

Autumn Performance Report 2004





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Cabinet Office

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Introduction

1. This Autumn Performance Report provides information on the latest progress against the Cabinet Office's Public Service Agreement (PSA) targets agreed as part of the 2002 Spending Review (SR2002).
2. Autumn Performance Reports were introduced in 2002 to supplement reporting against PSA targets in Departmental Reports. This report follows on from the Cabinet Office Departmental Report 2004 (Cm 6226) which was published in April.
3. The SR2002 PSA targets contribute to the Government's overall delivery and reform programme which is focused on driving through changes in public services, particularly in the priority areas of education, health, transport, crime and asylum. The SR2002 PSA targets are shown in **Figure 1**.
4. The Cabinet Office operates under the ministerial oversight of Ruth Kelly MP, Minister for the Cabinet Office. The Minister for the Cabinet Office is responsible for the delivery of the PSA. The Chancellor of the Exchequer is jointly responsible for the delivery of PSA target 2.
5. The PSA Technical Notes in Section Two of this report set out how performance against each of the PSA targets is measured.
6. The outcome of the 2004 Spending Review (SR2004) was announced in July 2004. SR2004 established the funding available to the Cabinet Office for the period 2005-06 to 2007-08 and set the targets to be achieved. Details of the objectives and targets agreed as part of SR2004 are shown at **Annex A**. The relationship between the SR2002 PSA targets and the SR2004 targets is shown at **Annex B**. The three new targets will continue to drive progress towards achieving key goals in the areas of regulatory reform, public service delivery, and civil service reform including diversity.
7. The Cabinet Office Annual Report and Resource Accounts for 2003-04 were published in December. The accounts provide information about Cabinet Office performance in relation to its resources.

Figure 1 – Spending Review 2002 Public Service Agreement Targets

Target 1 Ensure departments deliver better regulation through:

- (i) full compliance with the Regulatory Impact Assessment process; and
- (ii) delivering the commitments in the Regulatory Reform Action Plan, including over 60 Regulatory Reform Orders by 2005.

Target 2 Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. (This is a joint target with HM Treasury.)

Target 3 Ensure departments meet the Prime Minister's targets for electronic service delivery by Government: 100 per cent capability by 2005, with key services achieving high levels of use.

Target 4 Ensure that the Civil Service becomes more open and diverse, by achieving by 2004-05 the agreed targets of: 35% Senior Civil Service (SCS) to be women; 25% of top 600 posts to be filled by women; 3.2% of the SCS to be from ethnic minority backgrounds and 3% of the SCS to be people with disabilities.

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

Target 6 Achieve a 2.5 per cent saving per year on administrative resources.

Section 1

Progress against Public Service Agreement targets

Target 1	<p>Ensure departments deliver better regulation through:</p> <ul style="list-style-type: none"> (i) full compliance with the Regulatory Impact Assessment (RIA) process (ii) delivering the commitments in the Regulatory Reform Action Plan, including over 60 Regulatory Reform Orders by 2005.
Progress	On course
Commentary	<p>The Regulatory Impact Unit (RIU) continues to work with other departments and bodies to drive forward the better regulation agenda and cut red tape.</p> <p>The RIU specifically measures whether RIAs are available as part of the consultation process, as this can directly inform stakeholder responses and improve policy outcomes. There has been a steady increase in compliance with this requirement. Departments have achieved full compliance with this target, reaching close to 100% over the last three periods assessed, compared with a 65% compliance rate in 2002.</p> <p>Departmental board level ‘champions’ for better regulation provide advice within their organisation on private sector, public sector and European regulatory issues. The RIU encourages the discussion of common issues across departments and is actively working with this network to facilitate the sharing of good practice.</p> <p>In 2004, for the first time, departments were asked to comment in their annual reports on their performance on better regulation, including RIA compliance levels and the number of consultations that lasted for a minimum of 12 weeks. The Better Regulation Task Force (BRTF) has analysed these reports and has written to the Chancellor with a copy of their compendium report, which is available on the BRTF website: http://www.brtf.gov.uk</p> <p>It was announced in the 2004 Budget that the level of scrutiny given to major regulatory proposals would be strengthened. Consideration at meetings of the Panel for Regulatory Accountability chaired by the Prime Minister will be based on a RIA agreed with the Cabinet Office RIU. The Committee will also take into account a department’s previous regulatory performance, other forthcoming proposals that could impact on business and any compensating deregulatory measures that the department is proposing.</p> <p>Following their first report on better regulation, the National Audit Office has made a commitment to evaluate the quality of a sample of final RIAs each year. RIU is drawing on learning points from this initiative to identify the need for further training for policy officials and departmental RIUs. Consideration is being given on how to reflect outcomes in strengthened RIA guidance where appropriate.</p>

	<p>The RIU is also considering how this work can contribute towards establishing a benchmark for the quality of RIAs and a methodology for measuring improvements.</p> <p>An updated Regulatory Reform Action Plan was published in December 2003 alongside the Pre-Budget Report. This updated plan set out over 650 proposals for regulatory reform from across government over the next three years. By September 2004, over 300 measures had already been completed. By the end of October 2004, 28 Regulatory Reform Orders had been laid, of which 20 had passed on to the statute book. All these orders have reduced burdens and have delivered significant benefits to business, small firms, charities and the voluntary sector as well as to the individual citizen.</p>
Target 2	<p>Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. (This is a joint target with HM Treasury.)</p>
Progress	<p>On course</p>
Commentary	<p>SR2002 set stretching outcome-focused targets for key areas of the public services. Responsibility for delivery of PSA targets rests with departmental Secretaries of State, as set out in the "who is responsible" section of each PSA. 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.</p> <p>The SR2002 targets have not yet reached their completion dates and a final assessment is only possible after all parts of a target have fallen due. In the meantime departments continue to publish ongoing progress as described in the previous paragraph. Progress can of course vary up until the time when a final assessment is made.</p> <p>In the latest Departmental Reports (spring 2004) summary interim assessments were made for a majority of PSA targets. For targets where an assessment was made, over 60% were reported to be on course.</p>
Target 3	<p>Ensure departments meet the Prime Minister's targets for electronic service delivery by Government: 100 per cent capability by 2005, with key services achieving high levels of use.</p>
Progress	<p>Three quarters of services are now available electronically and departments forecast 96% of services to be available by the end of 2005.</p>
Commentary	<p>Responsibility for the delivery of individual e-services rests with the service-owning department. The e-Government Unit (eGU, formerly Office of the e-Envoy, OeE) is working with departments to deliver e-Government services through the removal of barriers to delivery and the provision of policies, products and processes which departments need developed centrally in order to succeed. In September 2002 the e-Government Delivery Programme (e-GDP), coordinated and managed by OeE, was established to drive forward the delivery of the target. The e-GDP has adopted a strategic approach that centres on mitigating three core programme risks. The first aims to address the risk that departments will not deliver services by building their capacity to do so. The second aims to increase the take-up of services by ensuring that they are focused round the needs of citizens. The third aims to mitigate the risk that services will be delivered at excessive cost by delivering common building blocks. Progress against each of these three core programme workstreams will be addressed in turn.</p>

1) Service delivery

Departments continue to work towards the target for all government services to be available electronically by 2005. The latest electronic service delivery returns, carried out at the end of Quarter 2 of 2004, show that three quarters of the currently identified services are now available electronically, and departments are forecasting continued progress through to the end of 2005.

Departments expect 96% of services to have electronic capability by the end of 2005 and eGU will assure this by continued surveying of departmental progress. Those services that are not planned to be fully available by the end of 2005 fall into the following categories.

- Specific exclusions: there are some instances where constituent parts of a service/process are not planned to be made electronic at present, owing to policy reasons. An example is where security concerns have come to light during the design stage of a service which have been judged sufficiently high risk as to delay and in some cases cancel online delivery – Justice and Vehicle services are areas that have been affected in this way.
- Pilots and part rolled-out services currently account for more than any other category of services not planned to be fully electronically available by the end of 2005. Typical examples are of major services which regularly touch citizens' lives, where it clearly makes sense to develop the services in a phased manner to mitigate project risk. Health and Land & Property are two examples of areas affected. Because the services will have been established initially as pilots, they will not be spread across the country by the end of next year and will not count against the target. Nationwide roll-out of these services will depend on the success of the pilots.
- Reform projects: other services are dependent on major reform projects being completed, such as in the Land and Property category, and the projects would be put at further risk by advancing roll-out programmes, where it is not yet appropriate to do so. To complete e-delivery of these services ahead of the reforms would require disproportionate expenditure for minimal gains.
- New or disaggregated services: the number of services has increased over the target period as new services have been created and others have been split up to better reflect the business aims of the relevant department.

These four categories encompass areas where it is no longer optimal to make services electronically deliverable by the end of 2005. It is expected that all other services will be e-enabled before the end of the target period, at which time it is forecast that over 600 government services will be offered through new electronic channels to citizens and businesses. This is a significant achievement – the Government has succeeded in stimulating a major transformation in public services by use of electronic channels.

2) Increasing take-up

Based on the most recent Office for National Statistics survey, 28% of the adult population claim to have visited government websites, which equates to around half of the internet population. Most of these visitors consume government information services. However, with more transactional services being made available, around 6% of the population (10% of the online population) are now transacting with government via websites, by making payments, submitting forms or booking appointments. These figures only reflect online service use – there is evidence that use of other forms of electronic channel is on the increase. For example, driving test bookings, which use telephone and internet self-service technology, have seen rapid

take-up over the last three years since launch. 40% of annual test booking transactions are now electronic.

The eGU continues to monitor the use of e-Government services and the outlook is encouraging. Some service areas are beginning to see high electronic transaction levels as a percentage of total transactions and others are experiencing high annual growth rates. Examples include:

- Services to businesses: 67% of incorporations are now electronic – up 19% from the previous year.
- Benefit and personal taxation services: over 1.1 million Self-Assessment tax returns for 2002-03 were submitted electronically by April 2004 with over twice the number submitted over the internet than the previous year.
- Transport and travel services: 79% of vehicle registrations are electronic.
- Educational services: over 65% of university applicants used electronic application services for 2004 entry.
- Health services: 'NHS Direct Online' receives over 600,000 visits each month. The latest figures show a 50% increase in visits from the previous year.
- Citizen interactions with the justice system: take-up of the Court Service's internet service, 'Money Claim Online', continues to grow with over 60,000 claims being issued and over 11,000 responses filed.
- Land and property services: 'Land Register Online' is attracting over 1,300 applications per day.

In addition, the flagship service 'Directgov' has been successfully launched and is being well received by customers. 80% of users state that Directgov gives convenient access to public services and information, and nearly twice as many respondents have rated Directgov as 'good' overall, compared to its predecessor 'UK online'. Even without any significant marketing, Directgov is regularly receiving 150,000 unique users per week. Plans to scale up the product should increase e-Government take-up further by aggregating more users and services in a single location.

3) Cost optimisation

The objective of this workstream is to reduce the cost, risk, and time-to-market of e-Government through the delivery of common infrastructure; and to address the issue of incompatible and unintegrated systems across government through the setting of common standards.

Future direction

The Government has initiated a radical review of the way government does its business. The Efficiency Review aims to release major resources into front-line services that meet the public's highest priorities out of activities which can be undertaken more efficiently.

The eGU will provide the role of Transactional Services Change Agent for the Efficiency Review. In this role eGU will establish a Centre of Excellence to accelerate and underpin the changes necessary for the achievement of departmental efficiency savings through transactional services.

The required outcome is the efficient delivery of high-quality public services resulting in:

- a total of £1.3 billion in departmental efficiency savings over a three-year period;
- customer benefits of approximately £1 billion;

	<ul style="list-style-type: none"> ● improved customer satisfaction in relation to service operations; and ● the implementation of departmental measurement and change mechanics which can be used to drive further efficiencies and reform. <p>The eGU is also providing the role of IT Change Agent and Corporate Services support to the HR and Finance Change agents, which are part of the Efficiency Review. This role is designed to accelerate and underpin the changes necessary for the achievement of departmental savings through streamlining of the provision of IT, HR and Finance services.</p> <p>The organisation is expecting to play a significant role as a key enabler in supporting departments' delivery against their efficiency targets. Combined with the Head of e-Government's role as head of the IT profession, it is expected that the dynamics of the eGU's relationship with departments will need to change from a performance monitoring, target enforcement role to one which is more supportive and developmental.</p> <p>The eGU will continue to measure progress – however, the focus of the eGU is shifting away from enforcing service roll-out and being held directly responsible for take-up, towards new priorities of supporting departments:</p> <ul style="list-style-type: none"> ● to achieve more customer-centric delivery – providing citizens with better services that they want; services that make a real difference to people's daily lives and that add genuine value; ● in their drive to implement efficiency recommendations from the Gershon Review and in their successful achievement of SRO4 efficiency targets; and ● to achieve their own objectives and targets of cost reductions via increased take-up.
<p>Target 4</p>	<p>Ensure that the Civil Service becomes more open and diverse, by achieving by 2004-05 the agreed targets of:</p> <p>35% Senior Civil Service (SCS) to be women;</p> <p>25% of top 600 posts to be filled by women;</p> <p>3.2% of the SCS to be from ethnic minority backgrounds and 3% of the SCS to be people with disabilities.</p>
<p>Progress</p>	<p>The Civil Service is making good progress to meet its targets to double the numbers of staff from under-represented groups in the Senior Civil Service by 2005. In particular, the progress being made to employ minority ethnic staff and women in top management positions (see Figure 2) indicates that these two challenging targets are on course to be delivered. The number of disabled people in the Senior Civil Service has increased and there has been a continuing increase in the proportion of women in the Senior Civil Service. However, the 2005 targets for both disabled people and women in the Senior Civil Service remain a significant challenge. A number of programmes have been put in place, at corporate and departmental level, to build on progress.</p>

Commentary

April 2004 data, published on 21 October, shows that:

- 27.8% of the Senior Civil Service are women, up from 17.8% in 1998. The target is still a challenging one, though the percentage of women in the SCS has risen for the fifth consecutive occasion since April 2002;
- 24.4% of those in the very top management posts are women, up from 12.7% in 1998. This includes three women at Permanent Secretary level;
- 3.3% of staff at Senior Civil Service level are from minority ethnic backgrounds, up from 1.6% in 1998. Although this slightly exceeds the target level of 3.2%, this does not mean that the target has been met. Judgements on whether the targets have been met will be made using April 2005 data, and the Cabinet Office will monitor progress towards the targets on long-term trends rather than individual data points. Therefore efforts are continuing to be made to sustain progress; and
- 2.3% of staff at Senior Civil Service level are disabled, up from 1.5% in 1998. The Cabinet Office is pleased to note the increase in the representation of disabled staff in the SCS, but the lack of progress being made against the disability target is concerning and action is being prioritised to accelerate progress.

Action to make further progress includes:

- renewing leadership commitment: Sir Andrew Turnbull and Martin Narey (as Diversity Champion for the Civil Service) launched a new network of diversity champions in July. Members of the network are at Board level in departments with responsibility for driving the diversity agenda in their organisation. Priorities for the network are to strengthen accountability for diversity action and provide a forum for ensuring that departments learn from and replicate good practice;
- Waqar Azmi took up post as Chief Diversity Adviser on 1 October 2004. One of his early priorities is to examine further interventions to address under-representation at senior levels;
- new departmental targets: departments are being asked to set new targets for 2008. Some have already set targets significantly above the corporate targets (for example the Home Office has set a target for 8% of the Senior Civil Service to be from ethnic minority backgrounds by 2008); and
- evaluation and relaunch of programmes to bring on under-represented groups: staff with high potential continue to be selected for corporate programmes to develop minority ethnic and disabled staff for the Senior Civil Service. These schemes are being evaluated and will be relaunched next year.

Data quality

Information on ethnicity and disability is collected using voluntary surveys and some staff choose not to respond to these.

A resurvey of the ethnicity of Civil Service staff was launched in 2001 to improve data quality and comparability with new national population data. The resurvey exercise was introduced after extensive consultation and work with departments and agencies, trade unions, the Office for National Statistics, and the Commission for Racial Equality.

The proportion of SCS level staff for whom ethnicity is known has risen to 81.3%, from 77.6% in October 2003, 66.9% in April 2002 and 72.9% in October 2002. The proportion of all Civil Service staff for whom ethnicity is known has risen to 73.7% from 67.1% in October 2003, 61.9% in April 2002 and 64% in October 2002.

Statistical tests indicate that data for the Civil Service overall are robust with little variation, and that Cabinet Office can be confident that the long-term trend in the proportion of known minority ethnic staff at SCS level is increasing.

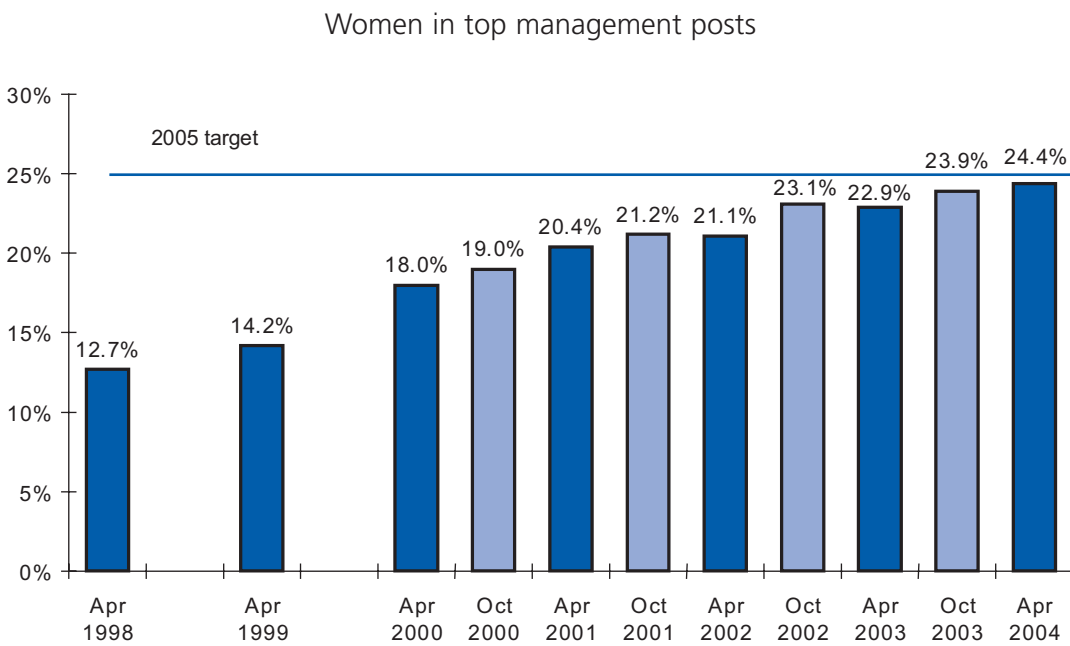
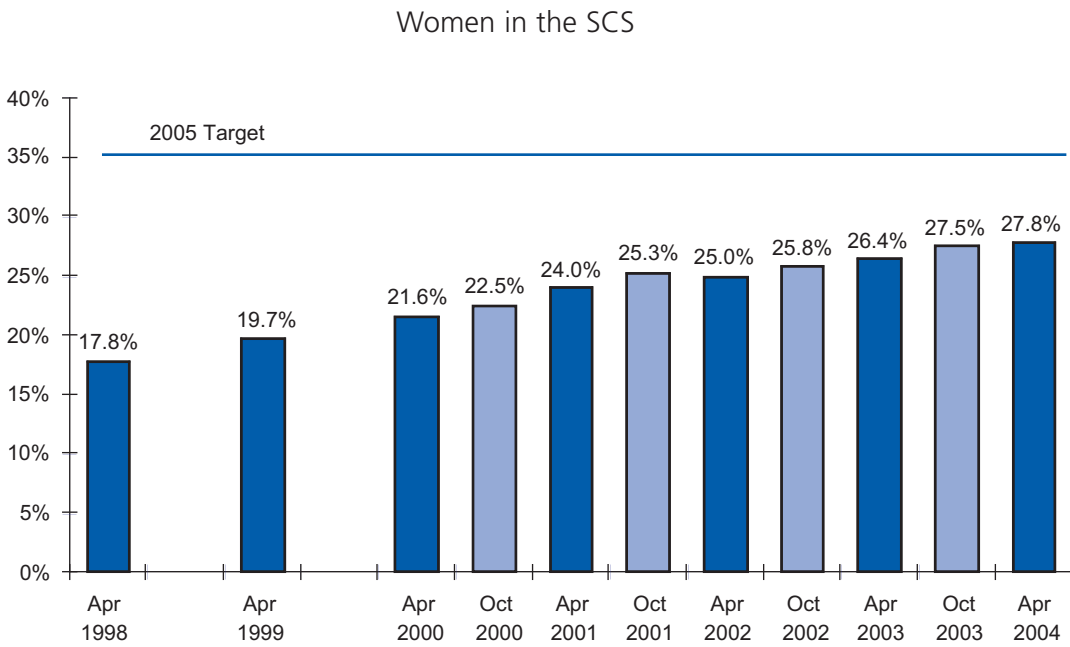
It is believed that Civil Service staffing statistics under-estimate the extent of disability within the Civil Service. Data from the Civil Service Diversity Survey in 2000 suggests that around 15% of staff have a disability or long-standing illness, as opposed to the 4.3% shown by Civil Service staffing statistics. Civil Service staffing statistics are based on the number of individuals reporting a disability (variously defined by departments) as a proportion of all staff.

To look at the issues of improving statistics and addressing under-reporting, the Cabinet Office has set up a Disability Working Group, including representatives from departments, trade unions, external disability organisations and disabled staff networks. As a result of the group's work, the main changes that have been agreed and which are being implemented across departments are:

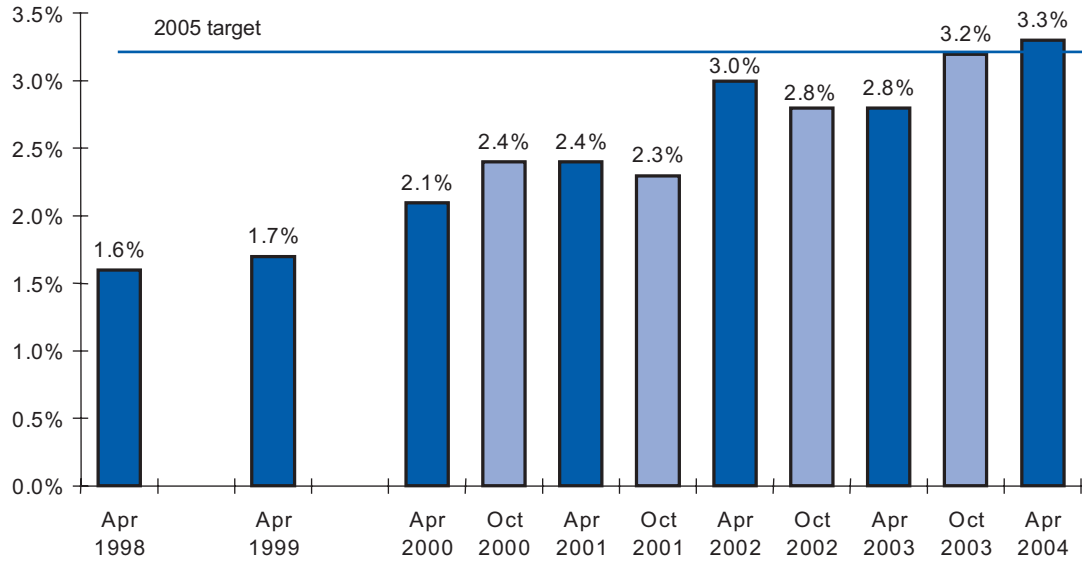
- **simplifying the collection.** Departments and agencies now supply data to Cabinet Office only on a declared 'yes' / declared 'no' and 'undeclared' basis. The previous requirement was for departments to supply information against 20 or so different categories of disability; and
- **ensuring resurveys on a regular basis.** Departments and agencies are to update their data on disability status at least every two years, either through resurveys or the effective use of e-HR systems and employee self-assessment.

The Cabinet Office is doing some further work in partnership with the group to look at the design of disability monitoring forms.

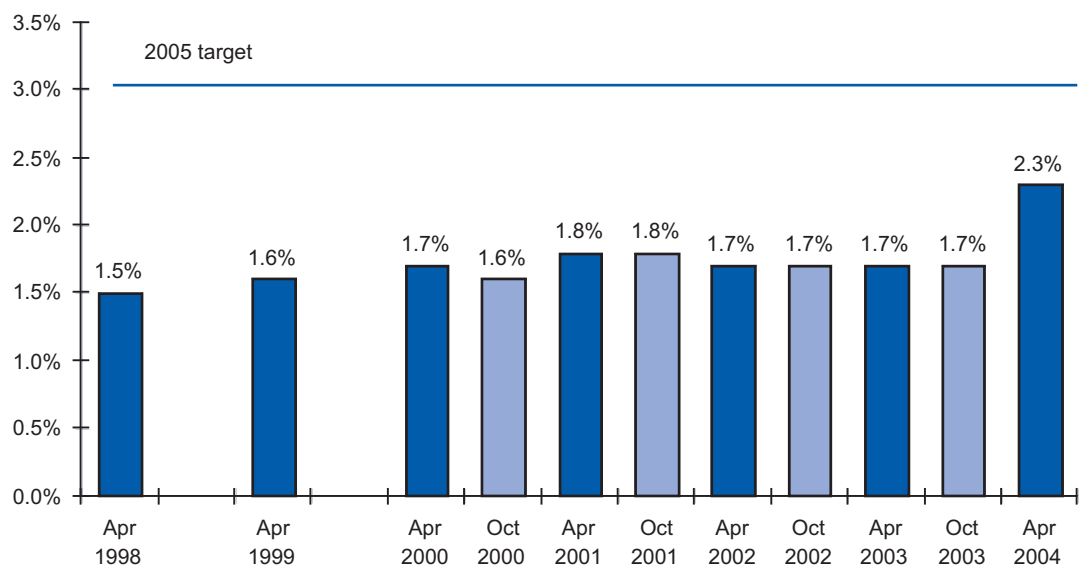
Figure 2 – PSA target 4 long-term trends



Minority ethnic staff at SCS level



Disabled staff at SCS level



Target 5	Improve public services by working with departments to redesign services around the needs of customers and embed the four principles of public service reform, with progress measured by survey evidence.	
Progress	On course	
Commentary	<p>The Office of Public Services Reform (OPSR) works with departments and other public bodies to make services more customer-focused. OPSR's aim is to reflect the four principles of:</p> <ul style="list-style-type: none"> ● national standards and accountability; ● devolution; ● flexibility; and ● choice. <p>This PSA target is an indicator of the progress of reform from across government. The four principles of reform provide a framework within which public service reform can be progressed. This is measured by means of surveys of people responsible for delivering improvements – from civil servants at the top to public service managers in front-line services.</p>	
	<p>Customer satisfaction</p> <p>The success of reform will ultimately be judged by customers' experience. Therefore departments are encouraged to regularly collect, analyse and act on customer feedback. OPSR supports departments in this task by offering expertise on research and data collection, including specific advice on market research, techniques for measuring satisfaction, understanding diverse types of customer, and identifying the important factors that influence customer experience. Taken together this approach provides a framework for putting people at the heart of public services.</p> <p>For the 2002 Spending Review (SR2002), seven departments have PSAs that measure customer satisfaction explicitly. The latest figures which have been publicly reported by departments are as follows:</p>	
	Departmental PSA	Latest reported performance
	Home Office PSA 1: fear of crime	Latest British Crime Survey data for the 12 months to December 2003 show fear of crime at 16% (vehicle crime), 13% (burglary) and 18% (violent crime) compared with 17%, 15% and 21% respectively for the same period in 2002.
	Department for Constitutional Affairs: Court user satisfaction	<p>Performance for 2003-04:</p> <p>87% of customers satisfied with the knowledge of court staff at public counter (target 85%)</p> <p>85% of customers satisfied with knowledge of staff on telephone service (target 80%)</p> <p>33% of customers satisfied with the speed of resolution of complaints (target 60%)</p> <p>79% of customers satisfied with the helpfulness of written communication (target 80%)</p>

<p>Criminal justice system PSA 3</p>	<p>Level of public confidence in the criminal justice system: December 2003 40%, June 2003 40%, March 2003 39%</p> <p>Level of confidence of ethnic minority communities in the criminal justice system: March 2003 49%, December 2003 53%</p> <p>Victim satisfaction: baseline October 2003 – March 2004 59%</p> <p>Witness satisfaction: baseline October 2003 – March 2004 57%</p>					
<p>Department for Work and Pensions PSA 9: customer service</p>	<p>Performance on customer satisfaction not yet reported.</p>					
<p>Customs and Excise PSA 4: no detriment to customer satisfaction while achieving productivity targets</p>	<p>Performance on customer satisfaction not yet reported.</p>					
<p>Inland Revenue PSA 5: customer service</p>	<p>Customer service performance indicator: 2001-02 68.6%; 2002-03 69.8%; 2003-04 67.1%</p>					
<p>Health PSA 5: patient experience</p>	<p>See table below.</p>					
<p>'Overall, how would you rate the care you received?'</p>	<p>Excellent</p>	<p>Very Good</p>	<p>Good</p>	<p>Fair</p>	<p>Poor</p>	<p>Very Poor</p>
<p>A&E (2002-03)</p>	<p>32%</p>	<p>35%</p>	<p>18%</p>	<p>10%</p>	<p>3%</p>	<p>2%</p>
<p>Outpatient(2001-02)</p>	<p>37%</p>	<p>41%</p>	<p>16%</p>	<p>5%</p>	<p>1%</p>	<p>0%</p>
<p>Inpatient (2002-03)</p>	<p>38%</p>	<p>36%</p>	<p>17%</p>	<p>7%</p>	<p>2%</p>	<p>0%</p>
<p>More detail on measurement and performance on these customer PSAs can be found on the HM Treasury PSA website: http://www.hm-treasury.gov.uk/performance</p> <p>OPSR works directly with departments in four areas which are critical to improving customer focus in public services. These are new relationships with schools, local government strategy, improving confidence in the criminal justice system and citizen-focused policing.</p> <p>Other activities in support of reform that contribute to the PSA include:</p> <ul style="list-style-type: none"> ● seminars on reform that bring together civil servants and people from the wider public service to discuss key issues; ● communication – publications and articles explaining the public service reform agenda; regular newsletters to senior managers; ● supporting departments in producing strategies for developing their employees' capacity for reform, as well as ensuring liaison with employers and unions; and ● reviewing the inspection of public services, resulting in the Government's first public service inspection policy. This was adopted in July 2003. 						

OPSR has also relaunched the Charter Mark programme to encourage improvement and engagement with customer service issues across the public sector. Organisations are being encouraged to operate at this national standard level and work towards formal accreditation with assessments carried out by accredited bodies with the cost borne by the assessed organisation. This will allow for a greater number of assessments while maintaining the high level of support and scrutiny that is associated with the Charter Mark standard.

Survey of public service managers

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

Strongly agree/tend to agree %

Principle	Survey question	Baseline Dec 2002	Jun 2003	Dec 2003	Jun 2004	Target 2005
National standards	'My organisation is clear about the national standards it needs to deliver'	90%	94%	92%	94%	Maintain at or above baseline level
Devolution and delegation	'My organisation decides for itself how best to spend its budget in order to meet its priorities'	48%	48%	47%	49%	52%
Flexibility	'Staff working practices are flexible to provide high quality services'	52%	53%	55%	60%	56%
Choice	'My customers have a choice of the services they receive'	25%	27%	25%	32%	29%

Target levels have already been achieved for three of the four Public Service Manager indicators and work continues to ensure that the principles of reform are promoted throughout the public services.

Survey of senior civil servants

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

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

The survey of senior civil servants at October 2004 indicates a broadly stable position from a high baseline. OPSR is working with departments and Delivery and Reform team colleagues to ensure that this position is maintained and if possible improved.

Target 6	Achieve a 2.5 per cent saving per year on administrative resources.
Progress	On course
Commentary	<p>The Cabinet Office recently published its Resource Accounts for 2003-04. The accounts show a significant underspend on administration costs attributable to a number of factors but demonstrating that the Cabinet Office lived within a flat SR2002 administration costs settlement.</p> <p>Departmental priorities for financial year 2004-05 were agreed by the Strategy Board and budgets were distributed according to those priorities. Work is under way on financial allocations for 2005-06 taking account of the outcome of the 2004 Spending Review and the new efficiency and relocation targets.</p> <p>A programme has been established within the Cabinet Office to oversee the delivery of 3% per annum efficiency savings which is equivalent to a total of £25m in annual efficiencies by 2007-08. Over twenty projects and initiatives have been identified that will either directly deliver efficiencies or will enable efficiencies to be delivered further downstream.</p> <p>A programme structure and governance arrangements have been put in place to oversee the programme and monitor progress against targets and milestones through an agreed reporting approach. A dedicated programme manager will oversee coherence and progress in the component workstreams and provide assurance on delivery of efficiencies. Each project will have a senior owner at Director level to ensure plans are implemented.</p> <p>The Cabinet Office Efficiency Technical Note was published on 29 October. It sets out the methods by which Cabinet Office is measuring, monitoring and quantifying the benefits in response to the Efficiency Review.</p> <p>Current projects to improve our internal systems and processes within the 'Better Cabinet Office Programme' have been incorporated into the efficiency programme. Information about Cabinet Office activities from a recently conducted customer survey will inform future decisions on getting the best value from our resources.</p> <p>Departmental projects and programmes are managed through the Cabinet Office Centre of Excellence (which incorporates the Corporate Programme Office). To ensure the Department continues to benefit from improvements to the management of its project and programmes, the Centre of Excellence has developed and is implementing its project and programme management improvement plan which incorporates Office of Government Commerce best practice advice for project and programme portfolio management.</p>

Section 2

Public Service Agreement Technical Notes

PSA Target	Technical Note								
<p>1. Ensure departments deliver better regulation through:</p> <p>(i) full compliance with the RIA process; and</p> <p>(ii) delivering the commitments in the Regulatory Reform Action Plan, including over 60 Regulatory Reform Orders by 2005</p> <p>(Objective 2)</p>	<p>Information on regulatory proposals is collected from departments by the Regulatory Impact Unit (RIU) on the Regulatory Impact Assessment (RIA) stage (initial, partial and full) and the stages of policy development.</p> <table border="1" data-bbox="662 801 1380 918"> <thead> <tr> <th data-bbox="662 801 810 835">RIA</th> <th data-bbox="810 801 981 835">Initial RIA</th> <th data-bbox="981 801 1152 835">Partial RIA</th> <th data-bbox="1152 801 1380 835">Final RIA</th> </tr> </thead> <tbody> <tr> <td data-bbox="662 835 810 918">Policy Development</td> <td data-bbox="810 835 981 918">Risk identified</td> <td data-bbox="981 835 1152 918">Consultation on options</td> <td data-bbox="1152 835 1380 918">Legislation & implementation</td> </tr> </tbody> </table> <p>The stages in policy development can be aggregated into distinct phases:</p> <p>Consultation (green paper, white paper, consultation)</p> <p>Post-consultation (draft regulations/bill, parliament, issue guidance, in force/implemented)</p> <p>These phases can be compared to the RIA stage to give an indication of compliance.</p> <p>We propose to measure compliance with the RIA process by comparing the stage reached in the development of the RIA with the actual stage reached in the policy making process. The measurement will look at all proposals that require an RIA proposals that meet the RIA test for significance.</p> <p>Significant measures are those</p> <ul style="list-style-type: none"> imposing high costs (over £20 million) of a topical nature of interest to the Task Force with a disproportionate impact on a particular business sector, type of business or region. <p>Compliance will be measured at the consultation phase. This will give two quantitative indicators:</p> <p>RIAs classified as either “partial” or “full” for all measures at the consultation phase (as a percentage of RIAs required at this phase).</p> <p>RIAs classified as either “partial” or “full” for significant measures at the consultation phase (as a percentage of RIAs required at this phase)</p>	RIA	Initial RIA	Partial RIA	Final RIA	Policy Development	Risk identified	Consultation on options	Legislation & implementation
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	<p>The Quality of RIAs is also to be assessed in an annual retrospective review of a sample of completed impact assessments. The qualitative measurement compliance will be done by assessing an RIA against a set of 9 indicators of quality. These are purpose, risk, options, costs and benefits, equity, small business, consultation, compliance review, and recommendation and have been derived from the five principles of better regulation (Transparency, Accountability, Proportionality, Consistency and Targeting). They are assessed by experienced RIU staff, depending on how well an issue has been addressed in the RIA.</p> <p>This type of analysis will also enable RIU to identify problem areas in the provision of information in RIAs so that we can tailor training and guidance for departments to improve quality. The revised RIA guidance for policy makers reflects the quality indicators.</p> <p>Progress on compliance with the RIA process and the Regulatory Reform Action Plan will be reported on Cabinet Office website via www.cabinetoffice.gov.uk/regulation.</p>
<p>2. Improve public services by working with departments to help them meet their PSA targets, consistent with the fiscal rules. (This is a joint target with HM Treasury.) (Objective 3)</p>	<p>Improve public services by working with departments to help them meet their PSA targets, consistent with the fiscal rules. Target is shared with Treasury.</p> <p>Departments are responsible for delivering their individual 2002 Spending Review (SR2002) Public Service Agreement (PSA) targets.</p> <p>The success of Treasury (HMT) and Cabinet Office's Delivery Unit (DU) in meeting their joint PSA target is measured by the percentage of PSA targets assessed as met by departments.</p> <p>Data on whether departmental PSA targets have been met is provided by departmental assessments, and collated to establish the level of progress against all departmental targets. This is the key measure for HMT/DU performance against their joint PSA target. The data systems underlying performance against PSA targets are externally validated.</p> <p>The data underlying this PSA target depends on the collation of the data of the other PSA targets to which this target refers.</p>
<p>3. Ensure departments meet the Prime Minister's targets for electronic service delivery by Government: 100 per cent capability by 2005, with key services achieving high levels of use. (Objective 3)</p>	<p>There are four key elements to the Office of e Envoy's (OeE) PSA target:</p> <p><i>'To ensure departments⁽¹⁾ meet the Prime Minister's targets for electronic service delivery by Government: 100% capability⁽²⁾ by 2005, with key services⁽³⁾ achieving high levels⁽⁴⁾ of use.'</i></p> <p>1 - OeE's task is to 'ensure departments' deliver the Prime Minister's targets. Departments remain responsible and accountable for their own delivery. OeE's role is to act as a facilitator and enabler to departmental delivery, in particular working with departments to identify and solve on a collective basis cross-cutting risks and issues for the overall e-services programme.</p> <p>2 - '100%' is defined as 100% of UK Central Government and health services – services delivered by the Devolved Administrations and Local Government are not included, as they are covered by their own arrangements. 'Capability' in this context is the capability to deliver e-enabled services (this is not limited to online delivery, but may include e-enabled call centres, digital TV and kiosks). Progress will be measured on a quarterly basis by returns from departments.</p>

PSA Target	Technical Note
	<p>3 – Currently 599 services are tracked under the 100% capability target. As part of Spending Review 2002, the Government decided that there should be a specific focus within that on driving use of ‘key services’ – those which are likely to have most impact in terms of user benefit, Government efficiency, and alignment with the Government’s overall policy priorities. The areas within which key services will be identified are:</p> <ul style="list-style-type: none"> ● Services to business ● Benefit and personal taxation services ● Transport and travel services ● Educational services ● Health services ● Citizen interactions with the justice system ● Land and property services ● Agricultural services ● E-democracy <p>Specific transactional services that will be prioritised under each of these key service areas are currently being identified. The assessment of whether a particular transaction should be considered a key service will be subject to amendment, as further work is undertaken on business cases and as the understanding of customer needs and wants deepens.</p> <p>4 - A ‘high level of use’ of e-services, whether informational or transactional, is the crux of the redefined target and drives the case for e-services that are attractive and beneficial to users. Rather than set a single across-the-board target for take-up, separate targets will be developed for each key service, taking account of its particular context and client base. To demonstrate that these targets are ‘high’, strategies will be developed by departments to achieve take-up trajectories which:</p> <ul style="list-style-type: none"> Are higher than comparable non-prioritised e-services Compare favourably to the take-up trajectory for comparable benchmark services in the private sector and internationally. <p>Appropriate arrangements for measuring progress on a regular basis will be built-in to each take-up strategy.</p>

PSA Target	Technical Note
<p>4. Ensure that the Civil Service becomes more open and diverse, by achieving by 2004-05 the agreed targets of: 35% Senior Civil Service (SCS) to be women; 25% of top 600 posts to be filled by women; 3.2% of the SCS to be from ethnic minority backgrounds and 3% of the SCS to be people with disabilities. (Objective 4)</p>	<p>1st April 1998 data was used as the baseline against which to measure the Civil service reform targets. This target directly carries over the SR2000 target.</p> <p>1998 baselines were:</p> <ul style="list-style-type: none"> women in the SCS 17.8% women in the top management posts 12.7% minority ethnic staff at SCS level 1.6% disabled staff at SCS level 1.5% <p>At this time the Senior Civil Service strength was nearly 3000, with a further 600 people at SCS equivalent level.</p> <p>The baseline data used for the women's target was for posts in the Senior Civil Service. The target for women in the top management posts included all SCS posts at JESP 13 and above (JESP stands for Job Evaluation for Senior Posts), which now equates to those posts held at SCS payband 2 or above. The baseline data used for the target for minority ethnic staff and disabled staff was for SCS level (including SCS and SCS equivalent posts), because data for SCS posts alone was not held.</p> <p>The Civil Service has recently conducted a re-survey of staff ethnicity using categories comparable with the 2001 Census. In this exercise staff were asked to self-classify. Corporate guidance to departments and agencies on this is available via www.civil-service.gov.uk/statistics/</p> <p>For the purposes of the targets, ethnic minorities are considered to be those whose chosen ethnic group is numerically a minority in the UK - essentially those who selected categories other than 'White' - compared to the majority group because this is the basis on which the original target was set.</p> <p>The new ethnicity categories in the recent re-survey of staff offer opportunities for richer analyses of ethnicity that will be pursued.</p> <p>Civil Service statistics on disability are based on the number of individuals reporting a disability (variously defined by departments) as a proportion of all staff. The definition of disability in the Disability Discrimination Act 1995 is "a physical or mental impairment that has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities."</p> <p>Further information about the Act may be found via www.drc-gb.org/drc/InformationAndLegislation/InformationAndLegislationMenu.asp. Cabinet Office is considering what support can be offered to departments and agencies to improve the quality of Civil Service disability statistics.</p> <p>Civil Service Staffing statistics are National Statistics and are collected by the Personnel Statistics team in the Cabinet Office. Statistics on representation among senior staff in the Civil Service are collected and published every six months. They are available via www.diversity-whatworks.gov.uk</p>

PSA Target	Technical Note
<p>5. Improve public services by working with departments to redesign services around the needs of customers and embed the four principles of public service reform, with progress measured by survey evidence. (Objective 4)</p>	<p>Office of Public Service Reform (OPSR) will measure the achievement of this PSA in the following three ways:</p> <ul style="list-style-type: none"> ● OPSR will confirm with Departments their plans for embedding the four principles (see below for details) into their policy-making and service delivery over the Spending Review period and will regularly monitor and report on actual progress against these plans. Success will be defined by the extent to which Departments achieve the plans they make for embedding the four principles. ● OPSR will regularly survey senior managers in public services and senior civil servants to measure their perception of progress in embedding the four principles. Success will be defined by the extent to which managers perceive progress each year. ● OPSR will track changes in the levels of customer satisfaction with public services, making particular use of the 7 departmental PSAs which contain an explicit measure of customer satisfaction (Health PSA5, Home Office PSA1, LCD/Home Office/CPS PSA3, DWP PSA9, NIO PSA1, C&E PSA4, IR PSA5). Success will be defined by the extent to which Departments' targets for improving customer satisfaction (as set out in their delivery plans etc.) are achieved. <p>The four principles are:</p> <p>It is the government's job to set national standards that really matter to the public, within a framework of clear accountability, designed to ensure that citizens have the right to high quality services wherever they live.</p> <p>These standards can only be delivered effectively by devolution and delegation to the front-line, giving local leaders responsibility and accountability for delivery, and the opportunity to design and develop services around the needs of local people.</p> <p>More flexibility is required for public service organisations and their staff to achieve the diversity of service provision needed to respond to the wide range of customer aspirations. This means challenging restrictive practices and reducing red tape; greater and more flexible incentives and rewards for good performance; strong leadership and management; and high quality training and development.</p> <p>Public services need to offer expanding choice for the customer. Giving people a choice about the service they can have and who provides it helps ensure that services are designed around their customers. An element of contestability between alternative suppliers can also drive up standards and empower customers locked into a poor service from their traditional supplier.</p>

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<p>6. Achieve a 2.5 per cent efficiency saving per year on administrative resources.</p>	<p>Administrative resources within the Cabinet Office are those deployed to cover day to day running of the department. The department's three-year funding is flat and does not include any provision for inflation for either pay or non-pay costs for the period from 2003/04 to 2005/06, which will have to be absorbed by greater efficiency. During the planning round for 2003/04 the Cabinet Office will seek to identify efficiency gains ensuring that it provides the same or an improved level of service through feedback from customers.</p> <p>A significant element of departmental efficiency will stem from the recent restructuring of the department, improvements achieved through better use of technology, benchmarking core services against best practice elsewhere, and the move to new and refurbished accommodation in 2003. In addition, we will monitor as part of the Departmental Change Programme efficiencies and improvements in effectiveness that arise as a result.</p> <p>The Cabinet Office has also set up a Programme Office. From April 2003, this will ensure benefits realisation from new qualifying projects is properly managed.</p> <p>Resource plans and reports are set out each year in the Departmental Report, which is a Command Document laid before Parliament.</p>

Annex A

Spending Review 2004 - Public Service Agreement

- Objective 1** Support the Prime Minister in leading the Government.
- Objective 2** Achieve coordination of policy and operations across government.
- Objective 3** Improve delivery by building capacity in departments and the public services.
- Target 1** Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. (Joint target with HM Treasury)
- Target 2** By April 2008, work with Departments to build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership, skills and diversity.
- On diversity meeting the specific targets of:
- 37% women in the Senior Civil Service (SCS);
 - 30% women in top management posts;
 - 4% ethnic minority staff in the SCS;
 - 3.2% disabled staff in the SCS;
- and, in the longer term, work to ensure that the Civil Service at all levels reflects the diversity of the population.
- Target 3** By April 2008, ensure departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors
- Objective 4** Promote standards that ensure good governance, including adherence to the Ministerial and Civil Service codes.

Annex B

Relationship between SR2002 PSA targets and SR2004 PSA targets

SR2002 PSA Target	Relationship to SR 2004 PSA Targets
<p>1. Ensure departments deliver better regulation through: full compliance with the Regulatory Impact Assessment process; and delivering the commitments in the Regulatory Reform Action Plan, including over 60 Regulatory Reform Orders by 2005.</p>	<p>Rolled forward and added to, becomes Target 3 in 2004 PSA. 3. By April 2008, ensure departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors</p>
<p>2. Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. Joint target with HM Treasury</p>	<p>Rolls forward and becomes Target 1 in 2004 PSA 1. Improve public services by working with departments to help them meet their PSA targets, consistently with the fiscal rules. Joint target with HMT.</p>
<p>3. Ensure departments meet the Prime Minister's targets for electronic service delivery by Government: 100% capability by 2005, with key services achieving high levels of use.</p>	<p>Not rolled forward as part of 2004 PSA but e-Government unit will continue to work with departments as part of the cross-governmental efficiency agenda.</p>
<p>4. Ensure that the Civil Service becomes more open and diverse, by achieving by 2004-05 the agreed targets of: 35% Senior Civil Service (SCS) to be women; 25% of top 600 posts to be filled by women; 3.2% of the SCS to be from ethnic minority backgrounds; and 3% of the SCS to be people with disabilities.</p>	<p>Rolls forward and added to becomes target 2 in 2004 PSA 2. By April 2008, work with Departments to build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership, skills and diversity. On diversity meeting the specific targets of:</p> <ul style="list-style-type: none"> · 37% women in the Senior Civil Service (SCS); · 30% women in top management posts; · 4% ethnic minority staff in the SCS; · 3.2% disabled staff in the SCS; <p>and, in the longer term, work to ensure that the Civil Service at all levels reflects the diversity of the population.</p>

SR2002 PSA Target	Relationship to SR 2004 PSA Targets
<p>5. Improve public services by working with departments to redesign services around the needs of customers and embed the four principles of public service reform, with progress measured by survey evidence.</p>	<p>Not rolled forward as part of 2004 PSA. Elements covered by the current target are rapidly becoming mainstreamed and further work on public service reform will be superseded by a revised target 2.</p>
<p>6. Achieve a 2.5% efficiency saving each year on administrative resources.</p>	<p>Superseded by the new efficiency target published following the Gershon review as part of SR2004. The Cabinet Office is committed to deliver 3.0% efficiency savings per year which is equivalent to total annual efficiencies of £25m by 2007/8.</p>



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