

Building our Capability Together

Building and demonstrating strong and cohesive leadership

Making the right strategic choices

Effectively delivering today's services and tomorrow's improvements

Sustaining and Building our capability

Foreword

The Capability Review of our Department is being published today. The good news is that our Department has been assessed favourably in comparison with others: we rank third equal across the 15 Departments reviewed so far. The review team found that we have made very substantial progress since our Department was created in 2002, and that we have established a solid platform.

This is, therefore, a good opportunity for me to thank all of you for the hard work and innovation which has brought us this far.

A good score relative to other Departments does not, of course, mean that everything is perfect. The review is looking at our capability to tackle the sorts of challenges I set out in my first day message: growing expectations of customer service and efficiency; the rising demand for travel; climate change; the globalisation of trade; and the ever-changing threat from terrorism.

Against this background, on an assessment against ten key areas, we are judged to be strong, the highest mark available, in the way we base choices on evidence. And we are judged well-placed for the future in three other areas. But in common even with other higher scoring departments, the review has also identified six areas where we need to develop further, in two cases urgently. The review goes on to make recommendations for action that would help us address their findings.

My Board colleagues and I accept the overall findings and the recommendations.

We also recognise that some of the recommendations, for example on developing leadership right across the Department, will require sustained effort, not a quick six month programme. We are, of course, also conscious of the work already in hand in each part of the Department, including the Agencies, to improve our capability.

So my Board colleagues and all the Agency Chief Executives have agreed the following way forward:

- to establish a single plan for the developments which need to run right across the Department, including the Agencies, incorporating existing priorities (like shared services) and our response to the Capability Review;

- to use as a framework for our plan the four themes I set out on my first day, defining the overall Department in terms of: building and demonstrating strong and cohesive leadership; making the right strategic choices; effectively delivering today's services and tomorrow's improvements; and sustaining and building our capability;
- to publish our assessment for each of these four themes of our current strengths and challenges, and our priorities for the future;
- to make a start immediately on a few, critical actions, which we can deliver by Christmas; and
- to begin now to plan, and properly resource, the various actions necessary over two years to deliver these priorities, and to measure success, aiming to complete the plan in the early autumn.

We believe this approach gives us the right balance between setting direction, giving us proper space to prepare, and maintaining momentum in the short term. We will publish more details next month on who is doing what, by when, and how you can get involved.

In the meantime, I hope you will find time to read the review and this initial response. My Board colleagues, Agency Chief Executives and I will also be arranging to see as many of you as possible over the next few months to talk to you about the Review's findings, and how we can engage your help and support in building our capability for the future.

A handwritten signature in cursive script that reads "Robert Severus".

Building strong and cohesive leadership

Where we are today

The positive overall Capability Review assessment of the Department reflects well on its leadership since 2002. Our professionalism is widely recognised. Our investments in delivering leadership both in the central Department and in our Agencies have been well received and have started to achieve real changes in the ways we work.

The Capability Review found that the challenges we face require some changes to the way we lead, starting with the DfT Board. The cross-cutting nature of our strategic challenges, and the inter-dependence of many of our delivery challenges, requires more collaborative corporate leadership right across the Department including our Agencies, and a confident, engaging leadership of the transport sector as a whole.

Our priorities for the future

- To continue supporting individual leadership development, so leaders at all levels have the skills, and the space they need, to deliver their personal objectives effectively.
- To ensure the Board and leaders across the Department provide a compelling view of what the organisation is trying to achieve and work collaboratively to achieve our corporate objectives.
- To be recognised by our partners for the leadership we provide to the wider transport community.

Our first steps

- The Permanent Secretary and Directors General will invest time to build a Board which is, and is seen to be, an effective team leading the Department, clarifying its role, giving greater transparency to its operation, and personally communicating our challenges and direction.
- We will engage with colleagues at all levels to develop our understanding of good leadership and effective behaviours, and establish clear standards for leadership right across the Department and our Agencies.

Making the right strategic choices

Where we are today

We are responsible for major strategic decisions, which determine the nature of transport both in the near future and for decades ahead. The Capability Review found that we have strong strategies for individual areas, such as aviation and railways, and a strong evidence base and analytical capability. We have agreed clear strategic objectives: to sustain economic growth, improve the environmental performance of transport, strengthen safety and security, and enhance access.

But the Eddington Study identified that our decision-making has tended to focus too early on individual modes of transport – air, road, etc. – rather than first defining the strategic problem and then identifying the best of a range of solutions. The Capability Review indicated that some of our stakeholders feel that we do not engage with them sufficiently as we develop our strategic thinking; and that staff and stakeholders are not sure about the bigger picture.

Our Priorities for the Future

- To ensure that our strategic decisions deliver our economic, environmental and social objectives in a coherent and integrated manner.
- To be recognised by our stakeholders for our open and effective engagement in developing our future strategy.
- To ensure that people across the Department, and the wider transport community, understand the objectives, priorities and actions of the Department and what they mean for them.

Our first steps

- We will develop and publish our response to the Eddington Report and ensure that people across the Department and stakeholders understand what this means for the future direction of the Department.
- We will start a dialogue with a wide range of stakeholders to decide how we can best include them in developing and assessing our strategic options, building on existing best practice.

Effectively delivering today's services and tomorrow's improvements

Where we are today

The Department delivers in a range of different ways: from issuing licences direct to customers today, to procuring new inter-city trains for the next half century. We are widely recognised as an innovative organisation for the successful rollout of e-services ranging from booking your driving licence on-line to planning a trip using Transport Direct. We also work very effectively with many of our partners to influence the decisions they take and how they deliver to the public.

The Capability Review has highlighted that we could nonetheless improve our capability to deliver by improving processes to support delivery, developing the relationship between the Department and our Agencies and by working more effectively with all our delivery partners.

Our priorities for the future

- To put everyone who uses transport and our direct customers at the heart of what we do, and ensure that Ministers and Parliament are satisfied that the Department is delivering effectively.
- To develop strong and effective relationships between the central Department, our Agencies and external partners, building mutual understanding and expectations about our respective roles.
- To develop the Department's performance management framework to ensure it drives the final outcomes we want to achieve, with a better understanding of the linkages between our and others' spending, transport outcomes and risks.
- To promote a culture of continuous improvement throughout the Department and our delivery chains, and to seize opportunities for transformation.

Our first steps

- We will clarify the roles and responsibilities of the central Department and our Agencies, including through implementation of the recommendations from the Nichols Review.
- We will complete, and review, the implementation of Shared Services in DVLA and DSA, and ensure that the central Department and MCA are on course for their roll-out next spring.

Sustaining and building our capability

Where we are today

We have made significant investment in building capability across the Department and its Agencies. We have agreed definitions of competency for each element of Professional Skills for Government and begun to roll them out right across the Department. We have also developed a broad range of well established and successful talent pool schemes to promote the development of a variety of groups within the DfT family.

However, we need to continue building and sustaining capability within the Department. It is also proving difficult to attract the skills required from the outside market place. The Capability Review has reinforced views in our staff surveys that we do not yet have a clear, long-term plan for the recruitment and retention of specialist staff, and that we can do more to tackle concerns about career progression and work / life balance. It also suggests that there is scope for much greater interchange between policy and operations within the Department and that we are not making sufficient progress towards our diversity targets.

Our Priorities for the future

- To deploy our skills and expertise where they are most needed, prioritising our work and rapidly filling vacancies with people with the right skills.
- To develop a diverse workforce and ensure that opportunities and career progression are fair and transparent to everyone.
- To improve our effectiveness by engaging everyone's energy and ideas and by effective performance management and recognition.
- To develop ways of working with our partners to build the capability of the whole delivery chain and ensure we support the improvement of the capability of our partners.

Our first steps

- We will fill key vacancies and set out a plan to address the need for more commercial and specialist skills.
- We will identify best practice, including within the Department, for assessing potential skills gaps beyond current vacancies, as a platform for future training and recruitment.