



HM Treasury

Evaluation of the Office for Value for Money

November 2025

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Chapter 1

Introduction

Background to the Office for Value for Money

1.1 The Office for Value for Money (OVfM) was announced at Autumn Budget 2024 as a time-limited HM Treasury unit with two primary roles:

- Making targeted interventions in Spending Review 2025, including conducting an assessment of where and how to root out waste and inefficiency, undertaking value for money studies in specific high-risk areas of cross-departmental spending, and scrutinising investment proposals to ensure they offer value for money; and
- Developing recommendations for system reform, informed by lessons learned from the past, international best practice, and the views of external organisations.

1.2 The OVfM has been led by an independent chair, David Goldstone CBE, supported by a multi-disciplinary team of civil servants based in HM Treasury, and with secondees from the National Audit Office, Evaluation Task Force and the Government Commercial Function. The OVfM has had a staff of up to 15 FTE in addition to its Chair, who worked 1-2 days a week, and just over 12 months to deliver its remit. The OVfM is publishing a concluding report alongside Budget 2025, at which point it is closing as planned.

1.3 As a time-limited unit, the OVfM was not intended to be a permanent addition to the existing structures and frameworks that aim to deliver value for money (VfM). Instead, it focused on working in partnership with standing HM Treasury teams and other government departments to deliver a number of specific tasks where it could have most impact. The OVfM's set up, in terms of having an independent Chair, being a relatively small multi-disciplinary team, and being established as a time-limited organisation, is relatively unusual. Reflecting this, the OVfM set out the logic for how it would make best use of its resources and achieve its objectives through three principles and ways of working:

- Diagnosing and tackling the root causes of VfM issues, rather than the symptoms;
- Working in partnership with departments across government to make long-lasting changes; and
- Deploying resources efficiently to target areas where the OVfM can have most impact, rather than duplicating the work of others.

Background to this evaluation

1.4 This evaluation assesses whether the OVfM has delivered its intended remit, whether its work is likely to have a lasting impact, and whether it was a good use of resources. It takes as its starting point the [Evaluation Plan](#) published in March 2025. This has been amended where required: for example, we were unable to secure enough responses to a stakeholder survey to provide robust insights so have instead made greater use of one-to-one interviews, as well as reviews of relevant published documentation and private advice.

1.5 Twelve interviews were conducted with a selection of senior stakeholders to provide a richer source of data on how well the OVfM has delivered against its objectives, of which three were within HM Treasury, four were from other government departments, and five were external to government. Participants were selected to represent a range of groups that have interacted with the OVfM across its activities, with stakeholders within and outside government to ensure a diversity of views were captured. Each stakeholder was asked their views using the interview script at Annex A.

1.6 This evaluation sets out whether the OVfM has fully, largely, partially or not met each of the 11 success measures, or whether there is not enough evidence to conclude. It has been peer reviewed by the Evaluation Task Force and members of the Evaluation and Trial Panel. Further details on the evaluation framework and methodology can be found at **Annex A**.

Chapter 2

Did the OVfM deliver its intended remit?

Success measure 1: Technical efficiency plans and targets of at least 1% p.a. are agreed with all government departments ahead of the conclusion of Phase 2 of the Spending Review

2.1 This success measure has been largely achieved. The [departmental efficiency delivery plans](#) published at Spending Review 2025 identified total annual efficiency gains of £13.8 billion by 2028-29, against 2025-26 planned Resource Departmental Expenditure Limits (RDEL). These plans focused on the delivery of technical efficiencies (delivering more output for the same input, or the same output for less input) rather than stopping activities (reducing outputs). While four departments did not meet the target of at least 1% p.a.,¹ others developed plans to deliver over 8% efficiency gains by 2028-29. While not every department set out plans to deliver 1% p.a. every year, the total across all departments is equivalent to 4% by 2028-29. Departments that have not yet developed plans to deliver 3% efficiencies by 2028-29, against planned 2025-26 RDEL expenditure, will continue to identify opportunities over the coming period.

2.2 Departments would not have taken this approach without the intervention of the OVfM. While efficiency targets have often formed part of departmental spending review settlements, efficiency targets agreed in the past between departments and HM Treasury have not been underpinned by specific delivery plans, nor have they had reporting processes in place to enable delivery to be tracked. The OVfM's role was particularly important in scrutinising efficiency plans and targets proposed by departments, testing their deliverability, and providing greater reassurance that the efficiencies identified could be delivered. The OVfM also took action to support departments to identify

¹ These were the Department for Education (which identified efficiencies of 0.8% of the total departmental budget, or total efficiencies net of investment of 3.2% in 2028-29 excluding the funds it provides to frontline services), the Home Office (which identified total efficiencies net of investment of 2.9% by 2028-29), the Ministry of Defence (which identified total efficiencies net of investment of 2.3% by 2028-29) and the Ministry for Housing, Communities and Local Government (which identified total efficiencies net of investment of 1.2% by 2028-29. Taking into account the impact of MHCL projects and programmes on local government, there will also be efficiency gains for local government who will then be able to recycle these gains into frontline services. These were not quantified in the departmental efficiency delivery plans.)

potential efficiencies, including for example by hosting a roundtable with departments to share best practice and encourage innovation.

2.3 However, the OVfM could not have achieved this result without the work of departments and other officials in HM Treasury. Feedback from stakeholders in other government departments, and in HM Treasury, viewed work on departmental efficiency plans as having a real impact in developing specific plans behind headline commitments, compared with what otherwise might have been the case. Some stressed the importance of reporting back against original efficiency plans to know whether these had been implemented. It was noted that running this work alongside, rather than ahead of, Spending Review 2025 had made the process more challenging.

Success measure 2: VfM studies are completed in a small number of specific high-risk areas of cross-departmental spending and inform decisions in Phase 2 of the Spending Review, with clear ownership for implementation

2.4 **This success measure has been largely achieved.** The OVfM concluded two Value for Money studies on the [governance and budgeting arrangements for mega projects](#), and the [procurement of short-term residential accommodation](#). The outputs were also published as part of [UK Infrastructure: A 10 Year Strategy](#).

2.5 This evaluation notes that, in June 2025, the Treasury Committee asked the Chief Secretary to the Treasury when the full report on short-term residential accommodation would be published. The high-level outputs were published in June, in UK Infrastructure: A 10 Year Strategy, and a final update was published alongside Autumn Budget 2025. The Terms of Reference committed to publication of the study's outputs in Spending Review 2025; it would have been helpful if the Terms of Reference had set out that the type of publication may vary between the studies depending on the results of the work.

2.6 Stakeholders were broadly positive about these VfM studies in systematically looking at cross-cutting issues. Work on mega projects was seen as being very positive, with one stakeholder commenting *"Having an organisation at the centre that could implement recommendations made is a real benefit, which set the OVfM apart."* The work has been welcomed by the Public Accounts Committee which has said, *"It is encouraging that the Treasury will implement in full the Office for Value for Money's recommendations on governance and budgeting arrangements for mega projects."*² One stakeholder involved in the VfM study on short-term residential accommodation raised concerns about the complexity of the issues, and the timing with Spending Review 2025, saying *"a much longer time period was*

² Committee of Public Accounts: Governance and decision-making on major projects, HC642, 44th Report of Session 2024-25

required to come up with solutions that could be taken forward and factored into teams' SR plans."

Success measure 3: OVfM provides additional scrutiny of investment proposals, focused on where it is most likely to inform decision-making, to inform decisions in Phase 2 of the Spending Review

2.7 This success measure has been fully achieved. The OVfM provided additional scrutiny on 29 investment proposals, working in partnership with the Evaluation Task Force and the National Infrastructure and Service Transformation Authority (NISTA) using its [published investment appraisal criteria](#). These criteria set out questions on which it would be focused when considering the VfM of proposals at Spending Review 2025, with 11 questions for all investment proposals, and a further 13 questions that were specific to the nature of the project. Through this work, the OVfM scrutinised both capital investment programmes, a priority given the increase in the capital envelope by over £100 billion at Autumn Budget 2024, and RDEL invest-to-save proposals. The OVfM informed decision-making by providing advice to ministers on its assessment, including the most significant risks and how these might be mitigated. The approach was welcomed by the Comptroller & Auditor General who said in his published letter to the Chair of the OVfM that *"The OVfM's work to scrutinise investment plans should support a greater focus on the practical steps government can take to improve services, and where it can learn from both successful and unsuccessful initiatives."*³

Success measure 4: OVfM announces at least three system reforms to the VfM framework for public spending that have clear, actionable plans for implementation, including who will be responsible for delivery

2.8 This success measure has been fully achieved. The OVfM has publicly recommended four system reforms to the VfM framework for public spending, which the government has accepted. Here, the OVfM's approach to working with others in partnership to make long-lasting changes means that it is harder to establish a counterfactual – the OVfM was the catalyst for these changes but not the only contributor. The four system reforms are:

- A rolling programme of thematic VfM reviews, in the years between spending reviews, with the first set of reviews taking place in 2026;
- Changes to improve the governance and budgeting arrangements for mega projects;

³ [Response from the Comptroller & Auditor General to the Chair of the Office for Value for Money, 16 June 2025](#)

- An expectation of at least 1% technical efficiencies for all departments in all future years, with publication of bespoke technical efficiency targets and plans biennially; and
- Improvements to the controls and accountability framework

2.9 In addition, the OVfM has published 10 Year Efficiency Projections alongside its closing report, to act as a prototype for potential future publications. This sets out, for a selection of long-term investments funded at Spending Review 2025, the 10-year forecasts of expected efficiencies resulting from these investments.

2.10 Further details on plans for implementation are set out in its concluding report published at Budget 2025.

Chapter 3

Is the OVfM's work likely to have lasting impact?

Success measure 5: Did joint working with the OVfM (on VfM studies, efficiencies and investment appraisals) result in greater emphasis on VfM through the Spending Review than would otherwise have been the case?

3.1 This success measure has been fully achieved. On the OVfM's work on departmental efficiency plans, published alongside Spending Review 2025, stakeholders highlighted the importance of having clear, credible plans in place behind agreed efficiency targets, with most agreeing that the OVfM's work had led to a shift in emphasis on Value for Money. A few stakeholders recognised that the timing of this work alongside Spending Review 2025 may have impacted on the ability for thorough scrutiny. Another thought the OVfM could have provided more detailed scrutiny of technical efficiencies through use of functional specialists.

Success measure 6: Was the OVfM complementary to, rather than duplicative of, other work being undertaken within both HM Treasury and HM Government?

3.2 This success measure has been largely achieved. Stakeholders viewed the OVfM's role as being complementary to other organisations, in particular the National Audit Office and NISTA. For example, the approach was welcomed by the Comptroller & Auditor General who said in his published letter to the Chair of the OVfM that *"I am pleased to note the work of the OVfM in taking forward work in areas for improvement I have raised such as the governance of mega projects."*⁴

3.3 The approach of establishing a programme of thematic VfM reviews was seen as complementary to future spending reviews, with a clear focus on delivery and deliverability, and work on departmental efficiency plans was aligned with other teams in HM Treasury, and with government departments. A few stakeholders highlighted some specific examples of conflicting steers from the OVfM and the relevant HM Treasury spending team in relation to work on efficiencies. It is

⁴ [Response from the Comptroller & Auditor General to the Chair of the Office for Value for Money, 16 June 2025](#)

though important to note wider contextual challenges of delivering and negotiating spending review outcomes which might drive this view.

Success Measure 7: Are system reforms likely to help improve VfM in the long term, by tackling the root causes of VfM issues?

3.4 This success measure has been fully achieved, insofar as it possible to assess at this point. The extent to which these system reforms will ultimately address some of the root causes of VfM issues cannot be known at this point, with the benefits being delivered in future years. As highlighted above under success measure 4, the OVfM has publicly recommended four system reforms to the VfM framework, and stakeholders welcomed these, particularly the opportunity to examine cross-cutting areas of public spending outside of the biennial spending review process, which should improve VfM in the long term. However, the impact of the OVfM's recommendations in tackling root causes of some VfM issues will not be known for some time and will depend on their implementation.

3.5 This point was a feature of stakeholder feedback, which recognised that successful delivery of recommendations from the OVfM's VfM studies requires more detailed understanding of responsibilities including the future role for other parts of HM Treasury. A few stakeholders questioned whether there was sufficiently clear ownership for responsibility once the OVfM had stopped operating. This focus on implementation arrangements has been reflected in the OVfM's advice to Treasury ministers, and in the OVfM's own concluding report which sets out further details of how its recommendations will be taken forward. A few stakeholders raised the opportunity for future thematic reviews to additionally focus on functional areas, for example procurement or digital spend, or to focus on budgets which are shared across departments, to further tackle root causes.

Chapter 4

Was the OVfM a good use of resources?

Success measure 8: Were the OVfM resources (c.15 FTE) and set-up (multi-disciplinary team in HM Treasury with an independent Chair) right for the task?

4.1 This success measure has been fully achieved. As set out in the introduction, the OVfM's set up has been unusual and so it is important to consider this in evaluating how it has delivered against its remit and its principles for its ways of working. As set out in HM Treasury's Annual Report and Accounts 2024-25, the Office for Value for Money's budget for the 5 months after it was created in 2024-25 was £611,489 and its total spend was £598,474. The OVfM's budget for 2025-26 is £1,052,321. Its term was extended by three weeks to enable it to deliver its final report at Budget 2025, but it has delivered this within its allocated resources. The team delivered the work set out in their remit, and within budget, suggesting that the resources were sufficient.

4.2 The stakeholders interviewed were supportive of the OVfM's structure. Some stakeholders felt that having an independent Chair outside of the traditional Civil Service hierarchy gave the OVfM a significant degree of influence, reflected in its recommendations. Stakeholders also felt that its set up, being within HM Treasury, further supported this. Several stakeholders welcomed the team's open engagement, which deepened its evidence base. The transparency of the OVfM's approach, such as publishing the Terms of Reference for its two VfM studies, was also welcomed.

Success measure 9: OVfM resources are used efficiently to deliver outputs, with minimal wasted spending or time, compared to other teams within HM Treasury

4.3 It has not been possible to fully assess this success measure. This evaluation considered whether OVfM made an effective use of the resources it had available, through its budget and staff costs, and in the time available, with analysis showing that the OVfM has been comparable in its size to other medium-sized teams within HM Treasury. However, more detailed information on team productivity across HM Treasury has not been available, and therefore this evaluation is not able to conclude on this measure.

Success measure 10: Potential outcomes from OVfM's workplan (in particular from efficiencies and VfM studies) outweigh the costs of the OVfM in the most realistic scenario

Success measure 11: Has the OVfM delivered good value for money and made effective use of its resources to deliver intended outputs?

4.4 These success measures are assessed to have been fully achieved, insofar as it is possible to assess at this point. The OVfM's work with departments on bespoke departmental efficiency targets as part of Phase 2 of Spending Review 2025 identified total efficiencies net of investment of £13.8 billion in 2028-29, underpinned by credible delivery plans. In addition, a number of outcomes from the OVfM's workplan have not been quantified in published material, but it is reasonable to assume will result in further financial benefits. Many of the benefits will be delivered in future years and will depend on implementation of the OVfM's reforms, so they are not certain at this point. This evaluation recognises that the OVfM could not have achieved this result without the work of departments and other officials in HM Treasury. However, it is reasonable to conclude that the potential outcomes from the OVfM's workplan in future years will outweigh the costs in the most realistic scenario.

4.5 Stakeholders found it challenging to comment on whether the team's level of resource and capability had been suitable for its outputs and outcomes, but were positive about the calibre of the team and its senior leadership.

Chapter 5

Conclusions

5.1 This evaluation, based on internal review of published material and private advice, and on interviews with stakeholders, assesses that **seven of the success measures have been fully achieved, and three have been largely achieved**. It was not possible to assess one of the success measures with the available data.

5.2 Taking each of the evaluation aims in term, **this evaluation has found that the OVfM did deliver its remit, in line with its logic for how it would make best use of its resources and principles for ways of working**, as set out in this evaluation's introduction. This includes through delivering departmental efficiency plans as part of Spending Review 2025, two VfM studies with ownership for implementation, additional scrutiny of investment proposals and four recommendations for system reforms.

5.3 The evaluation concludes that **these recommendations are likely to have a meaningful impact, insofar as it is possible to assess at this point**. In particular, the OVfM's approach on structural reforms and the framework for VfM were the right approach to take in ensuring a greater emphasis on VfM than might otherwise have been the case, in line with its objectives and ways of working to diagnose and tackle the root causes of VfM issues, rather than the symptoms. Its work has been broadly complementary to that of the wider HM Treasury, of government departments and of other public sector bodies, such as the National Audit Office. The OVfM's recommendations for system reforms are likely to tackle some of the root causes of VfM issues, insofar as it is possible to assess at this point. Implementation of these system reforms will require clear ownership and clarity of responsibilities, within HM Treasury and across government. While these are being taken forward, with owners assigned, implementation will require sustained effort and is not guaranteed.

5.4 This evaluation concludes **that the OVfM made effective use of its resources, insofar as it is possible to assess with the available evidence**. As set out in this evaluation's introduction, the OVfM's set up was unusual, but stakeholders welcomed the benefits that this offered, in being part of HM Treasury but also having an independent Chair, which has driven genuine collaboration and encouraged greater open engagement and transparency.

Annex A

Evaluation framework and methodology

Evaluation Framework

A.1 The updated evaluation framework below maps the updated evaluation aims onto 11 success measures and the methods or evidence sources that have been used. This evaluation assesses whether each of the success measures were fully achieved, largely achieved, partially achieved, or not met each of the 11 published success measures, or whether there is not enough evidence to conclude.

Table A.1: Evaluation Framework

Evaluation aim 1: Did the OVfM deliver its intended remit?	
Evaluation success measures	Evaluation method/evidence source
1. Technical efficiency plans and targets of at least 1% p.a. are agreed with all government departments ahead of the conclusion of Phase 2 of the Spending Review (Success measure 4 in the published Evaluation Plan)	Spending Review 2025 publications OVfM advice to ministers In-depth interviews
2. VfM studies are completed in a small number of specific high-risk areas of cross-departmental spending and inform decisions in Phase 2 of the Spending Review, with clear ownership for implementation (Success measure 5 in the published Evaluation Plan)	OVfM publications OVfM advice to ministers In-depth interviews
3. OVfM provides additional scrutiny of investment proposals, focused on where it is most likely to inform decision-making, to inform decisions in Phase 2 of the Spending Review (Success measure 6 in the published Evaluation Plan)	OVfM and Spending Review 2025 publications OVfM advice to ministers In-depth interviews
4. OVfM announces at least three system reforms to the VfM framework for public spending that	Spending Review and Budget 2025

have clear, actionable plans for implementation, including who will be responsible for delivery (Success measure 7 in the published Evaluation Plan)	publications and OVfM reports OVfM advice to ministers
Evaluation aim 2: Is the OVfM's work likely to have lasting impact?	
5. Did joint working with the OVfM (on VfM studies, efficiencies and investment appraisals) result in greater emphasis on VfM through the Spending Review than would otherwise have been the case? (Success measure 5 in the published Evaluation Plan)	In-depth interviews
6. Was OVfM complementary to, rather than duplicative of, other work being undertaken within both HM Treasury and HM Government? (Success measure 3 in the published Evaluation Plan)	In-depth interviews
7. Are system reforms likely to help improve VfM in the long term, by tackling the root causes of VfM issues? (Success measure 8 in the published Evaluation Plan)	In-depth interviews
Evaluation aim 3: Was the OVfM a good use of resources?	
8. Were the OVfM resources (c.15 FTE) and set-up (multidisciplinary team in HM Treasury with an independent Chair) right for the task? (Success measure 1 in the published Evaluation Plan)	In-depth interviews
9. OVfM resources are used efficiently to deliver outputs, with minimal wasted spending or time, compared to other teams within HM Treasury	Analyses of OVfM resources, finances, and comparison with other teams
10. Potential outcomes from OVfM's workplan (in particular from efficiencies and VfM studies) outweigh the costs of the OVfM in the most realistic scenario	Spending Review 2025 and Budget 2025 publications OVfM advice to ministers
11. Has the OVfM delivered good value for money and made effective use of its resources to deliver intended outputs?	In-depth interviews

Document Review

A.2 OVfM documentation that has been assessed includes OVfM advice to ministers, documents published as part of the Spending Review, documents published as part of Budget 2025, and other information published on gov.uk.

Stakeholder survey

A.3 As set out in the original Evaluation Plan, an anonymous stakeholder survey was conducted, running from 12 August to 14 September. This included 13 questions, of which three were designed to capture free text comments. The survey was shared with 97 stakeholders of which 59 were within HM Treasury, and 38 were in other government departments and externally, with the stakeholders being selected by targeting those with whom the OVfM worked most closely to ensure respondents could provide an informed view.

A.4 The overall response rate to this stakeholder survey was 17.5%, and for some key stakeholder groups was only 5% (3 responses). We therefore assessed that with such a low response rate, the survey did not provide sufficiently robust insights to include the quantitative survey results, and these have therefore not been used in this evaluation. This evaluation has however considered the free-text comments that were provided by survey respondents, to complement the evidence gathered through in-depth interviews.

In-depth interviews

A.5 Twelve interviews were conducted with a selection of senior stakeholders to provide a richer source of data on how well the OVfM has delivered against its objectives, of which three were within HM Treasury, four with other government departments, and five external to government including relevant think tanks. Participants were selected to represent a range of groups that have interacted with the OVfM across its activities, with stakeholders within and outside government to ensure a diversity of views were captured.

A.6 These interviews were based on a common script developed for the evaluation, using the following ten questions shared with interviewees in advance:

- High-level reflections: What has been your primary interaction or specific area of focus with the Office for Value for Money since it was established in October 2024? Are there any initial reflections you'd like to share upfront?
- High-level reflections: In your view, what has been the top positive change or deliverable as a result of the OVfM having been established? What has been the biggest failure or missed opportunity?
- Has the OVfM's level of resource, set-up, and staff capability been suitable for the outputs and outcomes it has delivered since its inception? Why/why not?

- In your view, did joint working led by the OVfM change the emphasis on Value for Money in Phase 2 of the Spending Review?
- In your experience, has the work of the OVfM complemented or duplicated activities or outputs from other parts of the Treasury?
- In your view, did OVfM deliver against its stated purpose and how it set out it would achieve its objectives? Why/why not?
- In your view, to what extent will OVfM system reforms (e.g. thematic VfM reviews to take place in the years between Spending Reviews; and the publication of bespoke departmental efficiency targets and plans on a biennial basis) improve value for money, and tackle the root causes of VfM issues rather than addressing the symptoms? Why/why not?
- Is the ownership of agreed outputs and outcomes agreed as a result of OVfM scrutiny and system reforms clear? If so, why? If not, how could this further be strengthened?
- The OVfM has had approximately 15 staff working alongside its chair since October 2024, and a year to complete its activities. In your view, has it made effective use of its resources to deliver its intended outputs?
- Conclusion: Is there anything else you'd like to reflect as part of this evaluation into the OVfM, or any lessons learned you think that are important to capture for the establishment of similar organisations or exercises in the future?

Analyses of OVfM resources, finances and outputs

A.7 In line with the evaluation plan, OVfM resources, budget and outturn were assessed against the outputs the OVfM has achieved over its lifetime, and the potential outcomes that could result.

Limitations

A.8 In line with the published evaluation plan, conducting the evaluation in HM Treasury meant there was a risk that the evaluation produced, or might be perceived to produce, a biased account. To mitigate against this, this evaluation has been carried out by an individual not from the OVfM or HM Treasury's Public Spending group, with support from a Senior Civil Servant from a separate HM Treasury directorate. In addition, the draft evaluation report has been reviewed by members of the Evaluation and Trial Advice Panel, and the Evaluation Task Force.

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