Treasury Minutes on the Ninth and the Eleventh Reports from the Committee of Public Accounts 2006-2007

9th Report: Paddington Health Campus Scheme
11th Report: Supporting Small Business

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TREASURY MINUTES DATED 26 APRIL 2007 ON THE NINTH AND THE ELEVENTH REPORTS FROM THE COMMITTEE OF PUBLIC ACCOUNTS SESSION 2006-2007

Ninth Report

Department of Health

The Paddington Health Campus Scheme

1. The Paddington Health Campus Scheme was a complex and ambitious attempt to build an excellent healthcare facility, which would replace three run-down hospitals (St Mary's, the Royal Brompton and the Harefield) and address problems with the configuration of specialist services in northwest London. However, after five years and £15 million spent trying to develop a robust business case, the Paddington Health Campus scheme collapsed.

2. In 2000, the approved Outline Business Case (OBC) estimated that the redevelopment would cost £300m (£411 million in 2005 prices), with completion by 2006. By May 2005, projected costs had risen to £894 million and the expected completion date had slipped to 2013. Reasons for the delay and cost increases include the fact that Campus partners had failed to secure land for the scheme, and disagreements about the content and affordability. While St Mary's NHS Trust approved the revised business case in May 2005, the Royal Brompton and Harefield NHS Trust declined to recommend it for approval and consequently, in June 2005, the Department cancelled the scheme.

PAC conclusion (i): The Paddington Health Campus scheme, as proposed by the Campus partners in 2000, was based on an inadequate Outline Business Case, constructed without the benefit of input from doctors and nurses as to the required clinical content. Incomplete or inadequate business cases should not be approved until all material issues, including sufficient design work, have been addressed.

3. The Department of Health (DH) accepts the Committee's findings. Many important changes have been introduced to the procurement process for major hospital building schemes since 2000. These reflect the lessons learned on Paddington Health Campus and other contemporary major projects. DH accepts that much of the Business Case methodology developed in the early 1990s has not proved sufficiently robust for the greatly increased size and complexity of hospital building schemes DH has been required to take forward in the last 10 years. The changes also take into account the reforms to the NHS under this Government.

4. The changes have focused on ensuring that more work is done at the earlier OBC stage. This is to ensure that any scheme which goes out to tender (under either PFI or the pubic capital route) has undertaken the appropriate design briefing, design studies, and cost planning to establish a robust and affordable preferred option which bidders can have confidence in as a benchmark and challenge for design quality, functional content and cost. Clinicians (and other professionals as appropriate) must have been involved in the development of operational policies and have provided written support for the clinical output specifications. Site constraints, relocation and decanting issues must be outlined and taken into account in considering options. The evidence is that additional costs incurred at this stage are more than offset by those required to undertake major strategic revisions and redesigns once bidders have been appointment and committed scarce resources.

5. Concomitant with this has been a re-alignment of checkpoints to ensure that the examination of schemes is performed on a timelier basis and at the appropriate level.

6. The key changes, in chronological order, have been:

(i) From December 2002, DH extended the use of the Office of Government Commerce's Gateway Review process to support the delivery of the investment programme across DH, NHS and associated Non-Departmental Public Bodies (including Arms-Length Agencies).

(ii) In 2003 and 2004 new value for money guidance from Treasury:

(a) introduced 'optimism bias' to compensate for the historic tendency of the public sector to underestimate likely outturn costs; and

(b) refocused the value for money test for PFI schemes from the final Full Business Case (FBC) to the earlier OBC stage ie to ascertaining whether PFI is the most suitable form of procurement *prior* to approaching the market. This in turn requires much more robust costing of the preferred option in the OBC.

(c) In response, DH published its own guidance for the NHS on applying optimism bias in 2003 and 2004 and guidance on the new value for money test in 2005.

(iii) From 2004, new design guidance has required all schemes to produce a 'design exemplar' as part of their OBC to establish at the initial approval stage a robust budget that will deliver a considered functional content and an agreed standard of design quality. Clinical and management user groups must be involved in this process.

(iv) Since 2005, DH's approval of the first business case stage – Strategic Outline Case (SOC) – has ceased. Instead, it is now responsible for approving OBCs in excess of £75 million, a task previously performed only by the local Strategic Health Authority (SHA). It was decided that, especially given the improvements in costing methodology described above, this was now the best point at which the viability and deliverability of a scheme could be better assessed, rather than the earlier SOC stage. Furthermore, OBC approval by DH will set firm parameters that schemes will have to stay within, breach of which would be automatic grounds for halting the scheme.

7. For PFI schemes, the appointment of preferred bidder is also now the main point for Treasury approval, bringing forward a number of checks previously performed at Full Business Case (FBC), when it was felt that too many decisions had by that time become irreversible and not cost effective to re-examine.

PAC conclusion (ii): The Royal Brompton and Harefield NHS Trust and St Mary's NHS Trust had un-reconciled organisational, clinical and financial interests and in the end the two Trusts took incompatible views of the way ahead. Capital schemes in the NHS should only proceed with more than one partner when there is a clearly identified single sponsor.

8. DH accepts the Committee's findings. The Gateway Review process introduced into the NHS in 2002 provides a rigorous and independent assessment of project risks and leadership arrangements, including governance and project management. The Gateway process comprises a series of short focused independent peer reviews at key stages of a programme or project; in the NHS, these are aligned with the Business Case process. The reviews are undertaken in partnership with the project team and stakeholders and are designed to highlight issues which, if not addressed, would threaten the successful delivery of the programme or project. Since 2004, Treasury has required full Gateway reviews for all the major NHS PFI projects and Business Case approval by DH is conditional on clear evidence that the conclusions of the review have been fully addressed.

9. There are examples of successful joint procurements of major PFI schemes and equally examples where a merger of Trusts has proved best. In NHS project management guidance the 'project sponsor' is the Project Director, and DH has always ensured that all schemes which have been or are now being jointly procured, have a single Project Director. The Chief Executive of an NHS Trust is regarded as the 'Project Owner' in terms of their accountability to the Trust board for the management of the scheme, an authority which is delegated to the Project Director.

PAC conclusion (iii): It took several years after the initial outline business case for the Campus partners to reach a clear position on the clinical content of the Campus, the land required, the planning constraints and the likely cost and affordability of the scheme. The scheme's development was also handicapped by insufficient manpower and capability. NHS Trusts taking forward building schemes should have early external assessments, for example by the Department's Private Finance Unit, of their capacity to deliver complex schemes and firm timetables against which can measure progress.

10. DH accepts the Committee's findings. The Gateway reviews now provide the early, independent assessment of project management capabilities and resources. DH's Private Finance Unit has increased the number of specialist consultants it employs to the extent that, as a minimum, a legal expert and a financial expert is always allocated to work with every Trust given approval to take forward a major scheme.

11. In recognition of the importance of project management and high quality, professional advice, from 2005-06 DH introduced an initiative under which firstly the NHS Bank and now SHAs provide a contribution to the project costs of PFI schemes equal to 2 per cent of the total scheme value. Trusts are advised to appoint a dedicated full-time project director and DH has established specialist Project Director's courses at selected universities. Proven, high quality Project Directors are also deliberately moved to new schemes so hard won experience and expertise is not wasted.

12. At all the business case stages, projects must have a credible, formal timetable with milestones included in their plans. Potential delays must be included in the risk register, which must also explain how these are to be managed.

PAC conclusion (iv): The North West London Strategic Health Authority failed to manage effectively the development of the scheme by the Campus partners. The local responsibility for monitoring the scheme fell initially to the Kensington and Chelsea Health Authority and, after March 2002, the North West London Strategic Health Authority. The Strategic Health Authority should have either cancelled or fundamentally reassessed the scheme in early 2003. Instead it strongly encouraged the Campus partners to pursue additional accommodation for the scheme. New Strategic Health Authorities should establish clear criteria for monitoring each scheme's progress and take decisive action when schemes go off-track.

13. DH accepts the Committee's findings. SHAs will still have an important role in the approval of Business Cases under the NHS principle of delegated authority, but at the most important stage – OBC – DH is also now responsible for approving OBCs with a capital value over £75 million, ie after they have been approved by the SHA. In addition, DH will continue to conduct higher- level checks on schemes between £25 million and £75 million.

14. OBC approval itself is now contingent upon no increase to the revenue ceiling for the scheme (and by implication very limited movement in capital cost). This replaces the guidance applying at the time of the Paddington Health Campus scheme that required an addendum to the OBC if the revenue cost had increased by more than 5 per cent, excluding inflation. A Trust must now demonstrate that it has quantified all the revenue consequences of the scheme (staff costs, other operating costs, retained risks etc.), including the consequences of elements funded through non-PFI sources (eg where equipment is not to be included in the PFI deal); and that all potential variables are accounted for within optimism bias and risk premia. The project must also prove it is affordable under a number of downside scenarios.

15. DH will establish a performance management regime, also involving SHAs, to confirm that a scheme is remaining within its approval parameters. Where the Trust considers that a breach may occur they will be required to inform DH with the background and explain the rectification actions being taken.

PAC conclusion (v): The bed capacity required by the scheme to meet patients' healthcare needs – and thus its cost and affordability – fluctuated as it was being developed, largely for reasons beyond the control of the Campus partners. Planned bed numbers ranged from 835 NHS beds to 1,200 across the five-year development of the Campus, and St Mary's NHS Trust was using different planning assumptions to the North West London Strategic Health Authority. Bed numbers, or at least an upper capacity, should be fixed as part of the Outline Business Case approval process.

16. DH accepts the Committee's findings. The tests for capacity and activity have been strengthened at the OBC stage. This is of course required if the Trust is to produce a firm revenue ceiling and design brief. The OBC must show that activity levels have been projected for elective and non-elective activity by specialty for at least five years into the scheme's operational period and that explicit adjustments are included to show the impact of national policy initiatives (eg: practice based commissioning, shifts to primary care, choice, and local independent treatment centres). Primary Care Trusts (PCTs) (and other commissioners) must have provided written confirmation that their activity assumptions are consistent with those of the Trust and that the Trust's expected income as outlined in the business case is consistent with the PCTs own financial projections.

17. Most importantly, the Business Case must also demonstrate that the PFI scheme can accommodate any potential outcomes where local health service strategies are still in development and changing service requirements are foreseeable.

18. DH has also introduced Access Capacity Reviews for all major schemes at the OBC stage. These provide an objective, independent check on the activity and modelling assumptions to ascertain if these are realistic and properly suited to the needs of the local health economy. Reports on these reviews must be evidenced in the final OBC and are a condition of approval.

PAC conclusion (vi): The hospital building programme in the NHS was estimated to cost £4 billion more than the approved costs. The Department's Capital Investment Manual requires a full reappraisal if costs on a scheme are forecast to rise by more than 10 per cent. The average rise above approved costs is 117 per cent, more than doubling the cost. The Department should enforce the requirement for compliance with its guidance and agree with Trusts who breach these guidelines an action plan to bring projects under closer control, especially where they forecast cost-overruns above approved expenditure levels. It should develop and disseminate to NHS bodies details of the factors that will trigger intervention.

19. DH accepts the Committee's findings. A large proportion of this increase is accounted for by general and building cost inflation – the latter of which has increased by nearly 50 per cent since 2000 at an average of 6.6 per cent per annum. Most of these schemes were also approved to go ahead before many of the key initiatives from the NHS Plan of 2000 had been rolled out. Implementing the new consumerism agenda to improve the patient experience in early 2002 added between 10 per cent and 30 per cent to baseline costs, funding for which has been identified from the record increases NHS Trusts have experienced in recent years. Addendums were completed for the great majority of schemes where revenue or capital costs breached the established thresholds.

20. Nevertheless, under the new Business Case approval process and methodology discussed above we would not expect to see costs rise to such an extent when, for example, optimism bias is applied from the beginning for a scheme.

PAC conclusion (vii): Forecast cost increases over all current schemes exceed the 40 per cent maximum addition to forecast capital costs which is allowed to correct for optimism bias. The allowance does not therefore adequately reflect Trusts' over-optimism on the costs of such schemes. To introduce a proper perspective on the likely affordability of schemes, the Department and the Treasury should agree on the appropriate level of optimism bias for NHS capital schemes, based on experience to date.

21. DH accepts the Committee's findings. For the implementation of optimism bias in the NHS in 2003 and 2004 DH carried out an analysis on cost drift in NHS projects, which provided the initial empirical base for setting an upper bound:

- building projects with capital values from £10 million to £25 million increase on average by 40 per cent from OBC to FBC, excluding the effect of inflation; and
- building projects with capital values over £25m increase on average by 30 per cent from OBC to FBC, excluding the effect of inflation.

22. The Department's guidance, however, emphasises that these figures are averages of a number of projects and any scheme could diverge, upwards or downwards, from the average. Factors specifically included as examples are:

- complexity of the site (eg: is it particularly constrained? Could it suffer from contamination? is it a Greenfield site?);
- complexity of the project (eg: does it introduce new ways of working? will it require buy-in from a large number of stakeholders?);
- experience of the project team.

23. The upper bound for optimism bias is reviewed periodically based on cost increases at new schemes; the most recent analysis showed these averages have not changed.

PAC conclusion (viii): The Department was not adequately aware of the state of the Campus scheme because it viewed scheme development as a local issue. As a result, it was slow to respond to the failure of the scheme to make progress. The Department should benchmark the capacity of its Private Finance Unit against similar Units in other Government Departments and against relevant Treasury guidance, to ensure that it has the capacity to provide sufficient support to procurement teams.

PAC conclusion (ix): The Campus partners believed that the Department lacked clarity in its role and objectives. The Department acted as both champion and challenger for the scheme, causing uncertainty and confusion in the Campus partners. The Department, through its Private Finance Unit, should develop flexible and transparent criteria with a greater emphasis on affordability, value for money and viability of projects. It should concentrate on the role of challenger and satisfy itself that hospital building schemes are compatible with these criteria and with other relevant NHS objectives and guidance.

24. DH accepts the Committee's findings. DH, the SHA and the Trusts involved followed the delegated authority limits for the approval of Business Cases which were in place at the time. However, the Department recognises that its involvement and resources should always be directed where it can be most effective. This resulted in the decision in 2005 discussed above to change its key approval point to OBC, when proposals are developed enough to allow the viability of a scheme to be better assessed, but before too many irreversible decisions have been taken.

25. DH's Private Finance Unit has increased its staffing complement to ensure projects receive a higher level of support and guidance. As a minimum, a legal expert and financial expert are always allocated to work with every Trust that is given approval to take forward a major PFI scheme.

PAC conclusion (x): At one stage, the on-balance sheet treatment of the land deal supporting the 2004 Outline Business Case was deemed to render the scheme unaffordable. The Campus partners were therefore going to leave the scheme. While the Department said, it had no requirement that the scheme or supporting land deal be off-balance sheet, the accounting treatment influenced the affordability of the supporting land deal. The Department should confirm to trusts that in evaluating affordability, value for money should drive decisions, and not balance sheet treatment.

26. DH accepts the Committee's findings. Departmental guidance explicitly states that the balance sheet treatment of a scheme should be set out in accordance with Treasury's Technical Note 1 (Revised) published in 1998 *How to Account for PFI Transactions*. This clearly states that it is value for money and not the accounting treatment, which is the key determinant of whether a project should go ahead or not.

27. NHS Trusts must also take into account the different factors that arise and put pressure on affordability. Assets, which appear on a Trust's balance sheet – land, buildings and equipment – attract capital charges, for which a cash payment of 3.5 per cent per annum on the book value (the 'cost of capital') must be made. However, these are treated as transfer payments along with other factors such as VAT and redundancy payments and are not therefore included in the value for money analysis, which looks only at economic values.

PAC conclusion (xi): The Department has not been close enough to the development of capital investment projects in the NHS. While it has a one-off programme to review all pre-contract capital investment schemes valued at over £75 million, there needs to be sustained scrutiny of large projects (over £200 million) by the Department so that NHS Trusts procure these assets within shorter timeframes and with improved value for money.

28. DH accepts the Committee's findings. The changes to the Business Case approval system and the current review of PFI schemes are part of the same process. Many of the changes were trialled during the review, which started in January 2006; others are the result of lessons learnt during the review. The purpose of the review was to establish some robust checks to ensure that the schemes currently being taken forward fully take into account the challenges presented by the new financial mechanisms and reforms the Government has introduced eg: Payment by results, practice based commissioning, shifts to primary care, choice and local independent treatment centres. These all have important long-term implications for the configuration of services and financial stability of NHS organisations, which apply equally to all schemes in the future.

29. The majority of schemes being looked at by the review have not gone out to tender yet and are still preparing OBCs which will have to incorporate all the new tests and information described above. Since 2005, all OBCs with a capital value above £75 million now have to be approved by DH. For PFI schemes, the appointment of preferred bidder is also now the main point for Treasury approval, bringing forward a number of checks previously performed at FBC. Cases in excess of £25 million and £100 million have to be scrutinised and approved by DH and Treasury respectively. Schemes finally now have to prepare a FBC addendum for approval under the same Department and Treasury delegated limits as above to confirm that the scheme has stayed within its key parameters. This means that a completely new approval point – preferred bidder – has been introduced into the procurement process for major schemes.

Eleventh Report

The Small Business Service

Supporting Small Business

1. The Small Business Service (SBS) was an Executive Agency within the Department of Trade and Industry (DTI). SBS has been accountable for the Public Service Agreement (PSA) objective "to build an enterprise society in which businesses of all sizes thrive and achieve their full potential" with three underpinning targets.

PAC conclusion (i): The Government has announced that the SBS will be reformed as a smaller policy unit within the DTI, focused on influencing policy affecting small business. The new, smaller unit will need to do better than the old in showing that its benefits exceed its costs.

PAC conclusion (iii): The SBS, and the Government as a whole, has not been able to evaluate its impact against government aims and objectives for the small business sector. Indicators do not clarify whether the SBS had made progress because of its own or other government actions to support small business, or because of general factors such as the overall performance of the economy. The Department should take the lead in evaluating the Government's overall impact against its objectives for small businesses.

PAC conclusion (vi): It has been difficult to assess the performance of the SBS in its role influencing the work of other government bodies, and the few indicators that exist have offered a mixed picture. Many Departments have not consulted the SBS in a timely manner before producing regulations that could affect small businesses, and there has been wider uncertainty over the SBS's progress in influencing government bodies to deliver better regulation. Government Department's and agencies have considered the SBS to be poorly positioned to set the government-wide agenda on small business.

2. We accept the conclusions of the PAC. From April 2007 the Small Business Service (SBS) ceased to be an Agency and rejoined the DTI as a smaller, focused policy directorate within the Enterprise and Business Group. A critical role of SBS is to influence policies, delivered by others in Whitehall, the regions and delivery bodies, for the benefit of SMEs, in pursuit of the PSA. The reforming of the SBS into a strategic unit at the heart of DTI, has provided clearer priorities for how that influencing role should be carried out.

3. It has been technically difficult to isolate and measure the precise degree of influence attributed directly to the SBS and the resulting impact for the benefit of small businesses (not only on regulation but also other small business and enterprise policy areas). Work to strengthen the new directorate's ability to assess its effectiveness is taking place on two fronts. It is for our stakeholders to judge whether SBS makes a real difference to the small business environment and for the first time, SBS will be asking key partners (such as the Better Regulation Executive) and external stakeholders (such as the small business representative bodies) to formally assess SBS's role in promoting enterprise and improving the business environment for small business. This will be carried out through a new annual survey. In addition, SBS will be able to set more meaningful indicators to measure its effectiveness, after

we have completed a feasibility study which is exploring the full range of methods and indicators which can be used. This study, which will report in summer 2007, will help to determine the options for measurement. These will be discussed and refined with partners and stakeholders before preferred data collection protocols are implemented during 2008.

4. Alongside this, the new Public Sector Agreement targets which are currently being formulated will also allow an improved assessment of the wider impact of Government as a whole in meeting its objectives for businesses of all sizes.

PAC conclusion (ii): The Government's small business support network of around 3000 national, regional and local programmes is too large and complex. The Government announced in the 2006 Budget that it intended to cut the number of small business support programmes from 3000 to fewer than 100. The Department needs to take the lead by drawing up an action plan with milestones to achieve this objective, and coordinating government-wide action to that end.

5. We accept this conclusion. SBS was instrumental in identifying that publicly funded business support is too complex and bringing together key players in Government to agree the target reduction announced in the 2006 Budget. This is one of the DTI's top 20 projects for delivery and good progress has already been made through the DTI-led Business Support Simplification Programme (BSSP). This works across and involves central Government Departments, Local Authorities and Agencies to rationalise schemes to meet the needs of businesses and the economy.

6. The BSSP has made good progress on the coordination of full government-wide action. Key programme outcomes so far include:

- establishing a cross-Government programme board of senior officials from Government Departments, Regional Development Agencies, Local Government Representatives, and business representatives to oversee the work of the programme;
- building cross-Government teams to define what the 100 or fewer shared business support products and services for Government should be, so that they really meet the needs of businesses and the economy;
- leading the initial rationalisation of business support schemes by Regional Development Agencies announced in November 2006 in the pre-budget report: examples include a simplification of around 120 schemes to 6 programmes by Yorkshire Forward and a reduction in access channels to publicly-funded business support by the London Development Agency.
- Publication of an introductory document, to explain the programme and seek stakeholder views.
- Budget 2007 announced further progress on rationalizing business support schemes and access channels. It also announced a consultation, to be published by summer recess, on the future set of business support products.

7. Going forward, DTI will continue to drive and coordinate this programme, in order to make sure all parts of Government work together to simplify and reduce schemes to 100 or fewer, so that publicly-funded business support is user-friendly for small businesses. Not only will this make access easier for small businesses but it will release more resources from administrative support to front-line support. Following the consultation, a response will be published by the new year, including an action plan with next steps. Partners funding business support will produce transition plans setting out how current business support schemes will be rationalised in a way which is consistent with the new set of schemes.

PAC conclusion (iv): There are no official statistics on the national cost of regulation on small business. The Government has embarked on a costing exercise to measure the burden of regulation on business, and a baseline should soon be established. As the Better Regulation Executive assesses regulatory burdens and the potential for cuts, the Department should ensure that small business circumstances are fully taken into account by consulting small businesses and offering their perspective on the impact of regulations.

8. We accept this conclusion. The Government published its measurement of Administrative Burdens in December 2006. SBS played an active role in the measurement exercise supporting the Better Regulation Executive and worked with others in developing the Departmental plans to simplify and reduce these burdens. The Government has committed to a 25 per cent target net reduction of administrative burdens by 2010.

9. The SBS agrees that small business circumstances must be taken into account through consultation and by encouraging small businesses to provide their perspective on regulatory impacts. The Government has embedded the Small Firms Impact Test into the Impact Assessment process and the 2007 Budget committed to reviewing this test to ensure that departments consider the impact on small businesses and where appropriate, consider whether exemptions should apply. SBS will continue to champion this issue, taking particular interest in regulations which create significant burdens. The SBS's Consultation Database has details of 3,500 small businesses who have expressed an interest in working with officials in the early stages of policy development and this is being used regularly by a range of Government Departments. The new directorate will work closely with the Better Regulation Executive to ensure that small firm issues are fully reflected in impact assessments and policy design.

PAC conclusion (v): There is a wide gap between the commercial default rate for small business and the default rate under the Small Firms Loan Guarantee Scheme. The Graham Review of the Small Firms Loan Guarantee Scheme estimates that the Scheme has a default rate of 35 per cent, compared with a commercial default rate for small business of 4 per cent. The Scheme's high default rate is partly attributable to intervening when the market will not. With a default rate so much higher than the commercial rate, it is questionable whether the Scheme is best calculated to promote the generation of viable businesses. There needs to be a substantially higher proportion of viable outcomes among business assisted by the Scheme.

10. SBS accepts that the default rates for the Small Firms Loan Guarantee (SFLG) were high. That was one of the main reasons why Ministers commissioned the Graham Review in December 2003. The Review subsequently reported in October 2004 and the SBS and the participating Lenders introduced the changes recommended in December 2005. The observations about default rates made by the PAC refer to loans guaranteed prior to the implementation of the Graham Review changes.

11. Initial analysis of default performance for loans guaranteed since December 2005 suggests a significant reduction in the level of defaults experienced compared with the equivalent position for loans guaranteed in FY 2004/05, although it is still too early to make definitive comparisons. The new form of SFLG clarifies that this is a tool for Lenders to use in appropriate circumstances (ie when an SME's business proposition satisfies normal commercial criteria for lending, but without the usual security). The enhanced capability within the system will enable SBS to work with lenders to identify and address performance issues. This will be done through the regular process of auditing lenders with annual reporting and reviews.

PAC conclusion (vii): The Government's Action Plan for small business lacks accountability as it does not identify which bodies are responsible for which actions or the scale of change required. It also says nothing about the need to rationalise support schemes. The SBS have not published Action Plan updates on their website as they said they would. The Action Plan should be revised to clarify which bodes are accountable for actions, and the Department should publish updates on progress on their website.

12. SBS accepts this conclusion but notes that the decision to rationalise support schemes was taken after the Action Plan was published in 2002 (hence its omission).

13. As part of the move back into the DTI, work is currently underway to renew the policy focus of the Small Business Service directorate reflecting its much smaller complement of staff. It will also reflect the joint responsibilities for Whitehall departments to meet new cross-cutting PSA targets. The Action Plan will be adapted in keeping with the new SBS business plan, which will be finalized shortly. An update will be published before the summer recess. DTI will explore options for monitoring progress by identified key partners, in particular other Whitehall departments in pursuit of key small business and enterprise objectives.

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