

despatches

Welcome to our first issue of Despatches. We hope you like it.

In this issue we feature

- our new Cavendish Executive Education Series based on the Harvard Kennedy School of Government's methodology,
- an article by Brian Whalley on why and how Boards should take account of changing public and Parliamentary expectations, especially in times of austerity,
- Baroness Scotland's Reform Management Programme.

The civil service and wider public sector is undergoing strategic reform to make it more effective. Corporate leadership development, entrepreneurial skills and culture change have been identified as areas where training can help fill the capability gap. To implement change effectively and efficiently, we need better accountability and policy development.

We at the Civil Service College endeavour to meet these training needs. Enjoy.

Delivery, delivery, delivery



That is the mantra for today's public servants. We hear it from politicians, we hear it from the media and, most importantly, we hear it from the consumers of the public services we offer.

But what does delivery actually mean? How do you organise yourself to deliver effectively? And how do you deliver more efficiently in the face of unprecedented budget cuts?

These are the challenges we face. If we are to meet them, then business as usual is not an option. We need to learn new ways of working, to develop new skills and to adopt new attitudes.

To help us achieve this, Civil Service College has introduced the new Cavendish Executive Education Series based on the Harvard Kennedy School of Government's methodology. The first courses to be launched under the Programme are on the theme of 'Creating a Delivery Focused Organisation'.

The courses have been developed by our new Associate Programme Director for Executive Education, Roger Mendonca. Roger is currently Chief Operating Officer and Deputy Chief Executive at the West Northamptonshire Development Corporation (WNDC) – an organisation that can justifiably claim to be the most successful local delivery vehicle of recent times.

Roger started out as a civil servant, advising Ministers on a range of high-profile policy areas. These included establishing the Greater London Authority, the long-term management of England's radioactive waste, and the 2012 London Olympic Bid. It was during his time as a civil servant that Roger first became interested in delivery.

"I worked in a number of teams during my time in Whitehall. Some of those teams had a real buzz, fairly crackling with energy, and they made things happen. Some others were slower, more ponderous, and never

seemed to achieve as much as they could. It was fairly clear that much of the reason for the difference between teams was down to the style and approach of the leader. However, the clarity of purpose of what the team was there to achieve also appeared very significant."

"During my time in the civil service, I lived through many initiatives rolled out to try and improve performance – and then just as quickly rolled back in again when the personnel changed. I saw high performing managers from the outside world come in with big ideas and leave with their tails between their legs as their attempts to reform crashed against the immovable cliffs of a civil service machine that they didn't understand."

Although Roger successfully introduced many small changes that led to both him and his teams being recognised as top performers, it was only when he joined an NDPB that he really started to explore what was involved in creating a successful delivery organisation.

"Working at the sharp end of a delivery organisation means you have no place to hide. You're working with real people, delivering real world outcomes that make a real difference to their lives. You need to be able to make things happen. Unfortunately, it's not always clear how to do this, and when things start to go wrong it can be very hard to know how to turn the ship around. That was what I set out to learn."

"I was very lucky to work in an organisation that recognised the importance of developing its staff and was prepared to make the investment required to help them achieve their full potential. I learned about management at one of the top business schools in the world. I learned about leadership at one of the most famous learning institutions on the planet, and I learned at WNDC how to put that learning into practice."

"The truth is that talking about delivery is easy. Actually creating a

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delivery focused organisation is much harder. The problems we face are complex. They involve multiple stakeholders and the solutions are usually uncertain. That doesn't mean it can't be done. It just requires difficult decisions, calculated risk taking and a willingness to learn to see what is happening around you."

"I strongly believe that, with the right support, every leader can create a culture of excellence within their organisation and focus their entire team on delivery. I'm really looking forward to working at the Civil Service College to share what I've learned with other senior executives in the public sector, to help them unlock the full delivery potential of their organisations."

See *Cavendish Executive Education Series*, pp 10-19

- *Creating a Delivery Focused Organisation: An Introduction*, p 10
- *Creating a Delivery Focused Organisation: Module 1 – Leadership*, p 11
- *Creating a Delivery Focused Organisation: Module 2 – Culture Change*, p 12
- *Creating a Delivery Focused Organisation: Module 3 – Systems and Processes*, p 13



About **Roger Mendonca**

He is Chief Operating Officer and Deputy Chief Executive of the West Northamptonshire Development Corporation. He has led start-ups, closures and turnarounds and has wide-ranging experience of all operational matters, including setting strategic direction,

business planning, policy development, change management, financial and resource management, stakeholder management, marketing, media relations, PR and public affairs, governance, information management, business analytics, and HR – including organisational design and the creation and maintenance of a culture of excellence.

Previously, Roger worked as a civil servant, advising Ministers on a range of high-profile policy areas. He has studied at Harvard University's Kennedy School of Government, has an MBA from Henley Business School and is a certified Executive Coach. Roger is currently undertaking doctoral research at the Liverpool Business School, into leading organisational change within the public sector.

Boards should also take account of changing public and Parliamentary expectations, especially in times of austerity

by Brian Whalley

The board has a number of important responsibilities, including setting the culture, values and behaviour of the organisation. A number of high profile cases involving public bodies remind us that boards might not always appreciate the importance of *setting the tone* for the organisation. Or they could be out of touch with the manner in which executive management are carrying out their operational responsibilities.

There is also the risk that boards can feel that they are being managed by the executive and not being given the whole picture. They might think that important governance material is not reaching the board, or that agendas are too long, with the risk that important business does not get due attention.

Many of the more serious governance failings reported recently have concerned issues of organisational culture, and a lack of openness and transparency. The Francis Report into Mid Staffordshire NHS Foundation Trust referred to the existence of a 'negative culture' and reminds board members of the dangers of ignoring warning signals. The report said that *'...the wider system did not react to the constant flow of information signalling cause for concern. Those with the most clear and close responsibility for ensuring that a safe and good standard of care was provided to patients in Stafford, namely the Board and other leaders within the Trust, failed to appreciate the enormity of what was happening, reacted too slowly, if at all, to some matters of concern of which they were aware, and downplayed the significance of others.'* Robert Francis' report referred to the existence of a culture characterised by tolerance of poor standards, a narrow focus on finance and targets, denial of concerns, and isolation from practice elsewhere.



Allowing valid concerns to be raised and disclosed freely and without fear has attracted frequent comment. In a 2012 report, the Northern Ireland Audit Office commented that *'there have been a number of cases where staff have raised concerns ... in a whistleblower capacity. In our opinion, based on the information available to us, there is a perception that they have not always received the protection required.'*

The House of Commons Health Committee commented in their 2013 report 'After Frances: making a difference', that *'responsibility for establishing a truly open managerial and professional culture which*

would make the role of the whistle blower redundant lies with each (Trust) board.' The Westminster Public Accounts Committee has also raised concerns about the lack of proper protection for whistle blowers. The National Audit Office's 2013 report on confidentiality clauses and special severance payments noted that, with the public purse under sustained pressure, *'compromise agreements should not be used to gag staff, or to reward individual or organisational failure.'*

Boards should also take account of changing public and Parliamentary expectations of the proper stewardship of public funds, especially in times of austerity. The Westminster PAC's 2012 report into off-payroll contracting in the BBC and the severance package for the outgoing Director General, commented in relation to generous severance payments to other departing managers and the provision of private health insurance to senior staff: *'we consider these payments to be excessive and completely out of keeping with public expectations about how their licence fee money is spent.'*

Responsibility for setting the tone and ensuring regularity and propriety is shared by those in senior managerial positions. A recent (2013) NDPB Governance Statement signalled the organisation's determination to deal with a failure to operate in accordance with delegated authorities, with the Accounting Officer making it clear that: *'...with the Board and the Senior Management Team I will continue the work ... to address any remaining non-compliance with regard to financial and administrative controls reported in the past. I will continue to be clear and unequivocal in my expectations that staff will comply with the financial procedures laid down and the consequences of non-compliance.'* It will be the responsibility of the body's Audit and Risk Assurance Committee to keep this under review.

Boards and their Audit and Risk Assurance Committees should keep under regular review the appropriateness of their governance structures and processes.

Boards must evaluate and develop their own performance, ensure that the whole board is up to date with current developments in governance, and should be vigilant on issues of organisational culture and the quality of information coming to the board.

All chairs in the NDPB sector are required to arrange for board members to receive appropriate governance training. This includes financial management and reporting requirements in central government and any differences that may exist between private and public sector practice.

Reform Management: Planning & Implementation

We are pleased to be working with Just Resolutions® on a programme, *Reform Management: Planning & Implementation*. This programme is designed to be outcome centred. It focuses on just resolutions and achieving real and effective outcomes.

The programme will help senior Ministers of State identify and set objectives in order to make sure that officials are able to deliver outcomes that are achievable and demonstrable.

This will cover three key phases:

- o Building your team.
- o Monitoring your effectiveness.
- o Implementing change.

The programme is based on a tried and tested methodology deployed by the Rt Hon the Baroness Scotland of Asthal QC over a decade at the highest level of the UK government.

The steps of the 'Scotland Method for Change Management' include

- a comprehensive **needs based assessment** of the contextual environment and the problem to be solved,
- an **audit** of the existing provision in order to develop a holistic understanding,
- a **gap analysis** based on the audit and the 'needs based assessment' to be able to identify precisely the areas that require specific attention and/or provision,
- development of a **strategic plan** to be able to map out an effective and achievable implementation of reform,
- **audit of implementation** to check the success of outcomes and to identify clearly in which areas the strategy is working, and in which areas it is not; this involves comprehensive **data analysis** to test the extent to which outcomes are being achieved.

The central theme of this programme is to enable senior Ministers of State to be able to develop a programme which can effect real change, and which is based on outcomes rather than outputs.

It is designed to enable Ministers to measure the extent to which the reform management programme is delivering.

About Brian Whalley OBE MA ACMA CGMA



Brian runs accountability and governance training for senior managers, non-executive board members and audit committee members throughout the UK central government sector.

He specialises in working with newly-appointed Accounting and Accountable Officers and with their senior management colleagues. He provides practical insights into their personal responsibilities as laid down in HM Treasury's 'Managing Public Money.'

He also works regularly with non-executive board members in arm's-length bodies and NHS trusts on both induction training programmes for new appointees and board development and governance update sessions.

In this capacity he has worked with the boards of over 90 Executive Non Departmental Public bodies throughout all parts of the United Kingdom. Brian has also worked on overseas governance and financial management programmes in locations such as Macedonia, Russia, Hungary, and Abu Dhabi.

See *Accountability and Governance Series*, pp 6-9

See *Cavendish Executive Education Series*, pp 16-17

- *Accountability & Governance for Arm's Length Bodies*, p 6
- *Public Accountability for New Accounting Officers*, p 7
- *Introduction to Audit & Risk Assurance Committees*, p 8
- *Improving Audit Committee Effectiveness*, p 9
- *Reforming Public Financial Management Systems*, p 16
- *Non-profit Financial Management for Public Bodies*, p 17



About Rt Hon the Baroness Scotland of Asthal QC

Baroness Scotland has achieved a number of extraordinary firsts: in 1991 she became the first black woman and the youngest person since Pitt the Younger in 1780 to be appointed Queen's Counsel. She was also the first black woman to be appointed an Assistant Recorder, Deputy High Court Judge, Recorder, Master of Middle Temple, Member of the House of Lords, and Lord's Minister. She is the first and only woman ever to have been appointed as Attorney General in the 700-year history of that Office.

Baroness Scotland specialises in changing dysfunctional organisations into functional ones, resolving the irresolvable, and delivering holistic solutions to difficult problems. Her legal expertise and political acumen enable her to tackle some of the most entrenched problems for organisations, governments, and institutions. She specialises in solving the most difficult problems at an international level.

Before entering government, Baroness Scotland helped to design the family courts in Trinidad and Tobago, which have subsequently proved to be the most successful part of the justice framework in the country. This turned delays in the legal procedural process from years to weeks. Trinidad and Tobago now has one of the most efficient family court systems in the world.

After entering the House of Lords in 1997, Baroness Scotland was the first black female government minister when in 1999 she became a Foreign and Commonwealth Office (FCO) minister. She retained the international departmental portfolio for each Ministerial role she occupied thereafter. Between 1999 and 2001 Baroness Scotland was Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office. During this time she reformed the Consular Division's administrative process and transformed what had been seen as the 'Cinderella of the Foreign Office' into one of the most dynamic parts of the government. This was identified as an exemplar of good practice, and resulted in a 'Best in Government' award.

Baroness Scotland led the change programme which improved services to domestic violence victims. She also chaired the inter-ministerial group on fraud, e-crime and corruption. She reformed the prosecutorial agencies for which she was responsible, leading to the creation of a board of all those prosecutorial agencies which she supervised. This was characterised by a more holistic approach to the prosecution of complex and interrelated crimes.

Throughout her Government career, Baroness Scotland managed the international portfolios of every department in which she held ministerial office. She was on the EU Justice and Home Affairs Committee from 2001 to 2010, and for nine years did policy at a European level on behalf of the UK. After leaving government she created Just Resolutions, a problem-solving consultancy that focuses purely on outcomes that are just, fair, and holistic.

Baroness Scotland has remained at the forefront of matters relating to law and reform. She has won many awards in recognition of her achievements, including the Polish medal for her contribution to law reform in Poland. Baroness Scotland was voted Peer of the Year by the House Magazine and Channel 4, and Parliamentarian of the Year by the Spectator and the Political Studies Association. In 2008, The Guardian named her the most powerful female black Briton. In 2009 Baroness Scotland received the UN Anti-Corruption Doha award for her work on anti-corruption, and in 2010 was voted Number 1 in the New Nation Black Power List. In 2011 she received the Euro Money Legal Media Group Europe Women in Business Law Lifetime Achievement Award, and in 2012 she was named one of the world's 50 women of inspiration by Women, Inspiration and Enterprise (WIE).

Baroness Scotland is a Vice President of Chatham House, founding patron of the Corporate Alliance Against Domestic Violence, and is also the joint Patron of Missio and the National Pro Bono Centre. In 2011, she founded the Global Foundation for the Elimination of Domestic Violence.

See *Global Programmes*, pp 41-45

- *Essential Skills for Effective Government*, p 41

Business Etiquette in China: Dos and Don'ts

China's culture and business practices are different. Whether you are a business person, civil servant or diplomat knowing and practicing common customs will help you understand, avoid embarrassment, and develop successful meetings.

Before beginning, recognize that the following qualities are valued by the Chinese and therefore relevant to your Chinese business interactions today:

- Saving and giving face
- Respect for elders and rankings (note that the latter is particularly important when dealing with government officials)
- Patience
- Politeness
- Modesty

Doing research on the market is important in China, but personal relationships are equally essential to business success here. It is crucial to establish and maintain good relationships with key business contacts and relevant government officials. Attending industry networking events, contacting industry associations and municipal or provincial investment promotion bodies, and following up on personal introductions are all good ways to start the relationship-building process.

Attending and Conducting Meetings

Top tip: Don't be late, and know who's boss!

In general, meetings in China are a bit more ritual. The Chinese value punctuality, so arrive on time or even slightly early for meetings or other occasions. The following points should be kept in mind:

- Dates: Check the Chinese calendar. If you are scheduling a meeting, avoid all national holidays, especially Chinese New Year, when the entire country effectively shuts down and it can be very difficult to organise meetings with key individuals.
- Preparation: Be well prepared in advance of your meetings. Your Chinese hosts will most likely know you and your business quite well.
- Language of the meeting: Make sure you know the language capabilities of your hosts before the meeting.
- Dress Code: Government officials and top management dress formally for meetings.
- Introductions:
 - o Addressing others: Seniority is valued in China. Find out who the most senior person in the room is, and address them first.
 - o Introducing yourself: Say your name clearly, and remember to state both the company you work for and your position.
 - o Giving/Receiving business cards: Similar to introductions, hand out business cards to the most senior official first. Chinese use both hands when giving and receiving anything of value, including gifts and particularly business cards; you should do the same as this is one of the first points at which you will make an impression. Take a moment to look at and acknowledge the individual's card. Have your own cards translated into Chinese on one side. Your title is important; this is how your hosts will determine who should be invited to meetings, what weight your words carry, and where you will be seated.
 - o Seating Arrangements: The host will take the lead, and you will likely have a name card or designated seat based on your role in the organisation.

- Meeting structure: Particularly in government departments, meetings may follow a fairly formal structure, with the senior member of the hosting party introducing himself/herself and colleagues, and then proceeding to state his or her views and position on the matter in question. Following this, the leading member of your party should do the same.

Dining

Top tip: Follow the leader!

Business often gets conducted during meals. As with business meetings, food and seating are determined by the hosts. The following points should be kept in mind when dining formally with the Chinese:

- Beginning to eat: Follow cues from your hosts and start eating when the hosts begin. Wait to be invited before you dig in.
- Refusing food: The Chinese tend to offer a lot of food, and it is acceptable to refuse food if you have dietary restrictions or allergies. However, it is a sign of politeness to accept some of everything, and sample (even a little of) all dishes served.
- Drinking: While local wine can be preferred at banquets, the Chinese more frequently offer strong distilled alcohol called baijiu or maotai (a very special type of baijiu) for toasts – and there may be many toasts during a meal.
- Toasting: Your host will start off the banquet with a toast to your presence / friendship/ cooperation / getting to know each other / clinching a deal. You may choose to reciprocate, toast for toast, or to wait until the host, his or her colleague, and one other member of the hosting party has toasted.
- Paying the bill: The host pays. If you are hosting a meal, do not show money in front of your guests. Either have someone slip out and settle the tab or wait until your guests have left before paying.
- Concluding: There is little lingering at banquets. Formal dinners often end suddenly, when the senior member of the hosting party stands up (quickly followed by staff and subordinates), briefly thanks the guests for attending, and proceeds to leave the room. This may appear abrupt the first few times you witness it, but is simply a decisive and useful way to bring the occasion to a close.

Gift Giving

Top tip: Buy British!

Gift giving is a common Chinese custom that business visitors to China should prepare for and use to advantage. The advice of a Chinese friend or colleague is invaluable in doing this properly, but here are some simple guidelines:

- Who: Typically, a single large group gift is presented to the chief person or leader of a Chinese organisation. Gifts should be presented from the lead of the British delegation to the lead of the Chinese delegation and vice versa.
- What: Gifts should not be too expensive. The best gifts to offer in return will be items that are unique to Britain. The Chinese are fond of dark red, gold or blue, which are all appropriate colours for gift wrapping.
- When: Gifts are usually given at the end of an introductory meeting or at a banquet. Delegations visiting China are normally expected to offer gifts to their hosts.
- What Not to Give: Gifts to avoid include clocks and scissors or other sharp items such as knives or letter openers. Avoid wrapping gifts in white or black, which are colours associated with funerals.