



**CabinetOffice**

# 2009

AUTUMN PERFORMANCE REPORT  
2009



**Cabinet Office  
Autumn Performance Report  
2009**

*Presented to Parliament by the Minister for the Cabinet Office, the Olympics  
and London and Paymaster General by Command of Her Majesty  
December 2009*

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## CONTENTS

Introduction.....	1
Part 1 – Comprehensive Spending Review 2007: Public Service and Service Transformation Agreements .....	2
Comprehensive Spending Review 2007: The Cabinet Office’s Departmental Strategic Objectives 2008-11 .....	4
Departmental Strategic Objectives: Progress Against Delivery .....	5
Part 2 – The Socially Excluded Adults Public Service Agreement: Progress Against Delivery.....	19
Service Transformation Agreement: Progress Against Delivery.....	22
Part 3 – Value for Money Cabinet Office Comprehensive Spending Review (CSR): Value for Money Plans.....	25
Part 4 – Sustainability Report.....	30
Part 5 – Cabinet Office: Accountability to Parliament .....	33
Part 6 – Spending Review 2004: Cabinet Office PSA Targets.....	43



## INTRODUCTION

This Autumn Performance Report provides information on the latest progress against the Cabinet Office's Public Service Agreement (PSA), Service Transformation Agreement (STA) and Departmental Strategic Objectives (DSOs). These were agreed as part of the Comprehensive Spending Review (CSR) 2007. It also reports progress against our outstanding target from the Spending Review (SR) 2004 period.

Autumn Performance Reports were introduced in 2002 to supplement reporting against PSA targets in Departmental Reports. This year Autumn Performance Reports provide information on improvements since the publication of Autumn Performance Report 2008.

The Cabinet Office Annual Report and Accounts 2008-09 (HC 442) was published in July 2009. The accounts provide information about Cabinet Office performance in relation to its resources.

# PART 1 – COMPREHENSIVE SPENDING REVIEW 2007: PUBLIC SERVICE AND SERVICE TRANSFORMATION AGREEMENTS

The Comprehensive Spending Review (CSR) 2007 announced that the Cabinet Office would lead on delivery of Public Service Agreement (PSA)16 and the Service Transformation Agreement (STA). The Cabinet Office would also contribute directly to delivery of Public Service Agreements 21, 26 and 30.

At Budget 2009, the Government reshaped its performance management framework to better reflect its economic priorities. The Public Service Agreement framework now includes an additional overarching objective: 'Help people and businesses come through the downturn sooner and stronger, supporting long-term economic growth and prosperity.' This objective will be achieved through the delivery of commitments from the National Economic Council. It will also be achieved through Public Service Agreements on economic performance and productivity, skills, employment, housing, business success, transport, and science and innovation. The Government remains committed to improvements in public service delivery as set out in the 30 Public Service Agreements introduced in the CSR 2007.

## KEY

Public Service Agreements groups

- Help people and businesses come through the downturn sooner and stronger, supporting long-term economic growth and prosperity (PSAs 1-8 & 20)
- Fairness and opportunity for all (PSAs 9-11 & 14-16)
- A better quality of life (PSAs 12, 13, 17-19 & 22)
- Stronger communities (PSAs 21 & 23-26)
- A more secure, fair and environmentally sustainable world (PSAs 27-30)

Cabinet Office involvement:

**Cabinet Office leading on delivery**

**Cabinet Office delivery partner**

Cabinet Office underpin successful delivery

**Help people and businesses come through the downturn sooner and stronger, supporting long-term economic**

PSA 1: Raise the productivity of the UK economy	PSA 2: Improve the skills of the population, on the way to ensuring a world-class skills base by 2020	PSA 3: Ensure controlled, fair migration that protects the public and contributes to economic growth	PSA 4: Promote world-class science and innovation in the UK	PSA 5: Deliver reliable and efficient transport networks that support economic growth
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**growth and prosperity**

## Fairness and

PSA 6: Deliver the conditions for business success in the UK	PSA 7: Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions	PSA 8: Maximise employment opportunity for all	PSA 20: Increase long-term housing supply and affordability	PSA 9: Halve the number of children in poverty by 2010-11, on the way to eradicating child poverty by 2020
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**opportunity for all**

PSA 10: Raise the educational achievement of all children and young people	PSA 11: Narrow the gap in educational achievement between children from low income and disadvantaged backgrounds and their peers	PSA 14: Increase the number of children and young people on the path to success	PSA 15: Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief	<b>PSA 16: Increase the proportion of socially excluded adults in settled accommodation and employment, education or training</b>
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**A better quality of life**

PSA 12: Improve the health and wellbeing of children and young people	PSA 13: Improve children and young people's safety	PSA 17: Tackle poverty and promote greater independence and wellbeing in later life	PSA 18: Promote better health and wellbeing for all	PSA 19: Ensure better care for all
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**Stronger communities**

PSA 22: Deliver a successful Olympic and Paralympic Games with a sustainable legacy and get more children and young people taking part in high quality PE and sport	<b>PSA 21: Build more cohesive, empowered and active communities</b>	PSA 23: Make communities safer	PSA 24: Deliver a more effective, transparent and responsive Criminal Justice System for victims and the public	PSA 25: Reduce the harm caused by alcohol and drugs
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**A more secure, fair and environmentally sustainable world**

<b>PSA 26: Reduce the risk to the UK and its interests overseas from international terrorism</b>	PSA 27: Lead the global effort to avoid dangerous climate change	PSA 28: Secure a healthy, natural environment for today and the future	PSA 29: Reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals	<b>PSA 30: Reduce the impact of conflict through enhanced UK and international efforts.</b>
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**Service Transformation Agreement (underpins the PSAs)**



# COMPREHENSIVE SPENDING REVIEW 2007: THE CABINET OFFICE'S DEPARTMENTAL STRATEGIC OBJECTIVES 2008-2011

In the Comprehensive Spending Review (CSR) 2007, all the main government departments set themselves varying numbers of Departmental Strategic Objectives (DSOs). These are intended to cover the wider range of departmental activities, including business as usual. At the same time they underpin delivery of the Government's highest priorities, as set out in the 30 Public Service Agreements (PSAs).

The Cabinet Office's six DSOs and their linkage to PSAs and Service Transformation Agreements (STAs) are described in the table below:

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

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

# DEPARTMENTAL STRATEGIC OBJECTIVES: PROGRESS AGAINST DELIVERY

## Definitions

Standard terminology, in line with HM Treasury central guidance to departments, has been adopted when

reporting progress against delivery of Departmental Strategic Objectives (DSOs). For both interim (biannual) and final assessments, the terms used are:

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

## DSO 1

**Build an effective UK intelligence community in support of UK national interests; and the capabilities to deal with disruptive challenges to the UK**

## PROGRESS

Strong progress

## INDICATORS

Promote and protect UK security and national interests through intelligence and security agencies

Progress: improvement

Major foreign, defence and security policy decisions are usefully informed by timely, accurate and objective all-source assessments

Progress: improvement

Improve the nation's capacity to prepare, absorb, respond to and recover from disruptive challenges

Progress: improvement

Lead development of effective, protective security polices and practices that allow government to function undisrupted

## DATA STATEMENT

Information is confidential

## DSO 2

### Support the Prime Minister and the Cabinet in domestic, European, overseas and defence policy making

#### PROGRESS

Strong progress

#### INDICATORS

It is not possible to measure this DSO through numerical indicators, other than process measures which cannot assess the quality of support being provided to ministers.

Findings from the Cabinet Office *Capability Review: Progress and Next Steps* report, published in December 2008, revealed that there has been a noticeable improvement in relationships and coordination of activity at the centre of government and that a high standard of evidence-based work is being achieved in support of the Prime Minister, the Cabinet and the Government. This survey will take place every two years; the next one is scheduled for 2010.

#### DATA STATEMENT

Strong progress is being made in supporting the Prime Minister and Cabinet.

Particular achievements have included:

- Ensuring a full programme of meetings for the Cabinet, with a number of meetings having already been held outside London in Birmingham, Leeds, Liverpool, Southampton, Glasgow, Cardiff and Nottingham. In September 2009 the Cabinet met at the Olympic site. This is part of a wider initiative to hold Cabinet meetings in all regions.
- Providing strong leadership in response to the global economic crisis, supported by the National Economic Council; and overseeing delivery of measures to help the UK come through the downturn stronger. For example supporting the long-term unemployed back into work and preventing repossessions.
- Delivering the Prime Minister's objective of a globally coordinated response to the most severe world financial and economic crisis for 70 years. This included delivering the G20 London Summit in April 2009 and the Prime Minister's objectives, leading the UK policy development and Global Compact from the G20 Pittsburgh Summit in September 2009.
- Actively coordinating the Government's domestic, European, foreign and defence policies, through the Cabinet committee system and other channels.
- The National Security Secretariat manages and coordinates an increasingly diverse but interconnected set of security challenges. This includes some of their underlying factors such as climate change, competition for energy, poverty, and globalisation.
- The Joint Ministerial Committee met in September to discuss, among other issues, the economy. This also gave the leaders of the devolved administrations an opportunity to comment in advance of the September 2009 meeting of the G20 in Pittsburgh.
- Launching a campaign to raise Whitehall consciousness about devolution; including the circulation of new guidance by the Cabinet Secretary.

## DSO 2 DATA STATEMENT continued

- Management of the Government's Legislative Programme. This includes the production of, and consultation on, the Government's Draft Legislative Programme and coordination of the Queen's Speech. It also includes supporting the Legislation Committee in managing the progress of the legislative programme in the current session.
- Continued, successful coordination, with HM Treasury, of the Government's policy on public sector pay and pensions.
- Continued work to ensure enhanced public trust in official statistics, for example the publication of new rules on pre-release access.
- Securing UK objectives at the Major Economies Meeting; and providing momentum towards reaching an international agreement on climate change at Copenhagen in December 2009.
- Delivering agreement on the 3rd Internal Energy Market Package at the June 2009 Energy Council. This was an important step towards liberalised, efficient gas and electricity markets in the EU, which will increase energy security and competitiveness.
- Securing UK objectives at the G8 summit in July 2009.
- Leading policy development and negotiations on the EU 2020 Climate and Energy Package ahead of discussions in Copenhagen.
- Supporting the Prime Minister's objectives on maternal and child health through an event at the UN General Assembly with 23 heads of government and 50 ministers. This secured commitments that should deliver free healthcare to over 10 million additional people and generate \$5.3 billion additional resources for health systems. This will be through the conclusion of the High Level Taskforce on International Innovative Finance for Health Systems.
- Successfully delivering some 1000 candidates for the Queen's Birthday Honours List in June 2009. Currently completing New Year 2010 List.
- Responding to some 10,000 letters/correspondence from the public about the honours system.
- Supporting departments by providing policy lead on honours, medals and decorations policy.
- Supporting the Prime Minister on the visit of the Iraqi Prime Minister Maliki, on 30 April 2009; and coordinating work leading to the Prime Minister's statement on Iraq to Parliament on 15 June 2009 announcing the completion of the UK's withdrawal of troops from Iraq.
- Leading on policy advice to the Cabinet Secretary; and providing support to the Prime Minister on the Iraq inquiry from the time it was announced in June 2009 to its establishment.
- Producing the *Road to 2010* document. This set out an ambitious programme to deliver progress against all three strands of the Nuclear Non-Proliferation Treaty. Also supporting the Prime Minister at UN General Assembly, helping to secure a Security Council resolution on nuclear non-proliferation, building momentum to and beyond the 2010 review conference.
- Leading on work across departments to secure an agreed way ahead on Typhoon Tranche 3 and on the A400M project.

## DSO 2 DATA STATEMENT continued

- Leading on work across departments, with allies internationally and provided support to the Prime Minister to help deliver a successful outcome to the 2009 NATO Summit, held at Strasbourg/Kehl.
- Ensuring implementation of the Prime Minister's announcement in 2008 on enhanced stabilisation capability. This was achieved by supporting work across departments to develop an enhanced Stabilisation Unit, better stabilisation planning and rapid reaction capability, and a civilian standby capability of 1000.
- Supporting the Prime Minister on the visit of Pakistani President Zardari, on 13 May 2009, where the two leaders launched the UK – Pakistan Strategic Dialogue. This committed the UK and Pakistan Governments to work together on a range of key issues including economic development, education, tackling extremism and terrorism, and promoting stability in Pakistan's border areas. Also supported the Prime Minister at the UN General Assembly helping to bind the Friends of Democratic Pakistan into a formal partnership to deliver greater security and stability in Pakistan.
- Leading work around the publication of *UK policy in Afghanistan and Pakistan: the way forward* in April 2009. This set out the UK's strategic objectives in the region, for both UK and international audiences. Coordination of all major government policy on Afghanistan and Pakistan was achieved through establishing the new NSID (OD) (Afghanistan and Pakistan) Ministerial Committee in July 2009, chaired by the Prime Minister. It included coordinating policy advice on a range of issues, such as military operations, the UK's approach to the Afghan elections and the regular review and implementation of the UK's strategy on Afghanistan and Pakistan.
- Providing policy advice and support to the Prime Minister on all his visits to Afghanistan and Pakistan and related statements to Parliament, most recently on 14 October 2009.
- Supporting the Prime Minister and departments on a number of new strategies, including Building Britain's Future, review of the Serious Organised Crime Agency, social care green paper and the National Skills Strategy.

**DSO 3a****Improve the outcomes of the most excluded people in society****PROGRESS**

Some progress

**INDICATORS**

8 of 8 indicators assessed

**DATA STATEMENT**

The Social Exclusion Task Force works with other government departments to improve public service delivery for particularly vulnerable people. It has two main work programmes: first, leading the work on Public Service Agreement (PSA) 16. This aims to improve the life outcomes of socially excluded adults; and second, a rolling programme of short studies on cross-cutting social exclusion issues.

Data for the PSA16 indicators is set out below. Further information about PSA16 can be found on page 19.

**Offenders under probation supervision**

**NI 143:** Offenders under probation supervision in settled and suitable accommodation.

Progress: Some progress

Commentary: The 2007-08 baseline figure for offenders under probation supervision in settled and suitable accommodation was 76.5%. Data for 2008-09 shows an increase to 78.5%.

**NI 144:** Offenders under probation on supervision in employment.

Progress: No progress

Commentary: In 2006-07 the baseline offender employment rate was 48.4%. In 2008-09 the offender employment rate was 46.4%. This is likely to be, at least in part, due to the recession.

**Adults with moderate to severe learning disabilities**

**NI 145:** Adults with moderate to severe learning disabilities in settled accommodation.

Progress: No progress

Commentary: First data release (2008-09) showed 65% in accommodation. There is some concern over the reliability of data and this is currently being reviewed.

**NI 146:** Adults with moderate to severe learning disabilities in employment.

Progress: No progress

Commentary: First data release (2008-09) showed 7.5% in employment. There is some concern over the reliability of data and this is currently being reviewed.

**Care leavers at age 19**

**NI 147:** Care leavers at age 19 in suitable accommodation.

Progress: Some progress

Commentary: The 2006-07 baseline figure for care leavers in suitable accommodation was 88.4%. Data for 2008-09 shows an increase on this figure to 89.6%. Good progress is predicted for this indicator through to 2011.

## DSO 3a DATA STATEMENT continued

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

Progress: No progress

Commentary: The 2006-07 baseline figure for care leavers in employment, education or training was 63%. Data for 2007-08 showed a statistically significant increase on the figure to 65%. For 2008 -09 this figure has decreased to 63%, which may be partially due to the recession.

### Adults receiving secondary mental health services

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

Progress: No progress

Commentary: Assessing progress on this indicator has been hampered by the quality of data collected. The first data release in September 2009 was of very low quality. It is envisaged that these problems will affect 2009-10 data as well. This position is currently being reviewed as a priority by the Department of Health and the PSA16 Board.

**NI 150:** Adults receiving secondary mental health services in employment.

Progress: No progress

Commentary: As with indicator NI 149, there are serious problems with data quality.

The Social Exclusion Task Force also leads a cross-government programme of short studies on exclusion related issues. In 2009, outcomes have included:

- Establishment of the £10 million Inspiring Communities Programme in 15 deprived neighbourhoods following publication of our report *Aspirations and Attainment in Deprived Communities* (with the Communities and Local Government Department and the Department for Children, Schools and Families).
- Publication of the women offenders project report with the Ministry of Justice. This set out a model of early intervention support for women at risk of offending and led to a package of policy actions to support women at risk of offending (enshrined in the Government's *Corston Action Plan*). These policy initiatives included improved data sharing and collaboration between the Criminal Justice System and Children's Services and launching the £16 million alternatives to custody programme.
- Publication of *Working together for older people in rural areas*, with the Department for Environment, Food and Rural Affairs. This led to specific actions in the *Building a Society for All Ages* strategy including expansion of intergenerational volunteering programmes to all regions; expansion of digital inclusion programme to people in rural areas; development of Rural Lifetime Neighbourhoods guidance; guidance on best practice transport solutions; health prevention package; and introduction of a life planner linked to the NHS midlife check (including specific advice for those considering retirement to the countryside).
- Findings and actions from the current project on the social impacts of the recession will feed into the forthcoming Department for Work and Pensions White Paper due for publication in December 2009.
- Work on the primary health care needs of the socially excluded is due to be published in the new year.

**DSO 3b****Enable a thriving third sector****PROGRESS**

No progress

**INDICATORS**

2 of 4 indicators assessed

**DATA STATEMENT**

The Office of the Third Sector (OTS) builds support and leads work across government for developing the environment for a thriving third sector. Its aims were set out in the final report of the third sector review, published in July 2007.

This report sets out how the government will work in partnership with the third sector to empower the sector to excel at what it does best: campaigning, strengthening communities, transforming public services and enabling social enterprise growth and development. This includes work to promote and support volunteering and to build capacity in the sector. Capacity building includes promoting sustainable funding agreements between the sector and government.

There are four measures being used to assess progress on this Cabinet Office objective.

These are:

- The proportion of people formally volunteering at least once a month, as measured by the citizenship survey.
- The number of full-time equivalent employees within the third sector, as measured by the annual population survey.
- The environment for a thriving third sector (National Indicator 7), as measured by the National Survey of Third Sector Organisations (NSTSO).
- The proportion of government funding to the third sector for three years or more, as measured by annual departmental returns to the OTS.

The baseline for the volunteering component has been set at 27% in 2007-08, with success defined as a statistically significant increase in this component over the Public Service Agreement period.

Latest data from the first quarter of the 2009-10 citizenship survey, up to June 2009, shows volunteering levels are now 28%, although this is not a statistically significant movement from the baseline. The OTS is working across government to remove barriers to participation and build a culture of volunteering and mentoring. This includes significant investment in a range of volunteering programmes, including up to £117 million in v to support youth volunteering, which will provide the platform for further growth in voluntary activity. The Government is also investing in a new £5.5 million intergenerational volunteering programme, a £3 million fund to support volunteer managers, and the recently announced £2 million pilot fund to open up opportunities for people with disabilities.



## DSO 3b DATA STATEMENT continued

For employment, the baseline has been set at 464,000 full time equivalents in 2007-2008. Success is again defined as a statistically significant increase over the PSA period. Annual data for all four quarters of 2008-2009, up to March 2009, shows the number of FTEs in the sector now stands at 501,000, although this is not a statistically significant movement from the baseline. To maintain this progress, the OTS is leading work across government to increase the third sector's involvement in public service delivery, overseen by a new MISC Cabinet committee. This includes work to build capacity (Futurebuilders), improve commissioning (National Programme for Third Sector Commissioning), and encourage innovation (Innovation Exchange). In addition, social enterprises have been included in the Government's £1 billion Future Job Fund. The target is to create 15,000 new jobs in social enterprise for the unemployed by 2011.

National Indicator 7 (NI 7) was created by the OTS as part of the National Indicator set. This assesses the contribution that local government and its partners make to the environment in which independent third sector organisations can operate successfully. In each local authority area the NI 7 baseline has been set as the percentage of respondents who report that local statutory bodies have a positive or very positive influence on their organisation's success. The target for each local authority area is to achieve a statistically significant increase in this score over the PSA period (as measured by the next wave of the survey, due in 2010). Nationally, the average baseline NI 7 score is 16.2% and further headline results can be found at [www.nstso.com](http://www.nstso.com). The overall target is for the majority of local authority areas to achieve a statistically significant increase in their NI 7 score over the PSA period. This will be assessed following the second wave of the survey in 2010.

Further data and analysis from the NSTSO has been provided by the OTS. This will enable local authorities and partners to understand their NI 7 scores and identify areas for change in order to improve relations with local third sector organisations. NI 7 has been included in Local Area Agreements in 63 out of the 149 top tier local authority areas. This demonstrates that local government is increasingly committed to working in partnership with the third sector locally. The OTS is supporting this work around NI 7 through the Third Sector Indicators Community of Practice. This enables officers in both local statutory bodies and in the third sector to share good practice and discuss issues and solutions.

The baseline for three year government funding to the third sector is 65.7%. This reflects the average percentage of grants that were for three years or more across central government departments in 2008. This data is collected annually and new data will be available in early 2010. The target is to see an increase in the percentage of grants that are for three years or more. The Government is committed to promoting sustainable funding practices for the sector, and recognises that this commitment supports efforts towards better strategy and planning.

**DSO 4****Transform public services so that they better meet the individual needs of the citizen and business****PROGRESS**

Strong progress

**INDICATORS**

2 of 2 indicators assessed

**DATA STATEMENT**

The DSO 4 measures are to:

- achieve a 50% reduction in avoidable contact by 31 March 2011
- migrate more than 95% of the total identified websites to DirectGov and Businesslink.gov by 31 March 2011.

These reflect the Service Transformation Agreement (STA) progress measures.

**The current position/update for both:****Key Progress Measure 1****Reduction in the amount of avoidable contact. To achieve a 50% reduction by 31 March 2011**

As a first step, the Service Transformation Agreement states that existing levels of avoidable contact would be quantified and recorded as a starting point (baseline) by April 2008. However essential preparatory work was needed to get to this point.

Key steps were taken forward by the Service Transformation team to deliver this progress measure.

Baseline figures for these departments were agreed by the end of February 2009 to form the basis of ongoing progress reporting through the Performance Management Framework (PMF). These were circulated among the Contact Council's key stakeholder group and published on the Cabinet Office website in September 2009.

Local government National Indicator (NI14) was successfully rolled out in October 2008. First annual data completed in April 2009 with 94% of local authorities reporting their figures.

**Key Progress Measure 2****Closure of more than 95% of websites and migration of content to Directgov and Businesslink.gov by the end of CSR 2007.**

The measure records the percentage closure of unapproved websites (the target is 95% by March 2011) with content migrating to the relevant approved channel.

## DSO 4 DATA STATEMENT continued

Summary of major departments' progress towards target:

	Total sites identified	Approved sites	Remaining sites	Closed sites	Closed site percentage
End Oct 2007	1402	44	1358	256	18.8%
End of year 2007-08	1432	51	1381	441	31.9%
End Sept 2008	1555	64	1491	549	36.8%
End Jan 2009	1619	197	1422	696	48.9%
End of year 2008-09	1649	271	1378	762	55.3%
End Sept 2009	1671	282	1389	836	60.2%

- Websites are reported to the Central Office of Information (COI). Data officers follow ongoing departmental website reviews, which are the responsibility of directors of communication.
- Working with The National Archives, COI has set up an online government website database. This is used by departmental officials to record newly discovered websites and report closures under a change control process.
- Departmental and COI officials have negotiated almost complete settlement on the business cases for exceptions to closure. Further guidance has been issued to help resolve the final cases.

**DSO 5****Build the capacity and capability of the Civil Service to deliver the Government's objectives****PROGRESS**

Some progress

**INDICATORS**

6 of 7 indicators assessed

**DATA STATEMENT****Baselines:**

Progress is assessed using a basket of seven metrics that underpin three key performance indicators. These are:

**Capable departments**

- a) Capability reviews overall scores – strong progress
- b) Overall management of departments – no progress

**Capable leaders and people**

- a) Leadership capability – strong progress
- b) Confidence in senior management – no progress

**Delivering excellent public services**

- a) Government ability to improve public services – no progress
- b) Likelihood of delivery of PSAs – no new data available. Last assessment was some progress
- c) International Government Effectiveness Indicators – only baseline data available at this stage

**Progress to date:***1. Capable departments*

- All 15 re-reviews to date have identified positive improvements in departmental capability. Two further re-reviews are currently underway, with the full cycle of re-reviews due to be completed before the end of the year.
- The model of capability has been updated and published. Any future reviews will be assessed against this new model.
- External scrutiny of programme by the National Audit Office and Public Accounts Select Committee is largely positive.
- Proposals for published performance management scorecard tested.
- Single Civil Service staff survey launched in October covering 97% of the Civil Service and embedding staff engagement concept.

## DSO 5 DATA STATEMENT continued

### 2. Capable leaders and people

- Improved working of corporate leadership with strongly positive feedback from key stakeholders. For example, strategic approach to managing the Top 200.
- Stronger objective setting, appraisal and performance conversation with permanent secretaries.
- Ongoing progress towards a single survey with particular focus on employee engagement and how to improve it.
- Capacity building in:
  - 1) The human resources (HR) profession through HR leader's council and preparing for the HR Leadership Programme. 24% of the first tranche are now in Senior Civil Service (SCS) roles.
  - 2) New preparations for HR leadership programme are already producing successful candidates for promotion.
  - 3) Strengthening the Senior Leadership Committee to improve succession planning at permanent secretary and director general level and established a new Directors Talent Review Board. The fourth cohort of the High Potential Development Scheme is now underway, as are a number of development events for permanent secretaries and director generals.
  - 4) Award-winning Fast Stream marketing campaign.

### 3. Delivering excellent public services

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

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

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

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

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

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

Delivering priorities includes adding value with our PSA reviews and exposing some key challenges.

A 360° feedback tool is also being developed for dual use with permanent secretaries and senior reporting officers.

**DSO 6****Promote the highest standards of propriety, integrity and governance in public life****PROGRESS**

Strong progress

**INDICATORS**

2 of 2 indicators assessed

**DATA STATEMENT****Measure 1: Publication of codes, guidance, annual lists, etc**

<b>Publication</b>	<b>Date last updated</b>	<b>Commentary</b>
Civil Service Code*	2006	Kept under review
Ministerial Code	2007	Usually re-issued following a general election/change of Prime Minister
Code of Conduct and Model Contract for special advisers* (as amended April 2009)	2007	Usually re-issued following a general election
Guidance on Codes of Conduct for board members of public bodies	2004	By 31 December 2009. consultation period extended
Model Code for staff of executive non-departmental public bodies board	2007	By 31 December 2009. consultation period extended
Model Code of Practice for members of non-departmental public bodies (NDPB)	2007	By 31 December 2009. consultation period extended
Guidance on conduct of civil servants and special advisers in the run up to general, local, European and by-elections	Prior to election	As necessary. Guidance on conduct in relation to local/European elections 2009 issued in March 2009
List of overseas travel by ministers	July 2009	Annually
List of gifts received/given to ministers valued over £140	July 2009	Annually
List of ministers' financial interests	–	March 2009 (first ever publication)
Hospitality received by departmental board members	–	February 2009 (first ever publication)

\*Constitutional Reform and Governance Bill introduced in July 2009, makes statutory provision for a Civil Service Code and a Code of Conduct for Special Advisers.

## DSO 6 DATA STATEMENT continued

<b>Measure 2: Ensuring public servants are aware of and abide by standards of propriety</b>	
<b>Action</b>	<b>Frequency</b>
Ensure Civil Service Code issued to all new appointees (working in conjunction with departments)	Ongoing
Work with Civil Service commissioners to promote the Civil Service Code among civil servants	Ongoing
New ministers given copy of Ministerial Code and other key guidance on taking office	Ongoing. New ministers appointed following re-shuffle (June 2009) have been sent relevant documentation.
Appointment of Prime Minister's independent adviser on ministers' interests	<p>First independent adviser appointed in January 2008.</p> <p>Following October 2008 re-shuffle, the model declaration letter has been updated to ensure consistency in information provided. Opportunity for all ministers to review declarations in light of current economic climate.</p> <p>First ever list of ministers' interests published in March 2009.</p>
Ensure all new special advisers issued with contract and code of conduct	Following October 2008 re-shuffle, newly appointed special advisers issued with new contracts (including code of conduct) based on Cabinet Office model contract for special advisers.
Induction for new ministers and special advisers on appointment	Induction session for new ministers following re-shuffle (October 2008) took place on 16 October.
Advise ministers, civil servants and special advisers about principles of conduct in run up to general, local, European and by-elections	<p>Guidance on conduct for Glenrothes by-election issued on 9 October 2008.</p> <p>Guidance for the Norwich North by-election issued on 3 July 2009.</p> <p>Guidance for the Glasgow North East by-election published on 16 October 2009. Guidance on conduct for local and European elections 2009 issued in March 2009.</p>
Ensure codes of conduct issued to non-departmental public body board members and staff based on Cabinet Office model codes.	As required.
Provide consistent and timely ad hoc advice to departments and others on propriety and ethics issues in relation to ministers, civil servants, special advisers, NDPB staff and board members, and wider public appointees	Ongoing.

# PART 2 – THE SOCIALLY EXCLUDED ADULTS PUBLIC SERVICE AGREEMENT: PROGRESS AGAINST DELIVERY

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

This Public Service Agreement (PSA) aims to ensure that the most socially excluded adults are offered the chance to get back on a path to a more successful life by increasing the proportion who are in settled accommodation, and in employment, education or training. PSA 16 represents a considerable challenge, as the first PSA to focus on the most disadvantaged groups in society. It is cross-cutting in nature, being jointly owned and delivered by seven government departments. It is therefore an opportunity for government and local agencies to work across departmental boundaries to improve life outcomes for people facing complex and difficult problems.

PSA16 focuses on four at-risk groups:

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

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

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

The Delivery Agreement for PSA 16, *Increase the proportion of socially excluded adults in settled accommodation and employment, education or training*, can be found on the Treasury Website at:

<http://www.hm-treasury.gov.uk/3696.htm>

## **Progress against PSA 16**

There has been encouraging progress recently on PSA 16, secured through cross-government working. There have been four particular areas of focus:

- *Valuing Employment Now: real jobs for people with learning disabilities* was published in June 2009. It is an ambitious cross-government strategy to increase the employment rate of people with learning disabilities.
- From Care 2 Work was launched in July 2009. This is a national programme linking young people leaving care with employers who will provide them with work experience, mentoring and training.
- An accommodation delivery plan has been developed, which will focus on improving local performance.
- Link Up Link In was launched in September 2009. This is a communications campaign aimed at supporting joint working between front-line service providers working with PSA 16 clients.
- *Work, Recovery and Inclusion: employment support for people in contact with secondary mental health services* was launched in December 2009. It aims to transform employment opportunities for people with more serious mental health conditions.

PSA16 also faces considerable challenges. Obviously the recession makes it more difficult to improve life outcomes for vulnerable people, particularly in terms of employment. There have also been some problems with securing accurate data to measure the mental health outcomes.



## PROGRESS

Some progress

## INDICATORS

8 of 8 indicators assessed

DATA  
STATEMENT**Offenders under probation supervision**

**NI 143:** Offenders under probation supervision in settled and suitable accommodation.

Progress: Some progress

Commentary: The 2007-08 baseline figure for offenders under probation supervision in settled and suitable accommodation was 76.5%. Data for 2008-09 shows an increase to 78.5%.

**NI 144:** Offenders under probation on supervision in employment.

Progress: No progress

Commentary: In 2006-07 the baseline offender employment rate was 48.4%. In 2008-09 the offender employment rate was 46.4%. This is likely to be at least in part due to the recession.

**Adults with moderate to severe learning disabilities**

**NI 145:** Adults with moderate to severe learning disabilities in settled accommodation.

Progress: No progress

Commentary: First data release (2008-09) showed 65% in accommodation. There is some concern over the reliability of data and this is currently being reviewed.

**NI 146:** Adults with moderate to severe learning disabilities in employment.

Progress: No progress

Commentary: First data release (2008-09) showed 7.5% in employment. There is some concern over the reliability of data and this is currently being reviewed.

**Care leavers at age 19**

**NI 147:** Care leavers at age 19 in suitable accommodation.

Progress: Some progress

Commentary: The 2006-07 baseline figure for care leavers in suitable accommodation was 88.4%. Data for 2008-09 shows an increase on this figure to 89.6%. Good progress is predicted for this indicator through to 2011.

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

Progress: No progress

## PSA 16 continued

Commentary: The 2006-07 baseline figure for care leavers in employment, education or training was 63%. Data for 2007-08 showed a statistically significant increase on the figure to 65%. For 2008-09 this figure has decreased to 63% which may be partially due to the recession.

### Adults receiving secondary mental health services

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

Progress: No progress

Commentary: Assessing progress on this indicator has been hampered by the quality of data collected. First data release in September 2009 was of very low quality. It is envisaged that these problems will affect 2009-10 data as well. This position is currently being reviewed as a priority by the Department of Health and the PSA16 Board.

**NI 150:** Adults receiving secondary mental health services in employment.

Progress: No progress

Commentary: As with indicator NI 149, there are problems with data quality.

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# SERVICE TRANSFORMATION AGREEMENT – PROGRESS AGAINST DELIVERY

The Service Transformation Agreement is designed to change public services so they meet the needs of people and businesses, rather than the needs of government. This means delivering public services in the ways and at the times that people expect them. It means joining up services so that members of the public do not have to contact several departments about one issue. To achieve this, government will need to look at the way it designs and delivers services. It will need to review the relationships between the public, private and third sector organisations who have an interest in a particular area or customer group. This will create services that are better for the customer and more cost-effective for the taxpayer. It will also save money and create more satisfying jobs for public sector staff. This change will require action right across the public sector, specifically in the context of delivering the 30 Public Service Agreement priority outcomes. It will not be complete within a single Spending Review period.

During the Comprehensive Spending Review 2007 period the Government has committed that it will make practical reductions in the number of contacts; introduce the core services on which further change can be built and make the policy changes which will underpin further improvement. It will also engage with citizens, businesses and frontline staff involving them, listening to them and learning from them, to improve public services.

The long term aim of the Service Transformation Agreement is to create services that are:

- **better for customers** – simpler, more streamlined and intuitive, more accessible and convenient.
- **better for staff** – front-line public sector staff have a strong culture of service. They are closest to the customer and feel the public service's strengths and weaknesses the most acutely. By using their own experience frontline staff will increasingly find that they can deliver services they can feel proud of.

- **better for the taxpayer** – unnecessary and duplicative contact, cumbersome and complicated processes, fragmented and inaccessible services are as frustrating and costly for government as they are for staff and the customer. Each unnecessary contact removed is a saving and gives the taxpayer better value for money.

## Progress against the Service Transformation Agreement

Progress against the Service Transformation Agreement (STA) has been strong, as detailed below. Future progress will be clearly monitored and coordinated across all areas of activity. It will then be reported to the Delivery Council, Civil Service Steering Board and Ministerial Committee on Domestic Affairs, Public Engagement and the Delivery of Services.

There are two key progress measures for monitoring the success of the Service Transformation Agreement. The first is achievement of a 50% reduction in the amount of avoidable contact by 31 March 2011. The departments involved have agreed delivery plans and targets and are on track.

Departments will then report on a quarterly basis through the cross-government contact centre Performance Management Framework. The Cabinet Office is also working to reduce avoidable contact with local authorities through the implementation of local government indicator NI14.

The second progress measure is the closure of more than 95% of websites and migration of content to Directgov and Businesslink.gov by the end of CSR 2007. A total of 1671 websites were identified at the end September 2009. To date 60.2% of those not approved to continue have closed and a further 38% are committed to close.

Through the Service Transformation Agreement the Cabinet Office also coordinates the delivery of a small number of key strategic initiatives such as Tell Us Once and Online Free School Meals. These are led respectively by the Department for Work and Pensions and the Department for Children, Schools and Families. All project leads report on progress monthly in the form of RAG reports (red/amber/green).

In addition, acting on a broader scale, the Service

Transformation Agreement also requires every department to practice the principles of service transformation. Every six months, departments report to the Cabinet Office on progress with their service transformation plans. Both success stories and any issues for cross-government consideration will be referred to the Delivery Council, Civil Service Steering Board and the Ministerial Committee on Domestic Affairs, Public Engagement and the Delivery of Services.

## SERVICE TRANSFORMATION AGREEMENT

### PROGRESS

Strong progress

### INDICATORS

2 of 2 indicators assessed

### DATA STATEMENT

The DSO 4 measures are:

- achieve 50% reduction in avoidable contact by 31 March 2011
- migrate more than 95% of the total identified websites to Directgov and Businesslink.gov by 31 March 2011.

These reflect the Service Transformation Agreement (STA) progress measures.

#### The current position/update for both:

#### Key Progress Measure I

#### Reduction in the amount of avoidable contact. To achieve a 50% reduction by 31 March 2011

As a first step the Service Transformation Agreement states existing levels of avoidable contact would be quantified and recorded as a starting point (baseline) by April 2008. However essential preparatory work was needed to get to this point.

Key steps taken forward by the Service Transformation team to deliver this progress measure were as follows:

- Baseline figures for these departments were agreed by the end of February 2009 to form the basis of ongoing progress reporting through the Performance Management Framework. These figures were circulated among the Contact Council's key stakeholder group and published on the Cabinet Office web site in September 2009.

**STA**  
continued

Local government National Indicator (NI14) successfully rolled out October 2008, first annual data completed in April 2009 with 94% of local authorities reporting their figures.

**Key Progress Measure 2**

**Closure of more than 95% of websites and migration of content to Directgov and Businesslink by end of CSR 2007.**

The measure records the percentage closure of unapproved websites, towards a target of 95% by March 2011, with content migrating to the relevant approved channel.

Summary of major departments' progress towards target:

	<b>Total sites identified</b>	<b>Approved sites</b>	<b>Remaining sites</b>	<b>Closed sites</b>	<b>Closed site percentage</b>
End Oct 2007	1402	44	1358	256	18.8%
End of Year 2007-08	1432	51	1381	441	31.9%
End Sept 2008	1555	64	1491	549	36.8%
End Jan 2009	1619	197	1422	696	48.9%
End of Year 2008-09	1649	271	1378	762	55.3%
End Sept 2009	1671	282	1389	836	60.2%

- Websites are reported to the Central Office of Information (COI). Data officers follow ongoing departmental website reviews, which are the responsibility of directors of communication.
- Working with The National Archives, COI has set up an online government website database, through which departmental officials record newly discovered websites and report closures under a change control process.
- Departmental and COI officials have negotiated almost complete settlement on the business cases for exceptions. Further guidance was issued to help resolve the final cases.

# PART 3 – VALUE FOR MONEY CABINET OFFICE COMPREHENSIVE SPENDING REVIEW (CSR) 2007: VALUE FOR MONEY PLANS

## Vision

The Cabinet Office is committed to making significant value for money savings by March 2011. We will develop our services and processes in the light of the changing challenges we face at the heart of government, and our value for money plans form a major part of that effort. It is important to note this is not simply cutting costs, but the provision of improved, more efficient, public services. Our aim is to meet our CSR 2007 delivery targets and objectives at lower cost, and remain within our financial settlement. We have a value for money savings target of £45 million in 2010-11. This is made up of: £35 million set at CSR 2007; and a further £10 million announced at Budget 2009.

Our plans include a tightening of our internal planning processes and a greater focus on prioritisation and those areas where the Cabinet Office can make a real contribution and deliver an improved service.

It is important to understand that the value for money savings discussed in this document are based on a comparison with a 'counter-factual'. This means that the savings quoted are the difference between what the expected spend would have been without any action by the Department and the actual, or expected, spend following the planned reforms and changes. The baseline for all calculations is spend in 2007-08. On this basis, the Cabinet Office is seeking to deliver net cash releasing savings of £45 million per year by 2010-11.

## Measurement and delivery strategy

### Overview

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

Therefore the tracking of the savings will be proportionate to the amounts involved. The Department's savings will be generated in three main areas: procurement, administration and corporate services. There are several, broadly similar initiatives comprising the work on procurement. The aim is to change the way in which we approach the decision on whether to buy items and services as well as the purchasing route to be taken. Work on corporate services will concentrate on the Department's external web presence and how its websites are set up, while the administration initiatives will seek to improve the efficiency in the way we deploy our staff and resources.

Table 1 sets out the broad levels of savings currently planned across the Comprehensive Spending Review period from each of the three areas. However, the figures shown for the years prior to 2010-11 represent our hopes and aspirations and not targets or reportable milestones, as they may change. Our plans are constantly reviewed and revised in line with the necessary changing nature of Cabinet Office work and priorities. The figures below have been revised to account for the additional £10 million announced at Budget 2009, which brings our target to £45 million.

**Table 1**

	Near cash				Capital			
		Savings				Savings		
£m nominal	2007-08 baseline	2008-09 (actual)	2009-10	2010-11	2007-08 baseline	2008-09 (actual)	2009-10	2010-11
Aggregate savings (equivalent to 3% annual savings)	301	16.64	30.83	43.63	49	0.85	0.87	0.90
Procurement		8.2	8.03	17.8		0.85	0.87	0.90
Corporate services		0.04	0.10	0.13				
Admin		8.4	22.7	25.7				

## Procurement

The savings in procurement are currently expected to total about £17.8 million per year by 2010-11. There are six key areas supporting the procurement strand and savings vary between £76,000 to just under £8 million per year by 2010-11. The underlying approach to most savings is to exploit the benefits of collaborative procurement. We are also exercising tighter controls over expenditure of bought-in expertise and promoting greater use of in-house capabilities and capacity to deliver. We have introduced new policies governing the class of travel, new online booking and on-site ticketing for travel and the rationalisation of the use of allocated cars.

## Measurement

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

- monthly reviews of financial information
- contract review meetings
- comparison to previous costs.

Alongside monitoring the costs of services, the Department will also track internal feedback and benchmark against previous contracts or those agreed with other governmental departments.

## Milestones

Key milestones in 2009-10 will be to adopt new partnering agreements, access to better government discount arrangements for air travel and to exploit opportunities to aggregate spend. This will be provided by our partnership with the Department for Work and Pensions through the shared services arrangements. In addition, the take-up of IT services through the Flex shared services framework will have a significant impact as volumes of users increase across the public sector.

It is important to note that there is a lag in gathering data to report figures due to information not being available on savings captured by other departments from our use of their framework arrangements.

## Corporate services

The corporate services stream focuses on savings generated by improved procurement of web hosting services and improving efficiency in setting up new sites. We will also monitor: the number of staff involved in this work; user experience of the websites; and data on the usage of the websites. The savings expected in this area amount to approximately £130,000 per year by 2010-11.

## Administration

The administration stream of savings is a combination of several initiatives that are each planned to yield savings in the range of £0.2 million and £8.7 million, a total of £26 million of savings per year by 2010-11. The initiatives will cover both the administration of the grants awarded by the Department as well as its own internal administration, including the resourcing of new initiatives. These savings will be delivered by looking to develop synergies between units and improve targeting in the allocation of funding. Further savings will also be achieved by improving the corporate functions, such as business planning and through greater efficiency in the deployment of staff. This will include reducing staff numbers where appropriate.

## Measurement

Monitoring of the savings will depend on the high level financial reporting carried out by the Department and its non-departmental public bodies, and the range and level

of work carried out. This will be compared with the level of spending and the range of work carried out in previous years to provide evidence of savings and ensure that services are not adversely impacted.

## Milestones

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

## Value for money progress against delivery

The Cabinet Office reports the following current progress against delivery, including an update on delivery as reported in the Cabinet office *Annual Report and Accounts 2008-09*:

The Cabinet Office reported in its *Annual Report and Accounts 2008-09* savings of £11.3 million. Following review and further receipt of data progress is now being reported as £16.64 million as shown in Table 1.

Progress in the current year, to the end of September, is £6 million. It should be noted that this figure will be understated, as it excludes anticipated savings for which data was not available at the time of reporting. This includes those arising from the use of collaborative contracts, and those areas for which comparative data is only available annually.

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



**Table 2**

<b>Saving area</b>	<b>Savings April to September 2009 £000's</b>	
Procurement	3,217.4	Excludes anticipated savings for which data was not available at the time of reporting
Corporate Services	0.0	Only reportable annually
Administration	2,775.0	Prioritisation of staff deployment and allocative savings. Excludes areas for which comparative data is only available annually
<b>TOTAL</b>	<b>5,992.4</b>	

Savings in the remainder of 2009-10 are planned to be delivered in line with Table 1.

### **Savings in the third sector programme**

The Office of the Third Sector (OTS) delivers the third sector programme.

This programme is set out in the final report of the third sector review and *Real Help for Communities: Volunteers, Charities and Social Enterprise*, which provides additional support for the third sector during the recession.

In the 2008-09 Annual Report and Accounts, savings were reported in two key areas:

1. In 2008-09 reported savings\* of £4.8 million were made on the core grant-in-aid to Capacitybuilders delivering the Change-Up programme.

Capacitybuilders is now delivering further third sector funding streams to rationalise delivery. This includes the £7 million grants strand of the new Real Help Now: Modernisation Fund. Further savings on the core grant-in-aid to Capacitybuilders in 2009-10 will be reported in the Annual Report and Accounts.

2. The OTS has also brought the administration of the Millennium Volunteers programme into its grant agreement with the youth volunteering charity v. Savings\* of £1.05 million were delivered. Further savings in this programme for 2009-10 will be reported in the Annual Report and Accounts.

### **Lyons review relocation programme**

The Spending Review (SR) 2004, incorporating the outcomes of the Lyons Review, resulted in a target for the Cabinet Office of 250 posts to be relocated outside of London and the south east by 2010-11. Machinery of Government changes resulted in the transfer of the Better Regulation Executive from the Cabinet Office to the Department for Business Enterprise and Regulatory Reform (now the Department for Business, Innovation and Skills). This department has now agreed to take responsibility to deliver 25 of the original Cabinet Office relocations, reducing the Cabinet Office target to 225.

To date 67 posts have been relocated.

In 2006 a joint review undertaken with the Office of Government Commerce of our ability to meet our relocation target concluded that, due to changes in

\*Comparing what the expected spend would be without any action from the Department (from the 2007-08 baseline and including an expected inflationary increase) to 2008-09 budgets

structure and function of the Cabinet Office since the Lyons report was published in 2004, opportunities for further sensible relocations were limited. The review recognised that the necessary configuration of the Cabinet Office would probably result in the target not being achieved in full. It was agreed that the Cabinet Office would continue to investigate relocation opportunities for units created within the Department or transferred in from elsewhere.

# PART 4 – SUSTAINABILITY REPORT

As individuals, we can all contribute to improving sustainability, and government departments also have their part to play. The Cabinet Office is playing its part and we have taken a number of steps to build sustainability into our way of working. Most recently, we have undertaken a comprehensive analysis of energy consumption across our estate, allowing us to pinpoint areas for further potential savings. We are investing money in the Department's buildings and infrastructure and are continuing to consolidate our estate, greatly reducing our utility consumption. We have recalibrated our baselines after identifying shortcomings with the way in which the previous figures were calculated. This put us in a much stronger position to achieve the challenging Sustainable Operations on the Government Estate (SOGE) targets. The Department has also published its third Sustainable Development Action. This sets out the steps which the Department will take towards achieving this goal and how the Cabinet Office will continue to support, contribute to and deliver the commitments and objectives within the UK sustainable development strategy, *Securing the Future*. The Sustainable Development Action Plan and the Department's environmental policy are available on the Cabinet Office website.

## Centre of Expertise in Sustainable Procurement

The Cabinet Office is working closely with the Centre of Expertise in Sustainable Procurement to look at how best the Department can 'green' its business. The centre is designed to help promote sustainability through the integration of government procurement and the government estate. The centre will provide stronger central coordination of performance management. It will also provide guidance and support to help departments develop the capability to deliver the Government's sustainability commitments. These include the Sustainable Operations on the Government Estate (SOGE) targets and the commitments set out in the Sustainable Procurement Task Force's Sustainable Procurement Action Plan.

## Operational developments

Over the past year, the Cabinet Office has introduced a number of measures which will improve the Department's sustainability and performance against the SOGE targets.

These include:

1. Undertaking an ambitious refurbishment of 70 Whitehall to improve the building's sustainability performance. This includes installing double glazing, improving the building's insulation and installing energy saving lighting controls.
2. Installing a number of new low-carbon technologies on the Cabinet Office estate, including a voltage optimisation kit and lighting controls.
3. Reducing water consumption across the estate through the installation of waterless urinal inserts, volume cistern reducers and water flow restrictors. We aim to reduce our water consumption by 30% on the central London estate.
4. Introducing a 'binless office' and expanding the range of materials we recycle to include plastic bags, CDs, batteries, spectacles, books, stamps, mobile phones and keys.
5. Switching those buildings not currently supplied by green energy onto energy from good clean combined heat and power supply. The Cabinet Office has exceeded the government targets for these types of energy.
6. Participating in a working group investigating installing automatic meter readers to allow better management and monitoring of utility consumption – vital for the introduction of the Carbon Reduction Commitments. We hope to roll these out over the next year.
7. Rolling out thin-client technology as part of the FLEX IT contract. This will cut our energy consumption and associated carbon emissions and costs.

## Other developments

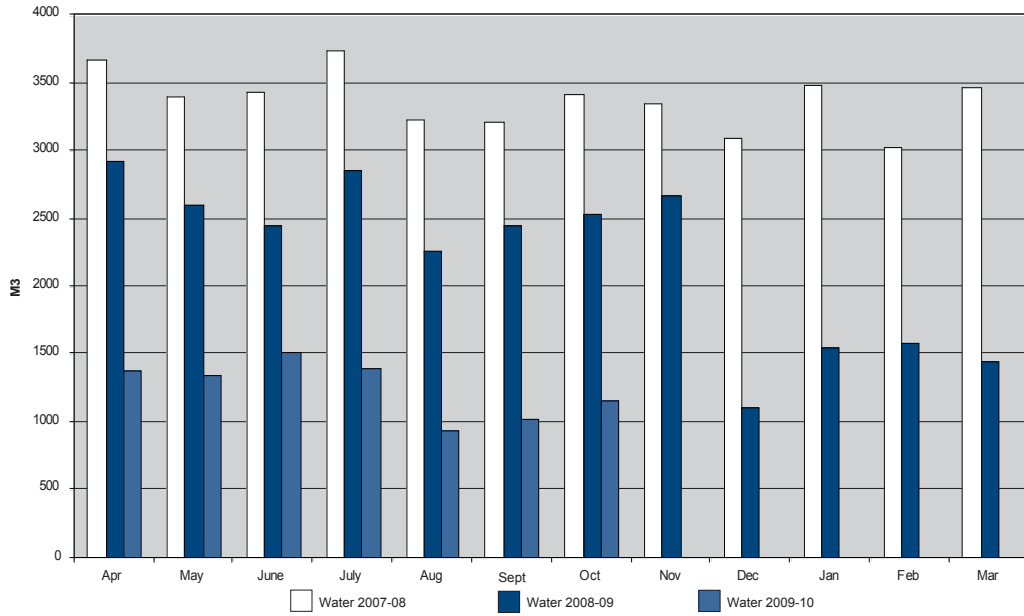
The Cabinet Office recognises that sustainability is not simply about 'greening' operations, but concerns every aspect of an organisation's business. Therefore we are continuing our efforts to embed sustainability in a number of other areas:

1. Incorporating sustainability into the business case bidding process in order to ensure that all future projects and programmes are developed with sustainability in mind.
2. Working to ensure that sustainability is a consideration in all of the policy outputs from the Department from the outset.
3. Continuing to implement the recommendations made in the Sustainable Procurement Task Force's report and further developing the Department's own Sustainable procurement action plan.

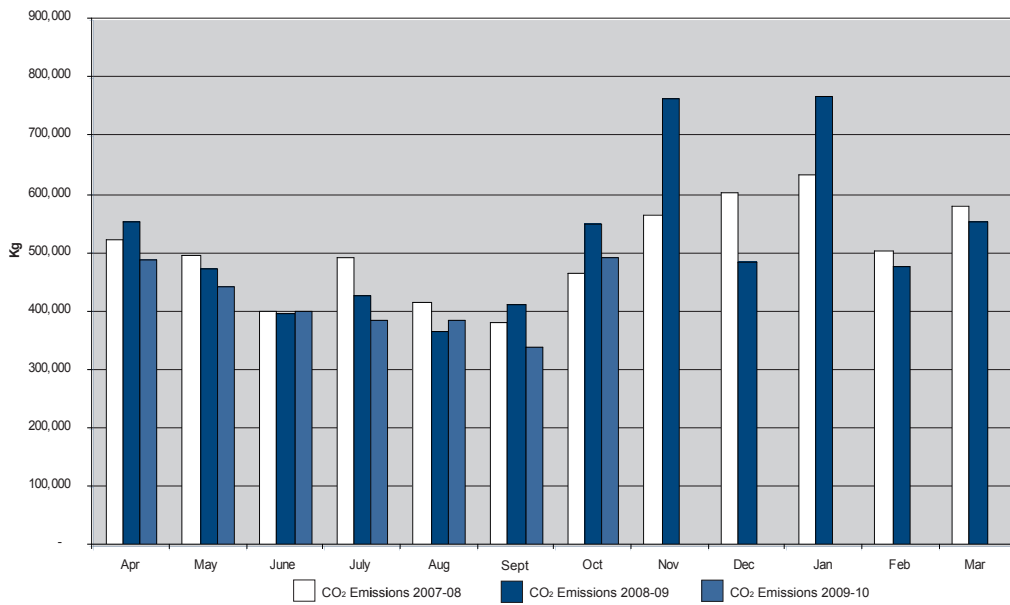
The graphs below show our performance in the three key areas:

- water consumption
- CO<sub>2</sub> emissions
- recycling

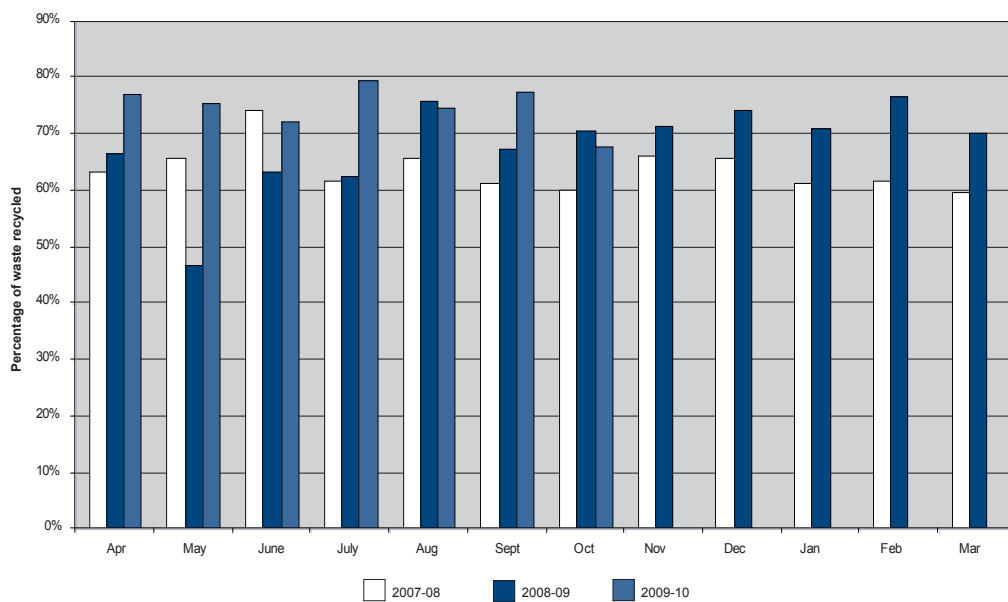
**Cabinet Office Central London Estate: Total Water Usage 2007-09**



**Cabinet Office Central London Estate: CO<sub>2</sub> Emissions 2007-09**



**Cabinet Office Central London Estate: Percentage of Waste Recycled 2007-09**



# PART 5 – CABINET OFFICE: ACCOUNTABILITY TO PARLIAMENT

## Accountability to Parliament

During the 2008-09 parliamentary session, the Cabinet Office received 1841 Parliamentary Questions and ministers made 17 written statements to Parliament. In addition, ministers participated in four debates on departmental responsibilities in the House of Commons and three in the House of Lords. Details are published in the *Official Report* (see <http://www.publications.parliament.uk/pa/pahansard.htm>.)

## Public Administration Select Committee (PASC)

The Public Administration Select Committee is not a departmental committee. However it does scrutinise the work of the Cabinet Office, as the government department with particular responsibility for Civil Service issues.

During the 2008-09 parliamentary session, ministers and officials from the Department appeared before PASC on a number of occasions to provide oral evidence on a range of inquiries being undertaken by the committee:

Minister/official	Date	Subject
Sir Gus O'Donnell KCB	11 December 2008	Work of the Cabinet Office in 2007-08; and Leaks and Whistleblowing in Whitehall
Kevin Brennan MP	5 February 2009	Official Statistics, Knife Crime
Rt Hon Liam Byrne MP	26 February 2009	Good Government; and Leaks and Whistleblowing in Whitehall
Denis Brennan	23 April 2009	Operation of the Honours System
Rt Hon Liam Byrne MP	7 May 2009	Special Advisers
Gill Rider	12 May 2009	Outside Appointments to the Senior Civil Service
Rt Hon Angela Smith MP	2 July 2009	Lobbying
Sir Gus O'Donnell KCB	29 October 2009	Work of the Cabinet Office 2008-09

In addition to these hearings, PASC also undertakes extensive scrutiny of the Cabinet Office accounts, expenditure and performance in relation to its targets. This is through correspondence on specific details of the estimates and the departmental annual report.

The Propriety and Ethics team in the Cabinet Office acts as the liaison point and coordinates with others in the Department on work involving the committee.

Details of the committee's reports and the Government responses published during the 2008-09 parliamentary session can be found at the following link: <http://www.publications.parliament.uk/pa/cm/cmpubadm.htm>.

The Cabinet Office responded during the 2008-9 parliamentary session to a number of reports published by PASC:

Title	Date Government response published	Government response reference number
<i>Ethics and Standards Further Report (Government response to the Committee's 4th Report of 2006-07)</i>	2 January 2009	HC 43
<i>Ethics and Standards Further Report: (Government response to the Committee's 3rd Report of 2008-09)</i>	20 March 2009	HC322
<i>Mandarins Unpeeled: Memoirs and Commentary by Former Ministers and Civil Servants</i>	29 April 2009	HC428
<i>The Iraq Inquiry</i>	21 October 2009	HC 992
<i>From Citizen's Charter to Public Service Guarantees: Entitlements to Public Services</i>	21 October 2009	HC 993
<i>Lobbying: Access and influence in Whitehall</i>	23 October 2009	HC 1058
<i>Good Government</i>	28 October 2009	HC 1045

## Intelligence and Security Committee (ISC)

The Intelligence and Security Committee is a statutory committee of parliamentarians responsible for scrutiny of the security and intelligence agencies (Government Communications HQ, Secret Intelligence Service and the Security Service). The Cabinet Office coordinates business with the ISC across the government and provides the secretariat for the committee and its accommodation. Cabinet Office officials regularly, and ministers occasionally,

appear in front of the committee to give evidence relating to the work of the agencies, or to deal with general Cabinet Office business. Since the start of the year no officials have appeared before the committee to give evidence.

There have been no Cabinet Office ministerial appearances.

## Other committees

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

Minister/official	Date	Committee
Rt Hon Tessa Jowell MP	14 October 2009	Lords Constitution Committee (Work of the Cabinet Office)
Sir Gus O'Donnell KCB and Jeremy Heywood	4 November 2009	Lords Constitution Committee (Work of the Cabinet Office)

## Progress on PAC Recommendations

### Public Accounts Committee

The main work of the Public Accounts Committee is the examination of the reports made by the comptroller and auditor general on his value for money studies of

the economy, efficiency and effectiveness with which government departments and other bodies have used their resources to further their objectives. Officials from the Department have appeared before the Public Accounts Committee on the following occasion to provide evidence on inquiries undertaken by the committee:

Official	Date	Subject/inquiry
Campbell Robb (CO), Jonathan Lewis (Futurebuilders England), Matt Leach (Capacitybuilders)	27 April 2009	Building the Capacity of the Third Sector
Sir Gus O'Donnell KCB and Brian Etheridge	3 June 2009	Assessment of the Capability Review Programme

Detailed below are the Cabinet Office's progress updates to Public Accounts Committee recommendations.

### Sixteenth report: Cabinet Office

#### Summary and progress update on the Government's report on *Government on the Internet: progress in delivering information and services online*

For a full copy of HM Treasury's minutes, see:

<http://www.official-documents.gov.uk/document/cm73/7366/7366.pdf>

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

Good progress is being made. Department website reviews collated by the Central Office of Information (COI) have identified 1,671 websites and closed 836 of them. This constitutes shutting down over 3 in 5 of those planned for closure.

A tight grip has been maintained by the COI on new central government .gov.uk websites. Those that have been approved comprise six with machinery of government and

name changes, one Welsh language version, a redirect and an international policy campaign site (actoncopenhagen.gov.uk).

It is government policy that all government websites use the domain .gov.uk (except for the permitted .mod.uk, .police.uk and .nhs.uk). However, a few departments and their agencies are still creating new websites using other domains.

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

The COI worked with a cross-government group to develop a standard on consistent identification of costs.

A public review of this was held, together with those standards intended to improve quality. The COI also successfully used the latest social media tools to get feedback from an online audience, which was considered an innovation across government.



This was approved by ministers and published in March 2009 on the COI website.

*Measuring Website Costs* TG128 can be found on the COI website at <http://www.coi.gov.uk/guidance.php?page=223>.

Websites run by departments will report their costs for the financial year 2009-10 in April 2010 and the COI will publish these by June 2010.

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

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

The COI worked with departmental representatives and developed a suite of quality standards for central government websites. These included:

- a set of measures for usage
- requirements for annual customer satisfaction surveys
- a set of reporting metrics.

These standards were published in March 2009 and are available on the COI website at the following addresses:

- Measuring website usage TG116 <http://www.coi.gov.uk/guidance.php?page=229>
- Measuring website quality TG126 <http://www.coi.gov.uk/guidance.php?page=138>

The COI has appointed the not-for-profit industry body, ABCe, to audit usage of government websites. This achieved nearly a 50% saving to departments.

The COI will publish reported levels of usage and quality by June 2010.

Improvement of quality is not only a matter of standards and guidance, but also practical support and education. The COI has developed an online interactive toolkit to help public sector web staff improve their skills. Based on a usability review commissioned by the Power of Information Task Force, the toolkit addresses the top ten issues found to be problematic to users. The online interactive toolkit can be found at [www.coi.gov.uk/usability](http://www.coi.gov.uk/usability)

Taken together with the work on costs, this provides a coherent and consistent set of requirements, guidance and a toolkit that enables departments to improve the quality of government websites. It also delivers public accountability for the cost and effectiveness of the government's web estate.

User behaviour in regard to search has changed since the Public Accounts Committee report was published and responding to this is more important than simply introducing new technology. Firstly, people now mainly use the major web search engines to identify the information and location of the services they seek. For example, the use of search and click through from the home page of Directgov is tiny compared to the access of relevant Directgov content directly from web search engines. Secondly, people are alerted to relevant content through online social networks and then follow links sent to them.

A strategy has been developed for improving search that includes:

- Ensuring that people can find government website content through web search engines by enabling web search engines to access and index content from government websites. There was a widespread and incorrect belief that putting content on a website automatically resulted in it being available through web search engines. The requirement for this is laid out on the web standard *Exposing your Website to Search Engines* (TG122). This can be found on the COI website at [www.coi.gov.uk/guidance.php?page=246](http://www.coi.gov.uk/guidance.php?page=246)
- Improving the helpfulness of the information through audience friendly text and information when it is displayed on web search engine results. The requirements for this will be described in a new web standard on search engine optimization, *Ensuring content is findable* (TG123) which is in preparation. Reducing the number of websites has also helped people to recognise the relevant site quickly in search results lists and saved them time.
- Reviewing what people, businesses and patients seek and then ensuring that the public sector delivers content that is easy to find, access and understand – so that content and services meet their needs. With the two previous actions implemented, the issue becomes less to do with the difficulty of finding and more ensuring that the content people seek is available, and that they get all the relevant content to their enquiry.

Good progress has been made on each of these actions. Government is also building expertise on helping people find what they seek, both through the web search engines and through social networks.

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

- The standard for accessibility was published in June 2008. *Delivering Inclusive Websites* (Web standard TG102) can be found on the COI website at <http://www.coi.gov.uk/guidance.php?page=129>

- Reported progress on implementation will be published by June 2010. In addition, many commercial companies directly analyse government websites for compliance.
- In the light of the recent updated W3C standard on accessibility, which is being considered by the European Commission, the COI has issued further advice to the public sector allowing use of the updated standard. The COI has also invited advice from the public sector on the deadline for moving to the new standard.

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

- *Guidance on Channel Strategies* was published on 3 September on the Cabinet Office website. This has received a positive response.
- Departmental members of the contact council are responsible for promoting the guidance within their departments and reporting progress on departmental strategies.
- The guidance includes modules on channel shift and digital inclusion.
- Discussions are underway with Directgov on a module or other guidance on the use of intermediaries (a separate commitment, but not due until March 2010).
- Contact Council continues to monitor developments on channel strategies and their alignment with proposals under the *Digital Britain* report.

## **Eighteenth report: Cabinet Office**

### **Summary and progress update on the Government's report on improving corporate functions using shared services**

For a full copy of HM Treasury's minutes, see: <http://www.official-documents.gov.uk/document/cm73/7366/7366.pdf>

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

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

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

During 2008 and 2009 the Cabinet Office has been at the centre of the largest benchmarking programme of back office services ever undertaken by HM Government. The Cabinet Office has led and coordinated the HR, finance, procurement, estates and IT professions in establishing and defining their benchmark indicators. It has also played a key role in the collation and analysis of that data.

The Cabinet Office also worked with HM Treasury colleagues to implement the recommendation of the Operational Efficiency Report that all government departments, agencies and non-departmental government bodies employing more than 250 people should benchmark the cost of their back office functions. This data will be published before the end of 2009.

These benchmarking programmes will continue in 2010 and are intended to be an annual activity.

The Cabinet Office has instigated and is coordinating a benchmarking programme for the current Central Government Shared Service Centres. In the short-term this data is being used to examine and improve processes within the service centres. In the future it will be used to encourage public sector organisations to adopt shared services. The Cabinet Office is looking to compare the Shared Service Centre benchmark data with the Operational Efficiency Programme and Corporate Professions benchmarks. This will enable it to assess the impact of Shared Services on the efficiency and effectiveness of the back office.

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

The Cabinet Office shared service team currently consists of 3.8 full time equivalent staff, all permanent civil servants. The team has a discrete budget with a break down of costs against activities. The team is also participating in the Cabinet Office zero based budgeting review which assesses the value of team activities against their budgeted costs.

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

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

A key role of the shared services team remains to encourage smaller departments to examine their options for improving their corporate services, including receiving their services from a government shared service supplier.

The Cabinet Office and the Department for Children, Schools and Families now use the Department for Work and Pensions' shared services for many of their back office HR, finance and procurement processes.

At the moment, HM Revenues and Customs feels unable to offer shared services outside its own organisation.

The remaining central government shared service centres have been contracted to supply services to other government organisations. Most notably, the National Offender Management Service Shared Service Centre now supplies the Home Office and the UK Borders Agency. In the future it will provide the Identity and Passport Service with HR, finance and procurement services. The Food Standards Agency has also recently signed up to use the Department for Environment, Food and Rural Affairs shared services from April 2010.

The Cabinet Office recommends that small organisations should assess their adoption of shared services through a full business case and must only proceed if it offers value for money.

The *Operational Efficiency Programme: Back Office Operations and IT Report* has since recommended that:

'A system of Operational Reviews that examine performance on back office operations should be introduced for public sector organisations. The initial focus should be on those organisations currently performing in the bottom quartile. The first reviews should take place no later than April 2010'.

## Thirty seventh report: Cabinet Office

### **Summary and progress update on Government's response to the Public Account Committee's report: *Building the Capacity of the third sector***

ChangeUp aims to improve the support services available to frontline groups. It invests in various programmes, including national support services on key topics such as governance and income generation. It also invests in regional and local support providers, who form partnerships or 'consortia' to make their services to frontline organisations more effective. ChangeUp is managed by an executive non-departmental public body, Capacitybuilders. The total investment in the programme will be £231 million by 2011.

Futurebuilders is a £215 million investment fund that invests directly in frontline third sector organisations that would otherwise not have access to commercial sources of finance. It enables them to build their capacity and bid for public service delivery contracts. It is managed under contract by Futurebuilders England Fund Management.

For a full copy of HM Treasury's minutes, see:

<http://www.official-documents.gov.uk/document/cm77/7717/7717.pdf>

**PAC Conclusion (1):** The design of the ChangeUp programme was complex and took longer than planned, leading to less time than intended for consortia and national hubs to spend the initial funding of £80 million. Effective consultation and good programme design are important foundations for successful programme delivery. But spending too much time on these elements and then squeezing delivery is counter productive leading to waste, poor value for money and adverse impacts on funded organisations. In the event of delays in implementing future programmes, the Cabinet Office should assess the risk to successful programme delivery before deciding whether to enforce or revise original timescales.

The Office of the Third Sector (OTS) aims to achieve the right balance between ensuring excellent programme design and appropriate consultation. The OTS and Capacitybuilders have implemented improvements since ChangeUp was first developed and rolled out in 2004-06. Since the transfer of responsibility for management of the programme to Capacitybuilders (a non-departmental public body) in 2006, funding levels for ChangeUp have stabilised and all Capacitybuilders' current ChangeUp programmes run for three years.

**PAC Conclusion (2):** The period for which funding is given to organisations can affect the ability of those organisations to use it fruitfully. A review of the national hubs led to a prolonged period of uncertainty around their future and funding. Such uncertainty creates problems for funded organisations, diverting time and attention from their primary objectives into, for example, raising further funds in order to continue their work. While some progress has been made in providing longer-term funding for third sector organisations, Cabinet Office, and its associated bodies should further reduce uncertainty through greater clarity around terms and conditions of funding and investments where possible, and by more prompt and timely decision-making.

In the third sector review the Government made a commitment to see longer-term funding for the third sector, recognising that short-term funding arrangements can create uncertainty. The OTS champions three year funding across government. The Department agrees to ensure that all terms and conditions of funding and investment, including the timescales, are clear in grant funding agreements and contracts, and is taking steps to ensure that this happens now.

**PAC Conclusion (3):** The lack of a planned evaluation of ChangeUp is a major failing, and is particularly alarming given the inherent risks in the programme, its untested approach, complex delivery mechanism, and devolved decision-making arrangements. The Cabinet Office should ensure in the future that proper evaluation is built into the design of all its programmes. Such evaluations should include clarity around the baseline, objectives and outcomes of the programme, as well as how they will be achieved and measured, and a system of review which enables adjustments to be made and lessons disseminated. The costs of effective evaluation should be built into the programme budget from the outset.

The Office of the Third Sector aims for robust evaluation to be embedded into its programmes, in order to ensure effective monitoring and assessment of objectives and outcomes. In the case of ChangeUp, the Department recognises the problems with early evaluation. To address this, Capacitybuilders has commissioned an independent evaluation that will use a range of data to assess the impact of ChangeUp on the capacity of infrastructure and frontline organisations.

**PAC Conclusion (4):** It is unacceptable that these significant and costly programmes were established without setting any proper targets against which the performance could be measured. Both programmes were set up without performance targets that were sufficiently aligned to the programme objectives and outcomes. In respect of Futurebuilders, in particular, the lack of appropriate targets is likely to have contributed to the sluggish rate of drawdown of investments in the early years. Before approving all future programmes, the Cabinet Office should require managers to develop meaningful indicators and targets to drive performance and measure progress towards the intended outcomes.

All contracts and grant agreements specify the outcomes intended and are monitored on that basis. The finance director in the Cabinet Office signs new contracts on behalf of the Department. For future programmes they will ensure that contracts set out clearly the indicators and targets to ensure delivery and drive performance. In regards to the Futurebuilders programme, the Department has built on the learning from the first phase of the fund and has aligned the fund's targets more closely with its objectives.

**PAC Conclusion (5):** Judging value for money is hampered by limited and uncertain financial information from the early days of the ChangeUp programme. Even with adequate evaluation, any judgement on the value for money of ChangeUp is undermined by the uncertainty surrounding the financial data about the programme. The Cabinet Office and Treasury should strengthen their guidance to departments on collecting adequate data on costs and benefits to enable effective evaluation, and on ensuring that accurate records are preserved in the event of machinery of government changes or the introduction of new financial systems.

The Department will review its guidance to departments on the Machinery of Government changes, to consider how this aspect can be strengthened.

**PAC Conclusion (6):** Management of the ChangeUp programme has been undermined by problems since it started. Third sector bodies have complained of short timescales for applications, delays in receiving grant payments and pressure to spend money quickly. The processes that Capacitybuilders has in place still do not appear to be working adequately and satisfaction among funding recipients is low. Capacitybuilders should address these concerns as a matter of urgency by setting clear targets for the time allowed for applications, the timeliness of payments to fundees and the speed at which money has to be spent.

The allocation of ChangeUp funding has now improved to give greater certainty for grant applicants, and avoid the delays that could result in increased pressure on grant holders to spend money more quickly than is optimal. A new risk-based approach to monitoring and payment, introduced for 2009-10, has enabled Capacitybuilders to improve the speed with which grant holders receive funds.

PAC Conclusion (7): The application process for a Futurebuilders investment was lengthy and costly for both the fund and applicants. On average the process took 127 days, whilst costs were estimated at 40% of Futurebuilders total fund management costs and up to £9 million for applicants in the three years to February 2007. The Committee has commented before on the importance of funders identifying the cost to themselves and to applicants of making grants. Such concerns are equally relevant to investment decision processes. Although Futurebuilders considers it has secured better performance under the second management contract, it should track the burden of the application processes on applicants on an ongoing basis.

The Department will work with Futurebuilders England to ensure that the length of time and cost of applying to Futurebuilders is tracked. Since April 2008, Futurebuilders England has taken steps to ensure that the application process is streamlined.

PAC Conclusion (8): Public money is invested and repaid by Futurebuilders, so the taxpayer will have a substantial and long-term financial interest in the Futurebuilders loan book. This interest will continue long after the active investment period ends in 2011 and, under certain broad assumptions, annual capital and interest payments in 2030 could be £8 million. The Government should set out a clear plan for the management of the asset. This plan should provide the Committee with assurance that action will be taken to protect its value and, as a minimum, should set out how the loan book will be managed beyond the current contract, its expected value, the key financial risks and how they will be managed.

The Department is currently considering options for the longer-term management of the Futurebuilders' loan book.

PAC Conclusion (9): A key part of the ChangeUp vision is that the needs of frontline organisations will be met by services that are 'sustainably funded', but insufficient thought has been given to the long-term sustainability of improvements. Capacitybuilders currently intends to fund projects which consider sustainability, but should do more to identify examples of sustainable services, how these were achieved and support the spread of best practice. Best practice should include material on managing the impact of the recession.

Capacitybuilders focuses on securing long-term sustainability of improvements to third sector support services. A primary aim of ChangeUp was to encourage greater partnership working between support providers, resulting in a number of sustainable benefits. This ultimately improved the support provision available to frontline organisations.

PAC Conclusion (10): Both programmes were set up to provide additional capacity building support to the third sector, not replace existing provision. ChangeUp provides funding to help support providers improve the way that their services are planned, developed and co-ordinated. It was not intended to provide core funding for services. Futurebuilders is intended to invest only in third sector organisations that do not have access to commercial sources of finance, and it is important that these funding streams do not displace what is available from other sources. The evaluations for both programmes should provide an independent and objective assessment of whether these programmes have in fact filled gaps that would not have been addressed by other funders.

Capacitybuilders aims to be distinct to the approach of core funders of sector support. The Futurebuilders programme is being independently evaluated by Sheffield Hallam University. This includes an assessment of whether Futurebuilders has filled a gap in the market that would not have been addressed by other investors.

# PART 6 – SPENDING REVIEW 2004: CABINET OFFICE PSA TARGETS

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

## Background

Autumn Performance Reports were introduced in 2002 to supplement reporting against PSA targets in departmental reports. This report follows on from the *Cabinet Office Annual Report and Accounts 2008-2009* (HC442) which was published in July 2009 (available on the Cabinet Office website at [http://www.cabinetoffice.gov.uk/about\\_the\\_cabinet\\_office/reports.aspx](http://www.cabinetoffice.gov.uk/about_the_cabinet_office/reports.aspx)). The accounts provide information about Cabinet Office performance in relation to its resources.

The Minister for the Cabinet Office is responsible for the delivery of the PSA targets and, with the Chancellor of the Exchequer, is jointly responsible for the delivery of SR 2004 PSA target 1.

Standard terminology, in line with Treasury central guidance to departments, has been adopted when reporting against all targets.

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

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

## Progress against outstanding PSA targets

The following table gives a summary assessment of progress on the Cabinet Office's outstanding PSA target from SR 2004. Previous Cabinet Office Autumn Performance Reports and Annual Report and Accounts can be found on the Cabinet Office website at [http://www.cabinetoffice.gov.uk/about\\_the\\_cabinet\\_office/reports.aspx](http://www.cabinetoffice.gov.uk/about_the_cabinet_office/reports.aspx).

The outcome of the 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. The following sets out details of progress against the outstanding target from this period.



## Summary of performance against outstanding SR 2004 PSA target

<b>PSA 1 – Public services</b>	
<b>SR 2004 target</b>	Improve public services by working with departments to help them meet their Public Service Agreement (PSA) targets (jointly with the Cabinet Office) consistently with fiscal rules.
<b>Performance indicator</b>	Departmental progress towards PSA targets and efficiency delivery is reported biannually in the Annual Report and Accounts and Autumn Performance Reports. This performance information can be accessed through a single website. <sup>1</sup>
<b>Progress</b>	Slippage
<b>Commentary</b>	The Cabinet Office and HM Treasury jointly support departments in their work to achieve their SR 2004 PSA commitments but the ultimate responsibility for delivery remains with departmental Secretaries of State. 93% of SR 2004 PSAs were given an overall summary assessment by departments in their 2009 departmental reports. Of those, almost half were reported as met, met-ongoing, ahead or on course, and further progress has been made on other targets with 28% being partly met. This outturn represents a significant level of success in meeting these targets. However, for this overall target to be fully met '100%' of individual SR 2004 PSAs must be met or partly met. There has been some slippage against such an ambitious aim. Presently, 9% of targets are rated as slippage and 16% not met.

<sup>1</sup> [http://www.hm-treasury.gov.uk/psp\\_index.htm](http://www.hm-treasury.gov.uk/psp_index.htm)



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