

BUILDING A BETTER DEPARTMENT

# Our corporate objectives

As head office of UK Government, the Cabinet Office has a dual role: to set an example to the wider Civil Service, but also to develop its own capability.



INTRODUCTION  
Pages 4-11

THE STORY OF  
OUR YEAR  
Pages 12-59

MINISTERS AND BOARD  
MEMBERS  
Pages 60-67

COMPREHENSIVE  
SPENDING REVIEW 2007  
Pages 68-75

PERFORMANCE  
REPORT  
Pages 76-91

CABINET OFFICE  
FINANCES  
Pages 92-113

RESOURCE ACCOUNTS  
2007-08  
Pages 114-163

PUBLIC  
APPOINTMENTS  
Pages 164-169



Above: Jonathan Slater and Nicholas Holgate from the Department of Culture, Media and Sport

Previous page: Last July's all staff event

**The Cabinet Secretary is holding Permanent Secretaries to account on progress against four corporate objectives: skills, diversity, sustainability of the Government estate, and health & well-being.**

## Upskilling the Civil Service

Developing the skills of the Civil Service is at the forefront of the Government's agenda.

But more action is needed to achieve the stretching targets set out in the December 2006 Leitch review. In his landmark report Lord Leitch called for 'radical change right across the skills spectrum' to avert a 2.2 million skills shortage by 2020 and enable the UK to become a world leader in skills.

Led by Government Skills, the sector skills council for central government, the Civil Service signalled its determination to meet the challenge within its own workforce through the signing of a skills pledge.



In the 21st century, our natural resource is our people – and their potential is both untapped and vast. Skills will unlock that potential. The prize for our country will be enormous – higher productivity, the creation of wealth and social justice.

PROSPERITY FOR ALL IN THE GLOBAL ECONOMY:  
WORLD CLASS SKILLS, BY LORD LEITCH



In April 2007 Permanent Secretaries came together committed to helping all eligible employees gain basic skills and a Level 2 qualification (broadly equivalent to 5 GCSEs at grades A\* – C). The commitment covers more than 475,000 people working to deliver public services in 17 main government departments.

Permanent Secretaries across the UK also put their combined support behind the Skills Strategy for Government, completed by Government Skills in January 2008 and launched at Civil Service Live in April 2008. *Building Professional Skills for Government* sets out how government employers will step up to meet the skills challenge over a three-year period from now until 2011.

Implementing this will provide Civil Service staff with clearer career paths, improved access to accredited skills and better mobility prospects within government and beyond.

Government Skills has subsequently transferred from the Cabinet Office to the Department for Innovation, Universities and Skills (in April 2008) in a machinery of government move designed to increase momentum for the next phase of the Skills Strategy for Government.

For more on Government Skills, visit [www.government-skills.gov.uk](http://www.government-skills.gov.uk)

## 'It's not just about textbooks'

Barbara Cooper and Freddie Puttman, both cleaners at No.10, described *Skills for Life* – the national strategy for improving adult literacy, numeracy and Information and Communications Technologies (ICT) – as a life-changing experience:

"We wanted to improve our spelling and grammar, and we had the perfect opportunity when tutors of *Skills for Life* came to explain what courses were available to us.

"We took a 10-week intensive course which consisted of two hours a week learning areas of the new National Curriculum for adults. It went really well. Sophie, the tutor, was great – so understanding and helpful. We have achieved so much in such little time, from improving punctuation to boosting our self-confidence. It's not just about textbooks. We have improved our skills for everyday life."

# Diversity

Diversity, one of the five core Cabinet Office values, is a strong priority – both for the Department and across government.

## Mainstreaming diversity in everything we do

The Cabinet Office is driving forward a range of initiatives aimed at ensuring the workforce truly represents the citizens it serves, and unlocking the potential of every member of staff.

Cabinet Office *People Week* last October saw the launch of a new diversity framework and plan, which sets out practical steps for achieving a more inclusive culture within the Department. The week helped bring these issues alive through a series of workshops, with unconscious bias, dyslexia and deaf awareness proving especially popular.

The diversity plan has set into motion a number of innovative programmes, one being the private and public sector partnership programme designed to boost the confidence and career prospects of women managers. The Department has also improved accountability by assigning a Board level champion to each of the Cabinet Office

diversity networks to help mainstream its work within the Department. The Cabinet Office Black and Asian Network (COBAN), Rainbow (for gay and lesbian staff), the Women's Network, the Carers' Network and Disability in the Cabinet Office (DisCO) all have their own champions, who report back to the Board on progress every six months.

The plan also details other initiatives for getting senior managers involved in diversity issues, including Trading Perspectives. This is a reverse mentoring project which enables staff from groups under-represented at senior level to mentor a Senior Civil Servant. Each party gains unique insights into what makes the other tick: Senior Civil Servants get a stronger grasp of diversity issues, while staff from under-represented groups see at first hand the challenges senior staff have to grapple with.

The Cabinet Office is leading on a range of measures across government including:

- increasing the numbers of women, ethnic minority staff and disabled people in the Senior Civil Service via the 10-Point Diversity Plan, and through innovative development and mentoring programmes;
- encouraging applications from diverse groups to the Civil Service Fast Stream: initiatives include outreach and work experience programmes, and an improved recruitment and assessment process; and
- building greater awareness about the honours system among under-represented groups and encouraging nominations from them.

Visit [www.civilservice.gov.uk](http://www.civilservice.gov.uk) for more on the 10-Point Diversity Plan.



Right: Cabinet Office Diversity Workshop

## Taking a greener approach

Climate change is the biggest environmental challenge facing the world today, and UK citizens have been working to tackle its effects – from recycling waste to cycling to work. As part of the drive for a greener approach across government, Gus O'Donnell announced a new centre of excellence in March 2008 to help departments achieve ambitious targets for reducing carbon emissions and waste.

The new Centre of Expertise for Sustainable Procurement is a direct response to the Sustainable Development Commission's latest report on how the Government is meeting its own targets for tackling climate change. The report found improvements in the Government's overall performance, including a 4% fall in carbon emissions across the estate by the end of 2006/7. But the Commission has called on government to lead by example on sustainability. The new centre will continue to respond to the increasing targets that government has set itself.

The Cabinet Office is also coordinating targeted 'eco' measures across government. These range from phasing out bottled water in meetings to requiring almost all new vehicles used by Ministers and Permanent Secretaries to have carbon emissions below 130g/km.

Improving sustainability across its own estate is also a priority for the Cabinet Office. A recent audit singled out the Department's Environmental Management System (EMS) as an exemplar, saying it was one of the most effective within government and that the

Cabinet Office was well-placed to mentor similar schemes.

Over the past year, the Cabinet Office has implemented a series of small but significant initiatives as part of a broader strategy to improve its own sustainability. These include:

- becoming a binless office, with recycling points replacing personal bins;
- installing water flow restrictors to taps;
- installing water volume reducers in toilet cisterns;
- abolishing bottled water orders for hospitality bookings;
- removing water coolers wherever practical;
- installing Passive Infra-red (PIRs) lighting controls; and
- launching software which enables PCs to be switched off at the end of the working day.

"Encouraging people to take personal responsibility for their actions is key if we are to make a real difference," says Nigel Hutcheon, Sustainable Development Policy Adviser. "We recently set up a network of Green Coordinators to help the Cabinet Office achieve its environmental goals by championing green issues within our management units and teams.

"We're keen to work in partnership with other government departments to promote greener initiatives. Last December we helped colleagues from the Department for Environment, Food and Rural Affairs to organise a 'green fair' for civil servants."

In addition, bio-degradable food containers will shortly be provided in all restaurants on the Cabinet Office estate. Of all food supplied, 57% is UK produced and 71% is farm assured; 67% of all tea and coffee supplied is FairTrade.

### Projected Cabinet Office savings

**Water saving measures under Project Hydro** – 11,858,000 litres of water per annum: 574,000 from flow restrictors in hand basins; 284,000 from volume reducers in cisterns; and 11,000,000 from waterless urinals

**Bottled water and water coolers** – £35,000 per annum

**Passive infra-red (PIR) lighting controls** – 40 tonnes of carbon and £17,000 per annum

**PC Switch-off scheme** – 500 tonnes of carbon and £88,000 per annum

**Public sector *Flex*** – 327 tonnes of carbon per year and nearly £50,000



## Cabinet Office 2007–2008 Sustainability Expenditure

Key Indicators	Direct Company Impacts	
Climate waste and resource indicators	Financial performance 2007–08	Targets and narrative
<b>Emissions</b>		Reverse the current upward trend in carbon emissions by April 2007
• CO <sub>2</sub> equivalent emissions	3,743,322kg CO <sub>2</sub>	Reduce carbon emissions by 12.5% by 2010-11, relative to 1999/2000 levels. Reduce carbon emissions by 30% by 2020, relative to 1999/2000 levels.
<b>Waste</b>		
• Sustainability	£20,116.00	Reduce their waste arisings by 5% by 2010, relative to 2004/2005 levels.
• Total disposal cost	£138,598.94	Reduce their waste arisings by 25% by 2010, relative to 2004/2005 levels.
<b>Finite resource usage</b>		
• Water		
– Operating expenditure	£65,865.00	Reduce water consumption by 25% on the office and non-office estate by 2020, relative to 2004/2005 levels.
– Sustainability expenditure	£544.00	Reduce water consumption to an average of 3m <sup>3</sup> per person/year for all new office builds or major office refurbishments.
• Energy consumption		
– Operating expenditure	£1,402,338.00	Departments to increase their energy efficiency per m <sup>2</sup> by 15% by 2010, relative to 1999/2000 levels.
– Sustainability expenditure	£29,164.00	Departments to increase their energy efficiency per m <sup>2</sup> by 30% by 2020, relative to 1999/2000 levels.



## In sickness and in health

Estimates suggest that staff ill-health costs UK employers some £13.4 billion per year, mostly from absences and reduced productivity. It is also widely acknowledged that healthy, motivated staff perform better and can directly increase an organisation's productivity. By ensuring that the Cabinet Office is a place where people want to work, the Department is well-placed to gauge the knock-on effect in terms of public delivery.

The Department has put in place a number of health and well-being measures over the last few months, including:

- the introduction of a range of flexible working patterns to promote a better work-life balance;
- improvements to the Well Being Centre – an on-site staff gym offering health and fitness services;
- a confidential employee assistance programme which enables all staff to talk to a trained adviser about anything that concerns them – from work issues to financial problems;
- options for healthy eating in staff restaurants and extended coffee shop opening hours;
- managed return to work programmes following long-term sick absence;
- a workstation e-learning module and bespoke ergonomic equipment to reduce any discomfort experienced by staff at their workstation;
- more informal meeting space;
- an advance for staff wishing to purchase a bicycle;
- multi-faith and reflection rooms; and
- improved aftercare for any staff suffering workplace injuries.

## Developing our people

Working from the centre of government, the Cabinet Office drives forward a range of initiatives that cut across departmental boundaries.

At its all-staff conference in July 2007, the Cabinet Office launched an ambitious People Strategy. This provides a framework for how the Department will lead, manage and develop its people and deliver its priorities over the next three years. Underpinning it was a People Plan, setting out specific actions to deliver the strategy.

The People Plan has led to:

- a new Diversity Action Plan;
- a new learning and development offer;
- a more systematic approach to talent review and succession planning;
- a new approach to performance management and reward;
- a brokerage service supporting staff moves;
- an improved staff induction process; and
- a new workforce planning tool.

To promote the new strategy and bring together its people, the Cabinet Office held its first ever People Week in October 2007. The week gave staff the unique opportunity to participate together in a range of events, from career workshops to coffee with Board members. About a third of Cabinet Office staff took part.

The week was structured around the five key values launched at the July staff conference – partnership, empowerment, cohesion, diversity and innovation – with each day themed on a different value. There were over 80 individual events to bring the values to life; one example of partnership in action was COBR, the Cabinet Office Briefing Room, which coordinates quick responses across government to deal with national emergency. The event was led by John Toker, Director of Communications for Counter Terrorism – who left the audience in no doubt that there was never a dull moment in a COBR day. Diversity was also high on the agenda.

Looking ahead, key priorities in the People Strategy are leadership development, improving management capability, introducing a new approach to reward and moving to a shared services platform for HR and finance services.



Above: People Week

# How we've changed

During the course of the year the Capability Review Team reported back on our improved collaborative relationships with No.10, better communication within the Cabinet Office and increased Board visibility – but what more should we now be doing?



**It's been a year of widespread changes in the Cabinet Office, something which is not lost on Change Director Sarah Cox. "The first big change was adjusting to a new Prime Minister with new priorities. But at a departmental level I've seen a lot of evidence of collaborative working, such as on the Security Review led by Robert Hannigan. I've also been pleased to see the Department establish new ways of working on issues such as crime, climate change and health with colleagues from across government in our matrix teams."**

A key development over the last year has been a sense of improved engagement with staff by senior management. Highlights included the Angels and Dragons business development scheme and an all-staff conference featuring the first ever Cabinet Office Awards and 'marketplace', where units as diverse as Finance & Estate Management and the Office of the Third Sector had the opportunity to share information and ideas.

## The challenges we faced

As a government Department, the Capability Review asked us a series of challenging questions:

- Do we have the right strategic leadership?
- Do we know how well we are performing?
- Have we got the right tools to make sure we continue to perform effectively?
- Do staff have the appropriate skills to meet current and future challenges?
- Are staff engaging effectively with their key stakeholders, partners and the public?

The reviewers also said we had lots to be proud of, while our people survey (developed for the first time with Towers Perrin ISR and based on employee engagement principles) along with feedback from key stakeholders, pointed to the need to raise our game in four areas:

- defining more clearly how the Cabinet Office enables the business of government;
- strengthening the capacity to lead transformation across the Civil Service;



- making a high-level vision come alive for every individual and unit; and
- creating coherent systems so that the Cabinet Office can deliver.

## Progress so far

A 12-month assessment of action to tackle the areas highlighted previously reported encouraging progress. The review team recognised:

- the setting up of matrix teams – five working groups run by the Cabinet Office to address key priorities across government on cross-cutting issues – comprising civil servants from a number of departments:
  - Crime, Home Office, Ministry of Justice and Attorney General's Office;
  - Climate Change and Energy;
  - Department of Business Enterprise, Innovation and Regulatory Reform;
  - Communities and Local Government; and
  - Health.
- improved collaboration with the Treasury, including joint Board meetings and the publication of a joint 'Compact' agreement on how the centre will work with other government departments;
- clarifying the roles, responsibilities and remit of the Civil Service Steering Board (CSSB) and the Permanent Secretaries Management Group (PSMG) to help meet Civil Service wide objectives; and

Above: Peter Hatchard, Civil Service Capability Group, and David Lamberti, Economic and Domestic Secretariat, attend a matrix team meeting

Opposite page: Sarah Cox Director, Cabinet Office Change team

- significant improvements in Cabinet Office Human Resources such as the new learning and development offering, diversity framework and objective setting, and a well received People Week.

## So what's next?

We have refocused and prioritised our change programme to focus on:

- better management of the Department, including:
  - improved clarity on the governance structure and accountability arrangements;
  - more effective business planning;
  - risk management;
  - workforce planning;
  - a more diverse Department – which will now be tracked by measures written into the corporate objectives of senior managers.

- making better use of our estate to improve our effectiveness as an organisation;
- developing more efficient and coherent systems like the implementation of IT innovations such as Flex across the Department and a new shared services model in partnership with the Department for Work and Pensions for Finance and HR transactions; and
- transforming the Civil Service by developing a clear vision for the future.

“The drive for change has come from the Cabinet Office Board, particularly the time it spent prioritising the change programme. By concentrating on doing a few things well we have seen real progress in the last year. It is not until you pause and look back at where we were in April 2007 that you really see how far we have come,” says Alexis Cleveland, Director General, Transformational Government and Head, Cabinet Office Management.



Above: 22 Whitehall

# Connecting better with our audience

INTRODUCTION	Pages 4-11
THE STORY OF OUR YEAR	Pages 12-59
MINISTERS AND BOARD MEMBERS	Pages 60-67
COMPREHENSIVE SPENDING REVIEW 2007	Pages 68-75
PERFORMANCE REPORT	Pages 76-91
CABINET OFFICE FINANCES	Pages 92-113
RESOURCE ACCOUNTS 2007-08	Pages 114-163
PUBLIC APPOINTMENTS	Pages 164-169

The screenshot shows a video player interface. At the top left is the 'CabCam' logo. Below it is a 'Video' tab. The main title is 'Mentoring Partnerships'. The video content is a grid of 16 small video thumbnails showing various people in professional settings. Below the grid is a video player control bar with a play button, a progress bar showing 01:32, and a total duration of 00:40. To the right of the video player is a metadata box with the following information:

- Title:** Mentoring Partnerships
- by:** robthom,
- Duration:** 14:30:18
- Unit:** Cross-Unit
- Category:** Learning and Development
- Tags:** Mentoring, Public Services

Below the metadata box are several buttons: 'Display all Board/EM', 'Display all Business', and 'Latest video'. At the bottom left, there is a description and view count:

**Description:** A short film to highlight the benefits of the new Mentoring Partnerships scheme  
**Views:** 758

At the bottom right, there are two small thumbnail images: one of a man in a suit holding a document, and another of a group of people in a meeting.

**Thanks to technological advances, more and more people use their freedom of choice to decide how to interact with the media.**

While that makes it more challenging for government communicators, they are approaching this with greater insight and fresh thinking to help connect with audiences, change behaviours and improve the quality of public services for every citizen.

Strategic communication in government has been helped greatly by the development of the Engage programme. The core of Engage is based on gaining deep insights into what motivates people and helps to identify what might change their behaviour. The Engage framework helps government communicators apply a range of strategic communication techniques and tools, such as detailed segmentation and targeting. This helps them focus on developing identified audience insights so that they can seek more effective ways of communicating with citizens.

Engage principles have been used for a number of departmental and cross-departmental communication projects, and a recent 2008 Government Communicators Network (GCN) tracking survey shows continued success in embedding Engage across government. Respondents have shown an 89% awareness in the programme over the last 12 months, with unprompted awareness rising from 43% to 61%. 73 per cent of those surveyed have some knowledge of Engage, while individual adoption of Engage principles increased from 42% to 57%. The research shows a clear pattern of increasing awareness,

- Engage came into being two years ago following the Independent Review into Government Communications – The Phillis Review.
- This report highlighted the need to raise professional standards, improve coordination across government and integrate communication with policy development.
- The Phillis Review stated that government communication should be more two-way.
- It called for, ‘genuine engagement with the public as part of policy formation and delivery’.



which is improving knowledge and changing behaviour in line with the programme’s aims.

Success has been achieved through a targeted use of GCN channels, including the upgraded website, knowledge seminars, live events, development courses and inter-departmental activity, put in place following last year’s survey results. The challenge for the year ahead is to maintain the momentum, by bringing Engage to particular GCN groups, such as press officers and internal communications specialists, as well as building a greater understanding of strategic communications skills among the policy-making community. To help achieve this we are developing new channels and products targeted at these more difficult to reach groups.

### **Improved internal communications**

The progress that Cabinet Office has made since the Capability Review has been underpinned by the work of the Internal Communication team. Social media tools have been introduced on CabWeb such as CabCam – a film channel – and COMment which gives all members of staff an opportunity to contribute their views and ideas; while the Intranet Benchmarking Forum recently rated CabWeb among their top five member sites. The team has helped the Board increase its visibility, through events, seminars and film. *Inside*, the award winning staff e-newsletter has scored highly in respect of its authenticity and coverage of issues of interest to employees – winning another two publishing awards. A series of lunchtime seminars offer staff a range of interesting topics for discussion and involvement. Success has been built on a mixture of innovation through film and social

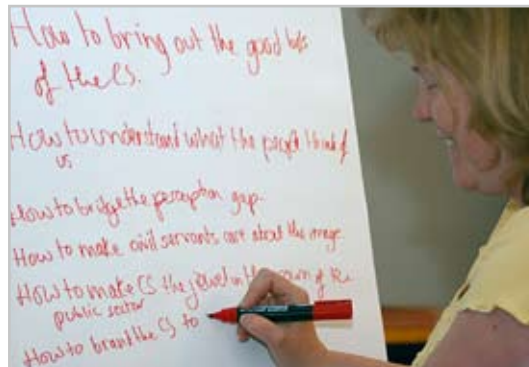


media alongside effective team working across groups with HR, the Change Team and Finance. During the last 12 months there has been a concerted effort to draw out the voices of the internal audience, with staff more likely to ask challenging questions, often expecting answers and feedback via new channels.

## Innovative People Survey

November 2007 saw the Cabinet Office introduce a new approach to its annual staff survey based on measuring levels of employee engagement. The new survey was designed as a pathfinder for an improved approach that will be rolled out across the Civil Service.

Over three quarters of Cabinet Office people completed the online survey, which covered a broad range of issues about working in the Department – from management to reward. The results highlighted an increasing sense of pride in being part of the Cabinet Office,



with 72% of respondents saying they would recommend the Department as a place to work. The new approach has enabled the Department to identify what motivates and engages its staff. This means that the follow-up action planned by managers is targeted on the areas that will make a genuine difference to staff motivation and performance.

Opposite page:  
Lunchtime seminar on innovation with Phillip Tovey

Left: Contributing ideas at a lunchtime seminar

# Ministers and Board members

The Cabinet Office Annual Report and Accounts 2007–08 incorporates machinery of government changes and working groups such as the Prime Minister’s Office within its departmental boundary.



## Ministerial responsibilities and ministerial changes

### On 1 April 2007:

Following the machinery of government change, effective 1 April 2007, which brought the Lord President of the Council and Leader of the House of Lords, the Leader and Deputy Leader of the House of Commons, and the Offices of the Government Whips in the House of Commons and the House of Lords from the Privy Council Office into the Cabinet Office, the following Ministers became part of the Cabinet Office Ministerial team:

The Rt Hon Baroness Amos of Brondesbury as Lord President of the Privy Council and Leader of the House of Lords.

The Rt Hon Jack Straw MP as Lord Privy Seal and Leader of the House of Commons.

Paddy Tipping MP as Parliamentary Secretary and Deputy Leader of the House of Commons.

During the financial year 2007-08, the following changes to the Cabinet Office's Ministerial team occurred.

### On 28 June 2007:

The Rt Hon Ed Miliband MP was appointed as Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster.

The Rt Hon Tessa Jowell MP was appointed as Minister for the Olympics and Minister for London.

Phil Hope MP was appointed as Parliamentary Secretary and Minister for the Third Sector.

Gillian Merron MP was appointed as Parliamentary Secretary and Minister for the East Midlands.

The Rt Hon Baroness Ashton of Upholland was appointed as Lord President of the Privy Council and Leader of the House of Lords.

The Rt Hon Harriet Harman QC MP was appointed Lord Privy Seal, Leader of the House of Commons, and Minister for Women and Equality.

Helen Goodman MP was appointed as Parliamentary Secretary and Deputy Leader of the House of Commons.

The Rt Hon Hilary Armstrong MP, Pat McFadden MP, the Rt Hon Hazel Blears MP, the Rt Hon Baroness Amos of Brondesbury, the Rt Hon Jack Straw MP and Paddy Tipping MP all left the Department.

### On 23 January 2008:

Tom Watson MP was appointed as Parliamentary Secretary.

Phil Hope MP was appointed as Minister for the East Midlands in addition to maintaining his roles as Parliamentary Secretary and Minister for the Third Sector.

Gillian Merron MP left the Department.

## Machinery of government changes

During the financial year 2007-08, the following changes took place within the departmental boundary.

## Transfers into the Cabinet Office

### Privy Council Office

On 1 April 2007, the transfer of the Lord President of the Council and Leader of the House of Lords, the Leader and Deputy Leader of the House of Commons, and the Offices of the Government Whips in the House of Commons and the House of Lords from the Privy Council Office to the Cabinet Office was announced.

## Transfers out of the Cabinet Office

### Better Regulation Executive

On 28 June 2007, the transfer of the Better Regulation Executive and the Local Better Regulation Office to the new Department for Business, Enterprise and Regulatory Reform was announced.

### Prime Minister's Delivery Unit

On 28 June 2007, the transfer of the Prime Minister's Delivery Unit to HM Treasury was announced. The Prime Minister's Delivery Unit works in partnership with the Treasury, No.10, other parts of the Cabinet Office and stakeholder departments, to assess delivery

and provide performance management for key delivery areas, and had a shared responsibility with the Treasury for the joint Public Service Agreement (PSA) target.

## Other movements

### Directgov

On 1 April 2007, responsibility for Directgov, the Government's primary digital service for citizens, transferred from the Cabinet Office to the Central Office of Information.

### Deputy Prime Minister's Office

On 28 June 2007, the Deputy Prime Minister's Office disbanded and transferred its residual responsibilities to the Cabinet Office.

### Commission for the Compact Limited

In addition, changes also occurred outside of the departmental boundary including a newly operational Executive Non-Departmental Public Body, the Commission for the Compact Limited, which is not consolidated within the resource accounts.

Further details of transfers and other movements can be found within the section Cabinet Office Finances, Financial Review 2007-08 and at Notes 35 and 37 to the Resource Accounts.

## Ministers

The Ministers who sat within the Cabinet Office during the year were:

The Rt Hon Hilary ARMSTRONG MP	Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster <i>Until 28 June 2007</i>
The Rt Hon Ed MILIBAND MP	Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster <i>From 29 June 2007</i>
	Parliamentary Secretary and Minister for The Third Sector <i>Until 28 June 2007</i>
The Rt Hon Tessa JOWELL MP	Minister for the Olympics and Minister for London <i>From 29 June 2007</i>
Phil HOPE MP	Parliamentary Secretary and Minister for the Third Sector <i>From 29 June 2007</i>
	Parliamentary Secretary and Minister for the Third Sector and Minister for the East Midlands <i>From 24 January 2008</i>
Gillian MERRON MP	Parliamentary Secretary and Minister for the East Midlands <i>From 29 June 2007 until 23 January 2008</i>
Pat McFADDEN MP	Parliamentary Secretary <i>Until 28 June 2007</i>
Tom WATSON MP	Parliamentary Secretary <i>From 24 January 2008</i>
The Rt Hon Hazel BLEARS MP	Minister without Portfolio – not remunerated <i>Until 28 June 2007</i>
The Rt Hon Baroness AMOS of BRONDESBURY	Lord President of the Privy Council and Leader of the House of Lords <i>Until 28 June 2007</i>
The Rt Hon Baroness ASHTON of UPHOLLAND	Lord President of the Privy Council and Leader of the House of Lords <i>From 29 June 2007</i>
The Rt Hon Jack STRAW MP	Lord Privy Seal, and Leader of the House of Commons <i>Until 28 June 2007</i>
The Rt Hon Harriet HARMAN QC MP	Lord Privy Seal, Leader of the House of Commons and Minister for Women and Equality <i>From 29 June 2007</i>
Paddy TIPPING MP	Parliamentary Secretary and Deputy Leader of the House of Commons – not remunerated <i>Until 28 June 2007</i>
Helen GOODMAN MP	Parliamentary Secretary and Deputy Leader of the House of Commons – not remunerated <i>From 29 June 2007</i>

**Ministers' remuneration is disclosed within the audited Remuneration Report included in the section Resource Accounts 2007-08.**

## Cabinet Secretary

The post of Cabinet Secretary was held during the year by:

---

Sir Gus O'Donnell KCB, Cabinet Secretary and Head of the Home Civil Service

---

## Cabinet Office Board

The terms of reference for the Board were:

- Taking account of the goals set by the Civil Service Steering Board (CSSB) to ensure that the Cabinet Office plays an effective role as part of the centre of government.
- To set, in consultation with Ministers, the strategy for the Cabinet Office, and to drive its delivery.
- In consultation with Ministers and others, to set judicious objectives and targets for the Department and to ensure that they are met by necessitating effective monitoring systems and instructing interventions where they are required.
- To set, on advice from the management group, and in consultation with Ministers, the resources to be allocated to each Cabinet Office group.
- To take a strategic – and proactive – overview of the Cabinet Office change programme, and to be ultimately accountable for the delivery of the Capability Review Implementation Plan.
- To lead talent management within the Department.
- To lead risk management within the Department.
- To agree, on advice from the management group, the management policies for the Cabinet Office, including a clear People Strategy.

Members of the Board have been appointed by Gus O'Donnell and are collectively responsible for providing corporate leadership to the organisation.

## Meet the Board

The members of the Board during the year were:

### Chair



Sir Gus O'DONNELL KCB  
Cabinet Secretary and Head  
of the Home Civil Service

Sir Gus O'Donnell took over as Cabinet Secretary on 1 August 2005.

Prior to that, he was Permanent Secretary to HM Treasury (2002–2005). Before that he had been Managing Director, Macroeconomic Policy and International Finance since 1999. From 1998–9 he was Director of Macroeconomic Policy and Prospects, and from 1997–98 was the UK's Executive Director to the IMF and World Bank.

Gus studied economics at the University of Warwick and Nuffield College, Oxford. He joined the Treasury as an economist in 1979, having spent four years as an economics lecturer at the University of Glasgow. Subsequent posts in government included Press Secretary to John Major as the Chancellor of the Exchequer (1989–90) and Prime Minister (1990–94). He was Head of the Government Economics Service, the UK's largest employer of professional economists, from 1998 to 2003.

### Executive Membership



Alex ALLAN  
Chairman of the Joint Intelligence  
Committee (JIC) and Head of Intelligence  
Analysis

*From 14 January 2008*

Alex Allen joined the Civil Service in 1973, starting in Customs & Excise before transferring to the Treasury a few years later. He worked mainly on international financial issues (sterling, balance of payments) before taking a couple of years off to work in the IT industry in Australia. Soon after his return to the Treasury he was appointed Private Secretary to the Chancellor of the Exchequer. He subsequently ran the international finance group, and then the public spending policy group before moving to 10 Downing Street in 1992 as the Prime Minister's principal Private Secretary. He handled the change of government in 1997 and then took up a Foreign Office appointment as High Commissioner in Australia.

Alex moved back to the Cabinet Office in 2000 as the Government's first "e-envoy" before taking time off to live

and work in Australia again. He was appointed Permanent Secretary at the Department for Constitutional Affairs in 2004, and subsequently at the Ministry of Justice following its creation in 2007. In 2008 he was appointed Chairman of the Joint Intelligence Committee, responsible for producing coordinated intelligence assessments for Ministers across a wide range of defence, foreign policy and security issues.



Paul BRITTON CB  
Director General, Domestic Policy Group  
and Head of the Economic and Domestic  
Secretariat

Paul Britton has been Director General and Head of the Economic and Domestic Secretariat at the Cabinet Office since 2001. The Secretariat supports the Cabinet, Cabinet Committees and other forms of collective decision-taking. It also works closely with No.10 to support the Prime Minister, manages the legislative programme and advises on machinery of government. In 2006 Paul became Head of the Domestic Policy Group, which comprises: the Economic and Domestic Secretariat, the Prime Minister's Strategy Unit, the Social Exclusion Task Force, and the Ceremonial Secretariat.

He has previously worked on devolution policy in the Cabinet Office and on a wide range of issues covered by what are now the Department for Communities and Local Government, Department for Environment Food and Rural Affairs and the Department for Transport.



Alexis CLEVELAND  
Director General, Transformational  
Government and Head of Cabinet Office  
Management

*From 3 September 2007*

After a short academic career, Alexis Cleveland joined the Department of Health and Social Security as an Assistant Statistician. In her early career she worked on policy development, finance, planning, and data management. In 1989 she moved to the Information Technology Services Agency where she ran large scale IT development programmes and managed live service delivery. Frustrated by the lack of business and technology integration she took the opportunity to move to the Benefits Agency in 1993 as CIO and Director of Operations (South of England). In 2000 she became Chief Executive of the Benefits Agency and managed its restructure into five separate businesses. Alexis became the first Chief Executive of The Pension Service on its launch in April 2002.

In November 2005, Alexis agreed to become the Customer Group Director for Older People as part of

the Transformational Government strategy. In this role, she is involved in looking at ways of increasing customer focus across service providers and at ways of improving integrated delivery.

In July 2007, Alexis moved to Cabinet Office as Director General for Transformational Government and Head of Cabinet Office Management.



Jon CUNLIFFE  
Prime Minister's Adviser on International  
Economic Affairs and Europe

*From 3 September 2007*

Prior to becoming the Prime Minister's Adviser on International Economic Affairs and Europe, Jon Cunliffe was Second Permanent Secretary at HM Treasury from 2005, leading the Macroeconomic Policy and International Finance Directorate. Prior to that, he led the Finance, Regulation and Industry Directorate in the Treasury, having held a number of senior positions in the department and in the Department of Transport. As well as leading on European Union business, his current role leads on the international dimensions of key issues such as trade, energy, and climate change, as well as international development.

Kim DARROCH CMG  
Permanent Secretary, European Secretariat  
*Until 28 June 2007*



Jeremy HEYWOOD  
Head of Domestic Policy and Strategy

*From 3 September 2007  
until 23 January 2008*

Permanent Secretary, No.10  
*From 24 January 2008*

Jeremy Heywood is now Permanent Secretary to No.10, after returning to the Civil Service in July 2007 to be the Prime Minister's Senior Adviser on Domestic Policy and Strategy. He spent four years as a Managing Director and co-head of the UK Investment Banking Division at Morgan Stanley. Before joining Morgan Stanley, Jeremy occupied a range of Senior Civil Service roles, most recently as Principal Private Secretary to the Prime Minister (1999–2003). Prior to that, he had a variety of senior roles at HM Treasury including, Head of Securities and Markets Policy and Head of Corporate and Management Change, where he led the department's Fundamental Expenditure Review in the mid 1990s. He also served as

Principal Private Secretary to Chancellors Norman Lamont and Kenneth Clarke. This new role sees him assume overall responsibility for domestic policy and strategy including the domestic Cabinet Secretariat, strategy, social exclusion and other key areas of domestic policy.



Howell JAMES CBE  
Permanent Secretary for Government Communications

*From July 2004 until 13 June 2008*

Howell James started his working life in the media as head of promotions at Capital Radio. He was Head of Publicity at the launch of TVam, Britain's first commercial breakfast television channel.

In 1984 he became Special Adviser to Lord Young in the Cabinet Office, and moved with him to the Department of Employment and Trade and Industry.

In 1987 he joined the Board of Management of the BBC as Director of Corporate Affairs.

He joined Cable & Wireless as Director of Corporate and Government Affairs in 1992 where he was responsible for Cable & Wireless's press, public and government relations in the UK, North America and Hong Kong.

Howell became Prime Minister John Major's Political Secretary in 1994. He was a Founding Partner of Brown Lloyd James, a corporate PR company. He was awarded the CBE in August 1997. He joined the Cabinet Office as Permanent Secretary for Government Communications in July 2004.



Roger MARSH  
Director General, Strategic Finance and Operations

Roger Marsh is currently on secondment from PricewaterhouseCoopers as the Director General of Strategic Finance and Operations at the Cabinet Office.

He was sponsored in his Metallurgy degree at Leeds University by the former British Steel Corporation and joined Price Waterhouse in 1976. Following qualification as a chartered accountant he moved into corporate recovery work where he has built his professional career. He was admitted to partnership of Price Waterhouse in 1988 and is a senior partner within the firm. During the

merger of Price Waterhouse and Coopers and Lybrand he had the responsibility of melding the two distinct cultures of business recovery in the North and Scotland together which was done successfully. He has extensive experience of carrying out strategic and financial business reviews for both the commercial and public sectors, other advisory and executory appointments. This includes being the first person to run commercially a power station in insolvency and solving the financial problems of Bradford Cathedral through a voluntary arrangement. He is acknowledged as particularly experienced (and sensitive) in undertaking complex reviews for lenders and other stakeholders in troubled situations.

Sir Richard MOTTRAM GCB  
Permanent Secretary, Intelligence, Security and Resilience

*Until 15 November 2007*



Gill RIDER  
Director General, Civil Service Capability Group

Gill is Head of the Civil Service Capability Group; she deals with the people, capability and leadership side of the Civil Service. She is responsible for the Capability Reviews, which is the "management tool" for ensuring the Civil Service has the right capabilities to deliver government's future requirements. As part of her role, Gill sits on a number of the Civil Service Governance Groups, including the Civil Service Steering Board. Gill is also Head of Profession for Civil Service HR, and chairs the HR Leaders Council and is a member of the Senior Leadership Committee.

Gill has been in her current role since May 2006. Previously, she spent her career in Accenture spanning 27 years, running various parts of the worldwide business. Her penultimate role was as Operating Head for the energy, utilities, natural resources and chemical business in 37 countries. In 2002 she was appointed Global Chief Leadership Officer – concentrating on Accenture's organisation, change, HR and leadership development. She was a member of Accenture's global Executive Committee since 1999 and appointed an Executive Officer in 2002

Oliver ROBBINS  
Principal Private Secretary to the Prime Minister

*Until 2 September 2007*

William SARGENT  
Executive Chair, Better Regulation Executive

*Until 28 June 2007*

Tom SCHOLAR  
No.10 Chief of Staff and Principal Private Secretary to  
the Prime Minister

*From 3 September 2007 until 23 January 2008*

Sir Nigel SHEINWALD KCMG  
Permanent Secretary, Defence and Overseas Secretariat

*Until 28 June 2007*

Ian WATMORE  
Permanent Secretary, Delivery and Transformation

*Until 28 June 2007*

**In attendance:**

David BENNETT  
Prime Minister's Head of Policy and Strategy

*Until 27 June 2007*

The changes in membership of the Cabinet Office Board in June reflect the machinery of government changes following the change of Prime Minister and new structures and appointments within the Cabinet Office designed to strengthen policy, strategy and coordination at the centre of government.

## Independent Non-Executive Membership

The independent Non-Executive members of the Board are responsible for ensuring that the executive members are supported and constructively challenged in their role. The non-executives are accountable to the Chair.



Ruth CARNALL CBE

Ruth Carnall CBE was appointed Chief Executive of NHS London in March 2007. From September 2006 she worked as NHS London's Interim Chief Executive. Between 2004 and 2006 she was a freelance consultant working for government departments including the Prime Minister's Delivery Unit and the Home Office as well as for the health service. Prior to 2004 Ruth worked in the NHS for over 25 years. During this time, she undertook senior leadership positions at local, regional and national levels. In 1992 Ruth became Chief Executive at Hastings and Rother NHS Trust. She was Chief Executive of the West Kent Health Authority for six years before taking the position of Regional Director, South East and then Director of Health and Social Care for the South. From April 2003 to September 2004 Ruth served as Director of the Departmental Change Programme at the Department of Health. She was awarded the CBE for services to the NHS in 2004.



Karen JORDAN  
B Soc Sc FCMA

Independent Non-Executive Chair,  
Cabinet Office Audit and Risk  
Committee

Karen Jordan is an accountant by profession, a graduate in Public Policy-Making & Administration, a Fellow of the Chartered Institute of Management Accountants and a member of the Government Internal Audit Standards Oversight Group. She is also the Head of UK Climate Change Policy for National Grid Plc.

Karen began her career in the energy sector in various finance roles, including management accountancy, internal audit, investment management, risk management and corporate governance. She then led a series of technology enabled business transformation programmes, including Y2K readiness, national field force enablement and support to the multi £bn network sales and UK gas business restructuring.

She was appointed as a non-executive director on the Cabinet Office Board and Chair of the Audit & Risk Committee in 2004.



Baroness PRASHAR CBE

Baroness Prashar is the Chair of the Judicial Appointments Commission, a Governor of the Ditchley Foundation, Non-Executive Director of ITV, Trustee of Cumberland Lodge, non-executive Director of the Cabinet Office, a Governor of Ashridge College and a Patron of The Runnymede Trust.

Her previous posts include First Civil Service Commissioner, Chairman of the Royal Commonwealth Society, Chancellor of De Montfort University, Executive Chairman of the Parole Board for England and Wales, Director of the National Council for Voluntary Organisations and Director of the Runnymede Trust. She sits in the House of Lords as a cross-bencher.

## Cabinet Office Audit and Risk Committee

The Cabinet Office has an Audit and Risk Committee which supports the Accounting Officer by monitoring the adequacy of risk management, control and governance arrangements. The membership of the Committee, which meets at least three times a year, comprises five independent non-executive members: Karen Jordan who chairs the Committee, Kenneth Ludlam, David Blackwood (appointment commenced 28 September 2007), Rosemary Peters-Gallagher (appointment commenced 28 September 2007) and Stephen Wilson (appointment commenced 28 November 2007). Polly Williams left the committee on 9 August 2007 upon expiry of her contract.

## Public Interest

The Cabinet Office maintains a Register of Interests with details of company directorships and other significant interests held by Board members. Copies of the register are available on request.

Senior management remuneration is disclosed within the audited Remuneration Report included in the section Resource Accounts 2007-08.

## Executive Management Group

During the financial year, the Executive Management Group was an executive decision making sub-group of the Cabinet Office Board with responsibility for day-to-day management of the Department.

The Group supported the Board in the strategic direction and performance management of the Department, with a particular focus on Finance, HR, Infrastructure and other operations related matters.

The Group reviewed management information on a monthly basis, making decisions on Cabinet Office-wide issues. The membership had delegated responsibility to act on behalf of the board members they represent, with one representative from each Cabinet Office group attending.

The Group was chaired during the year by Ian Watmore until 28 June 2007, Roger Marsh from 29 June 2007 to 4 September 2007 and Alexis Cleveland from 5 September 2007.

In May 2008, the Cabinet Office Board agreed to introduce new governance arrangements. Under these arrangements, the Board will continue to shape and communicate the strategies and priorities for the Cabinet Office, to drive delivery of the Department's Strategic Objectives and its change programme; and to build effective partnerships for a strong centre of government. The Board will be supported by a number of Committees; the Senior Talent and Pay Committee, the Audit and Risk Committee, an Operating Committee, a People and Pay Committee and a Finance and Investment Committee, that replace the Executive Management Group.