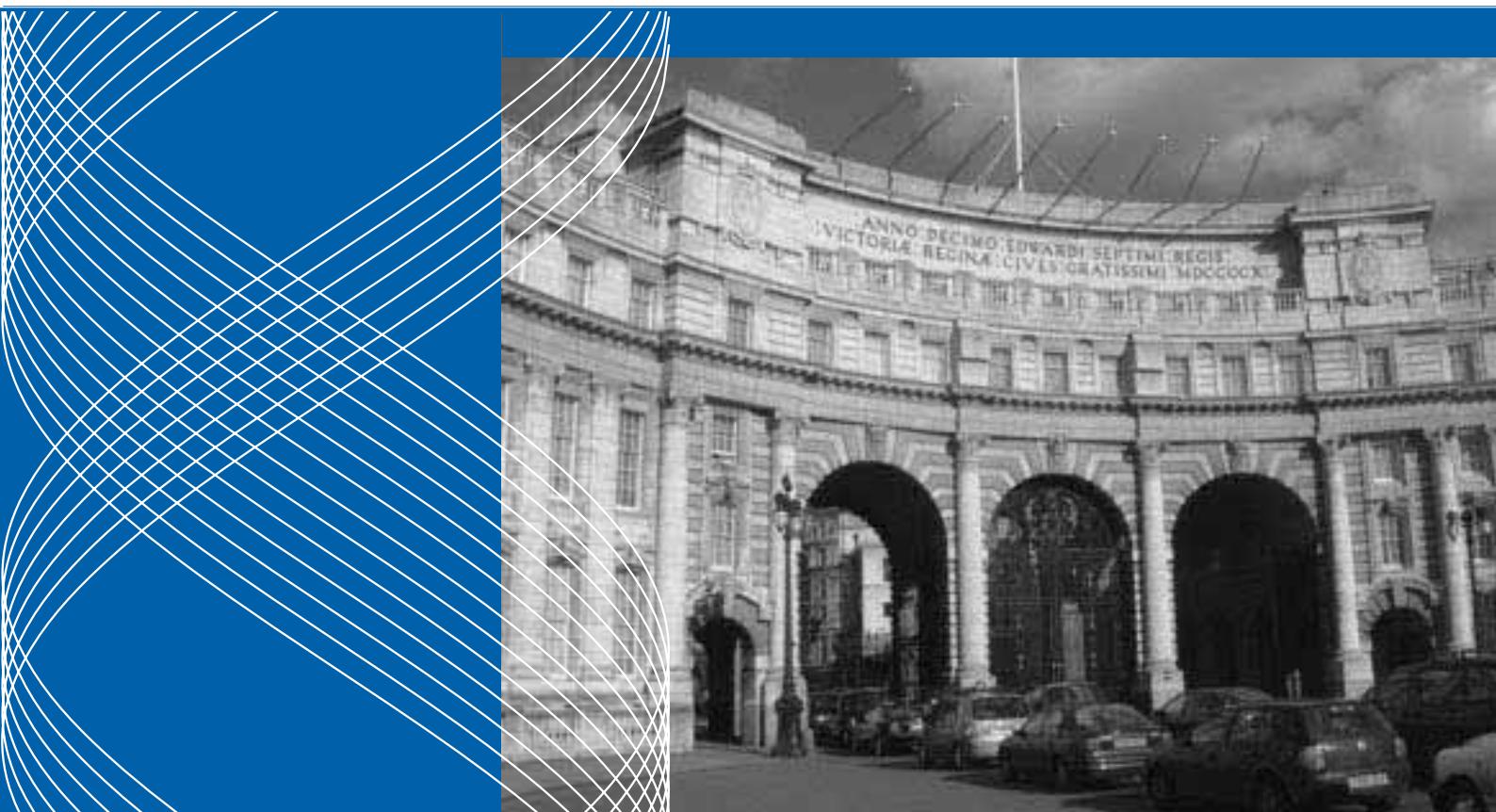




# Autumn Performance Report 2006





# Autumn Performance Report 2006

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

DECEMBER 2006

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## Introduction

This Autumn Performance Report provides information on the latest progress against the Cabinet Office's Public Service Agreement (PSA) targets agreed as part of the 2004 Spending Review (SR 2004) (plus outstanding issues from PSA targets agreed as part of the 2002 Spending Review).

Autumn Performance Reports were introduced in 2002 to supplement reporting against PSA targets in Departmental Reports. This report follows on from the *Cabinet Office Departmental Report 2006: Making Government Work Better* (Cm 6833) which was published in May.

The Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office and Social Exclusion is responsible for the delivery of the PSA targets and with the Chancellor of the Exchequer jointly responsible for the delivery of PSA target 1.

The outcome of SR 2004 was announced in July 2004. SR 2004 established the funding available to the Cabinet Office for the period 2005–06 to 2007–08 and set the targets to be achieved. Details of the Department's aims and objectives, plus the targets agreed as part of SR 2004, are shown at **Section 1**.

Progress against SR 2004 PSA targets are shown in **Section 2**.

The PSA Technical Notes in **Section 3** of this report set out how performance against each of the SR 2004 PSA targets is measured.

Details of some outstanding issues from the SR 2002 PSA targets are shown at **Section 4**.

The Cabinet Office has a target, agreed in SR 2004, of realising total efficiency gains of at least £25 million, reduction of 150 Civil Service posts and relocation of 250 posts out of London and the South East by 2007–08. Progress on achieving these targets is detailed in **Section 5**.

The Cabinet Office Annual Report and Resource Accounts for 2005–06 (HC 1509) were published in August. The accounts provide information about Cabinet Office performance in relation to its resources.

PSA target 4 has recently been inherited from the Home Office with the transfer of the Office of the Third Sector (OTS) to the Cabinet Office. Progress against this target was previously reported by the Home Office and was that department's PSA Target 6.

In summary, the Cabinet Office is on course, or broadly on course, on three of its four SR 2004 PSA targets.



## Section 1

### Spending Review 2004 – Public Service Agreement targets

**The Cabinet Office aims to make government work better by concentrating on three core functions:**

- supporting the Prime Minister – to define and deliver the Government's objectives;
- supporting the Cabinet – to drive the coherence, quality and delivery of policy and operations across departments; and
- strengthening the Civil Service – to ensure that the Civil Service is organised effectively and has the capability in terms of skills, values and leadership to deliver the Government's objectives.

<b>Target 1</b>	Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. This is a joint target with HM Treasury.
<b>Target 2</b>	<p>By April 2008, work with departments to build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership, skills and diversity.</p> <p>On diversity, meeting the specific targets of:</p> <ul style="list-style-type: none"> <li>• 37% women in the Senior Civil Service (SCS);</li> <li>• 30% women in top management posts (Pay Bands 2, 3 and Permanent Secretaries);</li> <li>• 4% ethnic minority staff in the SCS;</li> <li>• 3.2% disabled staff in the SCS; and</li> <li>• in the longer term, work to ensure that the Civil Service at all levels reflects the diversity of the population.</li> </ul>
<b>Target 3</b>	<p>By April 2008, ensure departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors through:</p> <ul style="list-style-type: none"> <li>• delivery of the Regulatory Reform Action Plan, including 75 Regulatory Reform Orders by the end of 2007–08;</li> <li>• maintaining Regulatory Impact Assessment (RIA) compliance levels at or above 95%;</li> <li>• maintaining compliance with the Code of Practice on Consultation; and</li> <li>• maintaining the UK's international standing on better regulation.</li> </ul>
<b>Target 4</b>	<p><b>Element 1:</b> increase voluntary and community engagement, especially amongst those at risk of social exclusion.</p> <p><b>Element 2:</b> the capacity and contribution of the voluntary and community sector to deliver more public services.</p>

## Section 2

### Progress against SR 2004 PSA targets

This section records progress against the four SR 2004 PSA targets.

<b>Target 1</b>	Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. This is a joint target with HM Treasury.
<b>Progress</b>	On course.
<b>Commentary</b>	<p>SR 2002 and SR 2004 set stretching outcome-focused targets for key areas of the public services. HM Treasury and the Prime Minister's Delivery Unit are working together, and with departments, to promote and support effective planning and management to deliver PSA targets, though responsibility for delivery of the targets rests with departmental Secretaries of State, as set out in the 'who is responsible' section of each PSA.</p> <p>We are on course to meet the SR 2002 target. Although the SR 2002 period ended in March 2006, data for the full period is not yet available and some targets have an end date beyond that time, so final reporting on the full SR 2002 set is not yet possible. In the previous round of reporting (2006 Delivery Reports) overall summary assessments were made for a majority of PSA targets. Of those, over 80% were reported to be met or on course. Progress can vary up to the point that a final report for all targets is made.</p> <p>In the previous round of reporting (2006 Departmental Reports), for targets that were given overall summary assessments, about 85% were reported to be on course. These represent interim progress assessments which can, of course, vary up to the point a final assessment is made. Estimates of overall progress at this early stage are only very broadly indicative.</p>
<b>Quality of data systems</b>	The data systems underpinning PSA targets are validated by the National Audit Office (NAO).

<b>Target 2</b>	<p>By April 2008, work with departments to build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership, skills and diversity.</p> <p>On diversity, meeting the specific targets:</p> <ul style="list-style-type: none"> <li>• 37% women in the Senior Civil Service (SCS);</li> <li>• 30% women in top management posts (Pay Bands 2, 3 and Permanent Secretaries);</li> <li>• 4% ethnic minority staff in the SCS;</li> <li>• 3.2% disabled staff in the SCS; and</li> <li>• in the longer term, work to ensure that the Civil Service at all levels reflects the diversity of the population.</li> </ul>
<b>Progress</b>	<p>There has been <b>slippage</b> in relation to the quantitative elements of the target. The Permanent Secretaries Management Group discussed progress against the diversity targets on 18 October 2006 and agreed that further intervention was necessary.</p>
<b>Commentary</b>	<p>The target refers to improvements in each of <b>leadership, skills</b> and <b>diversity</b>. Taking these in turn, and with reference to the indicators in the Technical Note (see Section 3):</p> <p><b>Leadership</b></p> <p>A number of methods for measuring improvements in <b>leadership</b> have been identified. These include turnover, external recruitment levels, breadth of experience and perceptions. These show that progress is on course.</p> <ul style="list-style-type: none"> <li>• The median length of time spent in a completed post at April 2006 was 2.7 years, up slightly from 2.6 years at April 2005 and compared with 3.3 years at April 2003. There is an expectation of a four-year norm for SCS postings.</li> <li>• In 2005–06, 41% of competitions to fill SCS vacancies were opened up to external competition. This is marginally down from 43% in 2004–05. Our target is that about half of SCS competitions should be open.</li> <li>• At April 2006, 60% of members of the SCS had experience of working outside the Service of more than 12 months, the same as in April 2005. Our target is an increase in the proportion of Senior Civil Servants who have experience working outside the Service from the baseline of 40% in April 2004.</li> <li>• The expected impact of action to ensure more active career management is an increase in the proportion of the SCS working a flexible pattern (part-time/job share). As at April 2006, 5% of all SCS staff worked a flexible pattern, compared with 4.7% in April 2005 and 4.5% in April 2003.</li> </ul> <p>The second survey of SCS members' perceptions of leadership and skills was conducted in autumn 2006 to find out what they think about their own and colleagues' leadership and skills abilities. Results will be available at the start of 2007. The first survey, in 2004, which is available at <a href="http://www.civilservice.gov.uk">www.civilservice.gov.uk</a>, had many positive messages on leadership but also showed there was work to be done in change and performance management. We hope to see progress on these and other issues in the results of the 2006 survey.</p>

Over the past year the Cabinet Office has worked with departments on the following specific activities in support of this target:

- agreement of a leadership strategy for the Civil Service by the Senior Leadership Committee;
- defining expected leadership roles at different levels of the SCS and targeting development around transitions to different levels;
- identifying development priorities that focus on the skill gaps emerging from evidence gathered during Capability Reviews;
- developing an assessment tool for director generals in collaboration with YSC – a business psychology consultancy. This will enable objective cross-departmental assessment of the leadership capability of senior leaders in the Civil Service;
- promoting more corporate management of the 'Top 200' Permanent Secretaries and Director Generals through improved succession planning and events for the whole group, to cement their development as a leadership cadre;
- embedding the new leadership framework launched in March 2006 through the Top 200 work;
- progressing the High Potential Development Scheme, which is designed to provide tailored developmental support for SCS staff with the potential to rise quickly to board level. This will be more closely linked to succession to key posts; and
- holding seminars with departments to build collaboration with/between departments and sharpen the focus of leadership development on improving business delivery.

In terms of making further progress, better use of information on both posts and people will enable the integration of recruitment, succession planning and development to enhance the leadership capabilities of the SCS. We have developed greater clarity on leadership expectations at different levels of the Service and this will enable leadership development to be focused on the needs of the business. The National School of Government will lead on core leadership development, aligned to the reform agenda, while business-specific leadership development will be left to departments.

### **Skills**

In February 2006, **Government Skills, the Sector Skills Council (SSC) for Central Government, was established** within the Cabinet Office. It is one of 25 SSCs covering around 80% of employees across the UK economy, and its 'footprint' covers Civil Service departments and agencies, non-departmental public bodies and the Armed Forces (around 775,000 staff). All SSCs have the same broad responsibilities, which are: to identify (on behalf of employers in its sector) what skills are required and where the gaps lie; and then to create, agree and deliver a plan to fill the gaps.

To do this, Government Skills is currently working on behalf of departmental employers and others to deliver three main programmes:

- **Professional Skills for Government programme (PSG):** this is covered in more detail on page 11.

- **Sector Skills Agreement (SSA):** this is a five-stage process for identifying the skills needs of the sector and agreeing action needed to fill them. Crucially, and for the first time, it will influence in a structured way the supply side (education and training providers, etc.). Currently, we are halfway through Stages 1 and 2, which involve identifying skills required, skills gaps and available provision. The SSA is due to be signed by the end of 2007.
- **Sector Qualifications Strategy (SQS):** this covers identifying the role which qualifications will have in driving improvements in skills and the action to be taken in response. We are currently in the middle of Phase 1, which will create an outline strategy, establish National Occupational Standards in key areas and assess the need for new qualifications.

More information about the work of Government Skills can be found at:  
[www.gov.uk/government-skills](http://www.gov.uk/government-skills)

PSG is designed to improve the delivery of services to the public by raising the skills levels (and hence performance) of individual civil servants. It sets out the minimum leadership skills, core skills, professional expertise and broader experience that all civil servants need. More information about the programme, including the skills themselves, is at: <http://psg.civilservice.gov.uk/>

PSG started being rolled out at Grade 7 and above in autumn 2005 and a target (provisional, pending the establishment of a baseline) was set that 75% of the SCS should be demonstrating the core skills by September 2007. Since autumn 2005, progress has been as follows:

- Spring 2006: departments provided data on attainment levels within the SCS against the six core skills. This showed that the provisional 75% target had been met for three of the core skills.
- April 2006: PSG started being rolled out for staff at all levels.
- May 2006: Permanent Secretaries provided their first annual reports on implementation progress. These confirmed that HR systems either had been, or were in the process of being, aligned with PSG. Permanent Secretaries also confirmed they believed that PSG would have a positive impact on skills development, but that, as a long-term programme, it was too early to make a full judgement on its effectiveness.
- In light of the above, we are currently updating our implementation plan, including a review of our evaluation strategy and the 75% target.

We have also been continuing to track data on qualifications and professions. Data from the SCS database shows:

	Professional qualifications*	Recorded professions*	
		Recorded profession	Profession not recorded or not known
April 2004	36%	36%	64%
April 2005	40%	60%	40%
April 2006	43%	75%	25%

\*Note: No assumptions are made about the professional qualifications or professions of staff for whom no relevant data is available.

## Diversity

The Cabinet Office is making progress towards meeting the 2008 Civil Service **diversity** targets, although we knew when they were set in October 2003 that they would be challenging. Even taking this into account, actual progress has not met our expectations.

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

April 2006 data, published on 27 November 2006, shows that:

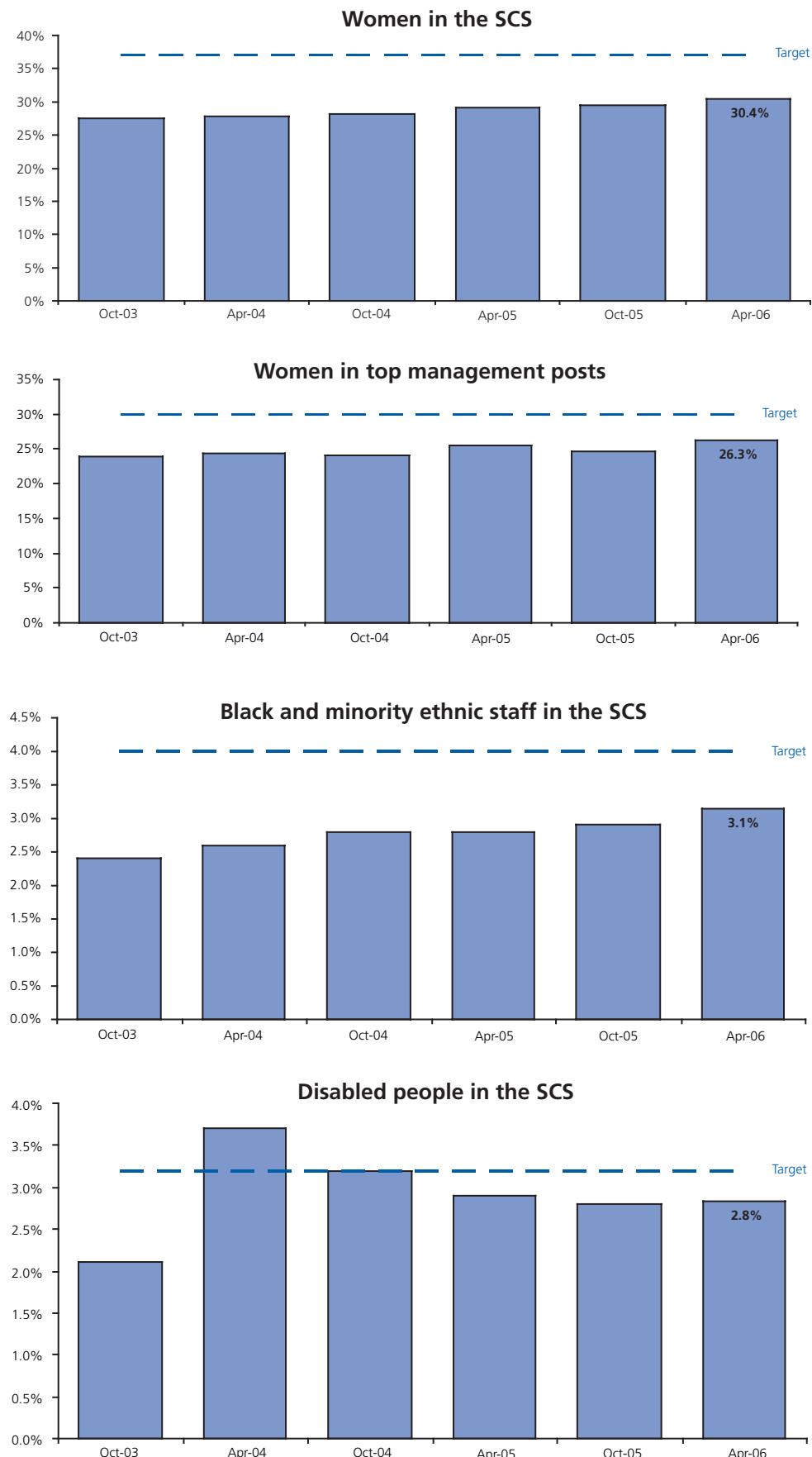
- 30.4% of the SCS are women, up from 27.5% in October 2003. The target will be a challenging one, although the percentage of women in the SCS has been rising steadily during the last two years;
- 26.3% of those in the very top management positions are women, up from 23.9% in October 2003. This includes two women at Permanent Secretary level. The Civil Service is well positioned to meet this 2008 target;
- 3.1% of staff at SCS level are from black and minority ethnic backgrounds, up from 2.4% in October 2003. Action towards increasing representation will continue to be taken, to ensure progress is sustained; and
- 2.8% of staff at SCS level are disabled, up from 2.1% in October 2003.

All targets and statistics for the SR 2004 targets use figures from the SCS database to ensure consistency of measurement across the four targets. Ethnicity and disability percentages are based on those senior civil servants whose ethnicity/disability status is known.

Action to make further progress includes the *10-Point Plan on Delivering a Diverse Civil Service*, launched on 1 November 2005. The plan introduced strengthened targeted action and accountability in departments for delivering improved diversity, with a particular focus on the SCS. Much has been accomplished since then, including:

- **departmental targets and action plans:** departments have set their own diversity targets for their SCS and feeder grade populations, underpinned by robust delivery plans that have been subject to rigorous peer review by the Diversity Champions' Network (DCN);
- **recruitment/selection:** the DCN has commissioned a project to examine approaches to recruitment, including the way search consultants are managed, and to produce guidance by the end of the year;
- **developing the talent pool:** a new positive action corporate diversity development scheme will be launched later this year, with the first intake in early 2007; and
- **embedding diversity and equality into performance management systems:** guidance is shortly to be published on how to embed diversity into performance objectives that are linked to reward systems, to ensure that diversity and equality are measured and rewarded in the same way as other business objectives.

At their October 2006 discussion the Permanent Secretaries Management Group acknowledged these steps, but noted that we will not meet our targets unless there are more direct interventions on the supply and demand sides.

**Figure 1: Progress against SR 2004 PSA Target 2**

<b>Target 3</b>	<p>By April 2008, ensure departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors through:</p> <ul style="list-style-type: none"> <li>• delivery of the Regulatory Reform Action Plan, including 75 Regulatory Reform Orders by the end of 2007–08;</li> <li>• maintaining RIA compliance levels at or above 95%;</li> <li>• maintaining compliance with the Code of Practice on Consultation; and</li> <li>• maintaining the UK's international standing on better regulation.</li> </ul> <p><i>Note: The PSA target agreed as part of SR 2002 has been rolled forward, added to and superseded by the SR 2004 target. The Better Regulation Executive therefore reports on progress against the SR 2004 target.</i></p>
<b>Progress</b>	<p>Broadly on course. The technical note has been revised to reflect the new work of the Better Regulation Executive (BRE).</p>
<b>Commentary</b>	<p>The current target reflects the work and objectives of the Regulatory Impact Unit (RIU). However, following the creation of the BRE after the May 2005 Election, the better regulation agenda has broadened considerably and it is pertinent to consider the target in the context of these recent developments.</p> <p>The BRE has taken responsibility for several major new initiatives, strengthening the drive to reduce regulatory burdens and unnecessary bureaucracy wherever possible. These are largely the result of the recommendations made in two reports – the Better Regulation Task Force report <i>Regulation – Less is More: Reducing Burdens, Improving Outcomes</i> (March 2005) and the Hampton Report on inspection and enforcement – that were accepted by the Chancellor in the March 2005 Budget. New measures included:</p> <ul style="list-style-type: none"> <li>• <b>measuring and setting targets for reducing the administrative burdens</b> that government regulations place on business and charities. Thousands of businesses and voluntary organisations have been engaged in this measurement process;</li> <li>• <b>simplifying existing regulation:</b> government departments are being asked to provide rolling programmes of simplification measures to reform and remove existing regulation;</li> <li>• <b>consulting with businesses and organisations:</b> an online portal has been set up (<a href="http://www.betterregulation.gov.uk">www.betterregulation.gov.uk</a>) for businesses and organisations to contribute their ideas on how regulation can be simplified; this supplements other consultation and survey work. External input is essential to the better regulation agenda; BRE is keen to hear all views;</li> <li>• <b>rationalising the inspection and enforcement arrangements</b> for business and the voluntary and public sectors via information sharing, a risk-based approach to assessment and the merging of regulatory bodies. Over the next three years, 31 existing national regulators will be consolidated into just seven bodies and 11 public service inspectorates will be merged into four. A current review being undertaken by Richard Macrory will examine the inspection penalties regime;</li> <li>• <b>scrutinising new regulatory policy</b> to ensure that departments and regulators regulate only when necessary and those new proposals are proportionate and evidence based, so that the net burden on business is not increased;</li> </ul>

- **speeding up the legislative process** via the Legislative and Regulatory Reform Bill in order to quickly deliver much sought-after reductions in unnecessary red tape and to reduce the bureaucracy surrounding the transposition of EU obligations into UK law;
- **driving forward the better regulation agenda in Europe**, building on the significant progress made during the UK Presidency of the EU in 2005. The BRE is also taking forward the Davidson Review, which will look at the implementation of European regulations and the possible 'goldplating' – or over-implementation – of EU legislation; and
- **listening to the recommendations of the Better Regulation Commission**, which provides independent advice on new regulatory proposals and the Government's overall regulatory performance.

As a result, the current technical note is out of date, as it does not reflect the breadth of the work in the BRE and hinders our ability to live and breathe the new values. In particular, the current performance indicators' focus on process rather than outcomes does not fit with the BRE's drive to make a difference that is felt on the ground. Table 1 sets out progress against current measures and, in detail, the rationale for change of the current performance measures.

**Table 1: Progress against current measures for Target 3**

<b>Current performance measure</b>	<b>Current progress against this measure</b>
<ul style="list-style-type: none"> <li>• <b>Delivery of the Regulatory Reform Action Plan</b> (published in December 2003) measured by progress towards a target of over 600 deregulatory and simplification measures affecting the public and private sector by the end of 2007–08. To be measured by periodic snapshots.</li> </ul>	<ul style="list-style-type: none"> <li>• The <i>Regulatory Reform Action Plan</i>, published in December 2003, contains over 670 simplification and deregulatory measures, of which over 400 have now been completed. The departmental simplification plans include over 500 additional simplification and deregulatory measures.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Number of Regulatory Reform Orders</b> (RROs) measured by progress towards a total of 75 Regulatory Reform Orders by the end of 2007–08. To be measured by annual surveys.</li> </ul>	<ul style="list-style-type: none"> <li>• Twenty-seven of the 30 RROs laid before Parliament have been delivered to date.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Maintaining Regulatory Impact Assessment (RIA) compliance levels</b> at 95% or higher. To be measured twice a year and announced by a written Ministerial statement.</li> </ul>	<ul style="list-style-type: none"> <li>• The departments continue to achieve full compliance with this target, maintaining a rate of close to 100% over the last four to five periods assessed. The RIA Command Papers covering the period from July 2005 to June 2006 were published on 14 December 2006.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Compliance with the Code of Practice on Consultation</b> measured against a target of over 75% of formal consultations being for a minimum of 12 weeks. To be measured annually by survey and details placed on the Cabinet Office website.</li> </ul>	<ul style="list-style-type: none"> <li>• Over 75% of government consultations are more than 12 weeks in length. The last available data indicates a compliance rate of 80%.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>International comparisons.</b> UK to remain well placed in international comparisons of regulatory burdens and regulatory reform, e.g. as carried out by the Organisation for Economic Co-operation and Development (OECD)/International Monetary Fund (IMF)/World Bank. To be measured by periodic surveys.</li> </ul>	<ul style="list-style-type: none"> <li>• The OECD <i>Economic Survey of the United Kingdom 2005</i> (12 October 2005) ranked the UK top among the G8 countries and second among all OECD countries for liberal product market regulation.</li> <li>• The World Economic Forum's <i>Global Competitiveness Report 2006–2007</i> (26 September 2006) placed the UK sixth in the EU and tenth out of 117 countries in terms of their Growth and Competitiveness Index (GCI).</li> <li>• The World Bank's study of 155 countries – <i>Doing Business in 2007</i> (September 2006) – placed the UK first in the EU and sixth in the world for the best business conditions.</li> <li>• The Heritage Foundation's <i>Index of Economic Freedom</i> (January 2005) placed the UK sixth out of 161 countries in terms of economic freedom.</li> </ul>

<b>Target 4</b>	<b>Element 1:</b> increase voluntary and community engagement, especially amongst those at risk of social exclusion.
<b>Progress</b>	On course.
<b>Commentary</b>	<p>'Social exclusion' is a shorthand term for what can happen when people or areas suffer from a combination of linked problems, such as unemployment, poor skills, low incomes, poor housing, high-crime environments, bad health and family breakdown.</p> <p>Voluntary activity by individuals includes both informal volunteering (giving unpaid help to an individual who is not a member of the family) and formal volunteering (giving unpaid help to groups, clubs or organisations). These are measured using the biennial Home Office Citizenship Survey.</p> <p>This target covers people with no qualifications (11 million people in England), people from black and minority ethnic communities (3 million in England) and people with disabilities or limiting long-term illnesses (6 million in England). Volunteering in this group (15.5 million people in total) is measured as those who have volunteered at least once a month in the 12 months prior to interview. Evidence from the Citizenship Survey shows that these are the groups, among all of those at risk of social exclusion, who are least likely to volunteer.</p> <p>A series of measures and programmes led by the Office of the Third Sector is helping deliver this target, including the Volunteering for All and Goldstar programmes, which are both targeted exclusively at adults at risk of social exclusion. Taken together, they represent an £8 million investment by government. Both are funding exemplar volunteering projects, although Volunteering for All includes additional work to create awareness-raising campaigns targeted at excluded communities and Goldstar has a special focus on the dissemination of good practice in volunteer management in excluded communities.</p> <p>In addition to these programmes, there is now a Local Area Agreement target to require local authorities to increase the number of volunteers in their local area, with financial incentives to help them prioritise adults who are socially excluded. OTS is working with the Department for Communities and Local Government (DCLG) and Government Offices for the Regions to ensure that this target is taken up by local authorities. The Cabinet Office has also established a network of strategically funded third sector organisations, selected in part for their record in working with excluded communities as volunteers in addition to their ability to influence the national volunteering debate. Funding for these partners began in April 2006, and will continue for between three and five years.</p>

<b>Target 4</b>	<b>Element 2:</b> the capacity and contribution of the voluntary and community sector to deliver more public services.
<b>Progress</b>	On course.
<b>Commentary</b>	<p>Element 2 of Target 4 reflects the work of the Partnerships and Delivery Unit in the OTS. It is measured on the basis of the findings of the State of the Sector Panel (see Technical Note in Section 3), the latest results from which show that median funding from the Government increased by 17% between 2003 and 2004.</p> <p>In order to ensure that the target can be met in a sustainable way, the OTS has taken forward a number of key areas of work. It has:</p> <ul style="list-style-type: none"> <li>• published <i>Partnership in Public Services: an action plan for third sector involvement</i>, prepared over the last year jointly with five significant delivery departments. The OTS will be working over the coming year to co-ordinate implementation of the action plan;</li> <li>• worked closely with the DCLG on the preparation of the Local Government White Paper, particularly its chapter on the third sector. We will be assisting DCLG over the coming year to implement our commitments;</li> <li>• formed a core part of the joint OTS–HM Treasury local authority pathfinder project, the report of which is due to be published shortly;</li> <li>• appointed the first Commissioner for the Compact and secured a chief executive for the Office of the Commissioner. Over the coming year, we will be working with the Commissioner and his office as it is formally launched and develops its first corporate plan; and</li> <li>• jointly sponsored a Beacon Council theme on working with the third sector locally.</li> </ul>

## Section 3

### SR 2004 PSA Technical Notes

PSA target	Technical Note
<p><b>Target 1.</b> Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. This is a joint target with HM Treasury.</p>	<p>Departments are responsible for delivering their individual 2002 Spending Review (SR 2002) Public Service Agreement (PSA) targets.</p> <p>The success of HM Treasury (HMT) and the Cabinet Office's Delivery Unit (DU) in meeting their joint PSA target is measured by the percentage of PSA targets assessed as met by departments.</p> <p>Data on whether departmental PSA targets have been met is provided by departmental assessments, and collated to establish the level of progress against all departmental targets. This is the key measure for HMT/DU performance against their joint PSA target. The data systems underlying performance against PSA targets are externally validated.</p> <p>The data underlying this PSA target depends on the collation of the data of the other PSA targets to which this target refers.</p>
<p><b>Target 2.</b> By April 2008, work with departments to build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership, skills and diversity.</p> <p>On diversity, meeting the specific targets:</p> <ul style="list-style-type: none"> <li>• 37% women in the Senior Civil Service (SCS);</li> <li>• 30% women in top management posts (Pay Bands 2, 3 and Permanent Secretaries);</li> <li>• 4% ethnic minority staff in the SCS;</li> </ul>	<p>Success against this target will be measured by:</p> <p>Progress on improving leadership, skills and diversity across the Civil Service as a whole:</p> <p>There are key measures for the reform of the Civil Service as a whole. These measures will focus on the human capacity of the Civil Service. In addition, key departments will show progress through their Performance Partnership Agreements (PPAs).</p> <p>The ultimate outcome for improving leadership, skills and diversity will be manifested through improved delivery of the Government's priorities and programmes. But progress for this target will be assessed through a mix of quantitative and qualitative measures.</p> <p>Improved perceptions of leadership and skills levels will be measured and captured through staff survey information. A Service-wide Senior Civil Service (SCS) survey on leadership and skills was conducted in autumn 2004 to gather baseline data from across the Service. We propose to collect comparable data in 2006 and 2008 to track progress on specific measures, and benchmark results with other high-performing organisations. We are currently analysing results and will use key measures to help inform progress.</p>

PSA target	Technical Note
<ul style="list-style-type: none"> <li>• 3.2% disabled staff in the SCS; and</li> <li>• in the longer term, work to ensure that the Civil Service at all levels reflects the diversity of the population.</li> </ul>	<p><b>Leadership</b></p> <p>The SCS database collects quantitative information each April on the Service's leadership cadre. Figures from the annual collection will help track progress on improving leadership, skills and diversity. These include turnover/refreshment, more active management and flexibilities, professionalism and skills and diversity.</p> <p><i>Turnover/refreshment</i></p> <ul style="list-style-type: none"> <li>• Turnover in the SCS has remained steady up to 2002–03 at around 8% (leavers replaced/stock). The longer-term aim is to increase turnover to 12% (which external benchmarking suggests reflects the level of turnover in healthy organisations). We expect the commitment to more active management of exits to increase turnover levels to around that level by 2005–06. The expected impact of changes to SCS Normal Retirement Age, when they are introduced in 2006, is for turnover to reduce, but to return to 12% in the longer term.</li> <li>• About half of all vacancies in the SCS are filled via open competition. The aim will be to maintain this proportion of competition to fill vacancies through to 2008 and have no drop-off when efficiency cuts take place and pressures for internal job-filling mount.</li> </ul> <p><i>More active career management and flexibilities</i></p> <ul style="list-style-type: none"> <li>• The aim for the norm for length of postings in the SCS is 4 years, to ensure organisational and individual refreshment. This will be measured via the SCS database through data on agreed end date of posts, and an average of 4 years' completed duration in post for members of the SCS who move (April 2003 baseline minus median length of time in completed post equals 3.3 years).</li> <li>• An increase in the proportion of senior civil servants who have experience working outside the Service of more than 12 months. As at April 2004, the SCS database showed that 40% of members had some experience of working outside the Service of more than 12 months.</li> <li>• The expected impact of action to ensure more active career management is an increase in the proportion of the SCS working a flexible pattern by 2008. As at April 2004, 4.6% of all SCS staff worked a flexible pattern (part-time/job share; based on those with a known working pattern).</li> </ul> <p><b>Professionalism and skills</b></p> <p>Improvements in leadership also depend on improved professionalism and skills in the SCS and across the whole Civil Service. In order to provide us with some intermediate measures of the success of the Professional Skills for Government programme, the Cabinet Office will continue to collect relevant quantitative data on the SCS, through the SCS database collection. We will be seeking:</p> <ul style="list-style-type: none"> <li>• an increase in the proportion of senior civil servants with a professional qualification (April 2004 baseline data indicates that 36% of members had a professional qualification); and</li> <li>• a reduction in the proportion of staff with unknown specialism (i.e. increased proportion of staff identify with a professional career grouping, as defined by the improving professionalism programme). April 2004 data indicated that 27% of members had their specialism recorded as 'Not Known'.</li> </ul>

PSA target	Technical Note
	<p>We are also developing other ways of collecting quantitative data on skills levels in the Service as a whole, including resource spent on development and levels of qualification outside the SCS.</p> <p>The Service-wide SCS survey distributed in autumn 2004 will be repeated every two years, and will measure improvements in the number of staff qualified in, or able to demonstrate, the core business skills (list to be confirmed in spring 2005 but likely to cover people management, finance management, Project and Programme Management (PPM), organisational design/change management, strategic thinking, communications and marketing, and analysis and use of evidence).</p> <p><b>Diversity</b></p> <p>A more diverse Civil Service will also be a more effective Civil Service. This will be measured through progress, by 2008, towards targets of:</p> <ul style="list-style-type: none"> <li>• 37% women in the SCS;</li> <li>• 30% women in top management posts (pay Bands 2, 3 and Permanent Secretary);</li> <li>• 4% ethnic minority staff in the SCS; and</li> <li>• 3.2% disabled staff in the SCS.</li> </ul> <p>The baseline for these targets is October 2003 data from the SCS database. These baseline levels are:</p> <ul style="list-style-type: none"> <li>• 27.5% women in the SCS;</li> <li>• 23.9% women in top management posts (Pay Bands 2, 3 and Permanent Secretary);</li> <li>• 2.4% minority ethnic staff in the SCS; and</li> <li>• 2.1% disabled staff in the SCS.</li> </ul> <p>As of October 2003, the SCS consisted of 3,852 staff.</p> <p>The definition used for disability is consistent with that in the Disability Discrimination Act 1995, i.e. 'a physical or mental impairment that has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities.'</p> <p>Further information about the act may be found on <a href="http://www.drc-gb.org">www.drc-gb.org</a></p> <p>Minority ethnic staff are considered to be those whose chosen ethnic group is numerically a minority in the UK, essentially those who selected categories other than 'white' compared to the majority group.</p> <p>Figures on these groups in the SCS will be collected, using the SCS database, every six months and progress reports published. The published figures will set out:</p> <ul style="list-style-type: none"> <li>• women SCS as a proportion of all SCS staff;</li> <li>• women in top management posts as a proportion of all staff in top management posts;</li> </ul>

PSA target	Technical Note
	<ul style="list-style-type: none"> <li>• known disabled staff in the SCS as a proportion of all senior civil servants whose disability status is known;</li> <li>• known ethnic minority staff in the SCS as a proportion of all senior civil servants whose ethnicity is known;</li> <li>• progress that individual departments make on improving leadership, skills and diversity (as shown by progress against those sections of Performance Partnership Agreements); and</li> <li>• Performance Partnership Agreements (PPAs) are agreed between 18 major departments and the combined centre of government (the Cabinet Office, HM Treasury and No 10). They provide another key tool to monitor the progress that is being made in individual departments against this PSA target.</li> </ul> <p>Each department sets out in its PPA the top priority actions it needs to take to strengthen its own capacity to deliver the Government's objectives. This includes the department's programme to strengthen its leadership, skills and diversity, alongside many other areas of reform such as organisational restructuring, ensuring professionalism support functions, and achieving internal efficiency targets. PPAs specify the key outcomes to be achieved, the actions to be taken to achieve them, and the basket of indicators through which progress towards that goal will be measured. These indicators are tailored to departments' individual priorities and circumstances.</p> <p>Individual departments are responsible for delivering their own PPAs. The role of the Cabinet Office is to:</p> <ul style="list-style-type: none"> <li>• agree the content of PPAs, involving others in the centre of government (No 10 and Treasury);</li> <li>• challenge departments to ensure that their proposals are sufficiently ambitious; and</li> <li>• work with departments to monitor whether progress is on track.</li> </ul> <p>Progress against the agreed actions set out in PPAs will be measured through regular self-assessment, validated by the combined centre of government, which will focus on:</p> <ul style="list-style-type: none"> <li>• whether agreed outcomes are on track for delivery; and</li> <li>• the extent of improvement in a balanced set of performance indicators agreed with each department.</li> </ul> <p>Note: The <b>Performance Partnership Agreements</b> are being replaced by the <b>Capability to Deliver Reviews</b> announced by Sir Gus O'Donnell on 13 October 2005. Piloted from the end of this year, these reviews will involve experts from a range of backgrounds within and outside the Civil Service. They will focus on assessing how well equipped departments are to deliver against today's priorities and rise to the challenge of tomorrow. Areas to be reviewed will include leadership, customer and stakeholder engagement, strategic capability and HR management. Following the review, each department will agree an action plan for improvement with the Cabinet Secretary, which will be rigorously monitored and updated.</p>

PSA target	Technical Note								
	<p><b>Current Technical Note</b></p> <p>The PSA target for SR 2002 has been continued in relation to delivering the commitments of the Regulatory Reform Action Plan (RRAP) including a change of 60 Regulatory Reform Orders (RROs) by 2005 to 75 RROs by 2007–08. Proposals for facilitating the delivery of RROs were issued as part of a consultation in July 2005, <i>A Bill for Better Regulation: Consultation Document</i>. The Cabinet Office will be assessing the responses to this consultation before bringing forward measures to amend the 2001 Regulatory Reform Act.</p> <p>The Better Regulation Executive (BRE) collects information on regulatory proposals from departments through Regulatory Impact Assessments (RIAs). It is a requirement that RIAs should be produced to inform the policy-making process. The following shows the different stages of the RIA according to the stage of policy development.</p>								
	<table border="1"> <thead> <tr> <th data-bbox="589 923 711 956">RIA</th><th data-bbox="711 923 922 956">Initial RIA</th><th data-bbox="922 923 1133 956">Partial RIA</th><th data-bbox="1133 923 1319 956">Final RIA</th></tr> <tr> <th data-bbox="589 956 711 1019">Policy development</th><th data-bbox="711 956 922 1019">Risk identified</th><th data-bbox="922 956 1133 1019">Consultation on options</th><th data-bbox="1133 956 1319 1019">Measures introduced</th></tr> </thead> </table>	RIA	Initial RIA	Partial RIA	Final RIA	Policy development	Risk identified	Consultation on options	Measures introduced
RIA	Initial RIA	Partial RIA	Final RIA						
Policy development	Risk identified	Consultation on options	Measures introduced						
	<p>Quantitative compliance is measured by taking a snapshot of the number of RIAs available alongside public consultations on proposed regulation. Consultation methods include Green Paper and White Paper consultations. Post-consultation includes draft regulations or bills, Parliament, issue guidance, and implementation.</p> <p>BRE also works to improve the quality of RIAs by identifying and addressing generic or systematic weaknesses and supporting departments as they rise to the challenge of delivering a visible change in the approach taken to regulation. BRE reviews a sample of RIAs on a quarterly basis in order to specifically do this.</p> <p>The National Audit Office continues to carry out annual retrospective reviews of a sample of completed impact assessments. The qualitative measurement of compliance is done by assessing the RIA against a set of nine indicators of quality. These are: purpose, risk, options, cost and benefits, equity, small business, consultation, compliance review and recommendation.</p> <p>The 2004 Budget announcement set out arrangements for strengthening the scrutiny of major regulatory proposals based on a thorough RIA that is submitted to a Cabinet Committee called the Panel for Regulatory Accountability. In scrutinising all new regulatory proposals that impose a major cost on business, the Panel provides a rigorous mechanism through which the quality of the regulations it approves is enhanced.</p>								

PSA target	Technical Note
	<p><i>Compliance with consultation code</i>  The Cabinet Office Code of Practice on Consultation sets out the basic principles for conducting effective government consultations for a new policy or if new regulation is planned.</p> <p>Compliance with the code is measured every year and is reported in the Annual Report on Consultation. The Cabinet Office has an objective to spread best practice on consultation policy across Whitehall, including ensuring that over 75% of relevant consultations are more than 12 weeks in length by the end of 2004–05.</p> <p><i>UK's international standing</i>  The World Bank, OECD, the World Economic Forum, the Heritage Foundation, the IMF and KPMG have all conducted surveys on the UK's competitiveness, barriers to competition, regulatory environment and business environment.</p>
<p><b>Target 3.</b> By April 2008, ensure departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors.</p>	<p><b>Revised Technical Note</b></p> <p><i>The new performance measures</i>  The new performance measures will drive forward the BRE's work in achieving real progress in the costs of regulation and the international performance of the UK's regulatory environment. The inclusion of a measure of business perception reflects a recognition that business acceptance of necessary regulation has an important part to play in making regulation smarter and making it work for everyone. The new framework will therefore be based around three measures.</p> <p><b>1. Overall administrative burden.</b> The overall administrative burden will be reduced by 25% within the framework of departmental simplification plans by 2010. The administrative burdens exercise in 2005–06 measured the cost of regulations across 19 government departments and agencies that impose administrative burdens.<sup>1</sup> The baseline figures of May 2005 will be published in departments' 2006 simplification plans. The administrative burdens are classified into categories A, B and C:</p> <ul style="list-style-type: none"> <li>A. Data requirements that are exclusively and completely a consequence of EU rules and other international obligations. The international rules describe which information businesses have to produce.</li> <li>B. Data requirements that are a consequence of EU rules and other international obligations. The purpose will be formulated in the international rules, while implementation (including formulation of the specific data requirements) will be left to the member states. The international rules do not describe which information businesses have to produce.</li> <li>C. Data requirements that are exclusively a consequence of rules formulated at national level.</li> </ul> <p>The majority of government departments have agreed a target of a 25% reduction in their administrative burdens by 2010 for the total of categories A, B and C. Some have set targets only for the total of categories B and C and/or over a slightly longer period.</p>

<sup>1</sup>NB: this exercise excludes the Financial Services Authority (FSA) and HM Revenue and Customs.

PSA target	Technical Note
	<p>The performance measure will be that departments will be on target to deliver a 25% reduction by 2010 in the cumulative total of administrative burdens for the 19 departments and agencies including all categories.</p> <p>Annual departmental simplification plans will monitor the reductions achieved and set out the future actions planned to contribute to the target. The Better Regulation Executive (BRE) will continue to work with departments to bring forward simplification ideas and facilitate a reduction in administrative burdens.</p> <p><b>2. International standing.</b> The UK wants to remain well placed in international comparisons of regulatory burdens and regulatory reform, defined as remaining within the top 10 internationally and within the top three in the EU based on the following surveys:</p> <ul style="list-style-type: none"> <li>• the World Bank Doing Business survey (published annually); and</li> <li>• OECD Structural Policy Indicators and Priorities for 'product market regulation' and 'barriers to entrepreneurship' (on the basis of surveys carried out in the OECD publication <i>Going for Growth</i>).</li> </ul> <p>BRE will work with departments to ensure that the sum total of changes to the regulatory environment does not impact negatively on our performance against these indicators.</p> <p><b>3. Business perception of regulation.</b> The success of regulation in improving outcomes depends in part on the acceptance by business of the purpose of regulation. Business perception of the proportionality of regulation is also a sound test of how regulations have been designed and are being implemented on the ground.</p> <p>This performance measure will be based on an improvement in the results of an annual National Audit Office survey on business perception. This will involve surveying 2,000 businesses with a baseline to be provided in April 2007 after a piloting of the questionnaire in late 2006. The survey will measure the extent to which businesses understand the purpose of regulation, the ease of compliance and the perceived fairness and proportionality of the regulations. It will be based on performance against a basket of the policy areas that were the most important in the administrative burdens exercise, e.g. employment law, health and safety law, consumer protection.</p> <p>Including this measure into the BRE's performance framework reflects the importance of business perception as a focus for ongoing work to 2008 and beyond. This will encourage BRE efforts to be directed in policy terms to the main irritants for business and help drive culture change for the implementation of regulation.</p>
<b>Target 4.</b> Increase voluntary and community engagement, especially amongst those at risk of social exclusion.	<p>The target has two elements:</p> <ul style="list-style-type: none"> <li>• increasing voluntary activity by individuals at risk of social exclusion; and</li> <li>• increasing the capacity and contribution of the voluntary and community sector to deliver more public services.</li> </ul> <p>The target will have been met if both elements are achieved.</p>

PSA target	Technical Note
	<p><b>Element 1: Voluntary activity by individuals at risk of social exclusion</b></p> <p><i>Definitions and measurement systems</i></p> <p>'Social exclusion' is a shorthand term for what can happen when people or areas suffer from a combination of linked problems, such as unemployment, poor skills, low incomes, poor housing, high-crime environments, bad health and family breakdown.</p> <p>Voluntary activity by individuals includes both informal volunteering (giving unpaid help to an individual who is not a member of the family) and formal volunteering (giving unpaid help to groups, clubs or organisations). These are measured using the biennial Home Office Citizenship Survey.</p> <p>This target covers people with no qualifications, minority ethnic groups and people with disabilities. Volunteering in this group is measured as those who have volunteered at least once a month in the 12 months prior to interview. Evidence from the Citizenship Survey shows that these are the groups, among the socially excluded, who are least likely to volunteer.</p> <p><i>Baseline</i></p> <p>The baseline period is 2001.</p> <p><b>Element 2: The capacity and contribution of the voluntary and community sector to deliver more public services</b></p> <p><i>Definitions and measurement systems</i></p> <p>The voluntary and community sector is defined as organisations that carry out community activities in their own right. Public services are services wholly or partly funded by government.</p> <p>The capacity of the voluntary and community sector to deliver more public services is measured using an index from the State of the Sector Panel survey. The index combines the following elements:</p> <ul style="list-style-type: none"> <li>• the median number of employees (paid members of staff including secondees);</li> <li>• the median number of volunteers (people who give time unpaid except for reimbursement of expenses); and</li> <li>• median total government funding (all payments from central government departments, their regional bodies, non-departmental public bodies, local authorities, learning and skills councils, the European Union. Funding includes grants and via contracts but excluding housing benefit, rate relief and goods/services in kind but excludes funding from the National Lottery). In the case of housing associations, an adjustment is made to reflect the value of core social housing services.</li> </ul> <p>The Panel consists of a set sample of 5,600 voluntary and community organisations that reflect the diversity of the voluntary and community sector in England. Information on Panel members' activities and resourcing is collected after organisations have finalised their annual accounts.</p> <p><i>Baseline</i></p> <p>The baseline period is 2002–03 (data for which was collected in 2003–04), the first year that the survey ran.</p>

## Section 4

### SR 2002 PSA targets – outstanding issues

<b>SR 2002 Target 3</b>	Ensure departments meet the Prime Minister's targets for electronic service delivery by Government; 100% capability by 2005, with key services achieving high levels of use.
<b>Progress</b>	Analysis of the final data from departments is currently being undertaken and the results will be published in early 2007.
<b>Commentary</b>	The electronic services delivery PSA target includes the requirement to achieve capability by 2005. Departments had forecast that 96% of services would be e-enabled by the end of the SR 2002 period. Results from the survey of departments at the end of the period show that 92% of services met the target. The full report is being finalised and will be published early in 2007.
<b>SR 2002 Target 4</b>	Ensure that the Civil Service becomes more open and diverse, by achieving by 2004–05 the agreed targets of: <ul style="list-style-type: none"> <li>• 35% of the Senior Civil Service (SCS) to be women;</li> <li>• 25% of the top 600 posts to be filled by women;</li> <li>• 3.2% of the SCS to be from ethnic minority backgrounds; and</li> <li>• 3% of the SCS to be people with disabilities.</li> </ul>
<b>Progress</b>	The final status of this target was that it was <b>partly met</b> .
<b>Commentary</b>	The Civil Service delivered its targets for the number of women in top management positions and for ethnic minority employees. It also made steady progress towards, but did not meet, its challenging SCS women and disabled people employment targets. April 2005 data showed that: <ul style="list-style-type: none"> <li>• 29.1% of the SCS were women, an increase from 17.8% in 1998. The target has been a challenging one, although the percentage of women in the SCS rose for the sixth consecutive occasion since April 2002;</li> </ul>

- 25.5% of those in the very top management positions were women, an increase from 12.7% in 1998. This included three women at Permanent Secretary level at April 2005. The Civil Service has exceeded its 2005 target by more than doubling its numbers of women in top management posts since 1998;
- 3.5%\* of staff at SCS level were from ethnic minority backgrounds, up from 1.6% in 1998. The Civil Service has met its 2005 target by doubling its numbers of black and minority ethnic staff in the SCS since 1998; and
- 2.3%\* of staff at SCS level were disabled, an increase from 1.5% in 1998.

\* These figures are sourced from the Civil Service April 2005 data collection and represent the vast majority of staff in SCS-level posts.

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

## Section 5

### Efficiency programme

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

- **save £25 million in annual efficiencies by the end of 2007–08 (3% per annum);**
- **relocation of 250 posts outside London and the South East by 31 March 2008; and**
- **a headcount reduction of 150 posts.**

The Cabinet Office is continuing to make genuine efficiencies through a range of measures designed to improve, as well as make more cost-effective, its back office and procurement systems. This is being combined with a systematic refocusing of external effort, informed by direct measurement of customer/stakeholder perceptions on the added value of our activities. A number of individual projects and activities have been identified that will either directly deliver efficiencies or will enable efficiencies to be delivered further downstream.

The table below sets out our current estimates of the level of efficiency gains that the Cabinet Office anticipates securing from each area by March 2008. This represents current planning assumptions. The expected gains from work streams are not targets in themselves but contribute to our overall target. Proportioning of savings between years, activity and work stream may be adjusted as project business cases and plans develop.

#### Efficiency gains by area

Area	£m
Corporate services	4.3
Improved procurement	14.5
Building a leaner and more efficient centre of government	5.6
Estate consolidation	0.6
Total	25.0

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

<b>Progress</b>	<p>A number of the projects making up the Efficiency and Relocation Programme are enabling projects that will enable efficiencies further downstream. Highlights of what has been achieved so far include:</p> <ul style="list-style-type: none"> <li>• Savings amounting to £0.77 million have been achieved through challenging requirements by a central procurement team, and negotiating better rates for new and existing contracts.</li> <li>• Savings of £2.6 million have been achieved on a range of items, including IT and property maintenance. Analysis of spend undertaken is continuing to help identify scope for additional efficiencies.</li> <li>• New corporate arrangements for agency staff for general management, clerical and secretarial roles using a collaborative framework were piloted in May 2006 and rolled out from September 2006. Along with other efficiencies in the use of temporary staff, this has so far achieved savings of almost £1 million.</li> <li>• Other procurement improvements, such as the use of the Government Procurement Card, use of Office of Government Commerce (OGC) Buying.solutions (procurement services organisation) and a range of front-line support services, have released efficiency savings of over £7 million.</li> </ul>
<b>Ongoing projects</b>	<p><b>Improved procurement.</b> The Investment and Procurement Team was created to improve investment decision-making and strengthen project, programme and procurement capability in the Cabinet Office. This has now implemented some new procurement processes and further delivery will continue. The processes are currently reporting savings of £8 million up to the end of 2006.</p> <p><b>Information and communication technology (ICT).</b> The Cabinet Office has negotiated changes to the scope and pricing of IT services with its current IT service provider, resulting in efficiency gains of £2.5 million per annum. The Cabinet Office is also developing a project to put in place a new IT services contract from April 2007 and further efficiencies may be delivered as a result during the coming year.</p> <p><b>Communications.</b> Further efficiency savings will be delivered by the Better Internet Project, which has unified more than 60 existing websites managed across the Department into a single, high quality, coherent, user-focused and user-friendly site. This has already realised savings of over £130,000.</p> <p><b>Estate consolidation.</b> Building rationalisation is hoping to release savings of over at least £0.6 million by March 2008.</p> <p><b>Relocation.</b> To date, a total of 34 posts, from the e-Government Unit (now the Transformational Government Unit) and support functions, have been relocated from London to Birchwood Park in Warrington. A further seven posts have been relocated through the transfer of the Personnel Statistics Team from the Corporate Development Group in London to the Office for National Statistics in Newport.</p> <p>We have recently undertaken a review, jointly with OGC, of our ability to meet our relocation target. The review recognised that the Cabinet Office has made serious efforts to achieve its target. It concluded that due to the changes in the structure and function of the Cabinet Office since the Lyons Report was published in 2004 that the current opportunities for further relocations from the Department are limited. The report recommended that the business cases for a few units are re-examined.</p> <p><b>Reduction of Civil Service posts.</b> In taking forward the Cabinet Secretary's aim to make the Cabinet Office more efficient and better focused on its core objectives, the Cabinet Office reports progress in reducing posts, and by 30 September 2006, 72 post reductions had been achieved; from a baseline of -100, this is reported as -28.</p>



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