

STATES OF JERSEY



ORGANISATIONAL CULTURE AND CORPORATE LEARNING (P.A.C.2/2019): EXECUTIVE RESPONSE

**Presented to the States on 23rd July 2019
by the Public Accounts Committee**

STATES GREFFE

FOREWORD

In accordance with paragraphs 64-66 of P.56-2018, the [Code of Practice](#) for engagement between ‘Scrutiny Panels and the Public Accounts Committee’ and ‘the Executive’, (February 2018), (as derived from the [Proceedings Code of Practice](#)) the Public Accounts Committee presents the Executive Response to its report on [Organisational Culture and Corporate Learning](#).

Comments

Public Accounts Committee

1. The Chief Executive first sent an Executive Response to the Public Accounts Committee’s Report on Organisational Culture and Corporate Learning (20th May 2019) at the beginning of July 2019. At 65 pages, the PAC considered it to be too long and overly complicated. The PAC asked for a shorter version within 2 weeks and is pleased to note this second Executive Response is more succinct.
2. In our Report, the Public Accounts Committee found that the target operational model (TOM) has been presented as the main driver for change and that too much weight is given to the structures rather than the behaviours of people. The PAC is disappointed to note that the Chief Executive, in his summary preceding his action plan, disagrees with the finding, and contends that the TOM is one component of a much wider organisational and cultural change. He lists a number of modernisation programmes, which in his words, are ‘interrelated (but not necessarily interdependent)’.
3. The PAC has been consistent in its demand for outcomes. The Chief Executive uses several terms which are not clearly defined, which the PAC finds confusing and unnecessarily opaque, such as ‘Jersey Standard’. There are many complex programmes ongoing in the Government departments and the PAC would welcome some simplification and streamlining. However, whichever terminology is used by the Chief Executive for his change programme, the PAC is most concerned with him being able to show a clear methodology, who is responsible for the actions taken to deliver the outcomes, and when. The PAC is concerned that with a proliferation of jargon, it is difficult to quantify costs and identify savings. However, the PAC notes that the Chief Executive has accepted all the recommendations in the report.
4. We look forward to seeing the further development of the actions identified in the Action Plan into clear deliverable milestones with clear delivery dates and detail of ownership.
5. The PAC will be holding hearings with relevant senior officers in due course. As part of its ongoing scrutiny of the implementation of the change programmes, the PAC will ask that a change programme manager or similar be identified. That person will be asked to give evidence alongside the Chief Executive at the next quarterly public hearing and we look forward to hearing details of progress made and savings achieved.

The Chief Executive's response to Public Accounts Committee report on Recurring Themes: Organisational Culture and Corporate Learning

June 2019

Glossary of Terms

C&AG – Comptroller and Auditor General
COM – Council of Ministers
CSB – Corporate Strategy Board
EMT – Executive Management Team
GHE – Growth, Housing and Environment
OneGov – One Government
PAC – Public Accounts Committee
SPPP – Strategic Policy, Performance and Population
TOM – Target Operating Model

Summary

The Chief Executive of the Government of Jersey welcomes this report by the Public Accounts Committee (PAC) into the recurring themes identified as part of the Comptroller and Auditor General's (C&AG) findings and recommendations to Government. It is the intention of the Chief Executive to build upon the Government's constructive relationship with the C&AG and PAC and use their recommendations, where appropriate to support the modernisation of the Government and deliver outstanding public services.

It is hoped that this response will go some way to clarify the ways in which the Government of Jersey is using the C&AG and PAC recommendations to drive the continuous improvement of organisational culture and corporate learning.

Organisational Culture

The Government of Jersey accepts that there is considerable work to be done in order to improve organisational culture. The Chief Executive and Director Generals of departments have considered the main drivers of organisational change to be the long-term vision for Jersey, the due diligence review of Government services and the recommendations of C&AG and PAC reports dating back to 2015. Many of the recommendations of the C&AG and PAC were reaffirmed as part of the due diligence work that was undertaken between October 2017 and January 2018. A considerable volume of improvement activity has taken place in the last 18 months; the One Government initiatives were designed on this basis.

One Government is a term used in the Government of Jersey to refer to a number of interrelated (but not necessarily interdependent), modernisation programmes and comprises a number of components that will contribute to a shift in organisational culture including, but not limited to:

- **Team Jersey** – a programme specifically designed to guide culture change across the organisation informed by staff, States Members and other external stakeholders
- **Jersey Standard** – developing a framework to baseline and monitor corporate performance, supporting colleagues to understand and appreciate how their work links to wider outcomes for Islanders, whilst promoting integrity and transparency through reporting to the public
- **P.1/2018** – moving away from silo working, to establish a Single Legal Entity for Government (Ministers), and to establish a Principal Accounting Officer to be accountable for overall efficient and effective use of public resources
- Organisational and departmental **Target Operating Models (TOMs)** – a significant restructure of the organisation that will break down departmental silos and promote cross-departmental management and decision making
- **Office Modernisation Programme** – a move to rationalise office estates and away from out-dated working spaces to modern office environments
- **Efficiencies programme** – identifying ways in which public funds can be used better or differently, and supporting staff to think plan public spending as wisely as possible
- **ICT and Digital transformation** – ensuring that staff have the right tools to work efficiently and collaboratively across Government
- **Island Communication and Engagement** – listening to Islanders, putting them at the heart of Government business and communicating honestly and transparently with internal and external stakeholders

The above highlights that the Target Operating Model (TOM) is only one component of a much wider organisational and culture change, rather than the main driver of organisational change,

as reported by PAC. The illustration overleaf presents drivers, components and outcomes of the One Government initiative, with respect to the recurring themes identified by the PAC.

The Chief Executive therefore does not agree with Finding 1 of the PAC report that the TOM has been presented as a main driver of organisational change and that too much weight is being given to the structures rather than behaviours of people.

The PAC report describes the potential for lack of enthusiasm for change across the organisation, partially due to the volume of documents generated to explain organisational change. The Government of Jersey undertakes to communicate comprehensive information about the organisational restructure using a variety of media on both a corporate and a departmental level. Whilst the purpose of this information is to support staff to understand the changes and the potential impacts on them, it is important to note that change will inevitably be difficult for some staff and that the organisation actively seeks to engage and guide its people on this journey of modernisation.

Corporate Learning

As far as corporate learning is concerned, the Government of Jersey accepts that recommendations of the C&AG and PAC can often be interpreted in a broader sense than how they are described in individual reports about particular subjects, and that the organisation can do more to share these points of learning across the organisation. The recently formed Risk Directorate will lead on monitoring the implementation of recommendations going forward, and will be reported to the Executive Management Team on a quarterly basis. Since the PAC report was published the Risk team has demonstrated an electronic database to the Committee. Some work continues to cleanse existing data so that the database can produce the most useful outputs to support corporate learning. Subsequent communication across departmental leadership teams will result in improved dissemination of recommendations that can be considered and applied across the organisation.

A Corporate Portfolio Management Office has also been established to oversee projects, assign corporate resources effectively and act as a centre of excellence for disseminating lessons learned from previous projects across the organisation, which will support Government departments to work collaboratively, and improve organisational culture as a result.

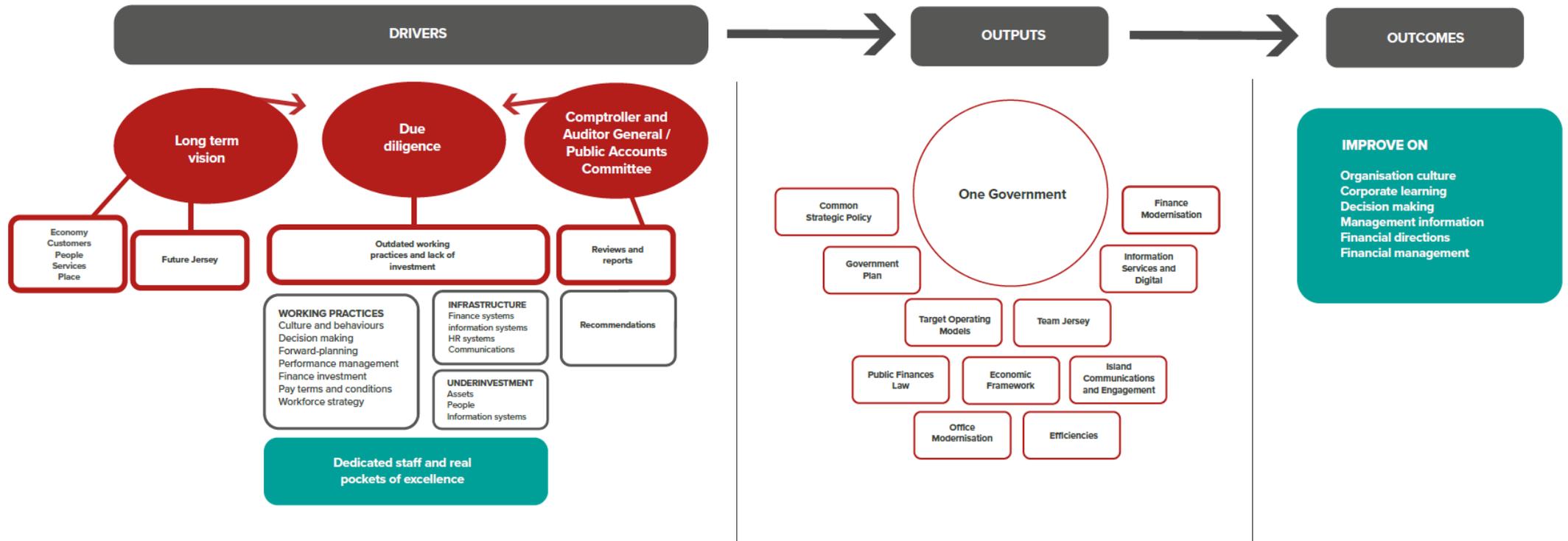


Figure 1: The drivers for the One Government initiative, its outputs and component parts, and the outcomes, with respect to the PAC recurring themes

Action Plan

Recommendation	Action	Target date	Responsible Officer
<p>Recommendation 1: The PAC recommends that stringent and coherent timetables and clear delivery outcomes are produced and adhered to by the Executive and that the Executive report regularly to the PAC. The reports should contain up-to-date information monitoring the impact of changes to the organisational culture of the States so that progress can be measured, and errors acknowledged and rectified.</p>	<p>It is important to note that One Government is a term used in the Government of Jersey to refer to a number of interrelated (but not necessarily interdependent), modernisation programmes, which are being managed independently. Each of the key elements of the One Government initiative has its own programme plan and delivery timetable. These timelines are regularly reviewed by the OneGov Board and OneGov Political Oversight Group and progress will be reported to PAC quarterly.</p> <p>The impact of changes both corporately and culturally will be reported as part of the Jersey Standard performance framework. The Jersey Standard is currently being developed and will be implemented in Q4 2019. For further information see Recommendation 8</p> <p>The One Voice survey, which was conducted in March 2018, also provides a useful baseline for understanding employee engagement across the organisation. The survey will be repeated every other year and shorter, more focused 'pulse' surveys will be conducted in some departments. The high-level results of the One Voice survey were published on www.gov.je.</p>	<p>Provided to PAC and moving forwards quarterly from October 2019</p> <p>Q4 2019</p> <p>Shared with PAC and future survey results will be shared</p>	<p>Chief of Staff</p> <p>Director General, Strategic Policy, Performance and Population</p> <p>Chief Operating Officer</p>
<p>Recommendation 2: The PAC recommends that the Executive notify the PAC immediately of any 'slippage' on, or changes to, the planned transformation.</p>	<p>The Chief Executive accepts this recommendation of the PAC.</p> <p>The individual programmes of the OneGov initiative report regularly to the OneGov Board and its political oversight group. Any projected slippage of deliverables related to the One Government initiative by more than three months will be reported to the PAC following review by the OneGov Board. This is, however, less tangible in some programmes due to the nature of the product they deliver, for example the Team Jersey culture change programme does not have key milestones in the same way that an IT project will deliver the implementation of a new electronic system.</p>	<p>Immediate and ongoing</p>	<p>Chief Operating Officer</p>

<p>Recommendation 3: The PAC recommends that measures are taken by the Executive to improve clarity of communication throughout the organisation, making the most of listening and feedback, to keep the States employees onside.</p>	<p>The Internal Communications Team supports communication throughout the organisation. It provides a resource to disseminate corporate and departmental information and then listen to staff feedback through a range of communications routes. A considered approach to internal communications and an internal communications and engagement plan were approved at the Government of Jersey Executive Management Team in June 2018.</p>	<p>Implementation of approach and plan ongoing</p>	<p>Director of Communications</p>
<p>Recommendation 4: A clear and concise approach is encouraged to enable all States workers to understand the vision towards which they are working with an emphasis on delivery of services. Fewer acronyms would also simplify the approach. For example the 'Target Operating Model (TOM)' is perhaps just a 'revised management structure'. Where acronyms are used in written communications, they should be defined in an executive summary.</p>	<p>The Strategic Policy, Performance and Population department is working to develop the Jersey Standard performance framework, which will link service level to departmental and corporate metrics and how these affect island outcomes set out in Future Jersey. This 'golden thread' will support all Government of Jersey staff to understand the link between the services they deliver and how they contribute to the overall provision of quality public services and improved outcomes for Islanders. See Recommendation 8 for further detail.</p> <p>In addition, the My Conversations, My Goals initiative encourages open and honest conversations that create time for colleagues and their managers to check-in, obtain feedback and celebrate successes. It is intended to support performance and clarify how roles fit into the bigger picture, to create a positive culture.</p> <p>As far as acronyms are concerned, the Government of Jersey will endeavour to minimise their use wherever possible. Where they are used in documentation that is being circulated widely, departments will be encouraged to include a glossary of terms.</p>	<p>Q4 2019</p> <p>In place</p>	<p>Director General Strategic Policy, Performance and Population</p> <p>Chief Operating Officer</p>
<p>Recommendation 5: The Chief Executive should be mindful that not all conflicts of interest can be addressed satisfactorily by codes of practice. He should ensure that stringent operational arrangements and appropriate codes of practice are developed in conjunction with, and as part of, the change programmes taking place to</p>	<p>It was clear when the GHE department was created that there was the potential for conflict to occur between regulatory and operational services. Indeed, this is no different to the same conflict which occurs in other parts of the organisation, as there are many examples of government regulating itself.</p> <p>When it is in the same management structure in GHE, specific care was taken to be transparent about any potential conflicts. As a result the GHE Protocol for Regulation was agreed between the Director General, the Group Director for Regulation</p>		

<p>avoid conflicts of interest between regulatory and enforcement functions and operational requirements.</p>	<p>and the Director for Natural Environment. This was shared with the PAC in January 2019 and has been in place and operational since December 2018.</p> <p>Furthermore, COM has instructed SPPP to undertake a review of the governance arrangements associated with all GOJ's regulatory functions. The review will map statutory requirements in relation to regulation, inspection, registration and advisory functions, including the issuing of permits and licences across government departments and all relevant independent advisory and regulatory bodies, such as Statistics Jersey, the Official Analyst and key office holder such as the internal audit function. The review will:</p> <ul style="list-style-type: none"> • Take account of good regulatory practice principles set out in the OECD Guidance on the Governance of Regulators, and investigate normal/best practice in other small Commonwealth jurisdictions • Identify where independence of regulatory decision making may fall short of government best practice and/or where there may be a potentially damaging perception that it is compromised • Set out recommendations for change that could build on the current position and align with best practice in the governance of regulatory functions. 	<p>Recommendations will be presented to CSB in late July and Council of Ministers in September.</p>	<p>Director General Strategic Policy, Performance and Population</p>
<p>Recommendation 6: The Chief Executive should identify ways in which the management team can share the reports of the C&AG more widely and the implementation of the recommendations are measured, monitored and progressed.</p>	<p>Newly issued C&AG reports, together with the proposed response and action plan, are brought to Executive Management Team for discussion about cross-departmental application of C&AG recommendations. Directors General will be tasked to disseminate this information further through their departmental leadership teams</p> <p>A database and process for monitoring implementation of agreed recommendations have been developed. This will include prioritisation for action, identification of barriers to progress and flagging of recommendations with corporate implications – see Recommendation 7.</p>	<p>Immediate</p> <p>First report to EMT October 2019</p>	<p>Chief of Staff</p> <p>Chief of Staff</p>
<p>Recommendation 7: The PAC recommends that a clearer method of rolling out the required</p>	<p>A database for monitoring implementation of C&AG and PAC recommendations has been developed and is based on data from 2015 onwards. The database has had initial validation by</p>	<p>First quarterly report to EMT October 2019 and</p>	<p>Chief of Staff</p>

<p>changes throughout the organisation is produced with the Executive sending six-monthly updates on its progress in reviewing areas of potential application and implementing recommendations (for all departments). It also recommends that the Chief Executive notify the PAC immediately of any 'slippage' on the planned transformation programme and provides revised timetables accordingly.</p>	<p>Internal Audit. The database is supplemented using a business analytics solution that enables the visualisation of data and sharing insights across the organisation. It is currently being utilised to develop a range of corporate reports. The data will be updated monthly by departments to make sure that progress and implementation is auditable. The dashboards will be reviewed by EMT on a quarterly basis to monitor progress of the implementation of the recommendations of the C&AG and PAC, and where appropriate, to consider cross departmental learning opportunities.</p>	<p>to PAC quarterly from December 2019</p>	
<p>Recommendation 8: It is recommended that the Executive collect and collate the relevant data to enable benchmarks and KPIs to be produced and agreed as soon as possible.</p>	<p>Developing a strong culture and framework for performance is at the heart of the One Government initiative, which has outstanding public services at its core. The Government of Jersey is taking steps to improve the ways it measures performance, including:</p> <ul style="list-style-type: none"> • The database to monitor C&AG and PAC recommendations described in Recommendation 7 • The Jersey Standard performance framework. This will support monitoring corporate KPIs to enable a better understanding of how individual services across the organisation contribute to the delivery of outcomes of Future Jersey and/or the priorities of the Common Strategic Policy. Many of the Jersey Standard indicators will be used to monitor the progress of the Government Plan. It will also enable the Government of Jersey to address the 'recurrent themes' of the PAC through: <ul style="list-style-type: none"> ○ Improved management oversight ○ Better organisational and cross-sector partnerships ○ Information-driven decisions ○ Benchmarking 	<p>First report to EMT October 2019</p> <p>Q4 2019</p>	<p>Chief of Staff</p> <p>Director General Strategic Policy, Performance and Population</p>