the centre as "effective", with accessibility and practicality the two main areas that are felt to need most improvement. The majority rated it as "moderately ineffective". There is some confusion in departments as to who is responsible for what in the different units and departments that make up the centre. For example, the National School of Government, the Office of Government Commerce and the Prime Minister's Delivery Unit all provide advice and toolkits on policy and strategy delivery. Unlike in local government, where the Improvement and Development Agency takes the lead, there is no single organisation with primary responsibility for coordinating promotion of learning across central government, although the Civil Service Steering Board, chaired by the Cabinet Secretary, has ultimate responsibility for ensuring that the Civil Service has the capabilities it requires.

3.29 Departments also consider there is scope to reduce the amount of guidance material produced by the centre. In our survey, over a quarter of departments suggested that the centre should rationalise the learning resources made available to departments, and many would like greater signposting through the wealth of material available.

3.30 The infrastructure to support cross-departmental sharing of knowledge is also considered to be under-developed and departments would like to see better systems that allow people to search for expertise across departments more readily. The Cabinet Office research into Collaborative Working (2008) found that respondents' top five priorities for cross-departmental working were:

- the ability to search for the right people more easily;
- saving time by avoiding replicating work which has already been done;
- the ability to access knowledge and information;
- the ability to share your knowledge and information; and
- help in building better relationships and contacts.

3.31 In response to these concerns and requirements, and in line with the Knowledge and Information Management Strategy, the Cabinet Office and The National Archives are currently piloting a "Civil Pages" directory and cross-departmental collaboration tool for, initially, around 3,000 people in 20 cross-departmental groups. The design has drawn on earlier work in The National Archives, other government collaborative networks, the Australian Government, the US National Intelligence "Intellipedia" initiative and IBM's internal system. Subject to funding, they aim to develop this system's capabilities in the light of user feedback and further requirements.

3.32 The challenge for the centre is less about establishing more learning initiatives, or producing more guidance, but about providing a more coherent and coordinated response to the needs of departments. In response to the Cabinet Office and Treasury Capability Reviews, as well as other reviews of the role of the centre of government (**Box 11**), there has been greater focus on clarifying the role of the centre. The Treasury and the Cabinet Office are working to streamline performance management approaches on finance, delivery and capability, and the Prime Minister's Delivery Unit is also carrying out work with the Capability Review Team in the Cabinet Office on how to coordinate future work (**Box 12 overleaf** summarises current central initiatives supporting learning). The National School of Government and the Cabinet Office are developing a new joint programme to refocus leadership development on the most difficult capability and delivery issues.

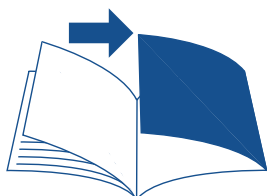


Figure 5 overleaf

BOX 11

Recent reviews on the role of the centre of Government

The **2006 Capability review of the Cabinet Office** gave four areas for action to focus on. These were:

- Define more clearly how the Cabinet Office enables the business of government.
- Strengthen the Cabinet Secretary's capacity to lead transformation across the Civil Service.
- Make a high-level vision come alive for every individual and unit within the Cabinet Office.
- Create coherent systems so that the Cabinet Office can deliver.

In 2007, the **Capability Review of HM Treasury** set out the following areas for action. These were:

- Work more effectively to change the culture, behaviours and diversity of the Department and secure the skills needed to meet future challenges.
- Engage and communicate more effectively with stakeholders and other government departments to build common purpose.
- Clarify the Department's role at the centre of government to improve performance management and support delivery across the Civil Service.
- Focus on the role of the leadership in driving change with pace in a new operational framework.

In 2007, Sir Suma Chakrabarti conducted a **review of the Cabinet Office** and its role in the centre of government.¹ He concluded that:

"The Cabinet Office should also share best practice from across Government with Departments that will benefit from it. This best practice may relate to both the handling of Government priorities and building of line Department capability. The opportunity for involvement is on the basis that the Cabinet Office is in the best position to have an overview of best practice and it is most efficient for them to share it. Cabinet Office achieves this sharing of best practice when it operates at its best."

The **Sunningdale Institute Evaluation of the Capability Review programme** report set out the need for the centre to provide more active support to departments on knowledge capture and transfer:

"Firstly, there should be a more professional approach to knowledge capture and knowledge transfer, and indeed the whole innovation process. Current good practice exchanges founder on a lack of adequate infrastructure and process. This will make the most of the situations where some parts of Government have real capability but others do not, and facilitate learning across those boundaries."²

NOTES

¹ *The role of the Cabinet Office – leadership through effective collaboration*. Sir Suma Chakrabarti, April 2007.

² *Take-off or Tail-off? An evaluation of the Capability Reviews programme*. Sunningdale Institute, November 2007.

3.32 The Treasury and the Cabinet Office have developed a cross-departmental working Compact, following recent Capability Reviews. This Compact sets out how the centre will work with other departments, setting minimum expectations for behaviour for staff at all levels. Particularly relevant to this report is the commitment to sharing information, analysis, solutions, strategies, intentions and best practice as much and as early as possible, and basing advice on evidence and sound analysis. However, although now in place for a year, the Compact has yet to be translated into a clear programme of action, and departments are still unclear as to what level and type of practical support they can expect from the centre.

3.33 Departments consider that cross-departmental networks are of the greatest value in supporting learning. The developing professional networks, some supported by the centre, such as Government Social Research, the Chief Technology Officers Council and the Change Director's Network provide a good platform for the sharing of knowledge and experience. Secondments, interchange and joint work between the centre and other departments can also be effective. Most Strategy Unit projects are undertaken jointly with departments and in some cases the teams are located within departments, providing the opportunity for the sharing of knowledge and learning around strategy and evidence-based policy making across government. Staff are recruited from departments, or from outside the Civil Service on loan for two years, encouraging the dissemination of learning across government.

BOX 12

Cabinet Office initiatives that support learning

The Customer Insight Forum and Network

Run by the Transformational Government Unit in the Cabinet Office, the Forum promotes good practice and knowledge sharing on insight into citizen and business customers across government. In the past year, the Customer Insight Forum has developed guidance and toolkits on key insight techniques, such as customer journey mapping. The Forum also publishes "Customer Matters", a regular round up of best practice examples of ways in which the public sector is using customer insight. This booklet aims to share learning about how best to understand citizen and customer needs, as well as strengthening the growing community of customer insight practitioners in the public sector by putting them in touch with one another and sharing their stories. More information about the Customer Insight Forum, as well as links to all its published work, can be found at: http://www.cabinetoffice.gov.uk/public_service_reform/delivery_council/workplan.aspx.

Public Service Agreement (PSA) cluster groups

Groups of Senior Responsible Officers and Public Service Agreement (PSA) Delivery Boards set up with the aim of sharing lessons across similarly focused PSAs, supported and facilitated by the Prime Minister's Delivery Unit.

Matrix teams

Established to join up the centre's work in particular areas, such as Home Affairs. These matrix teams contain representatives from all units/groups within the centre that work in an area.

Professional skills for government and the Government Skills strategy

Introduced a new competency framework for civil servants, which is supported by the development of professional streams headed by Heads of Profession (in areas such as Information Technology, Social Research and programme and project management). The Skills strategy sets out how the Government plans to meet the skills requirements for government.

Government Skills (part of the Department of Innovation, Universities and Skills)

Responsible for identifying priorities across the civil service for skills development and capacity building.

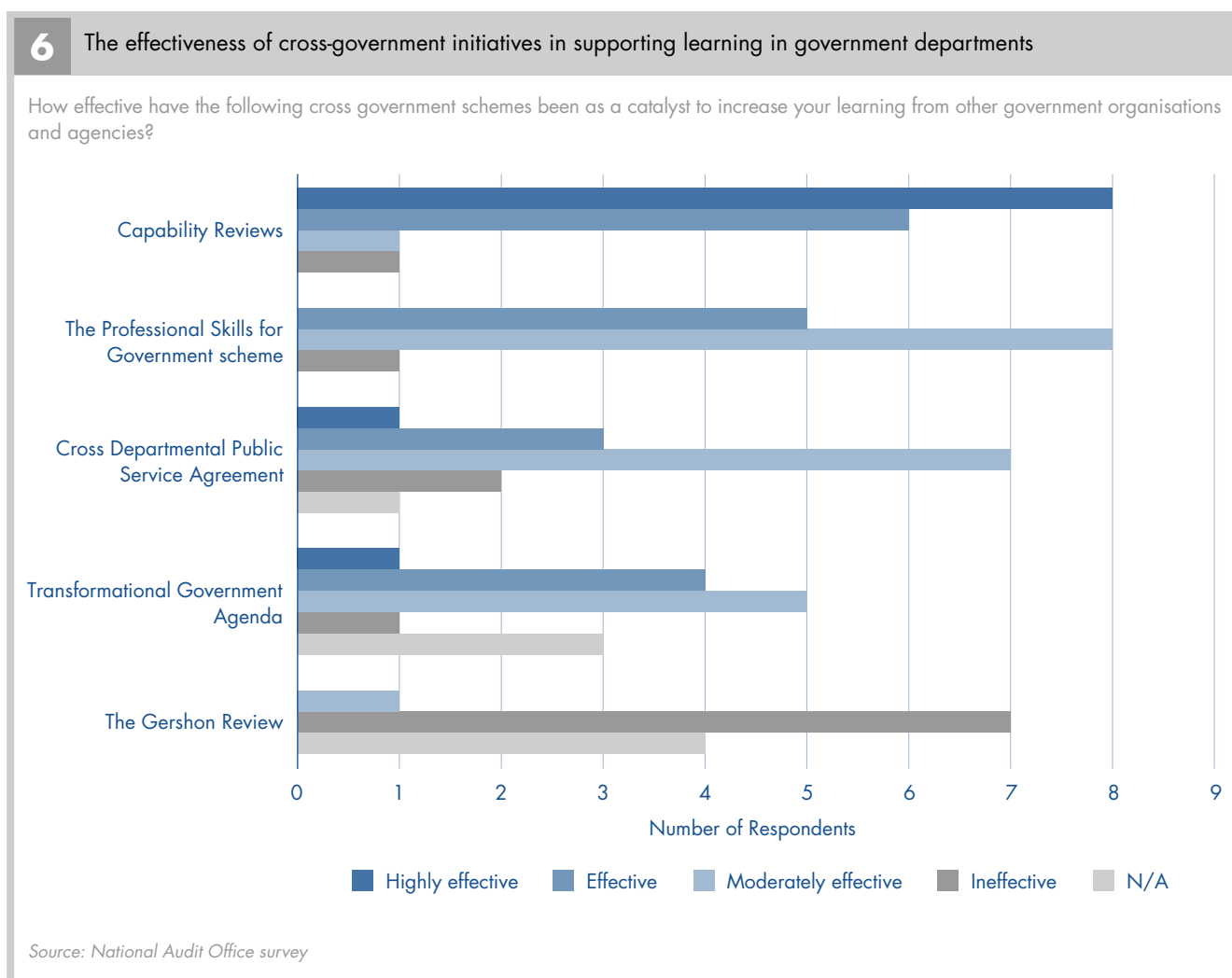
Senior Responsible Owners and Delivery Networks

Meetings of Senior Responsible Owners for PSAs to share learning across the PSA set. The Delivery Networks enable joint working between PSA programme manager level officials with the aim of sharing good practice and lessons learned from across the PSA set at working level.

3.34 Cross-departmental working is set to increase in the coming years, particularly in the light of the 2007 Comprehensive Spending Review, which announced 30 Public Service Agreements (PSAs) shared between departments. Working across departments to achieve common outcomes for citizens has the potential to be an effective way of encouraging greater learning and knowledge sharing. For each joint PSA there is a Delivery Board, made up of representatives from the relevant departments, which provide an opportunity for greater sharing of knowledge and experience. The framework came into effect in April 2008, and the Prime Minister's Delivery Unit has found information sharing and exchange of good practice occurring at many of the PSA Delivery Boards.

3.35 The initiatives run by the centre to support learning (Box 12) have had varying degrees of influence. In our survey, departments identified Capability Reviews as the most effective, with the majority of departments (three-quarters) regarding them as 'effective' or 'highly effective'. The Professional Skills for Government scheme was also well regarded (Figure 6). However, over a quarter of departments suggested that the centre should rationalise what it produces and that the centre needs to develop a better understanding of individual departmental delivery issues.

3.36 Capability Reviews have assessed all government departments according to the same set of metrics and a common methodology. Followed up by Action Plans, Capability Reviews have the potential to act as strong catalysts for change across government. A separate report by the Comptroller and Auditor General examines their effectiveness.³²



32 Assessment of the capability review programme, Report by the Comptroller and Auditor General, HC 123, Session 2008-09.

APPENDIX ONE

1 The field work for this report was carried out with our strategic partners, Accenture. The methods used were:

Case studies in organisational learning

2 We examined 11 examples of effective learning across the UK public sector and overseas. The criteria for case study collection were:

- success could be directly attributed to effective organisational learning; and
- the critical success factors are relevant and applicable across the public sector.

3 For each case study we interviewed senior officials, including Senior Responsible Officers, reviewed background and performance information and conducted a literature review which included, where possible, external evaluations of the initiatives in question.

Survey of Government Departments

4 We surveyed all main central government departments. A total of 17 departments were sent the survey and all completed it. The questionnaire was sent to Change Directors (senior officials responsible for implementing changes in their departments, particularly in response to Capability Reviews) who were asked to answer the survey on behalf of their departments. In most cases, input was also required from Learning and Development, Knowledge Management and Human Resources teams.

Methodology

5 The survey was distributed electronically. It contained 44 questions grouped into five sections:

- i Organisational learning objectives and key challenges.
- ii How the organisation is set up to support learning.
- iii Learning from citizens and the workforce.
- iv Capturing, sharing and applying learning across the organisation.
- v The role of the centre of Government in helping organisations learn.

6 The majority of questions asked departments to choose the most appropriate response from a range of options. Some questions invited further detail from the respondent by use of a free text response. In order to provide assurance that each return was candid and clear, we reviewed a sample of returns. In a small number of cases, the team contacted departments directly to verify the responses given and agree any changes required so that they could be interpreted accurately.

Review of existing evidence

7 We undertook a review of existing evidence on learning, which included: Capability Reviews, the Sunningdale Evaluation of the Capability Reviews, the Chakrabarti Review, reports by the Comptroller and Auditor General from 2005, and the 2006 Senior Civil Service survey.

Literature review

8 An academic literature review completed by the Public Policy Group at the London School of Economics on Organisational Learning is available on the NAO website at www.nao.org.uk/publications.

Interviews

9 Over 50 semi-structured interviews were completed across government departments to support the data from survey responses and the development of 11 case studies. Interviews were also conducted with heads of units and teams that make up the centre of government including: the Capability Review Team, Civil Service Change Team, Customer Insight Forum team, HM Treasury Prime Minister's Strategy Unit, National Archives, National School of Government, Office of Government Commerce, the Prime Minister's Delivery Unit, and the Transformation Group. A standard interview schedule was used for all interviews.

Expert Panel

10 A panel was convened in July 2008, where the main findings were discussed. Those unable to attend provided written comments. The panel was made up from senior government officials with responsibility and experience in promoting organisational learning, academics and representatives from local government.

APPENDIX TWO

Self Assessment Framework

The framework below can be used by management boards to assess how their organisation is placed to be better at learning, and to identify key areas that they should develop to improve. The framework can also be distributed to staff, to help gauge from their perspective, what needs

to change for their organisation to improve the way that it learns. Organisations assessed as performing in ways described in the right hand column are strong at learning; those in the left hand column, weak.

| Leadership | | |
|---|---|--|
| Q1 How do leaders perceive "learning" within the organisation? | | |
| Learning is interpreted as "training". This is seen as an area which should be covered by National School of Government or learning and development units. <input type="checkbox"/> | Leaders understand that learning from experience can improve performance. However, learning is perceived as being episodic (e.g. through major reviews) <input type="checkbox"/> | Leaders recognise learning on a day to day basis (not just from annual or milestone reviews) is a critical factor in successful delivery. <input type="checkbox"/> |
| Q2 What level of priority do leaders give to fostering a learning culture across the organisation? | | |
| Capturing and sharing of lessons learnt is treated as a tick box exercise. Low levels of application result in mistakes being repeated. <input type="checkbox"/> | Leaders see the value in learning activities and behaviours. But they become "nice to haves" (lower priorities) when the pressure is on to deliver. <input type="checkbox"/> | Leaders commit to giving people the time and resource to learn in their day to day work, even when they are under pressure to deliver. <input type="checkbox"/> |
| Q3 How are leaders encouraged to be learning champions and role models? | | |
| No encouragement. Contributing to organisational learning is not regarded as a function leaders should or need to fulfil to drive performance. <input type="checkbox"/> | Recognition: Leaders are recognised for their contribution to learning in their performance. However, this is seen as a "nice to have", rather than a core competency. <input type="checkbox"/> | Clear expectations: Acting as role models and champions for learning across the department's competency framework. <input type="checkbox"/> |
| Q4 What is the level of involvement by leaders in learning activities and events? | | |
| Such activities and events are regarded as a distraction from the core business. <input type="checkbox"/> | Leaders are worthy about the importance of learning events and encourage teams to attend. Their own engagement/ attendance is sporadic. <input type="checkbox"/> | Leaders consider their own attendance and involvement to be critical. Such events and activities are prioritised in diaries. <input type="checkbox"/> |
| Q5 What behaviours do leaders demonstrate to maximise learning in meetings? | | |
| Leaders tend to dominate team meetings with their own agenda, views or charisma. <input type="checkbox"/> | Leaders canvas for others' opinions in meetings. However, there are no clear expectations or standards on how leaders facilitate team meetings. <input type="checkbox"/> | Leaders encourage/accept conflicting views in team meetings. All leaders are encouraged to develop facilitation skills through formal training. There is a clear expectation that these skills are applied in all meetings. <input type="checkbox"/> |

People

Q1 Do people within your organisation take time to reflect to improve future performance?

No: People are focussed on delivery. Reflection is usually regarded as a distraction and of little value.

Reflecting on individual and team performance is carried out sporadically. The busier people are, the less this tends to happen.

Often: People are encouraged and supported to reflect on performance as part of how they work on a daily basis.

Q2 How likely are people to challenge or query the accepted way of doing things in the organisation?

Unlikely: There is very little questioning of whether the organisation is set up to bring about the best outcomes.

Challenge is encouraged, but occurs sporadically and is rarely escalated, or institutionalised.

Likely: There is widespread recognition that improvement is a continual process to which everyone can contribute.

Q3 Are people incentivised to share their knowledge and wisdom across the organisation?

No: Knowledge sharing is seen as an "add on" to "proper" work.

Leaders informally acknowledge contributions to knowledge sharing i.e. praise in a team meeting or one to one feedback sessions.

Yes: Individuals are formally and informally incentivised to share knowledge. This is done through recognition in performance appraisals, departmental awards etc. And also through informal feedback by leaders in team meetings or feedback sessions.

Q4 Do people explore "outside" of their own functional units to improve performance?

Rarely: A culture of "head down and get on with it" exists. It is not uncommon to hear people asking questions like – what do the team in the far corner of this floor actually do?"

This happens, but is not embedded into how people work. Typically people look to their own trusted set of personal contacts for support.

Largely: This is considered a requirement for how people work. People regularly receive and make requests for advice from colleagues across the organisation.

Q5 To what extent does your organisation develop the personal skills needed to learn effectively?

Not at all: Learning is not regarded as a skill set. It is assumed people should "just be able to get on and do this".

People are supported in developing the technical skills they need to use knowledge management tools. However, little support is provided on the "softer" problem solving, inquiry and discussion skills.

Largely: Support is provided to develop people's problem solving, inquiry and discussion skill set. People are given the time and opportunities to practise the application of these skills.

Infrastructure

Q1 Which unit (s) are responsible for ensuring learning happens in your organisation?

Learning is considered the domain of Knowledge and Information Management. There is little engagement with other units across the organisation.

Learning is considered the domain of Knowledge and Information Management. Other corporate functions provide only informal input.

Learning is led by a specific unit, but all are expected to contribute to identifying the steps for creating an effective learning organisation, and taking initiatives to help the organisation learn.

Q2 How does your organisation make the most of the information/intelligence it holds?

Information and intelligence tends to be hoarded – either by analysis units or individuals.

Sharing of information is encouraged. Typically analysis units provide periodic bulletins with high level data sets available for all in the organisation to access on line.

Information and intelligence is widely shared. Typically analysis units are freely consulted and make their findings widely available through a range of media.

Q3 What networks exist to encourage interaction across the organisation?

No coordinated networks are in place.

Networks exist across the organisation, but they have low levels of staff engagement. Networks are insufficiently resourced to enable the level of interaction they aspire to. Usually coordinated by staff on “top of the day job”.

Most people are part of a network which reaches beyond their immediate team. These are sufficiently resourced to host events and encourage interactions. Where necessary, the corporate centre supports their coordination.

Q4 Do mechanisms exist to support knowledge exchange?

No. The mechanisms that exist are focussed on archiving rather than exchanging knowledge.

Yes: Mechanisms are in place to store and share knowledge across most teams. However, there is some uncertainty in how to best access and use them. Moderate levels of staff engagement.

Yes: Virtual and face to face mechanisms are well established across the organisation. They receive high levels of awareness and of engagement.

Q5 How do your organisation’s Information Systems support knowledge exchange?

Knowledge is stored online. Stores tend to be content heavy and have low levels of user engagement. Department does not monitor the impact of these systems in supporting knowledge exchange.

Knowledge is exchanged through online databases. Typically some moderation of content takes place but interaction and follow up is not actively promoted. Impact of these systems are not monitored.

Systems exist to promote interactions between contributors and recipients in the knowledge exchange. Impact of systems are monitored and results are fed back into their ongoing development.

Process and methods

Q1 How do your organisation's Programme and Project Management and policy development frameworks encourage learning?

Frameworks offer no or little guidance on where learning fits in to policy development or programme/ project delivery.

Frameworks are clear that lessons learned need to be formally captured at the end of each development or delivery cycle.

Drawing on lessons learnt and good practice is documented as a key first step at the start of the cycle. Capturing these lessons and acting on them is expected throughout a project lifecycle.

Q2 How would an employee on the front line with an idea for service improvement make it happen?

Suggestion box. It is very rare that an idea for service originates from front line employees.

The idea would be raised with line management. Employee is expected to do this in their own time. There is no designated time made for this type of activity.

Specific "idea generation" processes are in place, which capture and fast track decision making around ideas for improvement. People are given time by management to go through this process.

Q3 What processes are in place to ensure critical knowledge is retained when people leave the organisation?

No formal process in place. The knowledge retained is down to what the person leaving decides to codify or pass on to colleagues.

Exit interviews are formalised including a set of key questions that try to extract critical knowledge. The process can feel bureaucratic and overly focussed on information, rather than know how/experience.

Knowledge retention process starts well before the exit interview. Typically these involve a number of activities dependent on the type of information or knowledge. Some leavers become part of an active alumni network, which can be tapped into.

Q4 Are processes and methods embedded within the organisation to support day to day learning

No methods are held up as standard practice. People apply their own approaches to going about their work. The department does not seek to influence "ways of working".

Some methods are considered as "standard", but they tend to be focussed on learning after milestone events or crises, rather than from daily activities or experience

Employees are expected to use the full range of methods available to learn on a day to day basis (for example, through the use of methods such as After Action Reviews).

Q5 How would you rate the current compliance with the processes in place to learn from experience?

Poor: Where these processes exist, there is very little compliance as they are not valued. For example, capturing lessons learned is seen very much as an administrative, tick box exercise.

Inconsistent: Some teams and individuals are committed to the use of these processes, but they tend to be very ad hoc across the organisation. Usually depends on whether the team has the time/ resource to apply them.

High: People are prompted by peers to use the processes in place to make their working lives easier. Leaders also hold people to account if these processes are not followed (e.g. looking for good practice at initiation of a project)

GLOSSARY

Capability Group of the Cabinet Office (CSCG)

The Civil Service Capability Group (CSCG) in the Cabinet Office is responsible for the corporate development of permanent secretaries, directors general, directors, and members of the High Potential Development Scheme.

Capability Reviews

Reviews of government departments targeted at underlying capability issues that impact on effective delivery. The reviews cover: strategic and leadership capabilities, skills, and relations with stakeholders, partners and the public.

The centre of government

The centre consists of HM Treasury, the Cabinet Office and their Non-Departmental Public Bodies such as the Office of Government Commerce and the National School of Government.

Centre of Excellence

Programme and Project Management (PPM) Centres of Excellence were established in departments in 2003 and 2004 as one of the six key Cabinet actions to strengthen the delivery of government IT-enabled programmes and projects. They are intended to provide strategic oversight, scrutiny and challenge across a department's portfolio of programmes and projects, to act as a focal point for supporting individual programmes and projects, and to drive the implementation of improvements to increase the department's capability and capacity in programme and project delivery.

Chakrabati Review

The Review of the Role of the Cabinet Office was undertaken by Sir Suma Chakrabarti in April 2007, following the Cabinet Office's Capability Review, in order to help the Cabinet Office to respond to the issues raised in areas for action 1 & 2: to define more clearly how the Cabinet Office enables the business of government; and to strengthen the Cabinet Secretary's capacity to lead transformation across the Civil Service. (Cabinet Office website: http://www.cabinetoffice.gov.uk/chakrabarti_review.aspx).

Civil Service Awards

Launched in 2005, the Whitehall & Westminster World Civil Service Awards encourage civil servants to nominate their examples of best practice in 13 categories across a range of categories, whether it be their own individual efforts, the work of a team or the success of a colleague. (Civil service website: http://www.civilservice.gov.uk/News/2008/may/29_05_08_cs_awards.asp).

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| Civil Service Live | Civil Service Live took place at the QEII conference centre on 1-3 April 2008. The first event of its kind, and the largest ever gathering of Civil Servants, its aim was to inspire innovation and encourage the sharing of best practice. Civil Service Live is part of an ongoing programme led by the Cabinet Secretary to ensure the Civil Service has the capability to meet the challenges of tomorrow. The acronym of its name stands for Learning, Innovation, Versatility, and Enterprise. Innovation was a central theme. (civil service website: http://www.civilservice.gov.uk/iam/events/Live/index.asp). |
| Cross-departmental working Compact | The Compact has been developed by HM Treasury and Cabinet Office following their Capability Review, to set out how the 'centre' will work in future with other departments. It sets minimum expectations for behaviour for staff at all levels in both Cabinet Office and HM Treasury and in other departments. |
| LEAN methods | Lean working seeks to review processes from the customer perspective to eliminate waste, inconsistency and duplication and to identify and resolve the root cause of problems in performance. The main driver for Lean is to achieve more with less resource, by continuous review and elimination of those activities and processes that do not add value. |
| OGC Gateway™ Review | A review of an acquisition programme or procurement project carried out at a key decision point by a team of experienced people, independent of the project team. There are five OGC Gateway Reviews during the lifecycle of a project, three before contract award and two looking at service implementation and confirmation of the operational benefits. A project is reviewed at the OGC Gateway Review appropriate to the point reached in its lifecycle. |
| OGC Procurement Capability reviews (PCRs) | Focussing on where a department's money is spent and how it achieves value from that spend, a PCR provides an independent, strategic view of the overall procurement capability of the organisation and its wider network of agencies, identifying exemplars as well as areas for improvement. |
| Prince 2 (Projects in Controlled Environments 2) | Project management method covering the organisation, management and control of projects. PRINCE2 is the UK Government standard for public sector IT project management. It sets out good practice in risk management and in managing challenges and opportunities in an environment of rapid change. |
| Professional Skills for Government | Key part of the Government's Delivery and Reform agenda, a major, long-term change programme aiming to ensure that civil servants have the right mix of skills and expertise to deliver effective services. |
| Programme and Project Management Specialism (PPM) | The Programme and Project Management Specialism (PPM) was established in October 2003. The specialism supports staff in government who wish to follow a career in programmes and projects rather than lined-oriented career paths. It brings together all PPM specialists in central government and agencies, concentrating on helping, advising and supporting those individuals who are experienced or qualified programme and project staff, to develop their skills and careers. |

- Public Service Agreements (PSAs):** Public Service Agreements set out the Government's key priorities for the Spending Period. The Comprehensive Spending Review (CSR07) in 2007 announced a reformed set of 30 PSAs, which are outcome-focused and cross-governmental in nature, and a supporting architecture including Senior Responsible Officers, cross-departmental PSA Delivery Boards and Cabinet Committee ownership. Delivery Agreements, published at the CSR07, set out the vision for the PSA, how it will be delivered – including the contributions of each department involved – and how success will be measured.
- Senior Responsible Owner (SRO):** Every major IT change programme or project should have a Senior Responsible Owner (usually a senior civil servant) to take overall responsibility for making sure that the programme or project meets its objectives and delivers the projected benefits. Key tasks include developing the business case, monitoring and liaising with senior management on progress and risks to delivery.
- The Sunningdale Institute** The Sunningdale Institute describes itself as a virtual academy of leading thinkers on management, organisation and governance. It is managed by the National School of Government with the Cabinet Secretary as its President, and comprised of Fellows from the UK, Europe and North America with expertise relevant to public service.

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