HMCPSI
HM Crown Prosecution Service Inspectorate

Serious Fraud Office leadership review

July 2019

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Who we are

Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI) inspects prosecution services, providing evidence to make the prosecution process better and more accountable.

We have a statutory duty to inspect the work of the Crown Prosecution Service and Serious Fraud Office. By special arrangement, we also share our expertise with other prosecution services in the UK and overseas.

We are independent of the organisations we inspect, and our methods of gathering evidence and reporting are open and transparent. We do not judge or enforce; we inform prosecution services' strategies and activities by presenting evidence of good practice and issues to address. Independent inspections like these help to maintain trust in the prosecution process.

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1. Summary

Background

1.1. In December 2018, the Chief Operating Officer (COO) of the Serious Fraud Office (SFO) approached HMCPSI asking for an independent assessment of staff engagement within the SFO. While the SFO's Civil Service People Survey engagement scores have been higher than the Civil Service average in recent years, they had declined in 2018. The new Director and the COO wanted to understand whether this was because of, in spite of, or unrelated to recent initiatives to improve aspects of management practice.

1.2. In particular, both the COO and the new Director wanted to better understand the drivers of the People Survey results relating to leadership and managing change.

1.3. Finally, the new Director has strong aspirations to address some entrenched cultural issues and make the organisation more people-centric and results-focused, and wanted the Inspectorate's independent perspective to inform this effort.

1.4. The review was formally requested in February 2019; the Chief Inspector considered the request and approved the review. The methodology is set out in annex A.

2. Findings

Summary of findings

2.1. The new Director has set out her priorities for the organisation, although she has recognised that more can be done to reaffirm that the emphasis on 'people' priorities is genuine.

2.2. There are some clear challenges, the central one being that the sharp focus on delivery of casework, whilst a strength, is also a weakness. It has driven a culture of delivery which has, in many instances, led to tolerance of neglectful approaches to management or, in some cases, of unacceptable behaviours.

2.3. Some of the issues were about the fear of losing talented and experienced staff from long running cases and adding pressure to delivery of the core business. Some were about managers failing to sufficiently prioritise the development or other needs of their staff. Some were the result of past organisational failure to address some of the cultural challenges of bringing different disciplines together.

2.4. Whilst there have been attempts to address these issues, including a number of working groups or committees tasked with pushing aspects of the people agenda and surfacing concerns, much of what has been done is not seen by staff as any form of joined up people strategy. The people culture needs to be seen as important and core to the SFO, in the same way that the delivery of its core business is perceived.

2.5. But what was also clear was the desire of the Director, the Chief Operating Officer and some of the Executive Group to change the organisation. It was also heartening that most of the staff the review team interviewed remained open to working with the organisation to make change. The SFO needs to take advantage of this good will and positivity and show that it is serious about ensuring every member of staff is valued and treated fairly, is clear about appropriate behaviours and will address and challenge those who are not demonstrating its values.

2.6. The SFO needs to drive this agenda from the top. The Director was clear that this is what should happen and staff were keen to see this change.

Vision and communication

2.7. Staff were clear that the aims of the SFO are to reduce the harm caused by high economic crime and that to support this there are a series of strategic objectives, which include investigating, recovering, providing value for money, building relationships and building an effective workforce.

2.8. There was also general awareness that the Director had set out clear priorities in initial speeches to all staff. However, the messages which resonated most were those about injecting pace and thinking about other ways of dealing with casework, rather than those about encouraging personal development and esprit de corps, or having a zero-tolerance approach to bullying, for example.

2.9. It was clear to the review team that the new Director is determined to have a values-led organisation. This was also recognised by others in the senior leadership cadre.

2.10. The review team found that although staff felt that the SFO tries to support its people in various ways, they experienced these efforts as ad hoc or stand-alone initiatives. These need to be communicated as part of a holistic strategy if they are to add up to more than the sum of their parts. The SFO recognises that there is a need to define and communicate its core people priorities better, including by ensuring that the focus on delivering casework does not come at the cost of short-changing discussion of corporate or people issues.

Management visibility and role models

2.11. The organisation has a visible and approachable Director and COO. In some parts of the organisation, staff thought that managers were open and approachable. This was not universal, however, and different groups of staff had different perceptions of access to and engagement with senior managers. Similarly, the approachability of managers at case team level varied between teams, job roles and grades. There were reports that some managers did not engage with or, at worst, know their staff.

2.12. There were also clear variations across the business in respect of how far staff thought managers demonstrated commitment to SFO values. As noted earlier, there were examples where failure to meet expectations outside the delivery of casework had no consequences, and examples where people perceived favouritism or other unfairness. This undermined staff confidence in the messages from the top of the office – felt by some as a culture of ‘do as I say, not as I do’.

Performance management and development

2.13. Whilst there are clear organisational expectations about the importance of staff having effective performance appraisals and the rationale for talent management discussions, the reality found during the review was that there was limited and uneven success in terms of actual compliance and effective engagement with these processes. Many staff felt the meaningfulness of these discussions, and indeed their ability to progress in their careers at the SFO, depended disproportionately on their role, discipline and who was managing them. This reinforces the complaint expressed by many that personal development was of secondary focus.

2.14. Similarly, there was frustration that the management of poor performance was at best inconsistent, despite senior managers believing that there is a clear corporate message that poor performance will not be tolerated. Again, the perception that reality is at odds with the messages undermines the efforts to drive change in this area.

Conclusion

2.15. To achieve the aim of making the SFO a truly values-led organisation, its leadership needs to develop and communicate a more strategic approach to cultural change. Enforcing the prioritisation of this work, and implementing it in a planned way, will help break the organisation's habit of allowing this agenda to drift in the face of operational imperatives, and build trust, rather than cynicism, in its commitment. Most importantly, the changes need to be driven throughout the organisation, with nobody excused from participation.

2.16. In this, the SFO has some powerful advantages: as noted, there is a great deal of goodwill within the organisation and it should be possible to leverage the high engagement so many staff bring to their work to support this agenda. Also, there is much work underway across the business to advance people priorities; these could be linked and structured more effectively as part of the strategy.

Annex A
Methodology

HMCPSI has long experience of undertaking both inspection and management activity to assess leadership and governance, as well as assessing factors that may affect 'organisational temperature'. Using this experience of this form of activity, we developed a framework (including a series of performance expectations) for this review.

To carry out the review, we carried out the following actions and gathered the following evidence.

- We examined core documents relating to a number of current working groups and committees that the SFO had set up over the years to consider and act on human resources, development and culture issues. As well as reviewing minutes, we considered the terms of reference of the groups, and any objectives.
- We analysed the SFO's 2018 Civil Service People Survey results and the free-text comments on questions specifically relating to leadership.
- We looked at minutes from manager-led meetings in casework divisions.
- The review team interviewed more than 85 staff from different grades, divisions and units in the SFO, on a one-to-one basis or in staff focus groups, in February 2019.
- The review team developed and issued a survey to all SFO staff. There were 276 responses (52.7% of SFO staff) to the HMCPSI survey.

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