



DELIVER HIGH QUALITY PUBLIC SERVICES

OBJECTIVE VIII: Improve the quality and the cost effectiveness of public services

Performance against target

5.1 The specific target for objective 8 is PSA target 9:

Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules (joint target with Cabinet Office)

5.2 Departments are responsible for delivering their individual SR2002 PSA targets. As such, this target can only be assessed as each PSA target for SR2002 comes to completion.

5.3 Progress towards PSA targets is reported biannually in (spring) Departmental Reports and Autumn Performance Reports, and progress towards the SR2002 PSAs is set out on the PSA Performance website (www.hm-treasury.gov.uk/performance).

Delivery

5.4 The Government's long-term goal is to deliver world-class public services through investment and reform to ensure that taxpayers receive value for money. The Treasury works with the Prime Minister's Delivery Unit to assess progress on, and help enable, delivery.

5.5 A key part of the public service reform agenda is to ensure a high level of transparency about what is being achieved. As noted above, Departments are required to report formally twice yearly on their performance, in spring Departmental Reports and Autumn Performance Reports (introduced in autumn 2002). In addition, a public website¹ was launched in spring 2003, which brings together reporting of progress on all Government departmental PSA targets, and provides transparency on the results investment in public services is delivering.

5.6 The Treasury works closely with departments to assess their performance against, and assists in the delivery of, their targets, i.e. through capacity-building, support, sharing of best practice and problem solving interventions, such as deployment of the Public Services Productivity Panel².

5.7 The Treasury has developed, and continues to refine, a framework for planning and controlling public spending which:

- is underpinned by firm fiscal rules;
- provides a stable basis for departmental planning, with budgeting over three years;
- allocates resources on the basis of firm and fixed plans;
- provides separate allocation for capital spending, to ensure sustained increases in investment;

¹<http://www.hm-treasury.gov.uk/performance/>

²http://www.hm-treasury.gov.uk/documents/public_spending_and_services/public_services_productivity_panel/pss_psp_index.cfm

- links budgets to challenging outcome-focused targets as part of departmental Public Service Agreements; and
- links investment to reform and delivery.

5.8 The Cabinet Committee on Public Services and Public Expenditure (PSX) was established to review public expenditure allocations and to make recommendations - including on Public Service Agreements - to the Cabinet. It also reviews progress in delivering the Government's programme of investment and reform of public services.

Achievements

5.9 The Treasury, together with the Prime Minister's Delivery Unit, has continued to support departments on delivery planning and management, including the production of delivery plans.

5.10 Pay and workforce issues were further embedded into the delivery agenda through pay and workforce strategies, ensuring that pay, workforce reform and business transformation effectively support delivery objectives.

5.11 The Devolved Decision Making Review³, jointly published by the Treasury and Cabinet Office in March 2004, considered how best to achieve decentralised delivery and responsive local and regional services in a way consistent with equity and efficiency, against a clear framework of national standards. The recommendations of this review will help departments ensure that service providers respond flexibly to customer needs.

5.12 Budget 2004 has set out the firm overall spending limit for the 2004 Spending Review (SR2004) period, which will allow current spending to increase by an average of 2.5 per cent in real terms in 2006-07 and 2007-08, and public sector net investment to rise from 2 per cent of GDP to 2 1/4 per cent by 2007-08.

5.13 The growth rate of both overall public spending and departmental spending limits to be set in SR2004 will be lower than in SR2002. However, the Government aims to match the pace of growth in front line public services delivered in the last Spending Review, by delivering planned efficiency gains equivalent to £20 billion a year by 2007-08, through setting an efficiency target for the whole of the public sector of 2.5 per cent per year over the SR2004 period. This greater efficiency in the use of resources, directing them away from administration and towards public services customers, will help to deliver greater value for money.

³http://www.hm-treasury.gov.uk/budget/budget_04/associated_documents/bud_bud04_addevolved1.cfm

5.14 The final report of Sir Michael Lyons review of public sector relocation, "*Well placed to deliver? – Shaping the pattern of Government service*"⁴, was published on 15 March 2004. It concluded that the current concentration of national public sector activity in and around London is inconsistent with Government objectives for efficiency and regional development, and that location needs to become an integral dimension of Government business planning. Sir Michael identified 20,000 posts as candidates for dispersal from London and the South-East. Potentially, over £2 billion could be saved over 15 years as a result, which would make a contribution to the Government's wider efficiency proposals. The Government has accepted Sir Michael's report and confirmed that it will implement his recommendations. Relocation will therefore be an important theme of SR2004.

Future Plans

5.15 SR2004 will be delivered in the summer of 2004. The review will set spending plans for departments for 2006-07 and 2007-08 and confirm the plans for the year 2005-06 which were set in SR2002. In particular the Review will take further steps to strengthen the economy, build a fair society with opportunity and security for all, and deliver better public services. These aims will be embedded in ambitious targets for delivery across the whole of the public sector.

5.16 SR2004 will also take further steps to implement the findings of some of the cross-cutting reviews commissioned at 2003 Budget and take forward its reform priorities. It aims to improve the responsiveness of public services to local and personal needs. The review of the voluntary and community sector (VCS) aims to explore the practical ways in which Government can best engage the expertise, innovation and enthusiasm of the VCS in the delivery of world-class public services.

5.17 In Budget 2003 the Government announced that it would be conducting a review of efficiency within the public sector. Sir Peter Gershon was appointed to lead this review, and established a team drawn from the Treasury and the Cabinet Office, as well as other parts of the public and private sectors. Sir Peter and his team have been working closely with departments and other public sector bodies to help them identify specific opportunities for efficiencies within their own budget. The focus of attention has been on back office, procurement and transaction service expenditure, though the effectiveness of central government's policymaking, regulatory and financing activities have also been reviewed. In addition, Sir Peter is helping departments develop proposals that will make more efficient use of resources already deployed at the frontline - for example, ensuring that public service professionals are able to spend more time directly serving the public. In the light of this work, detailed efficiency proposals are currently being developed by departments and will be set out alongside the Spending Review conclusions.

⁴http://www.hm-treasury.gov.uk/consultations_and_legislation/lyons/consult_lyons_index.cfm

OBJECTIVE IX: Achieve a high standard of regularity, propriety and accountability in public finance

Performance against target

5.18 In April 2003, the Government completed the move to the new resource based financial management system in central government. The new system, by bringing together central government planning, budgeting, Estimates and reporting on a full resource basis, places the UK government among the world leaders in financial management reform in the public sector.

Delivery

5.19 The Government's aim is to achieve world-class standards of financial management in the UK public sector. A key factor in delivering this has been the achievement of significant improvements over recent years in the quality and timeliness of departmental resource accounts.

Policy measures in place to secure further improvements in UK public sector financial management include:

- moves towards 'faster closing' of departmental accounts, with the aim, by 2006, of accounts being laid before Parliament by the summer recess;
- development of Central Government Accounts (CGA), and then Whole of Government Accounts (WGA) covering the whole of the UK public sector;
- strengthening moves towards promoting greater professionalism of Civil Service management by replacing departmental Principal Finance Officers by suitably qualified Finance Directors; and
- maximising the impact of the risk management and corporate governance agendas.

Achievements

5.20 The number of departmental resource accounts receiving a qualified audit opinion on 'true and fair' grounds has continued to fall, to just 3 accounts in 2002-03, compared with 30 in 1998-99:

5.21 There has also been a significant improvement in the timeliness of the accounts, with only four of the 2002-03 accounts being signed off after the due date, compared with 37 in 1999-00.

Audit opinion	98-99	99-00	00-01	01-02	02-03
Unqualified*	22	37	43	47	48
Qualified*:	30	12	9	6	3
- Scope limitation	18	9	7	6	2
- Adverse opinion	5	0	0	0	0
- Disclaimer	4	3	2	0	1
- 'Nil' opinion	3	0	0	0	0
Total	52	49	52	53	51

*on 'true and fair' grounds

5.22 The GOLD (Government On-Line Data) consolidation system has been rolled out to departments, and the first dry-run Central Government Accounts (CGA) for 2001-02 have been completed and reviewed by the NAO. The second CGA are now in progress, and it has been announced that the first Whole of Government Accounts will be published for 2006-07. The Treasury has also led the development of a Single Data System (SDS) in order to collect and process financial data from departments.

5.23 The Treasury has hosted a large number of overseas delegations during 2003-04 and has been active member of two International Federation of Accountants Public Sector steering committees. Several further booklets have been published in the "Managing Resources" series, to help departments derive the full benefits from the move to resource based financial management.

5.24 Parliamentary procedures have been implemented to extend the Comptroller and Auditor General's powers of audit and access. The controls in Government Accounting have been reviewed to ensure their continuing validity, and this has led to the revision or abolition of a number of controls. The Treasury launched the new Audit Committee Handbook, and this year's Fraud Report has been produced on a new, clearer reporting basis. The Treasury steered an interdepartmental group reviewing banking operations across the Chancellor's Departments.

5.25 Measurable improvements have been made in government risk management capabilities, and there is a widespread commitment to further improvement in departments. The Treasury published the 'Principles for managing risks to the public' and overseen the creation, dissemination and use of the Risk Management Assessment Framework (RMAF), a tool for departments to assess their performance in different areas of risk management within the organisation. On-line tools have been created to assist departments share good practice in risk management and develop their capabilities, and the Treasury organised a series of events to improve risk management, including awareness-raising breakfast meetings for junior Ministers.

5.26 The Treasury's own (unqualified) departmental resource accounts for 2002-03 were presented to Parliament before the 2003 summer recess. Internal reporting to the Treasury Management Board is now on a full accruals basis, following consolidation of the Treasury's new financial management information system.

Future Plans

5.27 The main challenges the Treasury will face under this objective in 2004-05 are:

- delivering the full potential of resource based financial management by ensuring implementation of the new resource based system continues to proceed smoothly; providing departments and the wider community (including Parliament) with the means to get the maximum benefit from the information generated by the new approach; and encouraging further improvements in the timeliness and quality of resource accounts;
- monitoring moves towards international convergence in accounting standards for the corporate sector, and ensuring maximum convergence across the public sector in the UK.

- preparing for the publication of the first CGA for 2003-04, and beginning the process of preparing the first dry-run WGA for 2004-05;
- seeking to increase the value obtained from the external audit process through the Audit Liaison Group;
- delivering a review of corporate governance in central government, which adds value to the way in which departments manage the delivery of their objectives, and ensuring that the Westminster system of accountability and control compares well with that in other developed countries, by pursuing a comparative study with the OECD;
- continuing to ensure that the controls in Government Accounting are the minimum necessary to ensure regularity, propriety and value for money, and identifying improvements in Government's use of payment services and developing a strategy for delivering these;
- ensuring that internal audit plays a full part in providing assurance on the change processes arising from SR2004 and the efficiency review, and ensuring that the Statement on Internal Control remains a powerful tool for enhancing accountability;
- carrying forward the recommendations of the Chancellor's Departments' Banking Review, undertaking a market test of OPG's banking contract, and reviewing policy towards departments' banking operations; and
- linking the Risk Programme to other Government initiatives, promoting better risk management across Government and developing proposals for longer term risk support arrangements;



MANAGING OURSELVES

6.1 This chapter reports on how the Treasury manages itself in order to achieve its aim and objectives¹. Annex A4 also reports on progress against those corporate SDA targets set under SR2002 and SR2000.

Treasury Staff

6.2 To meet its aim and objectives, the Treasury needs to have a workforce equipped to meet the challenges facing them. Its staff have to be in touch with the wider issues; professional; experienced; demonstrate a wide range of talents and come from diverse backgrounds, able to understand and reflect the society it serves.

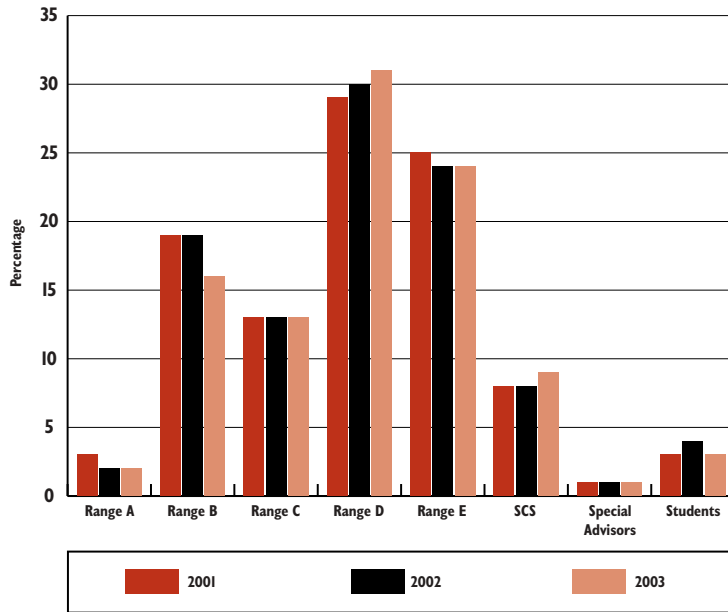
6.3 The Treasury is a relatively small department. It is now fully staffed, following a fall in the late 1990s, but the current staff number of around 1050 is still below the annual average of around 1150 for the 1990s as a whole. Staff numbers are set through the business planning process, where directorates plan annually for the numbers and mix of staff needed to meet objectives and targets for the year ahead. Over the next few years, staff numbers to support current activities will fall as a result of the Chancellor's decision to freeze the administration costs of the core Treasury at 2005-06 levels until 2007-08. At the same time, however, the Treasury will take on an expanded role in tax policy and there will be a transfer of funding and posts from the Revenue departments. We shall be working through the overall implications for staff numbers over the coming months.

6.4 The Treasury delivers its objectives primarily by working with and through other organisations, and its staff breakdown, accordingly, does not follow the traditional pyramid structure of public service delivery departments. Its core business is policy development and in 2003 over half of staff were in the Policy Analyst grades: 31 per cent in Range D (HEO) and 24 per cent in Range E (Grade 7) (see fig 6.1). There has been significant graduate recruitment in the last few years to fill vacancies, with the result that almost half of our Range Ds are aged under 30 years old, and 65 per cent of total Treasury staff are under 40.

6.5 The Treasury is committed to maintaining a diverse workforce, which is best able to meet the needs of the diverse society which it serves. Along with the rest of the civil service, the Treasury has set itself aspirational targets to increase the proportions of women, ethnic minorities and people with disabilities in its Senior Civil Service (SCS) to 35 per cent, 3.2 per cent and 3 per cent respectively by 2004-05. These were very stretching targets when they were set in 2000, but good progress has been made especially in the case of women and ethnic minorities. The proportion of women in the SCS has risen from 19 per cent in 2000 to 30 per cent by 1st April 2004 (see Fig 6.2), while the proportion of ethnic minority staff has risen from 1.2 per cent to 2.6 per cent. Women at Director level and above have increased from 9 per cent to 20 per cent over the same period (see Fig 6.2). Moreover, the Treasury has greatly improved the proportion of women and minority ethnic staff in feeder grades to the SCS, so that progress is likely to be sustained.

¹All references to Treasury in this chapter relate to the core Treasury. It does not include the DMO or OGC, whose costs are also included in HM Treasury group. More information on these organisations and their work can be found in chapter 7 of this report. Information on the financial resources of the Treasury group as a whole can be found in Annex B and the complete picture is in the Treasury's Resource Accounts.

Figure 6.1: Staff in Treasury by Range



6.6 It has been more difficult to sustain improved representation at senior levels of staff with disabilities. The Treasury is tackling this with a strategy to support staff with disabilities so that they maximise their potential in the department. The strategy will provide staff with disabilities with more ready access to reasonable adjustments and to individual mentoring tailored to their needs through a network of disability champions.

Figure 6.2: Women in SCS and Director level



6.7 The department regularly monitors by ethnicity, gender and disability the number of staff in post and has a programme of action to address under-representation. In 2003-04 actions included the introduction of a package of dependant care support and childcare vouchers. In recognition of the Treasury's progress in this area the department received a silver awards at the British Diversity Awards and a gold standard in the Opportunity Now Benchmarking Survey 2003. Table 6.1 shows staff diversity as at 31 March 2004.

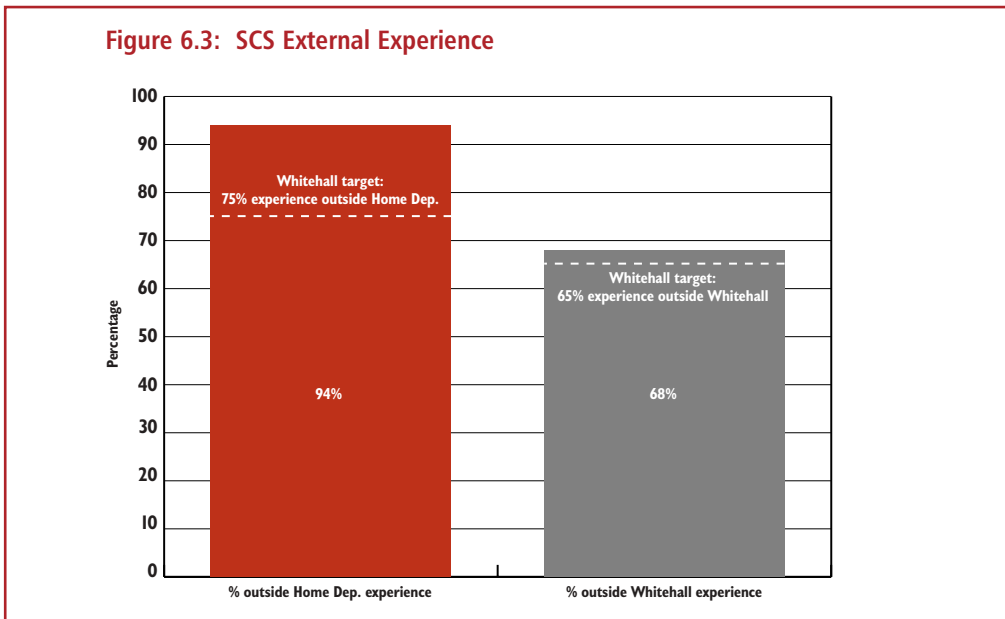
Range	Women (per cent total)	People from minority ethnic background (per cent total)	Permanent with Disabilities (per cent)
H	20.0	0.0	0.0
G	21.1	0.0	0.0
F	32.2	3.3	2.2
E	34.6	5.4	2.0
D	39.7	12.5	2.4
C	50.0	26.4	6.4
B	68.3	31.1	7.1
A	73.7	42.1	36.8
Total	43.9	14.9	4.1

6.8 The Treasury considers it important that staff have a wide mix of experience, both of working in other government departments and in the private sector. In 2003, 38 per cent of all new entrants were seconded or loaned in, and 14 per cent of the total staff in post were either on loan or secondment. Similarly, 15 per cent of Treasury staff were on loan or secondment out to other organisations, a level that helps to encourage in new talent and new ideas while still maintaining the necessary continuity to meet targets. For the SCS, the Treasury is exceeding the cross Whitehall targets for external experience (see fig 6.3), and in 2003, 42 per cent of new SCS members were on secondment or loaned in.

6.9 The Treasury's recruitment procedures are in accordance with the recruitment code laid down by the Civil Service Commissioners, which is based on the principles of fair and open competition and selection on merit. The necessary systems are in place to ensure that recruitment is based on these principles, and these systems are subject to internal checks. Opportunities are advertised widely to encourage those with a range of backgrounds to apply. Treasury recruitment by category in the calendar year 2003 is shown in Table 6.2.

In the calendar year 2003, the Treasury:

- advertised open competitions to fill 5 Senior Civil Service (SCS) posts. The majority of other SCS posts were trawled across other Government Departments;



- recruited 14 Leading Policy Analysts directly at Range E through an open competition which completed in December 2003²;
- to supplement recruitment from the Civil Service Selection Board, recruited 29 people in 2003 from the Treasury’s own direct graduate recruitment programme for range D policy analysts; and

Table 6.2: Recruitment during calendar year 2003³

Pay Range	Permanent appointments	Fixed term appointments	Permanent transfers/reinstatements	Secondments in	Casual appointments (exceptions)	Total
A	1	1	0	0	2	4
B	21	5	1	1	11 ⁴	39
C	1	3	0	0	7	11
D	69 ⁵	0	1	5	17	92
E	9	0	0	13	6	28
SCS	2	4	0	0	2 ⁶	8
Total	103	13	2	19	45	182

²Offers for the Leading Policy Analyst positions were made to candidates at the end of 2003, but 11 candidates have deferred start dates in 2004 so have not been included in the figures in table 6.1 above. Of these, six have taken up post so far in 2004 and the remainder have start dates set.

³This table excludes 82 staff who were loaned-in from elsewhere within the civil service during 2003

⁴Figure excludes 44 student placements (a mixture of 28 sandwich placements and 16 summer placements of various types)

⁵Range D's in the permanent category were previously casual employees but secured permanent positions through open competition during 2003.

⁶Includes 1 person who later became a permanent Range E employee during 2003 after applying through an open competition.

- ran 29 other individual recruitment schemes for a variety of specialist positions (e.g. HR, IT, Accountancy and Finance specialists).

6.10 From those recruited (including loans and secondments into the department) the proportion of women, people with disabilities, and people from ethnic minority backgrounds at each level in the calendar year 2003, are as shown in Table 6.3⁷:

6.11 Table 6.4 illustrates the number of occasions where permitted exceptions to fair and open competition and selection on merit have been used at each level (except for appointments of up to 12 months), by category.

Table 6.3: Treasury Recruitment by Gender, Ethnicity and Disability 2003			
Pay Range	Women (per cent)	People from minority ethnic background (per cent)	People with Disabilities (per cent)
A	50.0	50.0	0.0
B	53.5	25.6	9.3
C	59.1	45.5	0.0
D	52.0	14.4	4.0
E	49.1	10.5	3.5
SCS	50.0	8.3	0.0
All recruits	51.9	18.2	4.2

6.12 Staff learning and development is central to the achievement of the Treasury's objectives. Every employee has a development plan to help them realise their full potential and keep them on the path of continual improvement. This is reviewed at least twice a year by staff and their line managers. There are a number of development opportunities for staff:

- the Treasury Development Programme (TDP) – see below;
- development centres for Ranges D-E (HEO-Grade 7);
- PROSPECTS development programme for Ranges A-C (AA-EO);
- tailored courses for core Treasury work areas;
- 360 degree feedback, supported by executive coaching;
- NVQ programmes;
- IT training; and
- Adult further education, including MBAs.

⁷12.9% of new recruits did not declare their ethnicity, and 13.3% did not declare whether they have a disability

Table 6.5: Exceptions to the Civil Service Commissioners' Recruitment Code 2003-2004

Exception Category	Range A	Range B	Range C	Range D	Range E	Senior Civil Service
Extensions of appointment of up to 12 months up to a maximum of 24 months (with reasons) ⁸		2		1		
Short term appointments where highly specialised skills required ⁹					1	
Secondments		1		5	13	
Extensions to secondments (with reasons) ¹⁰				1		
Any use of the exceptions reserved for the Commissioners ¹¹						1

⁸In 2 cases the extension was permitted because a project or plan of work continued beyond expected timescale. In 1 case the extension was permitted to allow an application for an open competition.

⁹1 Range E short term appointment was made because the candidate had specialist skills highly suited to the role.

¹⁰1 Range D secondment extended because project continued beyond expected timescale.

¹¹1 Range E (temporary promotion to SCS) casual appointment was extended into a fixed term appointment, due to specialist skills for the particular post and to allow candidate to apply for an open competition.

6.13 The aim of the TDP is to ensure all staff have the necessary knowledge, skills and ability to be able to perform in their jobs effectively and encourage continuous development. It is made up from number of assessed modules covering:

- Management;
- Resource Based Management;
- Numeracy and Statistics;
- IT skills;
- Macroeconomics;
- Microeconomics; and
- Public Policy Administration.

6.14 Credits are awarded on successful completion, and are a factor in promotion decisions.

6.15 The Treasury recognises that continuous improvement demands active management of performance at every level. It depends on being able to incentivise high performance, while being more professional in the approach to weaker performance. The aim is to make sure that everyone who works in the Treasury is given the best opportunity to develop their skills and achieve their potential, through active management at all levels.

6.16 The appraisal process requires individuals to agree priority work objectives which link with the Team's business plan, which, in turn, flows from the Department's objectives. Individual work objectives are designed to capture the key areas the jobholder should achieve during the year.

6.17 The Treasury aims to attract, retain and reward staff who deliver high standards of performance. It operates a well established performance related pay system. In addition to basic pay, additional allowances are paid to accountants and internal auditors. All other allowances, including London Weighting, have been consolidated into basic pay. During 2004, the Treasury is undertaking a review of its performance management system and updating its competence framework. A review of the pay system is also underway.

6.18 Since the 5th January 2004, the Treasury has been supporting the childcare costs of eligible staff through a childcare voucher scheme. Support for staff working full-time hours will be at the rate of £40 per week, per family, irrespective of the number of children. Staff working part-time hours will receive a pro-rated amount and anyone whose costs are less than the weekly rate will receive the lesser amount.

6.19 Treasury staff have the opportunity to take advantage of a wide range of flexible working patterns, including:

- flexi-time: about 70 per cent of staff use the online flexi-time system;
- home working: many staff do this occasionally, and around 5 per cent do so on a regular basis, including several senior staff;
- part-time working: around 5 per cent of staff work part-time, with a further 1 per cent job-sharing; and
- other alternative working patterns including 9 day fortnights and term time working.

6.20 There is a package of support for staff with dependant care responsibilities, including: arrangements for special leave and flexible working, a family support help line, childcare vouchers and places on holiday play schemes.

6.21 When compared to staff in other high performance organisations in the UK, Treasury staff, on the whole, are more positive about the organisation they work for – staff feel respected and valued. Over 75 per cent of staff responded to the 2003 staff survey, with almost 80 per cent saying they would recommend the Treasury as a good organisation to work for.

Infrastructure

6.22 The high quality of the Treasury's IT systems enable staff to share and obtain information easily, and communicate effectively, both internally, and with the outside world. Key activities over the past year include:

- guidance to staff on the implementation of the Freedom of Information Act, and the application of the Data Protection Act;
- the creation of a business change programme to deliver excellence in records management and the procurement of a new electronic document and records management system, to enable the Treasury to meet the Public Record Office cross government target of all records to be managed electronically by the end of 2004; and
- continued development of the Treasury Weekly Economic Briefings on the government wide Knowledge Network.

6.23 In the 2003 staff survey, 80 per cent of staff agreed they had the systems needed to do their job.

6.24 The HM Treasury external website¹² has continued to build on its success at the 2002 Government Internet Forum Awards, at which it won best departmental website. During 2003, traffic on the website tripled, with 38 million pages being downloaded, as compared to 12 million in 2002. A particularly notable achievement was the publication on the 9 June 2003 of the 18 EMU studies, the Assessment of the Five Tests Assessment, and related materials on-line, by e-mail, on CD-Rom and in hard copy with complete availability from time of publication onwards.

Accommodation

6.25 All Treasury staff are now located in one building - 1 Horse Guards Road. Comments in the 2003 staff survey, along with the post occupancy evaluation, confirmed the building provides a flexible and supportive working environment which fosters better communications and knowledge sharing. Accommodation at 1 Horse Guards Road is provided by Exchequer Partnerships under the terms of a 35 year PFI deal. They ensure the building complies with best practice in environmental standards, and that it fully meets the Government's "green policies", and, in particular, its energy targets. The Treasury has recently begun to work with the Carbon Trust who are funded by DEFRA to encourage attitudes that promote an awareness of the environment.

6.26 The Treasury remains committed to continual improvement in its environmental performance. An Environmental Management System (EMS) is now in place and work continues with EP and the Carbon Trust on ensuring that the system achieves ISO 14001 accreditation in line with Government targets.

¹²www.hm-treasury.gov.uk

6.27 The Treasury also has an ongoing commitment to the Watermark Project¹³. Significant water savings have been achieved; useage per person has dropped by around 80 per cent. The new building is clearly bringing benefits in reducing water usage, and the department will seek further reductions.

6.28 In line with the Government's 'Revitalising'¹⁴ initiative, the Treasury has maintained its commitment to excellence in the field of health and safety, and the well being of its staff continues to be a top priority. The Managing Director of CSD is Board "champion" for all occupational health, safety and welfare issues, and reports progress to the Board on a regular basis.

6.29 As part of its commitment to create and maintain a healthy and stimulating working environment for staff, and to assess progress against the 2000 stress audit, a follow up Well Being survey was undertaken in May/June 2003. The results of the survey showed lower stress levels than the 2000 stress audit, and levels in the Treasury that are similar to levels in other comparable organisations.

6.30 There was an increase in the number of minor accidents reported in 2002-03 mainly due to the move to 1 Horse Guards Road and staff unfamiliarity with the new surroundings. Far fewer accidents were reported in 2003-04. and there was only one over 3-day injury reportable to the Health and Safety Executive.

Future Plans

6.31 The Treasury will maintain its programme to improve how it works together, and with and through, other organisations at the same time as it implements the recommendations of the Gershon and Lyons Reviews (see Chapter 5 of this report). The improvements will concentrate on four areas:

- strengthening the strategic management of the Treasury, including corporate governance, risk and project management skills;
- working with, and through, other organisations: embedding more active management of key relationships into our procedures and systems;
- skills and career development: getting better at equipping staff to do their jobs and develop their careers, including enhancing leadership development for senior staff;
- encouraging better performance: incentivising high performance and dealing more effectively with weaker performance, including a review of pay, appraisal and grading below SCS.

6.32 Success will be measured against a variety of indicators, including: staff surveys, external surveys, and internal staff and finance data.

¹³<http://www.watermark.gov.uk/Watermark.asp>

¹⁴<http://www.hse.gov.uk/revitalising/index.htm>



EXECUTIVE AGENCIES AND OFFICES

Debt Management Office

Office of Government Commerce

DEBT MANAGEMENT OFFICE

Aims and Objectives

7.1 The UK Debt Management Office (DMO) was established as an Executive Agency of the Treasury on 1 April 1998. The DMO's aim is to minimise, over the long term, the cost of meeting the Government's financing needs, taking account of risk, while ensuring that debt management policy is consistent with the objectives of monetary policy.

7.2 Since July 2002, the Public Works Loan Board (PWLB) and the Commissioners for the Reduction of the National Debt (CRND) have been integrated within the DMO. The main objective of the PWLB is to lend capital sums to, and collect repayments from local authorities and thereby minimise local authorities' cost of borrowing. The main objective of CRND is to provide an investment fund management service to public sector clients in a way that safeguards public funds.

7.3 The DMO's strategic objectives are listed in the 'achievements' section below, as well as commentary on the DMO's performance against them.

Organisational Structure

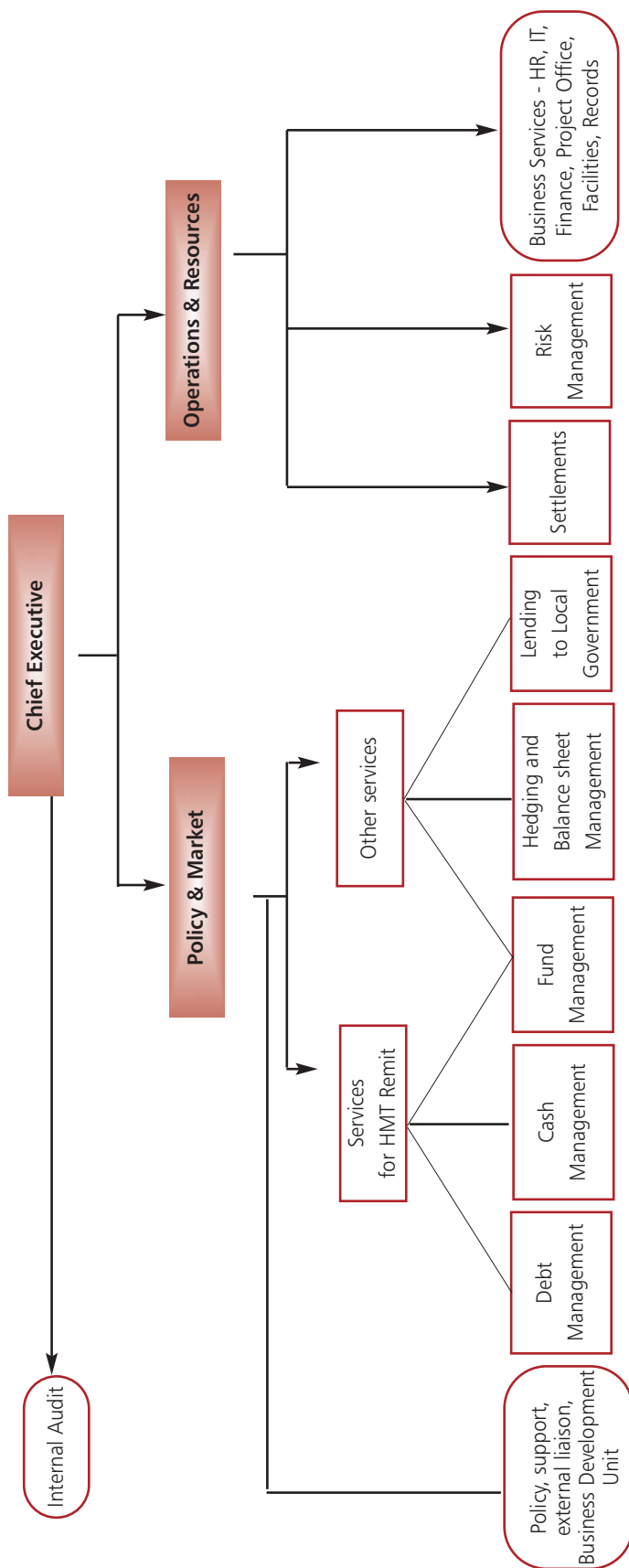
7.4 There are two main business areas in the DMO: policy and markets, and operations and resources. These areas are in turn split into a number of teams, across which there is substantial cross-team working to ensure that both policy and operational concerns are effectively met; that the relevant skills are brought to bear on tasks or problems; and that important operations are adequately resourced.

7.5 Operational decisions are controlled by a number of management committees. Effective from March 2004 a newly constituted Management Board (comprising the CEO, Deputy CEO, COO and non-executive directors) considers all major strategic and management decisions.

7.6 The non-executive members from outside the DMO from March 2004 are: James Barclay, Colin Price and, from the Treasury, Sue Owen. Colin Price also became Chairman of the DMO's Audit Committee.

7.7 Within the DMO, most business issues are considered by one of three cross-cutting committees on debt, cash and fund management.

DMO Functional Structure



Achievements

7.8 Full reporting of performance against DMOs 2003-04 strategic objectives is given in the tables starting on page 81.

7.9 The UK operates a highly predictable and transparent debt management and issuance regime, with auction dates published up to a year in advance - the longest period of pre-commitment internationally.

7.10 Gilt sales have been rising steadily over the past few years, from £13.7 billion in 2001-02 to £26.3 billion in 2002-03 and plans of £49.7 billion in 2003-04 – the highest level for a decade.

7.11 Partly as a consequence of this, turnover in the gilts market is rising rapidly as outright issuance rises - average daily turnover has risen from £7.6 billion in 2001-02, to £8.7 billion in 2002-03 and £11.0 billion in the first half of 2003-04 - all reflecting increased liquidity in the market.

7.12 The DMO has continued to keep under review its organisational structure to ensure it most effectively supports business needs.

Future Plans

7.13 As the Government's Treasury manager, the DMO aims, with the Treasury, to lead, develop and deliver the Government's debt, cash and fund management objectives. In particular it aims to:

- deliver the Government's debt cash and fund management requirements and local authority lending services, efficiently and effectively;
- develop and lead with the Treasury, the strategy on debt, cash and fund management issues;
- develop and drive with the Treasury, the strategy on the management of the central government balance sheet; and
- advise on and deliver innovative and practical solutions to broader Government financial balance sheet issues.

Achievements against 2003-04 strategic objectives

<p>1</p> <p>Commentary</p>	<p>To meet the annual remit set by Treasury Ministers for the sale and purchase of gilts, with high regard to long-term cost minimisation, taking account of risk.</p> <p>Met</p> <p>The gilt sales target is being met through the conduct of 24 outright auctions (sixteen conventional and eight index-linked). Outright sales of £47.4 billion were planned in the remit for 2003-04, published on 9 April 2003 – the highest level for 10-years - and the sales target was increased to £49.7 billion in the PBR on 10 December 2003, and the expected outturn was increased to £49.8 billion in Budget 2004. Gilt sales in the financial year totalled £49.9 billion – the highest level for a decade. The composition of issuance was £43.3 billion conventional and £6.5 billion index-linked.</p>
<p>2</p> <p>Commentary</p>	<p>To offset, through its market operations, in a cost-effective manner, the expected daily cash flow into or out of the National Loans Fund (NLF); and to manage, in accordance with objectives set by Treasury Ministers, any assets and liabilities held on the DMA, and on behalf of clients.</p> <p>Met-ongoing</p> <p>The stock of Treasury bills increased by £4.3 billion, ending the financial year at £19.3 billion. The end-financial year stock was intentionally £1.0 billion above the target published in the PBR, but was in line with operational tolerances. The stock of Treasury bills had peaked at £27.25 billion in mid-December 2003 to help manage seasonal cash outflows.</p>
<p>3</p> <p>Commentary</p>	<p>To continue to lend to local authorities and collect the repayments; to manage and develop the strategy for the Debt Management Account Deposit Facility (DMADF) and to participate actively in the development of local government finance arrangements.</p> <p>Met-ongoing</p> <p>The Public Works Loan Board successfully met its performance targets, with receipts exceeding advances by over £2 billion. Work went ahead on modifying the Board's lending policy and operational arrangements in advance of the introduction of a new system of local government capital finance on 1 April 2004.</p> <p>The Debt Management Account Deposit Facility (DMADF), through which a range of Local Authorities can deposit cash with the DMO, was operated successfully throughout the period.</p>

<p>4</p> <p>Commentary</p>	<p>To guide and assist in the formulation of strategy on debt, cash and fund management, including the remit, and to report to Treasury Ministers on the DMO's performance against its remit, objectives and targets.</p> <p>Met-ongoing</p> <p>The DMO contributed specific advice in a number of areas of the 2003-04 remit</p> <ul style="list-style-type: none"> • the range of contingencies to be implemented in the event of changes to the Government's financing requirement • the case for new short (and ultra-short) and medium maturity conventional stocks and a new index-linked stock • the size and timing of auctions • the split between an increase in the Treasury bill stock and a run-down in the DMO's net cash position, as elements of short-term debt financing. <p>The DMO also contributed substantially to preparation of the "Debt & Reserves Management Report 2003-04".</p> <p>The DMO reported performance against its remit to the Treasury on a monthly basis, and on developments in the gilts portfolio and compliance against its published targets on a quarterly basis.</p>
<p>5</p> <p>Commentary</p>	<p>To participate pro-actively in the development of strategy for managing the Government's balance sheet and accordingly to contribute to and help develop solutions for financial cost-effectiveness and risk reduction, by developing partnerships with other parts of the public sector and by providing advice and expertise to other Government departments (and other governments), as required.</p> <p>Met-ongoing</p> <p>The DMO has launched a consultation paper outlining its plans to introduce electronic bidding for gilt auctions and Treasury bill tenders. The aim of this is to speed up the 'turnaround time' of auction results, thereby reducing the uncertainty and/or risk in the market, between the close of bidding deadline and publication of results.</p> <p>Throughout the year, the DMO has continued to work with NS&I in their successful programme of Guaranteed Equity Bond issuance, the former executing equity swaps with bank counterparties, in order to hedge the latter's exposure to movements in the FTSE-100.</p> <p>The gilt portfolio cost-at-risk modelling, which aims at developing a simulation model that can be used to quantify the long-term cost-risk trade-off involved in financing the government debt management, has been developed further.</p>

6

Commentary

To resource, staff and manage the DMO to deliver its objectives efficiently, cost-effectively and professionally, ensuring value for money is achieved in the office's administrative expenditure.

Met-ongoing

The DMO has continued to keep under review its organisational structure, to ensure it most effectively supports business needs. Overall, the staff headcount fell from 82 to 79 over the 2003-4 financial year.

From March 2004, a new structure of corporate governance was introduced with the establishment of an Executive Board, supported by five Managing Committees for the key business areas.

As an accredited Investor in People, the DMO has continued to support the training and development of staff to achieve organisational objectives, including support for professional qualifications and the development of a corporate training programme.

The DMO published its policy statement on Health and Safety on 7 January 2003.

7

Commentary

To develop and maintain appropriate management, information and risk control systems (including procedures to combat potential money laundering); to ensure full and accurate presentation of, and where appropriate, facilitate access to financial, accounting and other information; to ensure accuracy of all DMO publications, including its websites, and to manage stakeholder relationships fairly and appropriately.

Met-ongoing

The DMO is implementing a project to enhance its quantitative risk analysis capability.

The DMO has enhanced the focus of its reporting and analysis of operational risks during the year.

Anti-money laundering defences were strengthened by the successful introduction of the 'Approved Group' for public bids at gilt auctions in September 2003.

The DMO has completed the procurement of an electronic document and records management system, ahead of the deadline for implementation by 1 January 2005.

The DMO's Annual Report of the Public Works Loan Board was published on 9 June 2003.

The DMO has continued to develop systems and procedures for the full implementation of the Freedom of Information Act 2000 in January 2005.

The audited Accounts of the DMA for 2002-03 were published on 17 July 2003.

The DMO's Annual (administrative) Report and audited Accounts for 2002-03 were published on 28 August 2003.

The DMO has continued to expand the content of, and resources devoted to, its website www.dmo.gov.uk.

OFFICE OF GOVERNMENT COMMERCE

Aims and Objectives

7.15 The Office of Government Commerce (OGC) was created in April 2000 to lead a wide-ranging programme to modernise procurement in central civil Government and deliver substantial value for money improvements. Its vision is to work with central civil Government as a catalyst to achieve best value for money (vfm) in commercial activities.

7.16 For 2003–04, OGC retained its four high-level objectives and, following the development of a Medium Term Strategy covering the period 2003-04 to 2005-06, focused on seven Key Priority Targets (see below). This framework sets the broad agenda for building strong customer and commercial relationships, and planning and driving forward actions in support of achieving value for money gains in commercial activities. Further details on OGC's objectives and key priorities are available on OGC's website¹ or from OGC's Service Desk: Tel. 0845 000 4999, E-mail: ServiceDesk@ogc.gov.uk.

OFFICE OF GOVERNMENT COMMERCE OBJECTIVES AND KEY PRIORITY TARGETS 2003-04

HIGH LEVEL OBJECTIVES	
I	Provide guidance and expertise to support the successful delivery of procurement-based projects and other forms of commercial activity.
II	Develop the Government market, so it is more efficient and attractive for both suppliers and customers.
III	Develop a clear and supportive framework for best in class procurement activity, to help achieve better value for money.
IV	Deliver efficient and effective services to external and internal customers, gaining widespread recognition for excellence and as a leading contributor to Government modernisation.
KEY PRIORITY TARGETS	
1	Develop and manage the Gateway process.
2	Improve the commercial skills available to departments.
3	Improve Government ability to manage supplier relationships.
4	Make the Government marketplace more attractive to suppliers in all sectors.
5	Develop innovative tools and techniques and more effective ways of achieving private sector involvement.
6	Help departments to embed best practice (including operational guidance) and cross-government lessons learned in their commercial activities.
7	Catalyse collaborative opportunities (including aggregation deals).

¹<http://www.ogc.gov.uk/>

Organisational Structure

7.17 The OGC is an independent office of the Treasury with its own Chief Executive appointed at Permanent Secretary level, who reports directly to the Chief Secretary to the Treasury. To reinforce the nature of its cross-departmental function and purpose, and to give strategic direction, OGC has a Supervisory Board, of which the Chief Secretary is the Chair. The Supervisory Board is made up of Permanent Secretaries, including the OGC Chief Executive, the Head of the National Audit Office and senior external representatives.

7.18 Following SR2002, OGC's Medium Term Strategy led to it being re-aligned from 1 April 2003 into four Directorates - Gateways; Successful Delivery; Supplier and Government Marketplace Development; and Corporate Service - better to meet its medium term priorities.

7.19 As part of the Medium Term Strategy arrangement, OGC brought in new staff with essential commercial skills, and invested significantly in development of existing staff. OGC has also managed to achieve an overall reduction in headcount through a limited voluntary early severance scheme. During the year, a number of HR initiatives were successfully launched for OGC staff, including voluntary health screening, the provision of child care vouchers to support working parents, and access to a family life solutions advisory service. Work is currently underway on the development of an OGC competency framework, which will form part of a new OGC performance management system.

7.20 OGcbuying.solutions is OGC's Executive Agency with Trading Fund status. The Agency's role is to assist OGC in delivering value for money gains, for central civil government and the wider public sector. The Agency's objective is to deliver savings for the nation, adding value for public sector customers, and delivering a quality service with a comprehensive and flexible range of products and services. Further information on OGcbuying.solutions, and its performance against targets, is available on its website at www.ogcbuyingsolutions.gov.uk.

7.21 The Agency's offerings operate through a series of Frameworks and Managed Services. Frameworks include IT, Telecommunications, Professional Services and Facilities Management. Managed Services cover Energy, Managed Telecoms Service and Government Secure Intranet. All Agency's contracts comply with EC procurement legislation and are delivered through the following brands:

GSI ²	The Government Secure Intranet
Broadband ³	High-speed, always available, networking services
Energy ⁴	Electricity, gas and oil
GCAT ⁵	IT hardware and services
GTC3 ⁶	A wide range of telematics and voice and data services

²www.gsi.gov.uk

³http://www.ogcbuyingsolutions.gov.uk/broadband/it_telecom_broadband.asp

⁴<http://www.gcat.gov.uk>

⁵<http://www.ogcbuyingsolutions.gov.uk/gtc>

⁶http://www.ogcbuyingsolutions.gov.uk/GTM/it_telecom_gtm.asp

GTM ⁷	Mobile telephony, voice, data and wide area paging services;
L-Cat ⁸	Legal Services for Government;
MTS ⁹	Managed Telecoms Service;
PCS ¹⁰	For leadership and procurement support on all aspects of property, construction and workspace activities;
Portfolio ¹¹	Covering all aspects of buildings, contents and facilities management;
S-CAT ¹²	Business change consultancy services; and
Watermark ¹³	Benchmarking tool to better manage water supply and costs.

Performance Against Targets

7.22 OGC's primary target is to deliver value for money gains (target 10 of the Treasury's Public Service Agreement) of £3 billion in central civil Government procurement between 2003-04 and 2005-06.

7.23 OGC's seven Key Priority (KP) targets support the achievement of the £3 billion PSA target. These seven KP targets align with the SDA targets set for the Treasury PSA target. OGC's performance against these KP targets are set out in the tables starting on page 89 and summarised in Annex A2 of this report.

⁷<http://www.ogcbuyingsolutions.gov.uk/LCat/default.asp>

⁸<http://www.ogcbuyingsolutions.gov.uk/mts/default.asp>

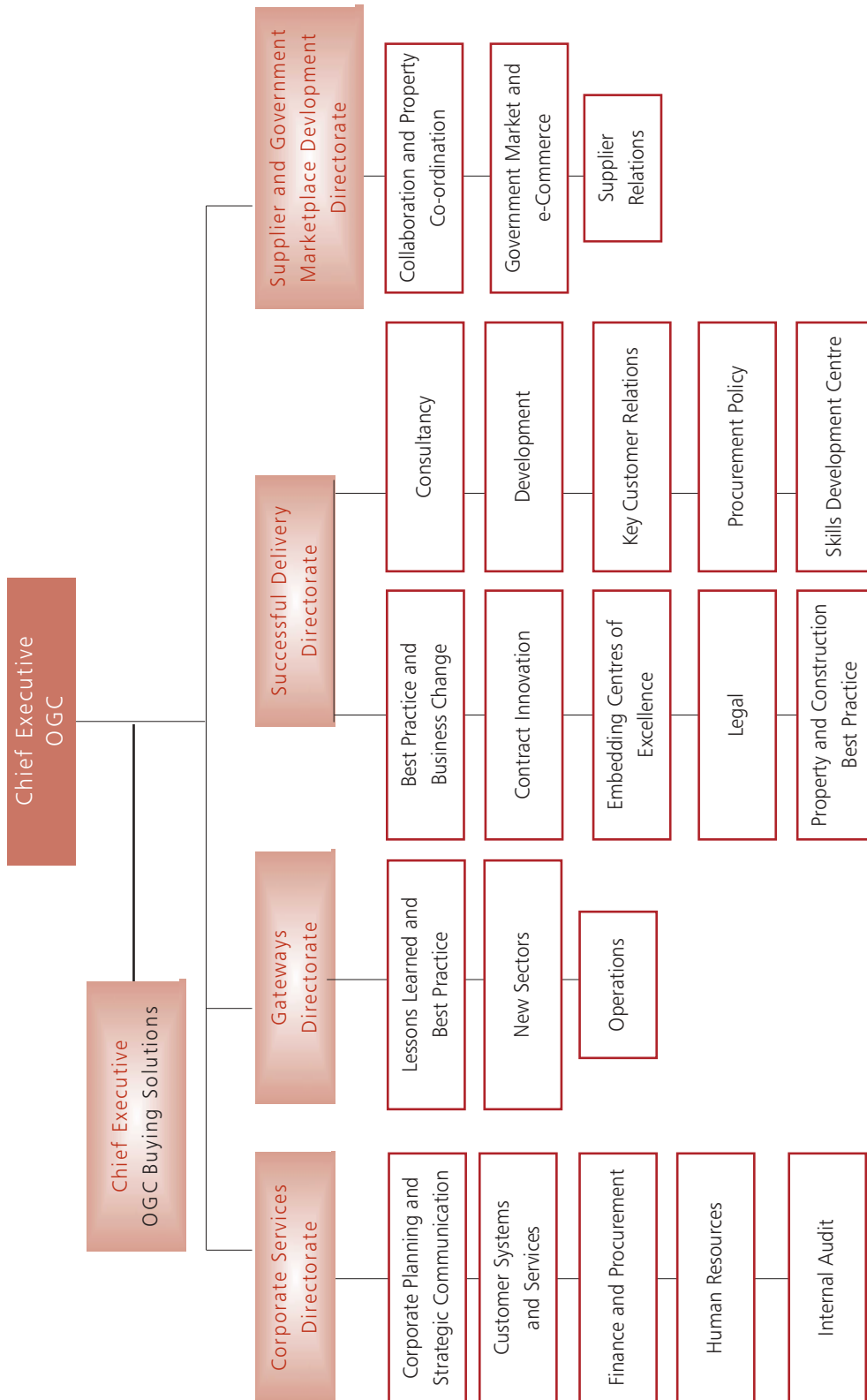
⁹<http://www.ogcbuyingsolutions.gov.uk/pcs/default.asp>

¹⁰http://www.ogcbuyingsolutions.gov.uk/products/buildings/buildings_portfolio_guestlogin.lasso

¹¹<http://www.s-cat.gov.uk/>

¹²<http://www.watermark.gov.uk>

OGC STRUCTURE



Achievements

7.24 OGC is, in collaboration with departments, implementing a wide range of initiatives to ensure value for money improvements in the Government's commercial activities that will deliver real benefits to departments. Nearly all OGC's work in 2003-04 related to helping accelerate the Government's Delivery and Reform agenda and laying the foundations for the achievement of the SR2002 PSA target. Highlights of OGC performance include:

- the achievement of £1.6 billion of value for money improvements was recorded and publically reported by Treasury Ministers in December 2003;
- the OGC Gateway™ Process was enhanced, effective from 15 January 2004, to ensure its continued value to customers. As of March 2004, the OGC Gateway Review team has conducted 658 reviews across Government, covering proposed procurement expenditure in excess of £27bn for central civil Government projects and programmes. A new Gateway team has been successfully established to cover NHS procurements. The OGC Gateway continues to make a significant contribution to OGC's PSA target;
- Gateway pilots were successfully completed within the Ministry of Defence, and their Investment Approvals Board recommended widespread adoption of Gateways for the MoD;
- adoption of improved EC public procurement directives in February 2004. All UK objectives secured;
- Programme and Project Management (PPM) Specialism inaugurated October 2003, with a membership of 774 recorded by February 2004;
- following Ministerial agreement, working with departments to implement specific actions to improve the success rate of IT enabled projects, including the establishment of PPM Centres of Excellence in each department by June 2003;
- influencing the IT industry to develop a Code of Practice, supporting the way IT services are delivered in the public sector. In December 2003, the IT Supplier Code of Best Practice was issued, setting out the standards, ethics and behaviours that the industry is aiming to provide for its public sector customers, and which offers the potential for a step change improvement in their working practices;
- following the DTI's 2003 report '*Competing in the global economy: the innovation challenge*' and their recommendation for OGC to develop and publish its work in this area, guidance has been developed on how to encourage innovation from suppliers. The guide contains practical advice to help encourage suppliers to make innovative propositions and to help public procurers to deal with them to gain maximum benefit;
- OGC was tasked in the PBR to advise on what could be done to address the issue to capacity and competition in major markets. The report was completed and recommendations accepted in 2003-04.

- following the Better Regulation Taskforce and Small Business Council Report Government: Supporter or Customer published in May 2003, OGC and the DTI's Small Business Service have been leading Small and Medium Enterprise (SME) Pilots in the West Midlands and in Haringey respectively. The results of the pilots will inform national implementation of the Government's response to the recommendations; and
- OGC's collaborative activities in 2003 included building on previous initiatives on software licensing, with new and enhanced deals with IBM, Sun and Oracle, delivering even more advantageous terms. Additionally, there has been an initiative to assess the benefits of Open Source Software (OSS). This is currently being trialed in a number of Government organisations, with a view to assessing the practicality, costs and benefits of wider application. OSS has the prospect of opening up competition in the IT software market, which would have significant longer-term vfm implications.

Future Plans

7.25 OGC has agreed with departments twelve outcome statements that represent a realistic and measurable description of what they expect the commercial landscape to look like at March 2006. In 2004-05 and 2005-06, OGC will be working towards those outcomes; these are shown, together with OGC Key Priorities in the table overleaf:

Key Priority

KP1. Develop and Manage the Gateway Process

- 1.1 All central civil Government departments, Agencies and NDPBs have embedded Gateway by March 2006 at the latest.

KP2. Improve the commercial skills available to departments

- 2.1 Halve the incidence of skills being mentioned as an issue in the successful delivery of projects and programmes.
- 2.2 The gap between the value placed on commercial skills (including delivery skills) and policy skills has been significantly narrowed.

KP3. Improve Government's ability to manage supplier relationships

- 3.1 Departments to take full account of wider central Government commercial objectives, when considering departmental procurement.
- 3.2 A better informed dialogue between central civil Government and suppliers has been established by sharing information and building greater understanding of key issues.

KP4. Make the Government marketplace more attractive to suppliers in all sectors

- 4.1 More effective competition through removal of barriers (includes simplified pre-qualification and tendering processes for SMEs and other suppliers, faster procurement and significant take up of e-commerce).
- 4.2 Adoption of a systematic and strategic approach to the major markets within which the public sector operates, and to promote more effective competition.

KP5. Develop innovative tools and techniques and more effective ways of achieving private sector involvement

- 5.1 Willing adoption and skilled use of OGC approved contract tools/arrangements by all central civil Government departments, including use of the 3 preferred techniques in construction, and of appropriate approaches for IT contracting.

KP6. Help departments to embed best practice (including operational guidance) and cross-government lessons learned in their commercial activities

- 6.1 For mission critical, highly desirable and/or high and medium risk IT enabled projects, at least a 70 per cent success rate in projects being on time, on budget, and fit for purpose.
- 6.2 The current published Achieving Excellence targets to be achieved.

KP7. Catalyse collaborative opportunities (including aggregation deals)

- 7.1 Central civil Government departments sharing information on procurement plans and the prices paid.
- 7.2 Significant increase in collaborative purchasing with collaborative arrangements to be considered as the first option where vfm benefits are possible.

Performance against key priority targets 2003-04

1	<p>Develop and manage the Gateway process</p> <p>For high risk projects reviewed as red, and hence in danger of failure, provide recommendations that gain the commitment of the client and allow the department to reduce the risk at the time of the next gate.</p>
Commentary	<p>Met-ongoing</p> <p>Of all the high risk projects reviewed as red which were subjected to a further review, 82% went on to achieve an amber or green status. This indicates that key recommendations made in OGC Gateway reviews are dealt with by the client in the vast majority of cases, increasing the chances of project success.</p>
2	<p>Improve the commercial skills available to departments</p> <p>a) By end March 2004, 2000 people from central civil Government enrolled on the skills passport scheme.</p> <p>b) Give access to 200 accredited consultants with key delivery skills by end March 2004.</p>
Commentary	<p>a) Met-ongoing</p> <p>This target has been met by using a combination of approaches as suggested by Autumn 2003 Gateway Review and agreed by departments. The combined approach includes OGC recognising equivalent passports in departments, some departments participating in a trial of the OGC skills passport and the Government Procurement Service skills data being captured in the Passport format.</p> <p>b) Met</p> <p>206 internal and Strategic Assignment Consultancy Service (SACS) consultants have been accredited to OGC's newly defined Key Delivery Skills standards, and there are a further 9 new recruits to Managed Consultancy Division (MCD) who will be added to this list once they take up their posts. All future recruitments to MCD and to the OGC SACS list will have to meet these standards.</p>
3	<p>Improve Government ability to manage supplier relationships</p> <p>By March 2004, develop, and have in operation, an action plan, approved by OGC's Supervisory Board, for improving the strategic management of suppliers across central civil Government.</p>
Commentary	<p>Met-ongoing</p> <p>The proposals and action plan were put before the OGC Supervisory Board on 2nd March and were subsequently cleared by correspondence. Feedback from Supervisory Board members is being incorporated in taking this work forward.</p>

<p>4</p> <p>Commentary</p>	<p>Make the Government marketplace more attractive to suppliers in all sectors</p> <p>a) By October 2003, develop and have agreed with, Treasury Ministers, plans to increase competition and improve long-term capacity planning in markets where Government has significant purchasing power.</p> <p>b) Work with departments and suppliers to reduce the time between the OJEU notice and award of contract, for those projects currently taking more than a year, by 10 per cent, making the bidding process cheaper, faster and more predictable.</p> <p>c) Help 10 departments or agencies conduct electronic auctions during 2003-04. Deliver guidance based on this experience and, by March 2004, a web-based tool that will significantly add to departments' capability to secure vfm by effectively exploiting eAuctions.</p> <p>a) Met</p> <p>Report and Action Plan agreed by Treasury ministers and published in December 2003. Implementation is underway.</p> <p>b) Met</p> <p>10 percent reduction in the proportion of OJEU-to-Award time that is over one year. Best practice guide published in June 2003. Departmental Workshop on optimising the procurement process completed in November 2003. Publication in December of the OGC/Cabinet Office Report Making a Difference: Reducing Bureaucracy in Central Civil Government Procurement, which included specific requirements for departments to work with OGC to achieve the SR02 improvement target.</p> <p>c) Met</p> <p>10 UK public bodies have run electronic reverse auctions (and there are a further 8 who are about to run) using OGC guidance and/or frameworks in the process. The OGC guidance to eAuctions users, first published on the website in August 2003 has been enhanced to include an eAuction dynamic decision tool from March 2004.</p>
<p>5</p> <p>Commentary</p>	<p>Develop innovative tools and techniques and more effective ways of achieving private sector involvement</p> <p>Guidance to assist departments in making choices between procurement methods to be developed by March 2004.</p> <p>Met</p> <p>The Decision Map and Guidance for IT projects was published on the website on 12th December 2003.</p> <p>A more generic version "Decision Map for Project Strategy and Procurement" will be available on the OGC website on the 31st March 2004.</p>

<p>6</p> <p>Commentary</p>	<p>Help departments to embed best practice (including operational guidance) and cross-government lessons learned in their commercial activities</p> <p>a) Help departments establish Project/Programme Management Centres of Excellence by June 2003, supporting and working with CoEs to deliver best practice improvements throughout 2003-04.</p> <p>b) Establish with departments a programme of action that results in Gateway reviews in Q4 03-04, showing a 20 per cent reduction in the incidence of commonly recurring weaknesses, compared to Q4.</p> <p>a) Met</p> <p>All departments met the requirement to establish their CoE by June 2003. In March 2004 departments provided progress reports and Improvement Plans to OGC detailing their activities towards improving delivery capability. Liaison Managers from OGC have been working with CoEs across all departments to assess organisational strengths and weaknesses in delivery capability. Improvement plans for the next two years have been drawn up.</p> <p>b) Partly Met</p> <p>We have made considerable progress refining and developing our programme of action for embedding best practice, and have worked closely with departments to establish 'buy-in' for this programme.</p> <p>There are reasons, however, why we do not have confidence that the measure proposed is an adequate or statistically meaningful indicator of progress as anticipated. For example, while quarterly statistics do not show an overall reduction in all common causes of weakness, the vast majority of weaknesses show a proportionate reduction in the number of Red recommendations from 24 per cent to 15 per cent, indicating a reduction in severity.</p>
<p>7</p> <p>Commentary</p>	<p>Catalyse collaborative opportunities (including aggregation deals).</p> <p>By 31 March 2004 to have agreed a specification for the core elements of a finance system for central civil Government departments and their associated bodies, and to have agreement from major suppliers of such systems to incorporate these requirements into their standard products.</p> <p>Met-ongoing</p> <p>The specification for the core modules has been completed and signed off by a cross-Government User Acceptance Team that included NAO. Additional modules are now being included within an expanded scope at the request of departments and their associated bodies. Engagement with the supplier community has been undertaken informally, with the formal launch of the specification planned for the first week of May.</p>
<p>Commentary</p>	<p>Cross-cutting target To improve the customer satisfaction rating over and above the 2002-03 outcome.</p> <p>Not yet assessed</p> <p>A new method of surveying customer satisfaction is being developed. This will provide more detailed feedback on specific OGC services. The new approach will be implemented progressively from the start of 2004-05.</p>