



CabinetOffice

Autumn Performance Report 2008



**Making
government
work better**



Cabinet Office

Autumn Performance Report

2008

Presented to Parliament by Minister for the Cabinet Office and
Chancellor of the Duchy of Lancaster by Command of Her Majesty

December 2008

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Introduction

1. This Autumn Performance Report provides information on the latest progress against the Cabinet Office's Public Service Agreement (PSA), Service Transformation Agreement (STA) and Departmental Strategic Objectives (DSOs) agreed as part of the 2007 Comprehensive Spending Review (CSR 2007). It also reports progress against our outstanding targets from Spending Review (SR 2002) and Spending Review 2004 (SR 2004) periods.
2. Autumn Performance Reports were introduced in 2002 to supplement reporting against PSA targets in Departmental Reports. This report follows on from the Cabinet Office Annual Report and Accounts 2007 –2008 (HC613), which was published in July 2008.
3. Part 1 provides information and updates on progress against the PSA which we lead, the STA and DSOs announced as part of CSR 2007.
4. Part 2 provides information on progress, and where applicable, final assessment against the Cabinet Office's Public Service Agreement (PSA) targets agreed as part of SR 2004 and SR 2002.
5. As part of CSR 2007 Cabinet Office is seeking to deliver value for money (VfM) savings of around £35 million per year by 2010-11. The Autumn Performance Report details the VfM plans and progress against delivery.
6. The Cabinet Office Annual Report and Accounts 2007 –2008 (HC613) was published in July 2008. The accounts provide information about Cabinet Office performance in relation to its resources.

Comprehensive Spending Review 2007

The Comprehensive Spending Review (CSR 2007) announced a new set of PSAs which articulate the priority outcomes for the CSR period. This section describes the areas in which the Cabinet Office leads delivery and also describes its Departmental Strategic Objectives (DSOs), also announced during the CSR, against which the Department will also be measured; plus details of the relationship between the two.

Background

Since their introduction in the 1998 Comprehensive Spending Review (CSR), Public Service Agreements (PSAs) have played a vital role in galvanising public service delivery and driving major improvements in outcomes. Building on this success, over the past two years the Government has been working with frontline professionals, the public and external experts to renew the performance management framework for the next decade.

The culmination of this work was the announcement in CSR 2007 in October 2007 of 30 new PSAs. These set out the Government's highest priority outcomes for the CSR 2007 period, 2008/09 to 2010/11.

Each PSA is underpinned by a single Delivery Agreement, shared across all contributing departments, and developed in consultation with delivery partners and frontline workers.

They also describe the small basket of national outcome-focused performance indicators that will be used to measure progress towards each PSA. A subset of indicators also have specific national targets or minimum standards attached. Details are set out in the relevant Delivery Agreement. All other national indicators are expected to improve against baseline trends over the course of the spending period.

A government-wide commitment to build services around the needs of citizens and businesses will be integral to achievement of each of the PSAs. Also published in the CSR 2007 was a Service Transformation Agreement (STA), which underpins delivery of the new PSA framework, setting out the Government's vision for building services around the citizen and specific actions for each department in taking forward this challenging agenda.

The 30 PSA Delivery Agreements and the Service Transformation Agreement are all available on HM Treasury website at

http://www.hm-treasury.gov.uk/pbr_csr07_public_service_agreements.htm

CSR 2007 – Public Service Agreements & Service Transformation Agreement

CSR 2007 announced that the Cabinet Office would lead on delivery of one PSA and the Service Transformation Agreement (STA). Further, Cabinet Office will contribute directly to delivery of three other PSAs.

30 PSAs Announced in CSR 2007

Listed below are the 30 PSAs and the STA; highlighted text in red and blue are those areas which the Cabinet Office lead, or are delivery partners and against which its performance will be measured.

| Sustainable growth and prosperity | | | | |
|--|--|--|--|---|
| 1. Raise the productivity of the UK economy | 2. Improve the skills of the population, on the way to ensuring a world-class skills base by 2020 | 3. Ensure controlled, fair migration that protects the public and contributes to economic growth | 4. Promote world class science and innovation in the UK | 5. Deliver reliable and efficient transport networks that support economic growth |
| Fairness and opportunity for all | | | | |
| 6. Deliver the conditions for business success in the UK | 7. Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions | 8. Maximise employment opportunity for all | 9. Halve the number of children in poverty by 2010-11, on the way to eradicating child poverty by 2020 | 10. Raise the educational achievement of all children and young people |
| 11. Narrow the gap in educational achievement between children from low income and disadvantaged backgrounds and their peers | 12. Improve the health and wellbeing of children and young people | 13. Improve children and young people's safety | 14. Increase the number of children and young people on the path to success | 15. Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief |
| Stronger communities and a better quality of life | | | | |
| 16. Increase the proportion of socially excluded adults in settled accommodation and employment, education or training | 17. Tackle poverty and promote greater independence and wellbeing in later life | 18. Promote better health and wellbeing for all | 19. Ensure better care for all | 20. Increase long term housing supply and affordability |

| | | | | |
|--|--|--|--|--|
| 21. Build more cohesive, empowered and active communities | 22. Deliver a successful Olympic and Paralympic Games with a sustainable legacy and get more children and young people taking part in high quality PE and sport | 23. Make communities safer | 24. Deliver a more effective, transparent and responsive Criminal Justice System for victims and the public | 25. Reduce the harm caused by Alcohol and Drugs |
| A more secure, fair and environmentally sustainable world | | | | |
| 26. Reduce the risk to the UK and its interests overseas from international terrorism | 27. Lead the global effort to avoid dangerous climate change | 28. Secure a healthy natural environment for today and the future | 29. Reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals | 30. Reduce the impact of conflict through enhanced UK and international efforts |
| Service Transformation Agreement (STA) | | | | |

KEY

Public Service Agreements groups:

- Sustainable growth and prosperity (PSAs 1-7)
- Fairness and opportunity for all (PSAs 8-17)
- Stronger communities and a better quality of life (PSAs 18-26)
- A more secure, fair and environmentally sustainable world (PSAs 27-30)

Cabinet Office involvement:

Red: Cabinet Office leading on delivery

Blue: Cabinet Office delivery partner

Black: Other Public Service Agreements – CO underpin successful delivery

CSR 2007 – Departmental Strategic Objectives 2008 – 2011

In CSR, all the main Government departments set themselves varying numbers of DSOs which are intended to cover the wider span of departmental activities, including business as usual, while at the same time underpin delivery of Government's highest priorities as set out in the 30 PSAs

The Cabinet Office's six DSOs and their linkage to PSAs/STA are described in the table below.

Cabinet Office Departmental Strategic Objectives (DSOs) – Linkages to PSAs/STA

| DSO Description | PSA Linkage |
|---|---|
| DSO 1 – Build an effective UK intelligence community in support of UK national interests; and the capabilities to deal with disruptive challenges to the UK | Delivery partner for PSA 26: Reduce the risk to the UK and its interests overseas from international terrorism. For more information on PSA 26, please refer to Home Office's Autumn Performance Report |
| | Delivery partner for PSA 30: Reduce the impact of conflict through enhanced UK and international efforts. For more information on PSA 30, please refer to Foreign and Commonwealth Office's (FCO) Autumn Performance Report |
| DSO 2 – Support the Prime Minister and the Cabinet in domestic, European, overseas and defence policy making | Not linked to any one PSA , but will underpin successful delivery of all |
| DSO 3a – Improve outcomes for the most excluded people in society | Cabinet Office leading delivery of PSA16: Increase the proportion of socially excluded adults in settled accommodation and employment, education or training |
| DSO 3b – Enable a thriving third sector | Delivery partner for PSA 21: Build more cohesive, empowered and active communities. For more information on PSA 21, please refer to Communities and Local Government's (CLG) Autumn Performance Report |
| DSO 4 – Transform public services so that they better meet the individual needs of the citizen and business | Cabinet Office leading on delivery of the Service Transformation Agreement (STA) |
| DSO 5 – Build the capacity and capability of the Civil Service to deliver the Government's objectives | Not linked to any one PSA , but will underpin successful delivery of all |
| DSO 6 – Promote the highest standards of propriety, integrity and governance in public life | Not linked to any one PSA , but will underpin successful delivery of all |

Departmental Strategic Objectives – Progress against delivery

DSO Definitions

Standard terminology in line with HM Treasury central guidance to departments has been adopted when reporting progress against delivery of DSOs. For both interim (biannual) and final assessments, the terms used are:

| EVALUATION ASSESSMENT | DEFINITION |
|-----------------------|--|
| Strong Progress | Where more than 50% of indicators had improved |
| Some Progress | Where 50% or less indicators had improved |
| No progress | Where no indicators had improved |
| Not yet assessed | Where 50% or more of the indicators are yet to have first time data produced on progress |

Departmental Strategic Objectives

| | |
|-----------------------|--|
| DSO 1 | Build an effective UK intelligence community in support of UK national interests; and the capabilities to deal with disruptive challenges to the UK |
| Progress | Not yet assessed |
| Indicators | Although progress is formally 'Not yet assessed' this is due to measures having not yet been finalised. There has, however, been good progress in a number of areas as outlined below. |
| Data Statement | <p><u>Intelligence Coordination</u></p> <p>The Joint Intelligence Committee (JIC) has agreed a new approach to compiling the Requirements and Priorities (R&P) for the collection of secret intelligence. The new system has resulted in: a smaller number of topics being in the top band of the agencies' priorities; and the priorities being aligned with the new National Security Strategy. This will allow them to better focus their work to support government objectives. The new process has also resulted in a better audit trail of how decisions are reached, which in time will improve the quality of decision making.</p> <p>New performance management arrangements for the Security and Intelligence Agencies are being agreed. The arrangements will improve accountability of the agencies, allowing the Principal Accounting Officer for the Single Intelligence Account (the Cabinet Secretary) to better assess the past performance and future resource requirements of the agencies.</p> |

| | |
|-----------------------|---|
| Data Statement | <p><u>National Security/Resilience</u></p> <p>The National Security Secretariat was established in September 2008. The Secretariat will strengthen the Cabinet Secretariat in the area of coordinating government efforts to protect national security. It will add to the quality and coverage of the secretariats' new matrix working arrangements. It will also support the work of the new National Security Forum.</p> <p>The National Security Strategy set out a new concept of Community Resilience Networks. Work to establish the networks is being taken forward with pace and enthusiasm by local authorities, emergency services and other interested parties. Regional Workshops have been held to share experience and best practice, and to motivate those who might take such schemes forward within their localities.</p> <p>The Civil Contingencies Secretariat has created a new team to develop plans for responding to particular types of high impact threats to national security. The work of the team will allow the early submission of proposals to Ministers to seek their agreement to the development of new response plans across the UK, and new capabilities for implementing those plans.</p> <p>The first National Risk Register was successfully published. Publication of these risks has enabled work to begin, at national and local level, to address them.</p> <p><u>Security Policy/delivery</u></p> <p>The Government's new Security Policy Framework (security guidance for government departments and agencies) was agreed by the Official Committee on Security in November. The Framework will deliver a simpler, clearer and easier to use set of security policies for government. These will in turn improve awareness of and compliance with security requirements.</p> <p>The Whitehall Streetscape Programme is being delivered on time and within budget. The completion of the programme will harden the protection of the buildings in the Whitehall area, thus improving the resilience of government and its ability to continue business.</p> <p>The review of data handling in government has been completed and new arrangements for managing information assurance risks have been put in place. Actions taken as a result of the review's recommendations have resulted in tightened arrangements and a new set of mandatory standards for government on the handling of personal data. It introduced a new working culture and much improved accountability. In addition the Cabinet Office has accepted all the recommendations made by Sir David Omand following his review into the circumstances surrounding the loss of classified JIC papers. These are now in the process of being implemented.</p> |
|-----------------------|---|

| | |
|-----------------------|---|
| DSO 2 | Support the Prime Minister and the Cabinet in domestic, European, overseas and defence policy making. |
| Progress | Strong Progress. |
| Indicators | <p>It is not possible to measure this DSO through numerical indicators, other than process measures which cannot assess the quality of support being provided to Ministers.</p> <p>It is intended to use the Cabinet Office-wide stakeholder survey as a tool for canvassing the views of Ministers and Government Departments which should support a more objective assessment of performance against this DSO. The base line position was formed through the Cabinet Office Capability Review.</p> <p>Early findings from the <i>Cabinet Office Capability Review: Progress and Next Steps</i> report, soon to be published, reveal that there has been a noticeable improvement in relationships and coordination of activity at the centre of government and that a high standard of evidence based work is being achieved in support of the Prime Minister, Cabinet and the Government.</p> |
| Data Statement | <p>Strong progress is being made in supporting the Prime Minister and Cabinet.</p> <p>Particular achievements have included:</p> <ul style="list-style-type: none"> ■ Ensuring a full programme of meetings for the Cabinet, including supporting its first two meetings outside of London since 1921 (Birmingham, 8th September and Leeds, 28th November); ■ Providing strong leadership in response to the global economic crisis, supported by the creation of the National Economic Council; ■ Delivering the Prime Minister's objective of a globally coordinated response to the most severe world financial and economic crisis for 70 years; ■ Production and publication by the Prime Minister's Strategy Unit of: <ul style="list-style-type: none"> – <i>Food Matters</i>¹ – setting out a future strategic framework for food policy and practical measures for addressing issues around food and health, food and the environment and other concerns – <i>Excellence and Fairness</i>² – setting out the Government's overall approach to delivering world class public services over the next few years; and – <i>Getting On, Getting Ahead</i>³ – a discussion paper analysing the trends and drivers of social mobility, paving the way for publication of a flagship White Paper in the new year. ■ The active coordination of the Government's domestic, European, foreign and defence policies, through the Cabinet Committee system and other channels; ■ Establishment of the National Security Secretariat to manage and coordinate an increasingly diverse but interconnected set of security challenges and some of their underlying factors including climate change, competition for energy, poverty, and globalisation; ■ Re-establishment of the Joint Ministerial Committee with the devolved administrations, including the first plenary meeting for six years on 25 June; ■ Launching a campaign to raise Whitehall consciousness about devolution, including the circulation of new guidance by the Cabinet Secretary; |

¹ http://www.cabinetoffice.gov.uk/strategy/work_areas/food_policy.aspx.

² http://www.cabinetoffice.gov.uk/strategy/publications/excellence_and_fairness/report.aspx.

³ http://www.cabinetoffice.gov.uk/newsroom/news_releases/2008/081103_gettingon_gettingahead.aspx

| | |
|-----------------------|--|
| Data Statement | <ul style="list-style-type: none">■ Management of the Government's Legislative Programme, including the production of, and consultation on, the Government's Draft Legislative Programme;■ Continued, successful coordination, with HM Treasury, of the Government's policy on public sector pay;■ Analysis of machinery of government changes ahead of the 2008 reshuffle;■ Supporting the intense preparatory and parliamentary process resulting in the successful ratification of the Lisbon Treaty;■ Ensuring that the Prime Minister's level of ambition for the High Level Event on the Millennium Development Goals in New York was met.■ Securing UK objectives at the Major Economies Meeting, providing momentum towards reaching an international agreement on climate change at Copenhagen;■ Delivering agreement on the 3rd Internal Energy Market Package at the June Energy Council-making an important step towards liberalised, efficient gas and electricity markets in the EU which will increase energy security and competitiveness; and■ Securing UK objectives at the G8 summit |
|-----------------------|--|

| | |
|-----------------------|--|
| DSO 3a | Improve outcomes for the most excluded people in society |
| Progress | Not Yet Assessed |
| Indicators | 0 of 8 indicators assessed |
| Data Statement | In addition to the PSA 16 work (see page 20), the Social Exclusion Task Force produced a major report, Think Family. This publication describes the negative impact that acute problems faced by adults have on outcomes for their children. It goes on to recommend service redesign to ensure adult services recognise the needs of parents. This approach is now firmly embedded in the work of DCSF. The Task Force is now working with other government departments on a series of short studies designed to provide policy proposals to address issues of exclusion identified by departments themselves. Three short studies are currently underway. We are also considering the next set of studies, one which will start in January, and the next in April. |
| DSO 3b | Enable a thriving third sector |
| Progress | Not Yet Assessed |
| Indicators | 2 of 4 indicators assessed |
| Data Statement | <p>Leading from the Cabinet Office, the Office of the Third Sector builds support and leads work across government for developing the environment for a thriving third sector as set out in the final report of the third sector review, published in July 2007⁴. This report sets out how the government will work in partnership with the third sector to empower the sector to excel at what it does best – enable voice and campaigning, strengthen communities, transform public services and enable social enterprise growth and development. This includes work to promote and support volunteering and to build capacity in the sector, including by promoting sustainable funding agreements between the sector and government.</p> <p>There are four measures being used to assess progress on this Cabinet Office objective to enable a thriving third sector.</p> <p>These are:</p> <ul style="list-style-type: none"> – the proportion of people formally volunteering at least once a month, as measured by the Citizenship Survey – the number of full-time equivalent employees within the third sector, as measured by the Labour Force Survey – the environment for a thriving third sector, as measured by the National Survey of Third Sector Organisations – the proportion of government funding to the third sector for three years or more, as measured by annual departmental returns to the Office of the Third Sector <p>Work is continuing to produce baselines for the employment and the environment for a thriving third sector measures. The National Survey of Third Sector Organisations is the largest ever survey of the third sector and is currently in the field. It is gathering the perceptions of third sector leaders about their experiences and their operating environment which will drive improvement at the local level.</p> |

⁴ *The future role of the third sector in social and economic regeneration: final report, July 2007 Cabinet Office/HM Treasury*

The baseline for the volunteering component has been set at 27%. Data from the first quarter of the 2008-09 Citizenship Survey showed a figure of 26% although this is not a statistically significant movement from the baseline. The Office of the Third Sector is working across government to remove barriers to volunteering and has recently published guidance on Criminal Records Bureau checks and guidance to address confusion about volunteering whilst on benefits. OTS is also investing heavily in creating volunteering opportunities, including £117million in the independent youth volunteering charity v to inspire a million more volunteers aged 16-25. Baroness Neuberger, the Government's Volunteering Champion, is continuing her work looking at the role of volunteers in public service delivery. She has published a review of health and social care, and is now reviewing the criminal justice system.

The baseline for government funding to the third sector which is for three years or more is 65.7%. This reflects the average percentage of grants that are for three years or more across central government departments.

| DSO 4 | Transform public services so that they better meet the individual needs of the citizen and business | | | | | | | | | | | | | | | | | | | | |
|-----------------------|--|-----------------|---|--|-----------------------|--|------------|------|-----|-------|--------|------------|------|-----|-------|--------|-------------|------|-----|-------|-------|
| Progress | Not Yet Assessed | | | | | | | | | | | | | | | | | | | | |
| Indicators | 1 of 2 indicators assessed | | | | | | | | | | | | | | | | | | | | |
| Data Statement | <p>The DSO 4 measures are:</p> <ul style="list-style-type: none"> • Achieve 50 percent reduction in avoidable contact by 31 March 2011 • Migrate more than 95 percent of the total identified websites to Directgov and Businesslink.gov by 31 March 2011. <p>These echo the Service Transformation Agreement progress measures.</p> <p>The current position/update for both:</p> <p>Key Progress Measure 1</p> <p>Reduction in the amount of avoidable contact. To achieve a 50% reduction by 31.03.11 STA OCT 07</p> <p>Narrative Explanation of Status:</p> <p>The STA states existing levels of avoidable contact would be quantified and baselined by April 08 as the 1st step in implementing this progress measure. However, essential preparatory work has been needed prior to baselining.</p> <p>Key steps to deliver this progress measure are as follows (taken forward by the Service Transformation team):</p> <ul style="list-style-type: none"> • Confirmation of all departmental plans with clear trajectories by end of November 2008 • One to one engagement with departments • Baseline figure agreed with departments by end of January 2009 to form basis of ongoing progress reporting via the Performance Management Framework (PMF) • Joint avoidable contact workshops planned for November – December 2008 <p>Local government National Indicator (NI14) successfully rolled out October 2008, 1st data input due end of March 09.</p> <p>Key Progress Measure 2</p> <p>Closure of more than 95% of websites and migration of content to Directgov and Businesslink by end of CSR 2007.</p> <p>Summary of Major Departments' progress towards target (95% closed by 2011)</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Total no of sites reported by the departments</th> <th>Total no closed</th> <th>% Total number closed</th> <th>% Closed or committed to close of those not approved to continue</th> </tr> </thead> <tbody> <tr> <td>End Dec 07</td> <td>1371</td> <td>256</td> <td>18.7%</td> <td>70.5 %</td> </tr> <tr> <td>End Mar 08</td> <td>1438</td> <td>441</td> <td>30.7%</td> <td>68.1 %</td> </tr> <tr> <td>End Sept 08</td> <td>1561</td> <td>549</td> <td>35.2%</td> <td>73.1%</td> </tr> </tbody> </table> <p>Narrative Explanation of Status:</p> <p>Some departments have not yet completed their website reviews. Not all have submitted business cases for those sites they wish to be an exception to the guidance to be considered by DA(PED).</p> | Date | Total no of sites reported by the departments | Total no closed | % Total number closed | % Closed or committed to close of those not approved to continue | End Dec 07 | 1371 | 256 | 18.7% | 70.5 % | End Mar 08 | 1438 | 441 | 30.7% | 68.1 % | End Sept 08 | 1561 | 549 | 35.2% | 73.1% |
| Date | Total no of sites reported by the departments | Total no closed | % Total number closed | % Closed or committed to close of those not approved to continue | | | | | | | | | | | | | | | | | |
| End Dec 07 | 1371 | 256 | 18.7% | 70.5 % | | | | | | | | | | | | | | | | | |
| End Mar 08 | 1438 | 441 | 30.7% | 68.1 % | | | | | | | | | | | | | | | | | |
| End Sept 08 | 1561 | 549 | 35.2% | 73.1% | | | | | | | | | | | | | | | | | |

| | |
|-----------------------|--|
| DSO 5 | Build the capacity and capability of the Civil Service to deliver the Government's objectives |
| Progress | Some Progress |
| Indicators | 6 of 7 indicators assessed |
| Data Statement | <p>Baselines:</p> <p>Progress is assessed using a basket of seven metrics that underpin three Key Performance Indicators (KPIs). These are:</p> <p>1. Capable Departments</p> <p>a) Capability re-Review scores: By the end of 2007 all major government departments had been through the Capability Review process. The re-reviews are currently ongoing with three⁵ reports already published.</p> <p><i>Progress will be assessed by monitoring changes to Capability re-Review scores compared to the equivalent Review scores.</i></p> <p>b) Staff survey responses: The vast majority of Civil Servants are asked as part of their department's staff survey to agree or disagree with the statement: "This organisation as a whole is well-managed". The position at the end of March 2008 was that 35% of staff agreed with this statement.</p> <p><i>Progress will be assessed by monitoring changes to this percentage.</i></p> <p>2. Capable Leaders</p> <p>a) Capability re-Review scores (leadership component): As with 1.a), however focusing on the leadership component of the scores.</p> <p><i>Progress will be assessed by comparing the Capability re-Review score for leadership with the equivalent score achieved in the Review.</i></p> <p>b) Staff survey responses: As with 1.b), however in this case staff are asked to agree or disagree with the statement that "Overall, I have confidence in the senior managers within my organisation". The position at the end of March 2008 was that 35%⁶ of staff agreed with this statement.</p> <p><i>Progress will be assessed by monitoring changes to this percentage.</i></p> |

⁵ DWP, DCSF and Home Office re-reviews were published in July 2008

⁶ For the core questions detailed in 1.b) and 2.b), 35% of staff were in agreement at the end of March 2008

3. Delivering excellent public services

- a) **Departmental PSAs:** For CSR 2007, 30 PSAs were agreed and measuring the delivery of excellent public services uses the 'likelihood of delivery' indicators for all 30 PSAs.

Progress will be assessed by taking an overall measurement of progress towards achieving the 30 PSA targets.

- b) **Public Attitudes Index:** IPSOS Mori publish a quarterly Delivery Index which monitors the general public's attitude to, and experiences of, public services. This long-running time series will be able to monitor changes from a March 2008 baseline and is a medium with which to measure changes in the quality of public service delivery.

Progress will be assessed by monitoring changes to the percentage of the public reporting favourable experiences of public services.

- c) **International Government Effectiveness Indicators:** The World Bank produce an annual measure of Government Effectiveness for countries across the world. The most recent of these Indicators was published in June 2008 and relates to the calendar year 2007.

Progress will be assessed by monitoring changes to the UK's performance in this metric.

Progress to date:

Since April 2008 two indicators have identified significant improvements, one displays some improvement and a further three are showing, as yet, no progress. One indicator remains, to date, unassessed.

- Good progress has been identified by the first tranche of Capability re-reviews. For the three departments re-reviewed thus far, both the overall scores and leadership elements show a marked improvement.
- Some progress has been achieved amongst the 30 cross-cutting PSAs covering the CSR 2007 period.
- Since April 2008, both the proportion of staff reporting that their department is well managed and the proportion reporting effective leadership within their own department has not changed. Finally, public opinion on the Government's ability to improve public services in the long-term has declined since April 2008.
- No assessment has been made of UK government effectiveness covering the period since April 2008. An update in international government effectiveness indicators, produced annually by the World Bank, is expected in mid-2009.

The Cabinet Office has been active in driving progress on DSO5. Key measures include:

- Re-reviews to date have identified positive improvements in departmental capability.
- There is a well established stock-take process to hold both departments and their senior leadership to account for acting on capability issues.
- Significant progress has been achieved in measuring staff engagement and facilitating an environment to improve staff engagement levels.
- Capacity building in: 1) The HR profession through the HR Leader's Council; 2) The Top 200 Civil Servants and SCS 'Base Camp' for new entrants to the Senior Civil Service; 3) A focus at the Civil Service Steering Board on talent management and succession planning for Director Generals; 4) An award winning Fast Stream marketing campaign.

| | | | |
|-----------------------|--|----------------------------|---|
| DSO 6 | Promote the highest standards of propriety, integrity and governance in public life | | |
| Progress | Not Yet Assessed | | |
| Indicators | 0 of 2 indicators assessed | | |
| Data Statement | Measure 1: Publication of Codes, Guidance, Annual Lists etc | | |
| | Guidance/Publication | Last updated/issued | Due for revision/ re-issue |
| | Civil Service Code* | 2006 | Kept under review |
| | Ministerial Code | 2007 | Usually re-issued following a general election/change of Prime Minister |
| | Code of Conduct and Model Contract for Special Advisers* | 2005 | Usually re-issued following a general election |
| | Guidance on Codes of Conduct for Board Members of Public Bodies | 2004 | By 1 April 2009 |
| | Model Code for Staff of Executive Non-Departmental Public Bodies | 2007 | By 1 April 2009 |
| | Model Code of Practice for Board Members of NDPBs | 2007 | By 1 April 2009 |
| | Guidance on conduct of civil servants and special advisers in the run up to general, local, European and by-elections | Prior to Election | As necessary. Local/European elections scheduled for June 2009 |
| | List of overseas travel by Ministers | July 2008 | Annually |
| | List of gifts received/given by Ministers valued over £140 | July 2008 | Annually |
| | List of ministers' financial interests | – | End 2008 (first ever publication) |
| | Hospitality received by departmental board members | – | End 2008 (first ever publication) |
| | *Draft Constitutional Renewal Bill, published in March 2008, makes statutory provision for a Civil Service Code and a Code of Conduct for Special Advisers with minimum requirements for these Codes of Conduct specified on face of the Bill. | | |

Measure 2: Ensuring public servants are aware of and abide by standards of propriety

| Action | Frequency |
|--|--|
| Ensure Civil Service Code issued to all new appointees (working in conjunction with departments) | On-going. |
| Work with Civil Service Commissioners to promote the Civil Service Code amongst civil servants | On-going. |
| New Ministers given copy of Ministerial Code and other key guidance on taking office | On-going. New ministers appointed following re-shuffle (October 2008) have been sent relevant documentation. |
| Appointment of Prime Minister's Independent Adviser on Minister's interests | First Independent Adviser appointed in January 2008. Following re-shuffle (October 2008), have updated model declaration letter to ensure consistency in information provided. Opportunity for all Ministers to review declarations in light of current economic climate. |
| Ensure all new special advisers issued with contract and code of conduct | Following re-shuffle (October 2008), newly appointed special advisers issued with new contracts (including code of conduct) based on Cabinet Office Model Contract for Special Advisers. |
| Induction for new Ministers and Special Advisers on appointment | Induction Session for new Ministers following re-shuffle (October 2008) took place on 16 October. |
| Advise Ministers, civil servants and special advisers about principles of conduct in run up to General, Local, European and By-elections | Guidance on forthcoming by-election in Glenrothes issued on 9 October 2008. |
| Ensure codes of conduct issued to NDPB board members and staff based on Cabinet Office model codes | As required. |
| Provide consistent and timely ad hoc advice to departments and others on propriety and ethics issues in relation to ministers, civil servants, special advisers, NDPB staff and board members, and wider public appointees | On-going. |

The Socially Excluded Adults Public Service Agreement – Progress against delivery

(PSA 16: Increase the proportion of socially excluded adults in settled accommodation and employment, education or training)

The PSA aims to ensure that the most socially excluded adults are offered the chance to get back on a path to a more successful life by increasing the proportion of at-risk adults (aged 18-69) in settled accommodation, and employment, education or training. It represents a considerable challenge as the first PSA to focus on the most disadvantaged groups in society. It is cross-cutting in nature, being jointly owned and delivered by seven government departments. It is therefore an opportunity for government and local agencies to work across departmental boundaries to improve life outcomes for people facing complex and difficult problems.

Evidence suggests that ensuring individuals at-risk of social exclusion have a stable home and the appropriate life skills to maintain it, and are either in a job or involved in productive, employment-focused activity, can help reduce the likelihood of negative outcomes in the future. Without these core foundations – of a job and settled accommodation – the most disadvantaged adults risk a lifetime of social exclusion for themselves, their children, and potentially place a lifetime of cost on society.

The PSA focuses on four at-risk groups, who may be negotiating a difficult transition point. While these groups are particularly vulnerable during this transition period, they are also in contact with services that could and should make a difference in preventing persistent exclusion. The client groups are:

1. care leavers at age 19;
2. adult offenders under probation supervision;
3. adults receiving secondary mental health services; and
4. adults with moderate to severe learning disabilities.

The PSA has been developed as part of a package of support across the wider PSA framework, focused on ensuring opportunity for all and reducing social exclusion across the life course (PSA14: for children and young people and PSA 17: for adults in later life).

There are a total of eight indicators that underpin the PSA that will be used to measure progress for each at-risk group. All the indicators are included in the set of national indicators for local authorities and local authority partnerships.

The Delivery Agreement for PSA 16, *Increase the proportion of socially excluded adults in settled accommodation and employment, education or training*, can be found on the Treasury Website at:
<http://www.hm-treasury.gov.uk/3696.htm>

Progress against PSA 16

Good progress has been made on PSA 16. A delivery plan setting out how outcomes will be improved has been agreed by ministers from the Cabinet Office and partner departments: Communities and Local Government; Department for Work and Pensions; Ministry of Justice; Department of Health; Department for Children, Schools and Families; and Department for Innovation, Universities and Skills. Service providers, service users and third sector organisations have been consulted on the key areas for action. Detailed regression analysis has shown the factors that are most important in improving the eight outcomes. Internal success measures for the eight indicators are in the process of being agreed.

Oversight of PSA 16 is provided by ministers through a Cabinet Committee and by officials through a Delivery Board. There is an increasing amount of joint working across departmental boundaries to find solutions to cross-cutting problems.

| | |
|--|---|
| PSA 16 | Increase the proportion of socially excluded adults in settled accommodation and employment, education or training |
| Progress | Not Yet Assessed |
| Indicators | 0 of 8 Indicators Assessed |
| Assessment of performance on indicators | <p>Offenders under probation supervision</p> <p>NI 143: Offenders under probation supervision in settled and suitable accommodation⁷ Progress: Not yet assessed. Commentary: The 2006/07 baseline figure for offenders under probation supervision in settled and suitable accommodation was 77%. Data for 2007/08 shows that this percentage has remained the same. The first data report for the PSA period will be available in February/March 2009. This will cover the period April to September 2008.</p> <p>NI 144: Offenders under probation supervision in employment⁸ Progress: Not yet assessed. Commentary: The 2006/07 baseline figure for offenders under probation supervision in employment was 36%. Data for 2007/08 shows a statistically significant increase on this figure to 37%. The first data report for the PSA period will be available in February/March 2009. This will cover the period April to September 2008.</p> <p>Adults with moderate to severe learning disabilities</p> <p>NI 145: Adults with moderate to severe learning disabilities in settled accommodation Progress: Not yet assessed. Commentary: This is a new indicator and the first financial year baseline will be established in 2008/09. We expect the first data report for the PSA period will be available February/March 2009. This will cover the period October to December 2008.</p> <p>NI 146: Adults with moderate to severe learning disabilities in employment Progress: Not yet assessed. Commentary: This is a new indicator and the first financial year baseline will be established in 2008/09. We expect the first data report for the PSA period will be available February/March 2009. This will cover the period October to December 2008.</p> |

⁷ We are currently reviewing the Methodology for the calculation of this indicator and the baseline may be subject to change

⁸ We are currently reviewing the Methodology for the calculation of this indicator and the baseline may be subject to change

Care leavers at age 19

NI 147: Care leavers at age 19 in suitable accommodation

Progress: Not yet assessed.

Commentary: The 2006/07 baseline figure for care leavers in suitable accommodation was 87.3%. Data for 2007/08 shows a non-significant increase on this figure to 88%.

We expect the first data report for the PSA period will be available February/March 2009. This will cover the period April to December 2008 and will give an indication of the trajectory of this indicator although as this data will be provided directly by a sample of local authorities this may not have the analytical reliability of the annual data set.

NI 148: Care leavers at age 19 in employment, education or training

Progress: Not yet assessed.

Commentary: The 2006/07 baseline figure for care leavers in employment, education or training was 63%. Data for 2007/08 shows a statistically significant increase on this figure to 65%.

We expect the first data report for the PSA period will be available February/March 2009. This will cover the period April to December 2008 and will give an indication of the trajectory of this indicator although as this data will be provided directly by a sample of local authorities this may not have the analytical reliability of the annual data set.

Adults receiving secondary mental health services

NI 149: Adults receiving secondary mental health services in settled accommodation

Progress: Not yet assessed.

Commentary: This is a new indicator and the first financial year baseline will be established in 2008/09. The first data report for the PSA period is expected January 2009. This will cover the period July to September 2008.

NI 150: Adults receiving secondary mental health services in employment

Progress: Not yet assessed.

Commentary: This is a new indicator and the first financial year baseline will be established in 2008/09. The first data report for the PSA period is expected January 2009. This will cover the period July to September 2008.

Service Transformation Agreement – Progress against delivery

Citizens' time is not free, yet often the way public services are delivered assumes it to be so. The aim of the Service Transformation Agreement is to change public services so they more often meet the needs of people and businesses, rather than the needs of government, and by doing so reduce the frustration and stress of accessing them. The result will be services that are better for the customer, better for front line staff and better for the taxpayer.

Service transformation is about changing public services so they are tailored more to the needs of people and businesses and less to the structures of government. Public services should be delivered in the ways and at the times that people now expect them; the public service should get it right first time so that people do not have to initiate contact again and again; and rather than expecting people to "join up" government for themselves it should be done for them. Government will do this by engaging users of public services to learn what really matters to them, and by acting on what is learnt.

The key aim of service transformation is to reduce the number of unnecessary contacts that people need to have with government. Achieving this will require the whole of government to look critically and fundamentally at the way in which it designs and delivers services, and at the relationships between those organisations, whether in the public, private or third sectors, who have an interest in a particular area or customer group. By doing this the public sector will improve quality, accuracy and joining up across government. It will also save money and create more satisfying jobs for public sector staff.

This change will require action right across the public sector, specifically in the context of delivering the 30 PSA priority outcomes and will not be complete within a single Spending Review period. During the CSR 2007 period the Government has committed that it will make practical reductions in the number of contacts; introduce the core services on which further change can be built; make the policy changes which will underpin further improvement; and engage with citizens, businesses and front line staff involving them, listening to them and learning from them, to improve public services.

The long-term aim of the Service Transformation Agreement is to establish across the public sector a sustainable culture built upon an understanding of the needs and behaviours of citizens and businesses to create services that are:

- **better for customers.** Services are simpler, more streamlined and intuitive, more accessible and convenient. Services are not designed to trip customers up, even though it sometimes seems that way. Customers will progressively find that when they deal with government each contact they have is easy and joined-up. Each one fulfils a need, adds value to the outcome and is trusted.
- **better for staff.** Front line public sector staff – not just those in face-to-face offices, but also those answering calls in contact centres and developing services for the web – have a strong culture of service. They are closest to the customer and feel the public service's strengths and weaknesses the most acutely. By using their own experience front line staff will increasingly find that they can get on with delivering services of which they can feel proud.
- **better for the taxpayer.** Unnecessary and duplicative contact, cumbersome and complicated processes, fragmented and inaccessible services are as frustrating and costly for government as they are for staff and the customer. Each unnecessary contact removed is a saving giving greater value for money for the taxpayer.

Progress against the Service Transformation Agreement

Progress against the Service Transformation Agreement (STA) has been good and a comprehensive reporting mechanism is currently being finalised which will enable future progress to be clearly monitored and coordinated across all areas of STA activity and reported to the Delivery Council, Civil Service Steering Board (CSSB) and Ministerial Committee on Domestic Affairs, Public Engagement and the Delivery of Services (DA(PED)).

Key to delivery of the STA's aims are its two progress measures on reducing avoidable contact and website rationalisation. These measures also constitute the indicators for DSO4. In terms of the first measure, (Reduction in the amount of avoidable contact. To achieve a 50% reduction by 31 March 2011), the major contributory departments have agreed plans and trajectories and we are on track to baseline approximately 90% of customer contact volumes in January 2009. Ongoing progress reporting by departments will be on a quarterly basis via the cross-government contact centre Performance Management Framework (PMF). Cabinet Office

is also driving the reduction of avoidable contact in local authority services through the implementation from October 2008 of local government indicator NI14.

In terms of the second STA progress measure (Closure of more than 95% of websites and migration of content to Directgov and Businesslink.gov by end of CSR 2007), 73% of the total number of identified websites as reported by departments (1561 as at end September 2008) have either already closed or are committed to close.

Through the Service Transformation Agreement Cabinet Office also coordinates the delivery of a small number of key strategic initiatives such as Tell Us Once and Online Free

School Meals, led respectively by Department for Work and Pensions (DWP) and Department for Children, Schools and Families (DCSF). All project leads report on progress monthly in the form of RAG reports (Red/Amber/Green). In addition the STA acts to drive and monitor a much broader programme of activity across the whole of the public sector in which every department puts into practice the principles of service transformation. Departments are reporting progress on their service transformation plans to Cabinet Office on a six monthly basis and both success stories and any issues for cross-government consideration will be escalated to the Delivery Council, CSSB and DA(PED).

| | |
|--|---|
| STA | Service Transformation Agreement |
| Progress | Not yet assessed |
| Indicators | 1 of 2 indicators assessed |
| Assessment of Performance on indicators | <p>A. The 2 progress measures for the STA are:</p> <ol style="list-style-type: none"> 1. "Reduction in the amount of avoidable contact. To achieve a 50% reduction by 31.03.11" 2. Closure of more than 95% of websites and migration of content to Directgov and Businesslink by end of CSR 2007 <p>Progress on these is as follows:</p> <p>Key Progress Measure 1</p> <p>Reduction in the amount of avoidable contact. To achieve a 50% reduction by 31.03.11 STA OCTOBER 2007</p> <p>Narrative Explanation of Status:</p> <p>The STA states existing levels of avoidable contact would be quantified and baselined by April 08 as the first step in implementing this progress measure. However, essential preparatory work has been needed prior to baselining.</p> <p>Key steps to deliver this progress measure are as follows (taken forward by the Service Transformation team):</p> <ul style="list-style-type: none"> • Confirmation of all departmental plans with clear trajectories by end of Nov 08 • One to one engagement with departments • Baseline figure agreed with departments by end of January 2009 to form basis of ongoing progress reporting via the Performance Management Framework (PMF) • Joint avoidable contact workshops planned for November – December 2008 <p>Local government National Indicator (NI14) successfully rolled out October 2008, 1st data input due end of March 2009.</p> <p>Key Progress Measure 2</p> <p>Closure of more than 95% of websites and migration of content to Directgov and Businesslink by end of CSR 2007.</p> <p>Summary of Major Departments' progress towards target (95% closed by 2011)</p> |

| Date | Total no of sites reported by the departments | Total no closed | % Total number closed | % Closed or committed to close of those not approved to continue |
|-------------|---|-----------------|-----------------------|--|
| End Dec 07 | 1371 | 256 | 18.7% | 70.5 % |
| End Mar 08 | 1438 | 441 | 30.7% | 68.1 % |
| End Sept 08 | 1561 | 549 | 35.2% | 73.1% |

Narrative Explanation of Status:

Some departments have not yet completed their website reviews. Not all have submitted business cases for those sites they wish to be an exception to the guidance to be considered by Ministerial Committee on Domestic Affairs, Public Engagement and the Delivery of Services (DA(PED)).

B. The 6 underpinning strategies actions of Service Transformation are:

1. Learning from citizens and businesses.
2. Grouping services in ways that are meaningful to the customer.
3. Rationalising services for efficiency and service improvement.
4. Making better use of the customer information the public sector already holds.
5. Linking local and central government.
6. Engaging frontline staff.

Overall progress against these has not been formally assessed, although the Delivery Council is charged with monitoring and steering progress.

C. The deliverables of the STA are:

1. "a small number of strategic initiatives such as "Tell Us Once", which would not only provide immediate benefit to customers and greater efficiency for government, but which would also lay the foundations for a new generation of public services" (*STA October 07*)

Project leads report on these monthly to the Cabinet Office in the form of RAG reports.

2. "a wide programme of activity across the whole of the public sector in which every organisation puts into practice the principles of service transformation" (*STA October 07*)

Departmental plans are being updated 6 monthly.

3. In addition the STA is represented in the local government indicator set by NI14 "Reducing Avoidable Contact". This indicator was rolled out in local authorities in October 2008 and the 1st annual reporting on it is due end of March 2009.

We are currently finalising a comprehensive reporting mechanism on the STA for the Delivery Council, which we anticipate will come into effect by 2009.

Value for Money

SR 2004 Efficiency Programme

SR 2004, incorporating the outcomes of the Gershon and Lyons reviews, resulted in the following revised targets for Cabinet Office:

- save £25 million in annual efficiencies by end 2007/08 (3% per annum)
- a headcount reduction of 150 posts by 31 March 2008
- relocation of 250 posts outside London and south east by 2010/11.

Following Machinery of Government (MoG) changes, responsibility for delivering this target was shared between Cabinet Office and National School of Government (NSG). The proportion of target remaining with Cabinet Office was:

- save £22.5 million in annual efficiencies by end 2007/08 (3% per annum)
- a headcount reduction of 100 posts by 31 March 2008
- relocation of 250 posts outside London and south east by 2010/11.

Efficiency gains by area

Cabinet Office reported that it had over achieved its efficiency savings target by £10.3 million at 31 March 2008.

| Area | Actual £m March 2008 |
|---|----------------------|
| Corporate Services | 5.5 |
| Improved Procurement | 16.2 |
| Building a leaner & more efficient Centre of Government | 7.6 |
| Estate Consolidation | 3.5 |
| Total | 32.8 |

Reduction of Civil Service posts

Between 2004 and 2008 Cabinet Office reduced posts through a number of projects, particularly building a leaner and more efficient centre of government. This work was part of the Cabinet Secretary's aim to make the Cabinet Office more strategic and better focused on its core objectives. Cabinet Office achieved an overall headcount reduction of 140 at the end of the Gershon reporting period. This was an over achievement of 40 more posts than the revised target of 100.

Relocation Programme

Following MoG changes which transferred the Better Regulation Executive (BRE) from Cabinet Office to BERR, BERR agreed to deliver 25 of the original Cabinet Office relocations, thus reducing the Cabinet Office target to 225.

To date, 41 posts, from this revised target of 225, had been relocated. A joint review with Office of Government Commerce (OGC) of our ability to meet our relocation target concluded that, due to changes in structure and function of Cabinet Office since the Lyons Report was published in 2004, opportunities for further sensible relocations were limited. The review recognised Cabinet Office had made serious efforts to achieve its target, but that changing circumstances meant that Cabinet Office, in its current configuration, would be unable to meet the target. Rather than change the target it was agreed that the target would remain and that Cabinet Office would investigate the relocation opportunities for any units created within the department or transferred in from elsewhere.

CSR 2007 – Value for Money (VfM) Plans

Vision

The Cabinet Office, in line with the Government's desire to use the CSR 2007 to continue the improvement of public services and the Departmental settlement, is looking to make significant value for money savings.

Along with the rest of the Public Sector, the Cabinet Office needs to develop its services and processes in the light of the changing challenges it faces. There is an imperative to provide the right services and functions needed for the modern world in the most cost-efficient manner possible. The Department's Value for Money (VfM) plans form a major part of this effort. It is important to note that the main driver is not the simple cutting of costs but the provision of an improved, more efficient, public service.

We will monitor the improvements in the service we provide through the measurements taken to support our reporting on the Department's PSA on Socially Excluded Adults and our DSOs. By remaining within our funding settlement and delivering on our PSA and DSOs we will demonstrate that savings are being made through increased efficiency leading to improved public service.

Within the Department's planning for the CSR 2007 period there is some reduction of expenditure on certain activities that add less value. This reflects a tightening of the Department's internal planning processes and greater focus on those areas where the Cabinet Office can make a real contribution and deliver an improved service.

The Cabinet Office has carefully considered every area of its activity as part of this exercise. No function or unit has been exempt from the effort to seek improvements to the services provided and increased efficiency in their delivery. As a result of this the Department has set itself a very challenging target in the 2008/2009 financial year. This is with the intention of freeing up as much resource as early as possible for redeployment within the Department onto other functions and services.

It is important to understand that all of the VfM savings discussed in this document are based on comparison with a "counter-factual". This means that the savings quoted are the difference between what the expected spend would be without any action by the department and the expected spend following the planned reforms and changes. Throughout the planning the assumption used was that without any action being taken spending on the areas concerned would increase by the rate of inflation. An inflationary figure of 2.7% per year has been used, which is in line with the HM Treasury Deflator published on their website. For each initiative the baseline used had been the projected spend in the 2007/2008 financial year. On this basis, the Cabinet Office is seeking to deliver net cash-releasing savings of £35 million per year by 2010-11.

Measurement and Delivery Strategy

Overview

The Cabinet Office is committed to fulfilling its part in delivering the level of savings across the CSR 2007 period sought by the Government. However, it is important that the benefits gained from the Cabinet Office's contributions are not absorbed by the measuring and monitoring arrangements. As the savings being made are composed of a range of fairly small initiatives there could be increased risk of this. Therefore the tracking of the savings will be proportionate to the amounts involved.

The department's savings will be generated in three main areas: procurement, administration and corporate services. There are several, broadly similar, initiatives comprising the work on procurement. The over arching intent here is to change the way in which we approach the decision on whether to buy items and services as well as the purchasing route to be taken. Work on corporate services will concentrate on the department's external web presence and how its web sites are set up, while the administration initiatives will seek to improve the efficiency with which we deploy our staff and resources.

The table below sets out the broad levels of savings expected across the Comprehensive Spending Review Period from each of the three areas.

| £m nominal | Near Cash | | | | Capital | | | |
|---|---------------------|---------|---------|---------|---------------------|---------|---------|---------|
| | 2007/08 Baseline | Savings | | | 2007/08 Baseline | Savings | | |
| | | 2008/09 | 2009/10 | 2010/11 | | 2008/09 | 2009/10 | 2010/11 |
| Aggregate savings (equivalent to 3% annual savings) | 301 | 21.5 | 26.1 | 34.1 | 49 | 0.85 | 0.87 | 0.90 |
| <i>Procurement</i> | | 13.1 | 13.4 | 13.8 | | 0.85 | 0.87 | 0.90 |
| <i>Corporate Services</i> | | 0.04 | 0.10 | 0.13 | | | | |
| <i>Admin</i> | | 8.3 | 12.6 | 20.1 | | | | |

Administration

The Administration stream of savings is a combination of several initiatives that are each planned to yield savings in the range of £0.9 million and £8.7 million and totalling of £20 million of savings per year by 2010/11. The initiatives will cover both the administration of the grants awarded by the Department as well as its own internal administration.

These savings will be delivered by looking to develop synergies between units, improved targeting in the allocation of funding, improving the corporate functions such as business planning and through greater efficiency in the deployment of staff. This will include reducing staff numbers where it is appropriate.

Measurement

Monitoring of the savings generated will mostly depend upon the high level financial reporting carried out by the Department and its Non-Departmental Public Bodies (NDPBs) and the range and level of work carried out. This will be compared with the level of spending and the range of work carried out in previous years so as to provide evidence of savings and ensure that services are not adversely impacted.

Milestones

Milestones for each project are annually based and full comparative data will only be available at each year end.

Procurement

The savings in procurement are expected to total about £14.7 million per year by 2010/11. There are six separate initiatives supporting the procurement strand and these vary in size between savings of just under £8 million per year by 2010/11 to less than £90,000 per year by 2010/11. Although there is a significant difference in the range of values being considered, the approach will generally be consistent across these initiatives.

We will seek to change the frequency with which the department buys in services, promoting greater use of in-house capabilities and capacity to deliver. Where we do not have the capacity to deliver these services through use of existing in-house skills the department will look to find savings in its approach to buying in services and goods. Methods will include increased use of competition in the letting of contracts, improved contract management, increased use of OGC framework agreements and a more robust approach to commercial negotiations.

An example of this is the new contracts providing for reduced administrative costs through adoption of on-line booking and on-site ticketing for travel. Another example is the expected savings on facilities management flowing from a contraction of the estate and improved use of energy saving measures.

Measurement

Progress on making savings within the procurement stream will be monitored through:

- monthly reviews of financial information;
- contract review meetings;
- comparison to previous costs; and
- how close the final price is compared to estimates and quarterly reviews of contracts let and savings made.

Alongside monitoring of the costs of the services the department will also track internal feedback and benchmarking services provided against previous contracts or those agreed with other governmental departments.

Milestones

Key milestones in this area will be the adoption of new framework agreements across the 2008/09 financial year, the relocation of the travel services contractor's service centre in September 2008 and the adoption of Zanzibar (the OGC organised marketplace) as part of the planned implementation of a shared finance service with DWP. In addition the take-up of IT services through the shared services framework that has already been set up will have a significant impact, although there are not yet any specific dates by which this is expected to happen.

The intent of the work on procurement is that there will be a step change in how this work is carried out over 2008/09, which will lead to delivery of the planned savings. Costs will then rise from this lower baseline in line with inflation.

Corporate Services

In the initiative on Corporate Services we will track the savings being generated by improving our procurement of web hosting services and improving our efficiency in setting up new sites. We will also monitor the number of staff involved in this work, user experience of the web sites and data on the usage of the web sites. The major milestone for this initiative will be in January 2009 with the letting of the new contracts. The savings expected in this area amount to approximately £100,000 per year by 2010/11.

VfM Progress against delivery

Cabinet Office reports the following current progress against delivery:

- £3.846 million savings have been achieved by Q2 from improved procurement. (It should be noted that this figure will be understated as it excludes anticipated savings for which data was not available at the time of reporting, including those arising from use of collaborative contracts.)

- These savings are cashable, sustained and reported net of costs.
- The savings are made up as follows:

| £000's | |
|---------|--|
| 74.5 | Use of the Government Procurement Card (GPC) – savings on transactional costs |
| 113.5 | Improved contract arrangements, including of on-line rail ticket ordering and delivery resulting in lower overhead costs. |
| 72.8 | New contract arrangements for office supplies providing for better prices than previous contract. |
| 353.5 | Use of OGCB.s collaborative frameworks |
| 3,232.0 | <p>Other savings, including those generated on contracts starting prior to 2008/09:</p> <p>Improved deal with supplier</p> <ul style="list-style-type: none"> • Professional services (£55K) • Print and distribution (37K) • Pensions administration (£62K) • ICT services (£2,511K) • Reprographics (£50K) • Accommodation services (£18K) <p>Collaborative procurement</p> <ul style="list-style-type: none"> • Re-cycled paper (£2K) • Video conferencing/Telecomms (£12K) <p>Process improvements</p> <ul style="list-style-type: none"> • Professional services (£18K) • Books, periodicals etc/IT services (£1K) • Venue hire (£2K) <p>Improved project, contract and asset management</p> <ul style="list-style-type: none"> • Courier services (£23K) • Professional services (£4K) • Publications (£5K) • Website services (£258K) • Property services (£185K) |

- Savings in the remainder of 2008/09 are planned to be delivered by:
 - Continued use of GPC and improved contract arrangements for agency staff, office supplies and travel including the extension of on-line ordering for air tickets and hotel booking.
 - Continued use of collaborative contracts, including new arrangements for consultancy and specialist contractor providing for better daily rates.
 - Implementation of the Consultancy Value Programme generating 10% savings on consultancy spend.
- Details of future progress against the VfM work strands of procurement, corporate services and administration will be reporting in next year's Cabinet Office Annual Report and Accounts.

Sustainability Report

The Cabinet Office is committed to playing its part in tackling climate change and the other challenges that sustainability presents us with. The Department is working hard to reduce its environmental impacts, particularly those over which it has direct control. We have seen a good improvement in our performance against the SOGE targets, moving from a two-star to three-star rating. However, the Department still has significant progress to make before it achieves its aim of becoming an exemplar in this field. In order to move toward this goal, we have been undertaking work in a number of key areas.

Centre of Expertise in Sustainable Procurement

Cabinet Office is working closely with the Centre of Expertise in Sustainable Procurement (CESP) to look at how best the Department can green its business.

The CESP is designed to help promote sustainability through the integration of government procurement and the government estate. The Centre will provide stronger central coordination of performance management. It will also provide guidance and support to help departments develop the capability to deliver the Government's sustainability commitments such as the Sustainable Operations on the Government Estate (SOGE) targets and the commitments set out in the Sustainable Procurement Task Force's Sustainable Procurement Action Plan (SPAP).

To support this work, Tom Watson MP, Parliamentary Secretary to the Cabinet Office, was recently appointed to ensure CESP has a cross-departmental role that delivers on sustainable targets and commitments. The graphs below show our performance in the three key areas:

- CO₂ emissions
- water consumption
- recycling

Operational developments

Over the coming months, the Cabinet Office is planning to introduce a number of measures which will improve the Department's sustainability and performance against the SOGE targets. These include:

- Introducing a scheme to separate and recycle white office paper to improve our recycling performance.
- Completing the roll out of flow restrictors and cistern volume reducers to cut water use.
- Rolling out thin-client technology as part of the FLEX IT contract thereby cutting our energy consumption and associated carbon emissions and costs.
- Making available detailed information on the travel undertaken by the Department allow us to identify areas for potential savings and reduce our carbon footprint from road vehicles.

Other developments

The Cabinet Office recognises that sustainability is not simply about greening operations, but concerns every aspect of an organisation's business. To this end, we are continuing our efforts to embed sustainability in a number of other areas:

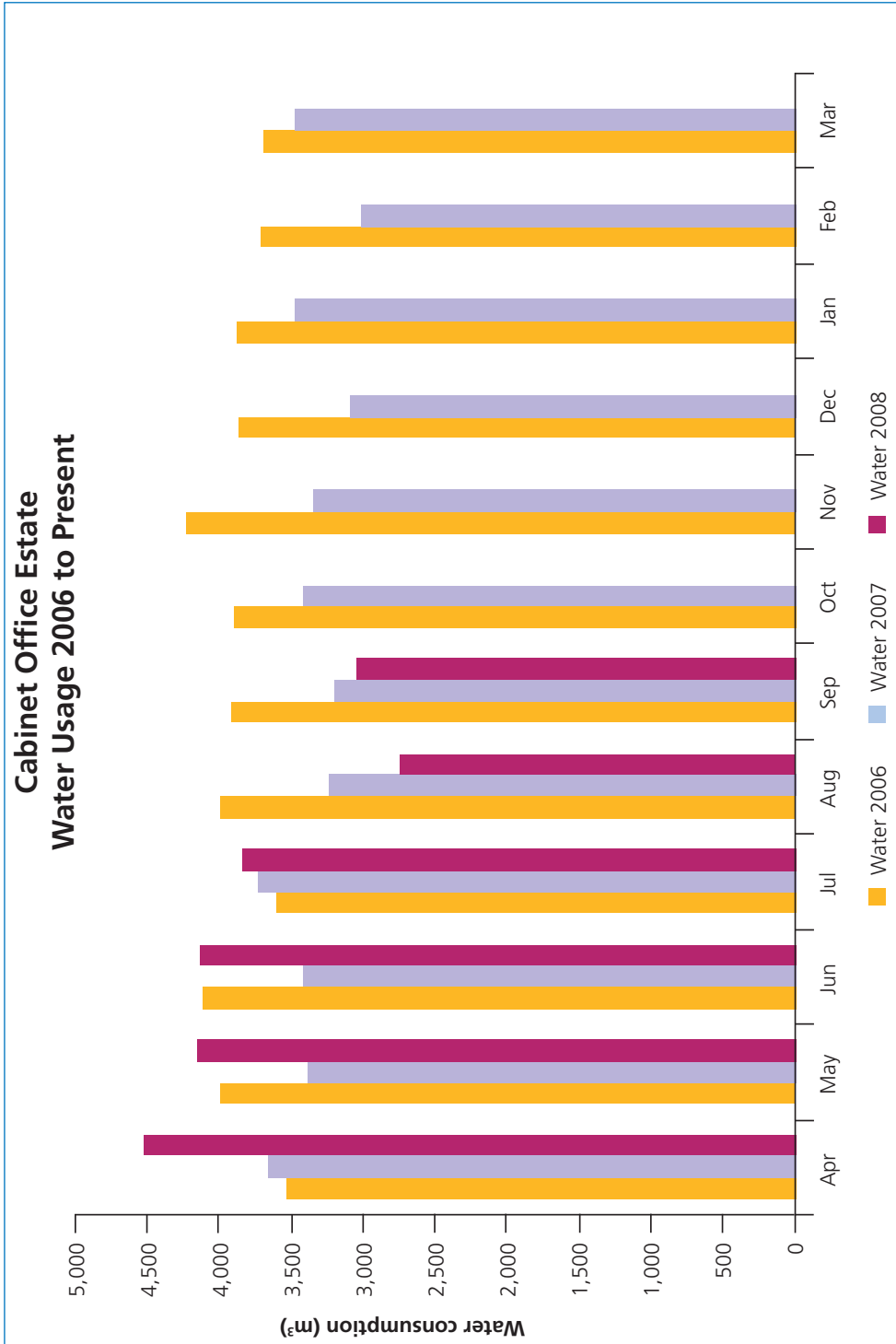
- Introducing a new IT-based system for communicating with the Department's Green Coordinators. This will act as a hub for communications between members of the network and relevant officials and improve the effectiveness of the group.
- Incorporate sustainability into its business case bidding process in order to ensure that all future projects and programmes are developed with sustainability in mind.
- Working to ensure that sustainability is a consideration in all of the policy outputs from the Department from the outset.
- Continuing to implement the recommendations made in the Sustainable Procurement Task Force's report and further developing the Department's own procurement action plan.

Carbon Emissions from Air Travel.

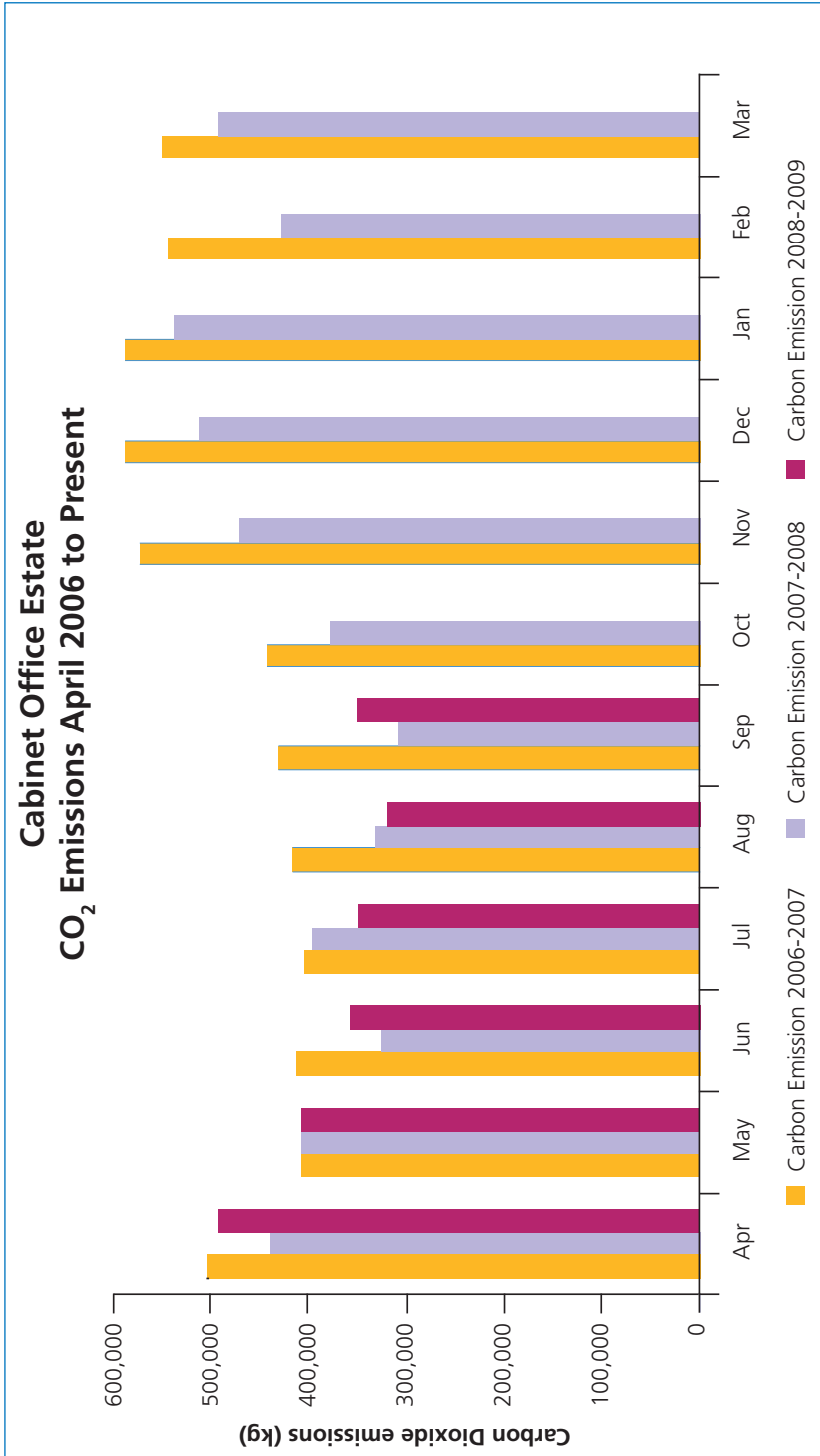
The Cabinet Office offsets all of its carbon emissions arising as a result of business air-travel through the Government Carbon Offsetting Fund (GCOF). The figures used to calculate the Cabinet Office's payment to the GCOF are shown in the table below. For the years 2005/2006 and 2006/2007 flights were only broken down into long haul and short haul, but for 2007/2008 a third category for domestic flights has been added. All figures are in miles.

| | 2005/6 | 2006/7 | 2007/8 |
|---|--------------|--------------|--------------|
| Long-haul flights | 2,577,628.96 | 2,310,728.87 | 2,466,762.16 |
| Short-haul flights | 8,235,992.48 | 6,932,186.62 | 7,400,286.47 |
| Domestic flights | N/A | N/A | 183,399.84 |
| Total CO₂e emissions (tonnes) | 4,950.4 | 4,166.7 | 4,352.07 |

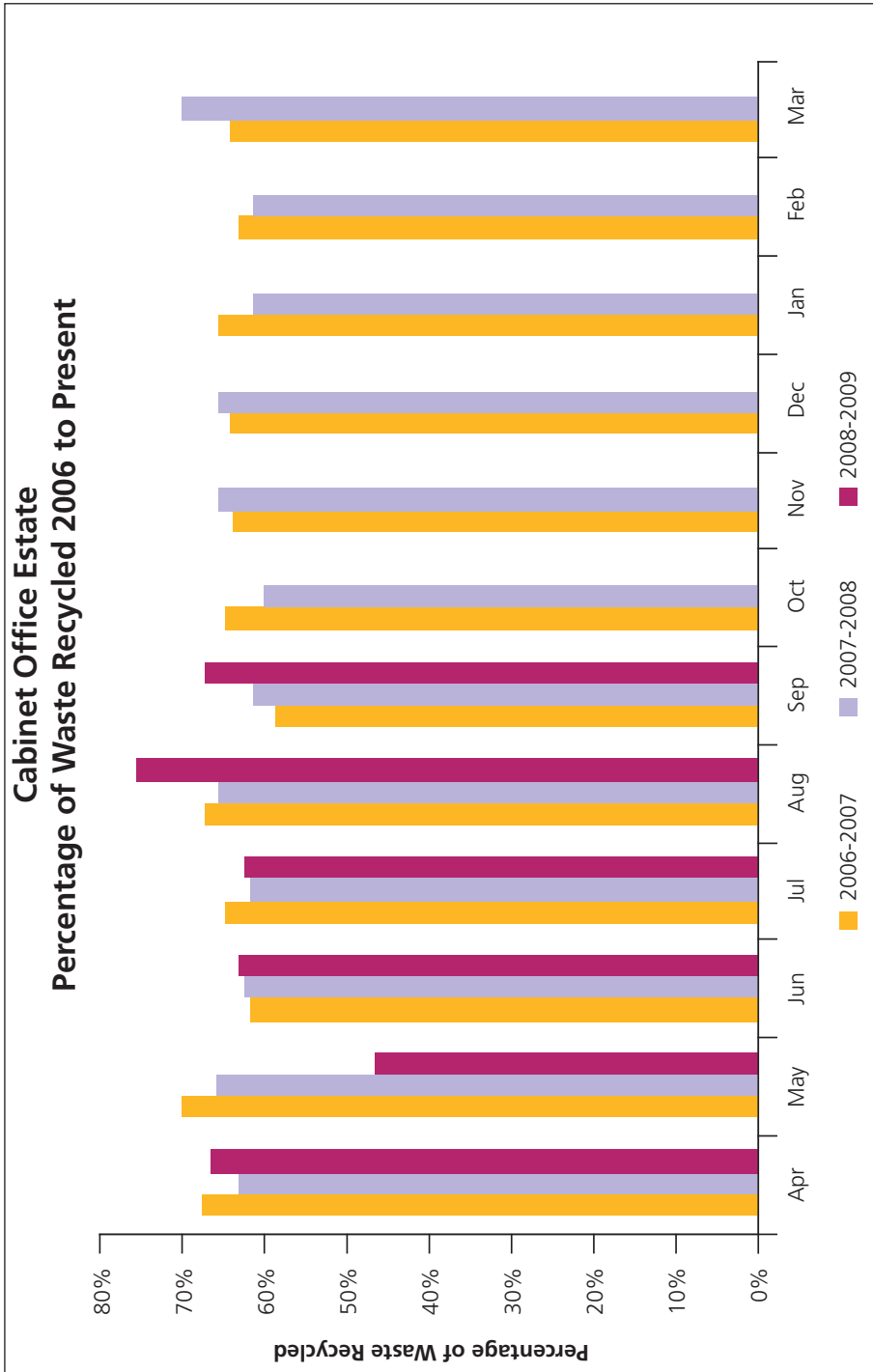
N.B. – A recent investigation into the data provided to the Government Carbon Offsetting Fund has allowed us to collect more accurate data both for the current year and previous years where contributions had been made. The result of this investigation is that the figures for the previous year's air travel and related carbon emissions data has now been revised and is higher than had been previously reported. The payments to cover the Cabinet Office's surplus carbon emissions have now been made.



- Water consumption – Since the installation of waterless urinals, there has been a significant decrease in consumption of water across the estate. There are, however, a few buildings with abnormally high consumption in particular months. The meter readings have been checked and verified. Much of this increase is due to the movement of people.



- CO₂ emissions – The increase in emissions in April and June 2008 is primarily due to the increased usage of gas for heating across the estate. There has also been increased use of the Whitehall District Heating System during this period, most likely due to a change in the external weather conditions meaning since the previous year.



Accountability to Parliament

Accountability to Parliament

During the 2007/08 session, the Cabinet Office received 1769 Parliamentary Questions and Ministers made 27 written statements and 1 oral statement to Parliament. In addition, Ministers participated in 6 debates on departmental responsibilities in the House of Commons and 2 in the House of Lords. Details are published in the Official Report. (see <http://www.publications.parliament.uk/pa/pahansard.htm>)

Public Administration Select Committee (PASC)

The Public Administration Select Committee (PASC) is responsible for scrutinising the work of the Cabinet Office.

Ministers are often invited to appear before the Committee, both to deal with general Cabinet Office matters, or to provide evidence relating to a specific inquiry which is being undertaken by the Committee. The Cabinet Secretary, as Head of the Home Civil Service, is also regularly invited to attend and to provide evidence on a range of subjects.

Since the start of the year, Ministers and officials have appeared before the Committee on the following occasions:

| Minister/Official | Date | Subject/Inquiry |
|---|---------------|--|
| Rt. Hon. Ed Miliband MP and Sir Gus O'Donnell | 29 April 2008 | Draft Constitutional Renewal Bill |
| Tom Watson MP | 19 June 2008 | Lobbying |
| Rt. Hon. Ed Miliband MP and Sir Gus O'Donnell | 15 July 2008 | Data Handling Procedures in Government |

An evidence session on the work of the Cabinet Office is planned with the Cabinet Secretary on 11 December 2008.

In addition, Tom Watson MP responded to a debate in Westminster Hall on 30 October 2008 on the Committee's Report on Politics and Administration: Ministers and Civil Servants.

The Government has responded since the start of the year to a number of reports published by the Committee:

| Title | Date Government Response Published | Government Response Reference Number |
|--|------------------------------------|--------------------------------------|
| <i>Work of the Committee in 2007</i> | 1 April 2008 | HC458 |
| <i>Parliament and Public Appointments: Pre-appointment hearings by select committees</i> | 2 May 2008 | HC515 |
| <i>Propriety and Peerages</i> | 16 May 2008 | Cm7374 |
| <i>When Citizens Complain</i> | 23 July 2008 | HC997 |
| <i>User Involvement in Public Services</i> | 23 July 2008 | HC998 |
| <i>*Counting the Population</i> | 18 September 2008 | HC1032 |
| <i>Politics and Administration: Ministers and Civil Servants</i> | 14 October 2008 | HC1057 |
| <i>Parliamentary Commissions of Inquiry</i> | 14 October 2008 | HC1060 |
| <i>Investigating the Conduct of Ministers</i> | 14 October 2008 | HC1056 |
| <i>From Citizen's Charter to Public Service Guarantees: Entitlement to Public Services</i> | 17 November 2008 | HC1147 |

* This report was published by the Treasury Committee, but responsibility for the subject area is now with the Public Administration Select Committee, with the setting up of the UK Statistics Authority as a Cabinet Office body.

PASC also undertakes extensive scrutiny of Cabinet Office accounts, expenditure and performance in relation to its targets through correspondence. The Propriety and Ethics Team in the Cabinet Office acts as the liaison point, and co-ordinates with others in the department on work involving the Committee.

Intelligence and Security Committee (ISC)

The Intelligence and Security Committee (ISC) is a statutory committee of Parliamentarians responsible for scrutiny of the security and intelligence Agencies (GCHQ, SIS and the Security Service). The Cabinet Office coordinates business with the ISC across government and provides the Secretariat for the Committee and its accommodation.

Cabinet Office officials regularly and Ministers occasionally appear in front of the Committee to give evidence relating to the work of the Agencies or to deal with general Cabinet Office business. Since the start of the year, Ministers and officials have appeared before the Committee on the following occasions:

| Minister/official | Date | Subject/Inquiry |
|---|-------------------------|---------------------------------|
| Rt. Hon. Ed Miliband MP | 1 July 2008 | Accommodation for the Committee |
| Robert Hannigan and Chris Wright | 8 January 2008 | Evidence |
| Alex Allan and Tim Dowse | 15 January 2008 | Evidence |
| Sir Gus O'Donnell and Robert Hannigan | 29 April 2008 | Evidence |
| Robert Hannigan, Chris Wright and William Nye | 11 and 18 November 2008 | Evidence |
| Alex Allan and Tim Dowse | 25 November 2008 | Evidence |

An evidence session is planned with the Cabinet Secretary on 9 December.

In addition, the Cabinet Office has published a redacted version of the ISC Annual Report 2006-07 and coordinated and published the Government response to this report:

| Title | Publication Date | Reference |
|--|------------------|-----------|
| ISC Annual Report 2006-07 | 29 January 2008 | Cm 7299 |
| Government Response to the ISC Annual Report 2006-07 | 29 January 2008 | Cm 7300 |

The Cabinet Office has also coordinated the Government's proposals for reform of the ISC described in the White Paper "*The Governance of Britain Constitutional Renewal*", which were discussed and agreed by the House of Commons on 17 July 2008 while the House of Lords approved arrangements for nominating the Lords membership of the ISC and increasing the scrutiny of the Committee's work by the Lords on 11 November 2008.

Other Committees

In addition, oral evidence has also been provided to the following Committees:

| Minister/Official | Date | Committee |
|---|-----------------|--|
| Sir Gus O'Donnell | 17 June 2008 | Joint Committee on the Draft Constitutional Renewal Bill |
| Howell James (former Permanent Secretary) | 9 July 2008 | Lords Communications Committee |
| Rt. Hon. Liam Byrne MP | 5 November 2008 | Lords Communications Committee |

PAC Recommendations

Public Accounts Committee

The main work of the Public Accounts Committee is the examination of the Reports made by the Comptroller and Auditor General (C&AG) on his value for money (VFM) studies of the economy, efficiency and effectiveness with which Government Departments and other bodies have used their resources to further their objectives.

Officials from the department have appeared before PAC on the follow occasions to provide evidence on inquiries undertaken by the Committee:

| Official | Date | Subject/Inquiry |
|--|------------------|--|
| Alexis Cleveland (CO), John Suffolk (CO) and Alan Bishop (COI) | 28 November 2007 | Government on the Internet: Progress in delivering information and services online |
| Alexis Cleveland (CO) | 12 December 2007 | Improving corporate functions using shared services |

Detailed below are Cabinet Office’s responses to PAC recommendations:

Sixteenth Report: Cabinet Office

Government on the Internet: Progress in delivering information and services online

The Cabinet Office, Central Office of Information, Department for Innovation, Universities and Skills (DIUS) and Department of Work and Pensions (DWP) welcome this report by the Public Accounts Committee in which it examined the progress of the Government’s use of Internet. The Cabinet Office accepts the Committee’s conclusions that there is need to drive forward the Government’s progress in the management and oversight of Government websites, the overall quality of sites and their rationalisation.

The Cabinet Office is pleased that the Public Accounts Committee noted that the public consider Government websites to be satisfactory and that the Committee endorses the strategy to move most citizen and business facing internet services and related information to two websites, direct.gov.uk and businesslink.gov.uk by 2011. These sites are well regarded by the public and industry and both have received awards. The report notes other examples of best practice and the Cabinet Office accepts that citizens and businesses would be well served by driving forward and continually developing this best practice across the whole of Government and its agencies given the increasing importance of the use of Internet for improving the delivery of public services.

PAC Conclusion (1): To prevent a recurrence of the proliferation of government websites, no new ones should be established without the agreement of the Government’s Chief Information Officer in the Cabinet Office.

The Cabinet Office accepts this recommendation. The establishment of any new website will be subject to the agreement of the Government’s Chief Information Officer and, at Ministerial level, the Cabinet Committee on Public Engagement and the Delivery of Services (DA(PED)).

Led by Central Office of Information (COI), Website Reviews are being undertaken by each department as part of Transformational Government. These are not only intended to prevent the unnecessary creation of new websites, but also to close most of them with their content being appropriately moved to a few high quality websites focused around audience groups.

Departments report progress on Website Rationalisation for their department and all its agencies, as part of their Service Transformation Agreement, through the Transformational Government team in COI and COI submits quarterly reports to HMT. They are also reported in the Delivery and Transformation Group’s Transformational Government annual report (Annual Report).

PAC Conclusion (2): The Chief Information Officer (CIO) Council should agree a methodology for identifying the costs of websites, to be applied by all departments and agencies by the end of the next financial year. An analysis of these costings should be included in the Delivery and Transformation Group's Transformational Government annual report.

The Cabinet Office accepts this recommendation. COI will work with departmental representatives and the CIO Council and make a proposal to CIO Council on the consistent identification of costs of websites across Government and its Non-Department Public Bodies (NDPBs) and Executive Agencies.

Departments will start measuring costs in April 2009 and report annually beginning in March 2010 to COI, such reports being collated and reported in the Annual Report.

PAC Conclusion (3): The Central Office for Information, together with the Cabinet Office, should develop a methodology and single set of measures for analysing user data such as that used by the Transport of London to make improvements in all its services. The agreed methodology and the measures should be applied by all Departments by the end of 2008-09.

PAC Conclusion (4): The Cabinet Office and the Central Office for Information should establish and agree with the CIO Council a single set of quality standards for government websites, which should be implemented by all departments. These should include the performance of internal search engines and facilities that allow the public to provide feedback on public services.

The Central Office of Information and the Cabinet Office accept these recommendations. COI will consult CIO and CTO (Chief Technology Officer) Councils and work with departmental representatives to develop a single new set of

quality standards for public sector websites. This will include a set of measures for usage, a requirement for facilities to allow the public to give feedback on public services, and a single set of reporting metrics.

The improvement of search is critical to improving citizen's experience of Government Web services. Led by COI, a project is already underway to identify the most helpful way of delivering this across the whole of Government with the intent of implementation by the end of 2009.

PAC Conclusion (6): In moving services and information from Departmental websites to Direct.gov.uk and businesslink.gov.uk and reorganising the material left on departmental sites, all Government websites should meet the accepted industry standard of accessibility by 2011.

The Cabinet Office accepts this recommendation. A new standard for accessibility was published on 5 June 2008: *Delivering Inclusive Websites* (Web standard TG102). During consultation this was widely applauded by industry and stakeholders.

Central Government Departments are to deliver accessibility policy plans for their websites by December 2008 and complete implementation by December 2009; NDPBs and Executive Agency websites will deliver their policy plans by March 2010 and complete implementation by March 2011.

PAC Conclusion (7): The CIO Council should require all departments and agencies to develop channel strategies which take into account the needs of those without internet access, by the end of the next financial year, and to update them every three years.

The Cabinet Office accepts this recommendation. The Contact Council, a sub-committee of the cross-government Delivery Council will issue this requirement to Departments as part of its responsibility for improving the delivery of services to citizens.

The Contact Council will work with the new cross-government Digital Inclusion coordination team in the context of the Digital Equalities Strategy and other relevant organizations on how to advise departments and agencies in developing their channel strategies. Guidance will be drawn up and published in time for departments and agencies to develop their strategies by March 2010.

PAC Conclusion (9): There are risks associated with establishing intermediaries' identities and their right to act on behalf of others. In 2007, the Cabinet Office commissioned research on this subject, which the CIO Council should use to agree common principles for engaging with intermediaries, to be adopted by all government departments.

The Cabinet Office accepts this recommendation. In recognizing the importance of establishing intermediaries' identities, there are a number of projects examining the best means of ensuring access for those supporting others less able or denied access to online services. These include a combinatorial approach being explored by the cross-government Employee Authentication Service, where the Trust Level granted to a particular person in a particular session will depend on the strength of identity verification (who), the strength of the authentication (how) and a number of "maturity" factors, and a role-based authentication for specific organizations who act on behalf of citizens, which is being explored by DWP.

Building on these explorations, the Delivery Council through the Contact Council will develop principles by March 2010 for mediated access and trusted roles appropriate for different situations and set security and identification standards to be put into place by delivery services.

Eighteenth Report: Cabinet Office

Improving corporate functions using shared services

The Cabinet Office, the Department of Health and Her Majesty's Prison Service welcomes this report by the Public Accounts Committee in which it examined the Cabinet Office's efforts to improve corporate functions using shared services, as well as the performance of two of the more established public sector shared services in the NHS and the Prison Service.

PAC conclusion (1): Government lacks reliable information on the cost of corporate services. Departmental Management Boards should receive clear information on the cost and performance of their corporate services on a regular basis so that they can consider the contribution these services make to key business objectives and whether they are providing value for money.

PAC conclusion (2): Inconsistency in the way corporate services are recorded prevents regular benchmarking to help secure improvements in value for money. The Cabinet Office should develop standard definitions for what constitutes corporate services and how their costs and activities should be reported. The Cabinet Office should undertake regular benchmarking exercises to identify scope for further efficiencies.

PAC conclusion (3): It is not clear how the £1.4 billion potential savings from shared services will be achieved. The Cabinet Office will find it difficult to drive improvements until it obtains clear information on the relative performance of departments' corporate services. Departments should publish an overview of their corporate services performance in their annual report, including an analysis of costs by corporate function, how shared services are being used to improve value for money, and performance against centrally agreed benchmarks.

The Cabinet Office agrees with the need for government departments to ensure that they have sufficiently accurate and clear data on the performance of their corporate services, and to regularly review whether there are more cost effective ways to obtain these services. We agree that establishing a shared services culture might be better supported by the central collation of cost and performance data. Departmental Management Boards should already receive clear information on the cost and performance of their corporate services. This data has not been centrally collated in the recent past as corporate services have been delegated to departments and shaped in accordance with their business requirements.

We acknowledge that there is work to be done to develop mature, robust, and effective ways of collecting and disseminating this information. A key role of the Cabinet Office's shared services team is to coordinate different initiatives, provide assistance, and share best practice in how a department can best assess the real cost of providing its corporate services. Two key initiatives in this respect are being undertaken to agree pan-government benchmarks on the cost and performance of HR and Financial corporate services. This work is being taken forward by the heads of profession in government (HR and Finance) in cooperation with departments. These programmes will bring consistency and transparency of measurement to each profession across government. It is anticipated that the first set of benchmark data for HR and Finance will be published in 2009.

The Cabinet Office agrees that transparency of information is crucial in the development of effective and efficient shared services across government. We note the recommendations on the analysis of corporate services performance, for inclusion in Departmental Annual Reports. The Cabinet Office, with Heads of Profession, will work with Departments to provide them with the relevant benchmark data to facilitate this recommendation. With regard to potential savings, the Cabinet Office wishes to reiterate that the £1.4 billion refers to potential annual savings from finance and HR services across the public sector.

PAC conclusion (4): The Cabinet Office does not have sufficient grip on the cost of its activities to promote shared services. The team set up to encourage the use of shared services did not know how much money it had spent or how it was allocated across different activities. To improve performance and operational efficiency, the team should routinely record and analyse all its expenditure and assess the cost effectiveness of different interventions.

The Cabinet Office regrets that sufficient information on the costs of the shared services team and its activities were not easily available at the time of the hearing. However, detailed financial information was provided to the Committee, in cooperation with the NAO, following the hearing as requested.

The Cabinet Office recognises that there were anomalies between its initial estimates and the actual costs, of the shared services team. The main causes of this disparity were the rapid growth and turnover of the team's membership and the evolution of its account structure as the shared services team inherited the cost code previously used by other teams. Now that a permanent team of civil servants has been established, more effective recording and analysis of the team's costs and activities will be possible.

PAC conclusion (8): Further savings could be achieved through economies of scale if more small departments bought their corporate services from larger departments. Smaller departments should evaluate the benefits of buying corporate services from one of the two designated sellers – HM Revenue and Customs and the Department for Work and Pensions. To allow this to happen, these two departments must develop the capacity to provide shared services and market the benefits to smaller public sector bodies.

The Cabinet Office agrees with this recommendation. A key role of the shared services team is to encourage smaller departments to examine their options for improving their corporate services including receiving their services from the two designated selling departments, HMRC and DWP. The team has contributed to a number of events where HMRC and DWP have set out the basis of their offerings to smaller departments. The team also provides detailed guidance, available on the CIO website, on the issues relating to customers and providers.

The Cabinet Office itself is leading the way in this regard through its current programme to receive its HR, Finance and Procurement services from DWP. It is hoped this process will provide other smaller departments with a roadmap on how best to buy services from a larger department. The Departments for Children Schools and Families, and Innovation Universities and Science have already both made commitments to become customers of DWP shared services over the next couple of years.

PAC conclusion (9): Whether or not they move to using shared services, public bodies will miss potential efficiency savings if they do not streamline their administrative processes...Even when shared services are not adopted, public bodies should be able to show that they have mapped all the key processes in their corporate functions and used the results as a basis for driving out waste.

All central government departments are actively using shared services or are engaged in the planning and rationalisation process of their corporate services with a move to using shared services in the short to medium term. The Corporate Functions Board (a sub-group of the Civil Service Steering Board) leads the development of common corporate service processes across government. The Cabinet Office and CFB are now working on opportunities for Agencies and Non-Departmental Public Bodies to engage shared services.

Spending Reviews 2002 and 2004 – Cabinet Office PSA Targets

The Autumn Performance Report provides information on progress, and where applicable, final assessment against the Cabinet Office's Public Service Agreement (PSA) targets agreed as part of the 2004 Spending Review (SR 2004) and the 2002 Spending Review (SR 2002).

Background

Autumn Performance Reports were introduced in 2002 to supplement reporting against PSA targets in departmental reports. This report follows on from the Cabinet Office Annual Report and Accounts 2007-2008 (HC 613) which was published in July 2008 (available on the Cabinet Office website at http://www.cabinetoffice.gov.uk/about_the_cabinet_office/reports.aspx). The accounts provide information about Cabinet Office performance in relation to its resources.

The Minister for the Cabinet Office is responsible for the delivery of the PSA targets and the Chancellor of the Exchequer jointly responsible for the delivery of PSA target 1 (SR 2002 & SR 2004).

Standard terminology in line with Treasury central guidance to departments has been adopted when reporting against all targets. For final assessments, the terms used are:

| TERM | DEFINITION |
|-------------|---|
| Met | Target achieved by the target date |
| Met-ongoing | For older open-ended targets where no end date was set, but the target has been met and a decision has been taken to make a final assessment |
| Partly met | Where a target has two or more distinct elements, and some – but not all – have been achieved by the target date |
| Not met | Where a target was not met or met late |
| Not known | This should only be used where it was not possible to assess progress against the target during its lifetime or subsequently. In these cases an explanation will be given as to why and reference made to any subsequent targets covering the same area |

For interim assessments of those targets yet to reach their completion date, the terms used are:

| TERM | DEFINITION |
|------------------|---|
| Met early | The target has been met ahead of schedule |
| Ahead | If progress is exceeding plans and expectations |
| On course | Progress in line with plans and expectations |
| Slippage | Progress is slower than expected |
| Not yet assessed | Target for which data is not yet available |

Progress Against SR2002 and SR2004 PSA Targets

The following table gives summary assessment of progress on each of Cabinet Office's PSA targets from SR 2002 (in italics) and SR 2004 and where and when final assessments were reported. Previous Cabinet Office Autumn Performance Reports can be found on the Cabinet Office website at http://www.cabinetoffice.gov.uk/reports/psa/autumn_delivery.aspx and previous Cabinet Office Departmental Reports/Annual Report & Accounts can be found on the Cabinet Office website at http://www.cabinetoffice.gov.uk/about_the_cabinet_office/reports.aspx

More details on the outstanding targets can be found on page 46-50 of this report.

| Summary Assessments of Progress | | | | |
|---------------------------------|--------------------------|---|--|------------------------|
| | PSA TARGET | | Final Assessment (And where and when last reported) | Ongoing Assessment |
| | PSA 1 SR 2004 | Improve public services by working with departments to help them meet their PSA targets. This is a joint target with HM Treasury. | – | Slippage (see page 47) |
| | <i>PSA 2 SR 2002</i> | <i>Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. This is a joint target with HM Treasury.</i> | Partly Met (Autumn Performance Report 2008 –see page 47) | – |
| | PSA 2 SR 2004 | By April 2008, work with departments to build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership, skills and diversity. On diversity meeting the specific targets of: <ul style="list-style-type: none"> • 37% women in the Senior Civil Service (SCS); • 30% women in top management posts; • 4% ethnic minority staff in the SCS; • 3.2% disabled staff in the SCS; and in the longer term, work to ensure that the Civil Service at all levels reflects the diversity of the population. | Partly Met (Annual Report and Accounts 2007-2008 & Autumn Performance Report 2008 – see page 48) | – |
| | <i>PSA 4 SR 2002</i> | <i>Ensure that the Civil Service becomes more open and diverse by achieving by 2004-05 the agreed targets of:</i> <ul style="list-style-type: none"> • 35% Senior Civil Service (SCS) to be women; • 25% of top 600 posts to be filled by women; • 3.2% of the SCS to be from ethnic minority backgrounds; • 3% of the SCS to be people with disabilities. | Partly Met (Autumn Performance Report 2006) | – |

| Summary Assessments of Progress (continued) | | | | |
|---|--|---|---|---|
| | PSA TARGET | | Final Assessment (And where and when last reported) | Ongoing Assessment |
| | PSA 3 SR 2004 (PSA 1 SR 2002) | By April 2008, ensure departments deliver better regulation and tackle unnecessary bureaucracy, in both the public and private sectors. | From 2007, the Department of Business, Enterprise and Regulatory Reform (BERR) had responsibility for reporting final progress against this target following the transfer of Better Regulation Executive (BRE) to that department | |
| Target inherited from Home Office in 2006 with the transfer of Office of the Third Sector (OTS) to Cabinet Office | PSA 4 Element 1 SR 2004 | Increase the voluntary and community engagement, especially amongst those at risk of social exclusion | Not Met (Annual Report and Accounts 2007-2008) | – |
| | PSA 4 Element 2 SR 2004 | Increase the capacity and contribution of the voluntary and community sector to deliver more public services | – | Not yet assessed – To early to tell (see page 50) |
| | PSA 3 SR 2002 | <i>Ensure departments meet the Prime Minister's targets for electronic service delivery by Government; 100% capability by 2005, with key services high levels of use</i> | Not Met (Departmental Report 2007) | – |
| | PSA 5 SR 2002 | <i>Improve public services by working with departments to redesign services around the needs of customers and embed the four principles of public service reform, with progress measured by survey evidence</i> | Met (Departmental Report 2006) | – |

Progress against outstanding PSA Targets

The outcome of the 2004 Spending Review (SR2004) was announced in July 2004. SR 2004 established the funding available to the Cabinet Office for the period 2005/06 to 2007/08 and set the targets to be achieved. Below are details of progress against the outstanding targets from this period. There is also one outstanding target rolled forward from SR 2002 period.

Target 1 (SR 2004): Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. This is a joint target with HM Treasury.

Target 2 (SR2002): Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. This is a joint target with HM Treasury.

Target 2 Diversity Element (SR 2004): By April 2008, work with departments to build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership, skills and diversity.

On diversity meeting the specific targets of:

- 37% women in the Senior Civil Service (SCS);
- 30% women in top management posts;
- 4% ethnic minority staff in the SCS;
- 3.2% disabled staff in the SCS; and

in the longer term, work to ensure that the Civil Service at all levels reflects the diversity of the population.

(The leadership and skills elements of this PSA target were reported finally in the *Cabinet Office Annual Report and Accounts 2007-2008* published in July 2007)

Target 4 Element 2 (SR 2004): Increase the capacity and contribution of the voluntary and community sector to deliver more public services.

| | |
|-----------------------------|--|
| Target 1 SR 2004 | Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. This is a joint target with HM Treasury. |
| Progress | Slippage |
| Commentary | <p>The Cabinet Office and HM Treasury jointly supports departments in their work to achieve their SR 2004 PSA commitments, but ultimate responsibility for delivery remains with individual departmental Secretaries of State. 80 per cent of SR 2004 PSAs were given either an overall final or interim summary assessment by departments in their 2008 Departmental Reports. Of those 56 per cent were reported as met, ahead or on course.</p> <p>This out-turn represents a very significant level of success with what are exceedingly challenging targets. Significant progress has also been made on other targets with 12 per cent being assessed as partly met. However, for this overall target to be fully met '100 per cent' of individual SR 2004 PSAs must be met or partly met. There has been some slippage against this very ambitious aim. At present 27 per cent of targets are rated as slippage and 5 per cent not met, therefore, PSA 1 reported here can only be assessed as slippage at this time. Nevertheless, the significant achievements demonstrated already against the SR 2004 PSAs indicate at this stage that when the final assessment for this target is made it will show considerable success.</p> |
| Target 2 SR 2002 | Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. This is a joint target with HM Treasury. |
| Progress | Partly Met |
| Commentary | <p>This assessment represents the final assessment on the Cabinet Office's SR 2002 PSA target to work with departments to help them meet their individual SR 2002 PSAs. Although final assessments have not been made for all these departmental targets, sufficient data has now been collected for us to make an overall final assessment. The results demonstrate a very significant level of success.</p> <p>The majority of these challenging SR 2002 targets have received final assessments and of these 35 per cent were met or met-ongoing, with a further 35 per cent partly met. Even for those yet to receive final assessments, 45 per cent are rated as on course.</p> |

| | |
|------------------------------------|--|
| <p>Target 2 SR 2004</p> | <p>By April 2008, work with departments to build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership, skills and diversity.</p> <p>On diversity meeting the specific targets of:</p> <ul style="list-style-type: none"> • 37% women in the Senior Civil Service (SCS); • 30% women in top management posts; • 4% ethnic minority staff in the SCS; • 3.2% disabled staff in the SCS; and in the longer term, work to ensure that the Civil Service at all levels reflects the diversity of the population. |
| <p>Progress</p> | <p>The leadership and skills element of this PSA were met. The final measurement against the diversity targets shows that while there has been a lot of progress they remain not met. As a result, the final assessment against this PSA is partly met.</p> |
| <p>Commentary</p> | <p>Diversity Element</p> <p>The diversity targets to achieve by 2008 were deliberately very challenging and aspirational, to signal commitment and drive change. Over the past year there have been slight increases in representation of female, minority ethnic and disabled staff in the SCS, although representation of women in top management posts has dropped slightly.</p> <p>All targets and statistics for the SR 2004 targets use figures from the SCS database to ensure consistency of measurement across the four targets. The final measurement against the targets at April 2008 is:</p> <ul style="list-style-type: none"> • Women in the SCS: 32.6% • Women in top management posts: 25.5% • Ethnic minority staff in the SCS: 3.6% • Disabled people in the SCS: 3.1% <p>Ethnicity and disability percentages are based on those senior civil servants whose ethnicity/disability is known. The proportion of staff at SCS level who have declared their ethnicity at April 2008 is up to 91% from 83.4% in October 2003. The proportion of staff who have declared their disability status at April 2008 is up to 90.3%, from 70.7% in October 2004</p> <p>Although the targets were very challenging, the margin by which the targets for BME and disabled staff were missed is relatively small. Over the longer term, we are making steady progress on achieving a more diverse workforce. For example, the proportion of women in SCS has almost doubled since 1996 from 16.7% to 32.6% in April 2008.</p> <p>A new strategy, <i>Promoting Equality, Valuing Diversity</i>, was launched in July 2008, which builds on progress and learning. The key themes of the strategy are: behaviour and culture change, leadership and accountability, talent management and representation. It includes the elements we know work well and introduces some new ideas and commitments:</p> <ul style="list-style-type: none"> • Behaviour and culture change is essential to attracting, motivating and developing people from different backgrounds. The strategy proposes that for the first time we will develop and agree a quantitative and qualitative framework for measuring our progress in this area. |

- Leadership and accountability: making commitments in the new strategy part of performance appraisal process. The first Diversity Delivery Board has been set up and manages performance against new strategy. It is led by Bill Jeffrey, Civil Service Diversity Champion and attended by 5 Permanent Secretary Heads of Department, the Chief Executives of GEO and ECHR and the General Secretary of CCSU.
- Talent Management: we will conduct the first review of talent management approaches to find best practice – this will benefit everyone and especially people in under-represented groups. We will explore how we can share diverse talent more effectively across the Service.
- Representation: we will continue to work towards improving representation at senior levels, aiming to achieve:
 - 34% of staff in top management posts to be women;
 - 39% of the SCS to be women;
 - 5% of the SCS to be staff from BME background; and
 - 5% of the SCS to be disabled people.
- We aim to achieve these stretching and realistic targets within 5 years, with a stretch target of achieving them within 3 years. Departments are required to set targets for their own SCS and feeder grade targets and, for the first time, targets below feeder grades where there is under-representation. We have also committed for the first time to targets for improving response rates across the Civil Service to 90% for disability and ethnicity. For the first time we committed to extending diversity monitoring at departmental level to cover sexual orientation and religion or belief. Improving our diversity data will enable us to identify barriers and target interventions more effectively.

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| <p>Target 4 Element 2 SR 2004</p> | <p>Element 2: Increase the capacity and contribution of the voluntary and community sector to deliver more public services.</p> |
| <p>Progress</p> | <p>Not Yet Assessed (Too early to tell) see revised technical note</p> |
| <p>Commentary</p> | <p>This element assesses the capacity and contribution of the sector by combining the number of employees, the number of volunteers and the amount of statutory funding the sector receives, using data from the State of the Sector Panel survey. As reported in the Annual Report and Accounts 2007/08, concerns over the quality of the State of the Sector Panel has resulted in implementation of a new measurement mechanism that encapsulates all of the same elements as the existing model, but which gives us greater confidence that what we are measuring is accurate. This was supported by Treasury and the National Audit Office. One of the components of the new mechanism uses audited accounts of third sector organisations and as such is not yet available for the final year of the period to which this target relates. We expect to have a final assessment for this element of the PSA target in time for the 2008/09 Annual Report and Accounts.</p> |
| <p>Revised Technical Note for PSA 4 Element 2 SR 2004</p> | <p>In their validation exercise of PSA measurement mechanisms, the National Audit Office raised questions over the State of the Sector Panel survey, which is used to capture progress on this element. In their view the data system 'needs strengthening'. In addition, the quality of the data from the survey has been adversely affected by the continuing attrition of original panel members, and would not be able to deliver the minimum number needed for robust reporting for the end of the PSA period. This fatally undermines the suitability of the Panel to measure progress across the time period as a whole. We will no longer be using the State of the Sector Panel as the basis of our assessment of progress on this element – the last year of the survey was for the financial year 2005/6. Instead we are moving to new data systems.</p> <p>We will continue to measure all three components of the index – the number of employees, the number of volunteers and the amount of statutory funding the sector receives – but using alternative, existing data sets for each of the components of the index, all of which will have greater robustness than the State of the Sector Panel, and all of which are methodologically consistent throughout the PSA period. There are a number of technical issues arising from the use of multiple datasets when creating an index, which we are working to address, and it is too early to say whether the new mechanisms will replicate the progress towards the target reflected in the old State of the Sector data.</p> |



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