



National Audit Office

## **DEPARTMENTAL OVERVIEW**

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# **A summary of the NAO's work on the Cabinet Office 2010-11**

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**SEPTEMBER 2011**

**Our vision is to help the nation spend wisely.**

**We apply the unique perspective of public audit to help Parliament and government drive lasting improvement in public services.**

The National Audit Office scrutinises public spending on behalf of Parliament. The Comptroller and Auditor General, Amyas Morse, is an Officer of the House of Commons. He is the head of the NAO, which employs some 880 staff. He and the NAO are totally independent of government. He certifies the accounts of all government departments and a wide range of other public sector bodies; and he has statutory authority to report to Parliament on the economy, efficiency and effectiveness with which departments and other bodies have used their resources. Our work led to savings and other efficiency gains worth more than £1 billion in 2010-11.



National Audit Office

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# Introduction

## **Aim and scope of this briefing**

The primary purpose of this Departmental Overview is to provide the Public Administration Select Committee with a summary of the work by the National Audit Office on the Cabinet Office since June 2010. It is one of seventeen we have produced covering our work on each major government department. The briefing draws on the Department's Annual Report and Accounts for 2010-11 and other published sources, but its main focus is the findings of work published by the NAO, in particular, those areas where we believe the Department's performance could be improved. The content of the briefing has been shared with the Department to ensure that the evidence presented is factually accurate, but the content of the briefing is the sole responsibility of the NAO.

In the last year, we supported the Public Administration Select Committee by preparing a briefing memorandum which provided guidance on assessing business cases for making changes to arm's-length bodies.

We will continue to support all select committees in 2011-12, providing briefing on each major department and supporting specific inquiries wherever our expertise and perspective can add value.

# Part One

## About the Department

### The Department's responsibilities

**1** The traditional role of the Cabinet Office has been to provide support to the Prime Minister and to the Cabinet in organising and coordinating government activity. In May 2010, the Cabinet Office oversaw the transition to a Coalition Government at Westminster for the first time since 1945. Under the coalition, the Department has experienced considerable change and has taken on significant new responsibilities, such as the Deputy Prime Minister's special responsibilities for political and constitutional reform, and the formation of the Efficiency and Reform Group. This has broadened the Cabinet Office's role and remit, giving it leadership over programmes affecting the whole of central government.

**2** The Cabinet Office has three core responsibilities:<sup>1</sup>

- To support the Prime Minister, the Deputy Prime Minister and Cabinet Office ministers in organising and coordinating government business. This includes the structuring of government departments and agencies, allocation of ministerial responsibilities, development of policy, and the legislative programme.
- To support the Prime Minister, the Deputy Prime Minister and the Cabinet in a number of key policy areas, including efficiency and reform, the Big Society, political and constitutional reform, and social mobility.
- To act alongside HM Treasury at the centre of government, including coordinating policy and delivery and supporting capability-building across government.

**3** In July 2010, the Efficiency and Reform Group (ERG) was formed within the Cabinet Office under a new government Chief Operating Officer. Almost half of the Cabinet Office's staff are now located within this Group, which has the twin objectives of improving efficiency in central government and achieving wider reform of the way public services are provided.

**4** The Cabinet Office also provides support to the Prime Minister and the Cabinet on national security issues. The responsibilities of the National Security Group within the Cabinet Office include coordinating government policy on strategic intelligence, counter-terrorism, cyber security and response to civil emergencies.

### How the Department is currently organised

**5** During 2010-11, there has been an increase in the number of staff employed at the Cabinet Office, from 1,476 full-time equivalent staff in 2009-10<sup>2</sup> to 1,841 in 2010-11, as a result of bodies such as the Office of Government Commerce being transferred into the Cabinet Office.

**6** At present, there are five corporate groups within the Cabinet Office, with special governance arrangements in place for the National Security Secretariat. **Figure 1** overleaf provides a high-level overview of these groups, their constituent sub-groups and divisions.

**7** As of 1 April 2011, the Cabinet Office oversees two Executive Agencies, Buying Solutions (renamed the Government Procurement Service in July 2011), which sits within the Efficiency and Reform Group, and the Central Office of Information (a non-Ministerial Department due to close in 2012). The Cabinet Office also oversees one executive Non-Departmental Public Body (Civil Service Commission), and ten advisory Non-Departmental Public Bodies (see Appendix One).

<sup>1</sup> Cabinet Office, *Annual Report and Accounts 2010-11*, <http://www.cabinetoffice.gov.uk/sites/default/files/resources/resource-accounts-2010-11.pdf>

<sup>2</sup> Cabinet Office, *Annual Report and Accounts 2009-10*, <http://www.official-documents.gov.uk/document/hc1011/hc02/0282/0282.pdf>

**Figure 1**  
Current Structure of the Cabinet Office



Source: Cabinet Office

## Recent developments

**8** The most significant recent development to affect the Cabinet Office is the formation of the Efficiency and Reform Group (ERG). This entailed the transfer of the Office of Government Commerce (OGC) and Buying Solutions to the Cabinet Office from the Treasury. The Government Property Unit has more recently been transferred to the ERG from the Department for Business, Innovation and Skills. The Group integrates many of the functions of a typical corporate headquarters in one place and under one Accounting Officer.<sup>3</sup>

**9** The teams within the Efficiency and Reform Group are set out in Figure 1, and include the newly-established Major Projects Authority (MPA). The MPA is responsible for providing assurance and scrutiny for some 250 major government projects. Its work informs Treasury decisions to release funds to new projects and it monitors the progress of projects already under way, with the powers to intervene if necessary. The Office of the Government Chief Information Officer, the Office for Civil Society, and central property, contract management and procurement teams also sit within the Group, implementing and coordinating government strategy in these areas.

**10** Other organisational changes affecting the Cabinet Office in 2010-11 include:

- The Cabinet Office assumed responsibility for constitutional and political reform in June 2010 as part of its remit to support the Deputy Prime Minister. The Elections and Democracy Division and the Parliament and Constitution Division were transferred to the Cabinet Office from the Ministry of Justice. The Deputy Prime Minister has ministerial responsibility for the constitutional reform programme.

- In July 2010, Directgov transferred to the Cabinet Office from the Department for Work and Pensions. Directgov merged with the Cabinet Office's Digital Delivery and Engagement Teams in March 2011 to form the Government Digital Service (GDS), the government's primary channel of digital communication with citizens.
- The National School for Government ceased to be a non-ministerial department on 1 April 2011 and was brought into the Cabinet Office.
- In July 2011, the Cabinet Office Minister announced significant reform of the organisation of Government communications, in response to a recent review published by the Permanent Secretary for Government Communication.<sup>4</sup> This reform will entail the closure of the Central Office of Information<sup>5</sup> and will include the introduction of a new communications governance structure within the Cabinet Office, as well as the creation of a specialist communications procurement unit.<sup>6</sup>
- A new Executive Non-Departmental Public Body (NDPB), the Civil Service Commission, was created on 11 November 2010 to advise on appointments to the Senior Civil Service. The Cabinet Office's two other Executive NDPBs, Capacity Builders UK and Commission for the Compact, ceased operations on 31 March 2011. Some of their functions have since been taken over by the Cabinet Office itself.

**11** A rationalisation of arm's-length bodies across government was announced in October 2010, with many NDPBs expected to close or merge. The Cabinet Office is leading and coordinating this process. The NAO published a memorandum for the Public Administration Select Committee, providing guidance on the assessment of business cases for making changes to arm's-length bodies,<sup>7</sup> as well as a **Short Guide to reorganising arm's-length bodies**.<sup>8</sup>

<sup>3</sup> National Audit Office, *The Efficiency and Reform Group's role in improving public sector value for money*, March 2011, [http://www.nao.org.uk/publications/1011/efficiency\\_and\\_reform\\_group.aspx](http://www.nao.org.uk/publications/1011/efficiency_and_reform_group.aspx)

<sup>4</sup> Cabinet Office, [http://www.cabinetoffice.gov.uk/sites/default/files/resources/coi-comms-review-march2011\\_0.pdf](http://www.cabinetoffice.gov.uk/sites/default/files/resources/coi-comms-review-march2011_0.pdf)

<sup>5</sup> The Central Office of Information was created as a non-Ministerial department responsible for cross-government marketing and communications. It is also an executive agency of the Cabinet Office and a trading fund.

<sup>6</sup> Cabinet Office, <http://www.cabinetoffice.gov.uk/news/government-publishes-response-coi-review>

<sup>7</sup> National Audit Office, *National Audit Office memorandum for the Public Administration Select Committee*, January 2011, [http://www.nao.org.uk/publications/1011/pasc\\_memo\\_arms\\_length\\_bodies.aspx](http://www.nao.org.uk/publications/1011/pasc_memo_arms_length_bodies.aspx)

<sup>8</sup> National Audit Office, *Short Guide to reorganising arm's-length bodies*, December 2010, [http://www.nao.org.uk/publications/1011/arms\\_length\\_bodies.aspx](http://www.nao.org.uk/publications/1011/arms_length_bodies.aspx)

**12** The Cabinet Office has major challenges ahead in ensuring the delivery of the Government's efficiency and reform agenda across departments, as well as leading flagship schemes such as the Big Society. The Efficiency and Reform Group will play a lead role in promoting efficiency and innovation across government to help to secure the savings outlined in the 2010 Spending Review. The Cabinet Office also has responsibility for delivering the Big Society programme, driving greater transparency and accountability across central government and increasing social mobility in the UK. The Cabinet Office will also be at the forefront of political and constitutional reform which seeks to give power to people and communities.

**13** The Cabinet Office will not be delivering these objectives directly, but will coordinate their delivery across government. The key challenge for the Cabinet Office will, therefore, be its ability to influence and oversee other government departments. The Government has outlined a 'tight-loose' framework

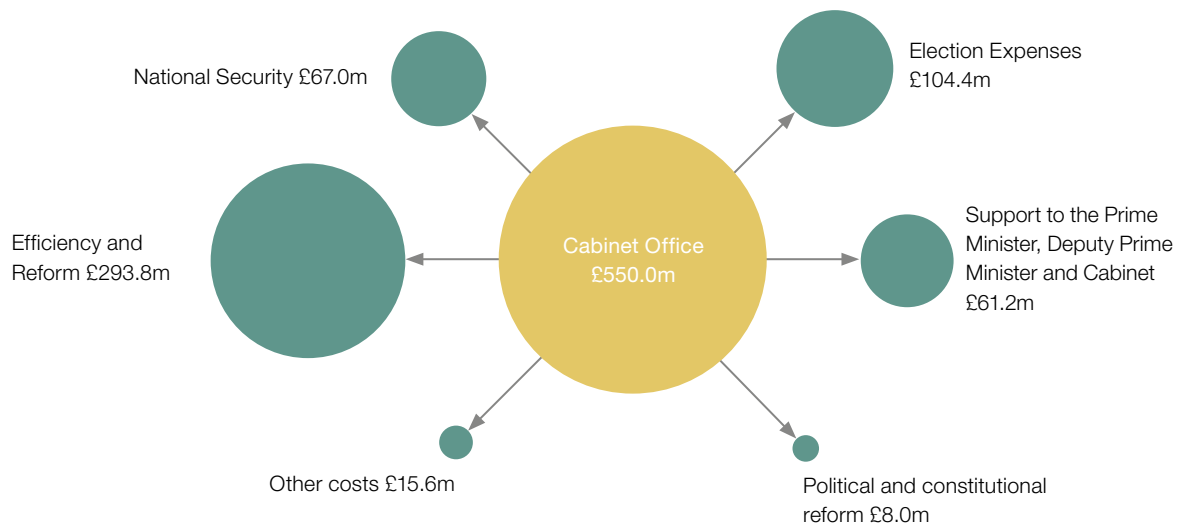
for the delivery of central objectives, where the centre has tight control in some areas (such as procurement and property management) but allows greater departmental autonomy in others. It is too early to assess effectiveness of this framework, but the challenges it presents are discussed in further detail in Part Four.

### Where the Department spends its money

**14** In 2010-11, the Cabinet Office reported expenditure of £550.0 million and generated income of £56.5 million. The largest source of income was generated from the Cabinet Office's administration of the Principal Civil Service Pension Scheme (£24.4 million). Net expenditure therefore amounted to £493.5 million for the 2010-11 financial year.<sup>9</sup>

**Figure 2** shows where the Cabinet Office spends its money, broken down into its main operating groups (for further details of the activities of each operating group see Figure 1).

**Figure 2**  
Distribution of Cabinet Office resources 2010-11



#### NOTES

- 1 Election expenses include costs incurred in administering elections in the UK and pension costs for UK Members of the European Parliament. Other costs relate to depreciation, audit fees, and the work of independent business units such as the Iraq inquiry and the Committee for Standards in Public Life.
- 2 Expenditure is shown gross and therefore does not include the £56.5 million of income generated during 2010-11.

Source: Cabinet Office Annual Report & Accounts 2010-11, Note 8: Segmental analysis

<sup>9</sup> These figures refer to resource Departmental Expenditure Limit (DEL) income and expenditure. For further information see Part Two of this report.



## Capability and leadership

**15** In 2006, the Cabinet Office launched Capability Reviews to assess departments' leadership, strategy and delivery – to improve departmental readiness for future challenges and to enable departments to act on long-term key development areas. Since publication of the last round of external assessments, between April 2008 and December 2009, departments are now required to conduct and publish self-assessments and resultant action plans against standard criteria set out in the Cabinet Office model of capability, which was updated in July 2009.<sup>10</sup> Departments must rate their capability against ten criteria under three themes:

- **Leadership criteria** – 'set direction'; 'ignite passion, pace and drive'; and 'develop people'.
- **Strategy criteria** – 'set strategy and focus on outcomes'; 'base choices on evidence and customer insight'; and 'collaborate and build common purpose'.
- **Delivery criteria** – 'innovate and improve delivery'; 'plan, resource and prioritise'; 'develop clear roles, responsibilities and delivery models'; and 'manage performance and value for money'.

**16** All self-assessments are due for completion by March 2012, with the first self assessment nearing completion. In addition to self assessment, departments also have the option of asking the Cabinet Office to undertake a full external Capability Review assessment.

**17** The Civil Service People Survey aims to provide consistent and robust metrics to help government understand how it can improve levels of engagement across the Civil Service. As part of this survey, civil servants across all participating organisations are asked a range of questions across nine themes which seek to measure their experiences at work. We present here the results of the second annual people survey for the Cabinet Office – undertaken between mid-September 2010 and the end of October 2010 – covering the themes of leadership and managing change, and understanding of organisational objectives and purpose (**Figure 3** overleaf). The results of 17 major departments are in Appendix Two.

**18** As part of the annual survey, each Department receives an engagement index, assessing the level of staff engagement determined by: the extent to which staff speak positively of the organisation, are emotionally attached and committed to it, and are motivated to do the best for the organisation. In 2010, the Cabinet Office achieved an engagement index of 57 per cent, five percentage points lower than in 2009 and the same as the 2010 Civil Service average.

<sup>10</sup> More information about Capability Reviews is available at: [www.civilservice.gov.uk/about/improving/capability/index.aspx](http://www.civilservice.gov.uk/about/improving/capability/index.aspx)

**Figure 3**  
2010 Civil Service People Survey: Cabinet Office

Theme	Theme score (% positive) <sup>1</sup>	Difference from 2009 survey	Difference from Civil Service 2010 <sup>2</sup>
<b>Leadership and managing change</b>			
I feel that the Department as a whole is managed well	33	-8	-8
Senior Civil Servants in the Department are sufficiently visible	48	-2	+3
I believe the actions of Senior Civil Servants are consistent with the Department's values	38	-1	-1
I believe the Departmental Board has a clear vision for the future of the Department	24	-5	-12
Overall, I have confidence in the decisions made by the Department's Senior Civil Servants	33	-6	-3
I feel that change is managed well in the Department	20	-2	-7
When changes are made in the Department they are usually for the better	15	-7	-8
The Department keeps me informed about matters that affect me	52	-9	-2
I have the opportunity to contribute my views before decisions are made that affect me	32	-6	0
I think it is safe to challenge the way things are done in the Department	38	-9	-2
<b>Organisational objectives and purpose</b>			
I have a clear understanding of the Department's purpose	70	-3	-14
I have a clear understanding of the Department's objectives	58	-9	-19
I understand how my work contributes to the Department's objectives	67	-6	-13

**NOTES**

- 1 Percentage positive measures the proportion of respondents who selected either 'agree' or 'strongly agree' for a question.
- 2 The 2010 benchmark is the median per cent positive across all organisations that participated in the 2010 Civil Service People Survey. The difference between the Department and the Civil Service (Appendix Two) may differ due to rounding.
- 3 These are the results from the core Cabinet Office and don't include staff from Office of Government Commerce and Buying Solutions (separate surveys were completed for these organisations). These staff transferred over in 2010-11.

Source: Cabinet Office People Survey Results, Autumn 2010

## Part Two

### Financial management

**19** The ability of departments to control costs and drive out waste requires professional financial management and reporting. In particular, departments need to be better at linking costs to services and benchmarking performance to determine whether costs are justified and value for money can be improved. Organisations also need to move their risk management arrangements from a process-led approach to one which supports the efficient and effective delivery of services. Organisations have to publish Statements on Internal Control<sup>11</sup> with their Annual Financial Statements which describe their arrangements for risk management, internal control and governance.

#### Financial outturn for 2010-11 and comparison with budget

**20** The Cabinet Office is a relatively small department and draws funding from Parliament for a single stated objective (shown as 'request for resources' in the annual resource accounts): to support the Prime Minister's Office closely in ensuring the delivery of Government objectives.

**21** In 2010-11, the Cabinet Office reported net resource expenditure of £466.2 million,<sup>12</sup> which was £50 million lower than the restated outturn in 2009-10.<sup>13</sup> This represents an underspend of some £17 million compared to the budget approved by Parliament. The main factor behind this was lower than expected depreciation charges on the Cabinet Office's fixed assets. The Department also reduced expenditure on consultants, marketing and ICT.

**22** The Cabinet Office's net cash requirement also fell considerably during 2010-11 and was some £50.7 million below the budget estimate. This larger underspend in cash terms is primarily due to several large items of expenditure (for instance, £23 million owed to other departments as a result of machinery of government transfers) remaining unpaid at the end of the 2010-11 financial year. This planned expenditure is correctly recognised in the Cabinet Office accounts.<sup>14</sup>

#### Progress on efficiency

**23** Departments are under increasing pressure to reduce costs. The scale of cost reduction required means that they have to look beyond immediate short-term savings, and think more radically about how to take cost out of the business and how to sustain this in the longer term. Our **Short Guide to Structured Cost Reduction**,<sup>15</sup> published in June 2010, sets out the high level principles that we would expect departments to follow in taking a structured approach to cost reduction. It covers the three stages of cost reduction – tactical efficiency savings, strategic operational realignment, and sustainable cost reduction – and outlines nine principles underlying structured cost reduction, including, having a data-driven approach to understanding, comparing and interrogating costs.

**24** We have published detailed information and guidance on a number of the principles underpinning effective structured cost reductions, including **Managing risks in government**,<sup>16</sup> **Progress in improving financial management in government**,<sup>17</sup> and **Taking the measurement of government performance**<sup>18</sup> (Appendix Three).

11 From 2011-12, Departments will produce a Governance Statement rather than a Statement on Internal Control.

12 The net resource expenditure of £466.2 million differs from the net resource DEL of £493.5 million in Figure 2 because certain items are treated differently. The main differences relate to the treatment of expenditure on elections (which is not voted for by Parliament) and capital grants made by the Cabinet Office. A full reconciliation of the two figures can be found in the Cabinet Office *Annual Report and Accounts 2010-11*, pp. 97-99 <http://www.cabinetoffice.gov.uk/sites/default/files/resources/resource-accounts-2010-11.pdf>

13 Due to organisational changes, the Cabinet Office has restated all prior year figures and balances in its 2010-11 resource accounts, to enable relevant comparisons to be drawn.

14 Cabinet Office, *Annual Report and Accounts 2010-11* <http://www.cabinetoffice.gov.uk/sites/default/files/resources/resource-accounts-2010-11.pdf>

15 National Audit Office, *Short Guide to Structured Cost Reduction*, June 2010, [www.nao.org.uk/publications/1011/structured\\_cost\\_reduction.aspx](http://www.nao.org.uk/publications/1011/structured_cost_reduction.aspx)

16 National Audit Office, *Managing risks in government*, June 2011, [www.nao.org.uk/publications/1012/managing\\_risks\\_in\\_government.aspx](http://www.nao.org.uk/publications/1012/managing_risks_in_government.aspx)

17 National Audit Office, *Progress in improving financial management in government*, March 2011, [www.nao.org.uk/publications/1011/financial\\_management\\_in\\_govt.aspx](http://www.nao.org.uk/publications/1011/financial_management_in_govt.aspx)

18 National Audit Office, *Taking the measurement of government performance*, July 2010, [www.nao.org.uk/publications/1011/government\\_performance.aspx](http://www.nao.org.uk/publications/1011/government_performance.aspx)

**25** The 2010 Spending Review set challenging efficiency and cost reduction targets across government. The Cabinet Office's overall funding is higher to reflect the numerous bodies transferred in by organisational changes, but it will be expected to achieve significant efficiency savings across the Spending Review period.

**26** The Cabinet Office is required to make cost savings of 35 per cent on its core budget by 2014-15. This will be achieved by cutting administration costs, including reducing its use of consultants and other external support; a significant rationalisation of its estate and back office services; and deriving benefits from the wider renegotiation of major contracts with leading suppliers to Government. There is a required reduction of 25 per cent in the cost of supporting the Prime Minister over the same period.<sup>19</sup>

**27** The 2010 Spending Review targeted a reduction in public spending by £6.2 billion in 2010-11, and by a further £81 billion by 2014-15.<sup>20</sup> The Cabinet Office, and the Efficiency and Reform Group in particular, will play an important role with the Treasury in securing these planned savings. The Efficiency and Reform Group's initial priority was to help government bodies live within the 2010-11 budget reductions and, shortly after its creation, introduced measures such as stricter spending controls on ICT contracts, civil service recruitment, and advertising and marketing activity.

**28** In August 2011, the Minister for the Cabinet Office reported £3.75 billion of cash savings had been made across government between May 2010 and March 2011 as a result of Cabinet Office initiatives.<sup>21</sup>

## NAO reports on financial management and efficiency

**29** Primary responsibility for financial management across government lies with HM Treasury, but the Cabinet Office's role has grown significantly in 2010-11. The Cabinet Office has long standing responsibility for improving capability within the Civil Service, including the strengthening of financial skills. The newly formed Efficiency and Reform Group has further responsibility for promoting efficiency across government and is playing an active role in enforcing spending controls. Our reports have identified a number of areas where financial management and efficiency could be improved across government.

**30 Efficiency:** The formation of the Efficiency and Reform Group in 2010 gave the Cabinet Office a lead role in promoting efficiency and innovation across central government. Our landscape review of the **role of the Efficiency and Reform Group**<sup>22</sup> noted that short-term cost-cutting measures, such as moratoria on consultants, advertising and ICT, are already in place in central government departments and being monitored by the ERG. However, delivering longer-term savings will require the creation of more efficient and sustainable processes across government over the Spending Review period.

**31 Financial capability:** Our report on **progress in improving financial management in government**<sup>23</sup> assessed the quality of financial management systems in central government departments. The report concluded that the financial management capability of most departments had achieved 'core competency' and had in place sound internal controls and adequate financial reporting systems. However, departments all had considerable room for improvement and needed to apportion financial considerations a greater role in their strategic decision-making. The Cabinet Office also needs to strengthen the financial management culture in the Civil Service by ensuring there are proper incentives in performance assessments to develop financial management capability.

19 HM Treasury, *Comprehensive Spending Review 2010*, October 2010, [http://cdn.hm-treasury.gov.uk/sr2010\\_completereport.pdf](http://cdn.hm-treasury.gov.uk/sr2010_completereport.pdf)

20 Cabinet Office, <http://www.cabinetoffice.gov.uk/news/no-stone-untuned-francis-maude-unveils-millions-efficiency-savings>

21 Cabinet Office, <http://www.cabinetoffice.gov.uk/news/francis-maude-reveals-%C2%A3375-billion-savings>

22 National Audit Office, *The Efficiency and Reform Group's role in improving public sector value for money*, March 2011, [http://www.nao.org.uk/publications/1011/efficiency\\_and\\_reform\\_group.aspx](http://www.nao.org.uk/publications/1011/efficiency_and_reform_group.aspx)

23 National Audit Office, *Progress in improving financial management in government*, March 2011, [http://www.nao.org.uk/publications/1011/financial\\_management\\_in\\_govt.aspx](http://www.nao.org.uk/publications/1011/financial_management_in_govt.aspx)

**32** Our work on **progress with VFM savings**,<sup>24</sup> **government ICT**,<sup>25</sup> **skills requirements**,<sup>26</sup> and **NDPB performance reporting**<sup>27</sup> shows that departments find it difficult to identify the main factors driving their expenditure. Departments will need to properly understand their costs and how they relate to outputs in order to allocate resources most effectively.

**33 Project management:** During 2010-11, we completed a number of reports looking at how government provides **assurance for high risk projects**<sup>28</sup> and also at the **lessons from PFI and other projects**.<sup>29</sup> Both reports concluded that because of a lack of central oversight and assurance, large government projects frequently failed to achieve value for money. Lack of proper options appraisal can lead to less efficient delivery models being chosen, while a lack of effective project management can lead to waste through delays and cost overruns. The Major Projects Authority was launched in April 2011, and aims to provide an integrated central source of project assurance, in response to the concerns raised in our reports.<sup>30</sup> The Cabinet Office estimates that £402 million has already been saved in 2010-11, following a review of the Government's largest projects, including abolishing ID cards.<sup>31</sup> The additional assurance provided by the Authority aims to achieve further savings by ensuring that key risks are identified and addressed early on. The Authority expects this to reduce the number of unexpected problems encountered by projects and the likelihood of budget overruns.

**34 Procurement:** Several of our reports, such as the landscape reviews on **ICT in government**<sup>32</sup> and the **role of the Efficiency and Reform Group**,<sup>33</sup> have looked into issues surrounding procurement and identified this as a major area where government could achieve efficiency savings. Our work last year on the effectiveness of **collaborative procurement across the public sector**<sup>34</sup> highlighted that the quality of procurement processes across government was variable. This meant that departments could be paying significantly different prices for the same items and that the public sector as a whole was failing to exercise its considerable buying power.

**35** Improving and centralising procurement of common goods and services is a major objective of the Efficiency and Reform Group. Our report on the **role of the Efficiency and Reform Group** noted that to achieve these savings the Group will need to ensure that relationships with key suppliers are managed effectively on a long-term basis. To this end, Crown Representatives have been appointed to renegotiate and manage several major contracts. The Group expects that centralising the procurement of common goods and services will deliver sustainable cost reductions of £13 billion across government over the next four years.<sup>35</sup>

24 National Audit Office, *Progress with VFM savings and lessons for cost reduction programmes*, July 2010, [http://www.nao.org.uk/publications/1011/vfm\\_savings\\_compendium.aspx](http://www.nao.org.uk/publications/1011/vfm_savings_compendium.aspx)

25 National Audit Office, *Information and Communications Technology in government: Landscape Review*, February 2011, [http://www.nao.org.uk/publications/1011/ict\\_in\\_government.aspx](http://www.nao.org.uk/publications/1011/ict_in_government.aspx)

26 National Audit Office, *Identifying and meeting central government's skills requirements*, July 2011, [http://www.nao.org.uk/publications/1012/skills\\_requirements.aspx](http://www.nao.org.uk/publications/1012/skills_requirements.aspx)

27 National Audit Office, *NDPB performance reporting to departments*, May 2010, [http://www.nao.org.uk/publications/1011/ndpb\\_performance\\_reporting.aspx](http://www.nao.org.uk/publications/1011/ndpb_performance_reporting.aspx)

28 National Audit Office, *Assurance for high risk projects*, June 2010, [http://www.nao.org.uk/publications/1011/project\\_assurance.aspx](http://www.nao.org.uk/publications/1011/project_assurance.aspx)

29 National Audit Office, *Lessons from PFI and other projects*, April 2011, [http://www.nao.org.uk/publications/1012/lessons\\_from\\_pfi.aspx](http://www.nao.org.uk/publications/1012/lessons_from_pfi.aspx)

30 Cabinet Office, *Overview of the MPA*, [http://www.cabinetoffice.gov.uk/sites/default/files/resources/mpa-overview\\_0.pdf](http://www.cabinetoffice.gov.uk/sites/default/files/resources/mpa-overview_0.pdf)

31 National Audit Office, *The Efficiency and Reform Group's role in improving public sector value for money*, March 2011, [http://www.nao.org.uk/publications/1011/efficiency\\_and\\_reform\\_group.aspx](http://www.nao.org.uk/publications/1011/efficiency_and_reform_group.aspx)

32 National Audit Office, *Information and Communications Technology in government: Landscape Review*, February 2011, [http://www.nao.org.uk/publications/1011/ict\\_in\\_government.aspx](http://www.nao.org.uk/publications/1011/ict_in_government.aspx)

33 National Audit Office, *The Efficiency and Reform Group's role in improving public sector value for money*, March 2011, [http://www.nao.org.uk/publications/1011/efficiency\\_and\\_reform\\_group.aspx](http://www.nao.org.uk/publications/1011/efficiency_and_reform_group.aspx)

34 National Audit Office, *A review of the effectiveness of collaborative procurement across the public sector*, May 2010, [http://www.nao.org.uk/publications/0910/collaborative\\_procurement.aspx](http://www.nao.org.uk/publications/0910/collaborative_procurement.aspx)

35 National Audit Office, *The Efficiency and Reform Group's role in improving public sector value for money*, March 2011, [http://www.nao.org.uk/publications/1011/efficiency\\_and\\_reform\\_group.aspx](http://www.nao.org.uk/publications/1011/efficiency_and_reform_group.aspx)

### NAO financial audit findings

**36** In 2010-11, the Cabinet Office and its arm's-length bodies stayed within the budgets approved for them by Parliament and therefore the Department did not incur an excess vote.<sup>36</sup> The Comptroller and Auditor General issued the Cabinet Office an unqualified and unmodified audit opinion for its 2010-11 resource accounts. This is a noteworthy achievement as 2010-11 was a challenging year for the Cabinet Office in financial reporting terms. The organisational changes required effective project management and meant that prior year balances needed to be restated and adjusted. This restatement means that the 2009-10 figures can be directly compared with the 2010-11 figures.

**37** The transfers of government bodies made in year have impacted on the resource accounts of the Cabinet Office as it will need to reimburse costs incurred by the previous parent departments. These costs have been recognised in 2010-11, although the actual reimbursements will be made in 2011-12. It is also worth noting that the Cabinet Office has accrued £11 million of termination costs in 2010-11 in anticipation of staff exits. No significant instances of fraud or losses were noted during the statutory audit.<sup>37</sup>

### Issues raised in Statements on Internal Control

**38** We work with the Department and its sponsored bodies to improve their published Statements on Internal Control. We aim to ensure that the processes by which Statements are produced are robust and that the Statements comply with Treasury guidance.

**39** The period July to December 2010 was one of transition for the Department and some high level committees, such the Operating Committee and Audit and Risk Committee, did not meet during this time. Oversight and scrutiny of expenditure was instead provided by the Approvals Board which was formed in June 2010. The Approvals Board continues to meet weekly and scrutinises major deployments of human and financial resources. This aims to ensure that resources are directed at the highest government priority areas and that value for money is achieved.

**40** There were notable changes made to the constitution of the Cabinet Office Board in December 2010 when a tranche of new non-executive directors were appointed. The role of the non-executive members is to provide challenge and advice to the Cabinet Office's executive team. This includes advising on performance, operational issues, the progress and implementation of the operational business plan, and on the effective management of the Department in general.

**41** Under the supervision of the Cabinet Office's Audit and Risk Committee, the Finance Director initiated a review of the processes in place for identifying and managing operational and strategic risks. In addition to strengthening risk management across the Department, the review aims to ensure greater consistency in approach among different sections of the Cabinet Office. This review was still ongoing at the end of the 2010-11 financial year.

**42** In the Statement on Internal Control, the Cabinet Office identified machinery of government changes (described in Part One) as an area that required particular attention. Several functions were transferred to the Cabinet Office during the year, and Accounting Officer assurance was obtained from the previous sponsoring departments at the point of handover. These also required the restatement of prior year balances, as noted earlier.

**43** The Cabinet Office's Internal Audit Service was used to review the closure processes put in place at the Commission for the Compact and Capacity Builders, two executive Non-Departmental Public Bodies that ceased operations on 31 March 2011. Internal Audit also reviewed the processes in place at the Cabinet Office to detect fraud and safeguard personal and confidential information. The systems were found to be broadly compliant and no major incidents were noted in these areas during 2010-11.

<sup>36</sup> If a Department exceeds its approved budget, it will incur an excess vote which would lead to its accounts being qualified.

<sup>37</sup> Cabinet Office, *Annual Report and Accounts 2010-11*. <http://www.cabinetoffice.gov.uk/sites/default/files/resources/resource-accounts-2010-11.pdf>

# Part Three

## Use of information

**44** Government needs robust, timely information on context, activities, costs, progress against its objectives, and the cost-effectiveness of its activities. It also needs to be able to interpret that information, by reference to trends, expectations, benchmarks and other comparisons, to identify problems and opportunities. Departments need reliable information on which to design and deliver services and monitor quality, be confident about their productivity, and drive continuous improvement.

**45** The Coalition Government has pledged, under the transparency agenda, to make more government information available to the public to help improve accountability and deliver economic benefits. In June 2010, the system of Public Service Agreements ended and instead, departments are to be held accountable to the public based on the data they use to manage themselves. The Public Sector Transparency Board has been established within the Cabinet Office to help embed the transparency agenda across government.<sup>38</sup>

### Reporting performance: Annual Reports and Business Plans

**46** Each government department now reports its performance against the priorities and objectives set out in its Business Plan. The Plan's transparency section includes performance indicators selected by the department to reflect its key priorities and demonstrate the cost and effectiveness of the public services it is responsible for. These indicators fall broadly into two categories:

- input indicators: a subset of the data gathered by the department on the resources used in delivering services; and
- impact indicators: designed to help the public judge whether departmental policies are having the desired effect.

**47** The Plan's structural reform section provides a detailed list of actions and milestones designed to show the steps the department is taking to implement the Government's reform agenda.

**48** Departmental progress against indicators is published regularly in a Quarterly Data Summary, most recently in July 2011. The Quarterly Data Summary is designed as a standardised tool for reporting selected performance metrics for each government department, in a way that facilitates comparison across departments where this is appropriate. Data published in the summary can be compared to the previous quarter (April 2011) which will also be the baseline for this data set. The information in the summary has not been audited and the Cabinet Office has said that the accuracy of the data for all departments needs to improve.<sup>39</sup> However, the Cabinet Office expects that over time, with improvements in data quality and timeliness, the public will be able to judge the performance of each department in a meaningful and understandable manner. An annual version of this information is expected to be formally laid in Parliament in departments' Annual Reports and Accounts from 2012 onwards.

**49** It is too early to comment on departmental performance reported against the new performance indicators. Through its review of departmental business planning, however, the House of Commons Committee of Public Accounts<sup>40</sup> identified some essential elements to help ensure effective accountability and value for money, including the need for:

- monitoring arrangements which align costs and results for all significant areas of departmental activity and spending; and
- clear definitions of expected outcomes and standards, rigorous timelines and appropriate strategies to intervene when expectations are not met.

<sup>38</sup> Cabinet Office, <http://www.cabinetoffice.gov.uk/content/transparency-overview>

<sup>39</sup> Cabinet Office, <http://www.cabinetoffice.gov.uk/resource-library/business-plan-quarterly-data-summary>

<sup>40</sup> *Departmental Business Planning* (Thirty-seventh Report of Session 2010-12), House of Commons Committee of Public Accounts, May 2011, <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmpubacc/650/650.pdf>

## Performance reported by the Department

**50** The Cabinet Office Structural Reform Plan<sup>41</sup> has five sections, reflecting the Department's different responsibilities and work areas:

- **Driving efficiency and effectiveness in government:** Making central government more efficient and effective by spending taxpayers' money more wisely, abolishing unnecessary quangos, and reforming the Civil Service.
- **Increasing transparency in the public sector:** Publishing information that will give taxpayers the ability to hold public servants to account and enable users of public services to choose between providers.
- **Reforming our political and constitutional system:** Supporting efforts to give power to people and communities by redistributing control away from Britain's over-centralised state.
- **Building the Big Society:** Promoting community empowerment, opening up public services and encouraging social action.
- **Promoting social mobility:** Helping to deliver a fairer, more open and more mobile society.

**51** The Cabinet Office reported its progress against Structural Reform Plan milestones during 2010-11 in its Resource Accounts.<sup>42</sup> Of the 74 actions that were due for completion during the year, the Cabinet Office completed 54 on time. The main area of slippage was **driving efficiency and effectiveness in government**, where 13 of the 43 planned actions were not completed on time.

**52** The Cabinet Office's input indicators cover a range of subjects, including the costs of central procurement functions and supplier management, as well as the cost per person for participants in the National Citizen Service. Impact indicators include measures such as the level of volunteering in the UK by age group, and total central government spend on 'overhead commodities' such as advertising and management consultancy.

**53** The Cabinet Office published a range of data in its July 2011 Quarterly Data Summary. In addition to spending data that is included in its 2010-11 resource accounts, the Cabinet Office provided data on common areas of spend and on its workforce. However, the Department did not report against any of its input or impact indicators in the July data summary. The next data summary is due for publication in October 2011.

## Testing the reliability of performance data across government

**54** Some of the data systems used to report against the new performance indicators will be the same as those used by the Department to report against Public Service Agreements. In July 2010, we published our sixth validation compendium report, **Taking the measure of government performance**,<sup>43</sup> on our work to test the systems used to report against Public Service Agreements. Our report found that the quality of data systems had improved but a third of the systems examined needed strengthening to improve controls or transparency and 10 per cent of systems were not fit for purpose.

**55** Over the next three years we will complete work to validate the data systems underpinning the departmental business plans and other key management information.

**56** In May 2010, the Prime Minister announced plans to reduce the carbon emissions of central government departments by 10 per cent in the coming twelve months. In May 2011, it was announced that this target had been exceeded, with emissions across central government falling by 13.8 per cent. The Cabinet Office played a central role in collating this information. We prepared **A briefing on delivery of the target to reduce central government's office carbon emissions by 10 per cent in the 12 months since the 2010 General Election** for the House of Commons Environmental Audit Committee.<sup>44</sup> We tested the reliability of the data systems measuring carbon emissions and concluded that they were sufficiently robust and fit for purpose.

41 The most recent Cabinet Office Business Plan can be seen here: <http://www.cabinetoffice.gov.uk/resource-library/cabinet-office-business-plan>

42 Cabinet Office, *Annual Report and Accounts 2010-11*, page 15, <http://www.cabinetoffice.gov.uk/sites/default/files/resources/resource-accounts-2010-11.pdf>

43 National Audit Office, *Taking the measure of government performance*, July 2010, [www.nao.org.uk/publications/1011/government\\_performance.aspx](http://www.nao.org.uk/publications/1011/government_performance.aspx)

44 National Audit Office, *A briefing on delivery of the target to reduce central government's office carbon emissions by 10 per cent in the 12 months since the 2010 General Election*, July 2011 [http://www.nao.org.uk/publications/1012/carbon\\_emissions.aspx](http://www.nao.org.uk/publications/1012/carbon_emissions.aspx)



## Use of Information by the Department

**57** A number of reports published by the NAO in 2010-11 have highlighted issues relating to the quality and use of information by central government departments. The Cabinet Office has several cross-government responsibilities for which it relies on data from departments. The Efficiency and Reform Group has also been tasked with promoting greater transparency across government. Deficiencies in the quality of data from across central government have an impact on the Cabinet Office's ability to provide effective oversight from the centre.

**58 Information to manage costs:** The poor quality of financial management information across government has been a major finding of several of our reports in 2010-11. This is a significant issue for the Cabinet Office as it will hamper efforts to improve efficiency and achieve real savings over the coming years. Our **landscape review of the Efficiency and Reform Group** noted this as a serious challenge, with the Group itself acknowledging that basic data on common areas of public spending are often poor.<sup>45</sup> Our **landscape review of ICT** in the public sector highlighted the difficulties experienced by the Cabinet Office in obtaining robust data on total government spending on ICT projects and the lack of information on ICT contracts held by departments.<sup>46</sup>

**59** Our report on **central government's use of consultants and interims**<sup>47</sup> found that the data held by departments relating to consultants was poor and lacked depth. Data on total costs was generally available, but prior to July 2010 there were severe delays in producing this information which reduced its usefulness. Our report on **managing staff costs in central government**<sup>48</sup> noted that departments and other organisations do not have a comprehensive understanding of their own staff costs, citing poor

time recording systems as a factor. This reduces departments' ability to properly prioritise activities in order to reduce costs.

**60 Information to assess capability:** Our report on **identifying and meeting central government's skills requirements**<sup>49</sup> found that departments lacked useful data on the skills of their staff and the learning and development opportunities being provided. Weak information systems severely hampered departments' abilities to identify skills gaps and to direct resources effectively to meet them. This will be an obstacle to the Cabinet Office's successful implementation of the new Civil Service Learning programme, launched in April 2011.

**61 Information to manage major projects:** Central government spent an estimated £10.5 billion on major projects in 2009-10, so it is vital that relevant and robust data is available to allow for proper project management. Our review of the **lessons from PFI and other projects**<sup>50</sup> highlighted the lack of meaningful data on the Government's major projects portfolio. This was confirmed by our report on **assurance for high risk projects**,<sup>51</sup> which stressed the need for a stronger evidence base to ensure proper scrutiny of complex government projects.

**62 Information to measure performance:** Our report on **progress with VFM savings across government** found that a significant proportion of efficiency savings reported under the previous Comprehensive Spending Review could not be verified because of poor underlying data systems.<sup>52</sup> Our work on **NDPB performance reporting** to departments found that performance data provided by NDPBs was often not sufficiently robust or transparent. Performance indicators did not focus enough on results and the supporting information systems seldom linked outputs to costs.<sup>53</sup>

45 National Audit Office, *The Efficiency and Reform Group's role in improving public sector value for money*, March 2011, [http://www.nao.org.uk/publications/1011/efficiency\\_and\\_reform\\_group.aspx](http://www.nao.org.uk/publications/1011/efficiency_and_reform_group.aspx)

46 National Audit Office, *Information and Communications Technology in government: Landscape Review*, February 2011, [http://www.nao.org.uk/publications/1011/ict\\_in\\_government.aspx](http://www.nao.org.uk/publications/1011/ict_in_government.aspx)

47 National Audit Office, *Central government's use of consultants and interims*, October 2010, [http://www.nao.org.uk/publications/1011/use\\_of\\_consultants.aspx](http://www.nao.org.uk/publications/1011/use_of_consultants.aspx)

48 National Audit Office, *Managing staff costs in central government*, March 2011, [http://www.nao.org.uk/publications/1011/staff\\_costs\\_in\\_government.aspx](http://www.nao.org.uk/publications/1011/staff_costs_in_government.aspx)

49 National Audit Office, *Identifying and meeting central government's skills requirements*, July 2011, [http://www.nao.org.uk/publications/1012/skills\\_requirements.aspx](http://www.nao.org.uk/publications/1012/skills_requirements.aspx)

50 National Audit Office, *Lessons from PFI and other projects*, April 2011, [http://www.nao.org.uk/publications/1012/lessons\\_from\\_pfi.aspx](http://www.nao.org.uk/publications/1012/lessons_from_pfi.aspx)

51 National Audit Office, *Assurance for high risk projects*, June 2010, [http://www.nao.org.uk/publications/1011/project\\_assurance.aspx](http://www.nao.org.uk/publications/1011/project_assurance.aspx)

52 National Audit Office, *Progress with VFM savings and lessons for cost reduction programmes*, July 2010, [http://www.nao.org.uk/publications/1011/vfm\\_savings\\_compendium.aspx](http://www.nao.org.uk/publications/1011/vfm_savings_compendium.aspx)

53 National Audit Office, *NDPB performance reporting to departments*, May 2010, [http://www.nao.org.uk/publications/1011/ndpb\\_performance\\_reporting.aspx](http://www.nao.org.uk/publications/1011/ndpb_performance_reporting.aspx)

# Part Four

## Service delivery

**63** Public services are different in the ways they are delivered, but their quality and cost-effectiveness depends on a number of common minimum requirements. For example, service delivery requires a well thought-out delivery model, sound programme and project management, strong commercial skills, mature process management and a real understanding of customer needs. Many of our reports to Parliament cover these issues. We summarise below some of this work, organised by key areas of the Department's business.

**64** The Cabinet Office has lead responsibility for a range of programmes, most notably the task of promoting and achieving greater efficiency and transparency across government. The Cabinet Office is not however a typical 'front-line' department in direct control of delivering key government objectives; instead, its role is based on central coordination and oversight, with the actual delivery of its main objectives devolved to other government departments. The key challenges facing the Cabinet Office are therefore how it will effectively influence departments and monitor progress across government on key issues. To deliver its objectives the Cabinet Office has devised a 'tight-loose' framework where tight central control over certain areas is balanced by departmental autonomy in others.

**65** Over the last year, several of our reports have highlighted the risks and challenges faced by the Cabinet Office in trying to facilitate and deliver cross-government policy objectives.

**66 Delivery of efficiency savings:** Our report, **The Efficiency and Reform Group's role in improving public sector value for money**,<sup>54</sup> provided a strategic overview of the main issues the Group will face in delivering the ambitious efficiency objectives it has been set. A key issue running across all the areas of the Efficiency and Reform Group's work is how the 'tight-loose' framework proposed for its

activities will work in practice. The ERG will need to strike the correct balance whereby the centre has sufficient control to ensure efficient use of resources, such as through improving procurement and making more efficient use of the government estate, while allowing departments sufficient autonomy to meet operational needs.

**67** Other NAO reports looked at areas that are being targeted by the ERG's efficiency programmes. Our report on **central government's use of consultants and interims**<sup>55</sup> considered whether departments were achieving value for money in their use of these resources. Our report **Managing staff costs in central government**<sup>56</sup> provided evidence of 'grade creep' – the uncontrolled migration of work up to higher pay grades – across the Civil Service arising from a lack of central control over the government pay bill. Both reports highlighted the limited information available to departments as major obstacles to the delivery of government objectives.

**68 Delivery of major projects:** With the formation of the Major Projects Authority in April 2011, the Cabinet Office now has a role in overseeing the Government's major projects portfolio and ensuring that projects are delivered on time and on budget. Our reports on **assurance for high risk projects**<sup>57</sup> and **lessons from PFI and other projects**<sup>58</sup> highlighted the difficulties that the Cabinet Office will face in delivering its objectives in this area. Not only does the public sector have a number of highly complex and risky projects that are inherently hard to deliver, it has experienced difficulty in the past in recruiting staff with appropriate project management skills. Previous attempts to impose greater central supervision over projects have met with variable responses from other government departments.

54 National Audit Office, *The Efficiency and Reform Group's role in improving public sector value for money*, March 2011, [http://www.nao.org.uk/publications/1011/efficiency\\_and\\_reform\\_group.aspx](http://www.nao.org.uk/publications/1011/efficiency_and_reform_group.aspx)

55 National Audit Office, *Central government's use of consultants and interims*, October 2010, [http://www.nao.org.uk/publications/1011/use\\_of\\_consultants.aspx](http://www.nao.org.uk/publications/1011/use_of_consultants.aspx)

56 National Audit Office, *Managing staff costs in central government*, March 2011, [http://www.nao.org.uk/publications/1011/staff\\_costs\\_in\\_government.aspx](http://www.nao.org.uk/publications/1011/staff_costs_in_government.aspx)

57 National Audit Office, *Assurance for high risk projects*, June 2010, [http://www.nao.org.uk/publications/1011/project\\_assurance.aspx](http://www.nao.org.uk/publications/1011/project_assurance.aspx)

58 National Audit Office, *Lessons from PFI and other projects*, April 2011, [http://www.nao.org.uk/publications/1012/lessons\\_from\\_pfi.aspx](http://www.nao.org.uk/publications/1012/lessons_from_pfi.aspx)

**69 Delivery of improved Civil Service capability:**

Improving capability within the Civil Service is a long-standing objective of the Cabinet Office. It launched a new programme called Civil Service Learning in 2011 to improve generic skills training across government. However, our report on **identifying and meeting central government's skills requirements**<sup>59</sup> concluded that this programme will be difficult to deliver. It found that much previous learning and development expenditure within government was unlikely to represent good value for money because staff did not feel that it led to improved performance. Moreover, departments had only limited ability to identify skills gaps, making it difficult to target resources effectively.

**70** Our work on **process management**<sup>60</sup> across government uncovered similar issues. This review of central government bodies found that few provided staff with the skills, training and incentives to actively contribute to improving business performance.

**71 Delivery of the government ICT strategy:**

Our **landscape review of Information and Communication Technology in government**<sup>61</sup> found that the Cabinet Office will face considerable challenges in delivering its objectives. Previous attempts at reforming government ICT have been hampered by the lack of an integrated approach, resulting in poor coordination among departments. Inadequate strategic planning in the procurement of ICT systems and in recruiting IT specialists have also been obstacles to delivering improvements. The Cabinet Office has had difficulties implementing its cross-government initiatives, with adoption largely reliant on persuasion and personal networks.

59 National Audit Office, *Identifying and meeting central government's skills requirements*, July 2011, [http://www.nao.org.uk/publications/1012/skills\\_requirements.aspx](http://www.nao.org.uk/publications/1012/skills_requirements.aspx)

60 National Audit Office, *Maturity of process management in central government*, December 2010, [http://www.nao.org.uk/publications/1011/process\\_management.aspx](http://www.nao.org.uk/publications/1011/process_management.aspx)

61 National Audit Office, *Information and Communications Technology in government: Landscape Review*, February 2011, [http://www.nao.org.uk/publications/1011/ict\\_in\\_government.aspx](http://www.nao.org.uk/publications/1011/ict_in_government.aspx)



# Appendix One

## The Department's sponsored bodies at 1 April 2011

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### Advisory NDPBs

Advisory Committee on Business Appointments  
 Boundary Commission for England  
 Boundary Commission for Wales  
 Civil Service Appeal Board  
 Committee on Standards in Public Life  
 House of Lords Appointments Commission  
 Main Honours Advisory Committee  
 Security Commission (ceased with effect from 14 October 2010)  
 Security Vetting Appeals Panel  
 Senior Salaries Review Body  
 Office for Civil Society Advisory body (previously known as Third Sector Advisory Body)

### Executive NDPBs

Capacity Builders (UK) Limited (closed 31 March 2011)  
 Commission for the Compact Limited (closed 31 March 2011)  
 Civil Service Commission (established 11 November 2010)

### Executive Agencies

Buying Solutions (within ERG from 15 June 2010, renamed Government Procurement Service in July 2011)  
 Central Office of Information (Executive Agency and non-Ministerial Department scheduled for closure in 2012. The Office's Chief Executive Officer reports directly to the Minister for the Cabinet Office).

### NOTE

1 Advisory NDPBs are consolidated in the Cabinet Office resource accounts. Executive NDPBs and Executive Agencies are not consolidated in the accounts.

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# Appendix Two

## Results of the Civil Service People Survey 2010

### Question scores (% strongly agree or agree)

#### Leadership and managing change

I feel that the department as a whole is managed well	41
Senior Civil Servants in the Department are sufficiently visible	45
I believe the actions of Senior Civil Servants are consistent with the Department's values	39
I believe that the Departmental Board has a clear vision for the future of the Department	35
Overall, I have confidence in the decisions made by the Department's Senior Civil Servants	36
I feel that change is managed well in the Department	27
When changes are made in the Department they are usually for the better	23
The Department keeps me informed about matters that affect me	54
I have the opportunity to contribute my views before decisions are made that affect me	32
I think it is safe to challenge the way things are done in the Department	39

#### Organisational objectives and purpose

I have a clear understanding of the Department's purpose	84
I have a clear understanding of the Department's objectives	78
I understand how my work contributes to the Department's objectives	80

Civil Service overall



# Appendix Three

## Reports by the NAO relevant to the Department since 2008

Publication date	Report title	HC number	Parliamentary session
13 July 2011	Identifying and meeting central government's skills requirements	HC 1276	2010-12
1 July 2011	A briefing on the delivery of the target to reduce central government's office carbon emissions by 10 per cent in the 12 months since the 2010 General Election	<a href="http://www.nao.org.uk/publications/1012/carbon_emissions.aspx">www.nao.org.uk/publications/1012/carbon_emissions.aspx</a>	
6 June 2011	Managing risks in government	<a href="http://www.nao.org.uk/publications/1012/managing_risks_in_government.aspx">www.nao.org.uk/publications/1012/managing_risks_in_government.aspx</a>	
26 May 2011	Option Appraisal: Making informed decisions in Government	<a href="http://www.nao.org.uk/publications/1012/option_appraisal.aspx">http://www.nao.org.uk/publications/1012/option_appraisal.aspx</a>	
13 May 2011	Performance Frameworks and Board Reporting II	<a href="http://www.nao.org.uk/publications/1012/performance_frameworks_and_boa.aspx">http://www.nao.org.uk/publications/1012/performance_frameworks_and_boa.aspx</a>	
28 April 2011	Lessons from PFI and other projects	HC 920	2010-12
25 March 2011	The Efficiency and Reform Group's role in public sector value for money	HC 887	2010-11
11 March 2011	Managing staff costs in central government	HC 818	2010-11
3 March 2011	Progress in improving financial management in government	HC 487	2010-11
17 February 2011	Information and Communications Technology in government. Landscape Review	HC 757	2010-11
7 January 2011	National Audit Office memorandum for the Public Administration Select Committee	<a href="http://www.nao.org.uk/publications/1011/pasc_memo_arms_length_bodies.aspx">http://www.nao.org.uk/publications/1011/pasc_memo_arms_length_bodies.aspx</a>	
21 December 2010	Short Guide to reorganising arm's-length bodies	<a href="http://www.nao.org.uk/publications/1011/arms_length_bodies.aspx">http://www.nao.org.uk/publications/1011/arms_length_bodies.aspx</a>	
8 December 2010	The impact of the 2007-08 changes to public service pensions	HC 662	2010-11
14 October 2010	Central government's use of consultants and interims	HC 488	2010-11
18 August 2010	A framework for managing staff costs in a period of spending reduction	<a href="http://www.nao.org.uk/publications/1011/managing_staff_costs.aspx">http://www.nao.org.uk/publications/1011/managing_staff_costs.aspx</a>	



<b>Publication date</b>	<b>Report title</b>	<b>HC number</b>	<b>Parliamentary session</b>
19 July 2010	Progress with VFM savings and lessons for cost reduction programmes	HC 291	2010-11
14 July 2010	Taking the measure of government performance	HC 284	2010-11
7 July 2010	Short guide to the NAO's work on the Cabinet Office	<a href="http://www.nao.org.uk/publications/1011/short_guide_cabinet_office.aspx">http://www.nao.org.uk/publications/1011/short_guide_cabinet_office.aspx</a>	
10 June 2010	Review of the data systems for Public Service Agreement 16	<a href="http://www.nao.org.uk/publications/1011/review_data_systems_for_psa_16.aspx">http://www.nao.org.uk/publications/1011/review_data_systems_for_psa_16.aspx</a>	
3 June 2010	Assurance for High Risk Projects	<a href="http://www.nao.org.uk/publications/1011/ndpb_performance_reporting.aspx">http://www.nao.org.uk/publications/1011/ndpb_performance_reporting.aspx</a>	
27 May 2010	Non – Departmental Public Bodies performance reporting to Departments	<a href="http://www.nao.org.uk/publications/1011/project_assurance.aspx">http://www.nao.org.uk/publications/1011/project_assurance.aspx</a>	
21 May 2010	A review of collaborative procurement across the public sector	<a href="http://www.nao.org.uk/publications/0910/collaborative_procurement.aspx">http://www.nao.org.uk/publications/0910/collaborative_procurement.aspx</a>	
18 March 2010	Reorganising central government	HC 452	2009-10
12 March 2010	The cost of public service pensions	HC 432	2009-10
16 December 2009	Independent Reviews of reported CSR07 Value for Money savings	HC 86	2009-10
6 November 2009	Commercial skills for complex government projects	HC 962	2008-09
29 October 2009	Cabinet Office Performance Briefing: Briefing for the House of Commons Public Administration Select Committee	<a href="http://www.nao.org.uk/publications/0809/cabinet_briefing.aspx">http://www.nao.org.uk/publications/0809/cabinet_briefing.aspx</a>	
21 October 2009	Measuring Up: How good are the Government's data systems for monitoring performance against Public Service Agreements?	HC 465	2008-09
16 October 2009	Government cash management	HC 546	2008-09
16 July 2009	Review of errors in Guaranteed Minimum Pension payments	HC 878	2008-09
29 April 2009	Addressing the environmental impacts of government procurement	HC 420	2008-09
26 March 2009	Innovation across central government	HC 12	2008-09

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<b>Publication date</b>	<b>Report title</b>	<b>HC number</b>	<b>Parliamentary session</b>
27 February 2009	Helping Government Learn	HC 129	2008-09
13 February 2009	Recruiting civil servants efficiently	HC 134	2008-09
6 February 2009	Building the Capacity of the Third Sector	HC 132	2008-09
5 February 2009	Assessment of the Capability Review programme	HC 123	2008-09
19 December 2008	Central government's management of service contracts	HC 65	2008-09
30 October 2008	Good Government: NAO Paper for the Public Administration Select Committee	<a href="http://www.nao.org.uk/publications/0708/good_government.aspx">http://www.nao.org.uk/publications/0708/good_government.aspx</a>	
20 February 2008	Managing financial resources to deliver better public services	HC 240	2007-08

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# Appendix Four

## Other sources of information

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### Recent reports from the Committee of Public Accounts since 2008

Publication date	Report title	HC number	Parliamentary session
1 September 2011	Lessons from PFI and other projects	HC 1201	2010-12
5 July 2011	Information and Communications Technology in government	HC 1050	2010-12
25 May 2011	The impact of the 2007-08 changes to public service pensions	HC 833	2010-12
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**Cabinet Office Capability Reviews**

December 2008	Cabinet Office Capability Review: Progress and Next Steps	<a href="http://www.civilservice.gov.uk/Assets/CabinetOffice-progress_tcm6-6183.pdf">http://www.civilservice.gov.uk/Assets/CabinetOffice-progress_tcm6-6183.pdf</a>
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Design & Production by  
NAO Communications  
DP Ref: 009688-001

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Printed by Precision Printing