

Performance Report



Progress against Spending Review 2004 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. The Cabinet Office were responsible for delivery of three targets, which would drive progress towards achieving key goals in the areas of public service delivery, Civil Service capacity (incorporating leadership, skills and diversity) and the third sector. HM Treasury is jointly responsible for delivery of the first target.

The last assessment of performance against the four SR 2004 targets was made in the Cabinet Office Autumn Performance Report 2007 (Cm 7254), published in December 2007, and can be found at: http://www.cabinetoffice.gov.uk/upload/assets/www.cabinetoffice.gov.uk/publications/reports/psa/autumn_delivery/apr2007.pdf

During the SR 2004 period, the Cabinet Office aimed to make government work better by concentrating on three core functions:

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

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

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 of:

- 37% women in the Senior Civil Service (SCS);
- 30% women in top management posts;
- 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.

Target 4: Increase voluntary and community engagement

Element 1: Increase voluntary and community engagement, especially amongst those at risk of social exclusion.

Element 2: Increase the capacity and contribution of the voluntary and community sector to deliver more public services

Note: **PSA Target 3** "By April 2008 ensure departments deliver better regulation and tackle unnecessary bureaucracy, in both public and private sectors." With the establishment of the Department for Business, Enterprise and Regulatory Reform (BERR) and the transfer of the Better Regulation Executive (BRE) to BERR in June 2007, PSA Target 3 transferred to that department from the Cabinet Office. BERR are now responsible for reporting progress against this target.

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	Slippage (SR 2002 & SR 2004 targets)
Commentary	<p>The Cabinet Office and the Prime Minister's Delivery Unit (PMDU) continue to assess progress and support the delivery of all departments' PSA targets, though responsibility for delivering the targets rests with the relevant departmental Secretaries of State, as set out in the "Who's responsible" section of each PSA.</p> <p>SR2004 target</p> <p>Approximately 80 per cent of SR2004 targets were given overall summary assessments on progress by departments in their 2007 Autumn Performance Reports (APRs). Of those approximately 60 per cent were reported as being met, ahead or on course. Slippage was reported for approximately 40 per cent of targets. While very good progress has been made working with departments in helping them achieve their targets, in order for the Cabinet Office to meet its PSA target, a full 100 per cent of SR2004 PSA targets need to be met or partly met. It is an exceptionally ambitious target, so it is not surprising that there is some slippage in meeting it.</p> <p>Although the SR2004 period ended in March 2008, data for monitoring this target was taken from departments' 2007 APRs. Progress can vary up to the point that a final assessment for all targets is made. A final assessment for this target will be provided once ninety per cent of all SR2004 PSA targets have been finally assessed.</p> <p>SR2002 target</p> <p>Approximately 90 per cent of SR2002 targets were given overall summary assessments on progress by departments in their 2007 APRs. Of those, over three quarters were reported as being met, on course or partly met. Although the SR2002 period ended in March 2006, data for the full period are not yet available as some targets have a longer horizon than the SR2002 period. A final assessment for this target will be provided once ninety per cent of all SR2002 PSA targets have been finally assessed.</p> <p>Quality of Data Systems</p> <p>The data systems underpinning PSA targets are validated by the National Audit Office (NAO).</p> <p>A report on the data systems for 2005-08 PSA targets for six departments was published by the NAO in December 2006. The report concluded that nearly three quarters of the data systems developed by these departments provided a broadly appropriate basis for measuring progress against their PSA targets. The Cabinet Office remains committed to ensuring that the data used in monitoring and reporting on PSA targets are relevant and reliable. The Cabinet Office is considering how the issues raised in the report can be taken forward in the context of the new performance management framework announced in the 2007 Comprehensive Spending Review.</p>

<p>Target 2</p>	<p>By April 2008, work with departments to build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership, skills and diversity.</p> <p>On diversity meeting the specific targets of:</p> <ul style="list-style-type: none"> • 37% women in the Senior Civil Service (SCS); • 30% women in top management posts; • 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.
<p>Progress</p>	<p>Significant progress has been made on leadership and skills. Whilst there has been a lot of progress towards meeting diversity targets, at present these have only been partially met. As a result, overall, PSA Target 2 is assessed as partly met.</p>
<p>Commentary</p>	<p>Leadership Capability</p> <p>The first round of Capability Reviews of all central government departments was completed in December 2007. The reviews use a common framework to assess top management team capabilities. They are managed by the Civil Service Capability Group (CSCG, formerly the Corporate Development Group and the Capability Review Team). CSCG works with departments to help provide targeted support to make improvements required. The Cabinet Secretary chairs six monthly stocktakes that hold departments to account for taking effective action that is improving their capability to deliver. Independent assurance of departments' progress is carried out to inform those stocktakes.</p> <p>An independent evaluation of the programme and the early impact was carried out by the Sunningdale Institute and published in the Autumn¹. They found "the programme has given departments a jolt and forced the issue of improvement up the agenda... the reviews are also starting to impact on a number of substantive issues within departments". A survey of senior civil servants² carried out as part of the evaluation found there was considerable impact on leadership capability, internal strategy, and external engagement:</p> <ul style="list-style-type: none"> • 64 per cent felt their review had been very or quite effective in strengthening strategic and leadership capabilities • 74 per cent felt their review had been very or quite effective in ensuring the department is effectively engaging with stakeholders, partners and the public • 63 per cent felt their review had been very or quite effective in ensuring the department knows how well it is performing • 54 per cent felt their review had been very or quite effective in developing skills to meet current and future challenges. <p>Progress and impact is reviewed every six months by the Cabinet Secretary through formal stocktakes. The collective challenges and progress were analysed in the report 'Capability Reviews: Progress and Next Steps', published in December 2007. That Report records leadership as one of the areas in which departments have made the most progress. The Cabinet Office has led a number of key developments that are helping departments improve their leadership capability. Specific achievements this year include:</p>

¹ Take -off or Tail-off? An evaluation of the Capability Reviews programme. Sunningdale Institute November 2007

² Source: Opinion Leader Research, Report to the Cabinet Office on Capability Reviews: Research with Senior Civil Servants 2007

Progress against SR 2004 PSA targets (continued)

<p>Commentary (continued)</p>	<p>Leadership Capability (continued)</p> <ul style="list-style-type: none">• a new single leadership framework for the SCS has been developed and implemented as part of the Professional Skills for Government programme and fully integrated into the performance management system. This year for the first time all senior civil servants will be assessed on their leadership capability;• the development of the Top 200 Civil Servants (permanent secretary and directors general) as a community, which has been a key success in increasing the commitment to a more collaborative and engaged form of leadership. The Top 200 now meet regularly to address key issues of importance to the Civil Service;• a stronger emphasis on talent management and succession planning in departments and at the centre, with departments reporting regularly to the Senior Leadership Committee and being challenged on their plans;• a new 'base camp' induction event for all new Senior Civil Servants, to build awareness and understanding of their corporate responsibilities; and• the continuing success of the High Potential Development Scheme, a development programme designed for staff with the potential to tackle the most challenging jobs in Whitehall. <p>The leadership measures that have been used to track progress over the PSA period are at Annex 1.</p> <p>Skills</p> <p>The Capability Review programme has also underlined the importance of skills more generally. Work in this area is being led by Government Skills, the Sector Skills Council (SSC) for Central Government. The Prime Minister announced that it Government Skills would transfer to the Department for Innovation, Universities and Skills from April 2008. This has put it in a better position to drive forward the Skills Strategy for Government by creating a strong alignment with the Ministerial and official team charged with skills policy across all sectors in England. It will also continue to work closely with the Devolved Administrations.</p> <p>In 2007, the Government announced its plan for implementing Lord Leitch's recommendations on skills. Government Skills' work supports this agenda:</p> <ul style="list-style-type: none">– In April 2007 main departments¹ signed the Skills Pledge. This is a commitment to support employees by offering time-off and training to gain a first qualification at NVQ Level 2 (5 GCSEs at A*-C or equivalent).– In 2007 Government Skills completed surveys of employers, employees and training providers. Drawing on the results of these surveys, individual departments' skills strategies and the results of Capability Reviews, it developed a new overarching Skills Strategy for Government. This was endorsed by Permanent Secretaries in January and charts a course for common action to address priority skills needs over the next three years. <p>The Skills Strategy builds on and extends the successful Professional Skills for Government programme (PSG) which has been the main vehicle during the SR2004 period for delivering improvements in skills. (More information about the programme, including the skills themselves, is at: http://psg.civilservice.gov.uk/.) It sets out a number of specific actions including expanding the number of apprenticeships; strengthening the role of professions in setting professional, transferable skills standards (linked to relevant qualifications where appropriate); encouraging joint commissioning of learning and development provision, improving quality and reducing skills gaps, as well as saving money; and ensuring we work more effectively with the Higher and Further Education sectors, giving Government's potential future workforce a headstart in the skills its business needs.</p> <p>Diversity</p> <p>The diversity targets were set at a challenging level to accelerate progress towards a more visible and diverse Senior Civil Service. There is a varied picture of achievement across departments and further progress is needed to fully achieve the targets.</p>
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¹ Not including the Devolved Administrations and the Northern Ireland Office

Commentary

(continued)

Diversity (continued)

Over the past year there have been slight increases in representation of both black and minority ethnic and disabled staff in the SCS, although no further increase in female representation (Annex 3).

All targets and statistics for the SR 2004 targets use figures from the SCS database to ensure consistency of measurement across the four targets. Ethnicity and disability percentages are based on those senior civil servants whose ethnicity/disability is known. The proportion of staff at SCS level who have declared their ethnicity at October 2007 is up to 87.7%, from 83.4% in October 2003. The proportion of staff who have declared their disability status at October 2007 is up to 88.3%, from 70.7% in October 2004.

There has been continued monitoring of the 10-point plan on delivering a diverse Civil Service, launched in November 2005. The plan introduced strengthened targeted action and accountability in departments for delivering improved diversity, with a particular focus on the SCS, although some actions have taken place in support of all Civil Service levels. Action under the plan has included:

- **recruitment and selection:** the launch and distribution of a good practice guide for departments on recruitment and selection to the Senior Civil Service.
- **developing the talent pool:** the new positive action corporate diversity development scheme, Leaders UnLtd, which was launched in December 2006, has just recruited its third cohort of participants. Already, three participants have achieved promotion to the SCS. The Minority Ethnic Talent Association has set up a Permanent Secretary and Director General mentoring scheme for black and minority ethnic staff;
- **continued accountability:** the diversity element of the Cabinet Secretary's performance review discussions with permanent secretaries have been strengthened with the introduction of a diversity dashboard; and
- **celebrating and sharing good practice:** The Cabinet Office and Home Office co-hosted a visit from Jesse Jackson organised by the Civil Service Race Equality Network to commemorate the bi-centenary of the abolition of slavery.

A Civil Service diversity strategy to succeed the diversity 10 point plan and drive action over the next three years will be published during 2008. A formal evaluation of the 10-Point Plan will take place in 2008, this will inform the action departments take to implement the next diversity strategy.

Annexes

Annex 1

Over the course of the CSR04 period a number of workforce methods for measuring improvements in leadership have been used. The current figures are:

- Turnover in the SCS during 2006-07 was 10.3%, down from 11.7% in 2005-06 but showing an increase from levels in 2004-05 and 2003-04 of 9.8% and 8.8% respectively.
- The median length of time in completed post at April 2007 was 2.9 years, up slightly from 2.7 years at April 2006 and 2.6 years in 2005. There is an expectation of a four-year norm for SCS postings.
- In 2006-07, out of 607 competitions, 229 (38%) were open competitions.
- In the year to April 2007 there were 522 new entrants into the SCS. Of these, 196 (38%) were new external entrants
- Consistent with recent years, at April 2007, around 60% of members of the SCS were recorded as having had experience of working outside the Civil Service of more than 12 months (up from 40% in April 2004).
- The expected impact of action to ensure more active career management is an increase in the proportion of the SCS working a flexible pattern (part time/job share). As at April 2007, 5.2% of SCS staff worked a flexible pattern compared with 5.0% in 2006 and up from 4.5% as at April 2003.

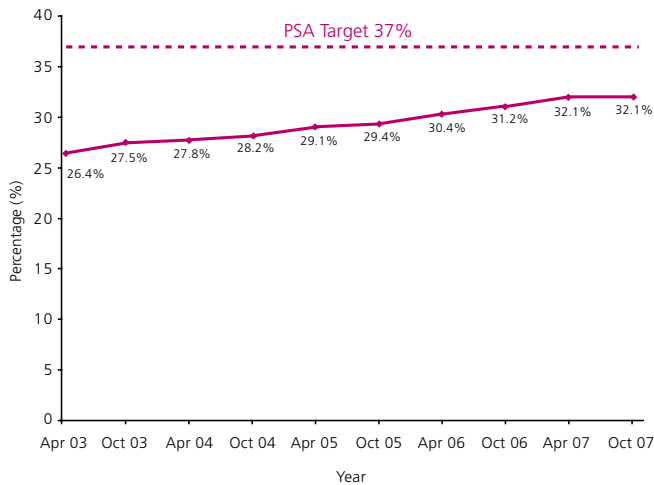
Progress against SR 2004 PSA targets (continued)

<p>Commentary (continued)</p>	Annex 2			
	Senior Civil Service: percentage with professional qualifications and a recorded profession			
	Date	Professional Qualifications*	Recorded professions*	
			Recorded profession	Profession not recorded or not known
	April 2004	36%	36%	64%
	April 2005	40%	60%	40%
April 2006	43%	75%	25%	
April 2007	42%	74%	26%	

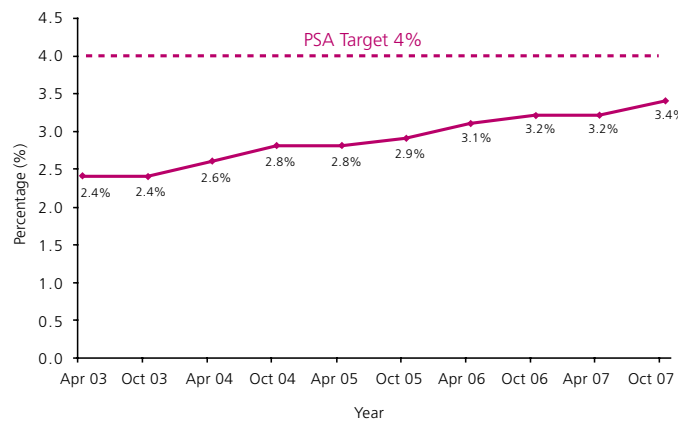
*No assumptions are made about the professional qualifications or professions of staff for whom no relevant data are available.

Annex 3: Progress across Government against the diversity elements of PSA Target 2

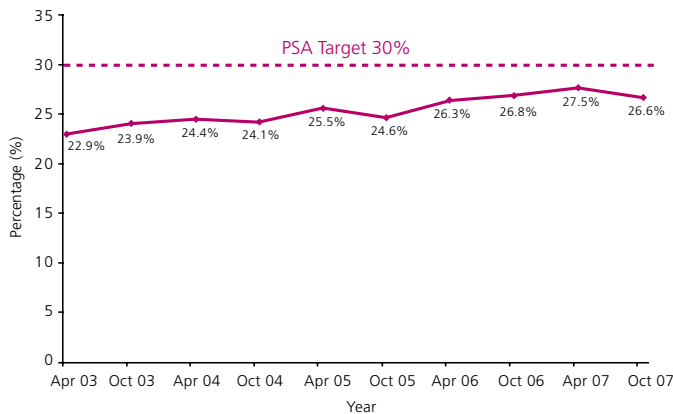
Women in the SCS



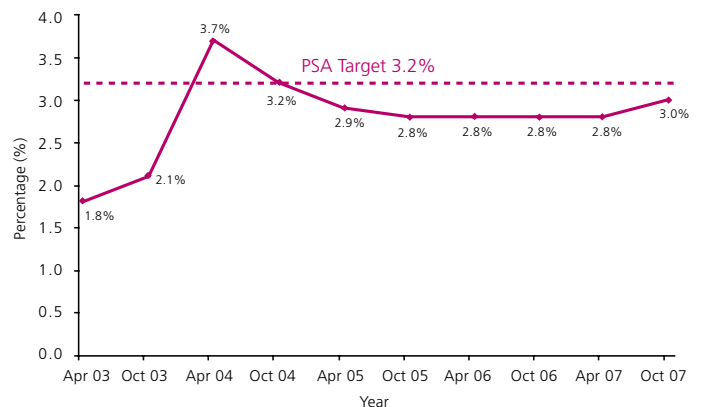
Black and minority ethnic staff in the SCS



Women in top management posts



Disabled people in the SCS



Annex 4: Cabinet Office

The table below shows progress of the Cabinet Office against the diversity targets

Minister/Official	Percentage as at 31/3/08	PSA Targets (1/4/08)
Women in SCS	38.9%	37.0%
Black and minority ethnic staff in SCS	4.9%	4.0%
Women in top management posts	30.8%	30.0%
Disabled staff in SCS	3.1%	3.2%

Target 4	Increase Voluntary and Community Engagement Element 1: Increase voluntary and community engagement, especially amongst those at risk of social exclusion.
Progress	Not met.
Commentary	<p>This target specifically covers people at risk of social exclusion which are defined as those belonging to Black and Minority Ethnic (BME) groups, people with no qualifications, and people with a disability or limiting long-term illness. It includes both formal volunteering (giving unpaid help to groups, clubs or organisations) and informal volunteering (giving unpaid help to an individual who is not a member of the family). Data from the 2007 Citizenship Survey shows that the proportion of those at risk of social exclusion volunteering at least once a month is 41%. This proportion is the same as in 2001 which means the target has not been met.</p> <p>However, volunteering levels overall remain high with 73% of all adults having volunteered in the last twelve months and 48% having volunteered at least once a month. The proportion of people formally volunteering has risen from 39% in 2001 to 43% in 2007.</p> <p>Four programmes contribute to the delivery of this PSA target:</p> <ul style="list-style-type: none"> • Volunteering for All and Goldstar, worth £8m between 2006-07 and 2007-08, are both aimed at encouraging and strengthening access to volunteering for those at risk of social exclusion. Both have been extended for a further year in 2008-09, giving the organisations involved the ability to focus on delivering their programmes rather than seeking continuation funding. Activity in both of these programmes is focused on four regions – North East, North West, Yorkshire and the Humber and London. The 2007 Citizenship Survey shows significant increases in the level of volunteering in two of these regions – North East and Yorkshire and the Humber. • The national youth volunteering charity v continues to focus on creating opportunities for young people to volunteer, and over the SR04 period created 210,000 opportunities for young people to do so. • Through Dare to Care, a programme delivered in partnership with CSV, 38,000 new volunteers have been recruited to address issues of child poverty. <p>In addition to these four specific programmes, the Government has also invested in long term strategic funding for volunteering umbrella organisations to provide advice and training on volunteering for other organisations and to develop good practice. In 2007-08 over £4.5m was invested in these organisations.</p> <p>Looking forward to the next CSR period the Government is investing more than ever before in volunteering, with £137m committed to volunteering programmes. As part of this the Government is committed to creating a new generation of volunteers, investing more than £117m over the next three years in youth volunteering, through the national youth volunteering charity v.</p>

Progress against SR 2004 PSA targets (continued)

<p>Commentary (continued)</p>	<p>The Government is seeking to open up opportunities to volunteer within the public sector. A cross Government group has been created to promote volunteering for and by civil servants and the Cabinet Office is tendering for a partner organisation to take forward a staff volunteering strategy. In addition, Baroness Neuberger, the Government Champion for Volunteering, has recently conducted a review of volunteering in health and social care. This was published in March and sets out how Government could increase opportunities to volunteer in this sector.</p> <p>In response to the final report of the Independent Commission on the Future of Volunteering, the Government will invest £4m in developing new programmes to train volunteers and volunteer managers, and a further £2m to create a new access to volunteering fund for disabled people. The Government is also taking action to reduce the barriers to volunteering by removing unnecessary and disproportionate obstacles. In June 2008 we published guidance on Criminal Record checks to help organisations know when and when not to carry out checks and we will be publishing guidance to reduce barriers to people on benefits volunteering.</p> <p>In addition to these programmes, regular volunteering is one of only 198 indicators in the new Local Government Performance Framework, on which all top-tier local authorities will be assessed. Forty three local areas have chosen this indicator as part of their Local Area Agreement.</p>
<p>Target 4</p>	<p>Element 2: Increase the capacity and contribution of the voluntary and community sector to deliver more public services.</p>
<p>Progress</p>	<p>Too early to tell (see revised technical note)</p>
<p>Commentary</p>	<p>This element is currently measured by an index combining the number of employees, the number of volunteers and the amount of statutory funding the sector receives, using data from the State of the Sector Panel survey. The baseline is 2002/03 when the index was set at 100. The most recent data for 2005/06 shows that this index is now at 105.</p> <p>However, there have been concerns over the quality of the data from the State of the Sector Panel survey, which has meant that reporting progress to date has been difficult. As a result, with support from Treasury and the National Audit Office, we will be implementing a new measurement mechanism that encapsulates all of the same elements as the existing method, but which gives us greater confidence that what we are measuring is accurate. Work on this is ongoing and further details are contained in the Technical Note.</p> <p>The Office of the Third Sector is continuing to invest in Futurebuilders and has recently successfully re-tendered the management of the £215m programme. The programme provides grants and loans to develop the capacity of third sector organisations who want to get involved in delivering public services. A key change for the recently re-tendered stage is that now third sector organisations working in any service area are eligible to apply for finance, which will significantly increase the reach of the programme in supporting third sector organisations to deliver public services.</p> <p>In addition, the Government is continuing to drive forward actions to deliver <i>Partnership in Public Services: an action plan for third sector involvement</i>. Key achievements are:</p> <ul style="list-style-type: none"> • the Innovation Exchange is now up and running, focussing initially on independent living and excluded young people, which will support third sector organisations in bringing forward innovative responses to public sector delivery. • the National Programme for Third Sector Commissioning is continuing to influence a range of relevant organisations, and will support better commissioning from the sector. • the launch of a project on social clauses with a workshop being run with pilot sites, to enable the full benefits of third sector provision to be reflected in work commissioned by government.

<p>Commentary (continued)</p>	<ul style="list-style-type: none"> developing a guide on consortia-building in order to support third sector organisations involved in sub-contracting. <p>The Office of the Third Sector has also ensured that the third sector is deeply embedded throughout the PSA set for the 2007 CSR years. The third sector is a key delivery partner in 27 of the 30 PSAs reflecting the growing recognition of its importance in delivering public services and its ability to do so.</p>
<p>Revised Technical Note for PSA 4 Element 2</p>	<p>In their validation exercise of PSA measurement mechanisms, the National Audit Office raised questions over the State of the Sector Panel survey, which is used to capture progress on this element. In their view the data system ‘needs strengthening’. In addition, the quality of the data from the survey has been adversely affected by the continuing attrition of original panel members, and would not be able to deliver the minimum number needed for robust reporting for the end of the PSA period. This fatally undermines the suitability of the Panel to measure progress across the time period as a whole. We will no longer be using the State of the Sector Panel as the basis of our assessment of progress on this element – the last year of the survey was for the financial year 2005/6. Instead we are moving to new data systems.</p> <p>We will continue to measure all three components of the index – the number of employees, the number of volunteers and the amount of statutory funding the sector receives – but using alternative, existing data sets for each of the components of the index, all of which will have greater robustness than the State of the Sector Panel, and all of which are methodologically consistent throughout the PSA period. There are a number of technical issues arising from the use of multiple datasets when creating an index, which we are working to address, and it is too early to say whether the new mechanisms will replicate the progress towards the target reflected in the old State of the Sector data.</p>

Efficiency Programme

The Spending Review 2004, incorporating the outcomes of the Gershon and Lyons reviews resulted in the following targets for Cabinet Office:

- save £25m in annual efficiencies by end 2007/08 (3% per annum)
- a headcount reduction of 150 posts by 31 March 2008.
- relocation of 250 posts outside London and the south east by 2010/11

Following various Machinery of Government (MoG) changes since 2004; revised Cabinet Office Gershon and Lyons targets were as follows:

- £22.5m in annual efficiencies by end 2007/08 (£2.5m of the target transferred to National School of Government (NSG))
- headcount reduction of 100 posts by 31 March 2008 (50 post reductions transferred to National School of Government (NSG))
- relocation of 225 posts outside London and south east by 2010/11 (25 of the target transferred to BERR)

The table below sets out the level of efficiency gains that the Cabinet Office anticipated securing from each area by March 2008. The planned gains from work streams were not targets in themselves, but would contribute to the overall target. Cabinet Office reported that it had achieved its efficiency savings target of £22.5 million at 31 March 2008. The status of the savings are final and are all cashable. Contributing to these efficiency savings were higher than expected procurement and headcount efficiency savings, estate rationalisation; improved management and control of consultancy expenditure and a number of centrally identified pressures which did not materialise before the end of the financial year.

Efficiency gains by area

Area	Anticipated £m	Actual £m March 2008
Corporate Services	4.3	5.5
Improved Procurement	14.5	16.2
Building a leaner and more efficient Centre of Government	3.1	7.6
Estate Consolidation	0.6	3.5
Total	22.5	32.8

Relocation. To date, 41 posts had been relocated.

Following the transfer of the Better Regulation Executive (BRE) to BERR, our target for relocations has been reduced by 25 and that for BERR increased by 25.

A recent joint review with Office of Government Commerce (OGC) of our ability to meet our relocation target concluded that, due to changes in structure and function of Cabinet Office since the Lyons Report was published in 2004, opportunities for further sensible relocations were limited. The review recognised Cabinet Office had made serious efforts to achieve its target, but that changing circumstances meant that Cabinet Office, in its current configuration, would be unable to meet the target. Rather than change the target it was agreed that the target would remain and that Cabinet Office would investigate the relocation opportunities for any units created within the department or transferred in from elsewhere.

Reduction of Civil Service posts. Between 2004 and 2008 Cabinet Office reduced posts through a number of projects, particularly building a leaner and more efficient centre of government. This work was part of the Cabinet Secretary's aim to make the Cabinet Office more strategic and better focused on its core objectives. Cabinet Office achieved an overall headcount reduction of 140 at the end of the Gershon reporting period. This was 40 more than the revised target of 100.

Public Administration Select Committee and Public Accounts Committee

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

During the last 12 months, ministers and officials from the department have appeared before PASC on a number of occasions to provide evidence on inquiries undertaken by the Committee:

Minister/Official	Date	Subject/Inquiry
Pat McFadden and Ian Watmore	10 May 2007	Public Services: Putting People First?
Sir Gus O'Donnell	15 November 2007	The work of the Cabinet Office
Ed Miliband and Phil Hope	20 November 2007	Third Sector Commissioning
Ed Miliband and Sir Gus O'Donnell	29 April 2008	Draft Constitutional Renewal Bill

In addition to these hearings, PASC also undertakes extensive scrutiny of Cabinet Office accounts, expenditure and performance in relation to its targets, through correspondence.

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

Public Accounts Committee

The main work of the Public Accounts Committee is the examination of the Reports made by the Comptroller and Auditor General (C&AG) on his value for money (VFM) studies of the economy, efficiency and effectiveness with which Government Departments and other bodies have used their resources to further their objectives.

During the last 12 months, officials from the department have appeared before PAC on a number of occasions to provide evidence on inquiries undertaken by the Committee:

Official	Date	Subject/Inquiry
Alexis Cleveland (CO), John Suffolk (CO) and Alan Bishop (COI)	28 November 2007	Government on the Internet: Progress in delivering information and services online
Alexis Cleveland (CO)	12 December 2007	Improving corporate functions using shared services

Cabinet Office Groups contributing towards the Department's SR 2004 objectives

The Cabinet Office has one core aim: **'Making government work better'** which is currently supported by the four objectives outlined below (SR 2004 period). Each group within the Department contributes to one or more of these objectives. The table sets out, by group,

the number of staff working towards each of the Department's objectives.

The numbers below represent the proportion of each group's work on the objectives described in full-time equivalent (FTE) members of staff. The numbers do not necessarily represent in every case individual members of staff.

Objectives in full

Number	Description	Total FTE Staff
Objective 1	Supporting the Prime Minister – to define and deliver the Government's objectives	317
Objective 2	Supporting the Cabinet – to drive the coherence, quality and delivery of policy and operations across departments	567
Objective 3	Strengthening the Civil Service – to ensure that the Civil Service is organised effectively and has the capability in terms of skills, values and leadership to deliver the Government's objectives	285
Objective 4	Support Cabinet Office business	153
Total		1322

Relationship between management groups and objectives with staff numbers

Group	Objective	Total FTE Staff
Business Support Group	Supporting the Prime Minister	0
	Supporting the Cabinet	105
	Strengthening the Civil Service	22
	Support Cabinet Office business	111
Civil Service Capability Group	Supporting the Prime Minister	0
	Supporting the Cabinet	0
	Strengthening the Civil Service	175
	Support Cabinet Office business	36
Communications and Information Group	Supporting the Prime Minister	27
	Supporting the Cabinet	12
	Strengthening the Civil Service	30
	Support Cabinet Office business	0
Domestic Policy & Strategy Group	Supporting the Prime Minister	20
	Supporting the Cabinet	144
	Strengthening the Civil Service	16
	Support Cabinet Office business	0

Group	Objective	Total FTE Staff
European Secretariat	Supporting the Prime Minister	16
	Supporting the Cabinet	13
	Strengthening the Civil Service	3
	Support Cabinet Office business	0
Intelligence, Security & Resilience Group	Supporting the Prime Minister	35
	Supporting the Cabinet	190
	Strengthening the Civil Service	7
	Support Cabinet Office business	0
Overseas & Defence Secretariat	Supporting the Prime Minister	24
	Supporting the Cabinet	24
	Strengthening the Civil Service	0
	Support Cabinet Office business	0
Parliamentary Counsel Office	Supporting the Prime Minister	0
	Supporting the Cabinet	73
	Strengthening the Civil Service	0
	Support Cabinet Office business	0
Prime Minister's Office	Supporting the Prime Minister	169
	Supporting the Cabinet	0
	Strengthening the Civil Service	0
	Support Cabinet Office business	0
Transformational Government	Supporting the Prime Minister	26
	Supporting the Cabinet	6
	Strengthening the Civil Service	32
	Support Cabinet Office business	6
Total		1322

1. Data used in this table is based on the average of quarterly data throughout the financial year. Note 9 to the Accounts shows additional headcount information.

Better Regulation

Cabinet Office does not legislate in high volumes and as such produces very little regulation of its own. Key functions of the Cabinet Office are to co-ordinate and promote good policy-making across government.

Since the publication of last year's Cabinet Office Departmental Report, the Better Regulation Executive (BRE), which leads better regulation work across government, has moved from the Cabinet Office to the Department of Business, Enterprise and Regulatory Reform (BERR). Details of the BRE's leadership role in the drive for better regulation during 2007/08 can be found in that department's annual report.

Simplification and Administrative Burden reductions

Cabinet Office is not a significant regulator itself but does have units and agencies which contribute to regulation. As with all government departments, the Cabinet published its second simplification plan in December 2007 which will continue to be reviewed and updated every year.

The administrative burden imposed by all departments was measured in a systemic exercise. The total administrative burden imposed by the Cabinet Office was measured at £15.4 million from two main areas, the Third Sector and Security, Intelligence and Resilience. It includes all those administrative burdens which are attributable to Cabinet Office legislation, less 'business as usual' costs.

All departments have individual targets for reducing their administrative burden by May 2010 (five years after the baseline for the measurement exercise). The Cabinet Office has accepted a target of 35 per cent. Measures identified amount to £5 million of savings which will benefit business, frontline public services and the Third Sector. This is a reduction of 32 per cent. We aim to identify additional savings in plans during 2008.

The most significant administrative burden reduction measures are:

- Public charitable collections – when charities wish to carry out street collections or house-to-house collections they face onerous and inconsistent requirements to register their intentions with local authorities and report on the outcome. The existing legislation regulating public charitable collections dates from 1916 and 1939. The Charities Act 2006 will overhaul the system, replacing it with a simpler process of central registration and exempting many local, short-term collections. Charities will find it simpler to arrange public collections, so a greater proportion of money given by the public to charities will go to good causes rather than pay for administration, with benefits worth at least £2.6 million to the Third Sector. The aim is for the implementation of a new licensing regime to begin in 2009/10.
- Charities (Qualified Surveyors' Reports) Regulations 1992 – when charities wish to sell or lease land held by or in trust for them they currently face inflexible requirements to take professional survey advice, regardless of the scale of the transaction. New regulations will be brought in which are more proportionate to different types and sizes of land and property transactions. Scoping work has identified that changing the existing regulations may not be sufficient to deliver a proportionate system of regulation and that changes to section 36 of the Charities Act 1993 may be needed. If that is the case then consideration will be given to the possibility of a Legislative Reform Order. The Office of the Third Sector aims to consult on proposals in 2008 with changes coming into effect in 2009. The expected saving for charities is £2.4m per annum by 2009/10.

For further information on Cabinet Office administrative burden reduction and simplification plans, please see Cabinet Office Simplification Plan which was published in December 2007 and can be found at:

www.cabinetoffice.gov.uk/reports/simplification.aspx

The Cabinet Office has conducted eight formal public consultations since January 2007:

- *the final Legislative and Regulatory Reform Bill,*
- *reforms to improve impact assessments,*
- *the Third Sector Review jointly undertaken with HM Treasury.*
- *Audit, accounting and Reporting changes for charities – joint consultation with the Charity Commission*
- *Risk capital investment fund for social enterprise*
- *Take-up of Gift Aid tax relief – joint consultation with HM Treasury*
- *Proposals for Community Assets*
- *Financial Thresholds in the Charities Acts – Proposals for Change – joint consultation with the Charity Commission*

All consultations lasted at least 12 weeks.

The Cabinet Office European Secretariat works with the Better Regulation Executive in BERR and across Whitehall to ensure that departments are aware of the European Commission's work streams and better regulation priorities. The Cabinet Office and BERR have successfully influenced the European Commission's approach to administrative burden reduction and simplification, as well as the European Council which in March 2007 agreed a target to reduce administrative burdens at EU level and Member State level by 25%; to be achieved by 2012.

The Office of the Third Sector works closely with the Better Regulation Executive and across Government to tackle regulation that has a disproportionate effect on third sector organisations.

The Cabinet Office has not implemented any European legislation in the period covered by this report and there are no forthcoming Cabinet Office regulations that impact on business. Therefore no Common Commencement Date Statement was made.