Defra spends around a third of a billion pounds each year on science.
A Department fit for purpose

Defra continues its major programme of internal reform to develop as a Department and to be well placed to deliver its Five Year Strategy. Defra aims to build on the changes made so far to further become a Department which:

- is focussed strongly of the achievement of clear outcomes;
- constantly searches for ways to strengthen its capacity for delivery;
- is outward looking, professional and expert, and is respected internationally, among stakeholders and within Government;
- is flexible and agile and understands the needs and behaviours of its customers; and
- attracts, retains and motivates the best people.

This chapter begins with an overview of the Departmental Reform Programme and the three programmes driving internal change, and concludes by setting out how Defra is aiming to become more efficient. The chapter then moves on to look at how the Department:

- develops policy based on sound evidence;
- embeds the professional services which underpin the work of the Department, which includes financial control, commercial management, information technology, estates and communications; and
- manages its people and how the Department is responding to the challenges posed by the Professional Skills for Government agenda199.

**Departmental Reform Programme**

During 2005-06 Defra has developed more formal programme management structures to take forward implementation of the Delivery Strategy, the Policy Centre Review and Corporate Centre Review as one unified Departmental Reform Programme which will deliver:

- a smaller, more efficient core Department (corporate centre and policy);
- better alignment and responsiveness of its skills, capabilities and resources to existing and emerging Departmental priorities;
- more effective delivery through its delivery partners, including the Defra family;
- more effective policy development to achieve Defra’s strategic outcomes; and
- improved customer satisfaction, both internally (with the corporate centre) and externally (with direct and end customers).

199 Details on Professional Skills in Government can be found at: www.civil-service.gov.uk/skills
In the summer of 2005 Defra’s Management Board recognised that, in order to deliver these objectives, there was a need to join up business and IT design and investment decisions, and to engage the Defra family more effectively in this process. The programme is therefore now overseen by the Departmental Reform Group, chaired by the Permanent Secretary, which aligns business and IT decision-making for core Defra.

This group works in parallel with the Defra Collaboration Group, which is a Chief Executive Office level forum for Defra family-wide decision-making on cross-cutting business design issues, chaired by Defra’s Chief Operating Officer. The Defra Collaboration Group aims to improve partnership working on business design across delivery bodies, including delivery and operation of the corporate data repositories, joining up customer interactions, and maximising collective capacity. Future work will be underpinned by the ongoing collaborative development of a shared business model.

Defra’s Delivery Strategy

Defra’s Delivery Strategy was set out in the 2005 Departmental Report. It describes how Defra will achieve its outcomes through more effective partnerships between policy and delivery. This means an organisational separation between the two functions, but one underpinned by consistent and well-understood principles. The core Department will define the outcomes required to deliver Government policy, but the business of delivery will be passed to delivery bodies that have a shared understanding with the Department on their role in both delivering Defra’s outcomes and supporting the development of policy. These organisations will have clear governance and accountability arrangements, and their roles and responsibilities will be strategically aligned to the Department’s objectives. Where possible delivery bodies will share core information and systems, and provide customers with one-stop entry points. In constitution, delivery bodies may be executive agencies, Non-Departmental Public Bodies (NDPBs) or partners in regional and local government or the private and voluntary sectors.

In 2004 the Management Board decided that all remaining delivery or operational functions will be placed outside the core Department by March 2008. As part of this process the twenty one Defra regulators identified in the Hampton Review will be placed within four of the thematic regulators he envisaged. More information on the Hampton Review and Better Regulation can be found in Chapter 8. An example of the work to identify functions which might be placed outside the core Department is the recent review of RIMNET, the Radioactive Incident Monitoring Network, which reported on options in January 2006.

Performance in 2005-06

Key developments include:

- the State Veterinary Service became an Executive Agency in April 2005, see Chapter 5;
• the three current bodies delivering rural policy, the Countryside Agency, English Nature and Defra’s Rural Development Service, have been working in confederation since mid-2005 as part of their preparation to form the new Natural England Agency, as recommended by the Haskins Review\(^{200}\);

• the Marine Fisheries Agency was created in October 2005, see Chapter 5; and

• the Government Decontamination Service was established as an Executive Agency in October 2005. Further information can also be found in Chapter 5.

The Delivery Strategy framework is being further developed to include guidance on:

• devolving delivery to regional and local government, and to other bodies beyond the Defra family and the public sector, and the accountability frameworks which would govern such arrangements;

• developing more robust models for governance, sponsorship and accountability for Defra and its national delivery bodies; and

• shared operating principles for how the Defra family works together on shared business design issues and shared processes, underpinned by the ongoing development of a shared business model, and other collaborative work.

Looking forward to 2006-07, the Delivery Strategy will continue to be implemented as Defra:

• develops more sophisticated business models;

• expands the collaborative working agenda;

• transfers further operational functions to delivery agencies; and

• carries out structural reorganisation through the Departmental Reform Programme and Hampton Review implementation.

**Defra’s Policy Centre Review Programme**

The second part of the Departmental Reform Programme is the Policy Centre Review Programme (PCRP). This is creating the kind of core policy department Defra needs to deliver its *Five Year Strategy* efficiently and effectively. There will be 250 fewer staff in post and a £10 million cash release saving, contributing to Defra’s efficiency target.

**Progress during 2005-06**

Progress included:

• a customer contact unit was piloted, and achieved full roll-out in April 2006. It will handle all parliamentary and ministerial correspondence, freeing up policy-makers’ time and bringing dedicated expertise and a higher level of service to customers;

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\(^{200}\) See Chapter 6, and chapters on Protecting the Countryside and Natural Resources Protection, and Sustainable Rural Communities.
• all areas of the policy business have started a radical re-examination of the way they plan and prioritise work, how resources are allocated to tasks, and how the organisation should be reshaped;

• a central resource has been set up in the Strategy Unit to deal with cross-cutting policy challenges. The policy units have also started work to set up their own flexible team initiatives that will enhance their ability to focus staff resources on existing and emerging priorities. These projects will continue in 2006. Changes that need to be made to HR systems to support flexible teams have been identified and work on these has started and will continue in 2006;

• a review of the way Defra manages the process to make appointments to the Boards of its NDPBs recommended setting up a central unit to free up policy-makers’ time and resources. This will be implemented in 2006, providing a more effective process and greater consistency;

• an independent review of the five statutory levy boards for agriculture and horticulture was completed in 2005, with recommendations to retain statutory levies but to radically change the structure of the boards and so reduce the number of NDPBs; and

• as part of its programme to deliver its Five Year Strategy the Department has been reviewing the way in which it undertakes its role as a sponsor to some industry sectors to ensure that these activities are focussed on the Department’s strategic priorities, particularly its commitments to promote sustainable development and to regulate better.

Looking forward to 2006-07

In 2006-07:

• Defra will be looking at the best way to provide and use specialist and scientific advice, to improve the policy-making process and ensure the delivery of evidence-based policy and innovative solutions; and

• Defra is improving the business planning processes to ensure work is properly prioritised and that the allocation and use of resources is better matched to business needs.

Defra’s Corporate Centre Programme

The third component of internal reform concerns Defra’s corporate centre. By 2008 Defra will have restructured its corporate services, in order to deliver more strategic, high quality, and professional support services to the Department.
Key achievements in 2005-06

Key achievements included:

- transforming Human Resources (HR) is one area where significant progress has been made in the past year. Building on the development of a Service Centre (handling first line enquiries and data processing) and a Resource Centre (which handles recruitment and deployment);

- a top management review of the corporate centre resulting in a reduction of its directorates from four to three and the rescoping of a number of senior manager posts including a Chief Operating Officer, HR and Corporate Services Director and a Chief Information Officer;

- the beginning of a phased roll-out began of electronically enabled self-service back office functions including an on-line self-service HR system, an intranet-based procurement system and an electronic system for travel and subsistence claims;

- a Shared Service Programme was established to look at how the Gershon proposals to make savings by sharing back office services might be realised by Defra. Good progress is being made and the Defra Management Board gave approval in November to the setting up of a Shared Services Agency (subject to discussions with Treasury and Cabinet Office) to deliver corporate services to Defra and the wider family. Close working between the Shared Services Programme and the Natural England programme have been established, (Natural England will be the first of the agency’s new customers when they vest in October 2006);

- a review of Defra’s IT Intelligent Customer Function was completed and its key findings agreed. Implementation of some wide-ranging changes have taken place during 2005-06 which will strengthen the quality and value of the services offered through Defra’s strategic partnership with IBM to the business and wider stakeholders in the Defra family; and

- Defra has begun a programme to improve delivery of major IT-enabled projects, by strengthening delivery focus and project assurance functions, under the direction of the Chief Information Officer.

Looking forward to 2006-07

During 2006-07 Defra will:

- work to achieve the targets set out in its Sustainable Development Action Plan for internal operations;\(^{201}\)

- continue the roll-out of electronic self-service functions, such as the full electronic self-service HR systems;

- take forward the Smart Working programme, which will enable people to work more flexibly in Defra and make more efficient use of the Department’s office space;

\(^{201}\) [http://www.defra.gov.uk/environment/sustainable/index.htm](http://www.defra.gov.uk/environment/sustainable/index.htm)
• implement a new operating model for how the corporate centre works with the business;
• continue to seek efficiencies; and
• establish the foundations for the new Shared Services Agency.

**Corporate Performance Framework**

Defra has developed a Corporate Performance Framework based on the use of an annual business planning process with a Corporate Balanced Scorecard providing the means for monitoring and review. The delivery of results (both strategic outcomes and Public Service Agreement targets) is fully embedded in the framework, as are the management of the enabling activities that support delivery.

The Corporate Balanced Scorecard is used on a quarterly basis to help track Departmental performance against key indicators. It consists of 4 quadrants, providing a balanced view of areas affecting performance. The quadrants are: Results (including the strategic outcomes, Public Service Agreement and non-Public Service Agreement targets and Mission Critical programmes and projects); Processes; Customers and Stakeholders; and People, Knowledge and Culture. It is accessible to all Defra staff via the intranet and staff are encouraged to understand how they contribute to scorecard measures.

A number of lower level, or local, scorecards have been developed to help monitor performance within the Department’s business areas, although this has, so far, been undertaken on a voluntary basis to suit the needs of those business areas.

**Departmental Capability Review**

Capability Reviews are being introduced to assess departments’ capabilities in three main areas: Leadership, Delivery and Strategy. Each review will aim to identify where departments need to improve, and will include an action plan to address the findings. The Prime Minister’s Delivery Unit (PMDU) in the Cabinet Office has been working with Permanent Secretaries and others to develop a model for Capability Reviews, with further refinement taking place following the pilot review in February/March in the Department for Constitutional Affairs. The programme will be rolled out over all 17 main departments over the next 18 months. Defra’s review is likely to take place early in 2007.

Defra’s preparations for its Capability Review will be developed over the coming months and will reflect wider developments of the Capability Reviews as they emerge.
Efficiency

Defra is working to deliver the efficiency targets agreed in its 2004 Spending Review settlement in respect of the financial years 2005-06 to 2007-08. By the end of 2005 Defra had delivered financial efficiencies worth £140 million and reduced civil service posts by 1,016. Defra is also committed to continue the work on efficiency and has started to identify efficiencies that run into the next spending period.

Defra’s efficiency targets

Defra agreed, as part of the 2004 Spending Review, to deliver efficiencies of £610 million and 2,400 Civil Service posts by the end of 2007-08. This was in response to the Gershon Cross-Departmental Review of Efficiency, Releasing resources to the front line: Independent Review of Public Sector Efficiency\(^{202}\), the aim of which was to identify efficiency savings in order to move resources to front-line delivery across Government.

In addition to the efficiency targets, and within the same timescales, Defra will have made plans (in line with the Lyons Review of relocation, Well Placed to Deliver? Shaping the Pattern of Government Service: Independent Review of Public Sector Relocation\(^{203}\)) to relocate 390 posts from London and the South East.

The Efficiency Programme

Defra’s Efficiency Programme is responsible for overseeing and reporting delivery of the targets, identifying adequate contingency to cover any shortfall, and embedding efficiency across the Department (beyond the existing efficiency portfolio).

The programme, which is overseen by the Efficiency Programme Board and managed through a small Efficiency Programme Office, was established in October 2004. Defra’s Finance Director is the Senior Responsible Owner and has the authority to escalate key issues and risks to Defra’s Management Board.

The Defra Efficiency Programme draws upon a portfolio of initiatives that is being undertaken across the core Department, it’s Executive Agencies and Non-Departmental Public Bodies. The major components of the portfolio are:

- Waste Implementation Programme (see Chapter 3 for more details);
- Environment Agency Change Programme;
- Rural Payments Agency (RPA) Change Programme;
- Activity Baseline Review (ABR) – Emissions Trading Scheme;
- England Rural Development Programme IT (ERDP-IT);
- Contracting and procurement;
- Other Executive Agencies efficiency programmes;

\(^{202}\) [http://www.hm-treasury.gov.uk/spending_review/spend_sr04/associated_documents/spending_sr04_efficiency.cfm](http://www.hm-treasury.gov.uk/spending_review/spend_sr04/associated_documents/spending_sr04_efficiency.cfm)

\(^{203}\) [http://www.hm-treasury.gov.uk/consultations_and_legislation/lyons/consult_lyons_index.cfm](http://www.hm-treasury.gov.uk/consultations_and_legislation/lyons/consult_lyons_index.cfm)
• Modernising Rural Delivery Programme\textsuperscript{204} (MRDP);
• IT Outsource Programme (E-nabling);
• Policy Centre Review Programme;
• Transforming HR (THR); and
• Finance Change Programme.

The largest components, based on forecasts at December 2005, are shown in Figure 45 and Figure 46.

**Figure 45: Efficiency Programme – forecast financial efficiencies (£ millions)**

**Figure 46: Efficiency Programme – forecast workforce efficiencies**

\textsuperscript{204} See section on Sustainable Rural Communities in Chapter 3.
£377 million of the overall target will be delivered as cash-releasing efficiencies (producing the same output for less input) while £233 million will be productivity efficiencies (more or better outputs for the same cost). Of the £610 million, £299 million are expected to be delivered by local authorities via efficiencies in waste services for which authorities have budgetary responsibility but Defra has policy responsibility. Half of the waste service efficiencies will be cash-releasing.

A criterion of delivering these efficiencies is that the level of service is maintained or improved. This aspect is being monitored in a number of ways including monitoring of output levels, customer satisfaction surveys, internal and external audits, achievement of Public Service Agreement targets, and corporate Balanced Scorecard measures. Part of the role of the Efficiency Programme is to ensure that quality is not compromised where efficiencies are being delivered. This will be a priority for the remainder of the spending period.

Defra’s Efficiency Technical Note205 (ETN) sets out how the efficiencies will be delivered. In line with other Government departments and at the request of HM Treasury, the Department’s ETN was revised in late 2005 to provide more information in a more user-friendly format. It was published on Defra’s website in December 2005.

**Efficiencies delivered in 2005-06**

To the end of 2005, Defra had delivered actual efficiencies amounting to £140 million, of which £91 million were cash-releasing. Efficiencies in environmental services contributed £54 million to this total. Other major contributions came from the Environment Agency (£47 million) and through procurement (£9 million). In the same period, Defra made 1,016 post reductions. Of these, the Rural Payments Agency Change Programme led to a reduction of 876 posts. A further 107 posts came from the transformation of work in Human Resources. Efficiencies delivered to the end of 2005 amount to some 42 per cent of the Department’s workforce target and 23 per cent of its financial target. (2005-06 efficiencies in environmental services have not been included as they are not finalised until June 2006.)

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Based on current forecasts, Defra remains on track to deliver its target for financial efficiencies across the 2004 Spending Review period. However, the latest forecasts indicate a slight shortfall against the 2004 Spending Review workforce reduction target. The programme team will identify and bring other initiatives into the efficiency portfolio to remedy this and also to create financial contingency.
The initiatives that make up the portfolio are at various stages of maturity and will deliver at different points over the 2004 Spending Review period. Over the next twelve months, key milestones that will deliver efficiencies include:

- further roll out of new IT systems and staff reductions in RPA;
- final implementation of ERDP IT systems;
- establishment of a centralised Customer Contact Unit and centralised liaison on NDPBs as part of Policy Centre Review Programme, and early staff reductions;
- updated guidance and toolkits on waste services as well as completion of work on credits for re-cycling; and
- completion of roll out of e-HR self-service systems.

**Relocation of Posts from London and the South East**

Defra has created a Lyons Steering Group to oversee the relocation of posts from London and the South East. The steering group reports to the Efficiency Programme Board. Defra’s target for relocation of staff from London and the South East was agreed as part of the 2004 Spending Review settlement. This followed the *Independent Review of Public Sector Relocation* carried out by Sir Michael Lyons. By the end of 2005, Defra had relocated 134 posts from London and the South East. The majority of these posts went to York and Worcester. The Department expects to exceed the target of 390 relocations by the end of 2007-08.

**Evidence-based policy-making**

Strategic thinking and policies depend not only on the right skills but also on a clear, accurate and accessible evidence base. This section outlines some of the major events and key outputs during 2004-05. Chapters 2 and 3 describe how these outputs are being used to inform the work of the Department thereby ensuring that its policy-making is based on sound evidence.

**Science in Defra Change Programme: delivering the evidence**

Defra spends around a third of a billion pounds annually on science. The forecast for 2005-06 was approximately £160 million on research and development and approximately £200 million on other types of science, including scientific advice, field trials, knowledge transfer, surveillance and monitoring.
Science (including the social, economic and statistical sciences) is at the heart of good policy-making in Defra. Scientific work is developing at an accelerating rate, and the science within Defra’s remit can often be contentious or uncertain. There is an increasingly important public dimension to the use of science in policy-making. These trends place growing demands on Defra’s scientific capabilities and performance.

The programme consists of a number of projects, designed to ensure that:

- Defra is carrying out the right scientific activities to underpin current and future policy needs and to anticipate emerging risks and opportunities;
- the scientific advice Defra obtains, and the science activities supporting it, is of a high quality;
- Defra has access to the right expertise and skills to procure and interpret scientific information, and that scientific advice is used appropriately in the policy-making process; and
- Defra science is open and transparent, and its aims and results are effectively communicated.

Performance in 2005-06

During 2005-06:

- Defra released its Evidence and Innovation Strategy 2005-08 for public consultation in October 2005. Through this the department will seek to identify the right priorities for the evidence and innovation activities needed to deliver its strategic outcomes. Consultation on the document has recently closed and the Department is now analysing responses;

- following recommendations of the 2004 review of Defra’s science laboratories, the Department is taking forward a Laboratory Strategy to deliver a long-term sustainable future for the laboratories. As part of this, Defra is working with the Biotechnology and Biological Research Council (BBSRC) on a joint study to consider the future relationship between Veterinary Laboratories Agency and the Institute of Animal Health (IAH);

- the Science Advisory Council (SAC) was established in 2004 to provide the Chief Scientific Adviser, and through him Ministers, with expert and independent science advice. The Council met four times with a successful open meeting in October 2005. The majority of the Council’s work is through sub-groups with independent experts co-opted as appropriate to provide specialist advice. The Council’s recommendations in 2005 included advice on:
  - the governance of science advisory bodies;
Defra’s Evidence and Innovation Strategy; peer review and quality assurance of Defra science; and bovine tuberculosis and badgers.

- the Defra Horizon Scanning programme is undergoing a review. A new strategy and research programme based on best practice is currently being established;
- the Department has promoted the EU Sixth Framework Programme\(^{206}\) and highlighted Defra’s priority research areas in its response to the European Commission’s consultation on identifying the main research themes for the Seventh Framework Programme;
- the Department launched a new Science Handbook in January 2005 for use within Defra to ensure consistency and best practice in procuring research;
- the Department has strengthened its science communication activities to raise awareness of Defra science among stakeholders and the public and to help increase public confidence in its use of science; and
- the Sustainable Farming and Food Research Priorities Group published its report of a stakeholder consultation on priorities for research to promote sustainability of the farming and food industries in March 2005.

**Looking forward to 2006-07**

During 2006-07 Defra will:

- continue to work with the Office of Science and Technology on it’s review of Defra Science due to be published in 2006;
- build and foster a new, focussed relationship between Defra and its science agencies by developing a Laboratory procurement strategy;
- maximise Defra’s opportunities to benefit from international collaborative research, notably in the development of the next EU Framework Programme, through science initiatives under the Sixth Environment Action Programme and through bodies such as the EU’s Standing Committee on Agricultural Research;
- publish a high-level *Evidence and Innovation Strategy* setting out the Department’s overall approach in these areas, and taking full account of the recent public consultation;
- further develop Defra’s internal scientific expertise and capacity through the Head of Profession function led by the Chief Scientific Adviser;

\(^{206}\) The Framework Programmes are European Community funded, multi-annual Research and Technological Development programmes (started in 1984), to improve the competitiveness of European industry and provide support for the development of common policies. The programmes provide a framework and financial support for collaborative research in areas defined as being high priority where collaboration at European level provides added value.
• continue to develop the role of the new Science Advisory Council, ensuring that Council recommendations are addressed by the Department and that the Council continues to make an effective input to the development of Defra’s science programmes and activities. Council activities will include:
  – a review of the science underpinning Defra’s avian influenza contingency plan;
  – an end-to-end review of the process by which science is used to develop Defra policy; and
  – consideration of how natural (non-operational) risks are managed within Defra and the contribution of scientific evidence.

Economics, statistics and social research
Economics, statistics and social research teams across Defra have continued to provide relevant, timely and high quality analyses and advice to Ministers and policy makers, also publishing a wide range of statistics and analyses informing policy, including the National Statistics series. Members of these teams also represent Defra on a range of inter-departmental groups and committees and the Government at a variety of European Union and other international groups and meetings.

Performance in 2005-06
During 2005-06 Defra’s economics, statistics and social research teams have worked closely together, with colleagues across the Department and in other departments providing analyses and advice that contribute to the delivery of Defra’s priorities and outcomes. Overarching work has included engagement in the development of the Evidence and Innovation Strategy reported in the previous section, embedding social research as a core discipline within Defra’s evidence base, support to the development of Defra’s approach to better regulation and better policy making, and a major contribution to initial work on the 2007 Comprehensive Spending Review.

During 2005-06 the work of Economics, Statistics and Social Research teams has included:

Climate Change and Energy
• the Climate Change Review Programme has involved close working with other Government departments to evaluate existing climate change mitigation policies;
• work on the Renewable Transport Fuels Obligation has produced analysis of the costs of introducing biofuels into the transport fuel supply chain and the likely sources of the feedstocks, including the economic impacts on the supply of biomass crop inputs in the UK; and
• experimental statistics on carbon emissions by local authority area have been published for the first time

Chapter 7

A Department fit for purpose

Sustainable Consumption and Production
- the Defra Evidence Base Research Programme\(^{208}\) has been supported with economic analysis to support Sustainable Consumption and Production, including work that is feeding into the Sustainable Procurement Task Force\(^{209}\);
- a model to assist local authorities in developing the Landfill Allowance Trading Scheme was launched plus forecasts provided of both municipal and non-municipal waste up to 2020 along with the costs and benefits of various policy options for the 2006 waste strategy review; and
- a new set of 68 national sustainable development indicators was published, along with regional figures for 44 of these indicators for the 9 Government Office regions.

Natural Resource Protection
Several research projects on the economics of biodiversity contributed to a programme of work supporting the *England Biodiversity Strategy*, including:
- updating and improving the costings of the Biodiversity Action Plans (BAPs); and
- initial work was completed on the sources and values of funding available for biodiversity conservation in England.

Sustainable Rural Communities
Close working with other Government departments, agencies and organisations has continued, ensuring that the evidence on rural areas is included in developing policy. Highlights include:
- further development of the rural evidence base, including the publication of *Productivity in Rural England*\(^{210}\), development of a new rural classification for Local Authority Districts\(^{211}\), further development of the Rural Evidence Hub and the publication of a number of research projects\(^{212}\); and
- analysis to inform the Affordable Rural Housing Commission\(^{213}\).

Sustainable Farming and Food
Defra economists and statisticians have contributed to a wide range of policy activities related to sustainable farming and food over the last year. Highlights include:
- models of commodity markets informed the UK position on the reform of the EU Common Agricultural Policy (CAP) Sugar and Rice Regimes;

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\(^{208}\) Sustainable Consumption and Production Evidence Base Research Programme: www.defra.gov.uk/environment/business/scp/research.htm
\(^{210}\) http://www.defra.gov.uk/rural/pdfs/research/productivity-rural-england.pdf
\(^{211}\) http://statistics.defra.gov.uk/esg/rural_resd/rural_definition.asp
\(^{212}\) http://www.defra.gov.uk/rural/research/
\(^{213}\) http://www.defra.gov.uk/rural/housing/commission/default.htm
economic analyses of proposals for reforming terms of trade under the World Trade
Organisation Doha round have been delivered;

an economic evidence base, including estimates of the cumulative burden of
regulation on farmers, was developed for the Farm Regulation and Charging
Strategy214.

a new research programme, the Agricultural Change and Environment Observatory,
was launched in July 2005 in partnership with English Nature, the Countryside
Agency and the Environment Agency. This will monitor the impacts on the
environment of the 2003 CAP reform and will run initially for three years215;

provision of analysis of the likely agricultural and environmental outcomes under
different options for the Uplands Rewards Structure will feed into the forthcoming
consultation on the England Rural Development Programme216;

research on the social and environmental impacts of food transport (food miles)
was published217 and will be followed by an annual set of indicators; and

significant progress was made on matching farm registers to the Office of National
Statistic's Interdepartmental Business Register which will improve coverage and
response in future surveys.

Animal Health and Welfare
Highlights include:

policy development on bovine tuberculosis (TB), including compensation and
cost-benefit analysis of control measures;

economic assessment of lower stocking densities for broilers, including
commissioning research applying valuation techniques to the welfare of chickens;

development of statistical indicator framework to measure progress with the
Animal Health and Welfare Strategy implementation; and

economic and statistical assessments of the threat from avian influenza.

Looking forward to 2006-07

Work will continue on developing and improving the evidence base supporting the
Department’s strategic priorities and informing the development of policy, including through
support to the development of Defra’s approach to better regulation and better policy
making. Within the framework of work on the 2007 Comprehensive Spending Review,
economists will be leading the evidence base work stream that will develop a strong and
robust evidence base supporting the Zero Based Review and Spending Review stages. More
information can be found on Defra’s website218.

218 http://statistics.defra.gov.uk/esg/default.asp
Legal services
The Legal Services Directorate General provides legal and investigation services to Defra and its agencies. It maintains close links with legal teams in other Whitehall departments and devolved administrations to help to ensure the effectiveness and consistency of its legal advice and litigation activities.

Performance 2005-06
During 2005-06 Defra’s legal services:

• supported transposition and implementation of Common Agricultural Policy (CAP) reform measures;
• made continuing progress in implementing EC environmental legislation (including transposition of EU Law);
• contributed to Defra’s continuing efforts regarding regulatory reform;
• prepared the Hunting Bill and supported its Parliamentary process and implementation;
• prepared the Clean Neighbourhoods and Environment Bill and supported its Parliamentary passage (which received Royal Assent on 7 April 2005);
• prepared the Natural Environment and Rural Communities Bill (which received Royal Assent in March 2006);
• prepared the Animal Welfare Bill;
• published an Enforcement Policy for Defra;
• dealt with various judicial reviews and other litigation including, litigation investigations and contractual disputes following the foot-and-mouth disease outbreak; and
• provided legal support through the UK Presidency of the EU and at international negotiations on climate change.

Looking forward to 2006-07
During 2006-07 Defra’s legal service will:

• assist in the effective and timely implementation of CAP reform;
• assist in the modernisation of rural delivery structures and functions;
• assist in Defra’s major procurement and development projects;
• embed a more outcome driven-approach to enforcement;
• develop and apply a thorough training programme on Better Regulation for lawyers (to increase the added value of their internal challenge function);

• promote the effectiveness and the survival of the Kyoto Protocol;

• contribute to optimum targeting of fisheries control and enforcement for conservation purposes;

• contribute to Defra’s efforts to ensure that it remains fully responsive to developments on the information agenda (including the Freedom of Information Act 2000); and

• provide legal support in implementing the Hampton recommendations on the consolidation of inspectorates.

Programme and project management
Defra’s Programme and Project Management Unit (PPMU) was set up in 2003 to:

• develop Programme and Project Management (PPM) expertise;

• disseminate and monitor PPM practice and ensure that PPM becomes the natural way of working in Defra, in particular to spread lessons learned and best practice; and

• manage the scope of key programmes and projects within a single portfolio, providing assurance to, among others, the Management Board on its progress in delivering its top portfolio of programmes and projects.

In addition to the Office of Government Commerce Gateway™ Reviews and internal audits, Defra is putting in place a further range of measures to ensure that its top programmes and projects are more likely to deliver to schedule and cost.

Risk management
Defra is now almost four years through its Five Year Strategy to embed good risk management in the Department.

The number of high-risk policy areas within Defra’s portfolio, combined with the range of delivery partners that the Department work with, and a challenging internal reform programme, demand an effective handling of risk if Defra is to be successful in delivering its strategic outcomes. This is now clearly understood and a range of tools and techniques, training aids and good practice examples underpin the Department’s development of a more systematic and consistent approach to risk at all levels.

219 The OGC Gateway Process examines a programme or project at critical stages, from the start of the project to when it finishes, to provide assurance that it can progress successfully to the next stage; the process is based on well-proven techniques that lead to more effective delivery of benefits together with more predictable costs and outcomes. More information is available at: www.ogc.gov.uk/index.asp?id=377
Building on the progress of the last year, three priority areas remain:

- improving Defra’s handling of risk in policy and delivery submissions to Ministers and in subsequent discussions with Ministers;
- improving Defra’s management of risk in delivery partnerships; and
- improving Defra’s understanding and management of the Department’s portfolio of risk.

Corporate services and systems aligned to business needs

The various parts of the corporate centre in Defra are engaged in programmes to improve their performance, for example, programmes to ensure that Defra makes best use of information technology (IT), and to improve the finance function, and to ensure more effective co-ordination between them. This part of the chapter looks in turn at the following areas of corporate activity:

- finance;
- information technology in Defra;
- Defra’s estates strategy; and
- communications.

Finance

Defra’s total public spending for 2005-06, including its Agencies, is £3.7 billion. This is significantly lower than last year’s £5.8 billion because HM Treasury has back-dated a number of budget classification changes which are only formally effective from 2006-07, so as to maintain the comparability with prior years in the core tables. This is explained further in the new commentary added in Chapter 9 (Core Tables).

Improvements in financial control

The improvement of financial management continues to be a priority for the Department. Intelligent use of the internal integrated financial reporting system has already resulted in much more accurate forecasting and budgeting processes. Defra is seeking further improvements by implementing recommendations set out in a review carried out in 2005.

Migration to HM Treasury’s new integrated financial reporting system (COINS) has been completed successfully. The Department’s approach was seen as a model for other departments, several of whom have sought advice and guidance on implementation.
The Finance Change Programme has made further progress on the embedding of financial, procurement and project management skills within Defra’s policy areas and the Department’s delivery agents and on implementing further improvements to the systems, procedures and Departmental structure used to provide financial management control.

During 2005-06 the Department took the decision to press ahead with a programme to establish a Shared Services Organisation (SSO) agency for core-Defra and members of the wider Defra family, to be fully implemented by 2007. The agency will combine the provision of financial, human resources, accommodation and procurement services to provide greater economies of scale and improvements in the quality of services.

During February 2006 the Finance Planning Resource Directorate (FPRD) Change Programme Board decided to close the programme earlier than anticipated. The Directorate will still be sponsoring work streams to meet its requirement to:

- reshape the Financial Planning and Resources Directorate to focus both on its strategic role and its role as a customer for the finance services that are planned to be provided by the SSO;
- supporting the successful delivery of Defra’s relocation targets;
- delivering improved decision support across business areas to provide more efficient, business informed advice on budgetary management, business planning, performance reporting and contract management; and
- meeting the financial management information requirements of key stakeholders, including the requirement to provide Parliament and HM Treasury with timely, accurate and reliable data on estimates, forecasts and outturns.

Commercial management and procurement

Defra reported value for money savings to the Office of Government Commerce (OGC) of £98 million on an expenditure of £1.3 billion for the financial year 2004-05. As part of the Efficiency Programme, Defra has achieved efficiency savings in procurement of £53 million, against the Gershon efficiency target of £30 million for the period April 2005 – March 2008. The Purchasing and Contracts Division (PCD) also achieved ISO9001 accreditation and, in conjunction with the National Audit Office, ran a workshop for over twenty Government departments on sustainable procurement. PCD also procured a containerised gassing system for disease control of poultry and, further supported Defra’s work on emergency preparedness. PCD continued to let contingency contracts for the various services required to combat any outbreaks of animal health diseases.
Defra embedded further its e-procurement strategy into core-business processes and procedures and has been implementing a ‘No Purchase Order, No Payment’ policy across the core Department. This is contributing to improved financial management and control through improved visibility of expenditure commitments and efficiency improvements in back-office functions. An e-contracts database is being deployed across the Department which will provide information centrally on Defra’s contractual commitments and contract variations in the context of the cash-releasing savings and efficiency improvements required under the Gershon efficiency programme.

Highlights include:

- the Department published its joint report with the Greater London Authority on *Opportunities for Efficiency Gains in Waste Management Services – London Pilot Study*, and its Sustainable Procurement Strategy and Toolkit;
- the Public Sector Food Procurement Initiative (PSFPI) continues to make good progress with a contract for a study into the feasibility of establishing a national on-line facility to help buyers do business with farmers;
- a Defra Green Futures supplement *Sausage, Mash and Sustainability* was sent to some 12,000 readers including over 1,000 public sector decision takers in October 2005;
- the leaflet *Unlocking Opportunities* for buyers was published in September 2005;
- a successful food procurement workshop was held at the Sustainable Procurement Conference in London in October 2005;
- the first round of regional suppliers’ workshops took place in November 2005 and March 2006;
- more regional pilots were undertaken to develop the food chain supply side; and
- more guidance, tools and best practice case studies were put on the PSFPI web site.

Defra’s Food Procurement Unit also gave presentations at several conferences for key stakeholders, including schools and hospitals. Defra also hosts regular steering group meetings with the Government Offices for the regions to disseminate information from Central Government.

As the world’s fourth largest importer of wood products, the UK shares responsibility with timber producing countries for tackling the problem of illegal logging and forest loss. As a strategy for influencing other consumers at home and abroad the Government is seeking to purchase its timber and timber products from legal and sustainable sources. Defra has been
Responsibility for overseeing implementation of this policy for over five years. A central point of expertise on timber (CPET)\(^{221}\) has been established to give guidance and specific advice to public sector buyers and their suppliers. The success of Defra and CPET in helping to increase the demand for and supply of legal and sustainable timber has been recognised by the Environment Audit Committee in its report on *Sustainable Timber* published in January 2006. The UK is a leader in this field and is working within the EU, UN and G8 processes to promote its timber procurement policy.

The policy was developed from a G8 commitment and is therefore part of UK foreign policy. Consequently Defra has worked closely with the Foreign and Commonwealth Office and the Department for International Development. Defra maintained a working relationship with Government officials in Denmark, Holland, France, Germany, Canada and, to a limited extent Malaysia, Ghana and Japan. Domestically Defra has worked closely with the Office of Government Commerce and have regular meetings with a number of departments that comprise the Timber Buyers’ Group.

### Departmental Investment Strategy

Defra's *Departmental Investment Strategy 2005-08* describes the investment programmes planned for the 2004 Spending Review, and outlines the outcome of previous investment activity. The strategy is available on the Defra website\(^{222}\).

The net book value of the fixed assets controlled by Defra including its Executive Agencies, Non-Departmental Public Bodies (NDPBs) and Public Corporations is approximately £3.6 billion. This includes flood and coastal defences held by the Environment Agency and a major portfolio of land and buildings including internationally important laboratory and research facilities. The Department plans to invest at least £339 million in both 2006-07 and 2007-08 to maintain and upgrade these assets. This will also include funding to be given to local authorities to invest for example in waste recycling and flood management.

Where assets are no longer required for the Department’s business, they are sold either to other departments or to private businesses. Defra, including its NDPBs and Executive Agencies, generated income of approximately £17 million in 2005-06 from sale of its surplus assets.

### Fraud awareness and prevention

Defra is introducing an anti-fraud and anti-corruption strategy, to advise and guide staff on the approach to the serious issues of fraud and corruption. This strategy document includes a fraud response plan, which provides more detailed guidance on how to deal with fraud and corruption.

The strategy document is therefore a coherent re-statement of current responsibilities and also covers legislation since 2000.

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221 http://www.proforest.net/cpet
222 www.defra.gov.uk/corporate/busplan/dis/index.htm
The document sets out:

- Defra’s responsibilities as a Department;
- how the Department expects its staff to behave; and
- explains the reasons why these procedures should be strictly adhered to.

Internal audit

Internal Audit’s primary role is to provide independent assurance on risk management, control and governance to the Departmental Accounting Officer. Internal Audit undertakes this role through a programme of agreed assignments, designed to address the main risks to the achievement of the Department’s objectives. The recommendations arising from this work assist managers in improving the effectiveness of control, efficiency and value for money.

Defra’s Audit and Risk Committee is an advisory body which supports and advises the Accounting Officer on issues of risk, control, governance and other related matters. It also supports the internal audit, external audit and risk management roles within the Department.

A new Internal Audit Strategy, approved by the Audit and Risk Committee, identifies and maps the assurance framework for the Department as the basis for determining the level of assurance required, from all available sources and to plan the required level of internal audit work. This new approach is designed to enable Internal Audit to demonstrate that it is continuously providing the necessary level of audit coverage in a changing Department. The scope of work is on Risk Management, Planning and Strategy, Performance Management, Change, Governance and Programme and Project Management systems, as well as the risks to the achievement of the Department’s key outcomes to be secured against its five strategic priorities. New software and a new structure are being implemented to meet the challenges of relocating the majority of the Division to York under the Lyons agenda.

Information Services in Defra

Defra’s Information Services are essential to maintaining effective ways of working for a large number of people in the Department and key to delivery of Defra’s Five Year Strategy, Public Service Agreement targets and major business change programmes. Defra signed an outsource contract for IT services with IBM in 2004 and is now benefiting from this relationship. During 2005-06, the Department extended the contract further within the Environment Agency, Natural England and the Commission for Rural Communities.
The Department is well into its programme to implement its Delivery Strategy. Consequently much of the focus is now in providing improved information services for customers and staff across the Defra family. The wider Government agenda is also a significant driver, in particular the *Transformational Government Strategy* and its remit to improve customer services across Government, deploy shared services across departments, and improve IT professionalism.

**Performance in 2005-06**

Defra has made significant progress in the implementation of its Information Services (IS) Strategy. The following strategic system deliveries have been completed in 2005-06:

- implementation of systems and call centre arrangements by the Rural Payments Agency for the Single Payment Scheme (SPS), registration of 120,000 customers and their land using the new systems, processing of applications, and commencement of payments;

- implementation of a new system and major business change to administer the Environmental Stewardship schemes, and commencement of payments;

- introduction of the first release of the Whole Farm Approach Portal, making available to farmers the Whole Farm Appraisal that will help them in improving farming practices;

- delivering corporate data services for customers, spatial information and livestock is at the heart of Defra’s IS strategy. During 2005-06, design work was completed for a new livestock register, agreement was reached on a strategy for customer registration, and implemented the first release of a spatial information repository;

- implementation of a Poultry Register to help in dealing with a potential Avian Influenza outbreak, new on-line cattle tracing facilities, and system changes that helped in removing the beef export ban; and

- implementation of a new strategic IT architecture, commencement of a full-scale office systems refresh, and introduction of a policy of using more sustainable IT equipment.

Defra’s Information Services continued to provide reliable access to information, records management, and knowledge management services, meeting obligations under the Freedom of Information Act\(^2\) and the strengthened Environmental Information Regulations promptly and accurately. The Translations Service provided key services during the UK Presidency of the EU, while the Library provided a new one-stop-shop for Defra staff on Avian Influenza information.

\(^2\) www.foi.gov.uk
Estates Strategy

The Department’s drive on estate rationalisation is influenced by the outcome of a comprehensive internal review linked to both the outcomes of the Gershon and Lyons reports. Consequently, Defra is preparing a comprehensive estates strategy.

The Department is committed to making the best use of its available estate. For example, the London estate is being improved to make the best use of the available space by open plan working which will help to promote more flexible ways of working. This approach is also being adopted in the regional estate.

The Department is committed to exploring opportunities with other departments and the wider public sector to sharing accommodation and is ensuring that its utilisation of sites is maximised.

Communications

It is essential that all communications across Government are customer-focussed and based on robust evidence. The need for sound strategic planning resulting in the delivery of integrated communications plans is a key requirement. Chapters 2 and 3 set examples in detail of some of the major areas of communication. These include:

- Climate Change – which aims to raise awareness about the threat of climate change;
- Common Agricultural Policy reform – running road shows across England, distributing videos, CD-ROMs and DVDs introducing and explaining the Single Payment Scheme; and
- Waste Strategy – the launch of a major national and local communications campaign.

Ministerial correspondence

Defra has a target to respond to letters within 15 working days. A Ministers Correspondence unit deals with the majority of letters to MPs and Peers signed by Ministers.

Figure 49: Performance against target for answering Ministerial correspondence 1 April 2005 to 31 March 2006

<table>
<thead>
<tr>
<th>Letters received</th>
<th>Percentage of letters replied to within 15 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,737</td>
<td>61</td>
</tr>
</tbody>
</table>
People and performance

Defra’s Departmental Reform Programme has set a challenging people agenda which must deliver organisational change and efficiency savings while also building workforce sustainability through:

- strong transformational leadership and skills development;
- talent management and succession planning;
- redeployment and resourcing;
- effective performance management, pay and reward strategies; and
- improved processes and ways of working.

This section of the report sets out the key people issues addressed during 2005, providing the basis for developing the Department’s People Strategy for 2006 and beyond.

Transforming HR (T-HR): Changing the way HR services are delivered

The Department is nearing completion of a three-year programme of transformation within HR that is aimed at simplifying HR procedures and providing enhanced quality advice to managers and staff. A new electronic HR system (e-HR) is being introduced to enable staff and their managers to access, and input, data directly. The Department is also addressing the need to define roles and responsibilities of HR; line managers and employees; and modernise HR policies to meet the needs of Defra. The Department is making steady progress towards an HR services capacity that provides a quality service to customers at lower cost, and which meets the Gershon target for March 2006 of 1 HR staff member to 64 Defra employees.

Recruitment and redeployment

Defra’s recruitment policy is to ensure that the Department attracts and retains high quality staff, and that it selects the best candidate for the job at every selection opportunity. It is seeking to build a diverse, highly skilled and highly motivated workforce which will be capable of delivering on the Department’s complex agenda now and in the foreseeable future.

Defra as an employer is bound by the civil service rules of open and fair recruitment and approaches both internal and external campaigns on the basis of equality. It operates a competency based approach to selection with managers taking the responsibility for the selection process.

Defra has managed the impact of an increasing number of restructuring exercises on staff in a fair and consultative way, and continues to comply with Cabinet Office protocols aimed at minimising compulsory redundancies. Vacancies are filled internally unless there is clearly no suitable internal candidate and if particular specialist skills are not available within the Department. The Department is exploring ways to deploy staff internally to support business priorities effectively and retain the skills and talents needs for the future.
Use of permitted exceptions

The Commissioners’ Recruitment Code allows a limited number of circumstances in which exceptions are permitted to the recruitment principles of fairness, openness and merit. The primary objective of permitting certain exceptions is to provide flexibility where it is genuinely necessary to meet the needs of the Department. Figure 50 shows the appointments that have been made under the permitted exceptions rules.

Figure 50: Recruitment practice: use of permitted exceptions

<table>
<thead>
<tr>
<th>Permitted Exception</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inward secondments into Defra</td>
<td>79</td>
</tr>
<tr>
<td>Re-appointment of former Civil Servants</td>
<td>37</td>
</tr>
</tbody>
</table>

Pay and reward

The 2005 Pay Award, which was effective from 1 July 2005, represented the final stage of the multi-year pay settlement (that runs until 30 June 2006).

A key strategic aim of the multi-year pay settlement was to modernise and harmonise pay for staff following the creation of Defra in 2001. Over the course of the deal, significant re-structuring of the pay ranges has been delivered such as shortening of pay ranges, re-structuring of pay minima, introduction of step-progression and milestones.

The Department is now looking at the pay arrangements for 2006 and beyond. These include:

- considering new tensions such as finance, pay coherence, organisational change, local pay and the Professional Skills for Government agenda;
- to modify the structure to reflect on the lessons learnt over the last four years;
- develop the structure further; and
- to make the pay arrangements as simple and transparent as possible, affordable and fit for business purposes.

Performance management

Improving Defra’s performance continues to be a key priority. Effective performance management involves a comprehensive range of processes and measures, including:

- business planning;
- communicating the Department’s objectives and targets;
- setting clear business targets and standards;
• performance appraisal and personal development plans;
• reward and recognition, including bonuses and team awards;
• balanced business scorecard; and
• Defra staff survey.

A new performance appraisal system which is focussed on the achievement of delivering outcomes was introduced on 1 April 2005. The characteristics of the system are:

• continuous regular honest feedback throughout the year;
• two compulsory in-year reviews; and
• a short end of year assessment focussed on the delivery of work objectives.

An integral part of Defra’s performance management strategy are the high performance bonus awards, which recognise Defra’s most outstanding performers through the payment of in-year and annual performance bonuses.

Managing attendance

The Department is committed to managing sickness absence and continues to embed the policy which was introduced in December 2004. Sickness absence levels in Defra are consistently below the Civil Service average, as shown for 2004 when Defra lost 7.5 days per staff year compared with 9.1 across the Civil Service.

A new Occupational Health service provider was contracted in Autumn 2005, offering fresh impetus to supporting the needs of Defra's managers and staff. The Department is working towards reducing the average number of days lost per staff year to below 6.9 by 2010.

Defra has been working closely with the Health and Safety Executive (HSE) regarding tackling stress in Government departments. During 2005, the realignment of Occupational Health Services, Employee Support Services and the introduction of Employee Assistance Programme (EAP) arrangements mean that the Department is better positioned to be pro-active in this area.

Leadership Development

The Senior Managers Leadership Development Programme (SMLDP) ran from 2003-05 at a cost of £3 million, and was aimed at assessing and developing the most senior 700 leaders in Defra. In December 2004, the Management Board approved a new strategy for leadership development to build on the success of SMLDP and expand the concept of Leadership Development to Defra people at all levels. In particular it aimed to focus attention on the ‘Big 5’ (Taking Personal Responsibility, Shaping and Creating a Vision of the Future, Putting Diversity into Practice, Making Things Happen Through Others and Facing Up to Hard Choices) key leadership behaviours that the Department judges are most likely to need to meet Defra’s needs now and in the future.
Since December 2004 Defra has been working on the next phase of its Leadership Development Programme, integrating the ‘Big 5’ into learning and development and HR processes, to ensure their positive impact on Defra’s business at all levels. Work includes aligning the ‘Big 5’ with the Professional Skills for Government (PSG) framework, and ultimately by the end of the next phase (October 2006) the entire programme will leave a legacy of solid learning opportunities, HR processes and expertise in the form of easy-to-use toolkits with hard measures to evaluate leadership effectiveness.

Learning and development

During 2005-06 there has been a significant increase in the number of staff and managers in Defra who believe they are developing the skills they need to do their job. This has been achieved by aligning the learning and development strategy with Defra’s business strategy and plans, and by forging closer links between business units and learning and development operations to facilitate a better understanding of business issues and their impact on skills requirements. The learning and development strategy will be updated to reflect leadership development, policy skills development (arising from Defra’s Policy Centre Review Programme), the wider Civil Service Professional Skills for Government initiative, and a range of new and ongoing learning and development needs identified by business areas.

Gains in efficiency have been made through bringing together the Central and IT learning and development teams and undertaking a competitive tender to secure a Framework Agreement of high quality, value for money learning and development providers. The learning and development portfolio has been updated to provide greater choice in content and learning approach to meet the needs of both business operations and individuals.

Investors in People

Defra’s accreditation as an Investor in People (iiP) is more important than ever with the growing focus on enhancing skills and increasing capacity to improve delivery and achieve efficiencies. By May 2006 Defra expects to have recognition for a further three-year period.

The Department has worked with iiP UK to ensure that those parts of Defra that have now or will shortly become separate from the core Department can retain their iiP status.

Professional Skills for Government

Professional Skills for Government (PSG) is a key part of the Government’s Delivery and Reform agenda. It is a major, long-term change programme designed to ensure that civil servants, wherever they work, have the right mix of skills and expertise to enable their departments or agencies to deliver effective services.

During 2005 the Department has conducted a first skills audit of the Senior Civil Service (SCS). Plans are now being implemented to ensure Defra can meet the Governments target that 75 per cent of SCS members demonstrate competence in all six core skill areas by

More information can be found at: http://psg.civilservice.gov.uk/
September 2007. But Defra needs competent, professional people with a full range of skills at all levels, not just in senior management. Defra aims to roll out PSG to all staff as quickly as possible and implementation during 2006 will focus on, skills, HR Policy, procedures and communication.

**Interchange and Take5**

Defra regards Interchange as a key component to meeting its changing business agenda and it is being embedded at all level of the business. In particular, the focus for Interchange during 2005 has shifted towards shorter, planned visits, projects or collaboration with delivery partners and industry, and a requirement that all Senior Civil Servants (SCS) spend at least 5 days on such activities as part of their performance objectives. This is Defra's new Take5 initiative. Over 60 per cent of Defra’s SCS have already participated in Take5, which has involved contact with over 50 organisations in the public and private sectors that have a stake in Defra's agenda.

Defra is currently working with Government Offices, Agencies and other delivery agents and partners to encourage more reciprocal Interchange arrangements, ensuring the full range of Interchange activities are recognised as key to Professional Skills for Government and the development of Defra's capabilities and skills.

**Relations with employees and their representatives**

Defra has begun to redefine its relationship with its staff and staff representatives, building on the principles of honest and constructive communication. Key aspects are:

- staff will be engaged and informed about the Department’s plans and their implementation;
- Trade Unions’ views will be taken into account in the development of policy; and
- work is being done to improve and develop HR policies and processes, designed to be evidence based, simple, clear and concise and directly supporting Defra’s strategic priorities. Draft policies are being sent to the Plain English Campaign organisation to achieve its ‘crystal mark’.

HR policy development is aligned with the Defra big five leadership behaviours, with the aim of encouraging more effective line management decision making on people issues.

**Diversity**

The Department has developed an overarching Diversity Strategy, agreed at Management Board level, which demonstrates how the Department will meet the targets identified in the Cabinet Office’s 10 point plan for Delivering a Diverse Senior Civil Service. This is designed to take Defra into the next stage of developing and embedding stronger diversity management into the fabric and culture of the Department. A key element of this is achieving greater representation of minority groups in the Senior Civil Service (SCS) and at Grades 6 and 7.

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Recruitment and selection and training and development

In order to support delivery of the Diversity Strategy, the Department has revised its Diversity Champions’ Network chaired by the Permanent Secretary, to ensure it includes representatives from all areas of Defra’s Business, including the Executive Agencies. This year the Department has worked closely with its Agencies and NDPBs in order to promote a more diverse and representative mix at senior level and in the grades below.

The external focus resulting from the establishment of business Diversity Champions, and the alignment of the Diversity and Equality Unit teams with business areas will help ensure that diversity issues are addressed from the outset and improve the Department’s ability to meet the requirements arising from equality legislation, in particular in relation to the development of policy and service delivery.

The Champions’ Group and staff networks will help take forward work currently underway to develop a new Equality Scheme to address the legal requirements arising from the Disability Discrimination Act 2005 and the Race Relations (Amendment) Act 2000.

Diversity and equality awareness training has been updated to reflect a similar business focussed approach. The Department continues to work with other government departments through a variety of diversity networks, to share best practice and ensure a cohesive approach.

Figure 51: Core Defra: Percentage of men, women, part-time, ethnic minority, and disabled staff by grade May 2005 compared to April 2006

<table>
<thead>
<tr>
<th>Grade</th>
<th>Men %</th>
<th>Women %</th>
<th>Part time %</th>
<th>Minority Ethnic %</th>
<th>Disabled %</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCS</td>
<td>70</td>
<td>70</td>
<td>30</td>
<td>30</td>
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<tr>
<td>Pay Band 2</td>
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<td>Pay Band 3</td>
<td>71</td>
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<td>25</td>
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<tr>
<td>Grade 6</td>
<td>66</td>
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<td>34</td>
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<tr>
<td>Grade 7</td>
<td>64</td>
<td>62</td>
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<td>38</td>
<td>7</td>
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<tr>
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<td>HEO</td>
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<td>45</td>
<td>46</td>
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<tr>
<td>EO</td>
<td>48</td>
<td>47</td>
<td>52</td>
<td>53</td>
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<td>Average</td>
<td>52</td>
<td>52</td>
<td>48</td>
<td>48</td>
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</tr>
</tbody>
</table>
Figure 52: Defra and All Agencies: Percentage of men, women, part-time, ethnic minority and disabled staff by grade May 2005 compared to April 2006

<table>
<thead>
<tr>
<th>Grade</th>
<th>Men %</th>
<th>Women %</th>
<th>Part time %</th>
<th>Minority Ethnic %</th>
<th>Disabled %</th>
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<td>49</td>
<td>51</td>
<td>12</td>
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</tbody>
</table>

Staff Survey

A full core-Defra Census Staff Survey took place in July 2005 and the final response rate was 64 per cent. The overall picture appears to show a continuing improvement in many areas.

- **Blame and challenge** – More people feel that they would not be blamed for making a wrong decision than in 2004;

- **Performance management** – More people thought the Department rewarded effective performance, but dealing with poor performance is still a major problem, both Defra-wide and locally;

- **Resources, people, skills and workloads** – More managers than before say they have enough people with the right skills to meet their team’s objectives, but too few satisfied with their current workload and work longer than their condition hours;

- **Consultation** – More people think their views are sought before changes are made which affect their job. Although only 50 per cent of respondents understood the definitions of ‘direct’ and ‘end’ customers and only a third of people said they regularly conducted satisfaction surveys, these are upward trends;
• **Bullying, harassment and discrimination** – the figures show no improvement since the last census survey, which is very disappointing, and new approaches, both corporately and locally, need to be considered; and

• **Perception of the Management Board and Directors** – More people feel the Management Board and Directors are providing effective leadership than in 2004.

A new action plan addressing four priority areas (bullying, harassment and discrimination; perception of the Management Board; performance management and resources, skills and workloads) is awaiting Management Board endorsement before being launched.