



National Audit Office

OVERVIEW

# Cabinet Office

Departmental Overview 2021-22

We are the UK's independent  
public spending watchdog

January 2023

## What this guide is about

**This guide has been produced to support the Public Administration and Constitutional Affairs Committee in its examination of the Cabinet Office's spending and performance. It summarises the key information and insights that can be gained from our examinations of the Cabinet Office and related bodies, and the Cabinet Office's Annual Report and Accounts. The Cabinet Office spends approximately £1 billion each year to support the Prime Minister and Cabinet, to lead and coordinate the government's response to cross-departmental challenges, and to act as the corporate headquarters for the government.**

The guide includes:

- ➔ how the Cabinet Office is structured, its roles and responsibilities (pages 4–6);
- ➔ how the Cabinet Office spends its money (pages 7–8);
- ➔ staff numbers, cost, remuneration, diversity and employee satisfaction (pages 9–12); and
- ➔ key themes from our recent work on the Cabinet Office (pages 13–19).

### How we have prepared this guide

The information in this guide draws on the findings, lessons learned and recommendations from our financial audit and value-for-money programme of work, and from publicly available sources, including the Annual Report and Accounts of the Cabinet Office and its bodies.

We have cited these sources throughout the guide to enable readers to seek further information if required. Where analysis has been taken directly from our value-for-money or other reports, details of our audit approach can be found in the Appendix of each report, including the evaluative criteria and the evidence base used.

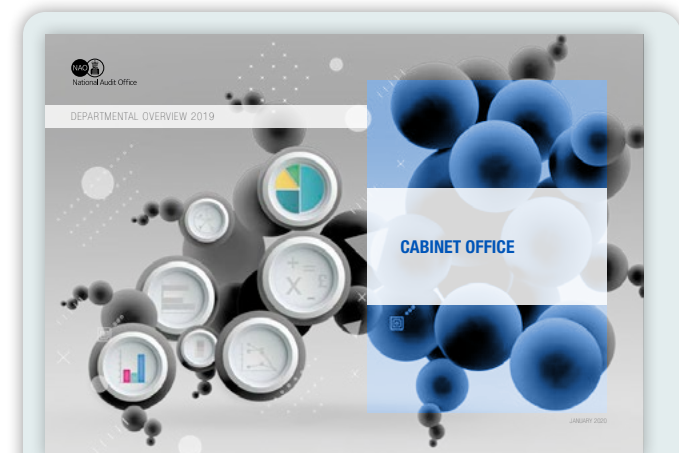
Other analysis in the guide has been directly drawn from publicly available data and includes the relevant source, as well as any appropriate notes, to help the reader understand our analysis.

### Other relevant publications

More information about our work on the Cabinet Office, as well as information about our other recent and upcoming reports, can be found on the [National Audit Office \(NAO\) website](#).

### More information about central government accounting and reporting

You may also be interested in our interactive guide *Good practice in annual reporting* (January 2022), which sets out good practice principles for annual reporting and provides illustrative examples taken from public sector organisations that are leading the way in this area.



This report updates our previous overview, *Departmental Overview 2019: Cabinet Office*, published in January 2020.

# Departmental Overview

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#### About the National Audit Office

The National Audit Office (NAO) is the UK's independent public spending watchdog. We scrutinise public spending for Parliament and are independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2021, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £874 million.

If you would like to know more about the NAO's work on the Cabinet Office, please contact:

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## About the Cabinet Office

The Cabinet Office's purpose is to:

- support the Prime Minister and Cabinet;
- lead and coordinate the government's response to cross-departmental challenges; and
- act as the corporate headquarters for the government as a whole. This involves providing a command centre during immediate crises, and leading civil service modernisation and reform.

As a central department, the Cabinet Office performs various strategic and coordinating functions – in particular, overseeing how departments implement Cabinet decisions and the Prime Minister's priorities.

The Cabinet Office also has responsibility for key strategic policy areas such as national security and the response to COVID-19, and for providing direction to departments to improve how they operate (for example, by leading on civil service, commercial and digital initiatives).

### Notes

- 1 Outcome 1 is a cross-cutting government outcome with contributions from the Department for Environment, Food & Rural Affairs, HM Revenue & Customs and the Home Office.
- 2 Following the transfer of the Constitution Group from the Cabinet Office to the Department for Levelling Up, Housing & Communities in September 2021, the Cabinet Office no longer has the objective of ensuring that the benefits of the union are clear, visible and understood by all citizens.






Source: Cabinet Office, *Annual report and Accounts 2021-22*

### The Cabinet Office's priority outcomes for 2021-22

- 1 Seize the opportunities of EU Exit, through creating the world's most effective border to increase UK prosperity and enhance security.
- 2 Secure a safe, prosperous and resilient United Kingdom by coordinating national security, crisis response and the implementation of the Integrated Review.
- 3 Improve levels of equality in the United Kingdom.
- 4 Increase the efficiency, effectiveness and accountability of government through modernising and reforming the work of the government functions.
- 5 Deliver the priorities of the Prime Minister and government.

## How the Cabinet Office is structured

The Cabinet Office organises its business units, its executive agencies (marked with a yellow box ■ below) and its three arm's-length bodies (marked with a blue box ■ below) according to its five priority outcomes. The Cabinet Office also includes corporate enablers, which ensure the effective running of the Cabinet Office.

				
<b>1</b> Seize the opportunities of EU Exit	<b>2</b> Secure a safe, prosperous and resilient United Kingdom	<b>3</b> Improve levels of equality in the United Kingdom	<b>4</b> Increase the efficiency, effectiveness and accountability of government	<b>5</b> Deliver the priorities of the Prime Minister and government
<ul style="list-style-type: none"> <li>• Borders, Trade and Brexit Opportunities Unit</li> <li>• EU Secretariat</li> <li>• Northern Ireland Unit</li> <li>• Transition Taskforce</li> </ul>	<ul style="list-style-type: none"> <li>• Government Security Group</li> <li>• Intelligence Security Committee</li> <li>• Joint Intelligence Organisation</li> <li>• National Security Secretariat</li> </ul>	<ul style="list-style-type: none"> <li>• Equality Hub<sup>1</sup></li> <li>• Equality and Human Rights Commission ■</li> </ul>	<ul style="list-style-type: none"> <li>• Central Digital and Data Office</li> <li>• Civil Service Human Resources</li> <li>• Civil Service Modernisation and Reform</li> <li>• Commercial Models</li> <li>• Fraud, Errors, Debt and Grants</li> <li>• Government Business Services</li> <li>• Government Commercial Function</li> <li>• Government Communication Service</li> <li>• Government Digital Service</li> <li>• Infrastructure and Projects Authority</li> <li>• Office of Government Property</li> <li>• Government Property Agency ■</li> <li>• Crown Commercial Service<sup>2</sup> ■</li> </ul>	<ul style="list-style-type: none"> <li>• Cabinet Office Inquiry Sponsor Team</li> <li>• Cabinet Secretary's Group</li> <li>• Economic and Domestic Secretariat (including Central Secretariat)</li> <li>• Geospatial Commission</li> <li>• Government in Parliament Group</li> <li>• G7 Taskforce</li> <li>• Office for Science and Technology Strategy</li> <li>• Office for Veterans' Affairs</li> <li>• Trade Secretariat</li> <li>• 2021 United Nations Climate Change Conference (COP26)</li> <li>• Civil Service Commission ■</li> <li>• Office of the Registrar of Consultant Lobbyists ■</li> </ul>
<b>Corporate enablers</b> <ul style="list-style-type: none"> <li>• Cabinet Office Analysis and Insight</li> <li>• Cabinet Office Assurance, Finance and Controls</li> <li>• Cabinet Office People and Places</li> <li>• Chief Digital and Information Office</li> <li>• Chief Operating Officer</li> <li>• Strategy, Delivery and Private Office</li> </ul>				

### Notes

- 1 The Equality Hub includes the Disability Unit, the Government Equalities Office, the Race Disparity Unit and the Social Mobility Commission.
- 2 While the Crown Commercial Service is an executive agency of the Cabinet Office, it is not part of its departmental group for accounting purposes.

## Changes in the Cabinet Office's responsibilities

### The remit of the Cabinet Office has increased significantly since 2016-17

The Cabinet Office has taken up several new responsibilities since 2016-17. Some of these responsibilities are set out in the table to the right. The Cabinet Office also transferred business units or responsibilities to other departments. For instance, the Cabinet Office transferred the Office for Civil Society to the then Department for Culture, Media & Sport in 2016-17, and the Union and Constitution Group to the Department for Levelling Up, Housing & Communities in 2021-22.

Overall, the Cabinet Office acquired far more responsibilities than those that it surrendered to other departments. As a result, Cabinet Office staff increased by approximately four times and operating expenditure by approximately 4.5 times (in 2021-22 real terms) between 2016-17 and 2021-22 (see pages 8 and 9).

The Cabinet Office noted in its 2021-22 Annual Report that transfers of functions during the year limited the scope for continuity and stability.

Examples of new organisations within the Cabinet Office and new responsibilities of the Cabinet Office, 2016-17 to 2021-22

Financial year	Organisation or responsibility	New or transfer?	Comments
2016-17 to 2017-18	Civil Service HR Expert Services	Transfer from HM Revenue & Customs	This involved the transfer of the Civil Service Fast Streamers deployed across all departments (more than 1,000 in 2017-18) and more than 500 staff.
2016-17 to 2019-20	Exiting the European Union	New responsibility	The Cabinet Office, alongside the Department for Exiting the European Union and HM Treasury, was responsible for coordinating and overseeing the United Kingdom's exit from the European Union.
2017-18	Government Commercial Organisation	New organisation	Employs all government's senior commercial specialists and deploys them across departments.
	Geospatial Commission	New organisation	Consolidated geospatial data policy initiatives from the Department for Business, Energy & Industrial Strategy and the Department for Environment, Food & Rural Affairs.
	Government Property Agency	New organisation	Set up as a shadow agency in 2017-18 and launched formally in 2018-19.
2019-20 to 2020-21	Government Equalities Office, Office for Disability Issues, Equality and Human Rights Commission, and Social Mobility Commission	Transfers from the Department for Education, the Department for International Development, and the Department for Work & Pensions	Consolidated into the newly created Equalities Hub.
2019-20-ongoing	COVID-19 response and recovery	New responsibility	The Cabinet Office was responsible for aspects of the COVID-19 response such as ventilator procurement. It currently leads the COVID-19 Taskforce and Living with COVID-19 approach.
2020-21	UK Security Vetting	Transfer from the Ministry of Defence	
2021-22	GREAT Campaign	Transfer from the Department of International Trade (DIT)	The Cabinet Office had transferred the GREAT Campaign to DIT in 2016-17.

Sources: Cabinet Office, Annual Reports and Accounts 2016-17 to 2021-22; National Audit Office, *Implementing the UK's exit from the European Union: The Department for Exiting the European Union and the centre of government*, November 2017

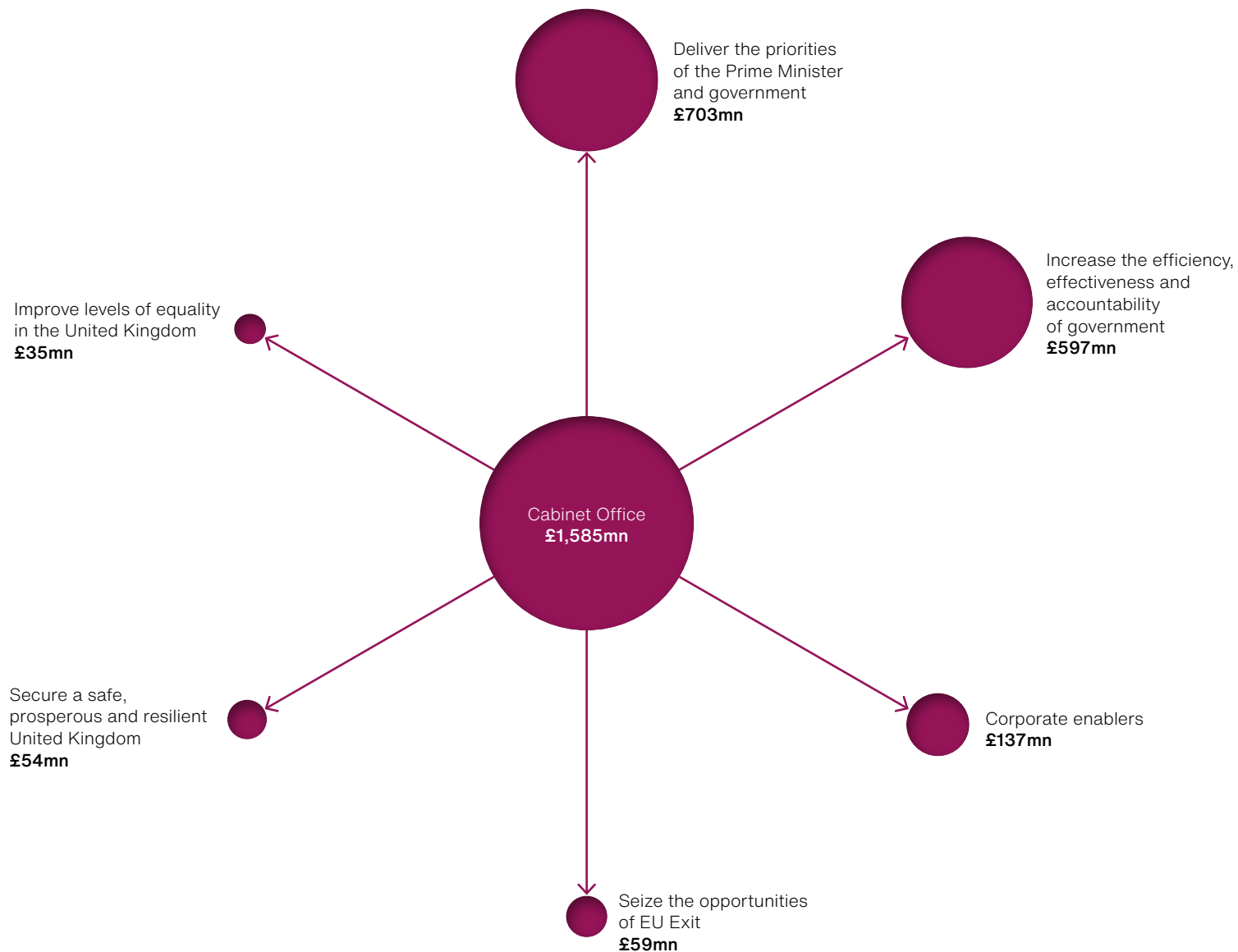
## Where the Cabinet Office spends its money

The Cabinet Office reported a net outturn of **£1,585 million** in 2021-22

### Notes

- 1 The figure shows how the Cabinet Office allocates spending to each of its five priority outcomes and to the corporate enablers, such as Assurance, Finance and Controls. Corporate enablers ensure the effective running of the Cabinet Office.
- 2 Values relate to the Cabinet Office group. This includes the core department, its arm's-length bodies and the Government Property Agency. It does not include the Crown Commercial Service (CCS). Although CCS is an executive agency of the Cabinet Office, it is not part of its departmental group. CCS does not receive Parliamentary funding. It is mainly financed by a levy paid by suppliers contracted to provide goods and services to government. In 2021-22, CCS reported operating income of £172 million and operating costs of £89 million.
- 3 Values are from the Statement of Parliamentary Supply. This does not align with the international financial reporting standards (IFRS), which the audited Cabinet Office accounts follow. The net expenditure of the Cabinet Office group in 2021-22 per the IFRS was much lower at £1,032 million because it excludes capital expenditure, among other reasons.

Sources: Cabinet Office, *Annual Report and Accounts 2021-22*; Crown Commercial Service, *Annual Report and Accounts 2021-22*



## Spending patterns

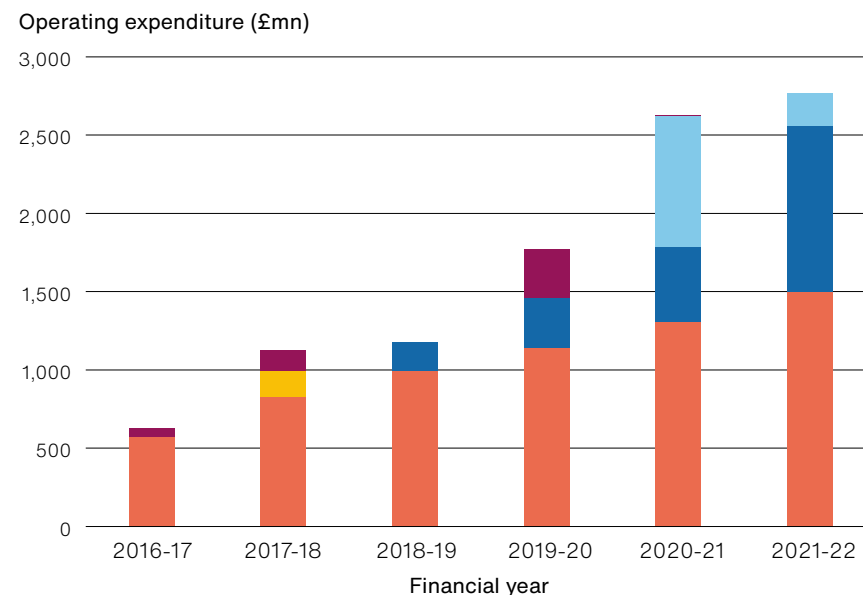
The Cabinet Office group's gross operating expenditure increased by approximately 4.5 times between 2016-17 and 2021-22 (in 2021-22 real terms).

This is due to:

- the expanding responsibilities of the Cabinet Office, for instance through the creation of the Government Property Agency (GPA) in 2018-19. The costs incurred by the Agency to manage its expanding property portfolio amounted to more than one-third of the group's operating expenditure in 2021-22;
- costs relating to the COVID-19 response, such as communications spend and ventilator procurement. These peaked at £835 million (approximately one-third of the group's operating expenditure) in 2020-21;
- costs relating to EU Exit. These amounted to £198 million (7% of the departmental group's operating expenditure) in 2020-21; and
- one-off costs. These include a £150 million grant to ensure public service continuity following the collapse of Carillion in 2017-18; expenses incurred by returning officers in connection with the 2017 and 2019 United Kingdom Parliamentary general elections and the 2019 European Parliamentary elections; and the cost of hosting the 26th United Nations Climate Change Conference of the Parties (COP26) in November 2021.

Between 2016-17 and 2021-22, the group's operating income increased by over 14 times (in nominal terms) from £123 million (22% of operating expenditure) to £1,760 million (64% of operating expenditure). This was driven by GPA income, the majority of which relates to the value of the properties transferred to it by other government organisations. GPA income represented 70% of the Cabinet Office's operating income in 2021-22.

Cabinet Office's group gross operating expenditure, 2016-17 to 2021-22



### Total operating expenditure

Election costs (£mn)	54	129	0	307	5	0
Grant to the Official Receiver (£mn)	0	166	0	0	0	0
Government Property Agency expenditure (£mn)	0	0	180	323	480	1,060
COVID-19 expenditure (£mn)	0	0	0	0	831	206
Other operating expenditures (£mn)	574	828	995	1,143	1,312	1,501

### Notes

- Figures are audited accounting figures, except for the split between COVID-19 expenditure and other operating expenditure, and are shown in 2021-22 real terms.
- The Cabinet Office group includes the Cabinet Office, its arm's-length bodies and the Government Property Agency. It does not include the Crown Commercial Service (CCS). CCS is an executive agency of the Cabinet Office but not part of the Cabinet Office group for accounting purposes.
- Election costs relate to the expenses incurred by Returning Officers.
- Other operating expenditure includes, for instance, staff costs, purchase of goods and services, grants and depreciation.

Source: National Audit Office analysis of Cabinet Office, Annual Reports and Accounts 2016-17 to 2021-22



## Staff trends

The Cabinet Office's full-time equivalent headcount increased by between 8% and 66% each year from 2016-17 to 2021-22

As the remit of the Cabinet Office has increased over time, the number of staff employed by the Cabinet Office group has increased between 8% and 66% each year from 2016-17 to 2021-22 on a full-time equivalent (FTE) basis. The largest increase was of over 2,000 FTE staff and took place in 2019-20. This was largely due to an increase in staff numbers in the Government Commercial Function and the National Security Secretariat. The smallest increase (770 FTE staff) took place in 2021-22.

### The Cabinet Office group's number of staff, 2016-17 to 2021-22

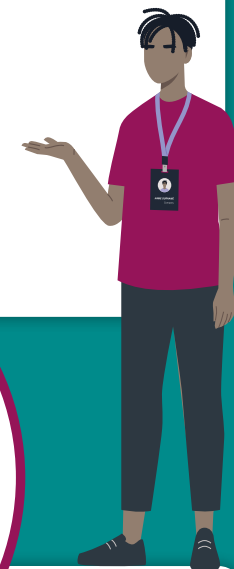
Financial year	Average number of persons employed (full-time equivalent)
2021-22	10,535
2020-21	9,765
2019-20	8,379
2018-19	6,284
2017-18	4,500
2016-17	2,708

#### Notes

- The staff numbers presented in this figure are the average number of full-time equivalent persons employed in each financial year.
- The Cabinet Office group includes the Cabinet Office, its arm's-length bodies and the Government Property Agency.

Source: National Audit Office analysis of Cabinet Office, Annual Reports and Accounts 2016-17 to 2021-22

Departments are being required to look for the most effective ways to secure value and maximise efficiency. One of the ways in which the government has considered increasing its efficiency, besides reprioritising spending away from lower-value programmes and reviewing the effectiveness of public bodies, is through headcount reductions.



If the Cabinet Office were to reduce its FTE headcount by

**20%**

over three years, compared with 2021-22 levels, the headcount would need to decrease by approximately

**700 FTE**

employees each year.



Part Three // People and pay

# Staff and pay

The Cabinet Office employs 2% of all civil servants and experienced a 24% staff turnover in 2021-22

The Cabinet Office employs around 11,000 full-time equivalent staff across the core department, its arm's-length bodies, the Crown Commercial Service and the Government Property Agency.

The Cabinet Office is a relatively small department. As at 31 March 2022, the Cabinet Office (including its arm's-length bodies and executive agencies) was 10th out of the 16 main government departments by headcount. It employed 2% of all civil servants and 3% of the civil servants working across the main government departments. There were 510,080 civil servants as of 31 March 2022.

Of the Cabinet Office employees, 90% work in the core department and its arm's-length bodies. The remaining 10% work in the Crown Commercial Service or the Government Property Agency.

Staff turnover in 2021-22 was 24%, approximately 2.5 times the Civil Service average. The Cabinet Office identified a performance risk relating to staff recruitment and retention in its 2021-22 Annual Report.

## Number of staff and turnover



## Staff costs as a proportion of operating expenditure<sup>3</sup>



## Remuneration

	Cabinet Office group <sup>1</sup>	Government Property Agency	Crown Commercial Service
Highest paid director's total remuneration (£) <sup>4</sup>	230,000–235,000	145,000–150,000	160,000–165,000
Median total remuneration (£) <sup>4</sup>	41,000	55,000	40,000

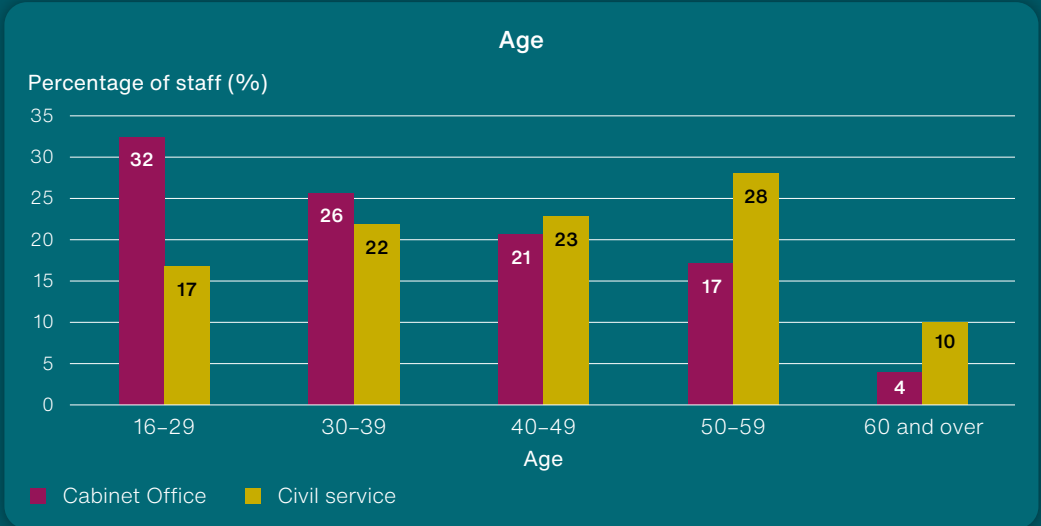
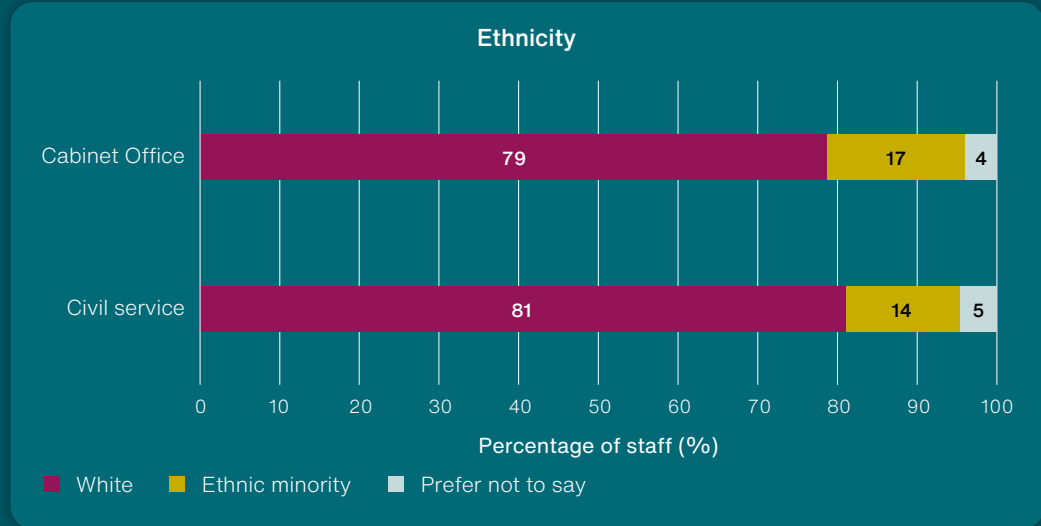
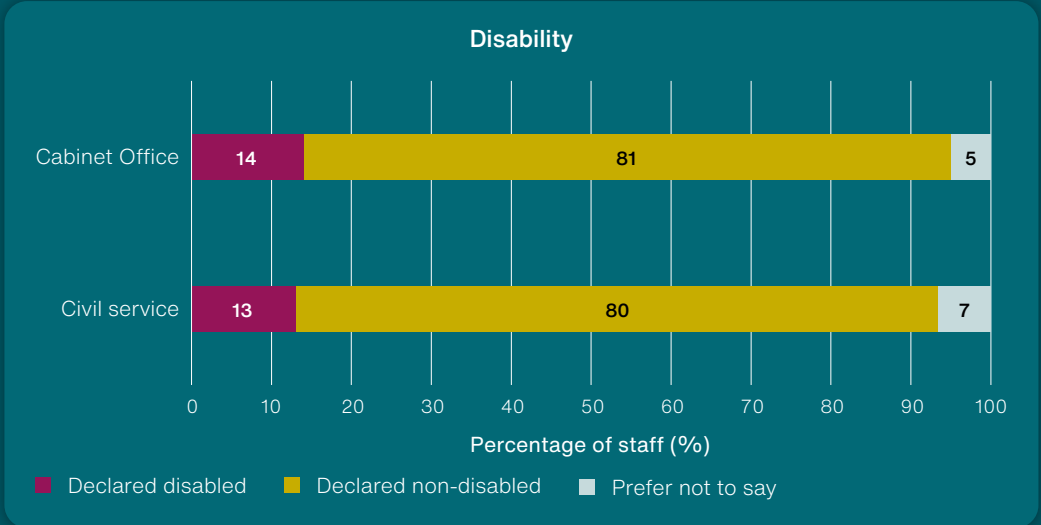
### Notes

- <sup>1</sup> The Cabinet Office group includes the Cabinet Office, its arm's-length bodies and the Government Property Agency.
- <sup>2</sup> 'Employees' refers to the average number of full-time equivalent persons employed in 2021-22. The area of each circle is proportional to each organisation's average number of persons employed.
- <sup>3</sup> Operating expenditure in 2021-22 was £2,768 million for the Cabinet Office group, £1,060 million for the Government Property Agency and £88 million for the Crown Commercial Service.
- <sup>4</sup> Median total remuneration is rounded to the nearest thousand pounds. The highest paid director's remuneration is shown in bands of £5,000.

Part Three // People and pay

# Diversity

The Cabinet Office has a larger share of young staff than the civil service as a whole. It has a similar make-up as the civil service as a whole with regard to gender, ethnicity and disability



**Notes**  
 1 Figures relate to the Cabinet Office, its arm's-length bodies, the Crown Commercial Service and the Government Property Agency.  
 2 The disability and ethnicity percentages shown relate to employees with a known disability and ethnicity. These range between 58% and 61% for the Cabinet Office and between 82% and 86% for the civil service as a whole.

Part Three // People and pay

# Civil Service People Survey

The Cabinet Office 2021 results exceeded the civil service average for the 'my team' theme and fell behind the civil service average for the themes of "organisational objectives and purpose" and "managing change"

The annual Civil Service People Survey looks at civil servants' attitudes to, and experience of, working in government departments. The last survey for which results are available ran between September 2021 and November 2021.

The Cabinet Office underperformed the civil service average in the 2020 and 2021 surveys. In 2021, its employee engagement index and the summative score for each of the nine themes were:

- slightly higher than the 2021 civil service average in one area (my team);
- more than eight percentage points lower in two areas (organisational objectives and purpose; managing change); and
- slightly lower in all other areas.

The Cabinet Office's employee engagement index and thematic scores were substantially unchanged between 2020 and 2021.

The Crown Commercial Service (CCS) performed better than the Cabinet Office and the civil service as a whole in the 2021 survey. The CCS's employee engagement index and thematic scores exceeded the Cabinet Office scores by 6–18 points and the civil service average by 3–13 points.

The Government Property Agency (GPA)'s employee engagement index in 2021 was 60%. This was two points lower than the Cabinet Office's employee engagement index, five points lower than the civil service average and two points lower than the GPA's 2020 employee engagement index.

▲ Increase ▼ Decrease ● No change

	Result in 2021 (%) <sup>1</sup>	Result in 2020 (%) <sup>1</sup>	Change (Percentage points)	Civil service median in 2021 (%)
 Employee engagement index <sup>2</sup>	62	63	▼ -1	66
 My work	78	80	▼ -2	79
 Organisational objectives and purpose	71	71	● 0	85
 My manager	73	73	● 0	75
 My team	85	86	▼ -1	84
 Learning and development	52	51	▲ +1	56
 Inclusion and fair treatment	80	79	▲ +1	82
 Resources and workload	72	72	● 0	75
 Pay and benefits	38	39	▼ -1	39
 Leadership and managing change	49	49	● 0	58

Notes

<sup>1</sup> Scores relate to the Cabinet Office and do not include the Government Property Agency or the Crown Commercial Service.

<sup>2</sup> The 2021 questionnaire was administered across 101 civil service organisations. Civil servants were asked to answer a set of attitudinal questions on a 5-point scale from 'strongly agree' to 'strongly disagree'. The answers were used to calculate the employee engagement index and scores for the nine survey themes. Five survey questions were used to calculate the employee engagement index: 'I am proud when I tell others I am part of [my organisation]'; 'I would recommend [my organisation] as a great place to work'; 'I feel a strong personal attachment to [my organisation]'; '[my organisation] inspires me to do the best in my job'; and '[my organisation] motivates me to help it achieve its objectives'.

## Key themes and recent National Audit Office reports

One of the Cabinet Office's roles is leading and coordinating the government's response to cross-departmental challenges. Through our work, we have identified six key themes that relate to these areas

### Major programmes

The Cabinet Office leads the delivery of 12 major programmes in areas such as commercial capability, government property, pensions, digital identity and security vetting. These programmes have a forecast whole-life cost of £1.8 billion. See page [14](#).

#### Recent National Audit Office work

[\*Lessons learned: Delivering programmes at speed\*](#)

[\*Lessons learned from Major Programmes\*](#)

### Central oversight

The Cabinet Office leads and coordinates the government's response to cross-departmental issues in areas including government property, arm's-length bodies and achieving efficiencies. See page [15](#).

#### Recent National Audit Office work

[\*Central oversight of arm's-length bodies\*](#)

[\*Managing central government property\*](#)

[\*Financial modelling in government\*](#)

### Digital and data

The Cabinet Office leads on data, digital and cyber security initiatives across government. Cyber security is one of the Cabinet Office's principal risks. See page [16](#).

#### Recent National Audit Office work

[\*Challenges in using data across government\*](#)

[\*The challenges in implementing digital change\*](#)

[\*Cyber and information security: Good practice guide\*](#)

### Risk and resilience

The Cabinet Office, through its Civil Contingencies Secretariat, is responsible for coordinating the government's planning for, and response to, major emergencies. The Cabinet Office is carrying out work to implement learning from the COVID-19 pandemic to strengthen national resilience. See page [17](#).

#### Recent National Audit Office work

[\*The government's preparedness for the COVID-19 pandemic: Lessons for government on risk management\*](#)

[\*Climate change risk: A good practice guide for Audit and Risk Assurance Committees\*](#)

### Commercial

The Government Commercial Function, based in the Cabinet Office, is a cross-government network procuring or supporting the procurement of goods and services for the government. The COVID-19 response exposed a number of weaknesses in the commercial lifecycle. In June 2021, the Government Commercial Function introduced a new procurement policy. See page [18](#).

#### Recent National Audit Office work

[\*Investigation into government procurement during the COVID-19 pandemic\*](#)

[\*Good practice guidance: Managing the commercial lifecycle\*](#)

### Analysis and evaluation

The Government Analysis Function is a cross-government network aiming to improve analytical capability across the civil service. In our report, [\*Evaluating government spending\*](#), we found that the use of evaluation continues to be variable and inconsistent. The government has recently taken steps to improve evaluation. See page [19](#).

#### Recent National Audit Office work

[\*Initial learning from the government's response to the COVID-19 pandemic\*](#)

[\*Evaluating government spending\*](#)

[\*Evaluating government spending: An audit framework\*](#)

[\*Framework to review portfolios\*](#)

Part Four // Key themes

# Major programmes

The Cabinet Office leads the delivery of 12 major programmes with a forecast whole-life cost of £1.8 billion

The Cabinet Office leads the delivery of 12 of the 235 projects included in the Government Major Projects Portfolio (GMPP). Cabinet Office-led programmes had a forecast whole-life cost of £1.8 billion in March 2022.

The Infrastructure and Projects Authority (IPA) carries out assurance reviews of the projects included in the GMPP. It originally used five delivery confidence ratings: 'highly likely', 'probable', 'feasible', 'in doubt' and 'unachievable'. The IPA recently stopped using the 'in doubt' and 'probable' ratings.

IPA ratings of the Cabinet Office projects remained broadly stable between 2021 and 2022. Of the eight programmes that were rated in both 2021 and 2022, four retained a 'feasible' rating, three moved from 'in doubt' or 'probable' to 'feasible', and one moved from 'feasible' to 'unachievable'.

Our report [Lessons learned from Major Programmes \(November 2020\)](#) examines the root causes of the issues we see most often in the government's major programmes. The report identifies learning points that we think the government should focus on in order to improve its performance on major programmes.

Infrastructure and Projects Authority delivery confidence assessments of programmes led by the Cabinet Office, 2018-19 to 2021-22

Area	Programme	2018-19	2019-20	2020-21	2021-22
Commercial	<b>Commercial capability expansion</b> To improve the commercial skills of the civil service	In doubt	In doubt	Feasible	Feasible
	<b>Transforming the Crown Commercial Service</b> To transition the Crown Commercial Service into a digitally enabled, customer-focused organisation		Feasible	Feasible	Feasible
Digital	<b>GOV.UK Verify</b> To deliver a single account for people using government services to prove their identity; currently being retired	Unachievable	Unachievable	Probable	Feasible
	<b>Digital identity</b> To deliver a single account for people using government services to login and prove their identity				Feasible
Pensions	<b>Civil Service Pensions 2015 remedy</b> To end age discrimination within the Civil Service Pension Schemes and remediate affected members			Feasible	Feasible
	<b>Future service</b> To put in place new administration models for the Civil Service Pension Scheme and Royal Mail Statutory Pension Scheme				Highly likely
Property	<b>Government hubs</b> To house multiple organisations under one roof at specific locations across the country	Feasible	Feasible	Feasible	Feasible
	<b>One Public Estate</b> To support councils to collaborate with central government and the wider public sector on property programmes			Probable	Feasible
	<b>Workplace services transformation</b> To improve the workplace experience of Government Property Agency customers			In doubt	Feasible
	<b>Whitehall Campus</b> To create a smaller and more efficient central London estate, concentrated around a single campus of buildings in Whitehall				Feasible
Others	<b>Vetting transformation</b> To make security vetting simpler, faster and more consistent			Feasible	Unachievable
	<b>National Underground Asset Register</b> To create a digital map of underground pipes and cables				Feasible

Highly likely Probable Feasible In doubt Unachievable

Notes

- The figure only includes programmes that were part of the Government Major Projects Portfolio in 2021-22.
- Delivery confidence assessments consider the likelihood of each project delivering its objectives to time and cost.
- The Infrastructure and Projects Authority stopped using the 'in doubt' and 'probable' ratings in 2021-22.
- The National Audit Office recently published an [Investigation into the performance of UK Security Vetting](#).

Source: Infrastructure and Projects Authority, *Annual Report on Major Projects 2021-22*

## Central oversight

**The Cabinet Office leads and coordinates the government's response to cross-departmental issues, such as government property and arm's-length bodies, and has had overall responsibility for developing government efficiencies in relation to these programmes**

### Recent developments

As part of its work exploring government efficiencies, the Cabinet Office:

- launched a new [public bodies review programme](#) in April 2022. It plans to review 120 public bodies over three years and expects to identify a minimum of 5% savings for each organisation; and
- published the [Government property strategy 2022–2030](#) (August 2022). The government plans to dispose of £1.5 billion worth of property and reduce operating costs by £500 million.

### Government property

The Office of Government Property (OGP) sets the strategic direction for the management of government property, leads the Government Property Function and the Government Property Profession, and administers property controls.

The Government Property Agency (GPA) is responsible for setting and implementing a property strategy for offices and warehouses.

Our report, *Managing central government property* (July 2022), notes that the government has a strategy to use its property to best effect and to unlock savings, but longstanding problems pose major risks to successful delivery.

- Lack of good data is a major barrier to effective decision-making.
- The impact of the COVID-19 pandemic on ways of working has made it more challenging to anticipate future space requirements.
- The government is taking steps to recruit property staff and develop skills, but many initiatives are at an early stage.
- The GPA estimates that it will realise £903 million in benefits by 2037, but not all benefits may materialise.

### Arm's-length bodies

The Cabinet Office oversees the arm's-length body (ALB) landscape, and provides support and guidance to departments on the creation, governance and oversight of ALBs.

The Cabinet Office also has a role in deciding what types of ALB are set up and how they are overseen.

Our report, *Central oversight of arm's-length bodies* (June 2021), notes that ALBs are set up and monitored in an inconsistent way and that the Cabinet Office does not have the right data to support proportionate, risk-based oversight of how ALBs are managed.

- Departments have not always considered alternatives to setting up an ALB.
- There are various delivery models for ALBs. Departments apply them inconsistently. There is no central guidance on which to use.
- The Cabinet Office has developed a Code of Good Practice for relationships between departments and ALBs, but it is not consistently followed.
- The Cabinet Office completed one-third of the intended reviews of ALBs by December 2020.

## Digital and data

### The Cabinet Office leads on data, digital and cyber security initiatives across government

#### Several Cabinet Office bodies are involved in data, digital and cyber security initiatives across government

##### Central Digital and Data Office (CDDO)

sets the strategic direction for the government's Digital, Data and Technology Function. It also plays a key role in capability development and the major transformation required to improve the efficiency of government services

In 2021-22, it has:

- worked with departments to develop the government's new digital strategy *Transforming for a digital future: 2022 to 2025 roadmap for digital and data*; and
- published the *Digital, Data and Technology Playbook* and the *Algorithmic Transparency Standard*.

CDDO is working with departments to identify and map legacy systems across government, assess the risks they pose and develop a framework to categorise them and prioritise replacement.

##### Government Digital Service (GDS) builds digital platforms, products and services

One Login is a new service under development through which a user can access government services, including those requiring assurance that the user is who they claim to be. It is the successor to GOV.UK Verify which will be closed in April 2023. GDS has delivered the sign-in component and is developing the identity check component. The Disclosure and Barring Service has used One Login for basic checks since June 2022.

##### Government Security Group provides protective security to government bodies

In 2021-22, it has:

- published the Government Cyber Security Strategy 2022-2030;
- assisted over 165 departments and arm's-length bodies in adopting cyber defence products;
- launched the Digital, Data, Technology & Cyber Fast Stream and delivered 50 cyber apprenticeships; and
- delivered a cyber learning pilot.

##### Data Standards Authority leads cross-government work on data standards

It is led by the Cabinet Office in partnership with the Office for National Statistics.

In December 2021, the Authority published its strategy for 2020 to 2023.

### Cyber security risk

**Cyber security incidents are one of the Cabinet Office's strategic risks**

The Cabinet Office reports that, in 2021-22:

- it progressed work to comply with the minimum cyber security standards;
- it resolved key issues identified by internal audit;
- it funded improvements to further enhance the Cabinet Office's cyber capabilities; and
- it expanded both cyber and data privacy teams.

Internal audit will review the Cabinet Office's cyber security and data governance in 2022-23.

#### Our report *The challenges in implementing digital change (July 2021)* identifies lessons for government digital programmes in six categories:

- understanding aims, ambition and risk;
- engaging commercial partners;
- approach to legacy systems and data;
- using the right mix of capability;
- choice of delivery method; and
- effective funding mechanisms.

Digital leaders often struggle to get the understanding and support they need from senior decision-makers who lack knowledge in this area. The government must better equip senior leaders if it is to improve its track record.



## Risk and resilience

The Cabinet Office is responsible for coordinating the government's planning for, and response to, major emergencies

### Background

The Cabinet Office, through its Civil Contingencies Secretariat, is responsible for coordinating the government's planning for, and response to, major emergencies by:

- horizon scanning to identify emerging risks over the next three to six months;
- preparing the National Security Risk Assessment, a classified assessment of the key risks facing the United Kingdom (UK) or its interests overseas over the next two years, and its public-facing summary, the *National Risk Register*;
- running the Emergency Planning College, a learning and development centre that provides training, exercises and consultancy to help organisations build resilience; and
- managing the Resilience Capabilities Programme, which aims to increase the government's ability to respond to and recover from emergencies.

Our report *The government's preparedness for the COVID-19 pandemic* (November 2021) found that the COVID-19 pandemic has highlighted the United Kingdom's vulnerability to an emergency that affects the whole of government, society and the economy, and the need to strengthen national resilience.

The government's national-level risk assessment focused on short-term risks that might materialise within two years.

The government had identified a risk of an influenza pandemic but lacked detailed plans for many of its non-health consequences and some health consequences.

There is variation in capacity, capability and maturity of risk management across government departments.

### Recent developments

The Cabinet Office:

- has launched the National Situation Centre, which brings together real-time data from across government and beyond to support situational awareness on crisis and national security issues;
- has published the *UK Government Resilience Framework*. This sets out the government's plan to strengthen the frameworks, systems and capabilities that underpin the United Kingdom's resilience to all civil contingencies risks;
- plans to set up a catastrophic emergencies programme to address the risks that may give rise to whole-system emergencies; and
- plans to carry out work on longer-term risk planning and to take a deeper look at the government's approach to risk.

## Commercial

### The Cabinet Office is leading the government's efforts to set up a simpler, more transparent public procurement regime

#### Background

The Cabinet Office houses:

- the Government Commercial Function, a cross-government network procuring or supporting the procurement of goods and services for the government;
- the Government Commercial Organisation, which houses the government's senior commercial specialists and deploys them into departments to carry out commercial activities; and
- the Complex Transactions Team, which provides commercial expertise to departments on programmes such as the New Hospitals Programme, Building Digital UK and the Emergency Services Network.

The Crown Commercial Service, an executive agency of the Cabinet Office, manages public sector procurement of common goods and services, enables organisations to increase savings by buying together as a single customer, and leads on the government's procurement policy.

*Our Investigation into government procurement during the COVID-19 pandemic (November 2020) reported a lack of transparency and adequate documentation of some key decisions, such as why particular suppliers were chosen or how government identified and managed potential conflicts of interest.* Some contracts across government were also awarded after work had already begun, and many were not published in the time frame they should have been.

***We have also published good practice guidance on Managing the commercial lifecycle**, which reflects upon findings and recommendations drawn from 209 reports concerning 350 commercial arrangements that we have published over the past 20 years. This includes our recent examinations of commercial activities triggered in response to the global pandemic.*

#### Recent developments

The Cabinet Office is leading the government's efforts to set up a simpler, more transparent public procurement regime that will support the levelling-up agenda. It is preparing a Procurement Bill for Parliament, and a learning and development offer on the new regime.

In June 2021, the Government Commercial Function introduced a new procurement policy that required suppliers bidding for major government contracts to publish their net zero commitments and carbon footprint or face deselection from the procurement process.

The Cabinet Office published the Consultancy Playbook and the Sourcing Playbook in May 2021, and updated them in September 2022. It also published the Digital, Data and Technology Playbook in March 2022. These documents set out guidance on sourcing decisions for the delivery of public services, including sourcing consultancy services and procurement for digital projects and programmes.

The government has committed to implement all the recommendations of the Boardman review of government procurement in the COVID-19 pandemic.

Part Four // Key themes

# Analysis and evaluation

The Cabinet Office and HM Treasury have established the Evaluation Task Force to “deliver a step-change in the scale, quality and impact of evaluation practice in government”

## Background

The government established the Analysis Function in 2017. Its role is to lead the analytical community, improve analytical capability and share best practice, including in relation to evaluation.

The Cabinet Office leads on the strategy for Functional Standards across government, including the Analysis Functional Standard.

Our report *Evaluating government spending (December 2021)* found that 8% of government spend on major projects had robust evaluation plans in place in 2019.

Since 2013, individual departments have undertaken initiatives to improve evaluation. However, the use of evaluation continues to be variable and inconsistent, and the government has been slow to address problems.

## Recent developments

The government has recently committed to improve evaluations. In April 2021, the Cabinet Office and HM Treasury established a new Evaluation Task Force to “deliver a step-change in the scale, quality and impact of evaluation practice in government”.

The Analysis Function has committed to launching an assessment framework to monitor and support departments’ implementation of the Analysis Functional Standard, which includes evaluation standards.

Responsibilities of government departments and cross-government functions, relating to provision and use of evaluations

### Areas of responsibility

Setting evaluation requirements, driving demand for evaluation and monitoring compliance

### Areas of responsibility

Promoting the provision and use of evaluation, and providing support in developing the necessary capability

#### Evaluation Task Force

Aims to drive continuous improvements in the way that government programmes are evaluated in order to inform decisions on whether they should be stopped, continued, expanded or modified.

#### HM Treasury

Publishes the *Magenta Book*, the central guidance on evaluation. This focuses on increasing the demand for, and encouraging the use of, evaluations in policy decision-making and strategic resource allocation across government.

#### The What Works Trial Advice Panel

Provides advice and support to help civil servants design and implement effective impact evaluations that will help departments understand whether programmes and policies are delivering desired outcomes.

#### Government Analysis Function

A cross-government network aiming to improve the analytical capability of the civil service and to integrate analysis into decision-making. This sets professional standards for planning and undertaking analysis across government, including evaluation.

#### Government Policy Profession

A cross-government network aiming to improve policy-making and to ensure better use of evidence. Understanding evaluation evidence and building evaluation into policy design are among its core competencies.

#### Cross-Government Evaluation Group

A cross-departmental, cross-disciplinary group with representation from most major departments. This aims to support the supply, demand and use of evaluation evidence to improve policy development, delivery and accountability across government. It produced the 2011 and 2020 updates of the *Magenta Book*.

#### Departments, including chief analysts and heads of policy profession

Responsible for delivering evaluations and using evaluation evidence to inform decisions about current and future interventions, including providing evidence to support funding bids.

*Managing Public Money*, the central government guidance on handling public funds, states that “departments’ accounting officers should take personal responsibility for ensuring that the organisation’s procurement, projects and processes are systematically evaluated”.

#### What Works Network

Comprises nine research centres, known as What Works Centres, and other affiliated members that produce evidence about the most effective practices across a number of policy areas, including health, education, local economic growth and ageing.

## What to look out for



### Civil servant relocations

The government has committed to relocating 22,000 civil servants and 50% of senior civil servant roles out of London by 2030, against a March 2020 baseline.

The Cabinet Office has overall responsibility for civil servant relocations.

The Cabinet Office is relocating its own staff to the regions and aims to have 50% of roles outside London by 2025.

More details can be found on page [21](#).



### Efficiency and productivity

All departments are being required to look for the most effective ways to secure value and maximise efficiency. The Cabinet Office has overall responsibility for delivering the government's efficiency programme.

The government announced in November 2022 that it will carry out an Efficiency and Savings Review. This Review will target increased efficiency, reprioritise spending away from lower-value programmes and review the effectiveness of public bodies.



### COVID-19 inquiry

The Cabinet Office is providing leadership in the government's preparations for the [independent public inquiry](#) to examine the COVID-19 pandemic in the UK.

The inquiry is funded through the Cabinet Office.

Public hearings are due to begin in 2023.



### One Login

Having launched the One Login sign-in service, the Government Digital Service plans to make identity checks available for all central government services in 2023.

Wide adoption by government services will be crucial to realise the ambition to provide One Login for government.



### Shared services

By 2028 at the latest, the government aims to have five cloud-based shared service centres, which will cover all major departments and use standardised processes and data.

The Cabinet Office leads this work.

Part Five // What to look out for

## Civil servant relocations

The government has committed to relocating 22,000 civil servants and 50% of senior civil servant roles out of London by 2030, against a March 2020 baseline, as part of the Places for Growth programme

### How the Cabinet Office is contributing to implementation across government

The Office of Government Property (OGP), which is part of the Cabinet Office, has overall responsibility for civil servant relocations.

The OGP has a dedicated Places for Growth team that works with departments to secure commitments, holds departments to these commitments, and ensures that they are embedded in departments' outcome delivery plans.

The Government Property Agency plays a primary role in finding and providing office space outside London.

### How the Cabinet Office is relocating its own staff to the regions

## 500 to 550

The Cabinet Office aims to have 500 to 550 full-time equivalent (FTE) roles in Glasgow and 600 in York by 2024, and to have 50% of roles in London and 50% outside London by 2025 (including those of its arm's-length bodies).

## More than 600

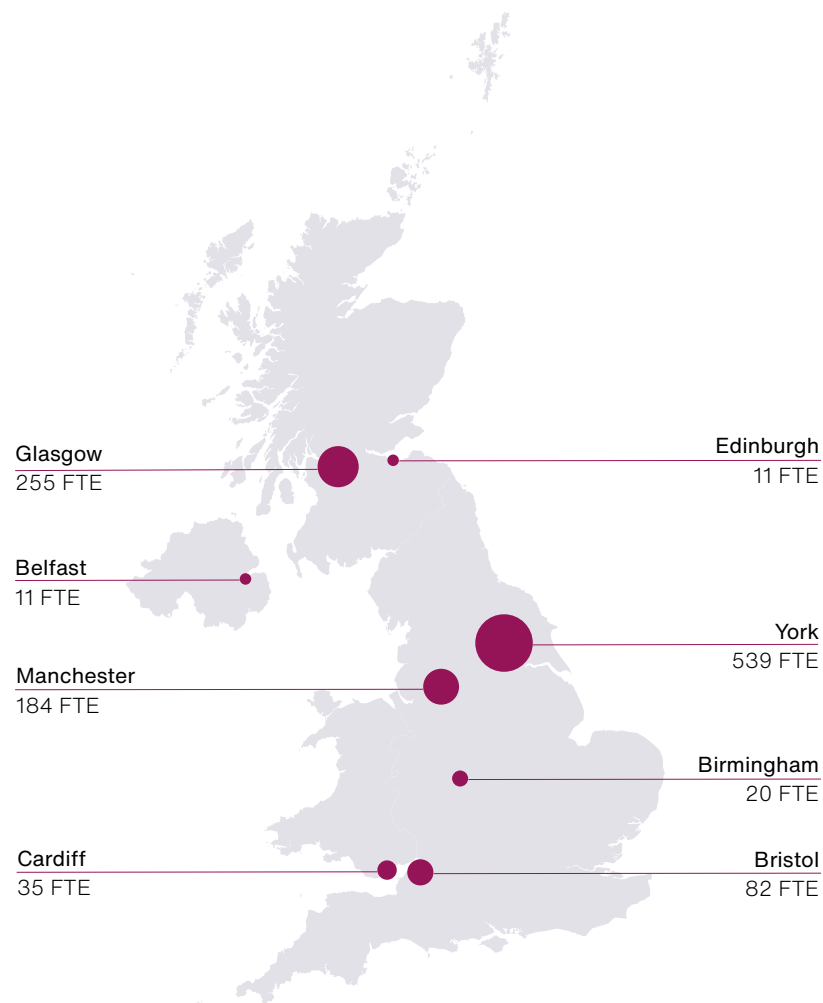
In 2021-22, the Cabinet Office relocated more than 600 roles and 21 senior civil servants from London to locations targeted for growth. This included relocating more than 250 FTE staff and 15 senior civil servants to its second headquarters in Glasgow.

The Cabinet Office secured office space in Birmingham, Bristol and Glasgow, and interim space in Manchester and York.

 **80% to 66%**

The proportion of Cabinet Office staff based in London decreased from 80% to 66% between March 2021 and March 2022. The Cabinet Office FTE headcount as of 31 March 2022 was 10,535.

Cabinet Office full-time equivalent (FTE) staff in locations designated for growth, March 2022



#### Notes

- 1 The centre of each point on the map represents a city centre, rather than the specific Cabinet Office location in each city.
- 2 Figures relate to the core department. They exclude staff working in the Cabinet Office's arm's-length bodies and executive agencies.

Sources: National Audit Office analysis of Cabinet Office, *Annual Report and Accounts 2021-22*; Office for National Statistics licensed under the Open Government Licence v.3.0. Contains Ordnance Survey data © Crown copyright and database right 2022