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The review team gave the Department five areas for action to focus on. These were:

- ‘Strengthen the board’: developing a more effective leadership team for the Department.
- ‘Improve leadership and empowerment of the 250 most senior staff’: development of the SCS within the Department.
- ‘Tackle the variety, appropriateness and complexity of business models and their impact on the delivery chain to improve operational grip and performance’: creating a more effective governance structure.
- ‘Strengthen corporate services and how they support the business’: improving corporate services in support of a strong Home Office headquarters.
- ‘Prioritise and allocate resources to what is important’: ensuring the Home Office focuses its attention and resources on its core priorities.

### Area for action 1: Strengthen the board

The Home Office board has been strengthened over the past year and is providing more effective leadership for the Department. There have been new executive and non-executive appointments, including a new HR director general and director general of the Office for Security and Counter-Terrorism. The board is much more focused on key issues such as strategy, leadership, resources, prioritisation, talent development and reputation. The sub-board structures have been simplified through the new Home Office Framework, which provides more effective governance for the Department. Within the Department, the board is generally seen as a capable and effective team, with strong individuals who work well together.

Following the machinery of government changes, the board has worked with the new ministerial team to agree a new strategy and set of objectives for the Department. The focus of the board is now on embedding these throughout the Department and ensuring work is directed towards achieving the new objectives.

### Area for action 2: Improve leadership and empowerment of the 250 most senior staff

The Home Office have made a significant number of staff changes, strengthening their broader leadership team – 28 out of the 50 directors in the Department are new, and 17 have left. A comprehensive leadership development programme has also been put in place for all the Senior Civil Servants in the Department, including skills assessments and tailored coaching and leadership development.

This is a positive start. However, the Department recognises that there is more to do. Developing the wider leadership team, particularly at deputy director level, is vital if the Department is to create a team of high-quality, committed leaders with a clear and shared direction. These leaders must involve their staff and stakeholders in delivery, manage performance effectively and connect up their areas with the

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Department's wider agenda. Developing leaders who are able to do this is a priority for the Home Office's Reform Programme over the next year.

### **Area for action 3: Tackle the variety, appropriateness and complexity of business models and their impact on the delivery chain to improve operational grip and performance**

The Home Office has implemented a new structure and operating model a year ahead of schedule. There is now a smaller, more focused headquarters, with more responsibility and resources devolved to the front-line delivery agencies and partners. The Permanent Secretary holds the Department's delivery groups and agencies to account through a series of monthly operating reviews that focus hard on performance. A Home Office Delivery Unit has also been established and is starting to support the Department in addressing key delivery issues.

The review team found that the greater responsibility devolved to the agencies, in particular, has had an energising effect. However, the nature of the relationship between the agencies and the Department's headquarters is still evolving.

### **Area for action 4: Strengthen corporate services and how they support the business**

The Home Office's corporate services have improved in a number of areas, with professional expertise being brought in to strengthen teams across corporate services. The Department has greatly improved its financial management and delivered unqualified accounts for 2006/07. A new department-wide Information and Communication Technology Strategy has been developed and new resource allocation, business planning and risk management processes are in place. There has also been a strong focus on improving programme and project management (PPM) capability, with over 700 staff having completed PPM training. The Home Office has also improved its HR operations, including delivering this year's pay award effectively.

The Home Office recognises that some of the basic systems in the Department are still fragile. A new chief information officer is being appointed with responsibility for improving the IT capability of the Department and, in particular, ensuring that the IT and data can be combined in the most useful way across the Department.

### **Area for action 5: Prioritise and allocate resources to what is important**

The Home Office board has given significant focus to effectively managing resources and priorities. Prior to machinery of government changes the Department worked with the Home Secretary to take some tough prioritisation decisions in order to provide additional funding to expand prisons capacity. The Department has also worked closely with the new Home Secretary to agree how resources should be prioritised under the new CSR undertaken in 2007.

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The Home Office has also improved its capabilities in both crisis management and crisis avoidance. A new, more rigorous and systematic approach to risk management has been established, although the Home Office recognises that it will take further time and effort to truly embed a culture of active risk management throughout the Department. A flexible pool of staff is also in place to deal with issues as they arise.

## Conclusion

Overall these changes have had a positive impact on the capability of the Home Office; the foundations have been put in place and there is a basis for real improvement. But, as the Department acknowledges, there is a lot more to do. The Home Office recognises that reform is a long-term programme. The achievements so far are having an effect, but it will take time to achieve the step change the Home Office aspires to. The Home Office is therefore currently focusing on identifying and taking the actions that can accelerate this improvement.