REPORT

Update on government shared services

Cross-government

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Update on government shared services

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Value for money reports

Our value for money reports examine government expenditure in order to form a judgement on whether value for money has been achieved. We also make recommendations to public bodies on how to improve public services.

Contents

Key facts

£1.15bn

total HM Treasury funding committed to shared services since 2021

£459mn

incurred costs since 2020 for delivering shared services

470,000

number of civil servants impacted by shared services, October 2025

£1.0 billion	net lifetime benefits expected from shared services
16	number of government departments intending to onboard onto shared services
100	number of arm's-length bodies committed, funded and with a timeline to onboard onto shared services
25	other known central government digital change programmes which may impact delivery of shared services

Summary

Introduction

1   All government departments need access to corporate functions, including human resources (HR), finance, procurement and payroll, to manage their operations effectively. Collectively known as the 'back-office', these functions deliver the core business processes needed to support front-line services. Since 2004, central government has sought to cut the cost of these services through the sharing of back-office functions between departments. This work has been led by Cabinet Office.

2   The aim of using shared services is to standardise processes and services, reducing costs while improving data consistency. This involves moving to a common IT system known as an Enterprise Resource Planning (ERP) system. The private sector and local authorities often claim savings from implementing shared service centres.

3   In 2018, Cabinet Office published a new 10-year Shared Services Strategy. In March 2021, Cabinet Office refreshed its delivery model, moving away from the idea of individual departments procuring their own single software platforms and, instead, having five cloud-based shared service centres operational by 2028. It intended to facilitate convergence, bringing government departments into alignment on procedures, processes, definitions and data standards. Data convergence ensures that the whole of government uses the same process and data standards. When data are converged, it becomes much easier to integrate systems, use new technology like artificial intelligence (AI), share information and avoid duplication of effort.

4   The refresh aimed to make the landscape simpler, and focused efforts around the five following work streams.

- The development of five shared service centres serving five departmental clusters: Defence, Matrix, Overseas, Synergy and Unity.

- Commercial convergence by using central frameworks as the route to procurement.

- Data convergence by applying common data standards, improving data-sharing in departments through integration and between departments by ensuring their systems can exchange information (interoperability).

- Process convergence to improve services and user experiences, through standardisation, automation and interoperability.

- Improving user experience by introducing a common set of key performance indicators and measuring user experience.

5   We reviewed progress in 2022 and concluded that Cabinet Office's new Shared Services Strategy was highly ambitious and, while most departments considered the cluster model could work, there were several fundamental elements yet to be put in place. We recommended that Cabinet Office reassesses the feasibility of delivering the strategy and makes significant changes to governance and implementation plans.

Scope

6   This report examines how Cabinet Office and the clusters are progressing with implementing the 2021 Shared Services Strategy. It examines whether:

- Cabinet Office has a good understanding of progress since we last reported on shared services in 2022 (Part One);

- clusters are on track to deliver the Shared Services Strategy to time and budget, including the intended longer-term improvements (Part Two); and

- the government can manage interdependencies and interoperability between shared services and other developments elsewhere in government (Part Three).

Appendix One sets out our audit approach and evidence base.

Key findings

Governance and oversight

7   Cabinet Office has made some improvements to its governance arrangements, working with clusters through a dedicated liaison team and two-tier framework. In autumn 2025, Cabinet Office revised shared services governance to create a lower-tier Service and Technical Design Authority (SaTDA) and a higher-tier Shared Services Board (SSB). The SaTDA is chaired by Cabinet Office's Shared Services for Government (SSfG) directorate, supports design and implementation decisions among clusters and is accountable to the SSB. Chaired by the Government Chief People Officer, the SSB brings together the directors-general from the five clusters' lead departments, representatives from the Cabinet Office's SSfG team, and leads of government functions to make strategic decisions that affect all five clusters (paragraph 1.20).

8   Despite these improvements in governance arrangements and oversight since we last reported on shared services, significant gaps remain. There is no clear owner for shared services with the levers to deliver the strategy. There is still reliance on other boards, for example the Civil Service Transformation Board and Applicant Tracking System Board, which have no clear remit in relation to the Shared Services Strategy (paragraphs 1.19 and 1.21).

9   Cabinet Office has developed a Shared Services portfolio dashboard that gives the central team and clusters quarterly information on progress against a set of agreed key performance indicators. This dashboard also contains information on key interdependencies between shared services ERPs and other digital change programmes being delivered across government. The SSfG directorate's Portfolio team commissions monthly data returns from clusters but cannot enforce timely and accurate returns. As a result, the quality and completeness of data provided by clusters and other programme owners varies significantly, limiting the usefulness of the dashboard (paragraphs 1.15 and 1.16).

10   Cluster governance arrangements vary, but most have a clear governance structure and a plan to implement the strategy. Governance varies from cluster to cluster, which reflects each cluster's respective plans for delivering shared services. Of the four clusters that are still in implementation, Matrix, Synergy and Unity each have a full-time senior responsible owner (SRO) driving the transformation programmes forward with a combination of working groups, function leads and informal groups. Defence is set up as a multi-year capability portfolio made up of six programmes, with an SRO. Each individual programme has its own SRO, and they all sit under the Ministry of Defence's (MoD) Corporate Services Modernisation programme (paragraphs 2.3 and 2.4).

11 **Cabinet Office needs to clarify expectations, including which arm's-length bodies (ALBs) it expects to join shared services, and what it expects from each cluster.** While Cabinet Office believes it has been clear in its messaging about ALBs needing to be onboarded, clusters and departments told us otherwise. Clusters, and their member departments, are at different stages of planning for the onboarding of their ALBs, and existing plans do not include all ALBs. Onboarding of ALBs will be a big additional step, and one that will require careful planning (paragraphs 1.8 and 1.9 and Figure 2).

12 **HM Treasury provided significant funding for shared services during Spending Review 2025, addressing some of the concerns that we noted in our last report.** However, there remains some uncertainty and disagreement over funding. HM Treasury allocated significantly more, ringfenced, funds to Matrix, Synergy and Unity (approximately £846 million). Cabinet Office told us that it believed this addressed all the funding concerns of these three clusters. However, those we spoke to in clusters told us that there were still some funding gaps that might need to be covered from departmental budgets. Funding for the Foreign, Commonwealth & Development Office's (FCDO) Overseas cluster and MoD's Defence cluster was not ringfenced. Where funding is not ringfenced, such as in the Defence cluster, progress has been challenging due to funding constraints and wider departmental budget pressures. As many of the ALBs are not included in current business case plans, departments and clusters need to consider and plan for the additional costs and resources required to enable ALB onboarding (paragraphs 1.9 to 1.13 and Figures 2 and 3).

Remaining challenges

13 **Cluster implementation plans depend on the functions' readiness within individual departments for onboarding and there is significant variance across the functions.** The Finance Function is widely seen as ready and willing to onboard to shared services across all the clusters. Commercial is a mixed picture, with one cluster only onboarding a single process. As of November 2025, the Government People Function responsible for HR is or was behind in all the clusters, excluding Overseas and Defence's Civilian HR capability, which are operational already. HR data and processes are often not compatible with government functional standards and require a lot of work to converge (paragraph 2.17).

14   Buy-in from departments that are current cloud users is not clear, creating some uncertainty for the overall strategy. We highlighted in our previous report the importance of securing departmental buy-in. In principle, all the departments are supportive of the Shared Services Strategy. However, HM Treasury and the Department for Education (DfE), who currently have modern ERPs and are both in the Matrix cluster, have indicated they would welcome more information through the business case about likely costs for them before they assess that onboarding is feasible and value for money. The absence of a firm commitment presents challenges for planning within the Matrix cluster, as the business case assumptions include participation from both DfE and HM Treasury. Cabinet Office has stated that it does not consider departments' joining Shared Services optional, and that departments cannot make the decision to move or leave a cluster without assessing value for money across government, nor the impact on the business case (paragraphs 2.5 to 2.7).

15   Engagement with the digital repository NOVA has been inconsistent, which has led to significant gaps. NOVA supports functions to design business processes, for example financial transactions. The HM Treasury-led Functional Convergence Programme, which became NOVA, was initially co-sponsored by the Finance, Commercial and Government People (HR) Functions and revised the functional standard of each of them. However, the Commercial Function decided not to implement the standard. HR participated in the design process but did not work towards implementing its standard, while Commercial opted out. Functions that had implemented their standards after NOVA across their respective processes and data before starting work on shared services had already made significant progress towards convergence. The different functions were at a completely different place when it came to implementing shared services (paragraphs 2.14 and 2.15).

16   The Finance Function is the most advanced in standardisation and benefits tracking, serving as a model for other functions and clusters. Most clusters reported that the Finance Function was the easiest to prepare for transition to shared services. This was largely due to finance teams having implemented the standard. In the Overseas cluster, finance processes were already converged to align to the revised standard, which made it easier to standardise and migrate compared with HR (paragraph 2.18).

17   Clusters have implemented different module functionality in their ERPs, which will affect how the data across the five clusters can be brought together. The Finance Function defined a Common Chart of Accounts for government that facilitated convergence. Despite these efforts, the absence of a strong technical lead has resulted in inconsistent ERP configurations and data convergence. Part-implemented processes or modules will also make it harder to achieve data convergence across government and will reduce ERP functionality. This means that the government will not be able to share and converge data without building further processes and interfaces to collect and converge the data from the different clusters (paragraphs 2.11 to 2.13, 2.16 and Figure 6).

18 There are numerous interdependencies that affect the delivery of shared services and management of these interdependencies has been inadequate. There are at least 25 other digital change programmes being developed for users across government that interact with shared services and are led by government functions or other parts of Cabinet Office. Seven of these programmes were assessed as having a high or medium impact on shared services, of which five were sponsored by Government People Group, one by the Government Finance Function and one by the Government Grants Management Function. Inadequate governance of interdependencies is still hindering clusters' planning for the value for money and delivery of shared services (paragraphs 3.2, 3.6 and 3.7 and Figure 7).

Applicant Tracking System

19 The Applicant Tracking System (ATS) is an example of an interdependency that has not been effectively managed. The government started the ATS transformation programme (ATS programme) to replace the current centralised civil service recruitment platform with a new central platform. The programme consistently identified lack of adoption from shared services clusters as a risk. At various points between 2023 and 2025, some shared services clusters raised concerns about the ATS programme and stated that they would prefer to use the ATS functionality of their own ERPs over the new central platform. Despite this, Cabinet Office did not assess the need for a reset as soon as it could have, which made it challenging to assess alternative options for delivering an ATS (paragraphs 3.8, 3.11, 3.12 and 3.18).

20 The ATS programme was reset in October 2025. Cabinet Office is preserving the software developed prior to the ATS programme's reset and will consider if it will be able to use it in the future. In November 2025, some clusters were still unable to make key design decisions due to interdependencies between their ERPs and two Government People Group digital change programmes: Government Skills Campus and the ATS (paragraphs 3.7, 3.15 and 3.16).

21 The reset ATS programme will likely cause further delays to the implementation of shared services. In October 2025, Cabinet Office agreed with clusters to reset the ATS programme. It reduced the scope of the ATS programme to delivering services such as a central jobs board and pre-employment checks and agreed that each cluster would be deploying its own ATS as part of its ERP. This will impact all the clusters; Overseas does not have the functionality and, due to being in business-as-usual, lacks the funding and bandwidth to develop its own solution. Cabinet Office estimates that the total costs of the programme reset will be £26 million to £38 million (paragraphs 3.15 and 3.20).

Conclusion on value for money

22 The Shared Services Strategy aims to standardise processes and systems across government, offering potential for significant efficiencies. Since our last report, clusters have made some progress with operational delivery, improving governance structures, developing implementation plans and moving forward with procurement. However, some fundamental issues continue to jeopardise delivery of five interoperable clusters.

23 There is no single owner in the centre of government with a clear mandate to secure departmental onboarding, which leaves buy-in uncertain and timelines at risk. The absence of a strong technical lead has resulted in inconsistent ERP configurations and data convergence, undermining interoperability and data standards. When combined with fragmented governance of interdependencies, this creates a real risk that the strategy will not be delivered to time or budget. Unless these gaps are addressed urgently, the government will not achieve the full benefits it set out to achieve and may incur increased costs.

Recommendations

24 As a matter of urgency Cabinet Office should:

a clarify governance responsibilities for government shared services within Cabinet Office, at director general level and above, to enable the delivery of the strategy, including clarifying responsibilities for:

- getting buy-in from government departments and a commitment to onboard onto shared services by 2030; and

- identifying all interdependencies with shared services and ensuring that the original assumptions are still relevant and that compatibility with shared services is being actively managed;

b create a civil service- and function-wide transformation board with the necessary technical skills and strategic oversight to ensure interdependencies between government programmes and shared services are adequately managed;

c by the end of 2026, agree a plan with each of the five clusters for onboarding ALBs onto shared services, including expected timelines for doing so;

d enhance the recently introduced Service and Technical Design Authority to ensure all central programmes are compatible with the clusters' ERPs and that future transformation initiatives sponsored by government functions are fully aligned with the Shared Services Strategy; and

e task the Service and Technical Design Authority with considering how clusters can make best use of their purchased ERPs, including making full use of certain modules and incorporating additional processes, as well as identifying and discontinuing other systems that clusters are currently spending money on and which can be replaced using the ERP functionality.

25 Government People Group should:

a as a priority, commission a lessons-learned exercise in relation to the Applicant Tracking System (ATS) programme, including any wider lessons for the development of shared services and/or central platforms, for discussion at the Shared Services Board, the Service and Technical Design Authority and HR Steering Board; and

b by summer 2026, produce an updated assessment of the costs of the revised approach, covering the costs already incurred on the ATS and what future costs will be.

26 The Government Commercial Function and Government People Function should develop a detailed plan on implementing their functional standard across all their processes and data by June 2027.

27 Clusters should:

a ensure that they provide complete, reliable and timely data to Cabinet Office to report on progress against key performance indicators; and

b work with all the ALBs in their departmental groups to create robust and achievable timelines and plans to onboard ALBs on shared services.

28 HM Treasury should:

a explore how it can usefully expand NOVA further;

b clarify its intention around the funding of the Defence and Overseas clusters, ringfencing funds to reduce funding uncertainty; and

c clarify funding expectations for ALB onboarding and provide funds in line with HM Treasury's stated approach.

Part One

Progress on government shared services

1.1 This part of the report evaluates the progress the government has made with implementing the Shared Services Strategy since we last reported in 2022, including:

- the cluster approach;

- funding arrangements; and

- governance and oversight.

The Shared Services Strategy

1.2 In 2018, Cabinet Office published a 10-year Shared Services Strategy. It aims to:

- offer a better experience for all users, using intuitive systems that are easy to use and mobile-enabled;

- increase efficiency and offer better value for money by using systems and services which support productivity and seek to reduce costs; and

- introduce standardised processes and data to support interoperability, making it easier to understand and compare corporate data.

1.3 The Shared Services for Government Strategy plans to achieve these efficiencies by investing in modern systems and better processes, so civil servants spend less time completing and managing processes, leaving greater opportunities to serve the public and deliver for the government.

1.4 Our 2022 report *Government shared services*[1] highlighted numerous challenges and barriers to successful implementation of shared services, including a lack of buy-in from some departments, funding uncertainty and fragmented governance. Cabinet Office considered its strategy was not a programme or a project and therefore did not complete a business case. Instead, it produced a 'case for change' that includes some of what we would expect to see in a business case, but lacks the requisite detail on costs, benefits, risks, alternative options and management safeguards.

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1   Comptroller and Auditor General, *Government shared services*, Session 2022-23, HC 921, National Audit Office, November 2022.

The cluster approach

1.5 In March 2021, Cabinet Office refreshed its delivery model, moving away from the idea of individual departments procuring their own single software platforms or a single government shared services solution. Instead, it proposed a cluster approach, with departments grouped into five shared services clusters of varying sizes (**Figure 1**). Each cluster was able to procure any system that best fit its needs. The cluster model was intended to simplify the landscape, increase efficiency and support convergence. At the time, Cabinet Office considered there to be a window of opportunity across government to move to more resilient and secure platforms as many departments' legacy systems approached the end of their life of service contract.

1.6 There are significant differences between the clusters. Overseas and Defence consist of one core department, with some additional responsibilities. Defence, for example, will provide services for a non-civilian workforce. The other three clusters (Matrix, Synergy and Unity) bring together a combination of departments. A designated department serves as the 'lead' for each cluster (see Figure 1), and a dedicated change programme team works with the clusters' member departments to deliver the transformation jointly. Matrix, Synergy and Unity face particularly complex challenges, as each require many separate departments to develop shared governance, standards, processes and technology.

1.7 In 2022, stakeholders we spoke to were sceptical that the cluster model would succeed, and some departments had yet to buy in to the strategy. Departments did not act as unified clusters but as a collection of independent departments. Since then, Cabinet Office has made a concerted effort to obtain buy-in from all departments. Clusters have developed memoranda of understanding in which departments committed themselves to clusters, and Matrix, Synergy and Unity have successfully developed cluster-level governance. A few departments, who are already on modern, cloud-based systems, are withholding final commitment to a cluster, noting that they might join a different cluster or no cluster at all. Cabinet Office has stated that all departments are expected to commit to joining a cluster.

1.8 Since we last reported, Cabinet Office has reasserted that all arm's-length bodies (ALBs) apart from public corporations and 'other bodies' are expected to take part in government shared services. Cabinet Office's expectation is that ALBs which already rely on their department for back-office operations are to onboard to the cluster at the same time as their department, followed by all other ALBs "as soon as practicable, unless there is a compelling reason". The incorporation of more than 300 ALBs with more than 390,000 employees would be a significant step. Cabinet Office does not expect all ALBs to be onboarded to shared services until 2030.

Figure 1
Shared services clusters, November 2025

Cabinet Office's strategy sees departments migrate their human resources, finance, commercial and grants functions to one of five shared services clusters

Defence	Matrix		Overseas	Synergy	Unity
Ministry of Defence (MoD) Civilian workforce and Armed Forces	**Department for Science, Innovation & Technology**		**Foreign, Commonwealth & Development Office (FCDO)**	**Department for Work & Pensions**	**HM Revenue & Customs (HMRC)**
	Cabinet Office	Department for Culture, Media & Sport	Overseas staff from Department for Business & Trade; Home Office; Department for Environment, Food & Rural Affairs	Department for Environment, Food & Rural Affairs	Ministry of Housing, Communities & Local Government
	Department for Business & Trade	Department for Energy Security & Net Zero		Ministry of Justice	Department for Transport
	Department for Education	HM Treasury	Other departments' overseas staff	Home Office	
	Department of Health & Social Care	Attorney General's Office			

○ Cluster lead department   ○ Cluster department   ○ Department removed from current cluster business case's scope

Notes

1   The Department of Health & Social Care (DHSC) and the Attorney General's Office (AGO) were removed from the scope of Matrix's October 2025 business case. The Machinery of Government change regarding DHSC and NHS England affects the ability of DHSC to onboard as per original Matrix timelines, whereas the AGO's HR and finance services are provided by the Government Legal Department (GLD). The specialised legal function of the GLD meant a large adaption of the Enterprise Resource Planning (ERP) software would have been necessary for onboarding the AGO.

2   In April 2024, the Overseas cluster reported that overseas staff from the Department for Business & Trade, Home Office, and Department for Environment, Food & Rural Affairs were already onboarded onto the cluster. Overseas is now making plans to onboard other departments' staff based abroad.

3   The Department for Education and HM Treasury are existing ERP cloud users. Neither has offered formal commitment to onboarding until a business case addendum, expected post ERP go-live in 2026.

Source: National Audit Office analysis of clusters' business cases and planning documents

1.9 Cabinet Office needs to clarify expectations, including which ALBs are in scope and what it expects from each cluster. While Cabinet Office believes it has been clear in its messaging about ALBs needing to be onboarded, clusters and departments told us otherwise. Clusters and their member departments are at different stages of planning for the onboarding of their ALBs and existing plans do not include all ALBs (see **Figure 2**). Onboarding of ALBs will be a big additional step and one that will require careful planning.

Figure 2

Planning for arm's-length bodies' (ALBs) onboarding onto shared services clusters, November 2025

Clusters and their member departments are at different stages of planning for the onboarding of ALBs in scope of shared services

■ ALBs committed, funded and with a timeline for onboarding

■ ALBs in scope but not committed, funded or with a timeline for onboarding

■ ALBs committed, but without funding or a timeline for onboarding

■ Other ALBs
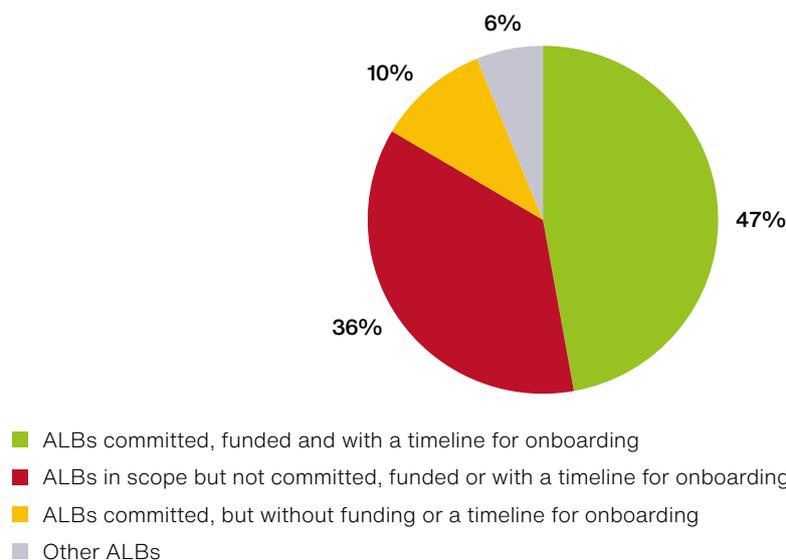
Notes

1   This figure displays the latest planning for Unity, Synergy and Matrix clusters' 212 in-scope ALBs. Overseas has operated as business as usual since December 2023, having onboarded six in-scope Foreign, Commonwealth & Development Office ALBs at that point. Defence is planning to onboard all ALBs subject to funding; the number of ALBs is subject to change under Defence reform.

2   Provisions for funding the 100 ALBs labelled as 'committed, funded and with a timeline for onboarding' have been made in clusters' business cases. Final funding is subject to approval of the business case itself.

3   ALBs which clusters have ruled out of scope of the strategy are not displayed in this graphic. In November 2025, Cabinet Office told us it would independently assess whether clusters' ALB planning aligned with its strategy. While Cabinet Office believes it has been clear in its messaging about ALBs needing to be onboarded, clusters and departments told us otherwise.

4   'Other ALBs' refers to 13 Unity ALBs, including public corporations like High Speed Two LTD. Unity's business case states that these are not in scope of this phase.

5   Percentages in this figure may not sum to 100% due to rounding.

Source: National Audit Office analysis of Cabinet Office strategy documents and clusters' business cases

Funding

1.10 In our 2022 report, we noted that HM Treasury had allocated £300 million for Matrix, Synergy and Unity, contingent on the clusters developing adequate business cases. At that time, the three clusters told us that HM Treasury's funding was insufficient for them to proceed with their preferred plans. Cabinet Office and HM Treasury made it clear that departments should be contributing funds from their existing budgets for HR, commercial and finance services.

1.11 In the most recent spending review, HM Treasury allocated additional funding to the clusters (**Figure 3** overleaf), stating that the Shared Services Strategy was a key part of digital transformation in government to create a "productive and agile state". As such, HM Treasury allocated significantly more funds to Matrix, Synergy and Unity (approximately £846 million). Cabinet Office told us that it believed this addressed the three clusters' funding concerns. However, those clusters we spoke to told us that there were still some funding gaps that might need to be covered from departmental budgets.

1.12 HM Treasury and Cabinet Office have said that funding for shared services should be protected from spending cuts. HM Treasury further specified that the costs of the shared services transformation programmes were to be excluded from the 10% admin cuts mandated for all government departments.

1.13 Within Matrix, Synergy and Unity, funds were ringfenced in the spending review settlements for the lead department in each cluster. The spending review stated that the Defence (Ministry of Defence, MoD) and Overseas (Foreign, Commonwealth & Development Office, FCDO) shared services programmes would continue to be delivered within their departments' core budgets. Funding for FCDO's Overseas cluster and MoD's Defence cluster was not ringfenced. Where funding is not ringfenced, such as in the Defence cluster, progress has been challenging due to funding constraints and wider departmental budget pressures.

Governance and oversight

1.14 The Shared Services for Government (SSfG) team in Cabinet Office is tasked with developing and overseeing the Shared Services Strategy. It provides advice and support to the clusters about technology, process transformation, change management and digital design. It manages formal and informal working groups. It is also responsible for driving continuous improvement, facilitating the community of practice and coordinating communications and events. It is also tasked with chairing the Service and Technical Design Authority and Shared Services Implementation Group.

Figure 3

HM Treasury funding committed to shared services clusters, October 2025

HM Treasury has cumulatively committed £1.15 billion to the three centrally funded clusters, including £846 million for the Spending Review 2025 period

Funding committed (£mn)

Financial year(s)

	2021–2025	2026-2027	2027-2028	2028-2029
▇ Matrix, Synergy, Unity	300	–	–	–
▇ Synergy	–	191	200	152
▇ Matrix	–	105	80	15
▇ Unity	–	63	29	11
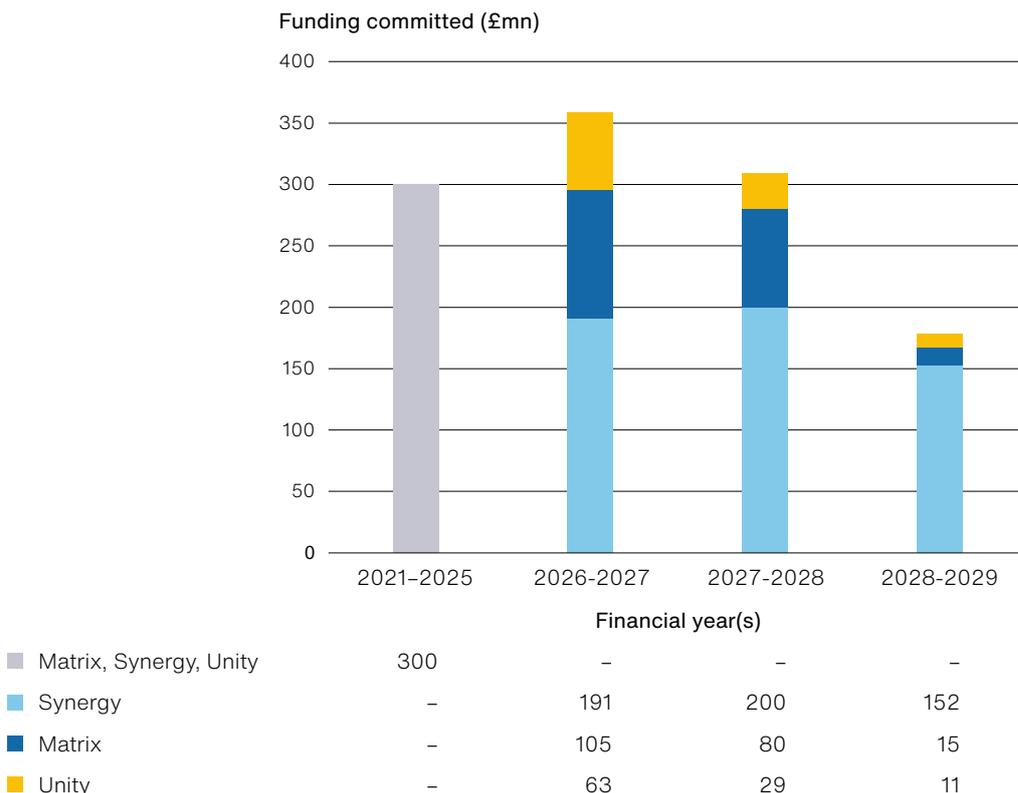
Notes

1 The Spending Review 2025 (SR25) period covers financial years 2026-27 to 2028-29. During this period, HM Treasury committed £846 million to the three centrally funded clusters, of which £735 million was committed in the SR25 settlement itself.

2 Defence and Overseas clusters are funded by the departmental baseline funding of the Ministry of Defence and the Foreign, Commonwealth & Development Office, respectively. They therefore are not included in this graphic.

3 Between financial years 2021 and 2025, HM Treasury granted funding to Matrix, Synergy and Unity through a dedicated reserve fund, shown in grey on this bar chart.

Source: National Audit Office analysis of HM Treasury Spending Review outcomes and previous National Audit Office reports

1.15 The SSfG's Portfolio team has developed a shared services dashboard to track clusters' progress. The dashboard brings together data about clusters' costs and benefits, as well as information about key interdependencies between shared services Enterprise Resource Planning (ERP) systems and other digital change programmes being delivered across government. It also allows the government to track target dates for critical cluster programme milestones and whether these milestones have been reached in practice. The team commissions monthly data returns from clusters. It has combined data on delivery milestones with other indicators, like interdependencies with other programmes, to assign clusters a weighted Red–Amber–Green-rating and confidence percentage for their delivery of shared services on schedule.

1.16 The quality and completeness of data provided by clusters and other change programme owners vary significantly, limiting the usefulness of the dashboard. Some clusters told us that they use the dashboard to understand how they are performing relative to other clusters and to track interdependencies.

1.17 There are different levels of governance for the Shared Services Strategy. Each cluster has its own governance, bringing together all the constituent departments to make decisions and coordinate actions at cluster level. Each cluster has a senior responsible owner (SRO) who is responsible for the delivery. There are also formal and informal working groups that are used to discuss common issues and coordinate action on issues like data, architecture and benefits.

1.18 Cabinet Office assesses whether clusters and the Shared Services Strategy as a whole are likely to deliver. Its assessment takes risks into account but relies on under-developed risk information. Cabinet Office's delivery confidence ratings are based on its assessment of open risks and issues, alongside delivery progress and costs. Risk information is regularly updated and integrates information from all clusters. However, the shared services dashboard does not set out whether each risk is within clusters' appetite or tolerance, how it may amplify other risks and interact with them, what mitigations are either in place or planned for each risk, and who the operational owner and senior leader responsible for each risk area are. Cabinet Office told us that risk management is the responsibility of each SRO and cluster.

1.19 There is no clear owner for shared services with a mandate or the levers to enable the SSfG team and the SROs to carry through the strategy. In our good practice guide *Overcoming challenges to managing risks in government*,[2] we stress that effective risk management requires visible leadership and a culture that encourages open discussion of risk, including escalation of concerns without fear of blame. Risk management needs to be embedded in the fabric of organisational strategy and practice. Good risk management also requires clear allocation of roles and responsibilities, with designated owners for key risks and clarity on escalation routes.

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2   National Audit Office, *Overcoming challenges to managing risks in government: good practice guide*, February 2025.

1.20 In response to a January 2025 review of the Shared Services Strategy by the National Infrastructure and Service Transformation Authority (NISTA), the Cabinet Office SSfG team made some improvements to governance arrangements in autumn 2025. Between 2022 and 2025, the SSfG ran a quarterly Shared Services Board (SSB). It subsequently revised governance into a two-tier arrangement, creating a lower-tier Service and Technical Design Authority (SaTDA) and a higher-tier SSB with new terms of reference. The SaTDA is chaired by the SSfG director and supports design and implementation decisions among clusters. Clusters, functions and other digital transformation stakeholders are represented in its membership. The SaTDA reports and is accountable to the higher-tier SSB, which is chaired by the Government Chief People Officer and brings together the directors general from the five clusters, representatives from the Cabinet Office SSfG team, and leads of government functions. The SSB makes strategic decisions that cut across all five clusters.

1.21 The two-tier governance arrangement and revised SSB are a clear improvement to the previous arrangements; however, there is still reliance on other boards, like the Civil Service Transformation Board and the Applicant Tracking System (ATS) board, to manage interdependencies. These boards have no clear remit in relation to the Shared Services Strategy. The boards intended to serve as a point of escalation for clusters, working groups and the SSB; however, clusters and the SSfG have suggested repeated difficulties in using these forums for this purpose.

1.22 Three shared services cluster programmes currently feature in the Government Major Projects Portfolio and are examined by NISTA. NISTA has performed reviews of the overall Shared Services Strategy and governance, as well as individual reviews of Matrix, Synergy, Unity, Defence and Hera, the FCDO change programme which also featured in the portfolio and became the Overseas cluster. In its May 2025 review on governance, NISTA noted that although "clusters, functions and SSfG are to be congratulated in making such significant progress" there is no "single point of ownership for the Shared Services Strategy and implementation is unclear, competing mandates are yet to be reconciled and decision making and accountabilities between Civil Service Transformation Board, People Board, Shared Services Board etc. are not fully developed." Our review of the governance and oversight arrangements supports NISTA's concerns.

Interdependencies

1.23 In February 2025, the SSfG attempted to collect information on other government change programmes to track interdependencies with shared services. Cabinet Office's dashboard showed that 31 of 64 key interdependency datapoints were rated 'red' in October 2025, and a further 21 were missing because the necessary data had not been shared.

Good practice

1.24 The SSfG has undertaken lessons learned and best practice sharing activities between clusters to enhance delivery of shared services. Certain departments, like the Home Office and the FCDO, have recent expertise from delivering their own cloud ERP transformation projects. Alongside initiatives run by these departments, the SSfG directorate told us that it has shared key project takeaways through events and a dedicated one-stop site which it maintains for clusters to consult. Since the end of 2024, the SSfG has also supported a shared services community of practice, which intends to assist cluster working groups and add structure to career pathways in government shared services.

1.25 Stakeholders have mixed opinions on the value of the SSfG's lessons learned and best-practice sharing activities. One cluster was critical about its usefulness to cluster decision-making, whereas another told us that changes to ways of working, rather than technology delivery, are often the most challenging aspect of the shared services transformation. These changes are often specific to an organisation. Cabinet Office acknowledged that differences between clusters complicated lesson-sharing, and that some clusters had engaged more proactively with the activities it runs than others.

Part Two

Implementation

2.1 This part considers how the clusters are progressing with delivering shared services. It covers:

- cluster governance;

- departmental buy-in to shared services and clusters; and

- functions' buy-in to shared services and the digital repository, NOVA.

Clusters' progress

2.2 Each of the five clusters (**Figure 4** on pages 23 and 24), three of which are currently operating as separate Government Major Projects Portfolio (GMPP) programmes, has made good progress on business cases, procurements and delivery plans. All five clusters have a senior responsible owner (SRO), who has the responsibility for delivering the transformation programme.

2.3 Governance varies from cluster to cluster, which reflects each cluster's plans for delivering shared services. In Synergy's case, all departments agreed key design decisions across human resources (HR), Finance and Commercial Functions simultaneously as part of 'common design'. By contrast, Unity treats delivery for functions and departments as four separate projects with their own timelines. All the clusters have risk registers that they actively use to manage the delivery of their programmes.

2.4 The Defence cluster is set up differently. The programme is set up as a portfolio of work, the Corporate Services Modernisation (CSM) programme within the Ministry of Defence (MoD). It is a multi-year capability portfolio made up of six programmes, with a SRO. Each individual programme has its own SRO, and they all sit under MoD's CSM programme. In other National Audit Office reports, such as *Progress on the Buckingham Palace Reservicing programme*,[3] we have noted the importance of having a SRO with clear authority.

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3   Comptroller and Auditor General, *Progress on the Buckingham Palace Reservicing programme*, Session 2024-25, HC 122, National Audit Office, June 2024.

Figure 4

Key facts on the shared services clusters, November 2025

Of the five clusters in the Shared Services Strategy, four span multiple departments and three are funded directly by HM Treasury

Synergy – 250,000 users
Lead department: DWP

- Four departments; all have a firm commitment and timeline to onboard.
- 98 arm's-length bodies (ALBs) in scope of strategy.
- All ALBs are committed, 85 also have a firm timeline to onboard.
- £582mn Net Present Value.
- £746mn total investment cost.
- £457mn ringfenced funding in SR25, plus £86mn top-up.
- £107mn shortfall (of which £64.2mn for SR25 period).

Matrix – 41,000 users
Lead department: DSIT

- Seven departments; five have a firm commitment and timeline to onboard.
- 92 ALBs in scope of strategy.
- 15 are committed and have a firm timeline to onboard; 77 lack these.
- £185mn Net Present Value.
- £314mn total investment cost.
- £175mn ringfenced funding in SR25 plus £25mn top-up.
- £32.8mn shortfall (of which £23.5mn for SR25 period).

Unity – 100,000 users
Lead department: HMRC

- Three departments; all have a firm commitment and timeline to onboard.
- Total number of ALBs in scope of strategy is under review.
- Nine ALBs are committed but lack a firm timeline to onboard.
- £204mn Net Present Value.
- £259mn total investment cost.
- £103mn ringfenced funding in SR25.
- £5.6mn shortfall (mostly covered by HMRC).

Defence – 239,000 users
Sole department: MoD

- Defence is planning to onboard all ALBs subject to funding; the number of ALBs is subject to change under Defence reform.
- Net Present Value and total investment cost to be finalised pending internal review.
- Funded from MoD's baseline budget; not ringfenced.

Overseas – 30,000 users
Core department: FCDO

- Six onboarded FCDO-group ALBs.
- Overseas staff from three departments have onboarded; other departments subject to negotiation by 2027.
- £19.4mn Net Present Value.
- £70.8mn total investment costs.
- Business-as-usual funding from FCDO baseline budget; fees paid by user departments.
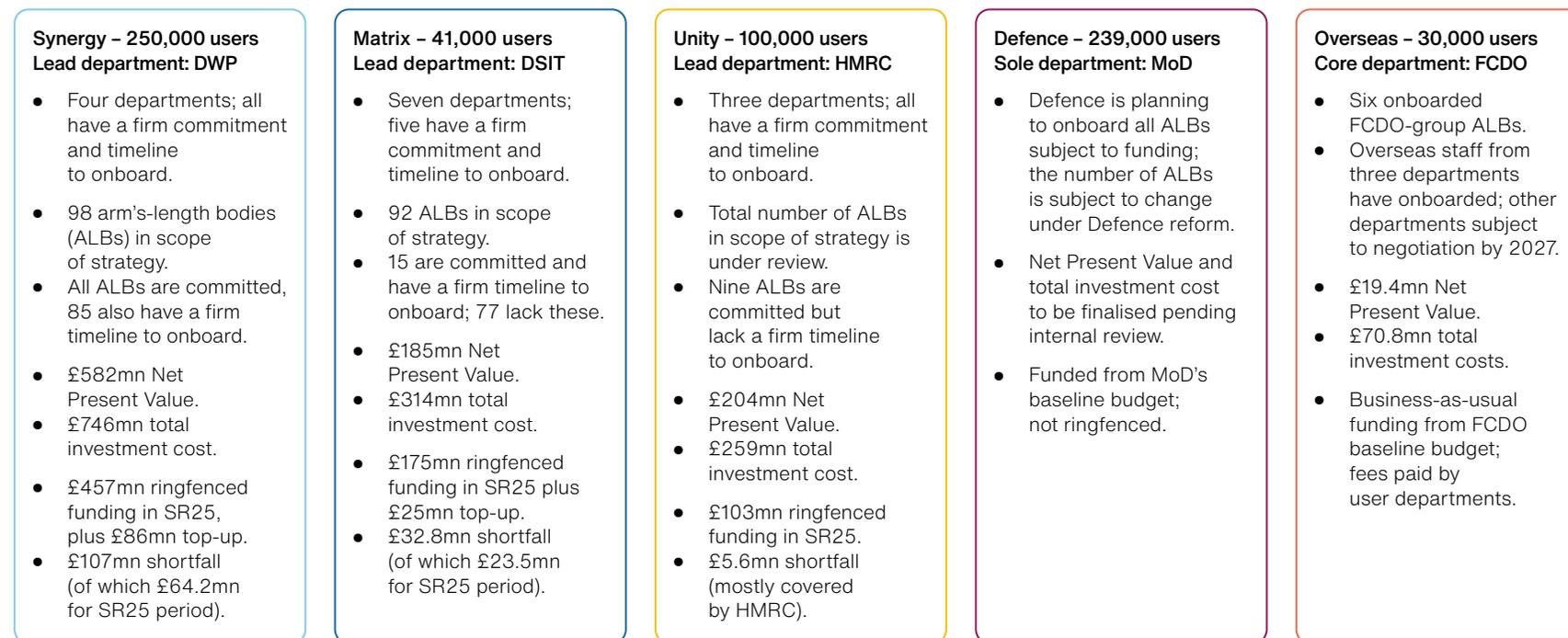

Figure 4 *continued*

Key facts on the shared services clusters, November 2025

Notes

1   The Department for Work & Pensions (DWP), Department for Science, Innovation & Technology (DSIT) and HM Revenue & Customs (HMRC) are accountable for delivering shared services on behalf of the cluster, and the cluster appears in each's major projects portfolio. The Ministry of Defence (MoD) is the sole department of the Defence cluster; the Foreign, Commonwealth & Development Office (FCDO) is the primary user of Overseas, but has begun onboarding civil servants from across government based outside the UK. Arm's-length bodies (ALBs) in scope of the strategy are reported in clusters' business cases. In November 2025, Cabinet Office told us it would independently assess whether clusters' ALB planning aligned with its strategy.

2   The Spending Review 2025 (SR25) period covers financial years 2026-27 to 2028-29. HM Treasury committed £735 million to Matrix, Synergy and Unity as part of these clusters' SR25 settlement, plus a further £111 million in top-ups from other funding sources.

3   'Total investment costs' appear in the financial modelling of clusters' business cases. They include a breakdown of costs which clusters will incur as they deliver shared services transformation and are calculated over a period of several years, typically up to or beyond 2028-29. Also referred to as 'transformation costs' or 'change costs', these costs are different from business-as-usual costs incurred once the transformation is complete and clusters' services are operational.

4   'Net Present Value' (or 'Net Present Social/Public Value') refers to the sum of all benefits, less all costs, in each year of a programme after any discounting has been applied. As per HM Treasury Green Book guidance, it is used to determine if a proposal represents value for money.

5   Shortfall refers to a negative difference between the amount of funding a cluster requested in its bid, and the amount of funding which it received. It is an indication of the programme's affordability. Shortfall is also referred to as a 'funding gap' or 'cost pressures' in some clusters' business cases. Shortfall in this figure is inclusive of optimism bias as calculated by Matrix and Synergy clusters' business cases.

6   Ringfenced funding means that the cluster as a change programme has received a guaranteed budgetary line for delivering shared services. The funding cannot be reassigned to other activities within the department(s) of that cluster. Ringfencing offers more stability to funding arrangements.

7   The Overseas cluster has been business as usual since December 2023 for FCDO and its in-scope ALBs. The Net Present Value was the most recent figure taken from the 2021 business case to Hera, an Enterprise Resource Planning (ERP) transformation programme pre-dating shared services and from which the Overseas cluster was born. At the time of fieldwork for this study, Overseas was planning to review its benefits calculations, including Net Present Value, in January 2026.

8   The number of users given for Defence excludes veterans and is based on a reported 182,060 UK Armed Forces Personnel and 57,370 Civilian users, as at October 2025. Defence has stated that over 50,000 civilian users are already using its human resources cloud ERP services.

9   Values in this figure above £100 million have been rounded to the nearest whole million.

Source: National Audit Office analysis of clusters' business cases and HM Treasury spending review documents

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Departmental buy-in

2.5   Our previous work on shared services highlighted the importance of securing departmental buy-in. All the permanent secretaries wrote to express their support for the Shared Services Strategy for Government (2021). However, some departments have stated that they are unable to commit to a specific timeframe for onboarding.

2.6 For some departments, the case for adopting the cluster Enterprise Resource Planning (ERP) system is not sufficiently convincing, and therefore they are reluctant to onboard. Three departments – Home Office, HM Treasury and the Department for Education (DfE) – have invested significantly in existing finance, HR and commercial systems in recent years, and all three have modern ERPs that are in some ways highly configured to accommodate their requirements or the sector which the departments fund. For the individually configured ERPs, onboarding to the cluster ERP will mean loss of some functionality as they seek to converge on data and processes and will have to bear an 'unnecessary cost' to develop their new processes.

2.7 A lack of a formal commitment makes planning for the Matrix cluster challenging, because its business case includes both DfE and HM Treasury's participation in its financial assumptions. If either of these departments chooses to move to a different cluster, it would significantly affect the business-as-usual planning, and costs and benefits projections. Cabinet Office has stated that it does not consider departments joining shared services optional, and that departments cannot make the decision to move or leave a cluster without an assessment to consider value for money across government and the impact on the business case.
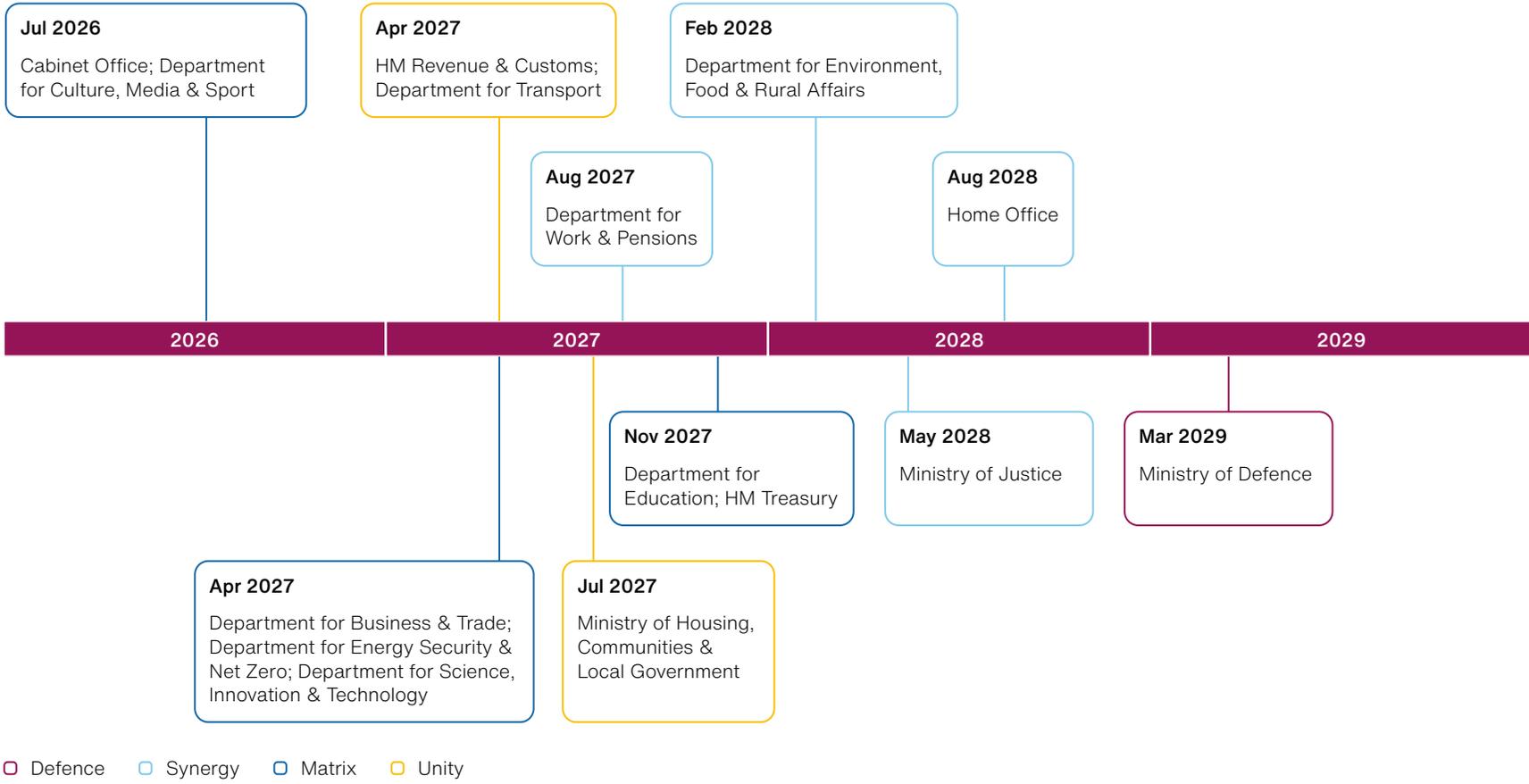
2.8 In October 2025, Matrix performed sensitivity analysis on the value-for-money consequences of DfE and HM Treasury choosing not to onboard. The analysis modelled a reduction in the programme's Net Present Value, a key indicator of the net benefits it is expected to deliver, from £185 million to £109 million. HM Treasury told us that it disputed these calculations with Matrix and calculated the benefits to be significantly lower due to HM Treasury already using a modern ERP. In the event that cloud users chose not to onboard, Matrix is planning to cover the shortfall with arm's-length bodies (ALBs).

2.9 The Machinery of Government change regarding the Department of Health & Social Care (DHSC) and NHS England affects the ability of DHSC to onboard to shared services as originally planned in November 2027 (**Figure 5** overleaf). In March 2025, the government announced its plans to abolish NHS England. Over the next two years, NHS England will be brought into DHSC, significantly increasing the functions and size of the department while introducing a new operating model and IT systems. DHSC has therefore been removed from the scope of Matrix's most recent business case. DHSC explained that this was a decision it had taken jointly with Matrix, and will allow the department to focus on the successful integration of NHS England while avoiding any risk to the successful delivery of the Matrix programme itself. DHSC told us that it remains firmly committed to participating in the Shared Services Strategy for Government and is working with Cabinet Office, HM Treasury and Matrix programme colleagues to explore options going forward. Cabinet Office told us that this is a sensible development while they consider whether DHSC will sit in Matrix or need to form a sixth 'Health' cluster (like Defence and Overseas).

Figure 5

Planned dates for UK government departments' onboarding onto shared services, as at November 2025

The timeline for onboarding departments varies between clusters and is expected to extend into 2029

Jul 2026
Cabinet Office; Department for Culture, Media & Sport

Apr 2027
HM Revenue & Customs; Department for Transport

Feb 2028
Department for Environment, Food & Rural Affairs

Aug 2027
Department for Work & Pensions

Aug 2028
Home Office

| 2026 | 2027 | 2028 | 2029 |

Nov 2027
Department for Education; HM Treasury

May 2028
Ministry of Justice

Mar 2029
Ministry of Defence

Apr 2027
Department for Business & Trade; Department for Energy Security & Net Zero; Department for Science, Innovation & Technology

Jul 2027
Ministry of Housing, Communities & Local Government

○ Defence   ○ Synergy   ○ Matrix   ○ Unity

Notes

1   Unity and Defence are planning to onboard departments on a phased, function-by-function basis. Defence, for example, has reported that over 50,000 civilian users are already using human resources services on its cloud Enterprise Resource Planning (ERP) systems as of January 2026. The dates indicated for both clusters are for the final functions to onboard.

2   The Department for Education and HM Treasury already use their own cloud ERP systems and have not yet formally committed to joining their cluster, Matrix. The planned onboarding dates indicated are subject to these departments' commitment. Their decision is expected as an addendum to the Matrix business case post-ERP go-live in 2026.

3   The Department of Health & Social Care (DHSC) and the Attorney General's Office (AGO) were removed from the scope of Matrix's October 2025 business case. The Machinery of Government change regarding DHSC and NHS England affects the ability of DHSC to onboard as per original Matrix timelines, whereas the AGO's HR and finance services are provided by the Government Legal Department (GLD). The specialised legal function of the GLD meant a large adaption of the ERP software would have been necessary for onboarding the AGO.

Source: National Audit Office analysis of cluster business cases and strategy documents

Enterprise Resource Planning configuration

2.10 Shared services is intended to support government to share and converge data. In a speech at the Institute for Government in March 2025, Darren Jones MP laid out his plans to transform and upgrade the government's central finance system, which would improve the timeliness and accuracy of data shared between departments and HM Treasury and boost decision-making at the heart of the government.

2.11 The Shared Services for Government Strategy intends for the new cluster ERPs to provide efficient, automated end-to-end processes, with reliable data, so that the government can act as 'one Civil Service'. However, the absence of a strong technical lead has resulted in inconsistent ERP configurations and data convergence.

2.12 Clusters have taken different approaches to implementing the new ERPs, informed by the strategy and requirements of the cluster departments, meaning they have not all implemented the same elements or used the same module functionality (**Figure 6** overleaf). This is contrary to the strategy, in which Cabinet Office set out the requirements for clusters in mapping standardised data and processes onto the new ERPs. The requirements featured a set of "common design principles", which included "adopt not adapt", meaning that they use the standard ERPs without modifications, and "interoperability", meaning that all five clusters are capable of sharing information with each other and with other government digital systems.

2.13 The decision to go forward with a cluster approach always meant that, to bring data together from the five clusters, Cabinet Office would need to build a technical solution to enable data convergence. However, the lack of a coherent approach complicates that further, meaning that the government will not be able to share and link up data at a whole-of-government level without building further complex processes and interfaces to collect and converge the data from the different clusters.

NOVA

2.14 Engagement with functional standards has been inconsistent across the functions. The functions that had already implemented their standard were able to manage the transition a lot quicker and easier. In 2023, the Government Finance Function worked with four of the functions: Finance, Government People (HR), Grants and Commercial, to consolidate all their existing standards into a single integrated reference model, now known as NOVA. However, some of the functions engaged with the process more than others. Finance and Grants participated fully. HR participated in the design process but did not work towards implementing its revised standard. Commercial opted out, apart from 'procure to pay' which is also relevant to the Finance Function.

Figure 6

Extract of shared services clusters' Enterprise Resource Planning (ERP) functionalities, as at November 2025

Clusters have not all implemented the same elements or used the same module functionality when configuring their ERPs

Module functionality	Synergy	Defence	Overseas	Matrix	Unity
Learning	Yes	Yes	Yes	Yes	Yes
Expenses	Yes	Yes	Yes	Yes	Yes
Inventory	Yes	No	Yes	Yes	No
Recruitment	Yes	Yes	No	Yes	No
Source to contract	Partial	No	No	No	No
Grants	Partial	No	No	Yes	No
Projects/project accounting	Yes	No	Yes	Yes	No

Notes

1   This extract of clusters' ERP functionality serves to illustrate variance, and does not contain an exhaustive list of planned or operational ERP functionality.

2   Two entries for cluster ERP functionalities are marked 'partial'. Synergy's ERP only allows grant making to organisations and not individuals, and Synergy told us that only low-value sourcing was covered by 'Source to contract'. Defence's ERP currently includes a business-as-usual civilian recruitment functionality. Military recruitment is managed by a third-party service and there will be integration with the new ERP solution from the point of onboarding as part of the cluster's Corporate Services Modernisation Programme.

3   Defence, Overseas and Unity clusters chose not to configure recruitment functionality because of a Cabinet-Office-delivered technology solution which intended to handle this in the place of cluster ERPs. See Part Three of this report for further details.

Source: National Audit Office analysis of cluster technical design documents

2.15 The implementation of unified functional standards is crucial in enabling data convergence for shared services, but delays in adoption of standards after NOVA have affected data convergence and caused delays across some of the clusters. NOVA contains standardised definitions and requirements for many of the back-office processes performed within government departments. For a given process (for example, recruiting a new member of staff), NOVA shows all the necessary steps and decision points, who is responsible and what controls exist. It is intended to be used as a central reference for designing and implementing new ERPs, thus avoiding duplicate design costs.

2.16 The Finance Function has also undertaken work to define a common Chart of Accounts (CCoA) for government. The purpose of the CCoA is to enhance data consistency across government and simplify reporting. CCoA outputs were included in NOVA and Cabinet Office suggested that clusters valued the work as it facilitated convergence.

Functional convergence

2.17 Not all functions have engaged with implementing shared services, which means there is a disparity between functions' data and process convergence, which directly impacts their readiness to onboard. Finance and Grants are widely seen as ready and willing to onboard across all the clusters. Most clusters have therefore fully agreed approaches to financial data and processes. Commercial did not engage with the revised standard or with shared services. Only 'procure to pay' is being implemented by clusters, which leaves a lot of potential benefits unutilised. HR did not implement its standard in good time, which has caused problems and delays in most clusters. In the Defence cluster, the HR Function's onboarding of military users to the ERP is expected to be delayed by at least a year. This will impact the whole programme as the other functions need to interact with military HR data.

2.18 Most clusters reported that the Finance Function was the easiest to standardise and prepare for transition to shared services. This was largely due to the function having implemented its standard. In the Overseas cluster, for instance, finance processes were easier to standardise and migrate compared with HR, due to clearer data structures and less policy divergence.

Part Three

Managing interdependencies

3.1 This part covers:

- how Cabinet Office is managing programmes connected with shared services; and

- what happened with one such programme, the Applicant Tracking System (ATS).

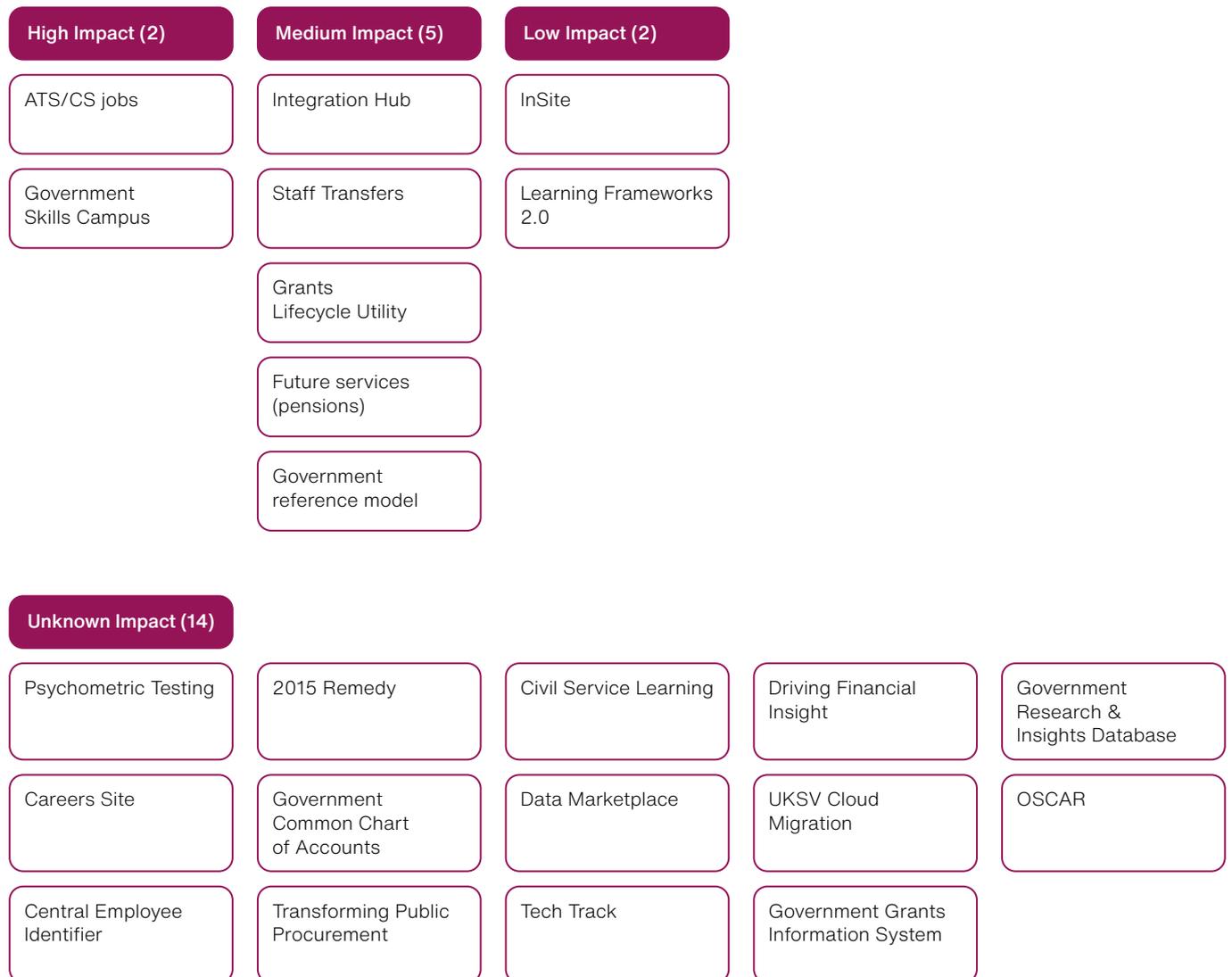### Shared services and other government change programmes

3.2 As of October 2025, the Cabinet Office Shared Services for Government (SSfG) Portfolio team identified 25 change programmes impacting on shared services (**Figure 7**). It is concerned that the real number of interdependent programmes could be higher. Of the seven programmes assessed to have a high or medium impact on shared services, five were sponsored by Government People Group (GPG), one by Government Finance Function (GFF), and one by Government Grants Management Function. Furthermore, GPG, Government Grants Management Function and Government Commercial Function sponsor many other programmes whose impact on shared services was reported to be 'unknown'. GPG also coordinates the implementation of the Shared Services Strategy.

3.3 The SSfG Portfolio team has attempted to manage the risk of interdependencies. In August 2025, it ran a dedicated interdependencies management workshop bringing senior shared services cluster stakeholders and other change programmes' leads together. The SSfG dashboard that the Portfolio team maintains tracks high-level delivery milestones for the 25 interdependent programmes of which it is aware, and flags delays which could affect shared services. Cabinet Office told us in October 2025 that it was planning to run follow-up workshops on interdependencies, commission a second change impact assessment of centrally run digital change programmes and gather even more granular interdependency data for clusters in the future.

Figure 7

Other UK government digital change programmes presenting possible interdependencies with shared services

In November 2025, the impact of 14 other digital change programmes on shared services was judged to be unknown after self-assessment by programme leads

High Impact (2)	Medium Impact (5)	Low Impact (2)
ATS/CS jobs	Integration Hub	InSite
Government Skills Campus	Staff Transfers	Learning Frameworks 2.0
	Grants Lifecycle Utility	
	Future services (pensions)	
	Government reference model	

Unknown Impact (14)

Psychometric Testing	2015 Remedy	Civil Service Learning	Driving Financial Insight	Government Research & Insights Database
Careers Site	Government Common Chart of Accounts	Data Marketplace	UKSV Cloud Migration	OSCAR
Central Employee Identifier	Transforming Public Procurement	Tech Track	Government Grants Information System	

Notes

1   Banking and Falcon are two other central digital change programmes self-assessed to have no impact on shared services. They are not displayed in the graphic.

2   'UKSV Cloud Migration' refers to the United Kingdom Security Vetting, the main UK government provider of security clearances. OSCAR is described by HM Treasury as a cross-government project to replace the first Online System for Central Accounting and Reporting. Details of the Applicant Tracking System/Civil Service jobs (ATS/CS jobs) are covered in paragraph 3.8 of this report.

3   Impact assessments on shared services were conducted by the leads of other central change programmes in February 2025. The status of all programmes is subject to Cabinet Office conducting a new assessment with leads, scheduled for February 2026.

Source: National Audit Office analysis of Cabinet Office Shared Services for Government portfolio management data

3.4 The SSfG Portfolio team's work to improve data on interdependencies has been well received by some clusters, although other clusters and the Portfolio team admit that significant gaps remain. Clusters have told us that, in its current form, the SSfG dashboard does not provide them with a complete set of data, and that the data which are available lack the level of detail to help clusters plan delivery of shared services. The Portfolio team has raised concerns that other change programmes have not returned all the information it requested and that it has no mandate to enforce returns on other programmes. Separately, the Portfolio team told us that it has delayed its follow-up workshops on interdependencies due to a lack of information from GPG on other change programmes it sponsors and of which shared services is not yet aware.

3.5 In addition to collating and sharing data on interdependencies, the SSfG has also recognised governance weaknesses and attempted to show how interdependencies between shared services and other programmes are managed. In January 2025, the National Infrastructure and Service Transformation Authority urgently recommended the creation of a central design authority governing both shared services and "the wider functional and interoperability agenda". In July 2025, the SSfG's response consisted of applying for funding to resource a new Government Corporate Services Board, which would hold clusters and all other central change programmes to account by being a formal part of clusters' and functions' governance structures. The SSfG's request was unsuccessful. The SSfG's Service and Technical Design Authority (SaTDA) was created instead, in October 2025, intending to serve a similar purpose. The SaTDA has elicited a positive response from some clusters, even if others are not certain that they will obtain the steer on interdependencies which they need from this forum. One cluster expressed concerns that the SaTDA could not ensure alignment between shared services and functions sponsoring other change programmes.

3.6 Poor governance of interdependencies is affecting clusters' planning and delivery of shared services. Clusters' modelling for value for money depends on estimated benefits. These are based on assumed savings, like productivity gains. The government must coordinate to avoid counting the same benefits in two or more different programmes' plans. Clusters have flagged concerns that other interdependent change programmes included the same benefits registered by shared services in their own planning documents. These concerns extend to change programmes also sponsored by GPG and which are still going ahead, like OneData. Clusters have more broadly questioned whether the assumptions behind other digital change programmes' benefits remain valid given the scope of shared services.

3.7 The tight delivery timeline of shared services means that delay and cost overruns can occur if clusters' design cannot be aligned with those of other interdependent change programmes. In November 2025, some clusters were still unable to close key design decisions to schedule due to interdependencies between their Enterprise Resource Planning (ERP) systems and two other GPG digital change programmes: Government Skills Campus and the Applicant Tracking System.

The Applicant Tracking System programme

Background

3.8 In January 2022, the government started the ATS transformation programme (ATS programme) to replace the current centralised civil service recruitment platform with a new central platform (**Figure 8** overleaf). This was ahead of the expiry of the civil service contract with the existing platform in May 2025. Since 2023, the Chief Government People Officer (a director general in the Cabinet Office's Government People Group) sponsors both the ATS programme and shared services.

3.9 In April 2025, Cabinet Office estimated that the ATS programme would deliver benefits of £112 million between 2024-25 and 2031-32 at a cost of £41 million, including a contract for £18 million with an external company for delivering the new central platform. Taking the risks to the project into account, Cabinet Office anticipated that it would deliver £1.75 benefits for each £1 spent.
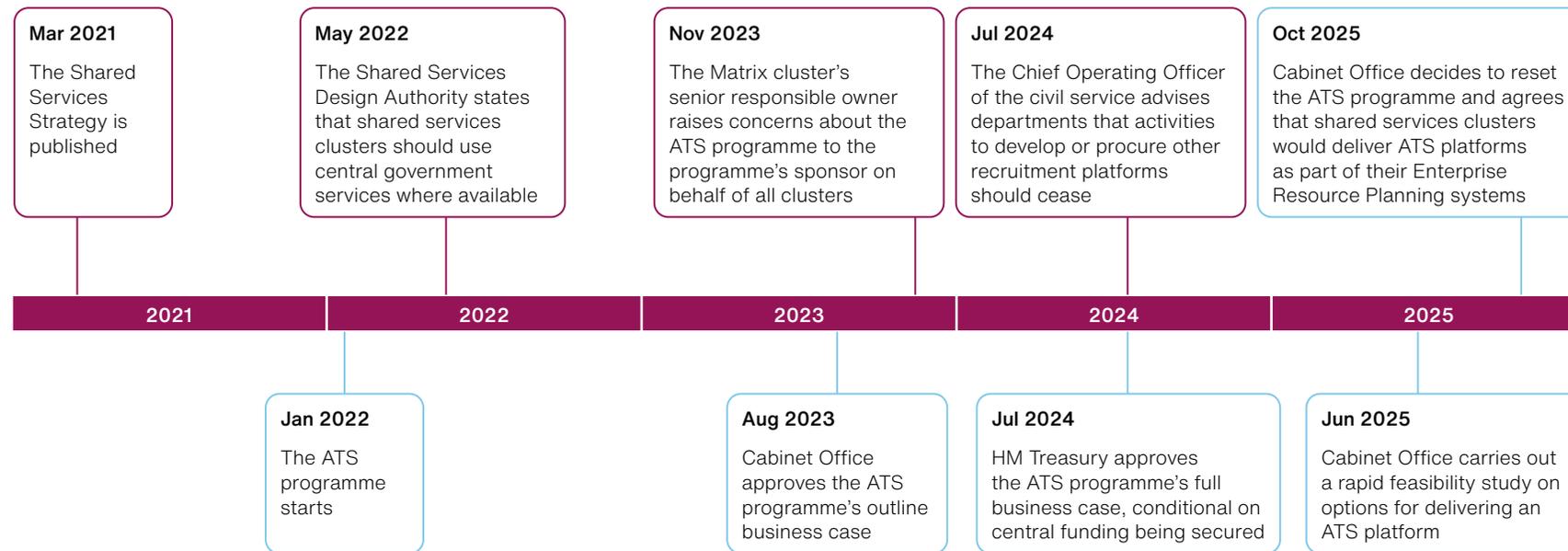
Engagement with clusters

3.10 Cabinet Office expected all government departments to use the new central recruitment platform, and all clusters to integrate it with their ERP. The ATS programme was intended to deliver a cost-effective solution for all of government and to ensure a consistent experience for jobseekers. While use of the new platform was never explicitly mandated, Cabinet Office officials believed it would be used throughout government, in keeping with government technology principles where appropriate.

3.11 The ATS programme consistently identified lack of adoption as a major risk. If a department or cluster opted out, it would have to procure alternative services at additional cost, and the remaining clusters would bear the full costs of the ATS, which may make the service unaffordable.

Figure 8

Timeline of events relating to the Applicant Tracking System (ATS) transformation programme, 2021–2025

Cabinet Office decided to reset the ATS programme in October 2025 following concerns from shared services clusters

Mar 2021

The Shared Services Strategy is published

May 2022

The Shared Services Design Authority states that shared services clusters should use central government services where available

Nov 2023

The Matrix cluster's senior responsible owner raises concerns about the ATS programme to the programme's sponsor on behalf of all clusters

Jul 2024

The Chief Operating Officer of the civil service advises departments that activities to develop or procure other recruitment platforms should cease

Oct 2025

Cabinet Office decides to reset the ATS programme and agrees that shared services clusters would deliver ATS platforms as part of their Enterprise Resource Planning systems

| 2021 | 2022 | 2023 | 2024 | 2025 |

Jan 2022

The ATS programme starts

Aug 2023

Cabinet Office approves the ATS programme's outline business case

Jul 2024

HM Treasury approves the ATS programme's full business case, conditional on central funding being secured

Jun 2025

Cabinet Office carries out a rapid feasibility study on options for delivering an ATS platform

○ Shared services

○ ATS

Note

1   The ATS transformation programme (ATS programme) is a Cabinet Office initiative intending to replace the current centralised civil service recruitment platform with a new central platform.

Source: National Audit Office analysis of government documents and interviews with government officials

3.12 At various points between 2023 and 2025, some clusters raised concerns about the ATS programme with ATS representatives and with the director general who sponsors the ATS programme and shared services. They stated that they would prefer to use the ATS functionality of their own ERPs over the new central platform. Their concerns included the following:

● the ATS programme aimed to deliver overlapping benefits with the shared services clusters, raising the risk of double counting;

● data would have to be transferred manually from the new central platform to the clusters' ERPs, resulting in additional costs;

● the clusters required an ATS solution to be available before the delivery date of the new central platform; and

● there was no single, overarching government approach covering both the ATS programme and shared services.

3.13 The ATS programme worked to address the clusters' concerns. From mid-2024 onward, the ATS programme increased its efforts to better understand the clusters' requirements, respond to their concerns and increase their support for the programme. The ATS programme hired an engagement manager to lead on cluster engagement, and it set up an ATS advisory board involving cluster representatives.

3.14 HM Treasury approved funding without assurances that clusters or departments would use the new ATS platform. In July 2024, the Chief Operating Officer of the civil service wrote to the heads of all departments stating that she expected all departments to use the new ATS platform, that activities to develop or procure other platforms should cease, and that HM Treasury would not grant approval for spend that duplicated the ATS platform.

ATS programme reset

3.15 Cabinet Office agreed with clusters to reset the ATS programme in October 2025.[4] Cabinet Office:

● reduced the scope of the ATS programme to delivering the services that departments required from a central provision, such as a central jobs board and pre-employment checks, but not an ATS;

● agreed that each cluster would be deploying its own ATS as part of its ERP; and

● began looking at options for service continuity of the current centralised jobs platform to 2030, to give clusters sufficient time to develop their own ATS.

4   A programme reset is a fundamental change to what the programme will achieve, or how it is delivered, that cannot be managed through routine change control procedures.

3.16 Cabinet Office estimates that the total costs of the programme reset will be between £26 million and £38 million. This includes contract exit costs, continuing provision of the current service and clusters deploying ATS as part of their ERPs. Cabinet Office is preserving the software developed prior to the ATS programme's reset, and will consider if it will be able to use it in the future. Additionally, the staffing costs for the civil servants who worked on the central ATS project prior to the reset are around £9 million.

3.17 The ATS programme reset exhibited some of the elements of good practice identified in our lessons learned report on resetting major programmes.[5] There was a clear and shared appreciation of what the reset needed to achieve. There was also consideration of suppliers and delivery partners, including contractual and legal implications of each option. Representatives of clusters and the programme team honestly expressed their views, including in areas of disagreement.

3.18 However, Cabinet Office did not assess whether a reset was needed as soon as it could have, considering some clusters' long-standing objections to the central ATS solution and the fact that, in the past, other central programmes were hindered by limited adoption within government.[6] When Cabinet Office assessed the options for a reset, time constraints made it challenging to assess them thoroughly. For instance, cost estimates for the various options did not consider all costs – they were largely based on figures provided by the clusters, but disputed by the central ATS team, and not independently verified – and the benefits of each option were not quantified. For this reason, there is insufficient information to assess whether the decision to reset the programme represents value for money.

3.19 There was also lack of clarity on the reset's governance. For instance, while we have seen evidence indicating that the decision resided with the Chief Government People Officer and the director general in the Cabinet Office's GPG, Cabinet Office has been unable to provide a formal written record of the reset decision being made. This is despite the ATS programme being part of the Government Major Projects Portfolio (GMPP). Also, as of December 2025, no accounting officer assessment of the ATS programme had been published.[7] Government guidance requires an accounting officer assessment to be published when a project included in the GMPP departs from the agreed plan.

5   Comptroller and Auditor General, *Lessons learned: Resetting major programmes*, Session 2022-23, HC 1198, National Audit Office, March 2023.
6   Comptroller and Auditor General, *Managing debt owed to central government*, Session 2013-14, HC 967, February 2014; Comptroller and Auditor General, *Investigation into Verify*, Session 2017–2019, HC 1926, March 2019.
7   Accounting officer assessments are intended to support good decision-making and to provide positive assurance that the four accounting officer standards of regularity, propriety, value for money and feasibility have been met.

3.20 The ATS programme failed to meet its objective of replacing the current centralised civil service recruitment platform with a new central platform. This means that clusters have varying degrees of readiness to deploy an ATS as part of their ERP. The Defence cluster introduced civilian human resources capability in 2022. This ERP functionality interfaces with other central systems like the current centralised civil service recruitment platform, which the ATS programme had intended to replace. The cluster told us that, after the ATS programme's reset, it is now exploring available options to provide an enhanced service and support all civilian recruitment across Defence in place of the central ATS solution. The Overseas cluster, which lacks the funding and bandwidth to develop an ATS, told us that implementing its own ATS solution will reduce the time available for other activities that could have delivered additional benefits.

Appendix One

Our audit approach

Our scope

1   This study builds on our previous work to provide an updated evaluation of the government's progress towards delivering shared services since we last reported on the topic in November 2022. Part One gives an overview of Cabinet Office's Shared Services Strategy alongside the current governance, funding and accountability arrangements underpinning it. Part Two analyses clusters' and functions' progress towards delivering this strategy. Part Three examines the landscape of other government digital change programmes which are interdependent with shared services, including a deep dive into the Applicant Tracking System (ATS) transformation programme. The evidence we collected and analysed between June and December 2025 has informed our conclusions and recommendations.

2   While the scope of our study is specific to shared services, delivery of the strategy involves stakeholders in central government departments, functions and arm's-length bodies. As part of our fieldwork, we have spoken to officials across government in their capacity as delivery stakeholders. We have commented on the ATS programme and other digital change programmes in Part Three insofar as these are relevant to shared services as interdependencies. ATS was chosen as the subject of a deep dive after interdependencies between it and shared services were mentioned by multiple different interviewees.

Our evidence base

3   As part of our evidence base, we have referred to the preceding National Audit Office[8] and Committee of Public Accounts[9] reports on shared services, published in November 2022 and May 2023, respectively. We have also conducted quantitative and qualitative analysis of fieldwork which we carried out between June and December 2025. This fieldwork was tailored to the scope of this study and has allowed us to reach our independent conclusions on how the government responded to our previous findings and recommendations. Our conclusions address new developments since our last report.

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8   Comptroller and Auditor General, *Government shared services*, Session 2022-23, HC 921, National Audit Office, November 2022.
9   Committee of Public Accounts, *Government Shared Services*, Fiftieth Report of Session 2022-23, HC 734, May 2023.

Quantitative analysis

Data analysis

4   We conducted descriptive analysis of data reported in clusters' business cases to understand each cluster's Net Present Value, projected total investment costs and affordability modelling, including any shortfall in funding. Retrieving these data has helped present the assumptions on which each cluster's delivery plans are based. Data were contained within the economic and financial cases, which are sections in each cluster's business case. We have not sought to replicate or assure the figures published by clusters as these are included for descriptive purposes alone; however, we did cross-validate our findings through interviews with senior officials to better understand the data's parameters. We conducted descriptive analysis of HM Treasury spending review outcomes approved for the three clusters funded centrally for the same purposes.

5   We performed descriptive analysis of a PowerBI data dashboard maintained by the Cabinet Office Shared Services for Government's Portfolio team. The dashboard contains:

●   monthly data commissions from all five shared services clusters on their performance and progress towards delivery;

●   data about clusters' risks, costs and benefits; and

●   information about key interdependencies between shared services Enterprise Resource Planning (ERP) systems and other digital change programmes being delivered across government.

6   We exported the data and met three times with the Portfolio team to understand the assumptions and parameters of these datasets, as well as any assurance activities which had been undertaken. We discuss the scope and limitations of the dashboard's data, including significant variation in the quality and completeness, as findings in Part One of this report.

Qualitative analysis

Interviews

7   We conducted 87 core interviews and other related meetings with senior civil servants involved in the delivery of shared services. We selected interviewees in collaboration with clusters and Cabinet Office based on their ability to comment on the details relevant to our study's scope. We spoke with officials from:

- Cabinet Office (including the Shared Services for Government directorate, senior Government People Group officials, and other teams delivering interdependent digital change programmes, like the ATS transformation programme);

- HM Treasury (including spending teams for shared services, and the Government Finance Function which led NOVA's development);[10]

- senior leadership in the five shared services clusters (Defence, Matrix, Overseas, Synergy and Unity), including each cluster's senior responsible owner;

- departments and government functions, as represented within clusters; and

- other cluster delivery teams, such as design teams, finance teams and portfolio management offices.

8   We also met with the National Infrastructure and Service Transformation Authority (NISTA), whose review teams have assured shared services clusters' delivery as well as the governance of the strategy.

9   Core interview fieldwork took place between 31 July and 26 November 2025. We carried out interviews online, taking detailed notes. Interviews typically lasted one hour. We approached interviews in a semi-structured manner, referring to the study scope which had been shared with audited bodies prior to interviews. As the study progressed, interviews with clusters were conducted with the assistance of a common framework of questions, ensuring that we covered all elements of the study's scope, regardless of who was leading the interview.

10   Interview questions focused on:

- key cluster design decisions, including adherence to NOVA;

- interdependencies with other government change programmes, including ATS;

- cluster funding and affordability;

- cluster and Cabinet Office performance tracking; and

- work with functions, departments and arm's-length bodies within clusters to ensure that users' needs were met.

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10   NOVA contains standardised definitions and requirements for many of the back-office processes performed within government departments. It is intended to be used as a central reference for designing and implementing new ERPs. See paragraphs 2.14 and 2.15 of this report for more details.

11   Interviews with Cabinet Office's Shared Services for Government team additionally addressed areas specific to their coordinating role, including knowledge-sharing between clusters. Interviews with the ATS transformation programme team aimed to triangulate other evidence provided to the study team about the chronology and assumptions of that programme's delivery.

Interviews – Analytical approach

12   We organised our detailed interview notes in SharePoint, enabling dynamic searching of multiple documents for key words and themes. Where relevant, we extracted content through a coding matrix tailored to our study's scope. We used our analysis to inform further lines of enquiry, build our understanding of key issues, contextualise evidence found in documents we had reviewed and log stakeholders' opinions on scope-relevant issues.

Document review – background review

13   We reviewed the preceding National Audit Office report and Committee of Public Accounts report (see Appendix One, paragraph 3), Cabinet Office's Treasury Minute and NISTA reviews on shared services (2022–2025) to inform our audit approach. This review was carried out between 9 June and 21 July 2025. Our analysis allowed us to keep track of previously identified issues affecting value for money.

14   We saved all documents selected for background review in a single tracking file, assigned each a unique numerical identifier and wrote content summaries to enable efficient future reference.

Document review – systematic review

15   We reviewed documents against our audit's scope as part of core fieldwork between 31 July and 26 November 2025. We received and reviewed further contextual correspondence from audited bodies in December 2025. Documents used as evidence were dated between July 2018 up to the end of fieldwork and included the following:

•   documents or decisions mentioned in previous shared services reports which audited bodies had agreed to finalise since our last report in 2022. We requested and reviewed board minutes, design guidance, governance organograms and terms of reference, funding outcomes, and the latest strategy-wide programming documents held by Cabinet Office. We also requested business cases, benefits, risk and costs registers, delivery timelines, and governance arrangements from clusters.

•   documents to substantiate elements not mentioned in the back catalogue but raised during interviews or in other documents requested and flagged as having a direct impact on our audit scope. Examples include evidence for interdependencies between shared services and other centrally run change programmes, official reports, official correspondence between senior civil servants and records of programme-critical decisions.

16 We ensured a systematic and transparent approach by logging all documents in a common central tracker. This included space for a summary of audit-relevant content to enable efficient future reference. Where pertinent, we extracted information in a dedicated fieldwork coding matrix adapted to our study's scope. Business case evidence was reviewed against a dedicated framework informed by our expectations for shared services delivery since our last report.

17 We made use of National Audit Office expertise in public-sector digital transformation programmes to assist with technically demanding documents where these could not be independently corroborated through interviews.