NAO
National Audit Office

INSIGHT

Lessons learned:
Smarter delivery – improving operational capability to provide better public services

Operational Delivery Profession

Summary

Introduction

1   In 2024-25, central government departments were expected to spend over £450 billion on the day-to-day 'current' running costs of public services, grants and administration. This is approximately 35% of public spending. Operational capability will enable government to be smarter in how it manages and improves services, and to find innovative ways of getting the best value from that spend, in the face of emerging challenges. The size of the prize from improving operational capability is significant even when just considering the potential financial impact. For example, the Institute of Customer Service estimates that the cost of poor service to all UK organisations is £7.3 billion per month when employees' time dealing with problems, complaints and service failures is considered.

2   Operational expertise is required for roles in a range of contexts and in all government organisations. This includes front-line work with users of government services, support services (such as recruitment, IT, asset management and logistics), and business management work (such as finance processes that help front-line teams plan and operate effectively). Our work shows that operational capability and knowledge matters for effective delivery, regardless of whether the government organisation considers itself to have a policy or delivery focus.

3   There are over 290,000 members of the Operational Delivery Profession (ODP) across central government. It is the largest profession in government; it has members in all organisations and is based in all regions. Its members are the public face of the civil service, often living and working in the communities they serve. ODP has responsibility for building leadership capability for its members and has curated a learning and development offer for its members at various stages of their careers.

4   Our report provides our insights on what matters for government to get right to improve operational delivery. Good operational capability contributes to government achieving:

● better outcomes for service users;

● more efficient and productive services; and

● increased employee engagement.

5   The report shares learning and examples of how organisations apply the operational capabilities that our evidence shows matter most and which government could adopt more widely. In particular, the report contains several case examples where organisations are attempting to improve services in challenging and complex circumstances, such as prisons and the asylum system. The report's examples showcase the work practitioners are doing to build stronger operational capability in adverse conditions, including in areas where there is currently poor value for money overall.

6   The changing expectations of users of government services, the predictable and unpredictable patterns of service demand each year, new fiscal goals or workforce pressures, and new or revised policies mean that operational delivery is rarely stable and must evolve. This creates new operational risks, which results in challenges, but also opportunities to innovate and improve. The current operating challenges for government organisations include the following.

- **Responding to new and changing levels of demand for services:** Our work has shown the importance of having the resilience to meet expected variations in demand as well as to respond to unexpected changes, such as those caused by external, sometimes global, shocks to supply or demand.

- **Improving productivity and reducing costs to meet fiscal challenges:** There are opportunities to make services more efficient by getting services right first time for users and reducing failure demand, and to understand the consequences of trade-offs between meeting user expectations and operating within financial constraints.

- **Changes to the operational capabilities and workforce needed to manage and improve services:** For example, the capabilities that a good operational delivery professional needs are merging with those of other professions, such as the Digital, Data and Technology Profession's expertise needed to build and provide digital services, create the apps that service users expect and make appropriate use of artificial intelligence opportunities.

- **Implementing the government's new 'delivery agenda' to improve outcomes from government's services:** This needs a whole-system approach and collaboration between those government organisations responsible for policy and services, as well as with people and organisations outside of government across the wider system.

The focus of our report – operational capability lessons for government

7   Our work shows that operational capability is varied and often lacking in what matters most. We have produced a series of good practice guides for senior leaders and operational practitioners which set out the operational challenges we observe in government organisations and capabilities required to meet them.[1] In this report we focus on four capabilities.

- **Taking a whole-system approach:** Dealing with complexity and uncertainty by understanding how the different parts of the system connect, working with people outside of your specialism or profession, and adapting ways of working for different contexts.

- **Understanding and dealing with demand:** Designing and running a service so that work moves through processes and provides people what they want, when they want it, right first time.

- **Using information to improve:** Understanding how the service is performing and deciding what to change, why and how.

- **Embedding a systematic approach to innovation and improvement:** Knowing where problems happen or where there are opportunities to improve, prioritising what to fix and having an approach for doing that.

8   Our work – not just in operations management – shows the importance of leaders supporting their people to contribute to their fullest. When they do this well, leaders and managers of operational teams create an environment where people know how to apply the principles of good operations management, and are encouraged to do so. This is a foundational organisational capability that underpins all four of the other thematic capabilities.

9   This report shares lessons about these four capabilities and the management and leadership environment that is required for government to provide better services (**Figure 1** on pages 8 and 9). The capabilities do not cover everything that organisations need to do and are not exhaustive. We also examine the role of ODP in building cross-government operational capability and conclude that it needs to continue focusing on two areas.

- Ensuring that it gets the contributions it needs from its members right across government to achieve the outcomes in its strategy.

- Measuring progress to understand the link between its initiatives and outcomes, and how they might contribute to improvements in public services.

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1   National Audit Office, *Improving operational delivery in government: A good practice guide for senior leaders*, March 2021; National Audit Office, *How to improve operational services*, February 2023.
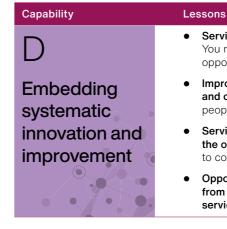
10 There are two parts to this report.

- Part One covers the four key capabilities and management and leadership environment described above, and the lessons government organisations need to learn for smarter delivery. Each lesson is illustrated with at least one case example that other organisations can learn from.

- Part Two describes government's approach to building cross-government operational capability. It focuses on the role of ODP, and its future plans and strategies to address capability challenges, including those outlined in Part One.

Figure 1

National Audit Office lessons and insights for government on improving operational capability

Our work identifies 20 lessons and insights to improve operational delivery

Capability	Lessons
A Taking a whole-system approach	● **Good services require all organisations and people connected with the system to build and maintain a shared understanding of the outcomes they are trying to achieve.** You need the people and organisations involved in policy formulation through to operational delivery to be open about these outcomes and any competing priorities. ● **Service users expect organisations to work together effectively to provide good services.** You need to be clear about what success is and whether you are getting there.
B Understanding and dealing with demand	● **Users expect to access services at a time that suits them, and receive a good service.** You need to know if your services can adapt to changes in the level of demand and still meet those expectations. ● **What matters to service users should inform the way you work.** You need to apply the principles of good service design and provide the right support to make it easier for people to use the service. ● **Service users expect a seamless right first-time experience.** You should understand how demand flows through the steps of the process and where there are pinch-points and dependencies. ● **Everyone using the service is unique and may not have the same needs.** You need to know if your ways of working and processes are flexible enough to accommodate that variation in user needs. ● **Make it easy for users to give you the quality of information you need to provide a good service for them.** This will allow you to complete work faster and right first time. ● **Service users expect good services, and good services require capable people.** The people providing the service must have the skills and tools they need to do their jobs.
C Using information to improve	● **Service users judge performance based on what matters to them.** You need measures that tell you if you are meeting their expectations. ● **Service users will complain or chase progress when problems occur.** You need measures that help you understand where and why service performance is failing. ● **Identifying and fixing issues that cause your service users problems requires specific operational capabilities.** You need to give people providing services the skills they need to make decisions using performance information, and support them to do it. ● **Improving service users' experience requires the right people to have the right information at the right time.** You need to routinely challenge the information you collect and report, and whether it is helping you to improve service performance.

Capability	Lessons
D Embedding systematic innovation and improvement	● **Service users have invaluable insight on how to improve services.** You need ways of understanding what the problems and opportunities are from their perspective. ● **Improving services for users requires specific problem-solving and operational improvement capabilities.** You need to give people the skills, tools and time to improve services. ● **Service improvements can come from people anywhere in the organisation.** You need to make it possible for everyone to contribute. ● **Opportunities and learning about how to improve can come from organisations involved in your end-to-end service or similar services.** You need to fix problems with others and share learning.

Our insights on the management and leadership environment foundation required for effective operational delivery include.

● **Ensuring that organisational behaviours support whole system working.** You need to build shared perspective and trust with people in other parts of the system and make collaboration the norm, sharing or pooling resources for the best overall outcome.

● **Building awareness, among senior leaders and managers of teams, of how the questions and reports they ask for will inform how their people respond in dealing with demand.** You need to ask questions that are aligned with a good technical understanding of how to manage demand well to influence how people respond and the decisions they make.

● **Giving people the information they need to perform their role in the organisation.** You need the people leading an organisation, running a directorate or managing daily processes to have the information they need to make the decisions their role requires and equip them with the technical skills and tools to analyse this information and use it well.

● **Creating a working environment that encourages openness and innovation and challenges current thinking.** You need leaders who ask what barriers and problems people need help with, that are clear spending time on improving is a priority and see failure when innovating as an opportunity to learn rather than an exercise in sharing out blame.

Source: National Audit Office analysis of our operational management good practice guides and reports