



National Audit Office

Report

by the Comptroller
and Auditor General

HM Treasury

Spending Review 2015

Preface

Planning and management in government: the need for a new framework

This report and *Government's management of its performance: progress with single departmental plans* cover two key elements of the way government plans and manages its business.¹ This has led us to consider how the processes fit within an overarching strategic framework.

In the National Audit Office's view there are significant weaknesses in the framework for planning and managing public sector activity in the UK. A set of processes and guidance has been established within government, but in our view it does not represent a coherent, integrated system. This means that the way government plans and manages its business is driven by processes, for example the process by which HM Treasury negotiates with and allocates funding to departments, rather than an overarching strategic framework for achieving government's objectives and achieving an appropriate balance between short-term political drivers and long-term value for money.

As departments attempt to redesign planning around single departmental plans there is now an opportunity for government to articulate and commit to an enduring framework for strategic business planning and management. Against this background, the two reports should be considered together, as the allocation of resources and the monitoring of their performance are inextricably linked.

Challenges facing government

Government currently faces significant challenges in providing public services, which means there is now a greater need than ever before for an effective strategic business planning and management framework. The challenges include:

- **Continued austerity.** Departments are being asked to do more with less; to do so successfully requires a deep understanding of what they currently achieve with what they currently have.
- **Managing transformation.** Many departments are planning to do things differently. This creates uncertainty in how they manage what they do, as well as substantial change or investment programmes to manage as they move from A to B.

¹ Comptroller and Auditor General, *Government's management of its performance: progress with single departmental plans*, Session 2016-17, HC 872, National Audit Office, July 2017.

- **Devolution.** Moving to a devolved model, both across the nations of the UK and in terms of English service delivery, changes responsibility for delivering particular services, and the role of central government departments – and generates additional tensions in how spending and performance is tracked.
- **Capacity.** Government is trying to do all this with a smaller staff base and management capacity, particularly in the centre of departments, owing to the spending reductions which have already occurred.
- **Complexity.** Many of the issues government is trying to tackle require a response which cuts across traditional departmental boundaries or services.

Pervasive problems in government

In our work, we have repeatedly found that problems in the delivery of public services can be traced back to the way in which government makes decisions about how to implement policy. This led us to diagnose, ahead of the general election in 2015, four pervasive problems affecting service delivery. These pervasive problems stem from the lack of an effective management framework:

- **Ignoring inconvenient facts:** Departments often make decisions on poor or incomplete information, leading to poor value for money and service failure.
- **Out of sight out of mind:** Making decisions without understanding the consequences, particularly if these fall in another area of government or in the future.
- **Not learning from previous mistakes:** Having no adequate mechanism for challenge and action, or learning from good practice. Project monitoring is not good enough to identify problems in time.
- **Conflicting priorities:** The lack of a clear understanding of aims and a clear achievable plan for how to attain them.

Our work on *Managing business operations – what government needs to get right* has assessed government's maturity across five domains of operational management; strategy, information, people, process, and improvement.² It shows that government has weaknesses across all domains, and that a more integrated management approach is necessary to achieve real, sustainable service improvements.

² National Audit Office, *Managing business operations – what government needs to get right*, September 2015.

Need for a strong framework

Government needs a proper framework for planning to the medium term and beyond, that will allow it to make achievable plans, and to understand what it needs to know to stay on track. This framework should be stable and enduring, existing independent of political priorities – whatever your objectives, there are some fundamentals you will need to allow you to plan and manage effectively, even (or perhaps especially) as you change priorities.

A robust management framework is also likely to be a strong basis for providing both civil service accountability to ministers for results, and accountability to Parliament and the public for government's use of taxpayers' money. Our work on the state of accountability to Parliament highlighted barriers to the frank and realistic discussion of plans and performance, between civil servants and ministers, which are necessary for successful delivery of reforms. It is therefore in the interests of both politicians and civil servants to commit to a framework that supports those discussions.³

Various parts of the centre of government have set out processes and guidance for different elements of planning and managing its business, from the principles and practice of managing public money, to option appraisal and corporate governance. Key processes also include periodic spending reviews and the new single departmental plans, as well as the ongoing 'business as usual' engagements between HM Treasury spending teams and departments. Within their own terms some of these processes – such as the spending review – are acknowledged to be strong in comparison to practice elsewhere. These processes also continue to be enhanced – for example the guidance on managing major projects has been significantly improved in recent years.

The view of government is that these individual processes together provide a management system, albeit with room for improvement. However, it is our view that this collection of processes does not amount to the coherent strategic framework for planning and managing public sector activity that is needed, and that without such a framework the way government plans and manages its business will not be able to tackle the pervasive problems it faces.

This problem is not unique to the United Kingdom. Governments across the world are grappling with how to manage large programmes and drive real progress in delivering outcomes. There are some examples of good practice across the world that the UK can look to, which demonstrate strong links between planning, budgeting, monitoring and intervention, and clear expectations for delivering outcomes.

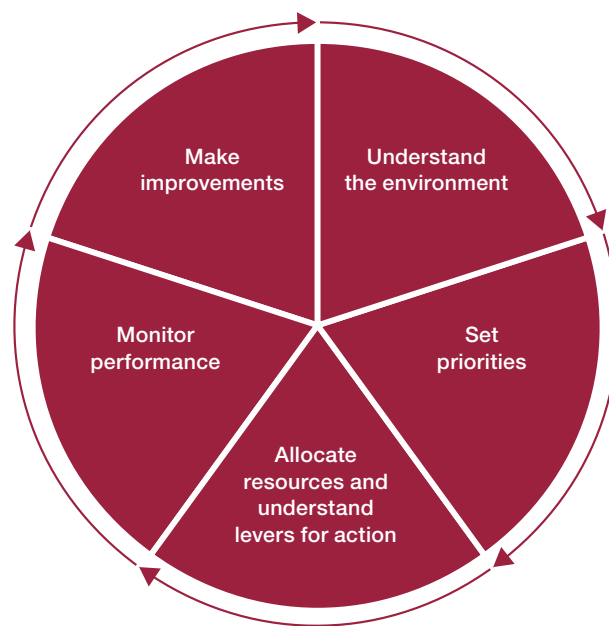
³ Comptroller and Auditor General, *Accountability to Parliament for taxpayers' money*, Session 2015-16, HC 849, National Audit Office, February 2016.

A possible framework for effective strategic business planning and management

The framework we have developed sets out our expectations of strategic business planning and management at the centre of government. It is based on the standard management cycle and incorporates findings from our work, and from international good practice (**Figure 1**). We see a need for government to work towards adopting such a framework, thereby moving to a greater level of maturity than the current approach which is overly disconnected and process-led. We see this as crucial if government is to successfully deliver the objectives and achieve the transformation it aspires to, while ensuring value for taxpayers' money.

Figure 1

A framework for strategic business planning and management



Note

- 1 This framework is based on the standard management cycle, which we have used in previous reports as a framework for reviewing specific projects and programmes. We have enhanced the framework to reflect the more strategic viewpoint of these reports, as well as our previous work on accountability and the centre of government.

Source: National Audit Office analysis

This framework, which should operate in a cyclical way, with continuous feedback and adjustment, would allow any new government to know what the baselines of performance and spending are, redefine objectives and reallocate resources according to its priorities, and quickly start to monitor progress, adjusting performance indicators or targets where necessary. The framework has six key elements:

a Understanding the environment. Numerous factors will have an impact on what government does and how it does it – departments may not control these but must seek to understand them as part of *strategic planning*, and continue to monitor them as they change over time. These include:

- The demand for services.
- Legal and other commitments.
- The fiscal landscape.
- Manifesto commitments.
- Stated policy/delivery preferences.
- The current business model.

These will have an ongoing effect on all parts of the framework and should not be considered as a one-off exercise.

b Setting priorities. The centre of government works with departments on *strategic planning* which sets the direction of government, including the relative importance of competing (and possibly conflicting) objectives. To do this, it must have fully understood and articulated:

- the challenges it is trying to address and outcomes it wishes to see;
- the constraints there are on government's ability to act; and
- the options it has to address those challenges.

c Understanding levers for action. To move from high-level decisions about priorities to *business planning*, the government must understand how the different levers for action will affect the outcomes it is trying to achieve. This will include what stakeholders within and outside government are involved, how any change in delivery model will affect the resources needed, and the relative value for money of different options.

d Allocating resources. HM Treasury is responsible for high level *business planning* – allocating the resources each programme or project will receive, considering any trade-offs or prioritisation which needs to be made. This covers not only their funding, but also the capacity and capability of the staff, and must be based on a detailed understanding of what resources government has, and different ways in which they can be deployed – the levers for action. Departments have responsibility in a similar way for lower level *business planning*.

- e Monitoring performance.** An effective performance measurement and reporting system is essential to the framework – it provides the information that powers the cycle and keeps it running. Performance information is essential for management to know if it is on track, correct and improve. It is also essential to provide *accountability* to the key stakeholders who ultimately provide the authority to act/spend money – in the case of government, this means Parliament and the public. The information required to monitor performance covers:
- Inputs (money and other resources).
 - Outputs delivered and enabling actions achieved, as well as direct measures of outcomes.
 - While specific targets for service levels or outcomes may not be desired, it is important to clearly set out what constitutes ‘success’ – so that any mismatch with expectations can be identified and corrected.
 - For longer-term goals, both leading and lagging indicators are needed to ensure performance is on trajectory.
- f Making improvements.** Based on what the performance information is showing, there must be effective mechanisms, to correct underperformance, adjust and reallocate resources if necessary. Government should also have a way to review priorities, resources, actions and performance measures, and make changes if they are no longer valuable.

This framework covers both financial and performance management, and we believe that the two are equally important in successfully managing government. We (and the Committee of Public Accounts) have commented repeatedly on the historical disconnect between financial and performance management across government. The split is apparent from the highest level downwards.

Our report

This report focuses on the Spending Review 2015, which set out the high-level financial plans for departments. It is published alongside *Government’s management of performance – progress with single departmental plans*, which examines how departments are using the introduction of single departmental plans as a new approach to business planning and performance management. These two reports examine two of the key elements of the way government currently plans and manages its business, and we report on the extent to which they meet the expectations set for them, and our previous recommendations.

Taken together, while these two reports demonstrate that government has made some progress, they lead us to the view expressed at the start, that the current approach amounts to a collection of top-down, set-piece processes and guidance that fail to make the most of the understanding and expertise across government, and not the overarching integrated framework for strategic business planning and management that government needs. Without making a shift to such a framework, government cannot hope to optimise value for taxpayers' money or deliver continuous performance improvement.

This is not easy – improving practice has taken other countries a significant amount of time and effort. We do not underestimate the challenge for the UK, given the scale and complexity of government, as well as it being a time of transition in terms of devolution and exit from the European Union. But that is not an excuse not to start.

Key facts

£21.5bn

reductions announced at Spending Review, to the budgets of unprotected departments, of which £9.5 billion will be reinvested

£1,875bn

total amount of DEL spending set by the Spending Review 2015 for 2016-17 to 2020-21

40

entities with an individual settlement

18

weeks between the formal launch of the Spending Review 2015 and the final announcement of settlements

2

formal joint bids

92%

of finance directors we surveyed who felt that HM Treasury had managed some or all aspects of the Spending Review process well

Summary

Background to spending reviews

- 1** The spending review is a key political and fiscal event that attracts widespread parliamentary and public interest. HM Treasury carries out spending reviews to allocate funding across the government's priorities, set limits on spending and define the main outcomes that the public can expect the government to achieve with its resources. It is the government's major tool in planning medium-term expenditure and an opportunity to reform the way services are provided.
- 2** Taxpayers have a right to expect that decisions taken in spending reviews are based not only on government policy commitments, but also on robust data about how much the different options cost and whether these options will enable the government to achieve its goals. Spending should be prioritised rationally across the government as a whole. Spending reviews should act as both a spending control, setting limits on departments, and as a way of maximising value for money. Once spending reviews are complete, departments use their formal settlements to set the parameters for more detailed budgeting and planning.
- 3** The Spending Review 2015 allocated almost £2 trillion in departmental spending, and another £2 trillion in welfare and benefits payments, over five years. It also announced that the government would make £21.5 billion of spending cuts. It was a significant logistical exercise, involving a wide range of teams across HM Treasury, departments and other stakeholders.
- 4** The spending review is one of the main ways for the centre of government to work with departments to set the government's overall strategy. It is used to ensure that public expenditure is controlled in support of the government's fiscal framework. These controls should also be used to provide incentives for departments to manage spending well, to provide high-quality public services that offer value for money to the taxpayer. Our previous work has raised concerns about whether departments and the centre do enough to plan and manage the change the government undertakes. This report assesses the Spending Review 2015 within that context.

5 As set out in the Preface, government needs a stable and enduring framework, existing independent of political priorities, for planning to the medium-term and beyond, that will allow it to make achievable plans, and to understand what it needs to know to stay on track. This is not an easy issue for the centre of government to deal with. The structures of public sector accountability make working between departments difficult, and political realities mean that long-term thinking is not always a priority. Moving away from this will require a cultural change in departments, as well as in the centre of government. However, getting financial and performance measurement right, within a framework that is well-established and well-understood, is crucial to achieving objectives.

Scope of our report

6 Our report examines whether the spending review is effective as a medium-term spending and planning tool. It looks at:

- the importance of the spending review process;
- the extent to which the Spending Review 2015 took account of the key principles needed to make well-informed decisions; and
- the relationships and processes that HM Treasury and departments have in place to achieve effective outcomes.

7 We focus on how the spending review process enables the government to make sound, evidence-based decisions, rather than on the decisions themselves. We have not evaluated the quality of departments' bids. Instead, we have focused on the systems HM Treasury has in place to request, understand and challenge evidence within the bids.

Key findings

Importance of spending reviews

8 **Spending reviews help ensure that departments have certainty about how much government funding they will receive, and provide an opportunity to budget and plan for multiple years.** The spending review process is set up to support control of public expenditure, and there is a close correlation between spending review settlements and subsequent spend. Departments we interviewed said that the spending review process is effective in setting funding over a parliamentary term. We found that Budgets provided year-on-year flexibility to enable departments to respond to changing priorities (paragraphs 1.1 to 1.4).

9 HM Treasury has made some incremental progress following National Audit Office and Committee of Public Accounts reports, but these improvements have not gone as far as we would have expected. This report builds on our previous work, including our reports *Managing budgeting in government*, and *Financial management in government*.⁴ These reports examined opportunities to achieve better value for money and risks arising from the way the spending review process is undertaken. We have followed up progress on the recommendations from the Committee of Public Accounts' 2013 report.⁵ This shows that while HM Treasury has made some progress, such as working with departments to understand the models and assumptions which underpinned bids, the pace and scale of improvement has been limited (paragraphs 1.9 to 1.10 and Appendix Three).

10 Spending Reviews provide weak incentives for departments to demonstrate how they will achieve value for money. Our *Managing budgeting in government* report found that the budgetary system addresses the Treasury's objectives for prioritisation and value for money less effectively than objectives relating to spending control.⁶ We have drawn on this and other previous reports, and those of the Committee of Public Accounts, to design a set of principles that set out what a 'good' spending review process would look like. These include the importance of strong evidence, both to support decisions and to monitor performance; the need for clear long-term and cross-departmental views of spending; and the need to understand the capability and capacity of departments to deliver their plans. Our key findings are set out against these principles (paragraphs 11 to 21 and 1.11).

Principle 1

Evidence to support decisions

Robust evidence is essential to understand whether the government is achieving value for money, to make fair comparisons to prioritise spending and to redesign services.

Our 2012 report, *Managing budgeting in government*, found that "the data required to inform decision-makers on optimal resource allocation was not readily available and in some places did not exist".

11 HM Treasury took steps to understand the evidence base that underpinned departmental forecasts and baseline models before the start of the Spending Review. Both HM Treasury's spending teams and the departments thought this activity helped them to develop a good level of mutual understanding. The Department for Transport, for example, began its preparations about 18 months before the start of the Spending Review, and engaged with Treasury on its policy and delivery options. It also allowed the Spending Review to focus more on specific spending decisions, since forecasts and baselines had already been shared. HM Treasury also carried out some specific cross-departmental reviews of spending, for example on capital projects and on pay. These helped it to provide more consistent evidence across government (paragraphs 2.2 to 2.5 and 2.9).

⁴ Comptroller and Auditor General, *Managing budgeting in government*, Session 2012-13, HC 597, National Audit Office, October 2012; and Comptroller and Auditor General, *Financial management in government*, Session 2013-14, HC 131, National Audit Office, June 2013.

⁵ HC Committee of Public Accounts, *Managing budgeting in government*, Thirty-fourth Report of Session 2012-13, HC 661, February 2013.

⁶ Comptroller and Auditor General, *Managing budgeting in government*, Session 2012-13, HC 597, National Audit Office, October 2012.

12 Other tools that HM Treasury intended to deliver as part of the Financial Management Review were not sufficiently developed to be a valuable part of the Spending Review 2015 process. One aim of the Financial Management Review was to develop tools, particularly for costing and understanding the value of service delivery, which would help inform spending reviews. The original plan was for these tools to be rolled out to all departments in 2015, in preparation for a possible spending review in the autumn. However, both HM Treasury and departments acknowledge that the tools were not detailed enough and not completed consistently across departments. HM Treasury did, however, make use of the Planning and Performance committee, set up as part of the Financial Management Review, to help prepare finance staff in departments (paragraphs 2.6 to 2.9).

Principle 2

An integrated view across organisational boundaries

The need to tackle complex issues to achieve outcomes requires a cross-departmental approach. Departments need to collaborate and to understand the links between services.

Our 2012 report, *Managing budgeting in government*, found that “The budgetary system does not incentivise departments to collaborate ... There are some promising developments in departments, which could be built on.”

13 HM Treasury has not addressed problems with the spending review structure, which is not well suited to deal with issues that increasingly span departmental boundaries. Our 2012 report recommended that “spending teams ... identify opportunities for departments to gain from working together and encourage them to do so”. However, the process remains largely bilateral, with individual departments submitting information to individual spending teams (paragraphs 3.2 and 3.3).

14 HM Treasury recognises the importance of joint working, but has found it challenging to encourage departments to submit formal joint bids. HM Treasury informed us only two formal joint bids were received – the same number as in 2010. This approach does not link with key cross-government objectives, such as those of the Cabinet implementation taskforces. Departments told us there were a range of reasons why they did not submit joint bids. These included political disagreements, a lack of clarity about policy and budgetary responsibility, and insufficient flexibility in planning across government to enable them to work with other departments (paragraphs 3.3 to 3.5).

15 Some departments did work together on specific themes across the 2015 Spending Review process. Departments worked together on a range of initiatives. The Department for Education and the Department for Business, Innovation & Skills set up a joint working team on apprenticeships. HM Revenue & Customs and the Department for Work & Pensions agreed common assumptions on overlap in benefit claimants. Where these initiatives work, there may be no need for a formal joint bid. However, without a formal joint bid there may be limits to the accountability of such arrangements (paragraphs 3.6 and 3.7).

Principle 3

A longer-term view

Decisions about spending and how services are provided can have long-term effects on public finances and outcomes. These effects need to be considered when assessing value for money.

Our 2012 report, *Managing budgeting in government*, found that “The UK budgetary process does not include the sort of longer-term vision seen in other countries and could help inform strategic decision-making.”

16 The Spending Review 2015 focused on funding decisions until the end of the Parliament, meaning there was less focus on the long term. Although many government projects take years to achieve their aims, the exercise to review proposed capital expenditure shows that spending review submissions are strongly skewed towards what is achievable in the spending review period. Only 47 out of 458 (10%) capital bids indicated that they would likely need capital funding past 2020-21, of which 29 bids (6%) were quantified. Some departments have specific long-term needs, such as the Department for Transport’s roads strategy or the 30-year devolution deals managed by the Department for Communities and Local Government. HM Treasury considered these, but they did not form part of the standard business of the Spending Review (paragraphs 4.2 and 4.3 and 4.5 to 4.7).

17 The Spending Review’s consideration of impacts also had a short-term focus. Spending review decisions may have potential unintended consequences, such as making immediate cost savings that result in higher costs in the future, shifting costs to consumers, or moving operations to the private sector. Some nine out of 13 finance directors who responded to the question in our survey (69%) felt that HM Treasury only considered the impact of spending decisions over the spending review period, and not beyond (paragraph 4.4).

Principle 4

An understanding of the capability to deliver

Realism about what is required to transform services, ideally based on past experience, is essential. It is critical that departments and their partners have both the skills and capacity to make the changes.

Our 2012 report, *Managing budgeting in government*, found that “Spending teams considered that they have the capacity and capability to provide sufficient challenge. However, staff churn is a significant risk to knowledge retention.”

18 HM Treasury, departments, and experts across government could have worked together better to assess whether plans are feasible or departments are capable of carrying them out. Expert stakeholders assessed departments' plans in some cases where the plans involved significant change. In some cases, such as the Government Property Unit, this was a systematic exercise. However, in other cases this was not done consistently and it is unclear how experts' advice was acted on. The value of expert engagement was also limited by the length of time they had during the Spending Review to examine plans (paragraphs 5.2 to 5.4).

19 The short timetable of the spending review places heavy demands on the capacity of both HM Treasury and departments. Just over half of finance directors who responded to our survey felt that HM Treasury had sufficient capability to challenge their complete submissions robustly and in detail. All the other respondents felt that HM Treasury could challenge at least some of their submissions robustly. Departments themselves were able to provide differing levels of resource during the Spending Review process which did not necessarily reflect the complexity of their plans (paragraphs 5.5 to 5.8).

Principle 5

Timely information on performance to review success and hold departments to account

A critical aspect of ensuring that projects are delivered successfully is maintaining an understanding of how they are performing. Relevant and timely information needs to be available to decision-makers.

Our 2012 report, *Managing budgeting in government*, noted that "Departments vary in the extent to which finance and performance reporting are brought together and any performance indicators are often milestones and deliverables rather than outcomes."

20 The spending review remains focused on finances. HM Treasury and Cabinet Office are working to improve the link between financial management and performance, but the pace of this has been slow. We (and the Committee of Public Accounts) have commented repeatedly on past failures to adequately link financial and performance information. Settlement letters do not set out detail on how departments will monitor performance, alongside the detail on how they will allocate funding to policy objectives (paragraphs 6.2 and 6.3).

21 Single departmental plans, announced alongside the Spending Review, are meant to strengthen the link between financial management and performance by requiring departments to set out how their spending review settlements link to their planned objectives and actions. The plans are still being developed, and HM Treasury is working alongside Cabinet Office to develop connections, which both departments and spending teams find valuable. This work is covered in more detail in our report on the single departmental plans (paragraphs 6.6 to 6.9).⁷

⁷ Comptroller and Auditor General, *Government's management of its performance: progress with Single Departmental Plans*, Session 2016-17, HC 872, National Audit Office, July 2017.

Conclusion on value for money

22 The spending review process sets clear limits on departmental spending. This allows departments to plan for the medium term and align policy priorities with their budgets. HM Treasury has made some positive changes to the spending review process, including improvements in how it works with departments and other parts of the centre of government, such as Cabinet Office. However, the process and supporting financial management system still do not make full use of the expertise within the centre of government, or incentivise collaboration across departments.

23 The way the spending review process works does not sufficiently address some fundamental issues with the way government functions. It also does not fully address previous concerns that we and the Committee of Public Accounts have raised. HM Treasury's approach remains rooted in bilateral negotiation. This allows it to function well as a control on departmental spending. However, it prevents the spending review from maximising the value for money of spending by tackling difficult and entrenched issues. These include both policy issues such as obesity and structural issues such as interdependencies between departments and the services they provide. Focusing on spending allocations and their consequences within just the spending review period reduces the attention paid to the longer term.

24 HM Treasury has made some progress in improving the spending review process, however it does not yet provide the best environment for achieving value for money. The spending review is undoubtedly a complex and difficult exercise. Improving the process and the wider engagement with departments would help HM Treasury to create a more mature planning and budgeting environment.

25 HM Treasury has asked us to record that it considers the spending review process is effective in prioritising resources and delivering value for money. It does not agree with a number of the NAO's key findings including in relation to joint working across departments, consulting with experts and longer term thinking.

Recommendations

- a** **HM Treasury should engage more openly with departments.** There has been a closer relationship between HM Treasury and finance staff in government departments. HM Treasury and the departments should seek to build on these relationships to build a less transactional spending review process. This would allow them to have better discussions about departments' ability to deliver their programmes and the necessary trade-offs between different policies and programmes.

- b HM Treasury should offer incentives for departments to work together and submit joint bids by introducing a system view to the spending review process rather than enforcing existing departmental boundaries.** HM Treasury should capitalise on departments' willingness to collaborate. It should make sure that the spending review process is not a barrier to aligning spending with cross-government commitments, such as the Cabinet-level implementation taskforces.
- c HM Treasury should develop a better understanding of where departments need to plan for longer periods and how to support this in the spending review.** This does not necessarily mean extending the period that settlements cover. It could also look at the impact of decisions taken for the next five years on future spending or future needs, or how uncertainty about the future may lead to changing spending requirements.
- d HM Treasury, departments and the finance profession should build on existing cross-departmental cooperation and continue to develop tools to better understand departmental spending.** As part of this, HM Treasury should ensure that it continues to engage with departments to understand their models and forecasts before formally launching a spending review.
- e The spending review should be an exercise led by HM Treasury's spending teams, but carried out by the whole centre of government.** HM Treasury should make more use of the expertise across the centre of government during the process, both to challenge and understand specific departmental plans, and to ensure consistency in dealing with common areas of spend.
- f HM Treasury and Cabinet Office should work with departments to link spending decisions to performance against outcomes.** HM Treasury should consider whether there is scope to improve settlement letters by asking departments for information about their plans to measure performance as well as spending. HM Treasury should also use the performance measures being developed as part of the single departmental plans to assess departmental progress during this spending review period.
- g Cabinet Office and HM Treasury should continue to work on achieving a seamless link between the single departmental plans as a tool for continuous business planning and performance management, and the periodic spending reviews as a high-level "reboot" exercise to respond to changes in administration, fiscal readjustments or other fundamental shifts.** They set out to integrate the Spending Review 2015 and single departmental plans but in practice this was too ambitious to achieve in one year. Doing so will enhance the quality of spending review decisions and serve to embed the single departmental plan approach for the long term.