



PERFORMANCE REPORT

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Progress against Public Service Agreement (PSA) Targets

Introduction

Public Service Agreement set out each government department's aim, objectives and key outcome-based targets. They form an integral part of departments' spending plans set out in Spending Reviews, which are the means by which government makes decisions about the allocation of public funds over a three year period.

The outcome of the 2004 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. There are three new targets, which will continue to drive progress towards achieving key goals in the areas of regulatory reform, public service delivery and Civil Service capacity (incorporating leadership, skills and diversity).

SR 2002 was announced in July 2002 and established the funding available to the Cabinet Office for the period from 2003-04 to 2005-06. There are two outstanding SR 2002 targets which are being reported on for the final time.

The first assessment of performance against the three new SR 2004 targets was made in the Cabinet Office Autumn Performance Report 2005. The relationship between SR 2002 and SR 2004 targets was also explained in the Autumn Performance Report 2005 (Cm 6725) which can be found at:

www.cabinetoffice.gov.uk/publications/reports/psa/autumn_delivery/apr2005.pdf

Progress against SR 2004 PSA targets

Target 1 Improve public services by working with departments to help them meet their PSA targets, consistently within the fiscal rules. This is a joint target with HM Treasury.

Progress On course.

Commentary SR 2004 set stretching outcome-focused targets for key areas of the public services. The Treasury and the Prime Minister's Delivery Unit (PMDU) 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.

Reporting on SR 2004 targets is still at a relatively early stage, with most targets only commencing in April 2005. In the previous round of reporting (autumn 2005), for targets that were given overall summary assessments, a majority 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.

We are on course to meet the related SR 2002 target, to improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules (joint target with HM Treasury). 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 meantime, departments continue to publish ongoing progress in their departmental and performance reports. In the previous round of reporting (autumn 2005) overall summary assessments were made for a majority of PSA targets. Of those, over 80 per cent were reported to be met or on course. Progress can vary up to the point that a report for all targets is made.

The data systems underpinning the PSA target are validated by the National Audit Office (NAO).

Target 2 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.

On diversity meeting the specific targets:

- 37% women in the Senior Civil Service (SCS);
- 30% women in top management posts (Pay Bands 2, 3 and Permanent Secretaries);
- 4% ethnic minority staff in the SCS;
- 3.2% disabled staff in the SCS; and
- in the longer term, work to ensure that the Civil Service at all levels reflects the diversity of the population.

Progress On course.

Commentary Leadership indicators show steady progress. The Professional Skills for Government programme has been rolled out following its launch in October 2004 and will continue to be taken forward by Government Skills, the new Sector Skills Council for Central Government which was set up in February 2006. The Civil Service is also making good

progress towards meeting its 2008 diversity targets. 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.

A number of methods for measuring improvements in **leadership** have been identified. These include turnover, external recruitment levels, breadth of experience and perceptions. These show that progress is on course:

- external benchmarking suggests that healthy organisations typically have turnovers around 12% – turnover in the SCS during 2004–05 was 9.9%, up from 8% in 2002–03.
- the median length of time in completed post at April 2005 was 2.6 years, down from 3.3 years in April 2003. There is now an expectation of a four-year norm for SCS postings and 85% of those in post over three years have discussed the end-date for their posting with their manager (SCS Survey, January 2005).
- in 2004–05, 43% of SCS vacancies were opened up to external competition.
- at April 2005, 60% of members of the SCS had experience of working outside the Service of more than 12 months (up from 40% in April 2004)
- the first survey of SCS members' perceptions of leadership and skills was conducted between November 2004 and January 2005 to find out: what they thought about their own and colleagues' skills; the opportunities they have had to develop their own leadership and other skills; and what additional skills they feel they need. The results of the survey have given a baseline to measure progress over time. The questionnaire and narrative report of the survey are available through the Civil Service website at: www.civilservice.gov.uk.

Specific activities over the past year in support of delivering this target have included: continuing to develop the Service's approach to managing senior talent recruiting leaders from outside the Civil Service; supporting permanent secretaries in their development and creating a new programme of development for those at board level; and running the High Potential Development Scheme (now a year old), which is designed to provide tailored developmental support for SCS staff with the potential to rise quickly to board-level.

In terms of making further progress, the new National School of Government (NSG) will have a key role in delivering critical leadership development programmes. Work is taking place to ensure that these are aligned with the demands of the reform agenda; NSG are clear how leadership development programmes relate to key career stages; and that there is top management engagement in the design and delivery. This work will be informed by findings from the 'Tomorrow's Leaders' Group. In addition, the roll-out of Professional Skills for Government (see below) will raise the profile of the leadership agenda. For example the Cabinet Office has developed and promulgated the SCS leadership expectations that sit at the heart of the PSG framework.

On **skills**, the Cabinet Office consulted departments on the Professional Skills for Government Programme (PSG) in October 2004. PSG is designed to improve the delivery of services to the public by raising the skills levels (and hence performance) of individual civil servants. For the first time, the minimum Leadership Skills, Core Skills, Professional Expertise and broader experience requirements which all civil servants at Grade 7 and above need have been defined centrally.

The Civil Service Management Board signed off the framework of requirements and implementation plan in June 2005. PSG started being rolled out across departments in September 2005, when PSG was applied to all SCS recruitment and appointments; and all staff at Grade 7 and above were required to assess (with their line managers) to what extent they matched up to the PSG requirements.

Successful communication and the establishment of high quality learning and development provision has been critical to the success of PSG:

- In summer 2005, research showed that PSG achieved the highest recognition rate (over 80%) for any element of the Delivery and Reform agenda.
- The National School of Government has designed new courses at SCS and Grade 7 level for the Core Skills.

PSG is about improving the professionalism and skills of all staff and direct data on baseline Core Skill levels in the SCS will be available through 2006 (see below). In the interim, data has been tracked on qualifications and specialisms. April 2005 data from the SCS database shows:

- an increase in the proportion with a professional qualification to 40% (from 36% in April 2004);
- a substantial reduction in the proportion of staff with their specialism recorded as 'not known', from 27% in April 2004 to just 0.3%. 60% of SCS staff now have a recorded specialism. In April 2006, the focus will shift to collecting data directly linked to PSG and the expectation is that, in line with PSG, all staff will record a profession.

Action to make further progress includes:

- The SCS survey in autumn 2004 provided data on Core Skill attainment levels, but it was self-reported. In January 2006 departments provided data on attainment levels within the SCS against the six PSG Core Skills, which has been endorsed by managers. This will provide a baseline against which future progress can be measured.
- PSG will start being rolled out for all staff below Grade 7 from April 2006; in addition, PSG will start to be reflected in performance management systems from this point, and permanent secretaries will provide their first annual reports on implementation progress. (These will provide significant qualitative data.)

Further work to improve the skills of civil servants will be taken forward by Government Skills, the new Sector Skills Council for Central Government (which covers the Armed Forces as well as civil servants). This has been established as a new unit in the Cabinet Office and was set up in February 2006. Government Skills is the last of 25 Sector Skills Councils – they exist to help employers co-ordinate action to improve the skills of existing and potential future employees, and hence improve capacity to deliver. Its key functions will be to gather better information about skills gaps and shortages across the sector; and to coordinate action (on behalf of employers) to fill them.

The Civil Service is making good progress towards meeting its 2008 **diversity** targets. Representation at SCS level has increased across the board for women, women in top management positions, black and 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.

October 2005 data, published on [26 April 2006], shows that:

- 29.4% of the Senior Civil Service 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 over the last two years.
- 24.6% of those in the very top management positions are women, up from 23.9% in October 2003. This includes four women at permanent secretary level. The Civil Service is making steady progress towards meeting its 2008 target.
- 2.9% of staff at Senior Civil Service 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.
- 2.8% of staff at Senior Civil Service level are disabled, up from 2.1% in October 2003. During that period small changes to the numbers of SCS disabled has meant that the proportion of disabled SCS has been subject to some fluctuation. Actions are being prioritised to accelerate progress on disability disclosure rates as well as improve the quality of responses.

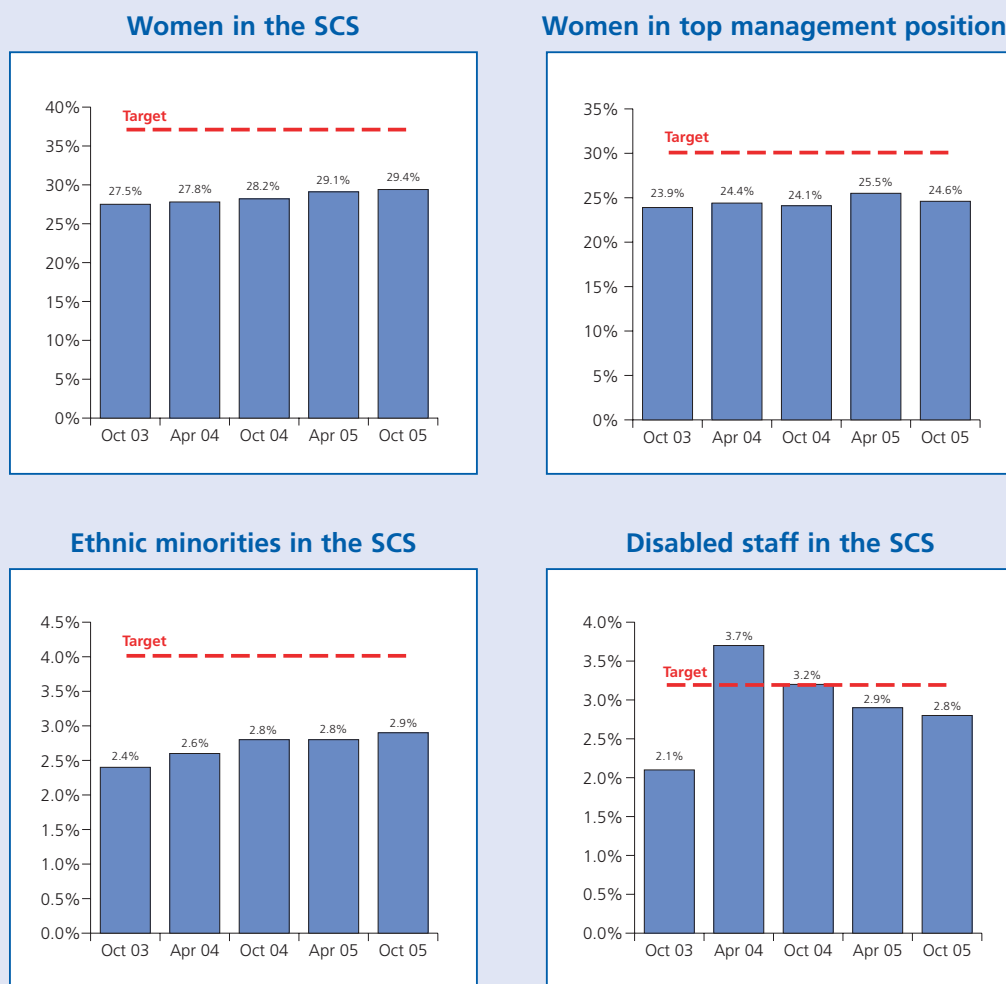
All targets and statistics for the SR 2004 targets use figures from the SCS database to ensure consistency of measurement across the four targets.

Action to make further progress includes:

- successfully launching a new *10-Point Plan on Delivering a Diverse Civil Service*: aimed at meeting PSA 2008 diversity targets and improving diversity representation at all employment levels within the Service;
- new 2008 departmental diversity targets and delivery plans: departments have set challenging 2008 targets for both SCS and SCS feeder grades, supported by robust delivery plans integrated into business planning;

- building on Civil Service Diversity Champions’ Network progress: strengthening sub-group work on driving the pace of change on diversity; and
- running corporate development programmes to bring on talent from under-represented groups: staff with high potential will be selected for corporate programmes to develop black and minority ethnic staff, disabled staff and women for the Senior Civil Service.

Figure 1: Progress against SR 2004 PSA target 2



Source: SCS database

Target 3 By April 2008 ensure departments deliver better regulation and tackle unnecessary bureaucracy, in both the public and private sectors.

Progress Broadly on course.

Commentary The Cabinet Office is making good progress in achieving its PSA target on delivering better regulation and reducing unnecessary bureaucracy in the public and private sector. The improvement in the quality of the regulatory process, registered in last year’s report has been sustained, with virtually every government proposal that goes out to consultation having a Regulatory Impact Assessment. Over three-quarters of government consultations are more than 12 weeks in length. 27 of the 30 Regulatory Reform Orders (RROs) laid before parliament have been delivered to date. The Regulatory Reform Action Plan,

published in December 2003, contains over 670 simplification and deregulatory measures of which over 400 have now been completed. As part of the BRE's simplification and administrative burden reduction agenda, departments are now producing updated simplification plans identifying proposals that will supersede the Regulatory Reform Action Plan. Specific RRAP measures will be incorporated in these plans where appropriate. The most recent surveys indicate that the UK remains very well placed in international comparisons of regulatory burdens and regulatory reform.

Progress against the outstanding SR 2002 PSA Targets

Target 3 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.

Progress A survey and data collection exercise will be undertaken at the end of the target period to support a final assessment against the target.

Commentary **e-Enabling services**

The electronic services delivery PSA target includes a requirement to achieve 100% capability by 2005. Departments have forecasted that 96% of services would be e-enabled by the end of the SR 2002 target period. This will be verified by a survey.

Achieving High Levels of Use

The APR extensively reported progress on achieving high levels of use and reported that departments were on-course to meeting this target. A final assessment will in due course.

Target 5 Improve public services by working with departments to redesign services around the needs of customers and embed the four principles of public service reform, with progress measured by survey evidence.

Progress Met.
Note: the reporting period for PSA target 5 as part of SR 2002 ended in April 2006.

Commentary A number of Cabinet Office units are working with departments to drive forward the reform agenda. For example:

- The Prime Minister's Strategy Unit has been working on a range of public service design issues from cross-cutting ones such as choice and contestability, to work on individual services, such as schools, further education and health and social care. Other Cabinet Office units are also driving forward the reform agenda.
- the e-Government Unit has been consulting on a strategy, an element of which, is to ensure that services enabled by IT are designed around the citizen to improve the customer experience and increase efficiency.
- the Government Communication Group is responsible for Charter Mark, the Government's national standard for excellence in customer service, which is used by many public service organisations as a tool to improve customer service.

- the Economic and Domestic Secretariat is supporting departments and employers in the reform of the public service workforce.

The strategy underpinning PSA target 5 is based on the Prime Minister's four principles of reform, set out in *Reforming public services: principles into practice*, published in March 2002. The four principles are:

Standards & Accountability

A national framework of standards and accountability set by government designed to ensure that citizens have the right to high quality public services.

Devolution

Devolution and delegation to the front line will allow local leaders and front line staff far greater freedom to design and deliver services around the needs of local people.

Flexibility

Flexibility for local organisations and their staff to enable them to deliver better public services to meet a wide range of customer needs.

Choice

This will include more choice for the pupil, patient, or customer to ensure services are designed and delivered around their needs. An element of contestability between alternative suppliers can also drive up standards and empower customers locked into poor service from their traditional supplier.

The four principles of reform provide a framework within which public service reform is progressing, as set out in the Departmental 5-year plans. For example:

- The NHS is taking steps to ensure that a drive for responsive, convenient and personalised services takes root across the whole of the NHS for all patients. For hospital services there will be a lot more choice for patients about how, when and where they are treated, with better information to support that. While the Government's vision of more effective health and social care services outside hospitals is set out in the Department of Health's White Paper *Our health, our care, our say: a new direction for community services* (January 2006).
- The 5-year plan for secondary schools aims to allow schools the freedom to develop their own distinctive ethos, organise their own resources and shape the curriculum in consultation with parents, pupils and local communities to improve standards, extend choice and provide a personalised education for diverse communities. The Department for Education and Skills White Paper *Higher Standards, Better Schools for All* (October 2005) sets out how these challenges will be met.
- The Home Office is pursuing a neighbourhood policing approach by engaging citizens, communities and the voluntary sector in tackling social problems. For instance, local police teams have been developed in high crime areas across the country to work with local residents on local policing priorities to establish new safer and stronger communities. The Home Office's *Respect Action Plan*, published in January 2006, further builds on the Government's drive to tackle anti-social behaviour.

**Progress
on reform****National**

On a national level significant progress has been made towards delivering high quality public services, including:

- a substantial rise in the number of high performing schools. The number of all ability secondary schools where 70% or more achieve five A* to C grade GCSEs has increased five-fold since 1997 to over 400;
- the length of time that people have to wait for NHS hospital treatment. This has been falling significantly and now most patients receive their first outpatient appointment within 17 weeks; and
- crime rates which have been continuously falling since 1997. The risk of being a victim of crime, at 23 %, is the lowest level recorded by the British Crime Survey since it began in 1981.

Customer focused PSAs

The heart of the Government's strategy for public service reform is that services must be increasingly responsive to the needs and aspirations of their customers. A key element to judging the success of reform is by measuring and understanding customers' perceptions. The Office of Public Services Reform¹ encouraged departments and public service providers to collect, analyse and act on a range of customer feedback. For the Spending Review 2002 (SR 2002), seven departments had PSAs that measured customer satisfaction explicitly. Several of these PSAs have been rolled forward as part of SR 2004 covering fear of crime; public confidence in the legal system; court users; and the customer service agencies of the Department for Work and Pensions – Jobcentre Plus, Child Support Agency and the Pensions Service. The results are encouraging: in the most part, customer satisfaction with services is positive and showing signs of continuous improvement.

More details on the measurement and performance of these customer PSAs can be found on the HM Treasury PSA website: www.hm-treasury.gov.uk/performance

SR 2002 PSA target 5 is measured by:

- evidence of customer satisfaction in other departments' PSAs;
- commissioned surveys of Senior Civil Servants; and
- commissioned surveys of Public Service Managers.

Public Service Managers and Senior Civil Servants are important to delivering high quality public services, with millions of direct and indirect interactions with members of the public as customers every day. To help us to establish the level of understanding and commitment of these two groups to the public service reform agenda, OPSR commissioned two surveys: biannual surveys of senior Public Service Managers and annual surveys of Senior Civil Servants. The results of both surveys on pages 45 and 46 are positive. Senior Civil Servants' knowledge and support of the government's reform agenda is high. Encouragingly, senior Public Service Managers also support the Government's reform

¹ In November 2005 the Cabinet Secretary announced a series of changes to the functions of the Cabinet Office which resulted in the Prime Minister's Strategy Unit taking overall responsibility for co-ordinating the Cabinet Office's work on public services reform, including PSA target 5. From 2002-2005 the Office of Public Services Reform was responsible for PSA target 5.

strategy and believe that they have clear national standards against which to deliver high quality customer focused services. Although, more needs to be done on devolution and delegation to the frontline to enable staff to deliver better services at a local level.

Survey of senior Public Service Managers

To test the impact of the principles of reform, OPSR commissioned a six-monthly survey of senior public service managers. This provides the following indicators of progress for each of the principles of the Government's reform strategy.

% Strongly agree/tend to agree

Principle	Survey question	Baseline: Dec 2002	June 2003	Dec 2003	July 2004	Jan 2005	July 2005	Target: by 2005	Met/ not met
National Standards	My organisation is clear about the national standards it needs to deliver.	90%	94%	92%	94%	92%	92%	Maintain at or above baseline level	Met
Devolution and Delegation	My organisation decides for itself how best to spend its budget in order to meet its priorities.	48%	48%	47%	49%	45%	49%	52%	Not met
Flexibility	Staff working practices are flexible, to provide high-quality services.	52%	53%	55%	60%	58%	56%	56%	Met
Choice	My customers have a choice over the services they receive.	25%	27%	25%	32%	32%	30%	29%	Met

The figures above, from the senior Public Service Managers surveys, show that three targets (standards, flexibility and choice) out of four on the progress of reform have been met, as perceived by the people delivering public services. The recent fluctuations in two of the above indicators (flexibility and choice) are not statistically significant.

Survey of Senior Civil Servants

OPSR also commissioned an annual review of senior civil servants, which measures perceptions of progress on reform. The baseline was established in the first survey in 2003.

Indicator	Baseline: September 2003	September 2004	September 2005	Target: by 2005
How much do you feel you know about the government's public service reform strategy? (% responding 'a great deal' or 'a fair amount')	81%	80%	77%	83%
To what extent do you personally support the government's public service reform strategy overall? (% responding 'strongly support' or 'tend to support')	87%	87%	86%	90%

The survey of SCS in 2005 shows a relatively stable position from a high baseline. The annual change for the knowledge indicator is not a statistically significant movement.

Cabinet Office Public Expenditure Data, Including Core Tables

This section is a statistical account of the costs of running the Cabinet Office. To present the information more effectively, Part 2 of this section disaggregates the core Cabinet Office from other functions and entities. Part 1 sets out the tables for the whole department in the same format as other departmental reports. Fuller information on the public expenditure of the department as a whole can also be found in the Cabinet Office Resource accounts.

In 2005-06 some Machinery of Government (MOG) changes took place involving transfers of responsibility between departments. Transfers out were Government Car & Despatch Agency (GCDA) to Department for Transport (DFT), Government Social Research Unit to HM Treasury and the Whips House of Lords and Whips House of Commons to the Privy Counsel Office (PCO). The figures in Part 1 Tables 1, 2, 3 and 5 reflect the Machinery of Government changes taking place from 1999-00 to 2008-09.

Part 1: Spending by the Cabinet Office

Part 1 of this section contains public expenditure data for the Cabinet Office as a whole. For more information, refer to HM Treasury Estimate published as part of the Main Supply Estimates for Government in May 2006. The format of the tables in this section is common to all departmental reports. The figures in these tables differ from the published Supplementary Budgetary Information (SBI) tables due to more up-to-date figures used in the Departmental Report.

Part 1 Table 1 Total public spending for the Cabinet Office (including Civil Superannuation)

Table 1 is a high-level summary of spending from 2000–01 to 2007–08, showing a breakdown by resource and capital.

	£ '000							
	2000–01 Outturn	2001–02 Outturn	2002–03 Outturn	2003–04 Outturn	2004–05 Outturn	2005–06 Estimated Outturn	2006–07 Plans	2007–08 Plans
Consumption of resources:								
Cabinet Office	158,692	216,311	234,903	245,976	245,829	213,458	234,933	230,532
Civil Superannuation (Civil Service pensions)	3,248,754	4,697,780	4,577,214	5,014,217	5,378,416	5,823,051	5,982,596	6,261,042
Total resource budget	3,407,446	4,914,091	4,812,117	5,260,193	5,624,245	6,036,509	6,217,529	6,491,574
<i>of which:</i>								
Resource DEL	158,692	216,311	234,903	245,526	245,829	213,458	234,933	230,532
Capital spending:								
Cabinet Office	63,122	76,976	54,617	56,514	19,023	20,639	9,342	9,697
Total capital budget	63,122	76,976	54,617	56,514	19,023	20,639	9,342	9,697
<i>of which:</i>								
Capital DEL	63,122	76,976	54,617	56,514	19,023	20,639	9,342	9,697
Total public spending (1)	3,466,092	4,977,798	4,841,063	5,279,412	5,645,392	5,855,122	5,945,545	6,192,140

(1) Total public spending calculated as the total of the resource budget plus the capital budget, less depreciation.

(2) In 2005-06 some Machinery of Government changes took place involving transfer of responsibility between departments. Transfers out were Government Car & Despatch Agency to DFT, Government Social Research Unit to HM Treasury, Whips House of Commons and Whips House of Lords to Privy Counsel Office. The figures in Tables 1, 2, 3 and 5 reflect the machinery of Government changes taking place from 1999-00 to 2008-09.

Spending by local authorities on functions relevant to the department

Current spending	26,409	27,237	28,845	31,362	36,007	–		
<i>of which:</i>								
financed by grants from budgets above	12,696	18,753	18,634	18,901	19,915	–		
Capital spending	–	–	–	–	–	–		
<i>of which:</i>								
financed by grants from budgets, above	–	–	–	–	–	–		

Table 2 Resource budget for the Cabinet Office (including Civil Superannuation)

Table 2 shows a breakdown of resource spending by function from 2000–01 to 2007–08.

	£ '000							
	2000–01 Outturn	2001–02 Outturn	2002–03 Outturn	2003–04 Outturn	2004–05 Outturn	2005–06 Estimated Outturn	2006–07 Plans	2007–08 Plans
Cabinet Office	158,692	216,311	234,903	245,976	245,829	213,458	234,933	230,532
<i>of which:</i>								
Cabinet Office	154,661	209,048	231,775	244,447	245,035	213,167	234,293	229,892
National School of Government	4,031	7,263	3,128	1,529	794	291	640	640
Civil Superannuation (Civil Service Pensions)	3,248,754	4,697,780	4,577,214	5,014,217	5,378,416	5,823,051	5,982,596	6,261,042
Total resource budget	3,407,446	4,914,091	4,812,117	5,260,193	5,624,245	6,036,509	6,217,529	6,491,574

Table 3 Capital budget for the Cabinet Office

Table 3 shows a breakdown of capital spending by function from 2000–01 to 2007–08.

	£ '000							
	2000–01 Outturn	2001–02 Outturn	2002–03 Outturn	2003–04 Outturn	2004–05 Outturn	2005–06 Estimated Outturn	2006–07 Plans	2007–08 Plans
Cabinet Office	63,122	76,976	54,617	56,514	19,023	20,639	9,342	9,697
<i>of which:</i>								
Cabinet Office	62,472	76,282	53,466	55,329	17,626	20,061	8,071	8,426
National School of Government	650	694	1,151	1,185	1,397	578	1,271	1,271
Total capital budget	63,122	76,976	54,617	56,514	19,023	20,639	9,342	9,697

Table 4 Capital employed for the Cabinet Office

Table 4 shows a breakdown of capital employed in a balance sheet from 2000–01 to 2007–08.

	£ '000							
	2000–01 Outturn	2001–02 Outturn	2002–03 Outturn	2003–04 Outturn	2004–05 Outturn	2005–06 Forecast	2006–07 Projected	2007–08 Projected
Assets on balance sheet at the end of year:								
Fixed assets <i>of which:</i>								
Tangible assets								
Land and Buildings	116,126	126,081	157,126	145,962	162,286	179,557	181,030	182,381
Plant and Machinery	635	4,325	4,760	6,253	4,945	6,003	5,240	5,118
Other	9,162	15,537	19,181	22,922	16,984	45,102	36,150	29,357
Assets under construction	22,046	50,128	1,322	16,609	14,290	0	0	0
e-Government	31,207	57,180	62,015	63,602	37,116	12,304	7,411	7,411
Intangible assets	2,115	2,887	2,397	2,073	772	150	–	–
Investments	727	703	510	479	457	416	400	400
Debtors (amounts falling due after more than one year)	–	–	8,354	7,717	8,047	7,504	6,867	6,230
Total Fixed assets	182,018	256,841	255,665	265,617	244,897	251,036	237,098	230,897
Current Assets	23,531	45,235	49,801	53,931	49,876	43,062	44,274	45,560
Creditors (amounts falling due within one year)	–32,863	–57,993	–45,371	–56,748	–59,798	–41,836	–43,405	–45,050
Creditors (amounts falling due after more than one year)	–115	–103	–64	–38	–	–	–	–
Provision for liabilities and charges	–1,891	–4,748	–5,258	–7,589	–7,321	–5,392	–4,831	–4,553
Total capital employed in Cabinet Office	170,680	239,232	254,773	255,173	227,654	246,870	233,136	226,854

Table 5 Administration Budget for the Cabinet Office

Table 5 shows a breakdown of administration expenditure from 2000–01 to 2007–08 and analysis by activity.

	£ '000							
	2000–01 Outturn	2001–02 Outturn	2002–03 Outturn	2003–04 Outturn	2004–05 Outturn	2005–06 Estimated Outturn	2006–07 Plans	2007–08 Plans
Administration Expenditure:								
Paybill	72,303	78,945	93,685	91,843	92,160	82,227	93,281	92,896
Other	92,088	141,009	119,944	118,823	123,354	133,188	195,959	171,682
Total Administration Expenditure	164,391	219,954	213,629	210,666	215,369	215,415	289,240	264,578
Administration Income	–44,489	–43,536	–49,947	–53,983	–60,318	–34,410	–91,803	–67,195
Total Administration Budget	119,902	176,418	163,682	156,683	155,051	181,005	197,437	197,383

Analysis by activity

Cabinet Office	115,871	169,155	160,554	155,154	154,257	181,005	196,797	196,743
National School of Government	4,031	7,263	3,128	1,529	794	291	640	640
Total Administration Budget	119,902	176,418	163,682	156,683	155,051	181,296	197,437	197,383

Table 6 Staff Numbers for the Cabinet Office

Table 6 shows staff numbers from 2000–01 to 2007–08 by function expressed in full-time equivalents.

	2000–01 Actual	2001–02 Actual	2002–03 Actual	2003–04 Actual	2004–05 Actual	2005–06 Actual	2006–07 Plans	2007–08 Plans
Cabinet Office								
CS FTEs	2,185	2,134	1,994	1,790	1,795	1,735	1,240	<i>1,240</i>
Casuals	39	80	74	50	145	95	50	50
Total Cabinet Office	2,224	2,214	2,068	1,840	1,940	1,830	1,290	<i>1,290</i>

Notes:

- 1) To ensure that consistent comparisons can be made with figures published in Civil Service Statistics and by the Office for National Statistics (ONS) across the Efficiency Review Period (2003–04 to 2007–08), the staff numbers for 2003–04 and 2004–05 are the same year-end staff-in-post figures published by Civil Service Statistics. Those for future years are the current projected end-year outturn figures up to 2006–07, and take into account all known machinery of government changes.
- 2) Further machinery of government changes are being considered, as part of making the Cabinet Office more strategic and these will have an impact on 2007–08 figures. Because details of the impact of these are not yet known, it is not yet possible to show the planned staff numbers for 2007–08. However, the figures will be lower than those shown in *italics* above.
- 3) The figures above include the Cabinet Office target of 150 Civil Service workforce reductions, agreed in Spending Review 2004 as the Cabinet Office's contribution to the Efficiency Review.
- 4) From 2004–05, in accordance with current Civil Service Statistics and ONS methodology, the figures for casuals include those individuals on Fixed-Term Agreements.
- 5) Staff numbers for the National School of Government NSG are included within Cabinet Office numbers up to 2005–06. NSG is planned to transfer out of the Cabinet Office thereafter.
- 6) Nick Stern, Permanent Secretary, is on loan from HMT to CO for the duration of the Stern Review.

Table 7 Total Public Spending for the Security and Intelligence Agencies

Table 7 is a high-level summary of spending from 2000–01 to 2007–08 showing a breakdown by resource and capital.

	£ '000							
	2000–01 Outturn	2001–02 Outturn	2002–03 Outturn	2003–04 Outturn	2004–05 Outturn	2005–06 Estimated Outturn	2006–07 Plans	2007–08 Plans
Consumption of resources:								
Protecting and promoting the national security and economic well being of the United Kingdom	824,362	909,003	939,994	1,091,660	1,126,632	1,245,333	1,292,974	1,324,000
Total resource budget	824,362	909,003	939,994	1,091,660	1,126,632	1,245,333	1,292,974	1,324,000
<i>of which:</i>								
Resource DEL	824,362	909,003	939,994	1,091,660	1,126,632	1,245,333	1,292,974	1,324,000
Capital spending:								
Protecting and promoting the national security and economic well being of the United Kingdom	78,577	107,671	114,983	509,808	150,814	210,218	223,071	228,969
Total capital budget	78,577	107,671	114,983	509,808	150,814	210,218	223,071	228,969
<i>of which:</i>								
Capital DEL	78,577	107,671	114,983	509,808	150,814	210,218	223,071	228,969
Total public spending (1)	902,939	1,016,674	1,054,977	1,601,468	1,277,446	1,455,551	1,516,045	1,552,969

(1) Total public spending calculated as the total of the resource budget plus the capital budget, less depreciation.

Table 8 Administration Budget for the Security and Intelligence Agencies

Table 8 shows a breakdown of administration expenditure from 2000–01 to 2007–08 and analysis by activity.

	£ '000							
	2000–01 Outturn	2001–02 Outturn	2002–03 Outturn	2003–04 Outturn	2004–05 Outturn	2005–06 Estimated Outturn	2006–07 Plans	2007–08 Plans
Administration Budget:								
Paybill	283,891	290,631	306,280	336,907	367,678	433,168	449,127	470,795
Other	195,332	208,848	201,842	232,268	285,312	284,947	313,418	333,300
Total Administration Budget	479,223	499,479	508,122	569,175	652,990	718,115	762,545	804,095
Administration Income	-20,026	-47,708	-18,281	-46,335	-43,434	-61,459	-57,677	-58,095
Total Administration Budget								
Budget	459,197	451,771	489,841	522,840	609,556	656,656	704,868	746,000
Analysis by activity								
Security and Intelligence Agencies	459,197	451,771	489,841	522,840	609,556	656,656	704,868	746,000
Total Administration Budget								
Budget	459,197	451,771	489,841	522,840	609,556	656,656	704,868	746,000

Table 9 Staff Numbers for the Security and Intelligence Agencies

Table 9 shows staff numbers from 2000–01 to 2007–08 by function, expressed in full-time equivalents.

	2000–01 Actual	2001–02 Actual	2002–03 Actual	2003–04 Actual	2004–05 Actual	2005–06 Estimated Outturn	2006–07 Plans	2007–08 Plans
Security and Intelligence Agencies								
CS FTEs	7,730	7,952	8,655	8,955	9,331	9,756	10,329	10,798
Casuals	40	88	89	114	118	161	159	157
Total Security and Intelligence Agencies	7,770	8,040	8,744	9,069	9,449	9,917	10,488	10,955

Table 10 Total Public Spending for the Central Office of Information

Table 10 is a high-level summary of spending from 2000–01 to 2007–08 showing a breakdown by resource and capital.

	£ '000							
	2000–01 Outturn	2001–02 Outturn	2002–03 Outturn	2003–04 Outturn	2004–05 Outturn	2005–06 Estimated Outturn	2006–07 Plans	2007–08 Plans
Consumption of resources:								
Advising government centrally on publicity matters and associated non cash items	816	795	716	716	716	716	716	716
Total resource budget	816	795	716	716	716	716	716	716
<i>of which:</i>								
Resource DEL	816	795	716	716	716	716	716	716
Capital spending:	–	–	–	–	–	–	–	–
Total public spending (1)	816	795	716	716	716	716	716	716

(1) Total public spending calculated as the total of the resource budget plus the capital budget, less depreciation.

Part 2 Core Cabinet Office Costs

This table shows the projected spending for the core Cabinet Office up to and including 2007–08, the final year of the 2004 Spending Review.

	£ million							
	2000–01 Actuals	2001–02 Actuals	2002–03 Actuals	2003–04 Actuals	2004–05 Outturn	2005–06 Estimated Outturn	2006–07 Budget	2007–08 Plans
Significant Items								
Supporting the Prime Minister	19	24	47	46	44	53	46	41
Supporting the Cabinet	62	83	76	92	102	96	95	99
Strengthening the Civil Service	12	35	29	18	19	20	22	19
Core underlying costs	93	141	152	156	165	168	163	160
Machinery of Government								
Transfers	9	51	31	30	22	0	0	0
Non-Core costs								
Parliamentary Counsel Office	5	5	6	8	–1	–1	–1	–1
Office of Public Sector Information				2	2	2	2	2
ERM Project							1	1
Independent Offices	2	1	4	2	2	2	2	2
Comm. On Standards in Public Life	0.4	0.5	0.6	0.5	0.5	0.5	0.6	0.6
Civil Service Welfare Grants				2	3	2	2	2
Central Infrastructure					5			
Other	0	1	2	1.5	0.5	0	0	0
Core Cabinet Office Costs	109	200	195	202	198	174	170	167

Cabinet Office Efficiency Targets

The Cabinet Office has a target, agreed in SR 2004, of realising total efficiency gains of at least £25 million by end of 2007–08. The Department also plans to achieve a total reduction of 150 Civil Service posts and be on course to relocate 250 posts out of London and the South East in the same period. In its Efficiency Technical Note (ETN), published on 29 October 2004, the Cabinet Office set out the methods by which it would measure, monitor and quantify these efficiency gains.

The Cabinet Secretary has more recently set in train a number of initiatives to make the Cabinet Office more strategic and better focused on its core objectives.

The Cabinet Office has a number of projects underway that will enable the Department to deliver its efficiency targets but, the initiatives to make the Cabinet Office more strategic will go further. The details of these initiatives will be incorporated into a revised ETN and published later in 2006.

The following sections highlight some of the progress towards achieving the existing targets for efficiency and relocation. It has not been planned that progress would be audited at this stage in the SR 2004 period therefore, this progress must be regarded as provisional.

Improved Procurement. An Investment and Procurement Team has been 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, further deliveries are planned. The processes already delivered have realised £6.9 million up to end 2005–06.

Information and Communication Technology (ICT). Cabinet Office has negotiated changes to the scope and pricing of IT services and delivered efficiency savings in 2005–06 of £0.8 million. Further efficiencies will be delivered in 2006–07. The Cabinet Office is now developing a project to put in place a new IT services contract, further reducing IT costs from 2007–08.

Communications. A new communications structure has been developed which will improve the quality of service offered while also delivering a headcount reduction of eight posts. Efficiency savings in 2005–06 of £0.2 million have been delivered. Further efficiency savings will be delivered by the Better Internet Project which has unified more than sixty existing websites managed across the Department into a single, high quality, coherent and user-focused and friendly site.

In total, Cabinet Office had delivered £8.5 million efficiency savings up to 31 December 2005 and this has now increased to £9.5 million for the end of 2005–06 financial year, these are cashable. This exceeds the £9.0 million planned savings at this stage.

Reduction of Civil Service posts. Some post reductions have been delivered in Communications and Cabinet Office has plans to reduce posts through a number of projects, particularly building a leaner and more efficient Centre of Government. This work will be taken forward in achieving the Cabinet Secretary's aim to make the Cabinet Office more strategic and better focused on its core objectives. Cabinet Office reports progress in

reducing posts from a baseline of -100. By 31 December 2005, 62 post reductions had been achieved; reported as -38. A temporary increase in January has almost been recovered and up to end of 2005–06 financial year, Cabinet Office has delivered 57 post reductions in total; reported as -43. This is a slightly (3 posts) better position than planned reductions at this stage which is -46.

Relocation. In November 2005, the Cabinet Office announced the relocation of an initial 30 posts from the e-Government Unit to Birchwood Park in Warrington. By 31 December 2005, five of these posts had been relocated and this has now increased to eight posts by end of 2005–06 financial year and work continues on further relocations in this and other areas of the Cabinet Office.