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## GOVERNMENT EFFICIENCY FRAMEWORK

Dear Accounting Officer

### Contact

Please address enquiries to [Gov.Finance@hmtreasury.gov.uk](mailto:Gov.Finance@hmtreasury.gov.uk)

### Action

Accounting Officers shall ensure they have the appropriate mechanisms in place to ensure effective monitoring and reporting of departmental efficiency savings, and that all public servants in their departments are aware of and follow the guidance set out in the Government Efficiency Framework published by the Government Finance Function in HMT in July 2023.

### Context

The Public Accounts Committee's 2021 report on efficiency in government included a recommendation to instill an enduring culture of continuous improvement across government. At Spring Budget 2023, the Chancellor of the Exchequer committed to develop a Government Efficiency Framework, to standardise the reporting and tracking of efficiency savings and to ensure government has appropriate oversight and reporting for efficiency savings.

The framework has now been published by the Government Finance Function in HMT, having been developed in close collaboration across government.

The Government Efficiency Framework provides a reporting framework to define and categorise efficiency savings, and sets out best practice in doing so. It establishes a process which should be a core component of financial reporting in government – ensuring our public services are being delivered efficiently is an important part of our role as stewards of public funds; understanding where and how we are delivering efficiencies enables a greater understanding of what we are doing effectively.

This guidance is particularly important where departments have committed efficiency plans, and so why departments will need to ensure the framework is adopted no later than September 2023; adoption by agencies and arm's-length bodies is expected in 24/25.

To assist departments with the reporting and tracking efficiency savings, the framework contains:

- definitions and reporting standards for efficiency savings, including definitions of cash releasing and non-cash releasing efficiencies
- best practice guidance across monitoring, reporting, insight, and governance
- tools and templates, including examples of efficiency savings.

This framework is available on gov.uk at:

<https://www.gov.uk/government/publications/the-government-efficiency-framework>

These requirements take effect immediately but will be incorporated into the next update to Managing Public Money.



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