

# How to succeed in challenging times

The  
**BEST-CASE SCENARIO**  
Whitehall Survival Handbook

**SPECIAL  
EDITION**

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## SUCCEEDING IN CHALLENGING TIMES

# A powerful partnership

As an economic storm brews, **Paul Coleman** asks Tribal CEO Peter Martin how the company can help civil servants facing budgetary and performance pressures

It's no secret that the impact of the global economic crisis is starting to be felt in Whitehall, putting the squeeze on departmental budgets and creating a 'curfew' on innovation and risk-taking.

Peter Martin, chief executive of Tribal, says that the company is attuned to the significant financial and delivery challenges faced by public sector decision-makers.

"Undoubtedly if we enter a prolonged period of economic downturn in the UK it will feed through to public finances. In turn, that will put pressure on departmental budgets and those of other public sector organisations."

Martin sees Tribal's core expertise as the company's in-depth understanding of the environment and structure of its public sector client base. "As public service specialists, our approach is to work very much in partnership with our clients. To do that effectively, we need to really understand the challenges they face.

"On top of that, we're sensitive to the reality that it's also probably not the easiest political environment for civil servants at the moment," he adds.

## Partnership

Tribal's 2,200 staff work with 2,500 public sector organisations, providing consultancy, support and delivery services to an impressive client list which includes the Cabinet Office, Home Office, Foreign and Commonwealth Office, Department for International Development, Ministry of Defence, Department of Health and the UK Border Agency. The company's total revenue this year will be around £230m, but Martin is quick to point out that Tribal's raison d'être isn't simply to boast an impressive balance sheet.

"I think in today's complex world we will only be able to achieve excellent public services if people work collaboratively right across the public, private and voluntary sectors. We see our role as helping to shape policy and improve the quality and value for money of public services. Our clients want to transform services and we can help them manage the risks associated with innovation," says Martin, who was appointed chief executive in the summer of 2007.

Underpinning this entire approach are Tribal's core values of 'delivering outcomes that enrich lives' says Martin. The company has its own charity, the Tribal Foundation, which supports projects in the UK and developing world. The Foundation is principally funded by staff donations, which are then matched by Tribal, and an international secondment programme

enables employees to share their expertise and develop new skills.

## Strengths

Tribal was established in 1999 with just three employees before enjoying rapid growth following its stock market flotation. Martin, 50, joined Tribal's board as group development director in 2001. From the beginning, the plan was to build a company that focused on the public sector by supporting and delivering a range of public services. Nowadays, the breadth of its expertise is considerable, enabling it to offer its central government clients a range of services specifically tailored to their needs.

"Advising on procurement and supply chain issues is one of Tribal's strengths," says Martin. "We've helped civil servants to deliver significant procurement efficiencies and savings, for example in the NHS and in IT procurement at the Foreign and Commonwealth Office."

**"Our clients want to transform services and we can help manage the risks associated with innovation."**

*Peter Martin*

Procurement and supply chain management is also at the heart of Tribal's commissioning work with the Department of Health and commissioning bodies such as primary care trusts (PCTs).

Devising and implementing financing solutions for some of the country's largest Registered Social Landlords (RSLs) is another of Tribal's most challenging activities. Martin speaks highly of Tribal's specialist team, led by Mike Jones, with its in-depth understanding of the changing financing environment for RSLs. "Bank finance for some RSLs has become much more restricted, a reflection of the current difficulties in the economy," says Martin. "So we're developing new financing solutions to take to the RSL market."

"That kind of financing solution forms part of our overall ethos of being a partner with our core public sector market," says Martin. "We are continuously developing our services to respond to emerging



Tribal chief executive Peter Martin

needs. And we ensure that our offering not only has a short-term impact – which is often easier to achieve – but also has a sustainable effect."

## Sustainability

Tribal's expert teams are often embedded within the client's team during the consultancy period. However, the sustainable nature of Tribal's collaborative partnership with civil servants involves Tribal's staff transferring their knowledge and skills to their civil service colleagues so that projects and their management can be sustained effectively long after Tribal's team has stepped back.

Martin cites Tribal's complex work with the UK Border Agency on the introduction of biometric identity cards for foreign nationals as a good example of a skills transfer process "that allows the client organisation to take forward the initiative."

The company's approach to leading change driven by information technology provides another example of skills transfer. Tribal focuses as much on the people and softer change issues as well as the technical aspects of IT change and procurement.

## Future

So will a stormy economic climate batter Tribal's ability to deliver support and services to the public sector? "We expect that the overall budgetary conditions and pressures on civil servants will not lessen over the next 18 months," anticipates Martin.

"I think these pressures will have a differing impact on different parts of the public sector. As much of our work is around ensuring improved quality and efficiency and increased

value for money, we believe we will continue to see a strong demand for our services."

And can Tribal help overcome the 'curfew syndrome' and encourage innovation, while helping manage the associated risks?

"We differ from the majority of consultancy firms because the public sector is the focus of our business," Martin affirms.

"Tribal is all about supporting civil servants by helping them to deliver their objectives, so it's important to us to keep up to speed about changes in government priorities and policies and think about what this means for our clients. We're not an organisation that dips in and out depending on economic conditions. We are people who work with and support the public sector through thick and thin."

## Tribal's services include:

- developing and delivering policy
- service redesign
- procurement and supply chain management
- finance, audit and accountancy services in the UK and internationally
- managing risk and innovation
- IT strategy and technology
- leadership development and recruitment
- communicating reform and engaging stakeholders
- cultural change

# Balancing risk and innovation

Civil servants used to have a reputation for playing safe. Now it's all about doing things differently and transformation

Even the civil service's warmest admirers would not claim that it has a culture of risk taking and innovation. In the past it did not need one – but it certainly does now.

The Government's drive to get more done with fewer resources, and under the glare of 24-hour news coverage, means civil servants have to look for new ways to deliver services and programmes. And the latest thinking is that avoiding risk can be even more problematic than taking the plunge.

As Stewart Johns, managing director of Tribal's central government consulting business, puts it, "There is a law of unintended consequences. If you are overly risk averse you won't change anything – which is a risk in itself."

This can cover both initiating innovation, and knowing when to stop.

"Project management is important too because people should be brave enough to close down a project that is failing or not needed, and be praised by their bosses for having done the right thing. Unfortunately, sometimes halting a project is seen as failure," he says.

## Speed of change

Matthew Swindells, who has recently joined Tribal from the NHS as MD for Health, says the health service has been forced to innovate by the speed of change in technology and public and patient demand.

"I think the civil service has a strong culture of governance which can lead people to play safe, doing the same as before rather than doing something different," he says.

"The experience of innovation in the NHS shows that the most important thing the Department of Health can do is create an environment in which bright ideas can flourish and well-managed risk taking is encouraged, rather than believe that every bright idea has to come from the centre."

Tribal can help the civil service create that environment and "de-risk" innovation,

using skills and experience that they have developed internationally by working in over 30 countries, he adds.

The pace of change in education has also called for more rapid innovation to deliver policy objectives. Barry Brooks, Tribal's director of education and skills strategy, was called in when ministers wanted to improve mathematics teaching.

"Mathematics education is the foundation of so many things and it depends on inspirational teachers," he says. "It's not possible to deliver all the training teachers need through face-to-face contact, so we came up with a model that also used technology in an innovative way."

**"The most important thing you can do is create an environment in which bright ideas can flourish and well-managed risk taking is encouraged."**

*Matthew Swindells*

Three years on, the resulting combination of conventional and distance learning has seen the National Centre of Excellence for the Teaching of Mathematics pass its evaluation for the Department for Children, Schools and Families with flying colours.

Experience from outside could be valuable in helping civil servants to feel comfortable with innovation says Jon Teckman, a client director at Ashridge Business School.

## Performance

Teckman, a former senior civil servant and chief executive of the British Film Institute recalls: "When I first joined the civil service we had a target of three weeks to answer a letter, so we took three weeks. People did not think to improve performance

by answering more quickly. Targets can improve performance, but you also need cross-fertilisation. I'm not saying the private sector is always right but the two can learn from each other."

Teckman says he understands civil servants' aversion to risk, acknowledging that a bad mistake can lead to serious political consequences for the Government.

Private sector support comes at a price, but it's one worth paying, he says: "The civil service should not be put off by negative publicity about the cost of consultants. It is a tiny proportion of the total of government spending, and people from outside bring something that is necessarily different."

For Christopher Lake, director of Tribal's central government resourcing practice, the management of risk is an underlying theme in civil service recruitment exercises.

## Engagement

"The civil service is more open minded than it is given credit for when it comes to bringing in talent from the outside. But change means risk for both parties. As advisers, much of our time is spent helping candidates and clients distinguish risks that are superficial and short-term from those that are profound," says Lake.

Public or media criticism is perhaps inevitable, but close engagement with the public on changes in services will help to secure success and avoid reputational problems, says Laura Oliphant, managing director of Geronimo Communications, Tribal's PR and communications business.

She says consultancies can help take the risk out of programmes through their knowledge of client groups which the civil service finds hard to reach.

"We create campaigns which are both creative and clever, without being risky," she says.

Oliphant gives the example of Aimhigher, a Department of Innovation, Universities and Skills programme where Geronimo

was contracted to engage people who would not normally consider entering higher education.

"It was important to tackle unfounded myths about higher education on cost, for example that it is 'not for people like me', because it's not always clear how to enter it or what it is like," she says.

"Consultants can reach people in ways that official communications, whatever their other strengths, perhaps cannot. This helps in policy formulation, lessening the risk that a new venture will fail through inadequate understanding of its target group.

"We can help with the evidence base, not by telling clients what they want to hear but by saying what the target audience thinks and will respond to," she says.

Taking risks may seem daunting in an environment that has historically shunned them, but the judicious use of outside advice can help civil servants to devise innovations that will deliver the twin objectives of providing a better service with fewer resources.

*By Mark Smulian*

## KEY STEPS

### Balancing risk and innovation

- Create an environment which encourages innovative thinking
- Engineer risk management into the process of innovating
- Benchmark latest practice, drawing on international experience where appropriate
- Cutting edge technology can lead to innovation – but get expert support
- If you don't have the skills in your team, look for them elsewhere



## CASE STUDY

# Counting on success

Improving adult numeracy in the UK means meeting the learning needs of over seven million adults. It requires a strategic plan to achieve the target of 390,000 more adults becoming numerate by 2011.

Tribal's partnership through the National Centre for Excellence in the Teaching of Mathematics (NCETM) with the Department for Innovation, Universities & Skills (DIUS) has focused on securing a step change in the way adult numeracy has been addressed as part of Skills for Life, the Government's national strategy for improving adult literacy and numeracy



The National Implementation Plan for Adult Numeracy is designed to tackle the nation's underachievement in basic maths, meet the numeracy needs of over seven million adults, and includes programmes to raise demand, new learner menus and a workforce development strategy.

Public sector specialists Tribal worked in partnership with DIUS on this ambitious project, which required demonstration of how this strategy would contribute to Government Public Service Agreement targets for 2008-11, ministerial requirements for a fivefold increase in success rates, the need to engage and gain buy-in of partner organisations, and, crucially, ensuring numeracy developments were coherent with wider departmental and cross-government priorities.

Key to the success of developing this ambitious plan has been the need to make what seemed unrealistic and perhaps impossible become realistic and achievable. Tribal was able to galvanise and marshal the support of teachers of mathematics and numeracy by channelling much of the consultation and collection of information through NCETM, which has in recent years established itself as the source of professional development opportunities for teachers of maths.

**“The key to its success was that the report and associated action plan were...consistently rooted in an authentic appreciation of policy and practice.”**

*Neil Robertson*

### Commitment

A key problem faced by the team was the highly diverse nature of the maths teaching community across the UK. Tribal assembled a team with a range of specialist expertise to secure the commitment of this community and work with national stakeholders to develop and agree a coherent plan that would secure a measurable increase in maths achievement of 390,000 adults by 2011.

Through NCETM, Tribal held a national seminar in November 2007. A consultation with over 2,000 members of the maths community was conducted through conferences, web surveys and local focus groups. This was followed by DIUS' announcement of the National Numeracy Strategy in March 2008, to be followed soon by the launch of the implementation plan by Skills Minister, David Lammy.

The plan contains programmes of recruitment, targeted staff training and a range of delivery models. This approach

is now embedded within regional plans across England, where it has already led to a 450% increase in numeracy learners in some programmes.

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### Quality and efficiency

One further success for the team was the realisation that their continuing targets for the plan over the next two years could be

achieved without substantial new funds. This enabled them to refocus existing resources, improve the quality of existing programmes and so better identify the best use of funds.

Neil Robertson, who commissioned the work from Tribal, gives his view on the outcome of this partnership:

“The action plan produced, ‘Numeracy for Employability’, was set within the context of the Government's World Class skills policy. The key to its success was that the report and associated action plan were realistic, pragmatic, challengingly achievable but consistently rooted in an authentic appreciation of policy and practice.”

### KEY STEPS

#### Engaging with a diverse group, locally, regionally and nationally

- Make the most of the expertise available – aim to build integrated partnerships
- Ensure consistent engagement with stakeholders and gather feedback to assess the efficacy of your approach
- Assess the bigger picture of current funding – could the money be spent more wisely?

## SUCCEEDING IN CHALLENGING TIMES

# Putting patients before politics

“You cannot say ‘private sector is good, public sector is bad’ or vice versa. I think you simply need all the best players to be involved in your work.” That’s the bottom line on delivering patient benefits, says David Colin-Thomé OBE, the National Clinical Director for Primary Care at the Department of Health

“**P**ersonally, I don’t mind if the people working with us in health care are private or public as long as they know what they are talking about,” he adds, with a smile.

Colin-Thomé insists the current opportunities for business to link up with the service are many and varied. “People in the private sector could be involved on many different levels,” he says.

“They could directly deliver the service – that could mean working with primary care trusts (PCTs) in commissioning, or it could mean working on the provider side. Other opportunities include providing advisory services or openings for those information companies that would like to assist the NHS by working in the back office.”

The experienced healthcare practitioner and senior civil servant is relaxed about sending positive signals to business. But Colin-Thomé knows that not everybody in the NHS shares his acceptance of public private partnerships.

## Cultural

“When it comes to private sector involvement, I would say the biggest drawback at the moment is a cultural one,” he says. “People are nervous about using the private sector. It has always been a difficult and noisy political area. But I think things will change when people recognise that this is the best way to manage the health service.

“People will in time realise that we can get better outcomes by working together on these issues. If we can get the best value for money and quality care for patients by working with the private sector then we must do so.”

Securing the best outcome for patients strikes at the heart of what Colin-Thomé has been doing day in, day out, since he began work as a GP in the 1970s. Today, the challenges he faces within the service are completely different.

Surely the credit crunch is providing one of the greatest obstacles? But Colin-Thomé argues that an economic slowdown is unlikely to pose as much of a problem to his government department as one might have expected. “We are actually somewhat protected from the credit crunch. The Department of Health (DoH) has already received its pay settlement for the next three years,” he says. “There is also slight underspend in our budgets so there is scope to invest in new developments and that is a very positive thing.”

But the department will be expected to rise to tough challenges in other areas. The 2006 Government White Paper, ‘Our health, our care, our say’ has set out a clear and ambitious vision for health service provision. The paper outlines plans to provide people with good quality social care and NHS services in the communities where they live to give service users more independence, choice and control.

## New foundation

Other challenges have been laid down by the recent publication of Lord Darzi’s year-long health service review. In his final report published in July, Lord Darzi called for a new foundation for a health service that empowers staff and gives patients choice. He set out plans for a new workforce strategy and called for clearer standards that recognise and reward innovation.

“We do have a set of quite clear tasks from the White Paper and the Darzi Review,” Colin-Thomé explains. “We now need to look at these tasks and ask ourselves who is best to deliver them. Clearly we do have a sum of money and we need the best management and brains to help us use that sum most effectively. The private sector does not have all of the brains and knowledge and neither does the public sector, so working together seems like the best solution.”

“I would urge business to be patient and to accept that they will have to focus their efforts on working as a partner to us.”

*David Colin-Thomé*

The Framework for procuring External Support for Commissioners (FESC) is cited as one positive example of what can be achieved when the private and public sectors pull together. FESC is designed to provide PCTs with easy access to a framework of expert suppliers who can support them in undertaking their commissioning functions.

“FESC is a group of providers not just from England but all over the world who have been identified by the DoH as having the competence and skills to work with us,” Colin-Thomé explains. “We have decided, based upon their track records, that



these companies can be used to support whatever aspect of the commissioning process they are needed for.

“It is early days in the FESC project but where PCTs have already used them, they have been successful,” Colin-Thomé adds. “This idea will get bigger in the future as more PCTs and potentially Practice Based Commissioners will utilise the FESC skills and knowledge.”

## Opportunities

Colin-Thomé believes that once the public feels more confident about seeing business work on behalf of government, the opportunities for the private sector will grow and grow. After all, this has been happening in local government for years, whatever the hue of the administration. But

how long will it take for the public to feel at ease about public-private partnerships and would a Conservative administration help bring about such a change any quicker?

“It is not for me to make political pronouncements, but from my point of view, this is a generic management issue, which is again good news for the private sector.”

Colin-Thomé does offer one word of caution. “I would say to the private sector that they will have to be patient,” he concludes. “There is no point them saying, ‘we have a right to be there working on this with the NHS and government.’ This is a very positive time for the private sector in terms of linking up with the NHS but I would urge business to be patient and to accept that they will have to focus their efforts on working as a partner to us.”

## SUCCEEDING IN CHALLENGING TIMES

# Feeling the crunch

‘Credit crunch threatens decent homes target.’ ‘Banks pull plug on social landlords.’ We’ve all read a plethora of such alarming headlines recently, each one heralding that the current economic downturn is seriously threatening the Government’s target to see three million new homes built by 2020.

Mike Jones is perfectly positioned to analyse beyond the gloom-laden column inches. For 20 years, Jones has advised Registered Social Landlords (RSLs) on how best to arrange their credit and navigate interest rate risks. He is now managing director of Tribal Treasury Services, a nine-strong, highly qualified team, regulated by the Financial Services Act, who provide England’s largest RSLs with clear market perspectives.

Jones and his Treasury Services colleagues are developing innovative new pathways for RSLs to secure finance, such as raising money from European sources and helping local councils, such as Westminster, to unlock house-building potential on land that they own.

Recently, Jones and his team have advised RSLs where to safely deposit their cash surpluses as the credit crunch sparked intense worry about the stability of the banks. Jones

has also seen the number of active lenders to the RSL sector diminish considerably. Remaining lenders are also scaling back on the amounts they are prepared to lend. Some lenders also stipulate that an RSL cannot draw on its loan facility until perhaps the second half of next year.

“Many banks are now saying they will only support existing customers,” says Jones. “That means RSLs may struggle to supplement government grants in order to develop those three million houses that the Government wants by 2020.”

Lending margins – the price of debt – have almost trebled for some of the largest RSLs. Jones puts all this into sharp perspective: a large RSL may have been borrowing at a margin of 0.3% above base rate last year; that may be 0.9% now. “That’s not massive by commercial standards but it’s quite a substantial increase,” says Jones.

Jones notes that several RSLs are looking to the capital markets by issuing bonds they hope will be snapped up by pension funds and insurance companies. However, he believes this is becoming a more “tortuous avenue” for RSLs. The agencies that apply ratings to newly issued bonds have to some extent been discredited in the eyes of traditional investors

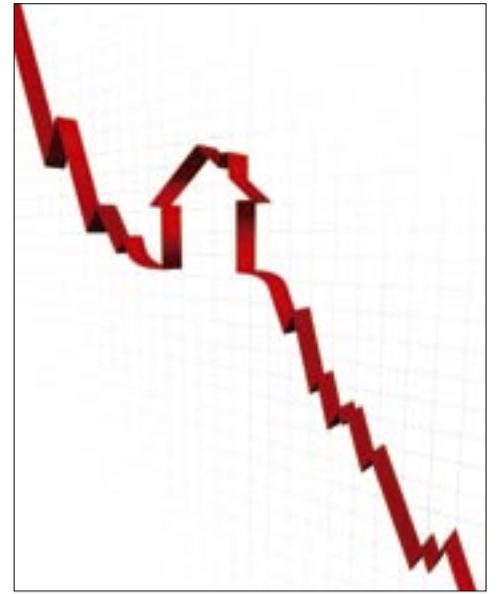
Has the economic downturn damaged the Government’s target to see three million new homes built by 2020? Tribal’s Treasury Services team are in a prime position to judge. **Paul Coleman reports**

because they didn’t ring warning bells before the credit crunch.

RSLs are also under pressure to subsidise rented housing development by ‘sweating their assets’, such as by selling properties or via shared ownership. “But RSLs are worried that exposure to delayed sales and falling prices might weaken their business plans and make them less attractive to banks,” adds Jones. Indeed, he and his team are working with several RSLs to see how they might weather the storm.

Falling prices mean some developers are offloading new properties. However, Jones cautions RSLs that such properties are not always built to standards that would attract social housing grants.

Jones also warns that some RSLs might risk having to re-negotiate their loans at



higher prices if they fall foul of ‘administrative conditions’ imposed by lenders. “We’re busy making sure that our RSL clients have very robust management systems.”

Active lending banks to the RSL sector also report being swamped by loan requests. “Banks and building societies will return but lending will be at a higher though still affordable level,” predicts Jones.

However, Jones foresees that highly sophisticated RSLs will largely “sit on their hands” in the short-term. What does that mean for the Government’s 2020 target? “It’s going to require a massive push to meet that target of three million new houses.”

# Adding life to years – the NHS meets its biggest challenge yet

More needs to be done to improve the health of our ageing population in order for the NHS to meet its biggest challenge yet, according to **Matthew Swindells**, Managing Director for Health at Tribal

The NHS has been under a great deal of scrutiny recently, with the development of Lord Darzi’s Next Stage Review. However, its biggest challenge, and one that is likely to echo through all government strategies and departments is keeping our increasing population healthy.

The focus of scrutiny is often the cost of healthcare, which is indeed increasing globally. Leaps in scientific progress give us ever-increasing opportunities to do more with medicine, and therefore spend more on healthcare.

Beyond this, however, is the massive impact of our ever-increasing population. Medical progress has given us greater life expectancy – something to celebrate. With this comes a greater use of services, and as our population ages, the opportunities

to benefit from healthcare services grow and costs increase. Poorer diets and reduced physical activity are also creating poorer health – we are caught in a web of our own success.

The NHS needs a long-term, sustainable approach to meet this challenge. By investing our energies in creating a healthier population, we can avoid or delay the onset of illnesses.

This is not a job for the NHS alone. For example, we still have people living in poor housing conditions, affecting their health, making the design of the built environment an important factor. Regeneration initiatives often attract investment that improves the environment and delivers the added benefit of a healthier, wealthier community.



Education is also critical. Helping future generations appreciate the importance of good diet and exercise and the health impacts of smoking, drugs and alcohol not only helps them as individuals but also often changes the views of their parents and carers.

There are also compelling financial reasons for employers to improve the health of their workforce. Reduced absenteeism and improved productivity deliver bottom line benefits.

The NHS has a major role to play by giving existing primary care services, such as GPs and their teams, the support they need to adopt a more proactive approach.

Investment is needed now in order to realise major, long-term benefits.

Private sector partners, such as Tribal, are helping the NHS to meet this challenge through the Department of Health’s Framework for procuring External Support for Commissioners (FESC).

This national framework was set up to provide primary care trusts with access to additional capacity and capability to support World Class Commissioning and improve health outcomes for the local population.

World Class Commissioning is all about creating the environment to achieve transformation in whole communities. The NHS needs to put the people, processes and systems in place and create an environment where the need to address short-term priorities is balanced against long-term strategy.

But the greatest challenge of all will be a cultural one. The success of the NHS, is in some ways, its ‘Achilles’ heel’. Because it generally works so well, it is tempting to simply take it for granted. While achieving a shift in the nature of the relationship between the NHS and the population is challenging, with the right support it is also achievable.

## SUCCEEDING IN CHALLENGING TIMES

# Making the most of your human capital

Organisations often say their most valuable asset is their people – but how many actually behave as if it were?

The concept of human capital is about viewing and valuing the workforce as an asset, in the same way as you would an organisation's buildings, products, brand and reputation.

This thinking is still rather new to the civil service, but a department's success in times of rising expectations and tightening budgets could depend on recruiting the right people, training them properly and keeping track of their performance and career development.

So how good is the civil service at managing its human capital? The Public Administration Select Committee, for one, has said that much still needs to be done in the civil service in terms of developing skills and improving performance.

## Demographic change

The term 'human capital' has been in use since the eighteenth century, when early economists used it to describe the skills, dexterity and judgment of a workforce. Nowadays it also covers how that workforce is assembled and nurtured.

Winston Sutherland, from the National School of Government, says the civil service will need external advice to cope with demographic change as the baby-boomers near retirement.

"There are certainly changes in working culture and there are different values now, mainly around the family and the need for time off. The civil service needs to react to that," he says. "Things one generation holds dear get challenged."

"If you think of people as assets, you assess their value and the return on your investment. If you can't do that, how do you know money is being spent wisely?"

*Christopher Lake*

Dr Sutherland sees it as essential that human resources becomes a strategic part of the civil service so that it helps to plan and create the right workforce "and not something in a back office that concentrates on operational functions. Consultants can also add valuable insights into reshaping human resources work," he says.

Christopher Lake, director of Tribal's central government resourcing practice and a former civil servant, believes that developing human capital involves recognising the link



between recruitment, assessment, interim management, training and succession planning. He sees his role as helping government departments to bring these aspects together to get the best from the workforce.

## Dynamic

Lake emphasises the importance of fresh and creative thinking when looking at the labour market. "We recognise that the civil service is still contending with myths and stereotypes that don't reflect the dynamic nature of its work. Having an evidence-based approach is key: if you're going to think of people as assets, you need to be able to assess their value and the return on your investment in them. If you can't do that how do you know money is being spent wisely?"

Lake stresses that building the right human capital may mean looking beyond the traditional resources of recruits and points to requests to improve diversity that have seen Tribal find female appointees in such previously male preserves as the Highways Agency and the Ministry of Defence Service Personnel and Veterans Agency.

Jon Teckman, a former senior civil servant and now a client director at Ashridge Business School, sees a problem arising when skills are valued above practical performance.

"I have carried out a study on the New Zealand rugby team, which is thought widely to be the world's best, but hasn't yet won the Rugby World Cup," he says.

"I found the top players were removed from a competitive environment in which they played rugby against other teams and sent off to training camps where they came back as finely honed athletes but without competitiveness."

The equivalent, where highly skilled civil servants do not know how best to apply their knowledge to delivery, can be assisted by the use of external support. Says Teckman: "External organisations can bring

a more commercial outlook and be more externally focused than the civil service."

He applauds the changes since his own entry to the service 25 years ago: "Then it was seen as a job for life. Now it is changing, with more rewards for success -and punishment for failure."

## Nurture

That sort of change, and the continuous demand for greater efficiency, might sound threatening to some, but need not be, says Stewart Johns, managing director of Tribal's central government consulting business.

"Every part of the public sector has outputs and can have efficiency gains," he says.

"What gets confused is the feeling that efficiency savings mean staff reductions. They may be the result, but it is not the starting point."

Johns says the route to improved performance is to nurture what the civil service does well, and seek alternatives where that's not the case.

"Salami slicing is not the way to do it, where you have savings made by having 3-5% sliced off every budget," he says.

"That assumes that every part of every department is equally efficient, which is bizarre."

Johns argues that consultancies also help by providing departments with "specific skills and sometimes some additional intellectual firepower", but would not advocate long-term use of external staff as managers, as he thinks these should be permanent roles.

External perspectives on the service's human capital and its performance could perhaps ease much of the pain from this process.

*By Mark Smulian*

## KEY STEPS

### Making the most of your human capital

- Assess whether your processes and investment in the following reflect your priorities:
  - recruitment
  - assessment
  - management
  - training
  - succession planning.
- Consider whether people's skills and expertise translates into delivery. Identify the obstacles and free up your people to focus on where they most add value.

## HOW TO SUCCEED IN CHALLENGING TIMES

**1** *Assess your available resources*  
Look at your priorities, timescales and desired outcomes.  
Decide whether you require additional support.

**2** *Find a public service specialist*  
Make sure they have an in-depth understanding of your  
needs and can hit the ground running.

**3** *Evaluate commitment*  
Check they can demonstrate their dedication to:

- improving the delivery of public services
- adding value and transferring skills
- effective partnership working.

### Tribal is the public service specialist

We work in partnership with our clients to help shape policy, transform service quality and deliver value for money.

We understand you want to make a positive difference to essential public services – it's our business to help you succeed.

#### Further information

To find out more about the benefits of working with Tribal, visit [www.tribalgroup.co.uk](http://www.tribalgroup.co.uk) or email [info@tribalgroup.co.uk](mailto:info@tribalgroup.co.uk)