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Identifying and meeting central government's skills requirements

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Departments have invested heavily in skills development. Government estimates that expenditure on formal training, including salary costs of departmental learning and development staff, was £275 million in 2009-10.

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Key facts

£275m
Government's estimate of its annual spend on learning and development in 2009-10

78%
Proportion of respondents to our survey who identified significant skills gaps in their organisations

48%
Proportion of civil servants saying that learning and development received in the last 12 months helped them to be better at their job

£275m	Government's estimate of spend on learning and development in 2009-10, though the total cost of skills development would have been far higher.
£547	Average annual spend per head on learning and development in the civil service (excluding devolved administrations), with wide variations between departments.
35 per cent	Proportion of respondents who said their organisation is very/fairly good at maintaining complete and reliable data centrally on learning and development costs.
22	Number of different recognised professions in government.
69 per cent	Estimated proportion of civil servants who are members of the 'Operational Delivery' profession – including contact centre, processing and customer service staff.
78 per cent	Proportion of respondents to our survey who say there are significant skills gaps in their organisations.
48 per cent	Proportion of civil servants saying that learning and development received in the last 12 months had helped them to be better at their job.
>250	Number of leadership courses across departments, in addition to 26 at the National School of Government.
£90m	Annual savings targeted by Civil Service Learning.

Summary

1   The Cabinet Office has lead responsibility for increasing the capability of the civil service, although departments are responsible for identifying and meeting the skills needs of individual staff. The current period of budgetary constraint means that departments will need to embark on ambitious transformation programmes in order to sustain and increase levels of performance. Skills requirements and workforce planning must be aligned and considered alongside the adoption of new delivery models and technology. These same constraints mean that departments face significant reductions in administrative budgets, with corresponding reductions in staff numbers and in available resources for learning and development to support remaining staff.

2   Learning and development activities in central government are broadly categorised as: 'generic', addressing common needs across the civil service (such as leadership and strategic thinking skills), those relating to specific professions (of which the civil service recognises more than 20), and technical, addressing departmental-specific needs. Since 2004, there has been a series of cross-government initiatives designed to address key skills gaps and promote greater professionalism in central government. The most recent, Civil Service Learning, was launched in April 2011 and is part of major changes to the way human resources activities are carried out in government. Civil Service Learning now has significant responsibility for addressing 'generic' learning and development needs across central government at significantly reduced cost, and has plans to support departments in the delivery of profession-specific and technical training.

3   Departments have invested heavily in skills development. Government estimates that expenditure on formal training, including salary costs of departmental learning and development staff, was £275 million in 2009-10 (around £547 per head), around half of which related to 'generic' skills. However, the true cost of skills development is significantly higher and the estimated split between different categories of learning and development unreliable, given that figures exclude informal learning and development activities, the value of the time of staff attending courses and an unknown amount of spend on profession-specific and technical training.

4   This report assesses whether central government's approach to skills development has been cost-effective. Ineffective skills development entails risk to value for money in two ways. The most obvious is the wasted investment – in the Civil Service People Survey in 2010, only 48 per cent of civil servants said that the learning and development they had received in the last 12 months had helped them be better at their job. But more significant is the adverse impact on the performance of public sector programmes and projects. Our recent work has shown that skills gaps can have a significant impact on government's ability to meet its objectives and provide value for money.

5   Our review examines the arrangements in existence immediately before the launch of Civil Service Learning in April 2011. We have developed an assessment framework, adapted from a standard management cycle, which reflects our expectations regarding good practice in achieving value for money in skills development.

Key terms used in the report

- **Skills** are the knowledge and experience required by an individual to carry out a task effectively.

- **Skills development** is the effort to deploy the right skills when needed in order to meet business objectives. These efforts include, but are not limited to, learning and development activities.

- **Learning and development** is the full range of interventions from informal learning (such as 'on-the-job' learning, and learning via coaching and mentoring), to formal learning (including classroom training and e-learning).

- **Cost-effective** covers the relevance of identified skills needs to departments' objectives, the appropriateness of the interventions chosen to address those needs and the efficiency with which they are implemented.

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6   Part One of this report sets out the government skills context, and also our expectations for how skills development processes should operate. Part Two examines how departments have planned skills development to align with their business needs. Part Three looks at how well they have implemented these plans. This report is part of a wider programme of National Audit Office work examining how government is meeting demands for changed ways of working and significant budget reductions while at the same time maintaining the necessary capability to deliver key public services.

Key findings

On alignment with departments' strategic business needs

7   **Budget reductions are requiring departments to consider ambitious new ways of working to achieve their objectives and the skills required for these changed models.** Our evidence indicates that such thinking is going on, but that systematic review of existing delivery models and the implications for departmental skills needs is not taking place consistently across government. Without such analysis, skills needs may not be linked to the most effective means of operating.

8   **Departmental skills strategies and governance arrangements have not been adequate to ensure skills development activities are well-aligned with departmental business needs.** The approach we found in departments is fragmented, with highly devolved structures. Accountabilities are unclear, with management responsibilities divided across HR functions, professional leads and business managers. We reviewed 13 departmental skills strategies covering 2008-11, and in less than half could we clearly trace the links between business objectives, the prioritised skills gaps and the solutions selected. Most did not define current and future business needs clearly.

9   Data weaknesses limit departments' understanding of the skills they already have, and hence the development activities that are required. As a consequence of the division of management responsibilities, combined with weaknesses in departmental information systems, knowledge of existing skills remains patchy at a corporate level. This has made it difficult to maintain oversight of skills development needs and to choose effectively between competing skills priorities. Incomplete and unreliable management information on what skills development is undertaken, by which members of staff, and at what cost further weakens departments' ability to manage and maintain the link between business needs and skills development activities.

10   There has been limited use made of standardised training by departments and of government's buying power to save cost. There were over 250 different leadership courses in use across government, and the daily rates charged for management and leadership training varied four-fold between suppliers. Unnecessary costs have been incurred through an over-reliance on expensive forms of training and poor management of attendance rates.

On putting strategy into practice

11   Departments currently face significant challenges in buying-in and retaining key skills. Almost 80 per cent of respondents to our survey considered there are significant skills gaps in their organisations, and of these 84 per cent said difficulties in recruiting skilled staff were a significant contributing factor. At the same time, planned reductions in departmental headcount increase the risk of a loss of key skills. The information on existing staff skills required to manage this risk is not universally strong: less than 40 per cent of respondents to our survey considered that their organisation was 'very' or 'fairly' effective in maintaining information on the skills of staff.

12   In-house development of skills has not been consistently integrated into day-to-day operations. There has been insufficient attention given to the importance of 'on-the-job' learning and the role that line managers play in facilitating this. While some departments have made progress in using a range of internal development options, there has to date been an overemphasis on classroom-based training provided by learning and development professionals.

13   In some parts of government, staff deployment systems do not always ensure staff develop the necessary experience. Staying in a position long enough to gain and apply essential experience is a crucial part of departmental skills development. While it is not universally the case, a 'generalist' model persists in some parts of government (such as policy or strategy teams), and in some areas frequent rotation of staff can limit a department's ability to embed skills and experience. One of our case study departments found examples of staff moving post after only nine months.

14   There are other obstacles to ensuring posts are filled by staff with appropriate skills. Decisions over staff postings and promotions do not always give sufficient weight to the skills requirements of the roles. There have been significant efforts to professionalise the civil service in recent years, but standards associated with particular professions are not always reflected in recruitment to posts. There are also practical challenges to better deployment of skills both within and across departments, including poor data on existing skills of staff, poor incentives to share skilled staff and barriers to cross-departmental deployment.

15   Data suggests that there are potential skills gaps in some senior positions. Data collected by government on the professional composition of the senior civil service suggest that around a quarter of senior operational delivery and programme and project management roles are filled by staff who are not specialists in these fields.

16   The effectiveness of learning and development investment has not been routinely evaluated. Evaluation of learning and development activities carried out by departments tends to focus on the individual learner's experience, but examples where evaluation has considered the impact on departmental performance are rare. This misalignment is not helpful and more can be done to review skills development in the context of business performance.

17   Significant changes are being introduced to how human resources functions operate in central government, but risks remain. The changes involve centralisation and standardisation of human resource activities across government, designed to achieve efficiencies and better alignment between departments' HR functions and their business operations. As part of these changes Civil Service Learning is now responsible for design, commissioning, contract management and oversight of 'generic' learning and development and the stated intention is that it will develop to provide expert advice and support to departments on all their learning needs. However, in spite of these changes, risks remain:

- Success depends on the support and cooperation of senior management in departments, and while Civil Service Learning can assist, better identification of skills needs and integration of learning with business operations remains a key challenge for departments.

- Civil Service Learning's initial coverage is focused on 'generic' training, meaning that departments are currently responsible for half or more of expenditure on training.

- While there has been significant dialogue with departments in its construction, it is too early to say whether the 'common curriculum' offered by Civil Service Learning will meet departments' needs and expectations.

- A performance measurement framework is being put in place for Civil Service Learning but key elements have not yet been established such as expected standards of performance, the means of evaluating the effectiveness of greater work-based learning and how planned cost savings will be assessed.

Conclusion on value for money

18   This examination identified a number of practices across government which fell short of our expectations. These weaknesses are compounded by a pervasive lack of data on the costs and benefits of skills development, which prevents departments from being effective in managing their skills development programmes and coordinating across government. The picture across government is not uniform but clearly it does not represent value for money.

19   Government acknowledges some of these issues and offers the prospect of improvement with the introduction of Civil Service Learning, but it is too early to assess this programme's likely effectiveness. Risks to value for money remain, including the need in departments for better alignment, deployment and integration of staff skills with business requirements. Implementation of our recommendations should reduce these risks.

Recommendations

For departments

a   **The central role of managers in developing staff has not been consistently emphasised and supported.** Managers play a key role in developing staff through 'on-the-job' learning and coaching, and through integrating formal learning with day-to-day operations, but their role is not being fully exploited. To address this, departments need to provide strong support from the top of their organisations and ensure line managers have the necessary skills in staff development. The importance of this issue should be consistently reinforced through performance management systems.

b   **Information available to departments to help identify and address critical skills needs is inadequate and oversight is weak:**

- Departments must ensure they have oversight of total learning and development expenditure, with clear accountability at board level preventing spend on non-priority activities and helping to identify potential efficiencies.

- In the current economic climate, departments need to know what their business critical skills are and where they are located in the department. This snapshot assessment should focus on priority skills for future capability and be used to inform board-level understanding of the implications of business transformation and headcount reduction programmes.

- Departments must continue to engage at senior levels to ensure centrally provided, common human resources services, including Civil Service Learning, remain relevant to their needs and are effective.

c **Internal HR processes do not always support the development and utilisation of critical skills:**

- For areas of business where depth of experience is critical to capability, departments should, as necessary, take greater control of postings to ensure business needs are met, for example, by requiring people to stay longer in post and applying experience and professional standards rigorously in promotion and posting processes.

- Efforts to professionalise the civil service must be reinforced. For example, professional standards should inform decisions on appointments and promotions to key posts, and heads of profession in business critical areas should be involved with workforce planning, and decisions on downsizing the workforce.

d **Departments do not know whether their efforts to develop skills have been successful.** The intended value to departments' business should be clear for all learning and development activities, with intended outcomes stated from the start. Effectiveness must then be evaluated, as far as practical, by assessing improvements over time against measurable business metrics, with the results used to inform future skills development.

For the Cabinet Office

e **Civil Service Learning has a strategy to improve the quality of generic training and reduce costs, but risks remain to the achievement of its objectives.** The Cabinet Office should ensure that Civil Service Learning has a robust approach both to managing the risk that the 'common curriculum' does not meet departments' needs and to improving value for money in departmental management of 'non-generic' training. In doing so, they should expedite plans to eradicate duplication, identify further efficiencies and improve quality in areas of high priority profession-specific and technical training.

f **Unless performance benchmarks are established, the effectiveness of Civil Service Learning will be difficult to demonstrate.** While metrics to measure performance are being defined, more needs to be done to ensure that robust performance standards are established along with the approach to evaluate the overall effectiveness and efficiency of the programme.

g **The barriers to the deployment of skilled staff across government cannot be solved by departments alone.** The Cabinet Office has lead responsibility for the development of capability in the civil service, and should investigate the barriers and develop solutions to facilitate the deployment of skilled staff where they are needed across departmental boundaries.

Part One

The central government skills context

1.1   For an individual, skills consist of both the knowledge ('how to') and experience ('track record') needed to carry out a task effectively. For a department, employees' skills are a key element of its overall ability to achieve its objectives. In addition to having staff with appropriate skills, departments need to be able to deliver the right mix of experience and expertise to the right jobs when needed.

1.2   Central government employs over 500,000 civil servants in organisations ranging from large government departments to small local jobcentres, and requires staff with the skills to fulfil diverse functions. These include skills unique to the civil service, such as policy-making and the management of political, Parliamentary and legislative processes; skills common to any large-scale organisation, such as finance, procurement, HR and project management; and skills particular to the remit of an individual department, such as the processing of benefit payments, the collection of taxes, and regulation of industry.

1.3   The Cabinet Office has lead responsibility for increasing the capability of the civil service, although departments have been responsible for identifying and meeting the skills needs of individual staff. In 2009, the Cabinet Office initiated the 'Next Generation HR' programme to review and modernise civil service HR policy and processes. The programme has now been replaced by 'Civil Service HR'. The learning and development element became operational in April 2011 and is called Civil Service Learning.

What central government spends on skills development

1.4   Under the Next Generation HR programme in 2009, government started monitoring total spend on learning and development. The programme estimates that government expenditure on formal learning and development in 2009-10 was £275 million, including the salary costs of departmental staff involved in delivering it. While the quality of management information has improved, this is still a significant underestimate of the total costs associated with skills development. It excludes informal learning and development initiatives and also an uncertain but significant amount of professional and technical training commissioned by departmental business units. It also excludes the overheads associated with in-house provision of formal training and the cost of the time of staff attending courses.

1.5 Notwithstanding these limitations, data on learning and development expenditure have been collected from organisations covering some 95 per cent of the civil service, excluding the devolved administrations (**Figure 1**). Total expenditure on formal training by each organisation broadly reflects the relative differences in size, although expenditure per employee varies more in line with the nature of the organisation's work. This ranges from the higher-volume, lower-cost training offered by the Department for Work and Pensions and HM Revenue & Customs (with large numbers of staff working in call centres and processing centres), to the lower-volume, higher-cost training undertaken by the Foreign and Commonwealth Office, for example, language training.

Figure 1

Departmental spend and spend per head on formal training in 2009-10

Total Learning and Development spend (£m)
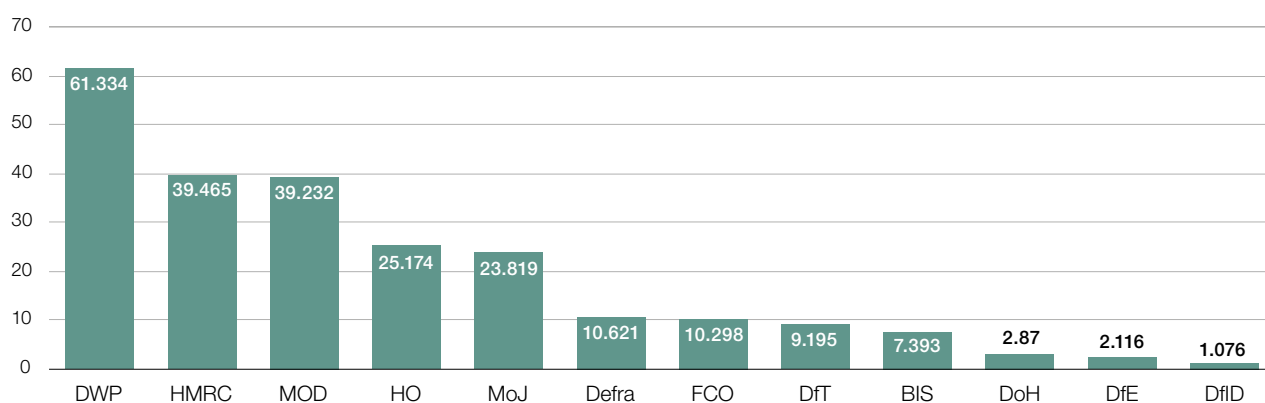
Learning and Development spend per head (£)
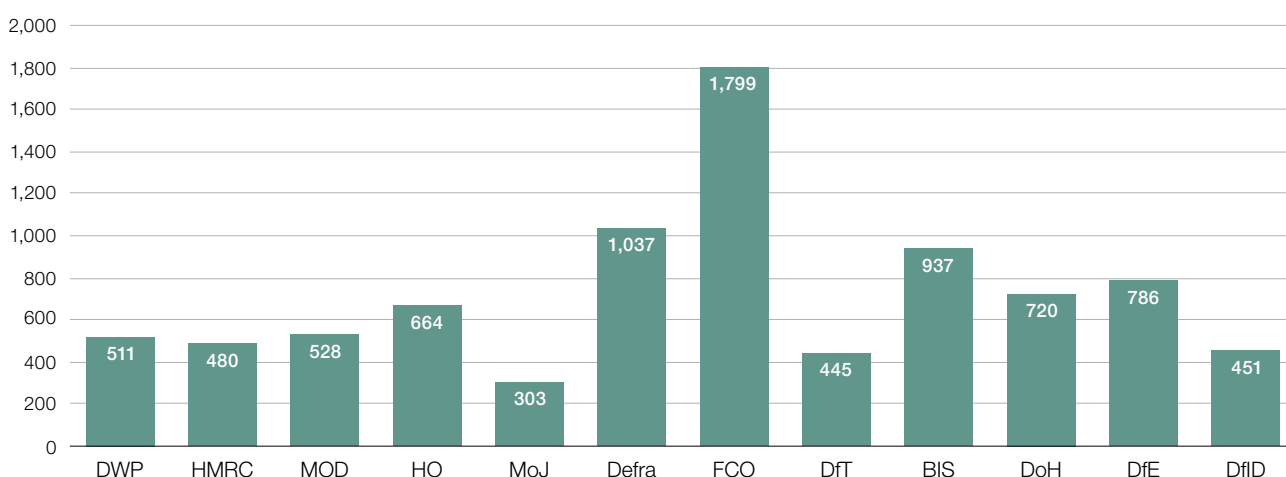
DWP = Department for Work and Pensions   HMRC = HM Revenue & Customs   MOD = Ministry of Defence
HO = Home Office   MoJ = Ministry of Justice   Defra = Department for Environment, Food and Rural Affairs
FCO = Foreign & Commonwealth Office   DfT = Department for Transport   BIS = Department for Business, Innovation and Skills
DoH = Department of Health   DfE = Department for Education   DfID = Department for International Development

Source: Next Generation HR

The significance of skills gaps

1.6 Previous work by the National Audit Office has highlighted the adverse impact of skills gaps on value for money in a range of public services (**Figure 2**).

Figure 2
Review of skills gaps highlighted in National Audit Office VFM reports 2008 to 2011

Around one third of the 184 National Audit Office reports published in the last three years make reference to skills gaps in government. We selected 32 of these reports for more in-depth review, as they provided more detail on the impact of skills gaps in explaining poor performance. From these, we identified four common categories of impact.

Risks to financial management: These were the most commonly identified. Skills gaps undermine efficient working and can result in additional costs in the long term. Examples included: poor cash flow forecasting which led to an increase in departmental costs, and poor contract management which resulted in higher than necessary project costs and lower quality services.

Risks to achievement of objectives: In addition to the efficient use of public money, skills gaps can also reduce the effectiveness of government programmes. Previous NAO work has concluded that skills gaps in key areas such as commercial and project/programme management have delayed progress in important public programmes in the housing, health and defence sectors.

Risks to the quality of service: Inadequate skills can also impact on the quality of services received by the public. Previous NAO reports have highlighted cases where skills gaps have in the past led to reduced capacity in social and health care services for adults and to inconsistent quality in mathematics teaching received by primary school children.

Risks to future capability: Skills shortages in departments may not present an immediate problem if consultants or interims can be used to fill gaps in the short term. But failure to address gaps ultimately weakens future capability and increases susceptibility to periods, as at present, where access to short-term external expertise is constrained. Our previous work has highlighted how an over-reliance on consultants and interims, coupled with inadequate attention to the transfer of knowledge back to departments, has left departments with continuing skills gaps in key areas.

*Source: National Audit Office review of previous reports*

1.7 The centre of government has acknowledged the importance of skills development for the overall capability of government departments. The Cabinet Office's programme of Departmental Capability Reviews, conducted between 2006 and 2009, included an assessment of how well placed departments were to develop and make use of their skills. Although improvements were noted, this remained the weakest element identified in the second round of reviews in 2008-09, with the majority of departments needing further development. Government has implemented a number of initiatives in the last seven years to address skills-related capability problems. These include:

● **Professional Skills for Government:** Initially launched in 2004, Professional Skills for Government established a high-level skills framework for staff at all levels in the civil service, divided into core skills, leadership skills, and professional skills. It aimed to professionalise the civil service, moving it away from the 'generalist' model, building more defined career pathways matched to appropriate learning and development. The civil service currently recognises 22 different professions, covering 79 per cent of the workforce. The majority of civil servants (69 per cent of those covered by the professions) are in operational delivery roles, which include contact centre staff, processing staff and those dealing face-to-face with the public (**Figure 3**). The two next biggest are policy delivery and finance with 4 per cent and 3 per cent respectively. While it is a critical skill in government, only 1 per cent of roles relate to the Programme and Project Management profession.

Figure 3

Distribution of professions recognised in the civil service (covering 79 per cent of all civil servants)
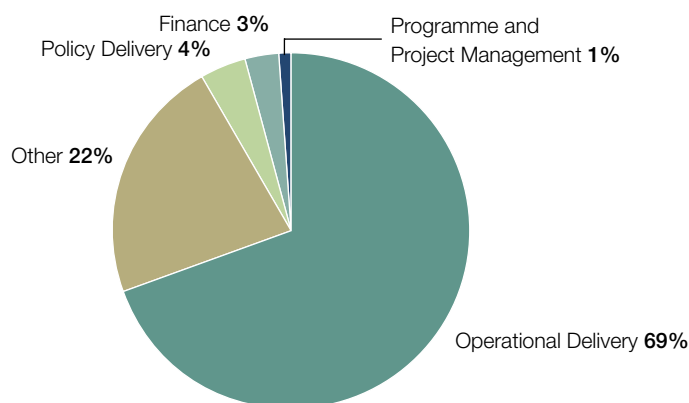
NOTE

1 Other (20+)' include: Communications and Marketing, Economics, Engineering, Human Resources, Information Technology, Internal Audit, Law, Knowledge and Information Management, Medicine, Operational Research, Planning, Procurement and Contract Management, Psychology, Inspector of Education and Training, Science, Social and Market Research, Statistics, Tax Professionals, Veterinarian, Property Asset Management.

Source: Office for National Statistics civil service tables 2010

- **Government Skills:** The Sector Skills Council for central government had a key role in launching the Government Skills Strategy, and driving and monitoring its implementation by departments and professions from 2008 to 2011. The strategy included two broad ambitions: to further professionalise the civil service; and to work collectively to meet common challenges by sharing existing provision of learning and development services and buying new provision together. They have also conducted government-wide skills surveys, with the most recent one in 2009 identifying key skills gaps in relation to programme and project management and ICT skills.

- **Next Generation HR:** Initiated in 2009, the 'Next Generation HR' programme introduced major changes to departmental human resources functions, seeking efficiencies through the central provision of standardised services. The first three strands to be implemented are HR Policy, Resourcing, and Civil Service Learning. The programme has now been replaced by 'Civil Service HR', which has been established to implement and embed the changes into operations across government.

- **Civil Service Learning:** Civil Service Learning is funded by contributions from departments, and reports to a cross-government HR management team chaired by the Head of Civil Service HR. Ultimately the Chief Operating Officer in the Efficiency and Reform Group of the Cabinet Office is accountable for the value for money it delivers. The organisation became operational in April 2011 and is currently focused on improving the quality of 'generic' civil service training while saving an estimated £90 million per annum against 2009-10 spend. A standardised 'common curriculum' has been established for all departments, which includes training on civil service-specific practices, mandatory training (such as health and safety), leadership and management training and modules for 'core skills', such as project management, finance and commercial skills. During 2011-12, Civil Service Learning also plans to help develop curricula for key professions and support departments more generally on the integration of work-based learning into departmental practices.

1.8 Our previous work has identified examples of progress in building skills in key areas such as finance[1], commercial skills[2], and ICT.[3] However, skills gaps remain. In our survey, we asked senior staff across government whether their organisation has skills gaps in three areas we consider to be important. Almost 80 per cent of respondents identified significant gaps in at least one of these areas, with 54 per cent identifying 'very' or 'fairly significant' skills gaps in programme and project management, 39 per cent in financial management and 40 per cent in ICT (**Figure 4**).

1.9 Currently, departments face a period of staff reductions, pay restraint and controls over the use of consultants. At the same time, resources for learning and development are being reduced in line with other areas of administrative expenditure. These challenges to retaining and developing people with key skills pose significant risks to departmental capability which need to be managed.

Assessing central government's approach to identifying and meeting skills requirements

1.10 Skills development is not simply a question of training. This study looks not only at the formal learning and development programmes in central government but also the basis for identifying skills needs, choices about how best to tackle identified gaps and what is known about the effectiveness of those efforts. The high level analysis draws heavily on previous NAO work, our cross-government survey of senior civil servants and case studies of three departments, the Department for Environment, Food and Rural Affairs, HM Treasury and the Department for Work and Pensions.

Figure 4
National Audit Office Survey Responses: Skills Gaps
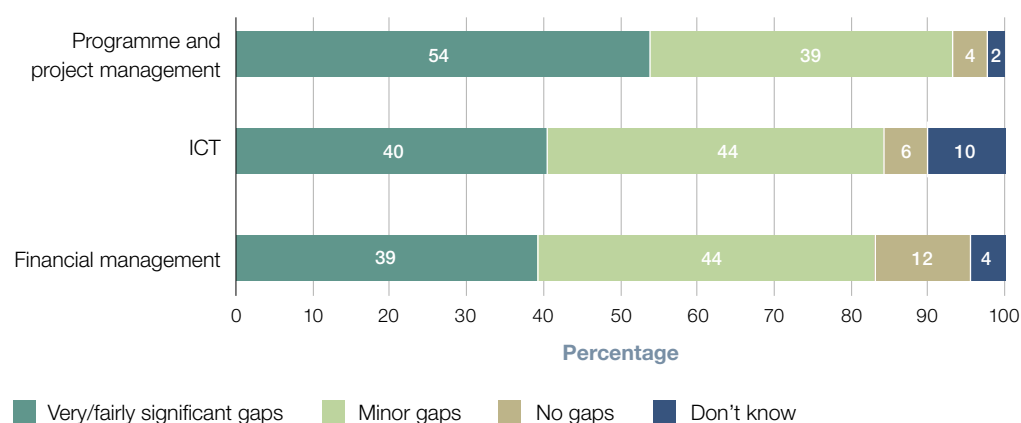
Source: National Audit Office Survey

1   Comptroller and Auditor General, *Progress in improving financial management in government 2011*, Session 2010-11, HC 487, National Audit Office, March 2011.
2   Comptroller and Auditor General, *Commercial Skills for Complex Projects, 2009*, Session 2008-09, HC 962, National Audit Office, November 2009.
3   Comptroller and Auditor General, *Information and Communications Technology in government. Landscape Review, 2011*, Session 2010-11, HC 757, National Audit Office, February 2011.

1.11 In order to address the breadth of this review, we have developed our own assessment framework in discussion with learning and development experts from PricewaterhouseCoopers (**Figure 5**). In developing this framework we have adapted a basic management cycle to reflect our expectations regarding how government can ensure skills development efforts deliver value for money. Key amongst these expectations is that skills development should be driven by government's priority business objectives. To ensure this, we have identified specific expectations in the assessment framework, which we have used as the basis for the remainder of this report.

Figure 5

National Audit Office review of skills development in central government – our expectations

Business objectives

Value for Money

Optimal delivery model

Identified skills needs are based on an analysis of:
- different means to achieve planned objectives; and
- adequate workforce planning data

see Part Two

Evaluation

Skills development efforts are:
- systematically evaluated
- assessed in terms of effects on business performance

see Part Three

Skills strategy

A strategy is in place that:
- clearly links to business objectives
- employs a range of tailored solutions
- has senior managers engaged

see Part Two

Implementation arrangements

Implementation is:
- integrated with day-to-day work
- supported by line management engagement
- supported by existing HR processes

see Part Three

Governance controls

Controls are in place to ensure:
- the strategy is delivered as planned
- the strategy is delivered at least cost

see Part Two

Source: National Audit Office

Part Two

Linking skills development with departments' business needs

2.1 This part of the report considers how departments identify and design their skills development efforts to support their strategic business needs, and how they put necessary controls in place to ensure actions are implemented as planned and at least cost to achieve their objectives. It addresses the first part of our assessment framework (**Figure 6**).

Figure 6
Coverage of National Audit Office assessment framework
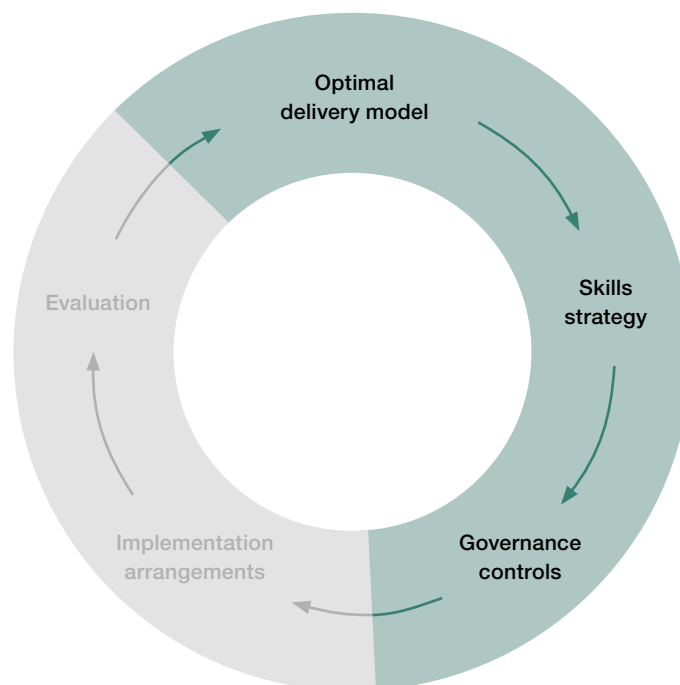
Source: National Audit Office

Identification of skills needs

Optimal delivery model

2.2   The starting point for identifying the skills needed to deliver a departmental service should be agreement on the optimal approach for delivering that service. Decisions about, for example, the mix of technology and staff to be used, and the balance between in-house and external responsibilities determine the skills required. A poorly designed business process will reduce the effectiveness of skills development efforts, however well implemented.

2.3   We expect skills needs to be based on a detailed review of operating practices as highlighted in our 2007 report *Transforming Logistics Support for Fast Jets* (**Figure 7**).

2.4   A detailed examination of departmental delivery models was beyond the remit of this study but is the subject of other NAO work. For example, in our current review of cost reduction in HM Revenue & Customs, we have seen that the Department is planning to use better information, increased use of automation and a shift towards online engagement with customers to enable efficiency savings and the reallocation of resources to priority activities. Available evidence suggests that there is significant scope to apply this sort of fundamental thinking more routinely across government. In 2010, we examined the maturity of central government's approach to process management and improvement. In nine out of eleven organisations reviewed, we found no evidence of a consistent approach to continuous improvement. We also concluded that few of these organisations were investing in the skills and resources required to ensure sustained improvement of business processes.[4]

Figure 7
Changing the operating model in response to budget constraints

In response to budgetary pressures, the Defence Logistics Organisation reduced the costs of providing support to Tornado and Harrier jets by changing their operating model to one which required fewer skilled staff. By using lean techniques (similar to those used to rationalise car industry production lines), they reduced costs from £711 million in 2001-02 to £328 million in 2006-07, providing a cumulative saving of £1.4 billion over six-years, while performance was maintained throughout and in some cases showed an improvement from pre-transformation levels. The majority of the cost reductions were achieved by reforming traditional contracts and through changing the way repair operations were organised to a model which was less dependent on skilled staff. These brought significant benefits, including greater productivity with fewer man-hours, and less workspace and spares holdings.

Source: Comptroller and Auditor General, Transforming logistics support for fast jets 2007, Session 2006-07, HC 825, National Audit Office, July 2007

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4   *Maturity of process management in central government*, National Audit Office, 2010.

2.5 Discussions with our case study departments confirmed that examples of process re-engineering and improvement in government have tended to be isolated and do not reflect widespread application of these techniques. That said, these departments are now embarking on significant restructuring and redesign in response to structural reforms and budget reductions announced in 2010. These include improving process management, devolving delivery to other bodies, standardisation of processes, use of technology and merger of organisations. It is too early, however, to assess how skills needs have been identified from these exercises.

Adequate workforce data

2.6 Identifying skills needs also requires information on what skills are available and the workforce implications of different delivery models. Under the Professional Skills for Government initiative, individual professions within departments review the prevalence of relevant skills in their organisations, but division of responsibilities between professions, HR departments and business units, combined with weaknesses in departmental information systems, means that knowledge remains patchy at a corporate level. Less than half (38 per cent) of respondents to our survey considered that their organisation was 'very' or 'fairly' effective in maintaining information on the skills of staff. These weaknesses limit departments' ability to identify skills gaps and prioritise competing development needs. Poor understanding of available skills in critical areas is also a particular concern in the current period of staff reductions, given the risk that key skills may be lost. We are looking separately at the management of VFM risks around early departures in government, including whether decisions on departures are informed by good understanding of staff skills and performance.

2.7 A 2010 report conducted for the Permanent Secretaries Management Group highlighted the issue of data quality in workforce planning (**Figure 8**). The use of quantitative techniques including benchmarking to inform workforce and skills planning varies across government. Jobcentre Plus, for example, uses sophisticated modelling to combine detailed process management data for key frontline and contact centre tasks with regional economic indicators to predict how many staff will be needed and where. By contrast, in other organisations we were told that determining staffing levels in policy teams is "more art than science", with business units themselves developing a staffing structure based on a given budget, which is then subject to internal challenge.

Figure 8
Implications of poor quality workforce planning data

"Without a consistent view of the numbers of individuals within a profession, most departments and professions are unable to identify, and therefore take advantage of, the existing professional skills of the workforce, resulting in continued over-reliance on interims and consultants".

Source: Government Skills Peer Review of Departments, 2010


Skills strategies

2.8 We expect departments to have a strategy to address priority skills gaps. These strategies should clearly link to the departments' business priorities, employ a range of tailored solutions, and should have the support of senior management. However, we found evidence to suggest there is scope to strengthen departmental strategies in all these respects.

2.9 Since 2008, all departments have had to develop a skills strategy in line with requirements set out by Government Skills. Many departments are currently revising their strategies in the light of new demands and budgets. We reviewed 13 departmental skills strategies covering the period 2008-11, finding that in less than half could we clearly trace the links between priority business objectives, the skills gaps prioritised, and the solutions selected. The majority of strategies did not define current and future business needs clearly.

2.10 In principle, departments have a range of options available to them to address identified skills gaps (**Figure 9**). In practice, the public sector has always faced competition for skills that are in demand in other sectors of the economy. The challenge of recruiting and retaining skilled staff has been exacerbated recently by increased uncertainty about job security, limits on new recruitment, tighter controls over access to short-term, external expertise and restraint on pay rises for existing staff. Case study departments told us that there is still scope to bring in people with skills (short or longer-term) where a strong business case exists, but more generally the view is that limited access to expertise is affecting skills gaps. Nearly 80 per cent of respondents to our survey reported that there are significant skills gaps in their organisations, and of these, 84 per cent identified difficulties in recruiting skilled staff as a significant contributing factor. Given these constraints, cost-effectively developing, using and retaining in-house skills to meet departments' business needs has become more critical.

Figure 9
Options to address identified skills needs
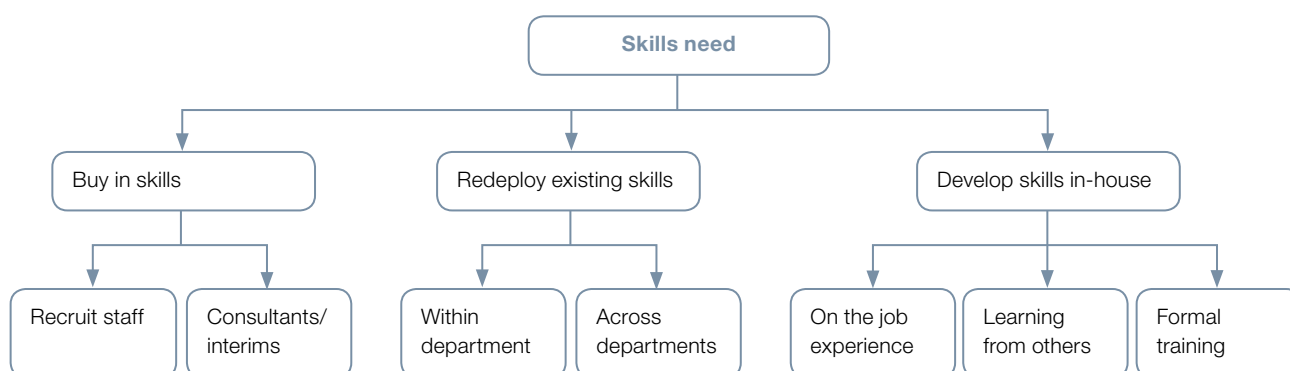
Source: National Audit Office

2.11 The form of intervention must be appropriate for the problem being addressed. Formal training may be inappropriate if, for example, the problems targeted are rooted in organisational or cultural factors (**Figure 10**). The departmental skills strategies that we reviewed all included a range of solutions although most focused on the use of formal training to develop existing staff. It was beyond the scope of this study to assess in detail the appropriateness of the solutions identified, but responses to our survey suggest there is scope for better matching of solutions to problems. Only around half of respondents (51 per cent) indicated that their organisation was 'very' or 'fairly good' at distinguishing between workforce/skills related needs and other factors affecting performance (e.g. organisational or cultural issues), while more than half (56 per cent) reported that the use of training to address problems not readily solved by training was significant in limiting its value.

2.12 Limitations in the clarity and content of strategy documents may be less critical where there is broad agreement across a department about the priority skills gaps and actions needed. However, only 56 per cent of respondents to our survey commented that senior managers were 'very' or 'fairly effectively' engaged in the development of skills strategies. Among senior business leads, the proportion who felt engagement was 'very' or 'fairly effective' was less than half.

Figure 10
Private sector case study: Ensuring solutions are tailored to needs

Context

This large utilities company faced a problem with its performance management system, as ratings for staff were consistently over-positive. The initial reaction was to propose a costly learning and development solution to retrain all line managers, however, staff in the business challenged the assumption that the problem was a lack of training. As a result, an alternative, blended solution was developed to address the prevailing management culture, including communications and one-to-one HR support for line managers. This ultimately saved time and money across the company.

Key learning points

1   Formal learning and development interventions are not always the best solution for the business or the individual.

2   Pressure on the 'bottom line' in the private sector creates the incentive to challenge expensive and inappropriate training solutions.

3   Connection with the business is key, at every level from board through to grass roots, to fully understand the problem.

Source: Case study review

Governance

2.13 The approach to skills development within departments has been complicated with responsibilities split between HR functions, professional leads and business units. The structures are highly devolved, with significant discretion available to business units to fund development activities and to individuals to identify their needs. This approach can be appropriate if it operates within a strong framework, where strategic priorities are clear, expectations are communicated to staff and sufficient information is available to monitor whether priorities are implemented. In practice, we found weaknesses in arrangements for both basic management oversight and cost control.

Management oversight

2.14 Weak oversight can lead to development activities of lower value to departments being conducted without challenge. Sixty-one per cent of respondents to our survey identified poor targeting of training on intended improvements in business performance as 'very' or 'fairly significant' factors in limiting its value. Interviews within case study departments highlighted that Heads of HR sections or Professions do not necessarily have full oversight of relevant development activities. As a result, business units can and do commission profession-specific training, for example, programme and project management courses, without the knowledge or advice of the relevant professional lead.

2.15 Basic management information systems underpinning oversight of learning and development activities also demonstrated shortcomings. Informal activities, such as mentoring and 'on-the-job' learning, are difficult to track. But information on formal training courses, suppliers, expenditure and attendance rates also had weaknesses. We were unable to test the congruence of learning and development expenditure in our case study departments with the priorities in their skills strategies because the departments did not hold the necessary data in a form that enabled them to rigorously monitor implementation.

Cost control

2.16 Weaknesses in the control framework across government and within departments have contributed to inefficiencies in the design, commissioning and delivery of formal learning and development activities (**Figure 11** overleaf).

2.17 Civil Service Learning has begun introducing changes to the way 'generic' learning and development is conducted in central government. These involve the introduction of a streamlined 'common curriculum' with significantly fewer courses and much greater use of e-learning and work-based learning instead of classroom-based learning. In addition, the changes will introduce greater centralisation of learning design, commissioning, contract management and expenditure data, which offer the prospect of improving management oversight and cost control.

Figure 11

Inefficiencies in the design, commissioning and delivery of formal learning and development activities in central government

Value for Money issue	Finding
Use of standardised courses where appropriate	There has been a tendency to design or commission individual training rather than make use of cheaper courses and materials already available:
	A Cabinet Office review in 2009 found over 250 internal leadership courses across departments, in addition to the 26 available through the National School of Government.
	A review by Civil Service Learning in 2011 found 25 different diversity courses across nine departments.
	Civil Service Learning analysis indicates that the total number of learning and development suppliers to government in 2010-11 is unknown but is estimated to run into thousands.
Leveraging collective buying power through common procurement	Some progress has been made in this regard but limited in scale:
	Centre of government estimates some £8 million had been saved from common procurement efforts between 2008 and 2010, but acknowledges data quality limitations around this figure.
	The 2010 business case for Civil Service Learning cited 13 examples where departments had large contracts with the same providers, including four departments who had contracts with the same provider for project management training, worth nearly £1 million in total.
	Our analysis of 2009-10 Next Generation HR data shows that 11 of the top suppliers each had different contracts with on average ten departments. The data also show that the daily rates charged for management and leadership training varied four-fold between suppliers.
	We also found significant variation in the amounts paid for the same programme and project management accreditation. Through buying on behalf of a number of departments, and using bulk discounts, unit costs in one case study department were over 40 per cent lower than what another had previously paid.
Use of cost-effective training solutions	There has been an over-reliance on classroom-based training relative to cheaper alternatives such as e-learning:
	Next Generation HR data for 2009-10 suggest that more than twice as many delegate days were committed to classroom-based learning than e-learning.
	Cabinet Office analysis suggests that classroom-based learning can be over ten times more expensive than e-learning. A mandatory e-learning course on information security was delivered at an estimated cost of 45p per head compared with £5.33 per head for classroom-based, facilitated delivery.
Minimising non-attendance rates for training courses	Poor management of non-attendance can increase waste and unit costs significantly:
	One of our case study departments estimated that average learning and development drop-out rates were between 20 and 25 per cent. In another, 19 per cent of planned training sessions were called off in 2010-11, with over half of these due to cancellations by attendees.
	We found an example in a case study department where the unit cost for an e-learning course was nearly double the anticipated amount as a result of lower than anticipated uptake. This made it more expensive than the cost of the comparative classroom-based option.

Source: National Audit Office case study interviews and Cabinet Office/Next Generation HR data/Civil Service Learning data

2.18 Nevertheless, risks remain because of the partial coverage of Civil Service Learning and the potential tension between cost-cutting and effectiveness of learning and development activities. Civil Service Learning is focused initially on training for common civil service-wide topics which accounts for around a half or less of known learning and development expenditure. As a result, many of the limitations in practices to date may still occur in the absence of actions by the centre of government and by departments. Civil Service Learning aims to provide support to key skills professions (such as operational delivery and policy), although the timeframe for this is uncertain. Technical training will remain the responsibility of individual departments, with support from Civil Service Learning. There is scope for Civil Service Learning to help departments realise efficiencies here, for example, by raising awareness and use of the procurement gateway for purchasing learning and development.

2.19 Civil Service Learning has created a 'common curriculum' of training following consultation with departments. However, a 'one-size-fits-all' approach with much greater use of work-based learning and e-learning, presents the risk that training fails to meet some departments' needs, with the result that either cost savings are lost as departments commission their own training or skills development activities are ineffective. Controls have been put in place to reduce this risk but, in practice, effective risk management will require discussion and coordination between Civil Service Learning and departments.
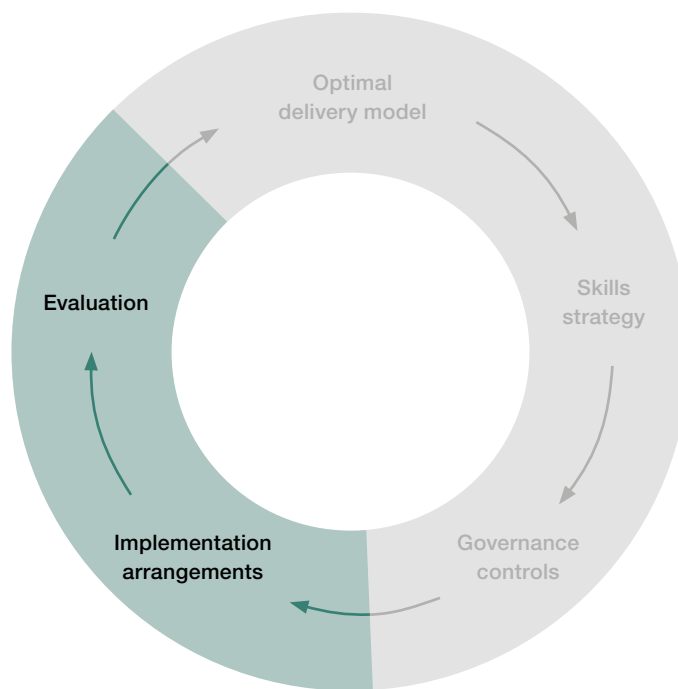
Part Three

Putting strategy into practice

3.1 This part considers how skills development is implemented to ensure alignment with business needs. It also considers how evaluation is being used to improve skills development initiatives.

Figure 12
Coverage of National Audit Office assessment framework

Source: National Audit Office

Implementation arrangements

3.2 Within departments we expect to see:

- that skills development is integrated with day-to-day operations, and is not separate;

- that managers throughout the organisation play a crucial role in skills development – it is not solely the responsibility of HR functions; and

- that HR processes support and reinforce skills development objectives.

Integrating skills development with day-to-day operations

3.3 'On-the-job' development has received greater recognition recently as organisations attempt to get more value from less learning and development expenditure (**Figure 13**).

Figure 13
The 70/20/10 rule

Lombardo and Eichinger[1] are widely credited with developing models around work as a source of long-term skills development, in particular, emphasising the importance of feedback, development in-place (projects, assignments, work-based activity), strategically planned postings and formal and informal coaching and mentoring. The US-based Centre for Creative Leadership characterised this approach with the '70/20/10 rule':

- Learning from doing creates 70 per cent of learning – through job experiences, tasks and problem solving;

- Learning from others creates 20 per cent of learning – from observing and working with others, role models, coaches and mentors, and discussing feedback; and

- Formal learning provides 10 per cent – training programmes, workshops, conferences and seminars, in addition to research, reading and e-learning.

The concept of 70/20/10 fits with current corporate priorities because it builds learning into management and leadership practices and has the potential to focus learning spend and activity on essential priorities. However, if 70/20/10 is to be more than an excuse for downsizing learning and development activity, the necessary infrastructure must be in place to deliver the intended benefits, including competent line managers who have skill development as a formal and central part of their role.

NOTE

1   Michael M. Lombardo and Robert W. Eichinger, *The Career Architect Development Planner 3rd edition*, Lominger International, 2000.

Source: PricewaterhouseCoopers

3.4   Estimating the level of informal skills development activity is difficult. The departmental skills strategies we reviewed identified a range of approaches including informal methods such as coaching and mentoring, but their focus was mainly on formal activities. Discussions with case study departments suggest that, while there has been some progress in using a range of informal techniques, they have not been systematically deployed across departments and their use has not been routinely monitored. The Department for Work and Pensions attempted to assess the balance between forms of learning and development and estimated that in 2009-10, 11 per cent was based on informal activities, such as coaching, 28 per cent of activity was via online learning, and 61 per cent of activity was classroom-based.

3.5   This is in line with the finding from our survey that informal methods of learning and development are underutilised. More than half (53 per cent) of respondents to our survey said the use of formal training when less formal alternatives would be better was a significant factor limiting the effectiveness of training. Civil Service Learning recognises the importance of informal learning and development in underpinning the services offered to departments, and aims to provide expert support, for example, via learning consultants working with line managers. Despite this, responsibility for the extent and quality of informal learning and development practices remains with departments.

Involvement of line managers

3.6   A corollary of the importance of 'on-the-job' learning is the significance of the role of line managers in skills development. The extent of line manager engagement varies across departments, but there is scope to formalise expectations and roles more clearly. Our survey suggested that senior management were not always effectively engaged in the development of skills strategies. More than half of respondents (54 per cent) said that insufficient management involvement in the design and/or selection of training was significant in limiting its value, while 56 per cent of respondents agreed that failure to adjust work processes to make the most of training was also a significant constraint. In addition, fewer than half of respondents (45 per cent) considered that skills gained through training were 'very' or 'fairly effectively' considered in staff performance management processes. **Figure 14** provides an example from the private sector of the benefits of management involvement in learning and development.

3.7   The survey results referred to in paragraph 3.6 above are consistent with findings in the 2010 Civil Service People Survey, which point to the importance of line managers in staff development – 62 per cent of civil servants agreed that their manager motivates them to be more effective in their job, and 57 per cent felt the feedback they receive helps to improve their performance. These findings also confirm that there is scope for improvement. Developing more effective informal learning and development approaches, supported by highly engaged line managers represents a challenge for departments. Success requires a cultural shift, where line managers are skilled in staff development, where feedback and self-reflection is the norm, and where flexibility exists to shape jobs for learning. This must be supported by strong messages from the top of the organisation about the importance of skills development, including building it into performance management frameworks.

Figure 14
Private sector case study: Involving managers in development

Context

A financial services company repeatedly identified at Board level a need to improve the capability of managers. HR specialists worked with operational staff to create the Leadership Development Programme. The programme design involved a high degree of senior management involvement including programme sponsorship and roles for supporting programme participants and encouraging sharing of learning in the workplace. Senior managers were also required to formally sign participants off the taught programme. Initially, senior managers' involvement was compliance-driven but this shifted to more pro-active engagement as the programme demonstrated value through both positive employee survey scores and improvements in business teams' performance, as senior managers could "see things being done differently". The programme was so successful that even some senior managers enrolled.

Key learning points

1   The example illustrates how management engagement with learners improves the transfer of skills from the classroom to the office.

2   Involving senior managers creates opportunities for learners to try out new skills straight away 'on-the job'.

Source: Case study review

3.8   The role of managers will be an area of focus across the various strands of the Civil Service HR programme. As well as the intended provision of expert support, Civil Service Learning aims to develop management training as a priority to help improve capability in this area.

HR processes support and reinforce skills development objectives

3.9   Efforts to develop crucial skills must be supported and reinforced by HR processes, which ensure:

● that staff stay in post long enough to develop and apply appropriate experience in the role; and

● that postings are informed by the skills requirements of the role.

Ensuring staff gain sufficient experience

3.10 Staying in post long enough to gain and apply experience is a crucial part of skills development in departments. The extent of this challenge varies; it may not be a problem in specialist or geographically specific roles, but in generalist or cross-cutting skill areas, such as policy, project management, or stakeholder management, it can be more significant. More than one third of respondents to our survey indicated that a significant factor explaining skills gaps in their organisation was that "staff do not stay in position long enough". More than a quarter of senior business managers rated it as 'fundamental' or 'very significant'.

3.11 Previous research by the Office of Government Commerce in 2009[5] found that the average duration for Senior Responsible Officers on major government projects was only 18 months, while the projects themselves lasted between three and ten years. Our previous report on Commercial Skills[6] found that valuable experience was being lost as a result of staff moving position frequently and that the retention of commercial expertise within government departments should be given higher priority.

3.12 Departments keep data on staff turnover (those entering and leaving the organisation) but do not routinely monitor the duration of staff in post. HM Treasury has decided to collect data on time in post as part of its People Strategy. This is a response to external stakeholder feedback obtained as part of the Capability Review which confirmed high levels of internal churn could limit the department's effectiveness as well as a desire internally to increase depth of experience (**Figure 15**).

Figure 15
Internal churn: HM Treasury

Much recruitment in HM Treasury is at graduate level, and the average age of their staff is thus relatively young. The award of a permanent contract is followed by 'postings' which are typically scheduled to last between 18-30 months, depending on grade.

However, a system of open competition meant that any staff could apply for posts, and staff were moving on to new roles before they had finished their postings. Analysis showed that in one particular grade this was sometimes after only nine months in post. This was especially the case in policy roles, where ambitious staff are keen to work on high-profile projects. While staff are encouraged to accumulate a breadth of experience, the high rate of churn reflected the prevailing custom and practice in HM Treasury rather than HR policy.

As a consequence, staff were not always developing the necessary depth of experience in some areas important to HM Treasury's work, or able to provide continuity in managing relationships with stakeholders. In response, HM Treasury is taking steps to reduce the rate of internal churn, by:

● reinforcing the application of minimum length of postings;

● preventing staff (in most circumstances) from applying for posts until they are within two months of completing their current posting;

● highlighting explicitly in corporate communications the importance of depth, as well as breadth, of experience when applying for promotion; and

● retaining open competition for most vacancies but also enabling senior managers to use managed moves, in agreed circumstances, to meet business-critical priorities or to utilise specialist skills and experience.

Source: Case Study

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5   Lessons learned – The SRO Role in Major of Government Programmes, September 2009.
6   Comptroller and Auditor General, *Commercial Skills for Complex Projects, 2009*, Session 2008-09, HC 962, National Audit Office, November 2009.

Postings are informed by skills requirements

3.13 We found evidence that skills have not always been a key consideration in staff deployment decisions. The 2010 peer review report on Progress on the Skills Strategy for Government found that most departments were only just beginning to implement their plans to involve the professions in HR processes, such as recruitment, career and talent management and succession planning. Evidence from our case study departments suggests that the importance of this is recognised, but further work needs to be done. For example:

● A project management skills analysis conducted by the Department for Environment, Food and Rural Affairs in 2010-11 found that just over half of programme managers assessed did not have the skills appropriate to their current role. As a result, the Department is now using the professional competency framework in the selection process for programme and project management roles.

● Partly prompted by the challenges associated with the introduction of Universal Credit, the Department for Work and Pensions recently established the requirement for the relevant Head of Profession to approve any new appointments to posts involving a significant element of programme or project management.

3.14 More generally, examination of Senior Civil Service data suggests potential differences in the match between skills and post in some key areas in government. **Figure 16** compares the number of posts with the number of staff in the Senior Civil Service for selected professions. This suggests that around one quarter of operational delivery and programme and project management posts are filled by staff who do not consider those fields to be their primary area of expertise.

Figure 16
Senior Civil Service posts by profession

Order		Profession of SCS by post		Profession of SCS by person	Difference
		Number	**(%)**	**Number**	**(%)**
1st	Policy	1,196	(34)	972	-19
2nd	Operational delivery	513	(14)	391	-24
3rd	Law	343	(10)	380	+11
4th	Finance	200	(6)	224	+12
5th	Programme/Project Management	181	(5)	133	-27
13th	Procurement/contract management	65	(2)	64	-2

Source: Cabinet Office 2010

3.15 Part of the challenge of skills deployments relates to departments' ability to identify and allocate staff effectively. Departments told us that key factors explaining past reliance on consultants included that they are unable to identify suitable staff internally and that processes for finding available staff were ineffective.

3.16 We found examples in departments of efforts to establish systems to support more flexible use of staff, but discussions highlighted challenges in making such systems work in practice. The Department for Environment, Food and Rural Affairs have found that their Flexible Staff Resource system does not always have the necessary level of detail on skills, and as a result their project management profession has developed a separate, more detailed skills database to assist in the identification of staff for projects. Staff often lack incentives to keep their skills information up to date, when it is not clear how the information is used, while poor quality control over the information entered can reduce its value to departments. In addition, managers lack incentives to transfer skilled staff to other units, even if this best suits the needs of the organisation and the individuals concerned. **Figure 17** shows how this can be overcome.

Figure 17
Private sector case study: Making best use of available resources

Context

A professional services firm illustrates how it is possible to link together information sources and development solutions. Staff are required to update data on their skills through the performance management system, online skills assessment tool and resourcing databases. The information is validated by the HR function throughout the year, through conversations with line managers and by reference to wider information sources such as key performance indicators, general employee surveys and exit interviews. The information is used in career development planning and on a daily basis by resourcing teams to allocate staff to jobs. Cases of non-compliance by staff are actively dealt with through the performance management system. This approach has three benefits for the company: staff development needs are determined by the business; teams are resourced with the right staff at the right time; and skill gaps are readily identifiable.

Key learning points

1   Employees can be motivated to keep their information up to date, if linked to their job roles and promotion opportunities.

2   Through use, line managers and resourcing teams demonstrate the importance of keeping skills information updated.

3   Non-compliance can be tackled by line management and reflected in performance management scores.

Source: Case study review

3.17 The ability to deploy staff to the right roles is an important part of career progression and skills retention. For the most experienced staff, individual departments may lack sufficient volume of strategically significant work to offer the necessary challenge and career development opportunities. But deployment of key skills across departments is an even greater challenge due to additional factors such as the lack of harmonised pay scales and terms of conditions. The Major Projects Authority is a recent innovation, designed in part to address this problem (**Figure 18**).

Evaluation

3.18 We found that learning and development efforts are not evaluated systematically in terms of their impact on business performance. Post-training, self-evaluation surveys are the only method widely used but their perceived value varies: 72 per cent of senior HR respondents in our survey believe evaluations are used 'very' or 'fairly effectively' to improve training, compared with just 31 per cent of senior business and finance respondents.

3.19 We did find some examples of larger, business-critical training programmes that have been evaluated using business performance metrics but such examples are rare. The Department for Work and Pensions evaluated training designed to get Jobcentre Plus staff to encourage people to have benefits paid directly into bank accounts. The cost of the training was set against the monetary benefits of the more efficient payment method, enabling them to establish that the training had resulted in a positive 'return on investment'. Departments pointed to the difficulties in attributing changes in organisational performance to learning and development interventions. In our view, failure to attempt to establish the linkages between the two reinforces the risk of misalignment between learning and development and business objectives.

Figure 18
Major Project Assurance

The NAO Report *Assurance for High Risk Projects* identified the need for stronger controls for major projects as a way of reducing financial risk and increasing value for money. Following this, the Major Projects Authority was set up as a cross government initiative which aims to significantly improve the success rate of major projects across central government.

To support this, as well as focusing on the skills of their project management professionals, departments are being required to share skills across government. Departments will also provide a number of senior and experienced staff to act as reviewers of other departments' projects and programmes.

*Source: Assurance for High Risk Projects, National Audit Office 2010*

3.20 This is supported by the findings from the most recent Civil Service People Survey (2010) in which only 48 per cent of respondents indicated that learning and development they had received in last 12 months was beneficial in improving their performance. Our analysis has found this is more a result of problems with relevance and application of learning received than limited opportunities for training. We found no correlation between the average spend on learning and development per employee by departments and the level of satisfaction expressed in the People Survey (**Figure 19**).

3.21 Civil Service Learning plans to assess levels of satisfaction with 'generic' learning and development activities more systematically than has occurred in the past, offering the potential for more effective improvement efforts. However, expected performance standards for Civil Service Learning's services have yet to be established. The overall success of Civil Service Learning requires not only that its services are high quality but also that departments experience no significant gaps in meeting their requirements and planned cost savings are realised. While work has begun on determining the metrics to be used, the approach to evaluating the broader success of the programme has not yet been fully detailed. Responsibility for assessing satisfaction with profession-specific and department-specific training and informal learning and development remains largely with departments, as does the requirement to better integrate learning and development evaluation with intended improvements in business performance.

Figure 19

"Learning and development activities I have completed in the past
12 months have helped to improve my performance" by average learning
and development spend per head for selected departments

Percentage of respondents agreeing
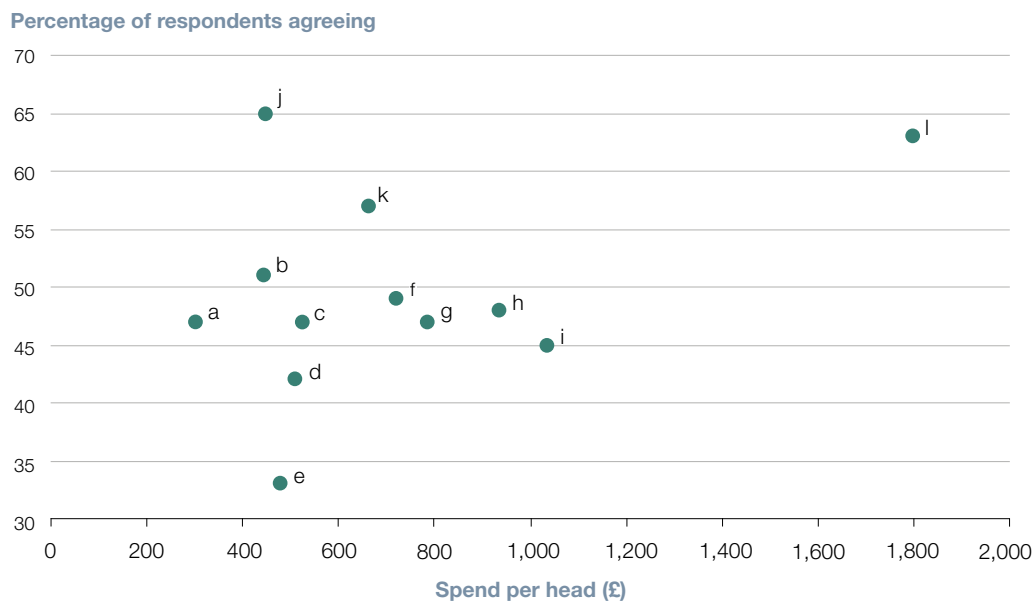
a	Ministry of Justice
b	Department for Transport
c	Ministry of Defence
d	Department for Work and Pensions
e	HM Revenue & Customs
f	Department of Health
g	Department for Education
h	Department for Business, Innovation and Skills
i	Department for Environment, Food and Rural Affairs
j	Department for International Development
k	Home Office
l	Foreign & Commonwealth Office

Source: Civil Service People Survey Question B23/Next Generation HR

Appendix One

Methodology

The main elements of our fieldwork, which took place between January and May 2011, were:

Method	Purpose
1 Development of an assessment framework.	To address the range of issues of interest to us and clarify our expectations.
2 A review of secondary data covering reports and surveys relating to skills produced by and for government and a quantitative analysis of Cabinet Office data relating to learning and development expenditure.	To gather evidence, inform and support our findings.
3 Cross-government survey.	To gather evidence to inform our findings across the different areas of our study scope.
4 Semi-structured interviews with officials responsible for skills issues across government.	To understand the role of the centre in the identification and meeting of skills needs.
5 Departmental case studies in Department for Work and Pensions, Department for the Environment and Rural Affairs, and HM Treasury.	To gather evidence, inform and support our findings across the different areas of our study scope, in relation to the role of the department in the identification and meeting of skills needs.
6 Private sector case studies.	To provide illustrative examples of good practice in relation to skills related-issues.

A more detailed methodology appendix is available on our website at www.nao.org.uk/skills-requirements-2011

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