

Operational Plan 2011-2015

DFID's Cabinet for Policy Division, Research & Evidence Division, and Trade Policy Unit

April 2011

Contents:		
	Introduction	1
Section 1:	Context	2
Section 2:	Vision	3
Section 3:	Results	4-5
Section 4:	Delivery and Resources	6-9
Section 5:	Delivering Value for Money	10
Section 6:	Monitoring and Evaluation	11
Section 7:	Transparency	12

Introduction

The UK Government is determined to help reduce the inequalities of opportunity we see around the world today. We believe that promoting global prosperity is both a moral duty and in the UK's national interest. Aid is only ever a means to an end, never an end in itself. It is wealth creation and sustainable growth that will help people to lift themselves out of poverty.

In May 2010, the International Development Secretary, Andrew Mitchell, commissioned the Bilateral Aid Review to take a comprehensive and ambitious look at the countries in which DFID works through our direct country and regional programmes. The review focussed on the best ways for the UK to tackle extreme poverty, ensuring that we make the greatest impact with every pound we spend. In parallel, through the Multilateral Aid Review, DFID assessed how effective the international organisations we fund are at tackling poverty.

On the 1st March 2011, the key outcomes of the reviews were announced, including the results that UK aid will deliver for the world's poorest people over the next four years. The Bilateral Aid Review has refocused the aid programme in fewer countries so that we can target our support where it will make the biggest difference and where the need is greatest. The Multilateral Aid Review findings enable us to put more money behind effective international organisations which are critical to delivering the UK's development priorities. In addition the independent Humanitarian Emergency Response Review looked at how the UK can build on its strengths in responding impartially to humanitarian needs and help ensure future disaster responses can be better prepared and coordinated.

DFID is committed to being a global leader on transparency. In the current financial climate, we have a particular duty to show that we are achieving value for every pound of UK taxpayers' money that we spend on development. Results, transparency and accountability are our watchwords and guide everything we do. DFID regards transparency as fundamental to improving its accountability to UK citizens and to improving accountability to citizens in the countries in which it works. Transparency will also help us achieve more value for money in the programmes we deliver and will improve the effectiveness of aid in reducing poverty.

The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes. The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes and other key parts of DFID's work. The Operational Plans set out the vision, priorities and results that will be delivered.

We will concentrate our efforts on supporting achievement of the Millennium Development Goals, creating wealth in poor countries, strengthening their governance and security and tackling climate change. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.

1) Context

The context for Policy Division (PD), and the context for aid, is changing. Externally, the face of poverty is changing as three quarters of the world's poor are now thought to live in middle income countries many of them with poor governance; global challenges such as climate change, fragility and resource scarcity are impacting on the poorest; and emerging global powers such as India and China are changing the way development happens and are proving critical to solving global problems. At the same time the 2015 Millennium Development Goal deadline is now squarely in our sights with many challenges remaining and increasing pressure to focus on those areas that are proving intractable e.g. maternal mortality; access to water and sanitation; access to education for girls. Global leadership is needed to push forward on these areas but the approach is changing from one of advocacy to one of leading by example i.e. demonstrating good results in bilateral programming.

Internally, the context for PD is changing too. As DFID shifts to a 0.7% (aid to GNI) organisation and increases its aid 'footprint', there is an increasing imperative for DFID to make the very best investments with its increased resources. Evaluation, value for money assessments and transparency of aid are critical to achieving this. The UK needs a policy function that is looking ahead to the policy challenges for today and tomorrow; and is at the forefront of ensuring that every penny of the UK's aid money is spent wisely and well.

Cabinet, based in PD, is the corporate support team for PD, Research and Evidence Division, and Trade Policy Unit, with PD being its main focus. It leads on planning, finance, human resources, and corporate performance. Cabinet is also affected by PD's changing context. It is more internally focused so its work will be more about changing the culture and performance of the Divisions it serves to deal with this new environment. As the three Divisions evolve, Cabinet will have to do the same. Its overall operational framework will also be about getting the best value out of the Divisions' people and money.

2) Vision

Overview

What Policy Division (PD) will do over the planning period will change. Recognising the increasing aid budget which DFID will have, PD's focus will shift much more to increasing the value for money of DFID's aid (and away from influencing the international system and other donors' aid). PD will shape, drive and deliver policy to transform poor people's lives. It will be the 'go-to' place for cutting-edge knowledge, innovation and expertise on what works/doesn't work, and how to measure impact. It will make sure knowledge, learning and innovation flows across the organisation in a way that DFID staff can absorb and enjoy.

We will use the best ideas, evidence, and analysis to:

- support the delivery of the bilateral programme through lesson learning across the portfolio; expertise on value for money, indicators and unit costs of investments; knowledge sharing and facilitation; capturing experience from innovation; delivering reviews of portfolios etc.;
- provide analysis and advice in support of Ministerial policy requests and business plan/ Structural Reform Plan priorities;
- continue (but devote less staff time to) to promote change internationally and in international organisations by helping develop HMG policy positions for the G20, G8, international summits, and climate negotiations; and coordinating actions and policy positions with other donors, philanthropic organisations and international bodies;
- engage in Whitehall policy discussions around aid and non aid (e.g. migration);
- build public and parliamentary support for the UK's development effort (PD answers half of all of DFID's Parliamentary Questions);
- deliver selected aid results that are better funded centrally e.g. eliminating polio and neglected tropical diseases; the international growth centre; and climate knowledge network.

Cabinet will, during the planning period, focus on ensuring the Divisions' resources (people and money) offer best value for money, with Policy Division being the main focus. It will provide a coordination role and home for initiatives which are cross-PD; stimulate PD to better absorb innovative ideas; support PD and the Divisions' Leadership Team in driving changes in the performance culture towards value for money, people management and corporate compliance; improve management of restructures in the Divisions; ensure the Development Policy Committee acts as an effective forum for setting policy direction and driving implementation; ensure DFID's corporate processes and procedures support delivery of the Divisions' business and reduce their transaction costs; be a role model for diversity and effective management.

Cabinet expects the following initiatives to end during the planning period: Olympic Legacy project (ends 2014), and the relocation of 30 posts from London to East Kilbride offices (completes December 2011).

3) Results

Headline results			
Pillar/ Strategic Priority	Indicator	Baseline (including year)	Expected Results (including year)
N/A	No. of the Divisions' reports consistently showing improved value for money in the use of programme and admin resources.	Portfolio quality score of 75%. 66% of PD staff received a structured induction	Portfolio quality maintained. Induction increases to 80% by end of SR
	No. of corporate performance standards for Policy Divisions (e.g. payment processing, financial forecasting, project documents etc.) which improve or do not get worse	15 green scores in 2010/11 Directors Statement of Assurance	15 green scores maintained.
	Reports on DFID's Development Policy Committee (DPC) show it is performing effectively.	Positive feedback from Chair	Positive feedback from Chair
	No. of Policy Division posts moving from DFID London to DFID East Kilbride	23 out of 30 in post in Feb 2011	30 staff in post by Dec 2011
	FCO and DCMS are able to better deliver results and value for money from Returns and Reintegration Fund and International Inspiration programme	2010 Some projects have weak results information	Evaluation reports comment on strong results chains
	% improvements in Divisions' staff perceptions of managing change and the reasons for it.	2010 People survey score for managing change 23% and reasons behind change 12%	Increases to 50% and 50% by end of SR

3) Results (continued)

Value for Money (VfM) rationale

The value for money considerations Cabinet have taken into account in determining the results we will achieve are:

The budget that was previously earmarked in PD and in Cabinet for **consultancy** will no longer be used for those purposes. Instead we will provide the same results for less with half of the consultancy budget being offered as an efficiency saving, and the other half redeployed as an innovation hub to bring new ideas and innovations to development spending across DFID and internationally. This should improve the ability of aid to be more effective and more transformative.

Cabinet will continue to support the Divisions to be compliant with **civil service wide** freezes (recruitment, consultancy, marketing etc.) so that the Divisions as a whole also deliver the same results with less resource. We will also continue to help the Divisions manage change, bring about efficiency savings and improve their financial forecasting.

The option of a **merger with the International Director's Cabinet** has been considered – on this it was concluded that it would be better for the two units to look at how they could achieve efficiency savings within their existing structures. Each are slightly different and cover different remits. We looked at merging just the corporate functions but these are handled by only one or two people in total. The costs in staff time taken to managing the change, together with the uncertainty this would bring to staff, outweighed the benefit of the savings.

Similar to other Departments in the Divisions, Cabinet will adopt a **neutral location recruitment policy** over the planning period. This means that any new posts in Cabinet will be advertised in both Abercrombie House and Palace Street, with the best candidate determining where the post will be located. The value for money consideration is that the cost of accommodation in Abercrombie House is lower than in Palace Street.

Cabinet will continue to identify **bureaucratic processes** that do not need doing, building on our track record in this area. Cabinet will move to a system of “spot-checking” on corporate compliance (e.g. the DSA six-monthly spot-check) rather than ongoing monitoring or comprehensive returns. Cabinet will ensure that engagement with Finance and Corporate Performance Divisions on corporate processes is at a sufficiently strategic level to minimise the burden on the rest of the Divisions and ensure their concerns are reflected in all major new corporate programmes.

4) Delivery and Resources

While Policy Division (PD) will continue to set the agenda, including for the international community, on some of the key policy themes that can have significant impact on development (climate, wealth creation, health, education, anti-corruption, fragility etc.) our delivery focus will change to be even more country-facing – with DFID country office demands increasingly shaping Policy Division's priorities and work-programmes, and Policy Division increasingly helping to improve the value for money of bilateral programming. A broad menu will include:

- facilitating the flow of knowledge and information across DFID in thematic areas which require rapid scale-up, new niche areas for DFID or with specific poor/vulnerable groups (e.g. people with disabilities).
- increasing value for money of DFID programme delivery, bringing in learning from elsewhere, advice on unit costs, benchmarking, metrics and indicators, implementing specific findings from portfolio reviews.
- capturing experience from innovation to contribute to programme design and business cases.
- shaping and strengthening UK/DFID policy which can provide a framework for action at country level e.g. elections guidance briefing and assessments of cash transfers.
- looking across the sectoral portfolio to assess the overall coherence.
- provide practical guidance to country offices to operationalise policy themes.

In exceptional circumstances, filling staffing gaps on a short term basis in high priority countries where the lack of technical capacity is threatening the ability of the country office to achieve results. These would be agreed with the PD Director.

Cabinet will fulfil this role by discussing with Regional Directors how joint working with DFID country offices should happen, mapping what is currently happening, ensuring that Operational Plans reflect sufficient resource to fulfil the role consistently across PD and then ensuring the work is taken forward quickly.

On programme resources, Cabinet's programme spending is mainly on: the FCO/UKBA/DFID/MoJ Returns and Reintegration Fund; and the Sport and Development Olympic legacy project. These are delivered by FCO and DCMS respectively and DFID contributes by transferring funds to these departments and by participating in cross-Whitehall groups to shape, monitor and evaluate their impact.

Cabinet's partners are: Directors (Policy, Research and Evidence, Trade Policy); the Divisions' staff; other government departments; think tanks (Overseas Development Institute, Centre for Global Development, International Institute for Environment and Development, Institute of Development Studies).

4) Delivery and Resources (continued)

Programme Spend

Pillar/Strategic priority	2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL	
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000
Wealth Creation											0	0
Climate Change											0	0
Governance and Security											0	0
Education											0	0
Reproductive, Maternal and Newborn Health											0	0
Malaria											0	0
HIV/Aids											0	0
Other Health											0	0
Water and Sanitation											0	0
Poverty, Hunger and Vulnerability											0	0
Humanitarian											0	0
Other MDG's											0	0
Global Partnerships			18,905		18,905		16,435		16,435		70,680	0
TOTAL	0	0	18,905	0	18,905	0	16,435	0	16,435	0	70,680	0

4) Delivery and Resources (continued)

Operating Costs

	2010/11		2011/12		2012/13		2013/14		2014/15		Total	
	FTE	£'000	FTE	£'000	FTE	£'000	FTE	£'000	FTE	£'000	FTE	£'000
Frontline staff costs - Pay											0	0
Frontline staff costs - Non Pay											0	0
Administrative Costs - Pay	12.1	989	15.1	926	14.6	902					29.7	1828
Administrative Costs - Non Pay		429		59		59					0	118
Total	12.1	1418	15.1	985	14.6	961	0	0	0	0	29.7	1946

4) Delivery and Resources (continued)

Efficiency savings

Delivering Programme Efficiencies		
Category	Details	Residual cost in the SR period £'000
Strategic Reprioritisation		
Further examples of Programme efficiency		

Administrative Cost Savings Initiative	2011/12			2012/13			2013/14			2014/15		
	FTE	PAY £'000	Non Pay £'000	FTE	PAY £'000	Non Pay £'000	FTE	PAY £'000	Non Pay £'000	FTE	PAY £'000	Non Pay £'000
Reduction in Consultancy Payments			100									
Reduction in Travel			20									
Reduction in Training			200									
Reduction in Estates & Property Costs												
Reduction in costs as a result of Office Restructuring		2	83	1	24							
Other Reductions			30									
Total	0	2	433	1	24	0	0	0	0	0	0	0

5) Delivering Value for Money (VfM)

Cabinet will lead in delivering VfM in core admin across the Divisions

PD's new business model is one where it is working jointly with country offices and bringing policy and operations closer together. It is one where a value for money culture dominates and everyone in the organisation challenges how we can be more effective and more efficient. We will travel less, invest in training but cap it in line with others across the Divisions, and reduce our consultancy budget to zero.

By consolidating the residual consultancy budgets from all departments within PD, Cabinet will ensure that the Innovation Hub will deliver more for less. This work would have, in previous years, been delivered by external consultants at a much higher cost than internal staff. The Hub will also deliver the wider DFID goal of innovating and find new and better ways of delivering policy products.

Cabinet will continue to reduce non staff costs, with a 50% overall reduction in year one. Training budgets will also be capped at a division-wide agreed level. All non staff costs will be challenged throughout the spending review period to lower per capita spend to the lowest within the Division.

The recent review of Heads of Professions allowed Cabinet to deliver savings on the professional development budget. Cadre learning events will be held in-house and therefore reduce costs. The introduction of submitting a business case for cadre events ensures that costs are driven down whilst maintaining high quality development training for cadres..

A review of staff resources has identified opportunities to reduce admin staff by equivalent of 0.5 FTE in year two.

6) Monitoring and Evaluation

Monitoring

We plan to monitor and account for the results in Cabinet's results framework of the Operational Plan every six months. We will do this by assessing progress (through a traffic lights system) and a discussion with the Policy Director. We will take account of progress and the lessons learned from these reviews as we refresh the Operation Plan each year.

Evaluation

As mentioned elsewhere in this plan, Cabinet will have a role in facilitating PD and DFID country offices to work closer together thereby bringing better value for money to bilateral aid. We will define what success would look like. And we will include in the design of the working relationship, from the beginning, a way to evaluate whether we have achieved success. We will engage with DFID's Evaluation Department for advice on how to do this.

More generally at the end of the Spending Review period Cabinet will conduct an evaluation which assesses achievements and the extent to which the results in this plan have been met.

8) Transparency

Transparency is one of the top priorities for the UK Government. We will meet our commitments under the UK Aid Transparency Guarantee: we will publish detailed information about DFID projects, including programme documents and all spend above £500. Information will be accessible, comparable, accurate, timely and in a common standard with other donors. We will also provide opportunities for those directly affected by our projects to provide feedback.

All Policy Division Departments will publish detailed information of all new programmes on the DFID website, and all contracts, and all spending over the £500 threshold. Annual project performance reporting and end of project evaluation from April 2011 will also be published. We will ensure that wherever possible, all information in the public domain is comprehensive, accessible, comparable, accurate and timely. We will also seek opportunities for feedback from those benefiting from PD programmes.

We will meet the standards set out in the International Aid Transparency Initiative (IATI) and will encourage our partners to do the same.

Cabinet will encourage all PD departments to meet their transparency commitments by including any changes in internal Corporate Update communications.