CabinetOffice

Autumn Performance Report 2005

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Cabinet Office

Presented to Parliament by the Minister for the Cabinet Office,
by Command of Her Majesty – December 2005

Contents

Introduction

1. This Autumn Performance Report provides information on the latest progress 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).

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 Departmental Report 2005* (Cm 6543) which was published in June 2005.

3. 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 2004).

4. The outcome of the 2004 Spending Review (SR 2004) 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. Details of the objectives and targets agreed as part of SR 2004 are shown at **Section 1**. SR 2004 PSA targets and the SR 2002 targets are shown at **Section 2**. There are three new targets, rolled forward from SR 2002, and two SR 2002 targets which will continue to be reported on. The three new targets will continue to drive progress towards achieving key goals in the areas of regulatory reform, public service delivery and civil service capacity (incorporating leadership, skills and diversity).

5. Progress against SR 2004 PSA targets are shown in **Section 3**.

6. The PSA Technical Notes in **Sections 4** of this report set out how performance against each of the SR 2004 PSA targets is measured.

7. Details of the objectives and targets agreed as part of SR 2002 are shown at **Section 5**.

8. Progress against SR 2002 PSA targets is shown in **Section 6**.

9. The PSA Technical Notes in **Section 7** set out how performance against each of the PSA targets is measured.

10. The Cabinet Office has a target, agreed in SR 2004, of realising total efficiency gains of at least £25 million, reduction of 150 Civil Service posts and relocation of 250 posts out of London and the South East by 2007-08. Progress on achieving these targets is detailed in **Section 8**.

11. *The Cabinet Office Annual Report and Resource Accounts 2004-05* (HC 372) were published in July 2005. The accounts provide information about Cabinet Office performance in relation to its resources.

12. In summary, the Cabinet Office is on course on two of its three SR 2004 PSA targets and broadly on course on the third. All three have been rolled forward, and in two cases added to, from SR 2002. The two remaining SR 2002 PSA targets will be reported on for the final time in early 2006.

Section 1
Spending Review 2004 - Public Service Agreement

Objectives:	1 Support the Prime Minister in leading the Government; 2 Achieve coordination of policy and operations across government; 3 Improve delivery by building capacity in departments and the public services.
Target 1	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 (HMT).
Target 2	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.
Target 3	By April 2008, ensure departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors through: a) Delivery of the Regulatory Reform Action Plan (RRAP), including 75 Regulatory Reform Orders (RROs) by the end of 2007-08; b) Maintaining Regulatory Impact Assessment (RIA) compliance levels at or above 95%; c) Maintaining compliance with the Code of Practice on Consultation; d) Maintaining the UK's international standing on better regulation.
	4 Promote standards that ensure good governance, including adherence to the Ministerial and Civil Service codes.

Section 2
SR 2004 PSA targets and SR 2002 PSA targets

Section 2 sets out the three new SR 2004 PSA targets and the previous six SR 2002 PSA targets. Also detailed are the sections of this report where you can find summaries of progress against the targets.

SR 2004 PSA targets	SR 2002 PSA targets
Rolled forward from target 2 in SR 2002 PSA **1**. 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. **(See section 3)**	**2.** 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.
Rolled forward and added to, from target 4 in SR 2002 PSA **2.** 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. **(See Section 3)**	**4.** Ensure that the Civil Service becomes more open and diverse, by achieving by 2004-05 the agreed targets of: 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; and 3% of the SCS to be people with disabilities.
Rolled forward and added to, from target 1 in SR 2002 PSA **3.** By April 2008 ensure departments deliver better regulation and tackle unnecessary bureaucracy, in both the public and private sectors **(See Section 3)**	**1.** Ensure departments deliver better regulation through: - full compliance with the Regulatory Impact Assessment process; and - delivering the commitments in the Regulatory Reform Action Plan, including over 60 Regulatory Reform Orders by 2005.

SR 2004 PSA targets	SR 2002 PSA targets
	3. Ensure departments meet the Prime Minister's targets for electronic service delivery by Government; 100% capability by 2005, with key services achieving high levels of use. Target not rolled forward as part of SR 2004 PSA but e-Government unit will continue to work with departments as part of the cross-governmental efficiency agenda. **(See Section 6)**
	5. 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. Target not rolled forward as part of SR 2004 PSA. Elements covered by the current target are rapidly becoming mainstreamed and further work on public service reform will be superseded by a revised target 2. **(See Section 6)**
	6. Achieve a 2.5% efficiency saving each year on administrative resources. Superseded by the new efficiency target published following the Gershon Review as part of SR 2004. The Cabinet Office is committed to deliver 3 % efficiency savings per year which is equivalent to total annual efficiencies of £25 million by 2007-08. **(See Section 8)**

Section 3
Progress against SR 2004 Public Service Agreement targets

Section 3 records progress against the three SR 2004 PSA targets. All three have been rolled forward from SR 2002 PSA targets. Summary of progress against SR 2002 PSA targets has been included within the body of the individual updates.

Target 1 (rolled forward from target 2 in SR 2002 PSA)	Improve public services by working with departments to help them meet their PSA targets, consistently within the fiscal rules. This is a joint target with HM Treasury.
Progress	On course.
Commentary	SR 2002 and SR 2004 set stretching outcome focused targets for key areas of the public services. Responsibility for delivery of the targets rests with departmental Secretaries of State, as set out in the 'Who is responsible' section of each PSA. Most of the SR 2002 targets have yet to reach their completion dates. A final assessment will only be possible after all parts of the targets are due. In the meantime, departments continue to publish ongoing progress in their own departmental and performance reports. Progress can of course vary up to the point that a final report is made. In the latest departmental reports (spring 2005) summary interim assessments were made for a majority of PSA targets. For targets where an assessment was made, over 70 per cent were reported to be on course. For SR 2004 targets, the HM Treasury and the Prime Minister's Delivery Unit are working closely with each other and other government departments to promote and support effective planning and management to deliver PSA targets.
Quality of data systems	The data systems underpinning PSA targets are validated by the National Audit Office (NAO)

Target 2 (rolled forward and added to from target 4 in SR 2002 PSA)	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: 37% women in the Senior Civil Service (SCS); 30% women in top management posts (Pay Bands 2, 3 and Permanent Secretaries); 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.
Progress	On course.
Commentary	Leadership indicators show steady progress with the new Professional Skills for Government (PSG) programme (launched October 2004). The Civil Service is also making good progress towards meeting its 2008 diversity targets. Representation at SCS level has increased across the board for women, women in top management positions, ethnic minority staff and staff with disabilities **(see Figure 1)**. A number of supporting initiatives have been put in place at both corporate and departmental level to help accelerate progress towards increased visible diversity at senior levels of the Civil Service. A number of methods for measuring improvements in **leadership** have been identified. These include turnover, external recruitment levels, breadth of experience and perceptions. These show that progress is on course. - External benchmarking suggests that healthy organisations typically have turnovers of around 12% - turnover in the SCS during 2004-05 was 9.9%, up from 8% in 2002-03. - The median length of time in completed post as of April 2005 was 2.6 years, down from 3.3 years in April 2003. There is now an expectation of a four year norm for SCS postings and 85% of those in post over three years have discussed the end date for their posting with their manager (SCS Survey, Jan 2005). - In 2004-05, 43% of SCS vacancies were opened up to external competition. - At April 2005, 60% of members of the SCS had experience of working outside the Service of more than 12 months (up from 40% in April 2004). - The first survey of SCS members' perceptions of leadership and skills was conducted between November 2004 and January 2005. It aimed to find out: what they thought about their own and colleagues' skills, the opportunities they have had to develop their own leadership and other skills, and what additional skills they feel they need. The results of the survey have given a baseline to measure progress over time. The questionnaire and narrative report of the survey are available through the civil service website at: www.civilservice.gov.uk Specific activities over the past year in support of delivering this target have included recruiting leaders from outside the Civil Service, supporting Permanent Secretaries in their development and creating a new programme of development for those at Board level. Other activities include running the High Potential Development Scheme (now a year old), which is designed to provide tailored developmental support for SCS staff with the potential to rise quickly to Board level.

In terms of making further progress, the new National School of Government (NSG) will have a key role in delivering critical leadership development programmes. Work is taking place to ensure that these are aligned with the demands of the reform agenda. NSG are clear how leadership development programmes relate to key career stages; and that there is top management engagement in the design and delivery. This work will be informed by findings from the `Tomorrow's Leaders' group. In addition, the roll-out of Professional Skills for Government (see below) will raise the profile of the leadership agenda.

On **skills**, the Cabinet Office consulted departments on the PSG programme in October 2004. PSG is designed to improve the delivery of services to the public by raising the skills levels (and hence performance) of individual civil servants. For the first time the minimum Leadership Skills, Core Skills, Professional Expertise and broader experience requirements which all civil servants at Grade 7 and above need have been defined centrally.

The Civil Service Management Board signed off the framework of requirements and implementation plan in June 2005, and provisionally agreed a target that 75% of the SCS should be demonstrating the Core Skills by September 2007. The target will be confirmed once the SCS skills baseline is established early in 2006 (see below). PSG started being rolled out across departments in September 2005, when PSG was applied to all SCS recruitment and appointments All staff at Grade 7 and above were required to assess with their line managers to what extent they matched up to the PSG requirements.

Successful communication and the establishment of high quality learning and development provision will be critical to the success of PSG.
- In summer 2005, research showed that PSG achieved the highest recognition rate among SCS staff (over 80%) for any element of the Delivery and Reform agenda.

- The NSG has designed new courses at SCS and Grade 7 level for the Core Skills.

PSG is about improving the professionalism of all staff and direct data on baseline Core Skill levels in the SCS will be available early in 2006. In the interim, data has been tracked on qualifications and specialisms. Data from the SCS database shows an increase in the proportion with a professional qualification from 36% in April 2004 to 40% in April 2005. A substantial reduction in the proportion of staff with their specialism recorded as 'not known', from 27% in April 2004 to just 0.3%. 60% of SCS staff now have a recorded specialism. In April 2005, the focus will shift to collecting data directly linked to PSG and the expectation is that, in line with PSG, all staff will record a profession.

Action to make further progress includes:
- The SCS survey in Autumn 2004 provided data on Core Skill attainment levels, but it was self-reported. In December 2005, departments will be providing data on attainment levels within the SCS against the six PSG Core Skills, which has been endorsed by managers. This will provide a baseline against which future progress can be measured.

- PSG will start being rolled out for all staff below Grade 7 from April 2006. In addition, PSG will start to be reflected in performance management systems from this point, and Permanent Secretaries will provide their first annual reports on implementation progress. This will provide significant qualitative data.

The Civil Service is making good progress towards meeting its 2008 **diversity** targets. Representation at SCS level has increased across the board for women, women in top management positions, minority ethnic minority staff and staff with disabilities (see **Figure 1**). A number of supporting initiatives have been put in place at both corporate and departmental level to help accelerate progress towards increased visible diversity at senior levels of the Civil Service.

April 2005 data, published on 1 November 2005, shows that:
- 29.1% of the Senior Civil Service are women, up from 27.5% in October 2003. The target will be a challenging one, although the percentage of women in the SCS has been rising steadily during the last 18 months;

- 25.5% of those in the very top management positions are women, up from 23.9% in October 2003. This includes three women at Permanent Secretary level. The Civil Service is well positioned to meet its 2008 target;

- 2.8% of staff at Senior Civil Service level are from ethnic minority backgrounds, up from 2.4% in October 2003. Action towards increasing representation will continue to be taken to ensure progress is sustained;

- 2.9% of staff at Senior Civil Service level are disabled, up from 2.1% in October 2003. Actions are being prioritised to accelerate progress on disability disclosure rates.

All targets and statistics for the SR 2004 targets use figures from the SCS database to ensure consistency of measurement across the 4 targets.

Action to make further progress includes:
- a new *10-Point Plan on Delivering a Diverse Civil Service*. Launched on 1 November 2005, the plan was developed by the Chief Diversity Adviser, Waqar Azmi. The plan is aimed at meeting PSA 2008 diversity targets and improving diversity representation at all employment levels within the Service;

- new 2008 departmental diversity targets and delivery plans. Departments have set challenging 2008 targets for both SCS and 'SCS feeder grades' supported by robust delivery plans integrated into business planning;

- building on Civil Service Diversity Champions' Network progress and strengthening sub-group work on driving the pace of change on diversity;

- running corporate development programmes to bring on talent from under-represented groups. Staff with high potential will be selected for corporate programmes to develop ethnic minority, disabled staff and women for the Senior Civil Service.

Figure 1- Progress in first year against SR 2004 PSA target 2

Women in the SCS

Women in top managment posts

Ethnic minorities in the SCS

Disabled in the SCS
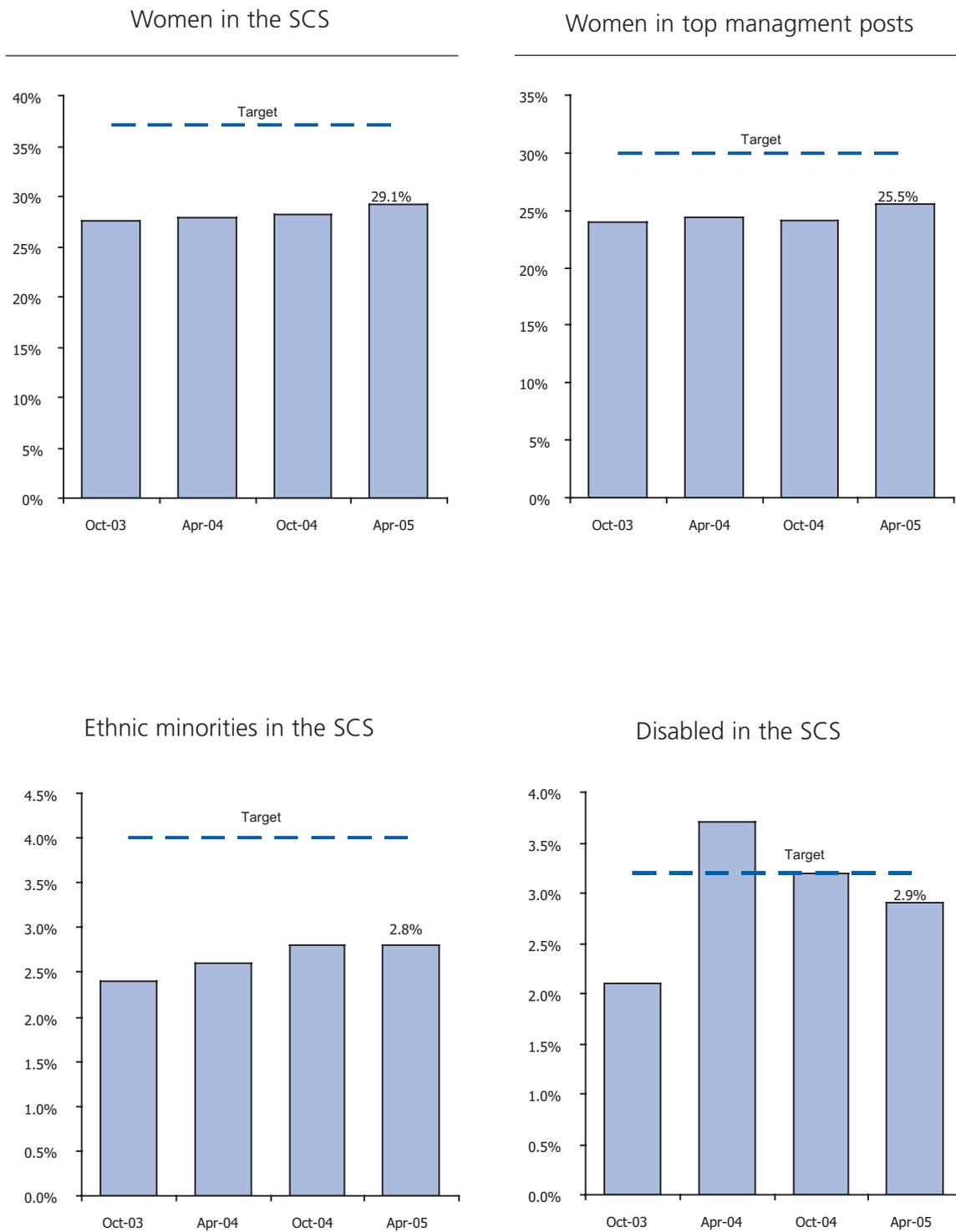
Commentary on outstanding issues from target 4 in SR 2002 PSA target

Ensure that the Civil Service becomes more open and diverse and achieving by 2004-05 the agreed targets of:

- 35% of the Senior Civil Service (SCS) to be women;
- 25% of the 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.

The Civil Service has delivered its targets to double both the number of women in top management positions and ethnic minority employees by 2005. It has also made steady progress towards meeting both of its challenging 2005 SCS women and disabled people employment targets (see **Figure 2**).

April 2005 data published on 1 November shows that:

- 29.1% of the Senior Civil Service are women, an increase from 17.8% in 1998. The target has been a challenging one, although the percentage of women in the SCS has risen for the sixth consecutive occasion since April 2002;
- 25.5% of those in the very top management positions are women, an increase from 12.7% in 1998. This includes three women at Permanent Secretary level. The Civil Service has exceeded its 2005 target by more than doubling its numbers of women in top management posts since1998;
- 3.2%* of staff at Senior Civil Service level are from ethnic minority backgrounds, up from 1.6% in 1998. The Civil Service has met its 2005 target by doubling its numbers of black and minority ethnic staff (BME) in the SCS since1998;
- 2.3%* of staff at Senior Civil Service level are disabled, an increase from 1.5% in 1998.

 * These are provisional figures until final data are available at the end of November 2005. They are sourced from the Civil Service April 2005 data collection and represent the vast majority of staff in SCS level posts. For three major Departments who have not yet supplied data, last year's figures have been used as an estimate. Data on ethnicity and disability were not collected as at October 2004.

New targets were set as part of the SR 2004 to ensure that the Civil Service continues to build on the progress that it has made, and to work towards challenging targets that address under representation at senior levels as part of a broader aim of improving leadership capacity and skills.

Figure 2- Final progress report against SR 2002 PSA target 4

Women in the SCS[1]

Women in top management posts[1]
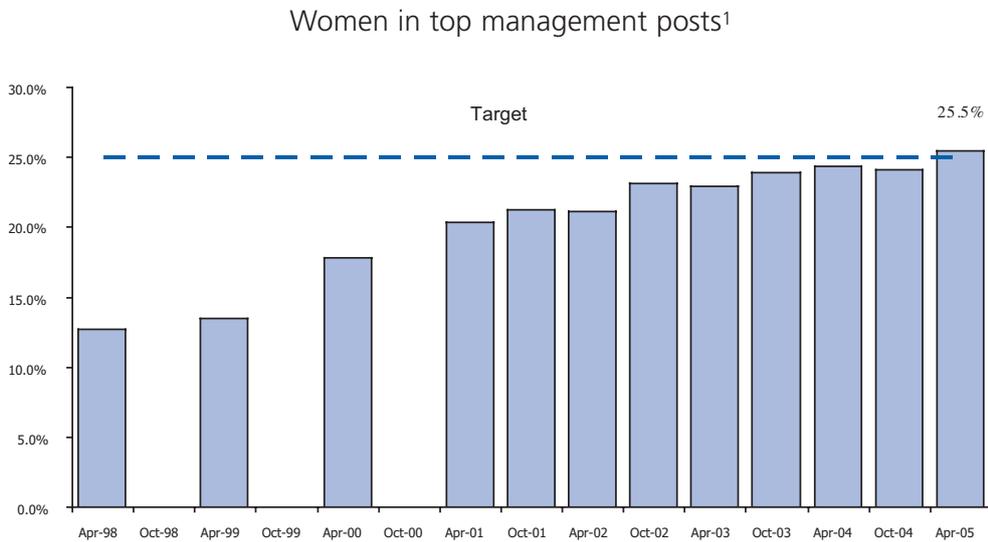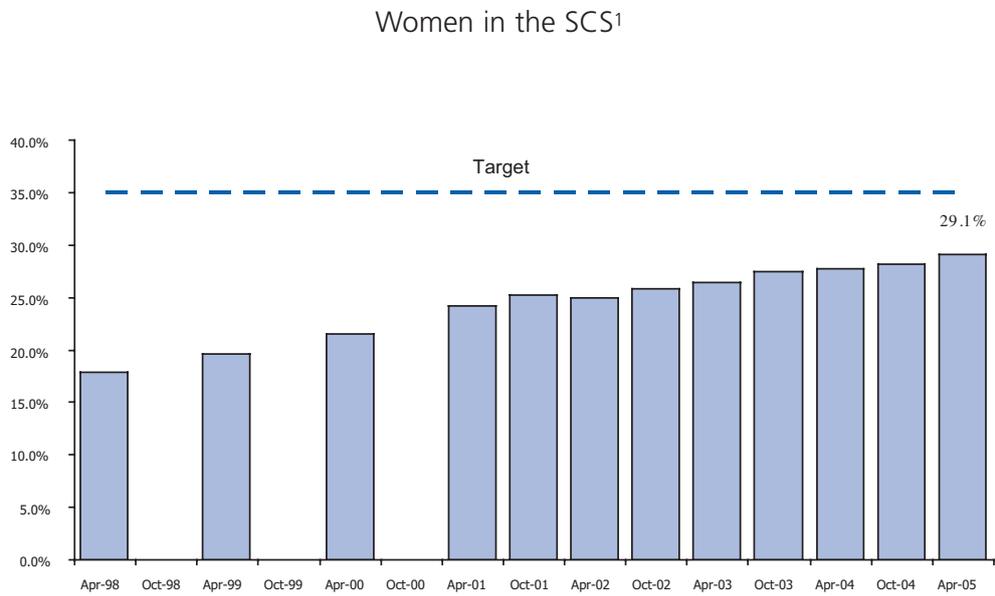
Ethnic minorities at SCS level[2]
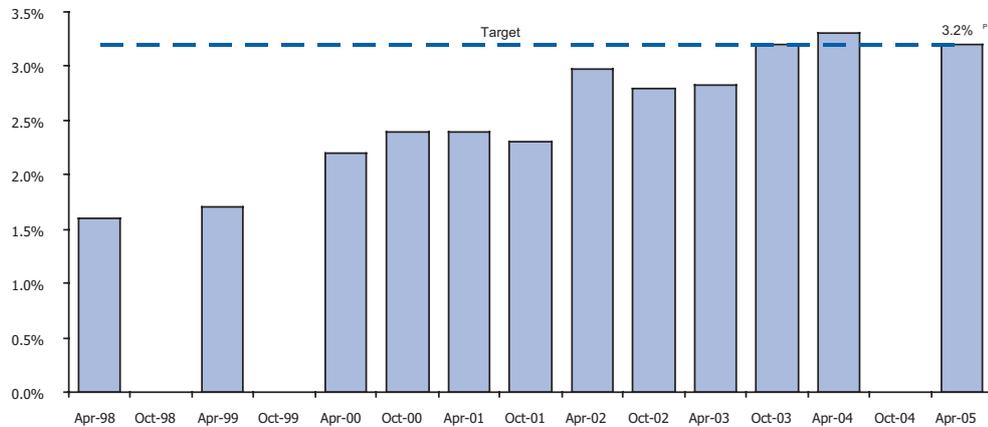
Disabled at SCS level[2]
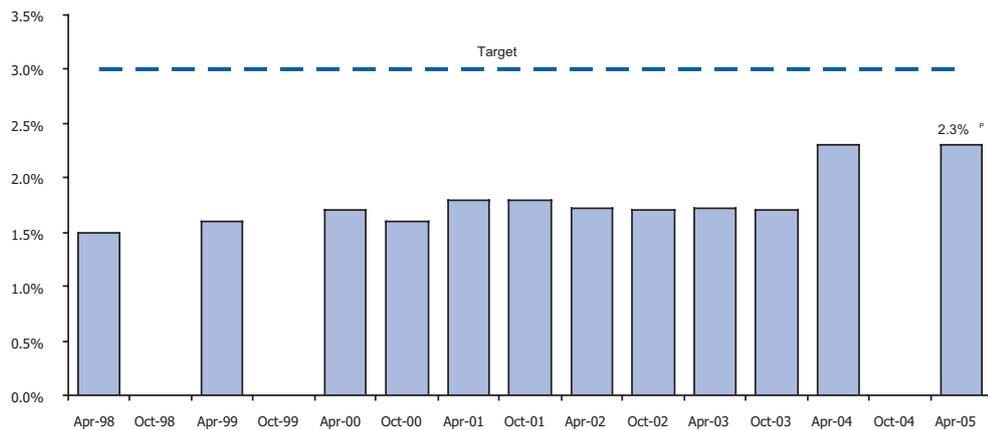
Source:

[1] SCS Database

[2] Mandate and departmental returns.

[P] Provisional. These are provisional figures until final data are available at the end of November. They are sourced from the Civil Service April 2005 data collection and represent the vast majority of staff in SCS level posts. For 3 major departments who have not yet supplied data, last year's figures have been used as an estimate. Data on ethnicity and disability were not collected as at October 2004.

Data sources for the figures on ethnicity and disability in Figures 1 and 2 differ. When the SR 2002 PSA target was set, the SCS database did not have sufficiently robust data on ethnicity and disability to be used to set the targets and monitor progress. For this reason, the Civil Service Mandate database was used for those two strands. The Mandate database includes around 500 additional posts at SCS level, including a number of Diplomatic Service posts and some specialist/professional roles. The Mandate figures for BME staff have consistently been higher than the equivalent figure from the SCS database, possibly because the additional posts included on Mandate tend to be specialist posts where the proportion of BME staff may be higher. The SR 2004 targets to be reached by 2008 now use a single data source for measuring progress, ensuring consistency and that efforts are focused on increasing diversity in mainstream SCS posts.

Target 3 (rolled forward from target 2 in SR 2002 PSA)	By April 2008 ensure departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors through: • delivery of the Regulatory Reform Action Plan (RRAP), including 75 Regulatory Reform Orders (RROs) by the end of 2007-08; • delivery of the Regulatory Reform Action Plan (RRAP), including 75 Regulatory Reform Orders (RROs) by the end of 2007-08; • maintaining Regulatory Impact Assessment (RIA) compliance levels at or above 95%; • maintaining compliance with the Code of Practice on Consultation; and • maintaining the UK's international standing on better regulation.
Progress	The Better Regulation Executive (BRE) is broadly on course to meet the Cabinet Office target 3 of ensuring that departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors. The better regulation agenda has broadened since the departmental report, principally as a result of the Hampton Report and the Better Regulation Task Force Report, *Regulation - Less Is More, Reducing Burdens, Improving Outcomes*.
Commentary	The above target reflects the work and objectives of the Regulatory Impact Unit (RIU). However, following the creation of the BRE after the May 2005 election, the better regulation agenda has broadened considerably and it is pertinent to consider the target in the context of these recent developments. In addition to incorporating the work previously carried out by the RIU, the BRE has taken responsibility for several major new initiatives, strengthening the drive to reduce regulatory burdens and unnecessary bureaucracy wherever possible. These are largely the result of the recommendations made in two reports - the Better Regulation Task Force Report *Regulation - Less Is More, Reducing Burdens, Improving Outcomes* and the Hampton Report on inspection and enforcement - that were accepted by the Chancellor in the March 2005 Budget. New measures include: • driving through the recommendations of the Hampton Report; • ensuring a 'risk-based' approach to enforcement at national and local level; • modernising penalty regimes and rationalising the number of regulators that interact with business from 31 to 7; • implementing a system for measuring and then reducing the administrative burdens affecting business arising from government regulations; • establish a baseline and a reduction target set by the Pre-Budget Report (PBR) 2006; • publishing plans for achieving the targeted reduction in each department by PBR 2006; • further reducing regulatory burdens and improving the effectiveness of policy proposals by providing tougher scrutiny of new policy proposals, in part working through the Panel for Regulatory Accountability (PRA); • considering offsetting simplification measures alongside new proposals, and the development of departmental simplification plans by September 2006; • facilitating the legislative process for deregulation through a bill to amend the Regulatory Reform Act, and implement the Hampton recommendations; • rationalising the inspection arrangements for the public services, and improving their contribution to service delivery.

However, the BRE continues to progress the work previously carried out by the RIU. This includes work on compliance with the RIA process, measured by checking whether RIAs are made available as part of the consultation process, thereby informing stakeholder responses and improving policy outcomes. Departments continue to achieve full compliance with this target, maintaining a rate of close to 100% over the last four to five periods assessed.

Departments continue to include in their annual reports a section on their performance on better regulation, including RIA compliance levels and the number of consultations that lasted for a minimum of 12 weeks. The latest annual report indicates a compliance rate of 76%.

The National Audit Office (NAO) has published regular reports on RIAs and Better Regulation since 2001. The reports have provided an independent assessment of the quality of RIAs produced by Government and have tracked the Government's progress in raising the general standard of RIAs.

Better Regulation: Making Good Use of Regulatory Impact Assessments (November 2001), asserted that the technical guidance promoted by the then Regulatory Impact Unit was in line with the NAO's characterisation of effective RIAs that add value to policy development. More recent annual reports have reiterated this and the March 2005 report, *Evaluation of Regulatory Impact Assessments Compendium Report 2004-05*, registered an improvement in the sample of RIAs against those assessed the previous year under the same selection, assessment framework and methodology.

RRAP (December 2003), contains over 670 simplification and deregulatory measures of which over 400 have now been completed. However, in response to the Better Regulation Task Force report, *Regulation - Less Is More, Reducing Burdens, Improving Outcomes,* the Government has committed to publishing simplification plans for each department. Plans will include proposals to reduce burdens on business, the public sector and voluntary organisations. These plans will supersede RRAP. Specific RRAP measures will be incorporated in these plans where appropriate.

On one element of the overall target, the programme of RROs there has been slippage. However, only a handful of measures originally identified as suitable for delivery by RRO have been dropped altogether. The remainder either have, or will be, delivered by other means.

Proposals to make it easier to simplify unnecessary or over burdensome legislation via RROs and other means were issued as part of a consultation in July 2005, *A Bill for Better Regulation: Consultation Document*. The Cabinet Office will be assessing the responses to this consultation before bringing forward measures to amend the 2001 Regulatory Reform Act.

The most recent surveys indicate that the UK remains very well placed in international comparisons of regulatory burdens and regulatory reform.

The Organisation for Economic Co-operation and Development (OECD) Economic Survey of the United Kingdom (12 October 2005) ranked the UK top among the G8 countries and second among all OECD countries for liberal product market regulation.

The World Economic Forum's Global Competitiveness Report 2005-2006 (published 28 September 2005) placed the UK fifth in the EU and 13th out of 117 countries in terms of their Growth and Competitiveness Index (GCI). The GCI is based on three 'pillars' of economic growth: the state of the public institutions, the quality of the macroeconomic environment and technology.

The World Bank's study of 155 countries - *Doing Business in 2006* (September 2005) - placed the UK second in the EU behind Denmark, and ninth in the top thirty countries in the world for the best business conditions. Although this is the second in this series, changes in the underlying methodology mean that year on year comparisons should not be made. Therefore, the dip in the UK's ranking to ninth place from seventh place last year does not mean that the regulatory environment has become more difficult for firms operating in the UK.

OECD's *Product market regulation study* (February 2005) found that the UK now ranked second out of 30 countries, ahead of the US, Canada and all the European countries. The UK remains one of the 7 'relatively liberal countries' and is less restrictive in the areas of state control. Barriers to trade and investment and administrative burdens for sole proprietor firms have significantly reduced.

The Heritage Foundation's *Index of Economic Freedom* (January 2005) placed the UK seventh out of 161 countries in terms of economic freedom.

Commentary on outstanding issues from target 1 in SR 2002 PSA

The PSA target agreed as part of SR 2002 has been rolled forward, added to and superseded by the SR 2004 target. The BRE therefore reports on progress against the SR 2004 target.

Section 4
SR 2004 Public Service Agreement Technical Notes

PSA target	Technical Note
1. Improve public services by working with departments to help them meet their PSA targets, consistent with the fiscal rules. This is a joint target with HM Treasury.	Departments are responsible for delivering their individual SR 2002 PSA targets. The success of HM Treasury and Cabinet Office's Delivery Unit (DU) in meeting their joint PSA target is measured by the percentage of PSA targets assessed as met by departments. Data on whether departmental PSA targets have been met is provided by departmental assessments, and collated to establish the level of progress against all departmental targets. This is the key measure for HMT/DU performance against their joint PSA target. The data systems underlying performance against PSA targets are externally validated. The data underlying this PSA target depends on the collation of the data of the other PSA targets to which this target refers.
2. 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: ● 37% women in the Senior Civil Service (SCS); ● 30% women in top management posts (Pay Bands 2, 3 and Permanent Secretaries); ● 4% ethnic minority staff in the SCS;	Success against this target will be measured by progress on improving leadership, skills and diversity across the Civil Service as a whole. There are key measures for the reform of the Civil Service as a whole. These measures will focus on the human capacity of the Civil Service. In addition, key departments will show progress through their Performance Partnership Agreements (PPAs). The ultimate outcome for improving leadership, skills and diversity will be manifested through improved delivery of the government's priorities and programmes. Progress for this target will be assessed through a mix of quantitative and qualitative measures. Improved perceptions of leadership and skills levels will be measured and captured through staff survey information. A service-wide Senior Civil Servants (SCS) survey on leadership and skills was conducted in autumn 2004 to gather baseline data from across the Service. We propose to collect comparable data in 2006 and 2008 to track progress on specific measures, and benchmark results with other high performing organisations. We are currently analysing results and will use key measures to help inform progress.

- 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.

Leadership

The Senior Civil Service database collects quantitative information each April on the Service's leadership cadre. Figures from the annual collection will help track progress on improving leadership, skills and diversity. These include turnover/refreshment, more active management and flexibilities, professionalism skills and diversity.

Turnover/refreshment.
- Turnover in the SCS has remained steady up to 2002-03 at around 8% (leavers replaced/stock). The longer term aim is to increase turnover to 12% (which external benchmarking suggests reflects the level of turnover in healthy organisations). We expect the commitment to more active management of exits to increase turnover levels to around that level by 2005-06. The expected impact of changes to SCS Normal Retirement Age when they are introduced in 2006 is for turnover to reduce, but to return to 12% in the longer term.
- About half of all vacancies in the SCS are filled via open competition. The aim will be to maintain this proportion of competition to fill vacancies through to 2008 and have no drop off when efficiency cuts take place and pressures for internal job filling mount.

More active career management and flexibilities.
- The aim for the norm for length of postings in the SCS is four years to ensure organisational and individual refreshment. This will be measured via the SCS database through data on agreed end date of posts, and an average of four years completed duration in post for members of the SCS who move (April 2003 baseline minus median length of time in completed post equals 3.3 years).
- An increase in the proportion of SCS Servants who have experience working outside the Service of more than 12 months. As at April 2004, the SCS database showed that 40% of members had some experience of working outside the Service of more than 12 months.
- The expected impact of action to ensure more active career management is an increase in the proportion of the SCS working a flexible pattern by 2008. As at April 2004, 4.6% of all SCS staff work a flexible pattern, (part time/job share; based on those with a known working pattern).

Skills
Improvements in leadership also depend on improved professionalism and skills in the SCS and across the whole Civil Service. In order to provide us with some intermediate measures of the success of the Professional Skills for Government programme Cabinet Office will continue to collect relevant quantitative data on the SCS, through the SCS database collection. We will be seeking:
- an increase in proportion of SCS with a professional qualification (April 2004 baseline data indicates that 36% of members had a professional qualification.);
- a reduction in the proportion of staff with unknown specialism (i.e. increased proportion of staff identify with a professional career grouping as defined by the improving professionalism programme). April 2004 data indicated that 27% of members had their specialism recorded as 'Not Known'.

We are also developing other ways of collecting quantitative data on skills levels in the Service as a whole, including resource spent on development and levels of qualification outside the SCS.

The Service wide SCS survey distributed in autumn 2004 will be repeated every two years, and will measure improvements in the number of staff qualified in or able to demonstrate the core business skills, (list to be confirmed in Spring 2005 but likely to cover people management, finance management, Project and Programme Management (PPM), organisational design/change management, strategic thinking, communications and marketing, and analysis and use of evidence).

Diversity - A more diverse Civil Service will also be a more effective Civil Service. This will be measured through progress, by 2008, towards targets of:
- 37% women in the SCS;
- 30% women in top management posts (Pay Bands 2, 3 and Permanent Secretary);
- 4% ethnic minority staff in the SCS;
- 3.2% disabled staff in the SCS.

The baseline for these targets is October 2003 data from the SCS database. These baseline levels are:
- 27.5% women in the SCS;
- 23.9% women in top management posts (Pay Bands 2, 3 and Permanent Secretary);
- 2.4% ethnic minority staff in the SCS;
- 2.1% disabled staff in the SCS.

As of October 2003, the SCS consisted of 3,852 staff.

The definition used for disability is consistent with that in the Disability Discrimination Act 1995, i.e. 'a physical or mental impairment that has a substantial and long term adverse effect on ability to carry out normal day-to-day activities.'

Further information about the act may be found on http://www.drc-gb.org/index.asp

Ethnic minority staff are considered to be those whose chosen ethnic group is numerically a minority in the UK, essentially those who selected categories other than 'white' compared to the majority group.

Figures on these groups in the SCS will be collected, using the SCS database every six months and progress reports published. The published figures will set out:
- women SCS as a proportion of all SCS staff;
- women in top management posts as a proportion of all staff in top management posts;
- known disabled staff in the SCS as a proportion of all SCS whose disability status is known;
- known ethnic minority staff in the SCS as a proportion of all SCS whose ethnicity is known;

- progress that individual departments make on improving leadership, skills and diversity (as shown by progress against those sections of Performance Partnership Agreements) (PPAs);
- PPAs are agreed between 18 major departments and the combined centre of government (Cabinet Office, HM Treasury and No10). They provide another key tool to monitor the progress that is being made in individual departments against this PSA target.

Each department sets out in its PPA the top priority actions it needs to take to strengthen its own capacity to deliver the Government's objectives. This includes the department's programme to strengthen its leadership, skills and diversity, alongside many other areas of reform such as organisational restructuring, ensuring professionalism support functions, and achieving internal efficiency targets. PPAs specify the key outcomes to be achieved, the actions to be taken to achieve them, and the basket of indicators through which progress towards that goal will be measured. These indicators are tailored to departments' individual priorities and circumstances.

Individual departments are responsible for delivering their own PPAs. The role of the Cabinet Office is to:
- agree the content of PPAs, involving others in the centre of Government (No10 and HM Treasury);
- challenge departments to ensure that their proposals are sufficiently ambitious;
- work with departments to monitor whether progress is on track.

Progress against the agreed actions set out in PPAs will be measured through regular self-assessment, validated by the combined centre of government, which will focus on:
- whether agreed outcomes are on track for delivery;
- the extent of improvement in a balanced set of performance indicators agreed with each department.

Note: The Performance Partnership Agreements are being replaced by the **Capability to Deliver Reviews** announced by Sir Gus O'Donnell on 13 October 2005. Piloted from the end of this year, these reviews will involve experts from a range of backgrounds within and outside the civil service. They will focus on assessing how well equipped departments are to deliver against today's priorities and rise to the challenge of tomorrow. Areas to be reviewed will include leadership, customer and stakeholder engagement, strategic capability and HR management. Following the review, each department will agree an action plan for improvement with the Cabinet Secretary, which will be rigorously monitored and updated.

3. By April 2008 ensure departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors through:

- delivery of the RRAP, including 75 Regulatory Reform Orders (RROs) by the end of 2007-08;

- maintaining RIA compliance levels at or above 95%;

- maintaining compliance with the Code of Practice on consultation;

- maintaining the UK's international standing on better regulation.

The PSA target for SR 2002 has been continued in relation to delivering the commitments the RRAP including a change of 60 RROs by 2005 to 75 RROs by 2007-08. Proposals for facilitating the delivery of RROs were issued as part of a consultation in July 2005, *a Bill for Better Regulation: Consultation Document*. The Cabinet Office will be assessing the responses to this consultation before bringing forward measures to amend the 2001 Regulatory Reform Act.

BRE collects information on regulatory proposals from departments through RIAs.

It is a requirement that RIAs should be produced to inform the policy making process. The following shows the different stages of the RIA according to the stage of policy development.

RIA	Initial RIA	Partial RIA	Final RIA
Policy development	Risk identified	Consultation on options	Measures introduced

Quantative compliance is measured by taking a snapshot of the number of RIAs available alongside public consultations on proposed regulation.

Consultation methods include green paper and white paper consultations. Post consultation includes draft regulations or bills, parliament, issue guidance and implementation.

BRE also works to improve the quality of RIAs by identifying and addressing generic or systematic weaknesses and supporting departments as they rise to the challenge of delivering a visible change in the approach taken to regulation. BRE reviews a sample of RIAs on a quarterly basis in order to specifically do this.

The National Audit Office continues to carry out annual retrospective reviews of a sample of completed impact assessments. The qualitative measurement of compliance is done by assessing the RIA against a set of nine indicators of quality. These are: purpose, risk, options, cost and benefits, equity, small business, consultation, compliance review and recommendation.

The 2004 Budget announcement set out arrangements for strengthening the scrutiny of major regulatory proposals based on a thorough RIA that is submitted to a Cabinet Committee called the Panel for Regulatory Accountability. In scrutinising all new regulatory proposals that impose a major cost on business, the Panel provides a rigorous mechanism through which the quality of the regulations it approves is enhanced.

<u>Compliance with consultation code</u>

The Cabinet Office Code of Practice on Consultation sets out the basic principles for conducting effective Government consultations for a new policy or if new regulation is planned.
Compliance with the code is measured every year and is reported in the Annual Report on Consultation. The Cabinet Office has an objective to spread best practice on consultation policy across Whitehall, including ensuring that over 75% of relevant consultations are more than 12 weeks in length by the end of 2004-05.

<u>UK's international standing</u>

The World Bank, OECD, the World Economic Forum, the Heritage Foundation, the International Monetary Fund (IMF), and KPMG have all conducted surveys on the UK's competitiveness, barriers to competition, regulatory environment and business environment.

Section 5
Spending Review 2002 Public Service Agreement targets

Target 1 Ensure departments deliver better regulation through:
(i) full compliance with the Regulatory Impact Assessment process; and
(ii) delivering the commitments in the Regulatory Reform Action Plan, including over 60 Regulatory Reform Orders by 2005. **(See Section 3)**

Target 2 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. **(See Section 3)**

Target 3 Ensure departments meet the Prime Minister's targets for electronic service delivery by Government; 100 per cent capability by 2005, with key services achieving high levels of use. **(See Section 6)**

Target 4 Ensure that the Civil Service becomes more open and diverse, by achieving by 2004-05 the agreed targets of: 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 and 3% of the SCS to be people with disabilities. **(See Section 3)**

Target 5 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. **(See Section 6)**

Target 6 Achieve a 2.5% saving per year on administrative resources. **(See Section 8)**

Section 6
Progress Against SR 2002 Public Service Agreement targets

Section 6 gives details of the two outstanding SR 2002 PSA targets which were not rolled forward to SR 2004 PSA targets or superseded by the new efficiency target published following the Gershon Review.

Target 3	Ensure departments meet the Prime Minister's targets for electronic service delivery by Government; 100% capability by 2005, with key services achieving high levels of use.
Progress	The electronic services delivery PSA target includes a requirement to achieve 100% capability by 2005. Departments currently forecast that 96% of services will be e enabled by the end of the SR 2002 target period.
Commentary	**Achieving high levels of use**
Background	The electronic services delivery PSA target includes a requirement for, 'key services to achieve high levels of use' by the end of the SR 2002 target reporting period. The following sections provide further definition of this component of the target and report progress against it.

Identifying services in key delivery areas

In order to report against this target services need to be identified against which usage targets can be established and progress monitored. Services have therefore been identified that:

- cover each of nine key service areas:
  - business
  - benefit and personal taxation
  - transport and travel
  - educational
  - health
  - citizen interactions with the justice system
  - land and property
  - agriculture
  - e-democracy;
- represent a mix of informational, interactive and transactional services;
- are delivered over a mix of electronic channels such as the internet, e-enabled call centres and Electronic Data Interchange (EDI);
- represent a mixture of customer-supplier relationships including government to citizen (G2C), government to business (G2B) and government to government (G2G);

- are e-enabled and relatively mature with existing usage forecasts and ideally existing targets and supported by existing management information systems and progress reporting processes.

Defining 'high take up'

The usage of an electronic service depends on many factors not least the design, usability and value benefits delivered to users above and beyond non-electronic channels. Other key factors that influence an assessment of high levels of use for a service include:

- maturity of a service - a service that has been electronically enabled for less than a year would be expected to have lower usage than one that has been available for three years - all other factors being equal;
- target audience; an electronic service offered to a target audience of technophiles would be more likely to achieve faster take up than one offered to late adopters;
- sophistication of service; informational services are generally less complex and easier to use than transactional services and one would expected higher and faster adoption as a result;
- awareness; services that have been 'hard launched' and actively marketed will, all things being equal, achieve higher take up than an equivalent service that has not been marketed or has low awareness in its target market.

Government now offers a vast spectrum of electronic services of varying degrees of sophistication, to a broad range of target audiences and at differing stages of maturity. As such a 'one size fits all' target approach simply isn't viable and assessments have to be made on a case by case basis. Furthermore, 'high take up' can vary dramatically. For a transactional service offered to an audience of late technology adopters that have been launched within the last year and not yet marketed 3-5% might be a reasonable assessment of high levels of use. In contrast, for a service that has been available for over four years to a business audience with high levels of awareness then 70-80% might be a more reasonable target level to set. So context is critical - at face value a 3 to 5% target might seem low and 80% too high - yet both are reasonable examples of 'high take up' when the characteristics of the respective services are taken into account.

Broad benchmarks and context data

The most reliable assessment of whether take up is high or not is by comparing progress against forecast trajectories, which in turn are based on specific service characteristics as highlighted in the previous section. Broad benchmarks, such as the usage of similar international or private sector services, can help to provide additional context, but have to be treated with a great deal of caution as service context can differ significantly. Benchmarks that have been considered in assessing usage of government services against this PSA target include.

- General electronic government service usage levels; usage of informational, interactive and transactional services as measured through ONS citizen and business surveys. These are probably the most useful benchmarks as they are proxy measures for average usage levels across all services. It would be expected that 'high' usage of services in key areas would exceed average levels - whilst accounting for contextual factors such as audience and service maturity. The drawback of this data is that it tends to be too internet focused excluding other electronic channels.

- General non-government electronic service usage levels; ONS citizen and business surveys provide usage levels of electronic services such as online purchasing, or online financial management. These permit comparisons with general government services of similar degrees of services sophistication e.g. online job applications might be a reasonable benchmark for online tax submissions - again taking into account contextual factors such as audience and service maturity.

- Specific private sector usage comparisons; benchmarking services such as those offered by Hitwise (www.hitwise.co.uk) provide useful context data on web site usage compared with similar private and public sector websites and are particularly useful for comparing informational services.

- International comparisons are at face value the most attractive benchmarks as they appear to compare like-with-like. However they are in fact the least useful - data availability is scarce and service delivery context can vary significantly between countries.

Table 1: General benchmarking data and sources

Table 1 summarises some available benchmark data and data sources.

Service Type ⟶		Informational	Interactive	Transactional
Benchmark type	**User**			
General e-Government usage levels	Citizen	% population using government web sites for information: - 27%.	% population downloading government forms online: - 7%.	% population submitting government applications online: - 6%.
	Business [1]	% businesses using informational e-Government services: - 19% of all; - 33% for larger businesses.	% businesses using interactive e-Government services (submit forms): - 7% of all; - 14% for larger businesses.	% businesses using transactional e-Government services (full case handling): - 1% of all; - 2% for larger businesses
General non-e-Government service usage levels	Citizen [2]	% population searching for information on goods and services online: - 54%.	% population accessing financial services online: - 26%.	% population finding job information and applying for jobs online: - 16%.
	Business [1]		% businesses placing orders online - 29%; - 40% for larger businesses.	% businesses making payments online - 22%; - 40% for larger businesses.
Specific service comparisons	Citizen and Business	Hitwise Data	Direct comparisons where available	
International comparisons	Citizen and Business	Direct comparisons where available		

[1] http://www.nationalstatistics.gov.uk/downloads/theme_economy/ecommerce_Nov2004.pdf
[2] http://www.nationalstatistics.gov.uk/StatBase/Expodata/Spreadsheets/D6932.xls

Target Progress

Table 2: Progress of Services in key areas

Table 2 presents electronic services in key service areas, latest take up and targets. An assessment of whether the service has already achieved 'high levels of use' or is on-track to achieve high use is made. Of the 37 services identified - 25 have already been judged to have achieved high take up by exceeding existing targets/trajectories, or comparison against benchmarks. 12 are on track to achieved targets/ forecasts by the end of their SR 2002 reporting period. No services are judged to be off-track.

Key Service Area	Service: Lead Organisation	Service Contract	Take up	Comparators/ Notes On Level of Take Up	SR 2002 Target (OTHER TARGETS)	Status High?
	Annual Returns: Companies House	Internet based service for filing annual returns electronically to Companies House. G2B interactive service launched in 2003.	38%	Companies House have developed forecasts for high levels of use – and have set a very high target of 50% by March 2006 for annual returns. This is very high in comparison to general benchmark data. 7% of businesses submit forms to government online.	50%	On track
	Incorporations: Companies House	Electronic service for incorporations via intermediaries/ company formation agents. G2B transactional service launched in 2001	80%	Companies House have developed forecasts for high levels of use and have set a target of 80% by March 2006. Current take up meets this target and is very high in comparison to international benchmarks: Spain 40%, Italy 20%, Norway 20%, Sweden 3% and Finland 65%.	80%	High
	Employer Direct Online: Job Centre Plus	EDon gives employers the choice to notify their vacancies to Jobcentre Plus 24 hours a day, 7 days a week via the internet. G2B an interactive service launched in May 2005	10%	3,300 vacancies a week are posted via the internet, and there is a user base of over 2,500 employers, who are both regular and infrequent users. Current take up meets the year 1 take up target already. It is high considering the recent launch and in comparison to 14% of larger businesses submitting forms to government online.	10%	High
SERVICES TO BUSINESS	Key Customs and Excise Services Online: HMRC	Internet based services covering electronic VAT and international trade services. G2B transactional services launched eVAT hard launched in 2004.	56%	Take up across key services exceeds target. Latest take up and the target have been set particularly high in comparison to the 2% of businesses that conduct full case handling with government electronically, and by international comparisons of eVAT: Denmark 45%, Norway 20%, Finland 16%, Belgium 5% and Sweden 3% - although this is indicative only and not directly comparable as the HMRC target is a compound target across key services including international trade.	50%	High
	PAYE End of year Returns: HMRC	Employee End of Year returns PAYE forms (P14s). G2B service launched in 2001.	80%	Around 44 million out of 55 million returned electronically via EDI or internet channels. High take up has been achieved through a combination of mandating for larger employers and financial incentives for small companies.	45%	High
	Hazardous waste Registration: Environment Agency	Registration for businesses that produce hazardous waste. G2B transactional service launched to meet new regulations May 2005.	40% within first 5 months	Target volume was 110,000 registrations per annum with 22,000 (20%) delivered on-line. In 5 months the Environment Agency has processed 180,000 registrations, of which 72,000 (40%) have been on-line.	20%	High

Key Service Area	Service: Lead Organisation	Service Contract	Take up	Comparators/ Notes On Level of Take Up	SR 2002 Target (OTHER TARGETS)	Status High?
	Self-Assessment Tax: HMRC	Online service provided directly via the internet or via an electronically intermediated service. G2C transactional service.	17%	Take up is high compared to 6% of population who submit forms to government online, and 16% of population who apply for jobs online. Average in comparison to other EU countries - although it is not a clear comparison for like-for-like in terms of maturity and regulation: Norway 35%, Denmark 31%, Spain 14%, Sweden 11%, Germany 4% and Belgium 1%. The take up of this service will be impacted by burden reduction measures in 2005 to reduce the number of people who have to complete self assessments. Those not required to complete self assessments any more used the internet service disproportionately highly in comparison to those still required – therefore the target baseline has changed significantly. The target remains on track to be met against the audience baseline at the time the target was set.	25%	On track
BENEFIT AND PERSONAL TAXATION SERVICES	Carers Allowance: DWP	Online submissions collected via a webform and routed via the Government Gateway. G2C transactional service launched in 2004.	5%	Take up is in line with forecasts, meeting it's year 1 target and is on track to achieve it's year 2 target in 2006. Well over half of claimants are over 55 and over a third are pensioners - later adopters of technology. And considering it was only launched in 2004 - a 5% target is reasonable. (6% of people submit applications to government online)	5%	On track
	Job Centre Plus: DWP	Online employment information and search. G2C, interactive service launched in 2003.	4 million visits a month	Jobcentre Plus has a higher usage than other benchmark services including: Jobsite, Total Jobs, Reed.co.uk and Monster.co.uk. Also comparable to 'out of sector' services such as major online banks - Egg, Abbey, Alliance and Leicester, Barclays. Based on Hitwise assessment. 4 million visits per month is a high by any standards for on online government service.	No target	High
	Pensions Forecasts: DWP	Online pension forecasts. G2C transactional service launched in 2005.	11%	Take up is above internal forecasts and has exceeded year 1 target. Take up is higher than national average of 6% of the population submitting applications to government online.	5%	High

Key Service Area	Service: Lead Organisation	Service Contract	Take up	Comparators/ Notes On Level of Take Up	SR 2002 Target (OTHER TARGETS)	Status High?
	Electronic Vehicle Licensing: DVLA	Electronic applications for vehicle tax disks. G2C transactional service that is only partially rolled-out - take up is measured as a % of eligible electronic transactions.	19%	Take up is in line with forecasts and is on track to achieve target. Take up is higher than national average of 6% of the population submitting applications to government online.	20%	On track
	Vehicle Registrations: DVLA	Intermediated electronic services for first time registration of vehicles. G2C intermediated service launched in 1996.	79%	High take up clearly achieved through intermediated approach.	No target	High
TRANSPORT AND TRAVEL SERVICES	Driving Test Bookings: Driving Standards Agency	Bookings of theory and practical tests via e-enabled contact centre and intermediated service. Also allows amendments to be made. G2C service.	51% theory 36% practical	Take up has been rapid since initial launch of the Theory test booking service. Practical test bookings was launched later and has achieved 36% take up.	50%	On track
	Transport Direct	Internet based service, which allows users to plan journeys. Provides car and public transport journey plans, maps, prices and allows seamless access to purchase tickets. G2C and G2B, interactive service launched 31st December 2004.	2 million user sessions	This service that has only recently been launched and is currently ahead of forecasts and its year 1 target. The service is now also available via mobile phones with intermediated pilots in the pipeline. Current take up is over 2 million user sessions and 18 million pages delivered.	1million user sessions [10 million in 2007]	High
	Vehicle Operator Self Service: VOSA	Electronic vehicle licensing service. Operators can change license details online. G2B transactional service launched May 2004	53%	High take up and on track to meet 55% target. Well above full electronic case handling levels across all businesses and business sectors.	55%	On track

Key Service Area	Service: Lead Organisation	Service Contract	Take up	Comparators/ Notes On Level of Take Up	SR 2002 Target (OTHER TARGETS)	Status High?
	University Applications: University & Colleges Admissions Service (UCAS)	Electronic applications for university with status tracking and alert functionality. Quasi G2C transactional service launched in 2002.	73%	High take up clearly achieved - albeit for a technophile, early adopter audience are students. Much higher than general population - 24% of adults currently use the internet to find information related to education. The UCAS web site receives over 400 million page impressions per year. New target is for all transactions to be electronic.	100% by October 2006	High
	Curriculum Online: Department for Education and Skills (DfES)	Online educational resource for teachers/ schools. G2G (Government to Teachers) transactional service launched in 2003	90%	90% of schools have used curriculum online and the service is well on track to achieve target of 100% take up by 2008.	90% [100% by 2008]	High
EDUCATIONAL SERVICES	Learn Direct Course Search Online: DfES	Online course search - holds information on over 930,000 courses for more than 10,000 providers. G2C interactive service launched in 1998.	44 million searches since 2002	Since January 2002, 44 million successful website searches. This includes the Learndirect advice site and all course portals on partner sites. Take up was twelve times greater when the service was recently bundled through Directgov. This clearly represents high levels of use.	No target	High
	Student Loan applications: Student Loans Company	Application for student loans. Quasi G2C transactional service launched in 2004.	15% First Year- 11.9% Second Year - 19.7%	The system was piloted in six LEAs during the 2003-2004 application cycle and was introduced across the country in March 2004. Current take up is directly in line with forecasts and target. 100% of students paid first support instalment electronically by BACS.	15% [20% for 2006-2006 year]	High
	School applications: eAdmissions National Project: Office of the Deputy Prime Minister (ODPM)/ lead authority Hertfordshire County Council	Application for schools online. G2C transactional service partially rolled out by local education authorities (LEA).	1.1 million visits per month	Latest take up data indicates that LEA school application services that have been hard launched are well on track to meet first and second year targets. Full data on current application round will be available after the end of October 2005.	5-10% in first year 10-20% in second year (LEA average for hard-launched online admissions services for secondary schools)	On track

Key Service Area	Service: Lead Organisation	Service Contract	Take up	Comparators/ Notes On Level of Take Up	SR 2002 Target (OTHER TARGETS)	Status High?
HEALTH SERVICES	NHS Direct Online: NHS Direct[3]	Online and iDTV, interactive self-help service that provides patients and the public with health information. G2C Interactive service launched in December 1999.	1.1million visits per month	A key health service that has seen steady usage growth year on year since December 1999. Over 9 million visits per year to the website alone - not counting iDTV usage - clearly represents high levels of use.	No target	High
	NHS Gateway	Online interactive service that provides extensive information about NHS services, including links to 'Choose and Book' and 'Healthspace' G2C service launched in April 2004	1million visits per month	A key information service that helps citizens navigate through health service, and carrying information on waiting times by speciality and postcode. 1million visits per month clearly represents high levels of use.	No target	High
	GP administration system: NHAIS/QMAS NHS Connecting for Health	The Quality Management and Analysis System, known as QMAS, is a new single, national IT system, which gives GP practices and Primary Care Trusts objective evidence and feedback on the quality of care delivered to patients. G2G; Government to Government (GP) service launched in April 2004.	100% (achieved February 2005)	QMAS allows GP practices to analyse the data they collect about the number of services and the quality of care they deliver, such as maternity services or chronic disease management clinics. The service is voluntary, but has seen rapid take up since launch, achieving ubiquitous take up by linking it with the payments system. QMAS ensures that GPs are now rewarded financially for the quality of the care that they provide.	No target	High

3 NHS Direct is the confidential personal telephone health advice service staffed by NHS nurses; NHS Direct Online (www.nhsdirect.nhs.uk) is the complementary online generic health information service

Key Service Area	Service: Lead Organisation	Service Contract	Take up	Comparators/ Notes On Level of Take Up	SR 2002 Target (OTHER TARGETS)	Status High?
	Electronic Civil Claims: Department for Constitutional Affairs	Electronic service that has two components: Online applications through the Money Claims online service and electronically intermediated applications to the County Court Bulk Centre (CCBC) in Northampton. G2C, G2B transactional service introduced in Dec 2001.	56%	56% of civil claims are electronic. From around 1.4 million per annum – 0.74m are processed through the CCBC and 0.06 million online via MCOL. The MCOL service has seen steady increases in take up since introduction and is very close to its breakeven take up target level of 67,000.	No target	High
	XHIBIT & Exchange Portal: Department for Constitutional Affairs & Office for Criminal Justice Reform (CJIT)	The XHIBIT (eXchanging Hearing Information By Internet Technology) system is a cross-criminal justice initiative to ensure that all parties involved in hearings are kept fully informed, in a way of their choosing, about the progress of hearings. G2G (Crown Court Service to Police, Prisons etc) informational service G2C (reduced witness waiting time)	55% of Crown Courts	XHIBIT is currently on track to achieve a target of ubiquitous use within Crown Courts by April 2006. Current take up is 56 (out of 101) Crown Court sites with 26 (out of 42) Criminal Justice Areas. G2C usage is increasing. At present there are 4,453 users registered on the portal. The average area receives in excess of 33,000 alerts per month (e.g. to report that a case has concluded, or a document of interest has been published, such as a list containing an under 18) and downloads an average of 737 documents per month (such as court lists, court orders and bench warrants).	90% [100% by April 2006]	On track
CITIZEN INTERACTIONS WITH THE JUSTICE SYSTEM	No Witness No Justice IT tool: Crown Prosecution Service CPS	The NWNJ IT Support Tool will provide Witness Care Units with a means to effectively manage the work of the unit and share information on the progress of cases with victims, witnesses and Criminal Justice System professionals. G2G informational service to witness care units to support G2C service delivery - launched in June 04	20%	The 'No Witness, No Justice' Project will introduce dedicated Witness Care Units (WCU) across England and Wales, bringing police and the Crown Prosecution Service together for the first time to jointly meet the individual needs of victims and witnesses. Independent evaluation results show that the NWNJ pilots had a positive effect on witness attendance and rates of cracked and ineffective trials due to witness issues. There are also early indications that victim and witness confidence in the CJS has improved in the pilot areas. Improved victim and witness care is also beginning to demonstrate the potential to reduce ineffective trials. This target is for take up across England and Wales. By the end of August there were 101 live units (an increase of nine since the last month) with 24 areas providing full coverage.	100%	On track
	CJS Online: Office for Criminal Justice Reform	CJS site divided into five categories of visitor: Victim, Witness, Juror, Defendant and Offender. It offers factual information about what you can expect when you come into contact with the CJS. Walkthroughs/ virtual tours are provided through the CJS and the site contains links to organisations who work in partnership with the CJS to provide additional support and advice. G2C, G2B interactive service launched in October 2004 – without significant marketing to date.	12 million hits with 300,000 unique visitors In first 10 months of launch	The most heavily promoted section of the site currently is the Juror section which received 66,000 visits last year (2004-05) and 250,000 hits. CJS On line page views in 2004-05 were 3million. C.f. 450,000 people called to jury service. OCJR's programme of improved services and communication to victims, witnesses and defendants will drive further traffic to those sections of the site.	No target	High

Key Service Area	Service: Lead Organisation	Service Contract	Take up	Comparators/ Notes On Level of Take Up	SR 2002 Target (OTHER TARGETS)	Status High?
	Land Registry Direct: Land Registry	Land Registry Direct users can view and download any of the 20 million registers, title plans and deeds referred to. They can also carry out a number of simple transactions online. G2B and G2C transactional service relaunched in its present form in 2005.	19%	Current take up represents a daily average of 50,000 transactions (August 2005) and is on track to meet its target of 25% by the end of the SR 2002 period. An improved and more reliable internet version of Land Registry Direct was successfully introduced this year. Account holders have risen significantly during 2004-05, from 4,962 to 10,000, with individual users rising from 20,000 to 80,000.	25%	On track
	Planning Portal: Planning Portal	Online submission and processing of planning applications via national portal. G2C, G2B transactional service launched April 2003.	2%	Currently there are 1000 applications per month (2%) through the portal and take up is on track to reach the 2,705 target by March 2006.	3% (2705) 10% (5,600 applications per month) 2007 [20% 2008]	On track
	Planning Portal: Planning Portal	Usage of Planning Portal information and Services. G2C, G2B informational service.	150,000 visits per month	Currently there are 150,000 visits to the Portal per month. This meets the March 2006 target that has been set. There are 60,000 monthly visitors.	150,000 visits per month [175,000 by March 2007, 225,000 by March 2008]	High
	Flood Warnings OnLine: Environment Agency	Real time flood warning service updated every 15 minutes for each area at risk in England and Wales. G2C interactive service launched November 2001.	5 million page impressions per annum	Currently there are on average 40,000 users per month, but with peak demands in excess of 370,000 users per month. During months when flooding is prevalent it is the number one environmental web site in UK (Hitwise).	No target	High
LAND AND PROPERTY SERVICES	What's in your backyard: Environment Agency	Post code based search for environmental information such as flood risk, pollution inventory and bathing water quality. G2C interactive service launched in May 1999.	8 million hits per annum	Service currently in second incarnation growth of service continues with an average 38,000 users per month in 2005. The Environment Agency site is the 3rd most visited Environmental site (to end September 2005) (Hitwise).	No target	High

Key Service Area	Service: Lead Organisation	Service Contract	Take up	Comparators/ Notes On Level of Take Up	SR 2002 Target (OTHER TARGETS)	Status High?
AGRICULTURAL SERVICES	Cattle Tracing: Rural Payments Agency	The Cattle Tracing System, comprises plastic ear tags carrying a printed ID number, movements controls and a database of animal records, with web based online access and email for keepers to report information electronically. System tracks births, movements and deaths. G2B interactive service launched in 1998 - supports email or web based submissions.	56% movements 52% passports	56% of cattle movements are notified electronically either via email (43%) or web (13%). 52% of passport applications are electronic either via email (13%) or directly via the web (38%). All email submissions are currently not validated (the data has to be cleaned before being used in the back-office) A new system currently being introduced will validate all electronic submissions. The service is on track to deliver 50% validated electronic submissions at the end of the SR 2002 target period.	50% validated electronic submissions	On track
	External Trade Licences: Rural Payments Agency	G2B transactional service. Issuance of CAP import and export licences to traders Service introduced in early 2003.	90%	Over 90% of import licences (50,000) and 80% of export licences (5,000) are electronic.	No Target	High
	Fishing License Applications: Environment Agency	Application for Rod licences online and electronic payment. Internet and Direct Debit Service G2C transactional service launched in 2001.	18%	70,000 electronic applications were processed in 2004, 94,000 to date since 1 April 2005, representing 30% year on year growth. 8% now on line plus an extra 10% by direct debit. Total licence sales 1.2 million pa. An on-line marketing drive is planned for 2006. Take up is high compared to 6% of the population who submit applications to government online.	No Target	High
E-DEMOCRACY	Directgov: Egovernment Unit	Citizen portal, offered over the internet, iDTV and through kiosks, and which brings the citizen closer to government by presenting information and service around user needs rather than government organisational structures. G2C interactive service – soft launched in 2004 - yet to be hard launched/ significantly marketed.	1.3 million per month across web channel alone	The total Directgov potential take up has been forecast at around 25 million visits per month, based on total adoption of Directgov as the key citizen facing government website by all government departments and local authorities. A forecast take up curve has been developed, based on an expected plan for building out the breadth and depth of the site and introducing key transactions. Directgov is currently exceeding targets.	1 million visits per month	High
	Local authority websites (England): ODPM	All local authority services are to be e-enabled by December 2005, including democracy functions. G2B/G2C interactive and transactional services launched up to December 2005.	9.9 million unique users per month in 2004-05	Local authority websites currently attract some 2.8 million unique users per week in aggregate. This amounts to around 10 million unique users per month and clearly represent high take up around local government services and democratic functions.	No Target	High

Target 5	SR 2002
	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.

Progress	On course.

Commentary

Office of Public Services Reform (OPSR)

The Office of Public Services Reform has been committed to supporting Ministers in delivering the strategy for the next phase of public services reform. As well as achieving commitments set out in PSA target 5, the focus has been to make services fit to serve the diverse and changing needs of citizens. OPSR has been concentrating on delivering a more responsive personal approach to services, one that is grounded on principles of:

- universal provision with personalised delivery;

- high standards flexibly delivered; and

- equity and choice.

OPSR's work programme has been grouped around three business objectives.

1. Promoting Public Services Reform

OPSR is responsible for PSA target 5, a target to improve public services by working with departments to redesign services around the needs of customers and embed the four principles of public service reform. Progress of reform across government has been tracked by surveys of senior civil servants and senior public service managers in front line services.

OPSR has produced publications and speeches on the public service reform agenda.

2. Customer focus

A Customer Satisfaction Index (CSI) is being developed to enable Government to better understand what drives people's satisfaction with public services, as part of a wider strategy to reshape services around customers' needs and increase satisfaction. The CSI will seek to give an informative picture of customer satisfaction in the direct encounters which people have with public services. The approach will be nationally representative and the findings from the research will used to inform policy making and service design in key public services.

Charter Mark: the Government's national standard for customer service is currently in the process of being reviewed under the guidance of Bernard Herdan, Chief Executive of the Passport Service. The purpose of the review is to critically evaluate the existing Charter Mark scheme with a view to making recommendations for a new customer service standard to be used as a tool for improving customer service, driving customer service reform and thereby raising levels of customer satisfaction with public services.

More information about Charter Mark is available on the following website:

http://www.cabinetoffice.gov.uk/chartermark

Customer Focused Leadership: OPSR has been developing leadership capacity for public services by focusing on shaping leadership development of diverse target groups.

3. Workforce Reform

Support to departments and employers in reform of the public service workforce to underpin reform through specific guidance on departmental strategies and targeted projects to tackle key workforce reform issues.

Public Services Forum: Engagement with Trade Unions on specific issues of importance to public service workforce reform e.g. public service pensions.

On 8th November 2005 the Cabinet Secretary announced a series of changes to Cabinet Office, including that the functions of the Office of Public Services Reform would be transferred to Government Communication Group and the Economic and Domestic Secretariat, with the Strategy Unit taking on overall responsibility for co-ordinating the Cabinet Office's work on public services reform. Responsibility for the Cabinet Office's PSA target 5 is being transferred to the Strategy Unit accordingly.

PSA target

The four principles of reform are: national standards, accountability, devolution, flexibility and choice. These have provided a framework within which public service reform has been progressed. This PSA target is a proxy for measuring progress on reform across government and is measured by:

- evidence of customer satisfaction in other departments' PSAs;
- OPSR commissioned surveys of senior public service managers; and
- OPSR commissioned surveys of senior civil servants.

Progress in reforming public services

Progress on public service reform has been encouraging. People have been experiencing real improvements in the public services. Significant progress has been made towards delivering high quality public services. This has involved devolution and delegation to the front line, giving local leaders the responsibility and accountability for delivery, and the opportunity to design and develop services around the needs of local people. For example.

- The length of time that people have to wait for NHS hospital treatment has been falling significantly There is now have a target that by 2008, no one should wait longer than 18 weeks from referral by a GP to a hospital treatment.
- Between 2001-04, 862,000 adults aged 16 and over achieved a literacy, numeracy or a language qualification up to Level 2, GCSE A*-C.
- Between 1997 and 2003-04 overall crime rates have fallen by 30%, vehicle crime by 40% and domestic burglary by 40%.

The Office of Public Services Reform worked on plans to refocus the inspection of public services on what is relevant to the people who use services, the way that they use them and the outcomes that they experience. It also looked at how to rationalise inspection, in order to simplify and manage better the complex pattern of multiple scrutiny that service providers experience, as well as reduce the amount of inspection activity and the associated burden on public services. A key early step in this strategy is the announcement of plans, subject to consultation, to merge eleven current inspectorates into four. This work is now being taken forward in the Better Regulation Executive (BRE).

By developing choice around the needs of the customer significant improvements have been seen in customer satisfaction. For example, independent research shows that choice based lettings are extremely successful and government has therefore set an ambitious target of 100% of authorities to adopt the scheme by 2010.

Customer Satisfaction – departmental PSAs

Customer experience will be an important determinant of the success of reforming public services. Departments and public service providers collect, analyse and act on a range of customer feedback. For SR 2002, seven departments had PSAs that measured customer satisfaction explicitly. Several of these PSAs have been rolled forward as part of the SR 2004 - those that have not include Department for Work and Pensions (DWP), (although targets have been continued for individual agencies within the DWP), and Customs & Excise and the Inland Revenue, due to the merger between these two departments. The latest figures which have been publicly reported by departments are presented here.

Table 3:	Home Office PSA 1*: - Fear of Crime (target is to reduce the fear of crime in each of the three categories below)			
	Fear of Crime (% very worried)	Baseline 2001-02	Results 2002-03	Results 2003-04	Results 2004-05
	Burglary	15%	15%	13%	12%
	Vehicle crime	17%	17%	15%	13%
	Violent crime	22%	21%	16%	16%

*Taken forward as Home Office PSA 2 in SR 2004

Table 4:	**Criminal Justice System (CJS) PSA 3: Latest reported performance**
	Level of public confidence in the criminal justice system (% very/fairly confident the CJS is effective in bringing people who commit crimes to justice):
	Baseline: (BCS 2002-03) 39% Annual result: (BCS 2003-04) 41% Latest results: (BCS 2004-5) 43%
	Level of confidence of ethnic minority communities in the criminal justice system (% very/fairly confident):
	Baseline: (BCS 2002-03) 49% Annual result: (BCS 2003-04) 56%
	Victim satisfaction (% very/fairly satisfied):
	Baseline: (BCS six months to March 2004) 59% Latest results: (BCS 2004-5) 59%
	Witness satisfaction (% very/fairly satisfied):
	Baseline: (BCS six months to March 2004) 57% Latest results: (BCS 2004-5) 58%

Table 5:	**Customs and Excise PSA 4: No detriment to customer satisfaction while achieving productivity targets**		
	Overall satisfaction	**2001**	**2004**
		83%	91%

Table 6:	**Inland Revenue PSA 5: Customer Service**			
	Customer service performance indicator	**2001-02**	**2002-03**	**2003-04**	**2004-05**
		69%	70%	67%	69%

Table 7:	Department of Constitutional Affairs PSA 4: Court user satisfaction			
	Service aspect	Results 2003-04	Target 2004-05	Results 2004-05
	% of customers satisfied with the knowledge of court staff at public counter	87%	82%	87%
	% of customers satisfied with knowledge of staff on telephone service	85%	78%	86%
	% of customers satisfied with speed of resolution of complaints	31%	50%	27%
	% of customers satisfied with the helpfulness of written communication	79%	75%	79%

Table 8:	Department for Work and Pensions PSA 9: Customer service				
	Agency	Target 2003-04	Results 2003-04	Target 2004-05	Results 2004-05
	Pension Service – proportion of calls to the Pension Service pension centres answered by customer agents	88%	91%	90%	90.4%
	Pension Service – maximum proportion of attempted calls receive an engaged tone or message	1%	7%	1%	2%
	Child Support Agency (CSA) – to collect child maintenance and/or arrears from X% of all cases with a maintenance liability using the collection service	78%	50%	78%	66%
	Child Support Agency – to collect X% child maintenance and/or arrears due to be paid through the collection service	75%	43%	75%	61%
	Jobcentre Plus – to achieve X% customer service level in the delivery of the standards set out in the Customers' and Employers' charter	83%	83%	81%	83.2%

Table 9:	Health PSA 5*: Patient experience (trends)		
	Overall, how would you rate the care you received?	**Results 2002-03 (Excellent/Very Good/Good)**	**Results 2004-05 (Excellent/Very Good/Good)**
	A&E	85%	88%
	Outpatients	94%	94%
	Overall, how would you rate the care you received?	**Results 2001-02 (Excellent/Very Good/Good)**	**Results 2003-04* (Excellent/Very Good/Good)**
	Inpatients**	91%	92%
	**Data no longer directly comparable to 2001-02		

Table 10:	Health PSA 5*: Patient experience	
	Overall, how would you rate the care you received?	**Excellent/Very Good/Good**
	Child inpatients 2003-04	93%
	Ambulance trusts 2003-04	98%
	Mental health services 2003-04	76%

*Taken forward as Health PSA 2 in SR 2004. The measures presented in tables 9 and 10 have been summarised for ease of comparison. Full results for these indicators are available on the HM Treasury website and in the Department of Health's Departmental Report 2005.

More detail on measurement and performance on these customer PSAs can be accessed via the HM Treasury website:

http://www.hm-treasury.gov.uk/Documents/Public_Spending_and_Services/

Table 11:	Survey of senior public service managers									
	To test the impact of the principles of reform, OPSR commissions a six-monthly survey of senior public service managers. This provides the following indicators of progress for each of the principles of the Government's reform strategy.									
	% Strongly agree/tend to agree									
	Principle	**Survey Question**	**Baseline Dec 2002**	**June 2003**	**Dec 2003**	**July 2004**	**Jan 2005**	**July 2005**	**Target: by 2005**	**Met/ Not met**
	National Standards	My organisation is clear about the national standards it needs to	90%	94%	92%	94%	92%	92%	Maintain at or above baseline level	Met
	Devolution and Delegation	My organisation decides for itself how best to spend its budget in order to meet its priorities	48%	48%	47%	49%	45%	49%	52%	Not met
	Flexibility	Staff working practices are flexible to provide high quality services its budget in order to meet its priorities	52%	53%	55%	60%	58%	56%	56%	Met
	Choice	My customers have a choice of the services they receive	25%	27%	25%	32%	32%	30%	29%	Met
	The figures from OPSR's senior public service manager's surveys show that three targets (standards, flexibility and choice) out of four on the progress of reform have been met, as perceived by the people delivering public services. The recent fluctuations in two of the above indicators (flexibility and choice) are not statistically significant.									

Table 12:	**Survey of Senior Civil Servants (SCS)**

OPSR also commissions an annual review of senior civil servants, which measures perceptions of progress on reform. The baseline was established in the first survey in 2003.

Indicator	Baseline September 2003	September 2004	September 2005	Target: by 2005
How much do you feel you know about the government's public service reform strategy? (% responding "a great deal" or "a fair amount")	81%	80%	77%	83%
To what extent do you personally support the government's public service reform strategy overall? (% responding strongly support or tend to support)	87%	87%	86%	90%

The survey of SCS at September 2005 shows a relatively stable position from a high baseline. The annual change for the knowledge indicator is not a statistically significant movement.

OPSR will be discussing the implications of these results with other departments. Consideration is being given to qualitative research to further explore these two questions and the overall concept of reform as understood by Senior Civil Servants.

Section 7
SR 2002 Public Service Agreement Technical Notes

PSA target	Technical Note
3. Ensure departments meet the Prime Minister's targets for electronic service delivery by Government; 100% capability by 2005, with key services achieving high levels of use.	There are four key elements to the Office of e Envoy's (OeE - now e-Government Unit eGU) PSA target: 'To *ensure departments* (1) meet the Prime Minister's targets for electronic service delivery by Government: *100% capability (2)* by 2005, with *key services (3)* achieving *high levels (4)* of use.' 1 - OeE's task is to ensure departments deliver the Prime Minister's targets. Departments remain responsible and accountable for their own delivery. OeE's role is to act as a facilitator and enabler to departmental delivery, in particular working with departments to identify and solve on a collective basis cross-cutting risks and issues for the overall e-services programme. 2 - 100% is defined as 100% of UK Central Government and health services – services delivered by the Devolved Administrations and Local Government are not included, as they are covered by their own arrangements. Capability in this context is the capability to deliver e-enabled services (this is not limited to online delivery, but may include e-enabled call centres, digital TV and kiosks). Progress will be measured on a quarterly basis by returns from departments. 3 – Currently 599 services are tracked under the 100% capability target. As part of SR 2002, the Government decided that there should be a specific focus within that on driving use of key services – those which are likely to have most impact in terms of user benefit, Government efficiency, and alignment with the Government's overall policy priorities. The areas within which key services will be identified are: ● Services to business; ● benefit and personal taxation services; ● transport and travel services; ● services; ● health services; ● citizen interactions with the justice system; ● land and property services ● agricultural services; ● e-democracy.

Specific transactional services that will be prioritised under each of these key service areas are currently being identified. The assessment of whether a particular transaction should be considered a key service will be subject to amendment, as further work is undertaken on business cases and as the understanding of customer needs and wants deepens.

A high level of use of e-services, whether informational or transactional, is the crux of the redefined target and drives the case for e-services that are attractive and beneficial to users. Rather than set a single across the board target for take- up, separate targets will be developed for each key service, taking account of its particular context and client base. To demonstrate that these targets are high, strategies will be developed by departments to achieve take up trajectories which:

- are higher than comparable non-prioritised e-services; and
- compare favourably to the take up trajectory for comparable benchmark services in the private sector and internationally.

Appropriate arrangements for measuring progress on a regular basis will be built into each take-up strategy.

5. 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.	Office of Public Service Reform (OPSR) will measure the achievement of this PSA in the following three ways. - OPSR will confirm with departments their plans for embedding the four principles (see below for details) into their policy-making and service delivery over the Spending Review period and will regularly monitor and report on actual progress against these plans. Success will be defined by the extent to which departments achieve the plans they make for embedding the four principles. - OPSR will regularly survey senior managers in public services and senior civil servants to measure their perception of progress in embedding the four principles. Success will be defined by the extent to which managers perceive progress each year. - OPSR will track changes in the levels of customer satisfaction with public services, making particular use of the seven departmental PSAs which contain an explicit measure of customer satisfaction: Health PSA5, Home Office PSA1, LCD/Home Office/CPS PSA3, DWP PSA9, NIO PSA1, C&E PSA4 and IR PSA5. Success will be defined by the extent to which Departments' targets for improving customer satisfaction (as set out in their delivery plans etc.) are achieved.

The four principles are.

- It is the government's job to set national standards that really matter to the public, within a framework of clear accountability, designed to ensure that citizens have the right to high quality services wherever they live.

- These standards can only be delivered effectively by devolution and delegation to the front line, giving local leaders responsibility and accountability for delivery, and the opportunity to design and develop services around the needs of local people.

- More flexibility is required for public service organisations and their staff to achieve the diversity of service provision needed to respond to the wide range of customer aspirations. This means challenging restrictive practices and reducing red tape, greater and more flexible incentives and rewards for good performance, strong leadership and management; and high quality training and development.

- Public services need to offer expanding choice for the customer. Giving people a choice about the service they can have and who provides it helps ensure that services are designed around their customers. An element of contestability between alternative suppliers can also drive up standards and empower customers locked into a poor service from their traditional supplier.

Section 8
Efficiency Programme

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

- **save £25 million in annual efficiencies by end 2007-08 (3% per annum)**

- **planned relocation of 250 posts outside London and the south east by 31 March 2008;**

- **examine the potential for another 120 relocations;**

- **a head-count reduction of 150 posts.**

Savings will come from back office and procurement activity, and will also flow from policy, funding and regulation activity in later years. The Cabinet Office is looking to make genuine efficiencies through a range of measures designed to improve as well as make more cost effective back office and procurement systems. This shall be combined with a systematic refocusing of external effort, informed by direct measurement of customer/stakeholder perceptions on the added value of Cabinet Office activity. A number of individual projects and activities have been identified that will either directly deliver efficiencies or will enable efficiencies to be delivered further downstream.

Table 13 sets out our current estimates of the level of efficiency gains that the Cabinet Office anticipates securing from each area by 2007-08. This represents current planning assumptions.   The expected gains from work streams are not targets in themselves but contribute to the overall target. Proportioning of savings between years, activity and work stream may be adjusted as project business cases and plans develop.

Table 13 :   **Efficiency gains by area**

Area	£m
Corporate Services	4.3
Procurement	14.5
Policy Funding and Regulation	5.6
Contingency	0.6
Total	**25.0**

The Cabinet Office's Efficiency and Relocation Programme is described in detail in the Efficiency Technical Note (ETN) published on the Cabinet Office website www.cabinetoffice.gov.uk . The Efficiency Technical Note sets out the methods by which the Cabinet Office is measuring, monitoring and quantifying efficiency benefits and describes the quality measures in place for the various projects.

Progress

A number of the projects making up the Efficiency and Relocation Programme are enabling projects which will enable efficiencies further downstream. Highlights of what has been achieved so far include:

- £1.2 million annual efficiency savings in 2004-05;
- a renegotiated and extended IT services contract delivering annual savings of £1.6 million in 2005-06 and £1.7 million in 2006-07;
- centralised communication activities delivering annual savings of £0.32 million in 2005-06 and a reduction of eight posts;
- robust scrutiny and challenge of business cases for consultancy/professional support for projects have contributed to towards achieving 60% of the 2005-06 efficiency saving target (£2 million) for this element of our Procurement work stream.

All of these savings are cashable, meaning that funds that would have been allocated to the Cabinet Office can be released to fund frontline services.

Ongoing projects

Procurement

The Cabinet Office Financial Management Information Project (COFMIP), a project to improve financial management information within the Cabinet Office, is near completion. To support the ongoing success of this project some reorganisation has taken place within the financial management structure of the Cabinet Office which will deliver efficiencies through reducing the level of manual intervention within transaction processing. Greater clarity of expenditure patterns will also provide more opportunities for identifying where efficiencies could be gained.

Project teams are in place to deliver savings in the procurement of consultancy and professional services, agency staff, travel and subsistence, and commodities; and to deliver e-procurement through the Office of Government Commerce's (OGC) Zanzibar project. Working to robust business cases, these projects are on course to deliver some £6 million annual savings in 2005-06 and a total of £14.5 million by 2007-08.

Whitehall HR Shared Services Centre

Detailed work is underway for a shared Human Resources Services Centre for the Cabinet Office, HM Treasury and the Office of the Deputy Prime Minister (ODPM). A Shared Services Director has been appointed by the Cabinet Office to promote and drive sharing across the whole public sector.

Relocation

Up to 80 posts from the e-Government Unit (eGU) are proposed to relocate to Warrington by September 2006. Recruitment is underway for the first tranche of staff.

Development work is underway for a new building for the Office of Public Sector Information (OPSI) in Norwich by February 2007.

Policy Funding and regulation

The Cabinet Office is committed to achieving the planned workforce reductions as set out in the Department's ETN. The Cabinet Secretary has recently set out a vision for a Better Cabinet Office that is more strategic and better focused on its core objectives. Management units are being asked to consider what they should be doing to achieve this via the annual departmental business planning rounds. Following the business planning rounds, an updated ETN will be published that reflects these results.