

Whitehall Monitor 2014

A data-driven analysis of the size, shape and performance of Whitehall



Foreword

The *Whitehall Monitor* annual reports are designed as an authoritative analysis of publicly available data to illuminate the size, shape and performance of central government. We see the reports as matching the aims of the Government's open data initiative in contributing to greater democracy and accountability.

This report complements the regular *Whitehall Monitor* bulletins we produce throughout the year on particular topics, such as, for example, the size of the Civil Service, the annual engagement index, and the distribution of civil servants in Scotland between the UK and Scottish governments.

Our first *Whitehall Monitor* report was seen inside and outside government as a major step forward in analysis and explanation. Our second annual report has the same aim: to use the most up-to-date information to focus on inputs (mainly money and people); outputs (what departments do with resources and how they manage them); and outcomes (performance and the difference made on the ground). The underlying question is, what does this data tell us about government effectiveness?

The latest report takes forward, and builds on, what was an innovation last year and offers a fresh range of graphics to illustrate the main themes, as well as including new topics and measures. It analyses the data that is available but also points to shortcomings. There have been some important improvements in the past year – for instance, in the timing and nature of Permanent Secretary Objectives and in the reports of the Major Projects Authority. But the report identifies areas still in need of improvement, notably in government contracting-out of services.

We hope that both government departments and those who hold them to account will find this report useful in pointing to constructive ways in which our understanding of Whitehall is improving, and can be improved further.

A handwritten signature in black ink that reads "PJR Riddell". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Peter Riddell
Director, Institute for Government

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About the authors

Gavin Freeguard joined the Institute as a researcher in August 2013, since when his work has focused on *Whitehall Monitor*, transparency in government contracting and preparing politicians for government. He was previously political adviser on culture, media and sport to Harriet Harman MP and, before that, deputy director of the Orwell Prize and senior editor at the Media Standards Trust. He holds an undergraduate degree in History and Politics from the University of Oxford and a master's in the History of Political Thought from UCL and Queen Mary University of London.

Petr Bouchal is a researcher at the Institute, where his work focuses on *Whitehall Monitor*, financial leadership in government and policy implementation. Petr holds an MPhil in Politics from the University of Oxford and a BA in International Relations and Economics from Tufts University in the United States. He joined the Institute in April 2012. Prior to this he worked at the Open Society Fund in Prague, focusing on good governance. He has also worked with a national chapter of Transparency International and provided research assistance to a University of Oxford project on parliamentary politics.

Robyn Munro joined the Institute as a researcher in August 2013. Her work has focused on coalition governments and how the Civil Service works with political parties, and on devolution, as well as *Whitehall Monitor*. Prior to joining the Institute she worked for a public affairs consultancy advising clients from the social housing, green energy and property development sectors. She has a BA in History from the University of Oxford and an MSc in Public Policy from the University of Bristol.

Caragh Nimmo worked as a research intern at the Institute between April and August 2014. Prior to joining the Institute she worked at the Clinton Global Initiative, focusing on the advancement of the rights of women and girls. She has previously worked for elected representatives in the Scottish Parliament and UK Parliament. Caragh holds an LLB and Diploma in Legal Practice from the University of Glasgow, where she also worked as a graduate teaching assistant in the area of administrative law.

Julian McCrae is the Deputy Director at the Institute for Government and has worked there since July 2009. Prior to this, he was one of the Deputy Directors at the Prime Minister's Strategy Unit. His other experience in government includes two spells in the Treasury, and at the Department for Work and Pensions. Julian started his career at the Institute for Fiscal Studies, where he spent eight years.

Acknowledgements

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All of our colleagues at the Institute for Government have contributed in some way to the project this year. In particular, we would like to thank Peter Riddell, Jill Rutter and Tom Gash; Andrew Murphy for all his work on this report and online; Nadine Smith and Mark Mistry on the communications side; Hannah White on parliamentary data; Jonathan Pearson, Allison Dunatchik and Julian Traficante on ALB work; and Nicola Hughes and Will Wright on perceptions of government.

Thanks are also due to our erstwhile colleagues Justine Stephen, David Bull and Katie Dash, whose work on last year's annual report made our job easier this time round. The same goes for our colleague Chris Wajzer for his earlier work on financial data.

Any errors or omissions are, of course, our own.

Gavin Freeguard, Petr Bouchal, Robyn Munro, Caragh Nimmo and Julian McCrae

November 2014

Introduction

Whitehall Monitor aims to chart government – using data to analyse the size, shape and performance of Whitehall and present it in an understandable, compelling and useful way.

We use open data published by government, Parliament and a few other sources to look at everything from how big each government department's budget is and how many staff it employs to how much legislation it has been responsible for and how many written parliamentary questions it has answered on time. As well as providing a valuable snapshot of what government is, what it looks like and some of the many things it does, we hope to show how well it does its job and how this has changed. In so doing, we hope to provide the evidence and the impetus to make government more effective.

This is the second *Whitehall Monitor* annual report. We also publish more frequent analysis as and when data is issued at www.instituteforgovernment.org.uk/our-work/whitehall-monitor.

About the report

The report is divided into three broad sections, which each consist of a number of chapters:

- **Inputs** are the resources that political and civil service leaders have at their disposal, including budgets and people.
- **Outputs** are what government departments do with those resources and how they manage them, for example legislation, contracting and arm's-length bodies.
- **Outcomes** are the real-world impacts of those outputs – the actual difference made by government departments on the ground.

The front page of each chapter summarises its key findings and also introduces the relevant datasets. The website links at the foot of each chapter page will take you to the dataset in full, allowing you to see, analyse and visualise the data for yourself. These links will also take you to any previous *Whitehall Monitor* blogposts or bulletins on the same or similar subjects. There is an Endnotes section at the end of the report for chapter notes.

This report went to press in early November 2014. In some cases, more recent data will have been published. Again, the links for each chapter will take you to analysis of any such data.



Why Whitehall matters

Whitehall, London SW1, is the street connecting Westminster with Trafalgar Square and the restaurants, bars and other attractions of the West End.

But, lined with government departments such as the Treasury, the Ministry of Defence and the Department of Health, it is also the street connecting the political decisions of government and Parliament with the rest of the country and with people's everyday lives. What happens in Whitehall, therefore, matters.

Whitehall Monitor aims to provide a way of thinking about government that can allow us to judge its effectiveness – through inputs (the resources Whitehall has available to it), outputs (how government departments manage those resources) and outcomes (the real-world impact of what government departments do).

Within this framework, we consider the size (budget and staff numbers) of departments; their diversity, stability of leadership and engagement; how they manage their resources (whether directly or through arrangements including contracting and arm's-length bodies); what they do with them (such as legislation and responding to political and public enquiries); how they measure their performance; and how much of a difference their policies and reforms make in the real world.

In so doing, we define 'Whitehall' as a collection of 16 central ministerial departments and one non-ministerial department (HM Revenue and Customs, or HMRC). The term does not refer only to London SW1, the geographic Whitehall, but to the departments as they operate around the UK. Where possible, we try to focus on the core department managed by and interacting directly with the leaders of the department, both on the political side (secretaries of state and junior ministers) and on the civil service side (the permanent secretary).

This isn't always possible – not all data distinguishes between the core and the rest – and so we sometimes examine the whole departmental group, which includes arm's-length bodies and other agencies. In some of our analysis, for example government reshuffles, we will also include other government departments (such as the Northern Ireland, Scotland and Wales Offices), but in every case, these will be clearly introduced.

We hope that this second *Whitehall Monitor* annual report will provide a useful and usable snapshot of government in graphics, showing the shape, size and performance of Whitehall and (where possible) how it has changed since 2010.

Why open data and transparency matter

The commitment of the Coalition and the previous Labour government to open data and transparency means the UK is now seen as a global leader in the field.

But why does it matter? The present Government has outlined three aims for open data: greater accountability and democracy (allowing citizens to hold government to account); economic and social growth (companies can use open data to build products and feed growth); and more efficient public services (helping government and the taxpayer get a better deal and better services).

In publishing *Whitehall Monitor*, we hope we are contributing to better democracy, allowing the public, journalists and others to see how government works and what it is possible to do with government data. But we hope it can also lead to better public services and more effective government; our hope is that departmental leaders can learn from others and understand their own department better.

In the past year we have seen advances in how particular datasets are published and used by government (including financial data and Permanent Secretary Objectives). There are, however, still improvements government can make, which we address in the Executive Summary and throughout this report.

Nevertheless, with this annual report, we are in a better position than ever to analyse how government operates and performs using the data it publishes. And the more that people use government data, the better and more useful it will become.

Executive summary

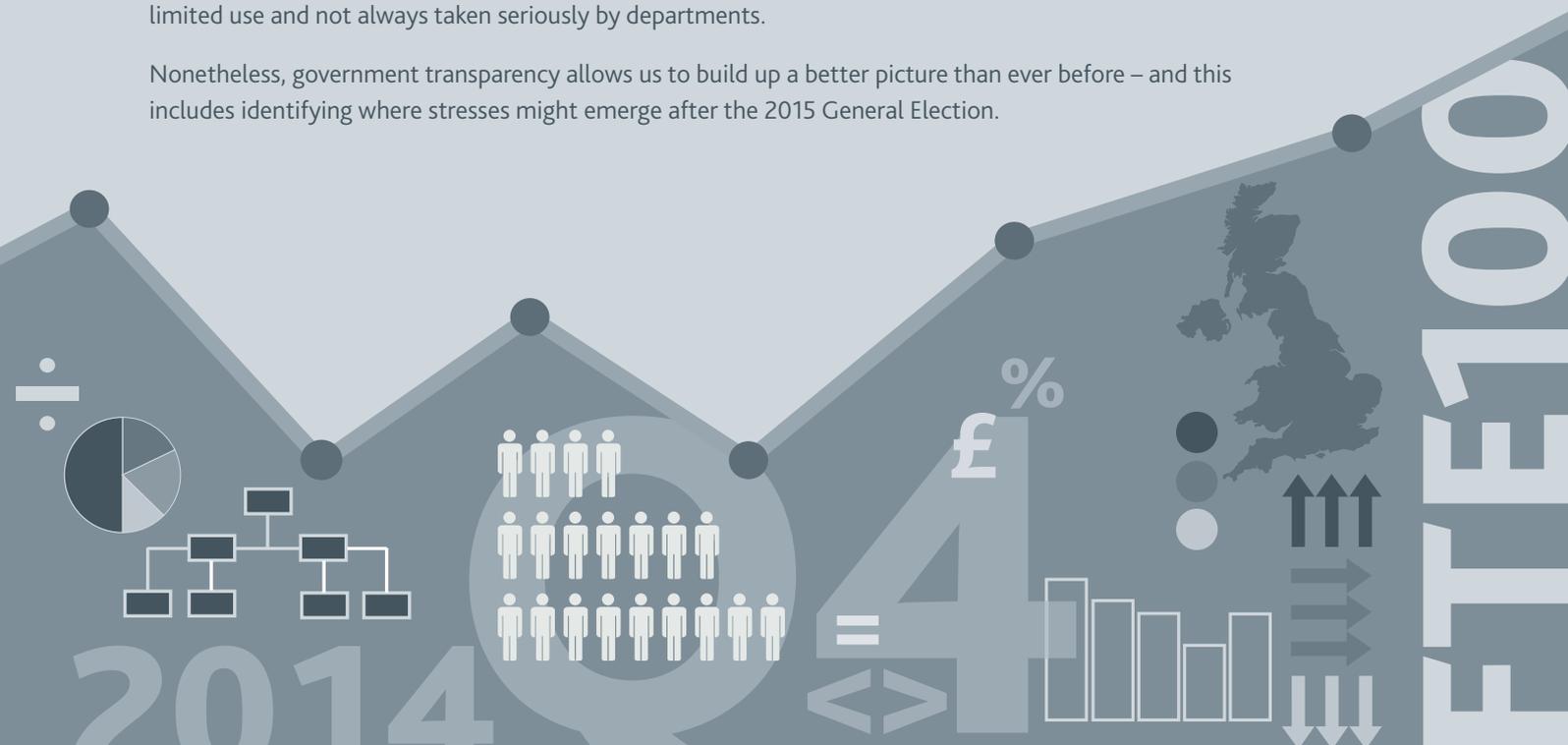
This year's *Whitehall Monitor* annual report tells three stories: what government looks like in the UK in 2014, how it has changed since 2010, and how transparent it is. These stories and the data underpinning them also give us a sense of the stresses Whitehall is likely to face under any government formed after the 2015 General Election.

In terms of what government looks like, the key word is variety. Although each government department is similar in being allocated a certain amount of resources, employing staff to deploy them, and answering to Parliament through a minister who sits in the Cabinet, they are defined by their differences. They differ in terms of their scale – their budgets, their staff numbers, the grade balance of their civil servants, the diversity of their staff and the functions their staff perform. In the aftermath of the Scottish referendum, it is worth noting the differences in the territorial extent of departments and where they employ their staff. Departments also differ in what they do with their resources – some directly manage much of their spend, others channel it through arm's-length bodies (ALBs), others through grants and system funding, and others through contracts with third parties. Some departments are responsible for more legislation than others; some receive a large volume of requests for information from parliamentarians and the public; some have more major projects; and some departments are performing better than others against their targets and in managing their major projects.

Whitehall has undergone significant changes since 2010. Departments have had their budgets reduced after the Government challenged itself to address the deficit, and many are spending even less than was planned in 2010. Nearly all have fewer staff with which to manage those budgets than pre-2010, and some have experienced considerable change in departmental leadership, with a high turnover of ministers and permanent secretaries. In spite of this, there has been little overall change in how civil servants feel about working in their organisations – although the engagement scores of some departments have fallen, and civil servants have become unhappier about their pay and benefits. Major reforms by the Coalition – notably at the Department for Education (DfE), Department of Health (DH) and Ministry of Defence (MoD) – have changed how those departments manage many of their resources, and therefore the skills and capabilities they need to employ. In terms of performance, there has been a slight improvement in how departments manage major projects and in the number of Business Plan actions under way (though some departments have got worse).

As for transparency, Government has improved the way it publishes and uses some of its data over the past year, including top-level financial data and objectives for permanent secretaries. Some welcome initiatives – notably the Major Projects Authority annual report – continue to be useful and largely realistic. However, concerns remain. A lack of financial transparency in some areas makes it difficult to explain changes between planned spending and actual outturn, and to present a comprehensive picture of government contracting; some datasets are missing a large amount of information (for example, on civil servants' individual professions); and the actions and impact indicators contained in Departmental Business Plans (which should allow the public to track the progress of actions and reforms, and their impact in the real world) are of limited use and not always taken seriously by departments.

Nonetheless, government transparency allows us to build up a better picture than ever before – and this includes identifying where stresses might emerge after the 2015 General Election.



What government looks like in 2014

When people think of government departments (if they think of them at all), it is probably what they have in common that stands out – the department of this or the ministry of that, based somewhere in London SW1, that receives money from the Treasury, employs people to work on behalf of the Government and has a politician representing it around the Cabinet table, in Parliament and through the media to the public. But government departments in 2014 vary hugely in what they are, what they do, and how they do it.

The resources that these departments have – the budgets, assets and staff that we call ‘inputs’ in this report – are the first point of difference. Some, such as the Department for Work and Pensions (DWP) and the Department of Health (DH), are allocated more than £100bn a year; others, such as the Cabinet Office, with £500m (excluding the Secret Intelligence Service), considerably less. The control departments have over their spending also varies: more than 90% of DWP’s spending is Annually Managed Expenditure (AME) – demand-led spending that it is obliged to pay to any eligible claimant, like pensions and unemployment benefit. Spending in most other departments is mainly through DEL budgets (Departmental Expenditure Limits), where those in charge of the department have more control in allocating funds to achieve their departmental goals.

There is also a contrast between departments with mostly resource spending (on day-to-day operations, namely administration and policies) and those with mostly capital spending (adding to the assets of the public sector, through buildings and infrastructure). The Department for Transport (maintaining roads and railways) and Department of Energy and Climate Change (nuclear energy) are the only departments with more than 50% of spending going to capital.

Departments vary in the amount of assets and liabilities they hold, which seldom receive attention. The stake held by the Treasury in the banks following the financial crisis; by MoD in military estate, weapons and ammunition; and by the Department for Transport (DfT) in the transport infrastructure give them assets of more than £100bn (the majority of departments are under £10bn). Meanwhile, clinical negligence at DH and nuclear decommissioning at the Department of Energy and Climate Change (DECC) are the largest departmental liabilities.

Devolution means that the territorial extent of departments’ spend and responsibility also varies. The Department for Education (DfE) is England-only while nearly all of the responsibilities of the Chancellor’s Departments (CxD) are UK-wide. The rapidly evolving, devolving constitutional settlement over the next few years is likely to have consequences not only for the nations and English regions but for how Whitehall operates.

As finances vary between department, so too does the workforce. DWP, HM Revenue and Customs (HMRC), the Ministry of Justice (MoJ) and MoD, with more than 50,000 employees each, dwarf the other departments. Most staff in the Department for International Development (DfID) are at the senior end of the civil service grades, compared to MoJ, which is dominated by staff at the lowest administration grades. All staff in the Department for Culture, Media and Sport (DCMS) are based in London, while other departments and their arm’s-length bodies have a large percentage of staff in devolved nations (DfT in Wales, DfID in Scotland), which could become an issue with any further devolution. Civil servants in different departments also differ in what civil service professions they are part of – and therefore what they do on a day-to-day basis. ‘Operational delivery’ dominates HMRC, DWP, MoJ and the Home Office (HO), while policy is the largest professional grouping in DECC, the Department for Communities and Local Government (DCLG), DH and DfID.

How departments manage their resources and what they do with them – the ‘outputs’ in this report – also differ. Some line-manage most of their resources directly (e.g. HMRC, DWP), others sponsor arm’s-length bodies (e.g. the Department for Business, Innovation and Skills, DECC, DCMS), others still distribute grants and system funding (e.g. DfID, DCLG with its funding of local authorities) and some contract services out (e.g. MoJ). These vastly different ways of running a department require different sets of specialist skills and capabilities. But many departments use a mix of these management models. For example, according to the National Audit Office, MoD ultimately spends the most on contracts with third-party suppliers, but most of its resources are directly managed or channelled through arm’s-length bodies.

Government departments can implement their policies and achieve their goals through different routes, including legislation. The Treasury is responsible for the most bills (including finance bills which translate proposals made in the Budget into law); other departments have passed just a few pieces of legislation (if any). Departments come under different levels of pressure to answer enquiries and release information through parliamentary questions, correspondence and freedom of information

(Fol) requests, with DWP and DH bearing the most scrutiny. They also differ in how timely and how full their responses are. Departments are also responsible for varying numbers of major projects, MoD having the most, followed by DH.

Finally, various performance measures show us the different responsibilities and performance of departments. Looking at the actions and reforms they specify in their Business Plans, DfID missed the fewest deadlines and DCMS the most. On major projects, DfID, DH and HO saw delivery confidence decline in more projects across their portfolio than improve.

How government has changed since 2010

Whitehall departments have undergone significant changes since 2010, some more than others. Some departments have had a higher turnover of political leadership than others. Reshuffles mean that six departments are on their third secretary of state since May 2010 (MoD, Defra, the Wales Office, Scotland Office, DfT and DCMS), although six remain on their first (the Department for Business, Innovation and Skills, the Cabinet Office, DCLG, DWP, the Treasury and HO). Reshuffles have also affected junior ministers, who do much of the heavy lifting in Parliament and on policy implementation: more than half of the ministers at BIS and DfE, and half of the ministers at MoD and DECC, were new to their post at the July 2014 reshuffle. In all, 19 out of 121 people remain in the same posts as when the Government was appointed in May 2010. On the civil service side, only one Permanent Secretary (Nicholas Macpherson) was in the same post prior to May 2010. This turnover of politicians and permanent secretaries is a perennial pressure on departments and likely to continue – it can hinder government effectiveness as leaders cannot see the job through to the end.

Turning to finances, the Government's commitment to reducing spending in order to address the deficit means that departments have been allocated reduced budgets. Many departments are spending even less than planned in the 2010 Spending Review, particularly DfID, DECC and the Department for Environment, Food and Rural Affairs (Defra). Some of the changes can be explained through transfers of spend to other departments (for example, transport grants moving from DfT to DCLG) or policy changes (an extension of early-years childcare at DfE), but many do not appear to be explained in any documentation published by the departments concerned. In a time of sustained spending cuts, which are likely to continue after 2015, the lack of transparency can make it difficult to work out exactly how effective spending reductions are: are they sustainable, or are they simply storing up pressures for the future? Meanwhile, some liabilities have increased – particularly provisions for clinical negligence claims at DH (by 53%) and public sector pensions.

Civil service staff numbers have fallen from nearly 480,000 at the Spending Review in 2010 to under 410,000 in June 2014 (Full-time Equivalent). Again, different departments have different experiences – DCMS, DCLG and DWP have seen the largest percentage cuts, while DECC, DfID and the parts of the Cabinet Office (CO) line-managed by ministers and senior civil servants have more staff now than in 2010. For the first time, the current government is not on track to meet its objective in staff reductions. There may well be further reductions in the civil service workforce after May 2015. Whitehall will need to consider how it changes its ways of working, with a number of senior leaders publicly suggesting that more functions need to be shared across departments.

The composition of staff within departments has also changed slightly, with a number of departments (including DfID, DECC, CO, BIS, DfT, and DfE) becoming relatively more senior in terms of grade. The Civil Service as a whole is older than in 2010, slightly more female at senior level (though with women still making up only 38% of the Senior Civil Service), and slightly more diverse in terms of ethnicity and disability.

Despite the considerable challenges involved in budget and staff reductions, civil service engagement scores – how civil servants feel about working in their organisations – have held up or recovered after redundancy rounds. There are exceptions, however: DfE's engagement score has fallen from 63% in 2009 to 51% in 2013, and across the Civil Service, satisfaction with pay and benefits has continued to fall. One thing that hasn't changed is the much more positive attitude of the Senior Civil Service (SCS) compared with the rest of the Civil Service on every theme, including whether the results of the staff survey actually lead to change. Workforce morale, and the retention of key staff, could come under further pressure with further cuts and continuing pay restraint.

Major reforms have fundamentally changed the way some departments manage their resources. At DfE, grants to local authorities are increasingly being replaced by contracts with schools through the expansion of the academies programme; DH's relationship with the NHS and public health is now, formally at least, through two arm's-length bodies (NHS England and Public Health England, respectively); and at MoD, Defence Equipment and Support (and thus the procurement of defence materiel and support services) has moved from being part of the department to an ALB. These changes to how departments operate can create stresses – shifts to new ways of delivering services, for example through contracting, will require new skills and capabilities.

Another notable change is the decline in arm's-length bodies (ALBs). The Government's reform of public bodies since 2010 has led to a reduction in Non-Departmental Public Bodies (NDPBs), their staff numbers and funding, although it is part of a longer trend – there were over 2000 NDPBs in 1979 compared to under 450 in 2014. These numbers cannot fully express the complexity of the ALB landscape – with mergers, the creation of some new bodies, the transfer of functions between and within these bodies and the government department concerned – but again, these changes will require different relationships and skills. Reform of arm's-length bodies after the election should not be simply a numbers game, but rather be driven by changes that aim to make government more effective.

There have also been changes in how departments perform against some of their responsibilities. One performance measurement mechanism we analyse is the Major Projects Authority's RAG rating system: in the two years of published assessments of confidence in major project delivery, more projects have improved (32) than have declined (27), but the majority (64) stayed at the same rating. Large-scale infrastructure projects will continue to stretch departments, even with the oversight of the Major Projects Authority.

Another metric is the set of actions listed in each department's Structural Reform Plans. As of July 2014, 73% had been completed on time. This is consistent with previous years, where the on-time completion rate has hovered around 75%. Comparing 2013 and 2014 shows that there are some consistently strong performers (DfID, BIS, MoD) and some consistently weak ones (DCMS, DH). However, many departments' scores differ significantly between the two years.

How transparent government is

In *Whitehall Monitor 2013*, we published a list of recommendations that government could adopt to make data more accessible, more comparable and more useful. We made specific criticisms of Structural Reform Plans (Business Plans) and of Permanent Secretary Objectives. We also highlighted certain barriers to financial transparency, namely difficulty in accessing data, inadequate explanations of changes, and inconsistencies in how changes are reported and in organisational boundaries (what is classed as part of a department).¹ A year on, how have things changed?

There have been some definite improvements. Permanent Secretary Objectives are now more timely, being published earlier in the performance year (July not December); fewer in number (the average number is now nine, rather than the unfeasibly high 18 of 2013-14); and are more focused and accompanied by clear measures. These changes make objectives easier to analyse, and – hopefully – of greater use in assessing permanent secretary performance.

The continued publication of major projects data is also welcome, providing a comprehensive and realistic overview of the Government's portfolio even where the ratings are not unambiguously positive. One disappointment in the most recent report is the rating of Universal Credit as 'reset'. In evidence to the Public Accounts Committee, John Manzoni, then chief executive of the Major Projects Authority and now chief executive of the Civil Service, confirmed this decision was 'ultimately a ministerial and a government agreement'.² That said, some departments – notably the MoD in publishing its Equipment Plan and major projects information for the National Audit Office to analyse – continue to go further in transparency.

This *Whitehall Monitor* is the first to use data from the public bodies reports published by the Cabinet Office. Online archives go back to 1997 (with data back to 1979), but the most recent releases are much more detailed on the state of non-departmental public bodies and their situation as per the Government's reform plans.

The publication of the Whole of Government Accounts for a fourth year is also positive, giving us an overview of government finances over the past four financial years and enabling scrutiny of how departments manage them through their operational

and policy decisions. According to the Treasury, they have also been used to inform spending decisions.³ The continued drive to make the accounts timelier, more comprehensive and free of qualifications should make them even more useful.

However, there are still major improvements in transparency that can and should be made. Our attempt to explain the changes between spending plans and actual outturns for different departments shows that there is still work to be done on financial transparency. No department explains all of its changes in the financial documentation (Budget, annual reports, Public Expenditure Statistical Analyses) in which those changes appear. Some (DCMS, MoJ, DECC) explain all their changes somewhere, while others do not even publish figures that make it possible to compare resource spending between the budget documentation and their own annual reports. Departments are much better at explaining the impact of policy changes or transfers of funds across years than at explaining changes within financial years.

Our work with Spend Network on government contracting shows that the nature of the financial data available limits our analysis. Spending isn't linked to tenders or contracts; data is published in a way that makes it hard to determine which companies ultimately benefit from payments relating to PFI contracts and joint ventures; accuracy is limited because some datasets are not published; and central government transactions under £25,000 are rarely published. A great deal of information on supply chains, terms of the contracts themselves and performance data is not published at all, making it difficult to assess how well public service markets are operating.

In looking at the workforce, the large percentage of civil servants with 'unknown' professions in the Annual Civil Service Employment Survey is far from ideal. One would hope that departments have a better sense of what the people they employ actually do than is suggested by the data: professions are unknown for more than 15% of staff in MoD, the Foreign Office (FCO), DCMS, DfT and the Treasury (HMT). Since 2010, more data has become available for some departments, but in the case of DCMS, data availability has got worse – professions were unknown in under 10% of cases in 2010, but this figure has risen to more than 60% in 2013.

The data we have obtained from Departmental Business Plans or Structural Reform Plans – actions and reforms, and impact indicators – also gives cause for concern. The number of actions per department varies greatly, partly because the granularity of the actions varies (for example, the entire rail franchising programme, comprising multiple competitions, is entered as one action). The original concept – reporting progress against clear deadlines on things within the department's control – was good, but its implementation has several shortcomings – for example, it is difficult to track progress on key reforms such as Universal Credit.

The impact indicators are even more limited. Nearly half of departments prefer to use their own bespoke measures. And a member of the public wanting the latest information on a given department from the Number 10 Transparency website (transparency.number10.gov.uk) and even a department's annual report will run into difficulty, with some of the links directing users to out-of-date scores with little explanation.

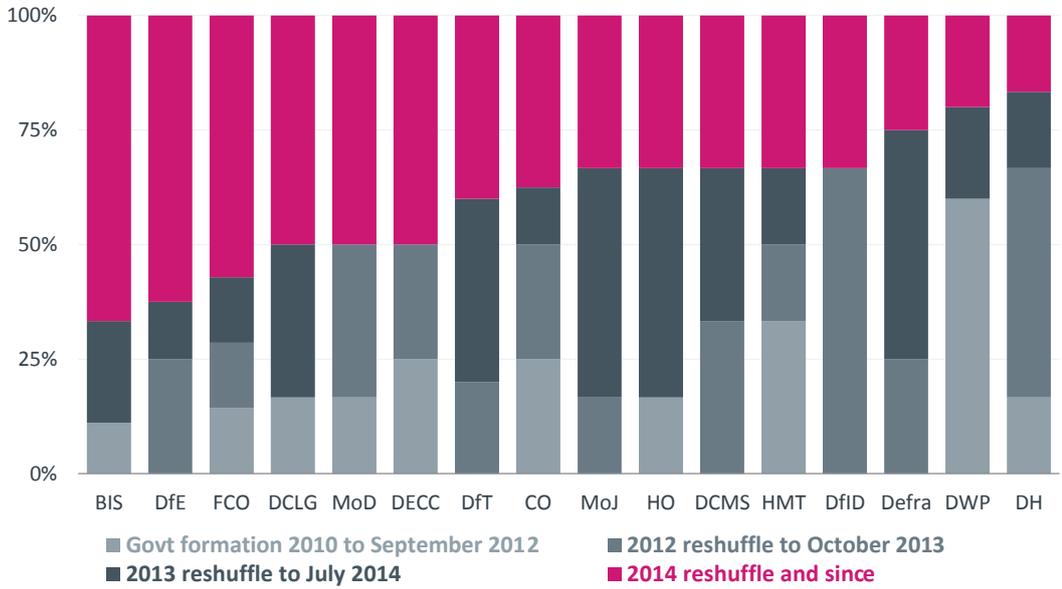
Nevertheless, the commitment of this Government and the previous government to open data and transparency means we are in a better position than ever before to present a picture – specifically, more than 120 charts, maps and other graphics – of government in the UK. We hope that in presenting a snapshot of government in 2014, key changes since 2010 and the similarities and differences between departments, we can help departmental leaders understand and improve how departments operate, and help the public hold government to account. And, in highlighting areas where the lack of data hinders our analysis and limits our understanding, we hope further progress can be made in equipping all of us to improve government effectiveness.

Finally, one of the biggest pressures that will face any government after the 2015 election will be the relationship between public and government. One of the most difficult tasks taken on by this report is trying to measure the impact of government policies and reforms in the real world, and our conclusions are tentative as a result. But what is clear from our polling is that the British public want politicians who can implement their promises, and eschew party politics for long-term thinking and professional delivery. At the moment, however, they do not think they are up to the job. Whichever party or parties are in government after 2015 will certainly have their work cut out.

Inputs: government's resources

Very few ministers remain in the same posts they held in May 2010.

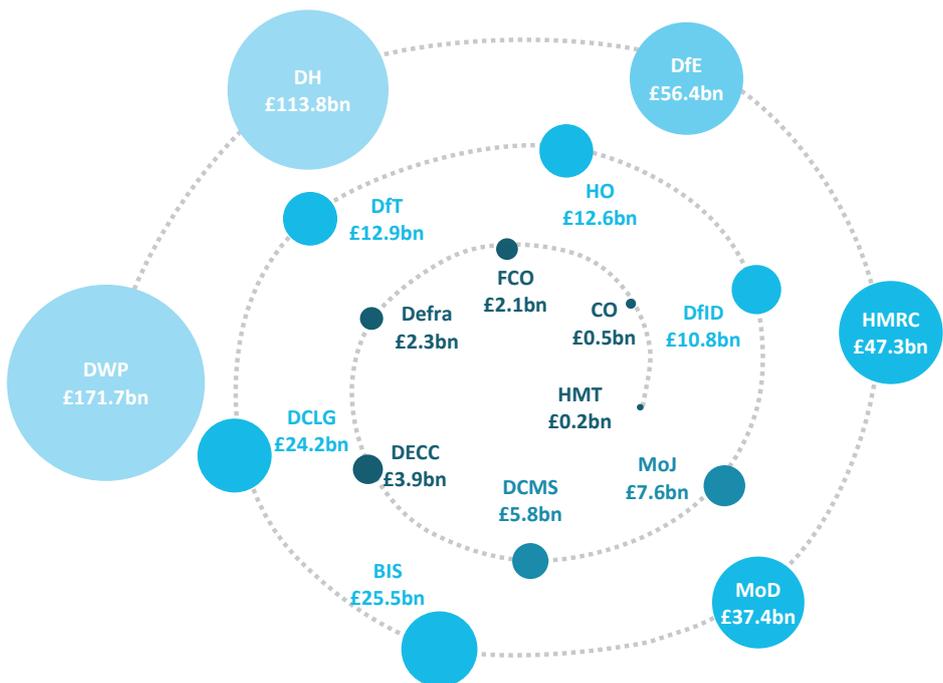
Figure 1: When ministers took up current post (as of October 2014)



Source: Institute for Government analysis of reshuffles, 2010-14.

Total Managed Expenditure (TME) was £720bn, with DWP spending the most...

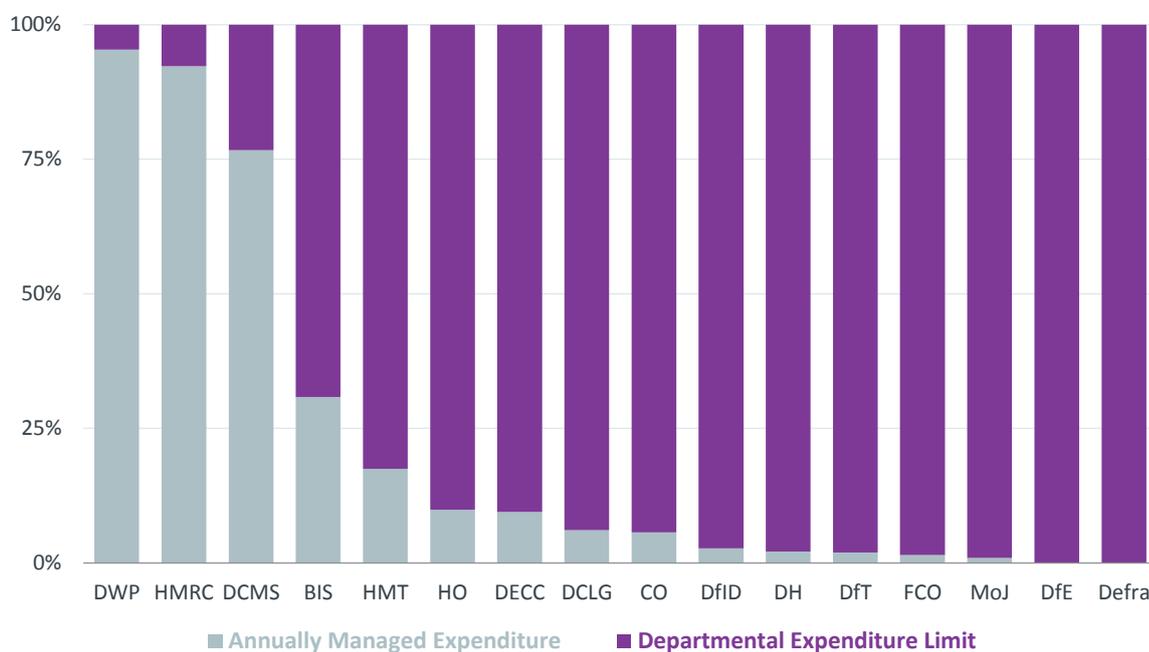
Figure 2: TME by department, plans for 2013-14



Source: Institute for Government analysis of Annual Reports and Accounts, 2012-13.

...although most of this is Annually Managed Expenditure (AME) for meeting the department's obligations, which gives leaders less control over their spend.

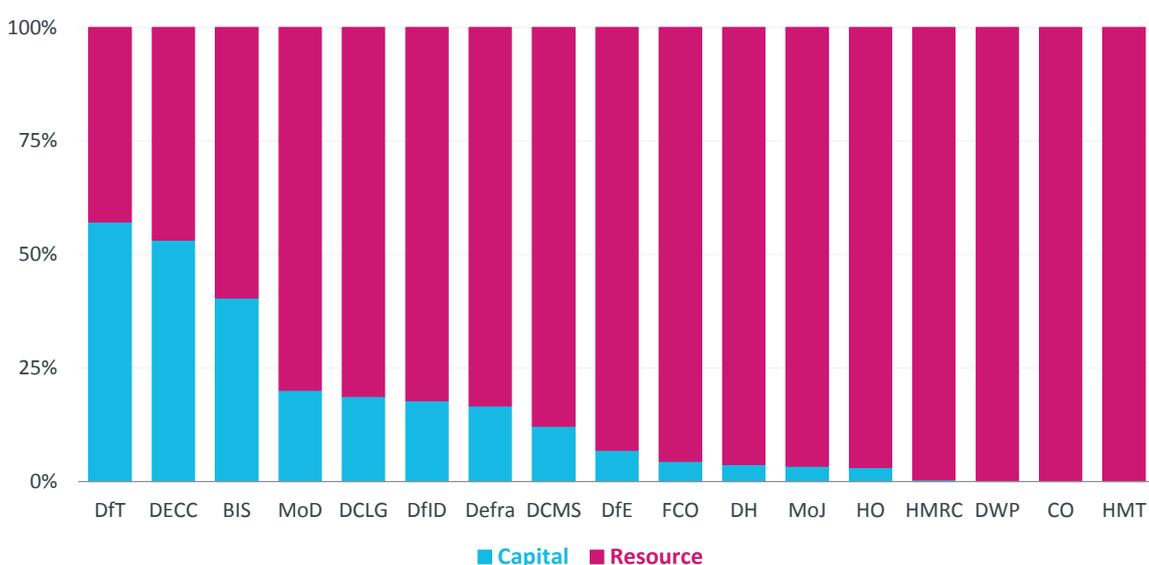
Figure 3: Departmental Expenditure Limits (DEL) and AME, plans for 2013-14



Source: Institute for Government analysis of Annual Reports and Accounts, 2012-13.

Leaders of departments with high spending on capital – such as DfT and DECC – are also more constrained in their spending.

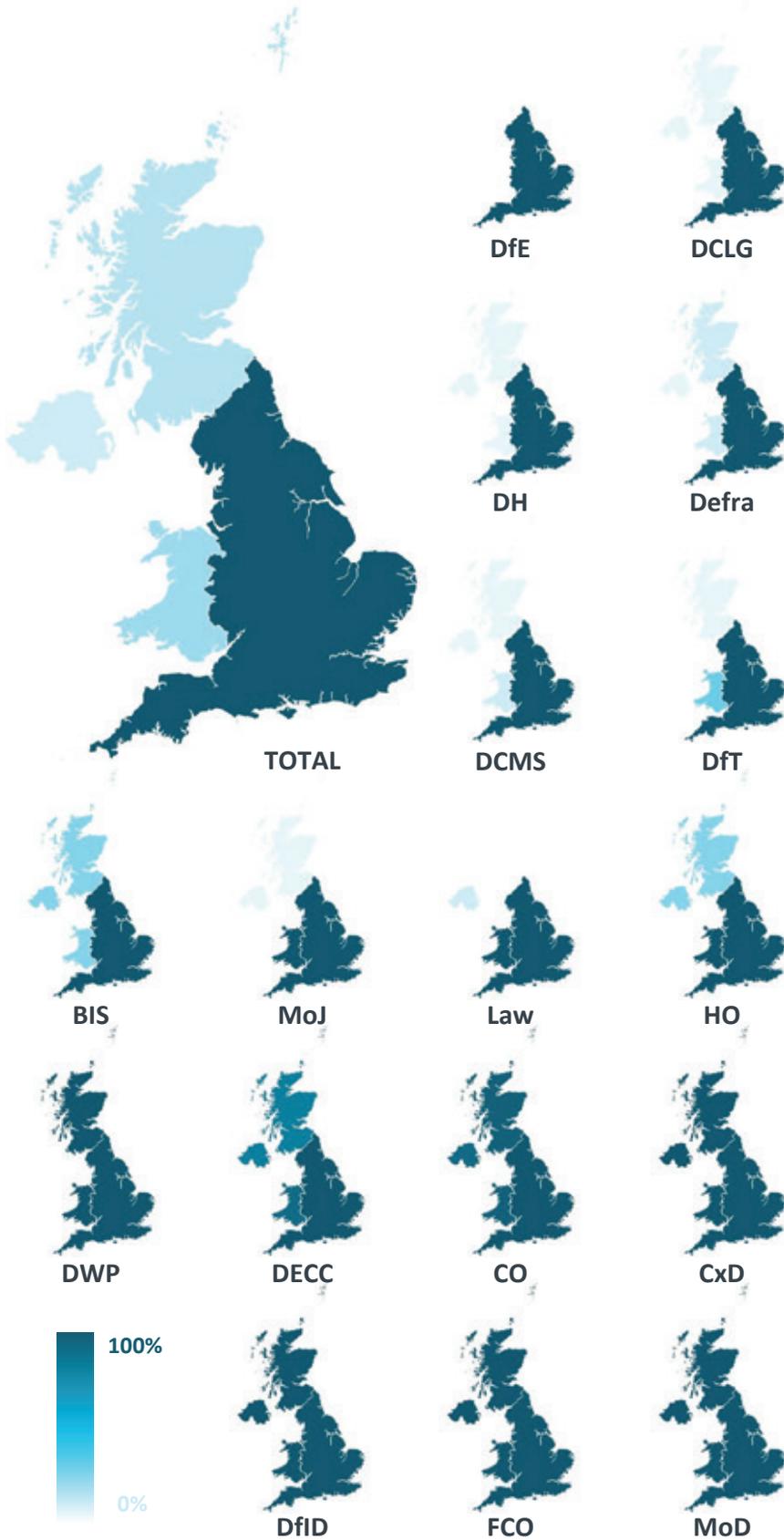
Figure 4: Departmental capital and resource spending, plans for 2013-14



Source: Institute for Government analysis of Annual Reports and Accounts, 2012-13.

Departments differ in the nature of their spending across the UK (from England-only departments to those covering the whole of the UK)...

Figure 5: Extent of devolved responsibility by department



Source: Institute for Government analysis of UK Government Statement of Funding Policy, 2010.

...and in how well they explain changes between their planned and actual spending.

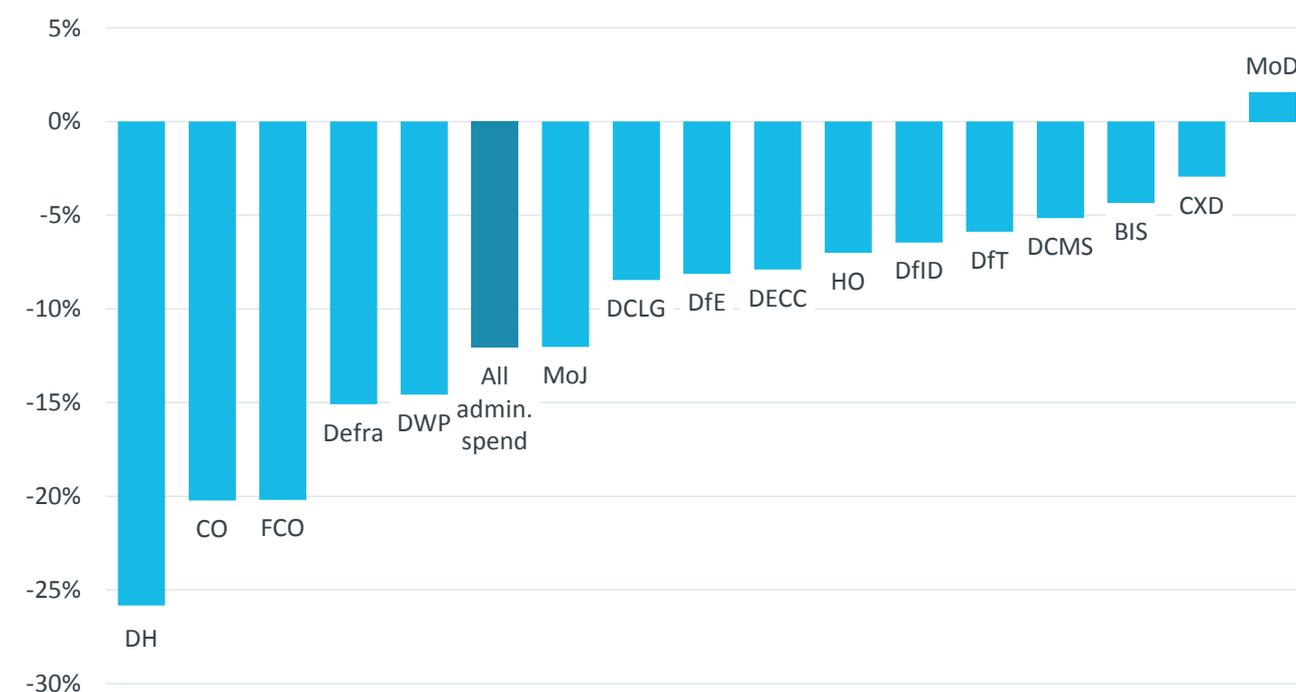
Figure 6: Transparency of departmental spending plans

Department	2011-12	2012-13	2013-14	2014-15	Average rank
DECC	Green	Green	Green	Green	1
DCMS	Green	Yellow	Green	Green	2
MOJ	Green	Green	Green	Red	3
DH	Yellow	Yellow	Green	Yellow	4
DfE	Green	Red	Green	Yellow	5
DWP	Orange	Green	Yellow	Yellow	6
BIS	Green	Yellow	Red	Green	7
DfT	Yellow	Green	Yellow	Yellow	8=
DCLG	Green	Red	Red	Yellow	8=
FCO	Orange	Yellow	Yellow	Yellow	9
DfID	Red	Orange	Yellow	Green	10
MoD	Orange	Red	Red	Green	11=
Defra	Yellow	Red	Yellow	Yellow	11=
HO	Red	Green	Yellow	Red	13
CO	Red	Red	Red	Red	15=
HMRC	Red	Red	Red	Red	15=
HMT	Red	Red	Red	Red	15=

Source: Institute for Government analysis of Budgets 2010-14, Spending Review 2010, Public Expenditure Statistical Analyses (Pesa) 2011-14, and departmental Annual Reports and Accounts 2011-12 to 2013-14.

The costs of actually running departments continue to be lower than planned.

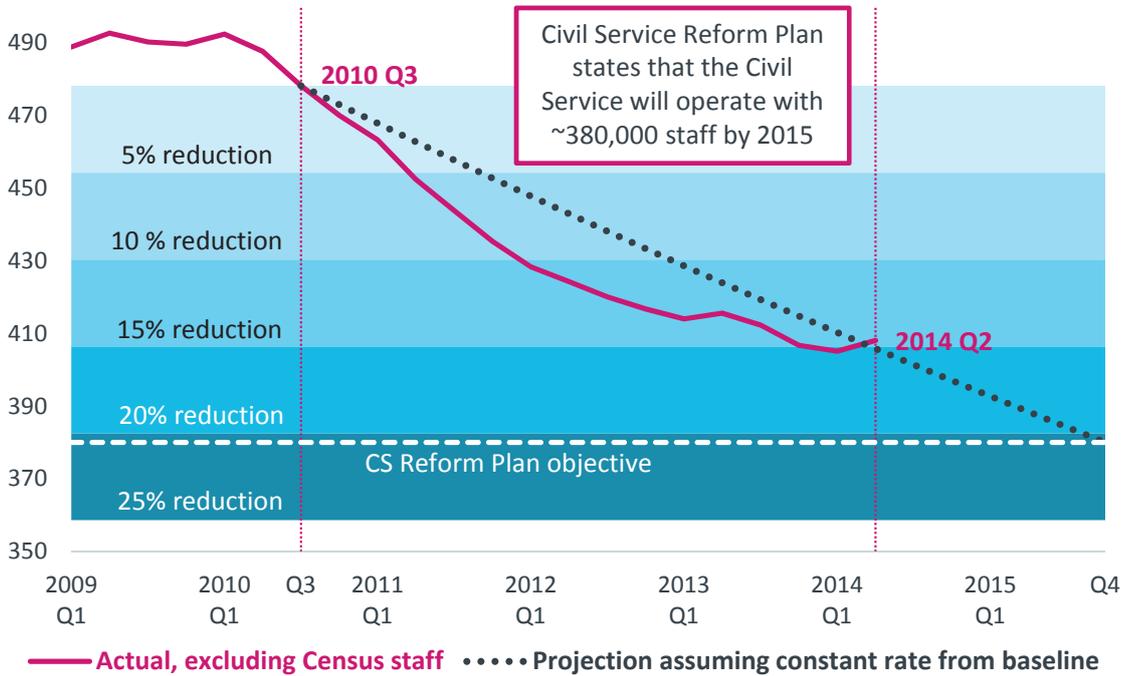
Figure 7: Administration budgets – spending compared to plans, 2013 to 2014



Source: Institute for Government analysis of table 1.7 in Pesa 2013 (plans for 2013-14) and Pesa 2014 (outturn 2013-14).

As well as budgets, staff numbers continue to be reduced...

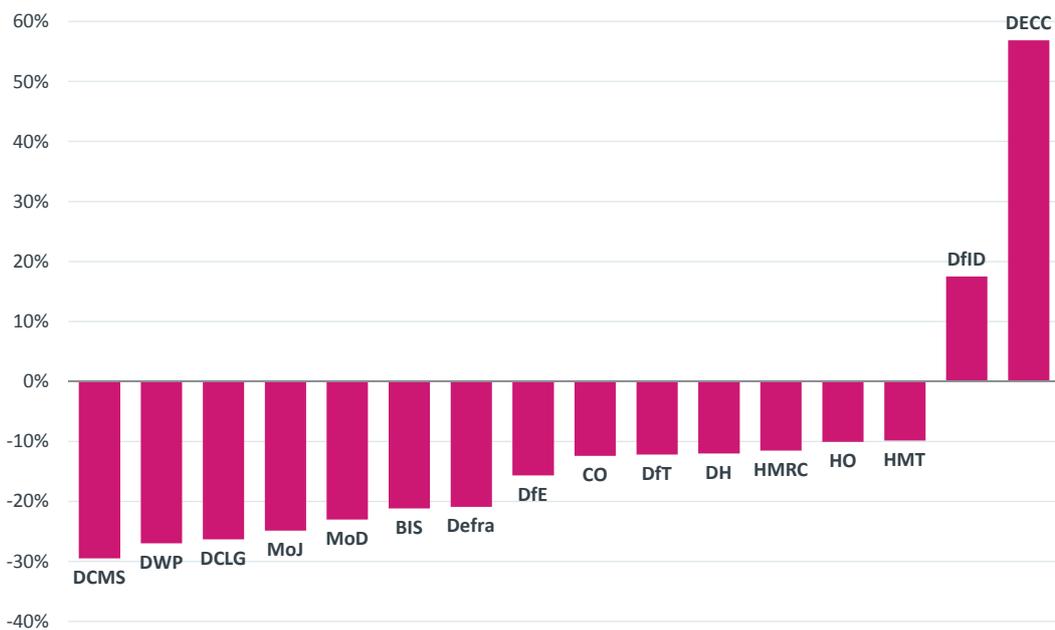
Figure 8: Civil service staff numbers, March 2009 – June 2014 ('000, Full-time Equivalents)



Source: Institute for Government analysis of Office for National Statistics (ONS) Public Sector Employment data (table 9), Q1 2009 to Q2 2014.

...with some departments taking more of a hit than others.

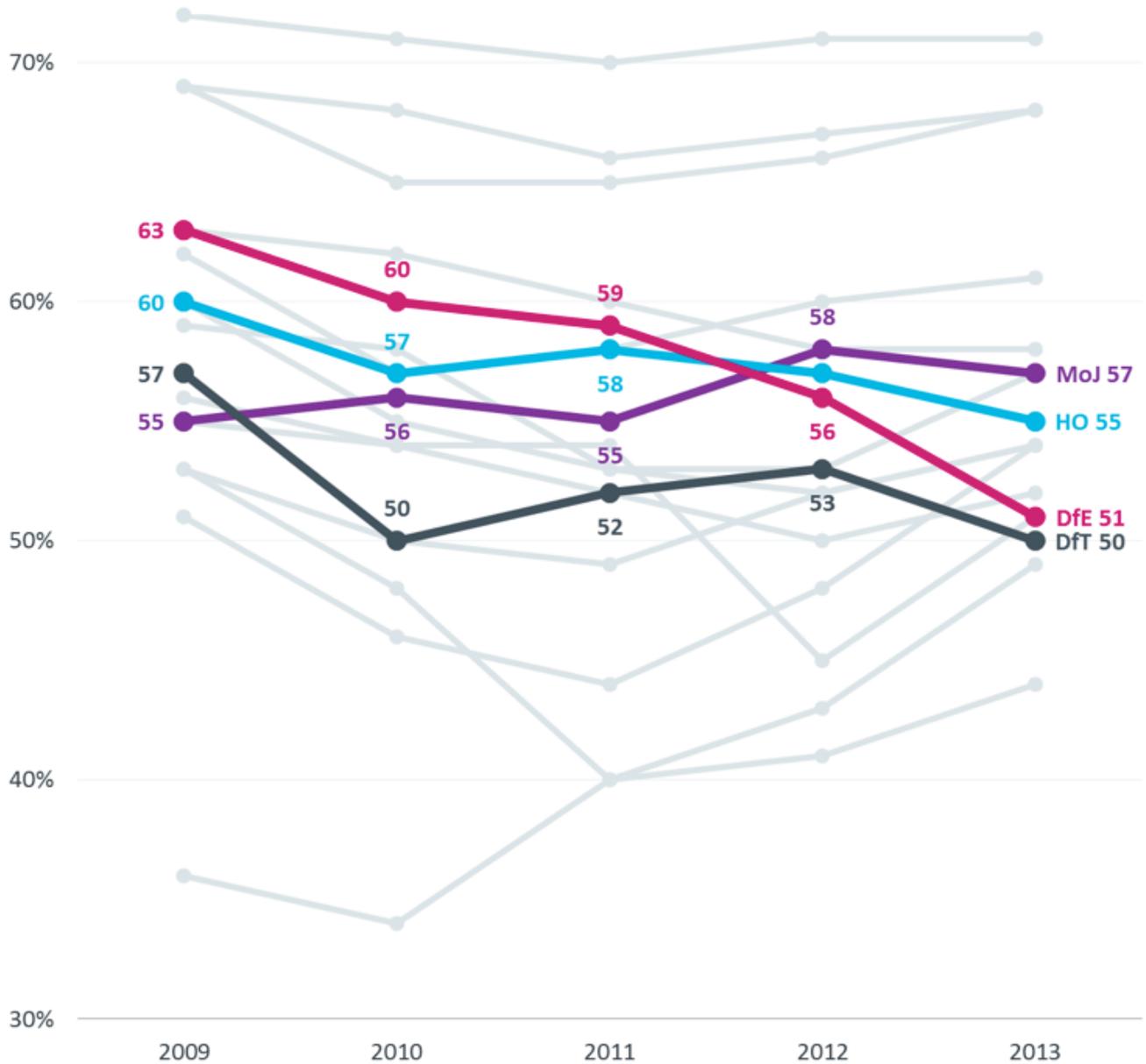
Figure 9: Change in staff in departmental groups since Spending Review 2010 (Full-time Equivalents)



Source: Institute for Government analysis of ONS Public Sector Employment data (table 9) to Q2 2014.

Despite the cuts, civil service engagement has held up overall but some departments have seen falls.

Figure 10: Civil Service Engagement Index changes, 2009-13 (falls, 2012-13, highlighted)

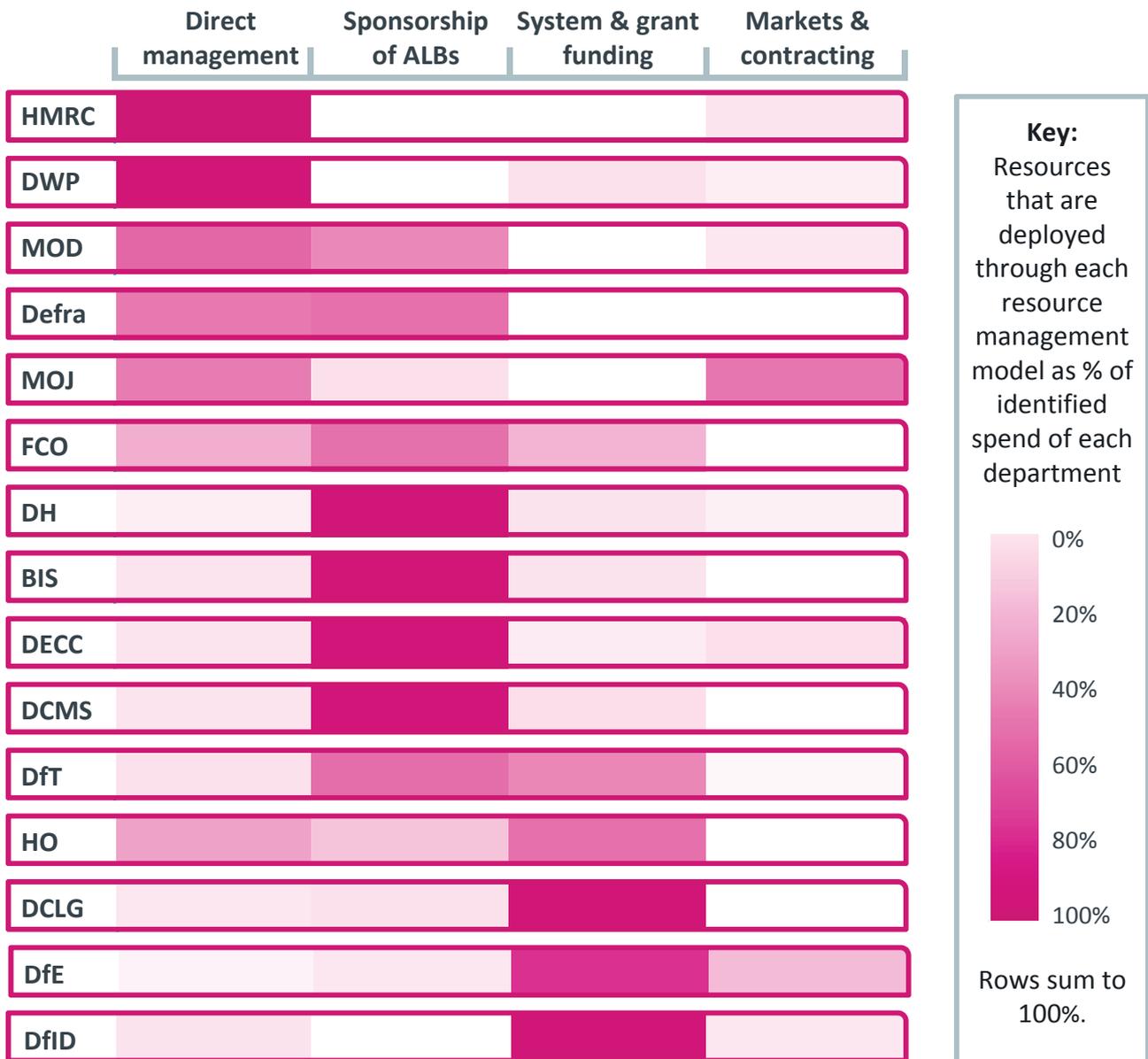


Source: Institute for Government analysis of Civil Service People Survey, 2009-13.

Outputs: what government does

Departments control their resources in different ways – some directly, others through intermediaries (such as ALBs and private companies).

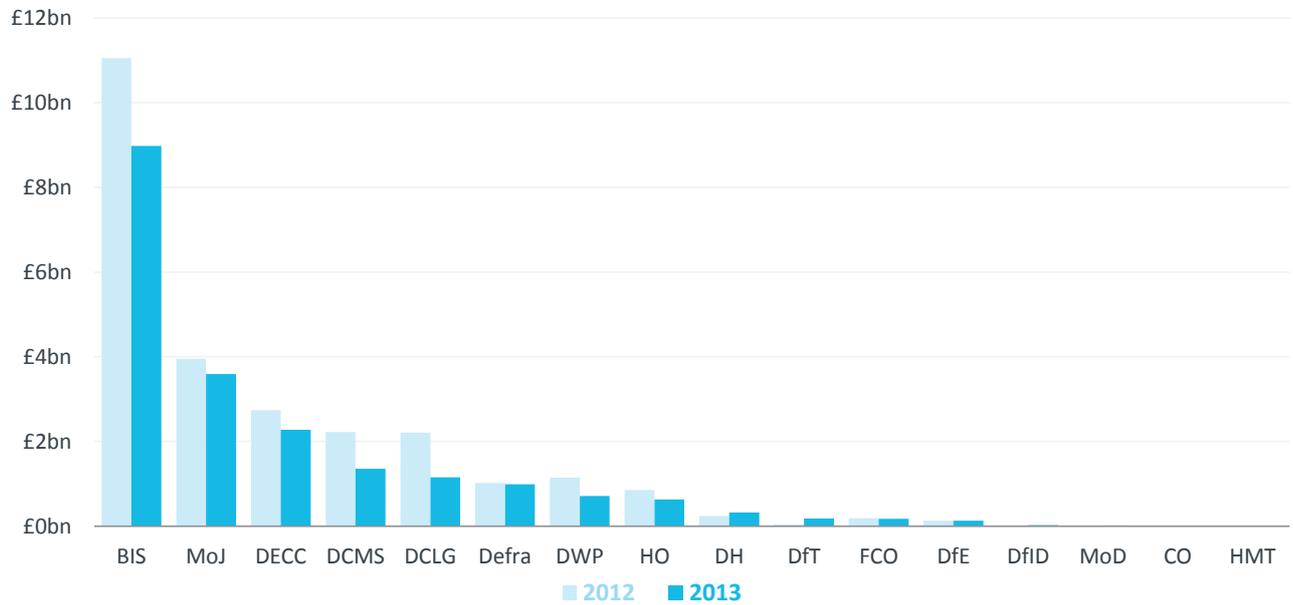
Figure 11: Resource management model



Source: Institute for Government analysis of departmental accounts, National Audit Office (NAO) departmental overviews, relevant government publications, and the Online System for Central Accounting and Reporting (Oscar). Rough estimate of share of each department's resources managed through each model. Approximately 80% or more of each department's total net expenditure is included.

Some departments, such as BIS, channel a lot of funding through ALBs (though less than last year)...

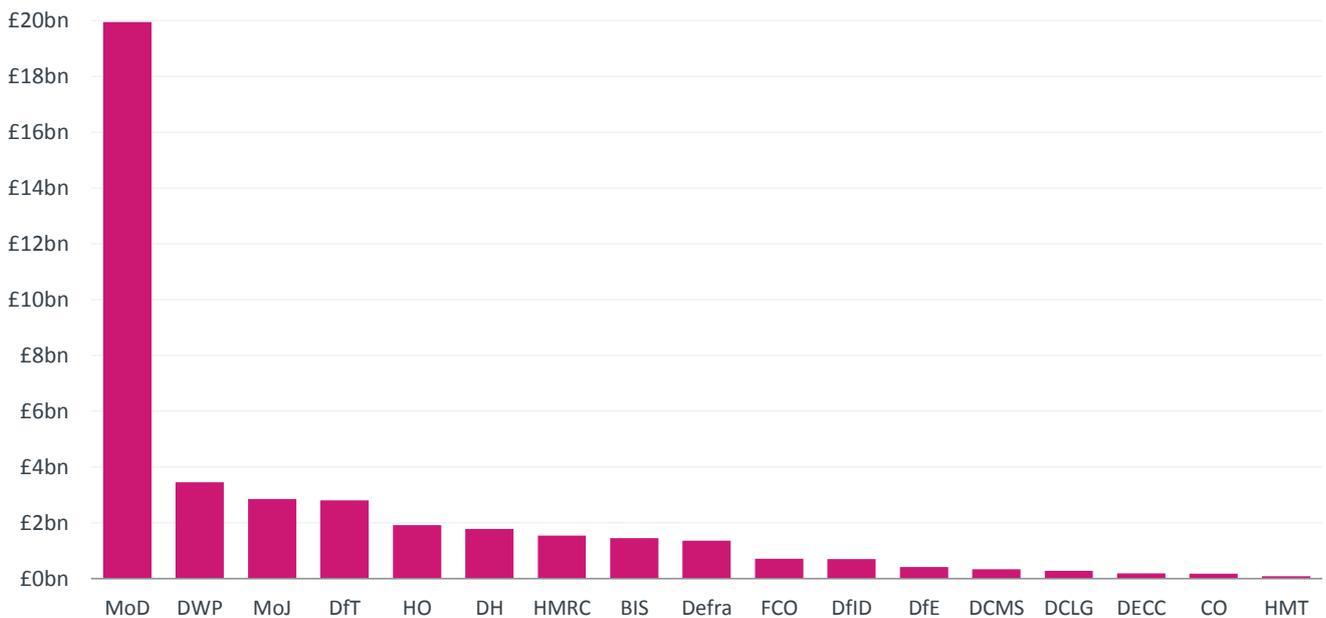
Figure 12: Government funding of ALBs by department, 2012 and 2013



Source: Institute for Government analysis of public bodies reports, 2012 and 2013.

...with others, such as MoD, spending it with third-party suppliers of goods and services.

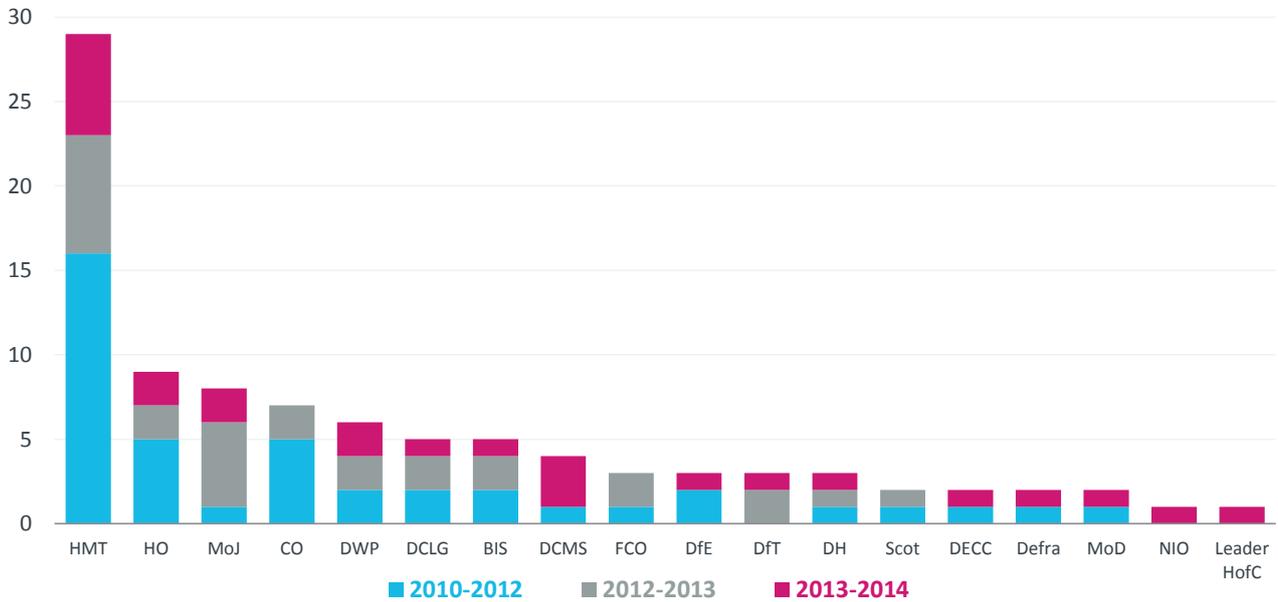
Figure 13: NAO estimate of annual spending with private sector providers



Source: Institute for Government analysis of NAO, *Managing Government Suppliers*.

There are different demands on different departments: for example, the Treasury passes the most legislation.

Figure 14: Government bills passed by department, 2010-12 to 2013-14



Source: Institute for Government analysis of parliament.uk legislation data.

Departments also differ in how effective they are at responding to requests for information (parliamentary questions, correspondence from MPs and peers, Fol requests) on time...

Figure 15: Overall rankings for responses to information requests

Department	Parl'y Questions	Rank	Correspondence	Rank	Freedom of Info	Rank	Overall Rank
Wal	99.64%	2	100%	1	100.00%	1	1
DH	98.92%	5	95%	3	99.59%	2	2=
DfT	99.79%	1	97%	2	95.99%	7	2=
DfID	99.39%	3	94%	5	98.20%	3	4
BIS	97.24%	6	93%	6	96.52%	4	5=
FCO	99.36%	4	95%	3	93.45%	9	5=
DWP	95.26%	7	89%	7	91.27%	13	7
DECC	86.67%	11	74%	11	92.16%	10	8=
Scot	85.77%	12	72%	12	94.87%	8	8=
HMT	76.92%	15	72%	12	96.21%	5	8=
NIO	90.91%	10	86%	8	87.93%	15	11
CO	92.59%	8	72%	12	90.27%	14	12
DfE	92.13%	9	66%	17	91.42%	12	13
DCMS	80.12%	14	51%	19	96.05%	6	14=
MoD	81.04%	13	82%	10	86.92%	16	14=
Defra	73.83%	16	71%	16	92.06%	11	16
MoJ	28.22%	19	83%	9	82.52%	18	17
DCLG	63.00%	17	72%	12	82.46%	19	18
HO	50.38%	18	61%	18	84.21%	17	19

Source: Institute for Government analysis of parliamentary questions, 2013-14; ministerial correspondence, 2013; Fol statistics, 2014 Q2.

...and in how many of their listed actions they complete on time.

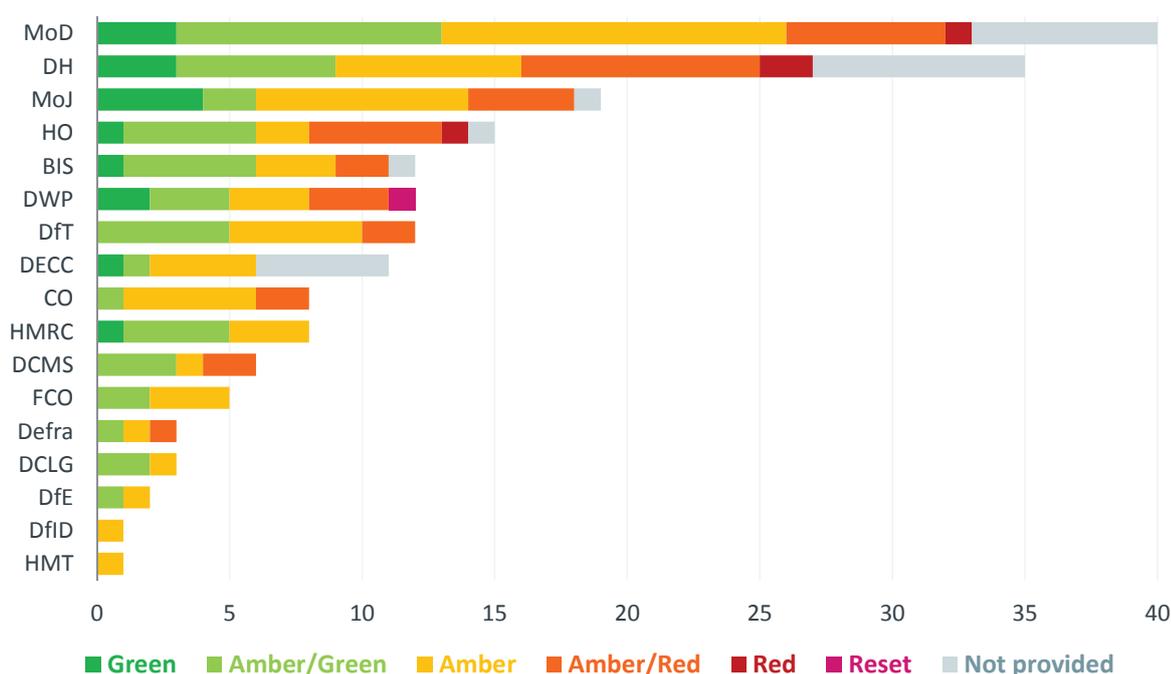
Figure 16: Structural Reform Plan actions completed on time, 2013-14

Dept	% deadlines missed 12 months in		Rank		Change
	2012-13	2013-14	2012-13	2013-14	
DfID	4%	3%	1	1	=
HMT	39%	11%	17	2	+15
BIS	6%	12%	2	3	+1
HMRC	38%	14%	15	4	+11
MoD	9%	15%	3	5	-2
FCO	39%	18%	16	6	+10
DfE	23%	19%	9	7=	+2
DCLG	17%	19%	4	7=	-3
MoJ	35%	20%	13=	9	+4
HO	22%	22%	6=	10	-4
DfT	35%	24%	13=	11	+2
DWP	33%	26%	11	12	-1
CO	22%	27%	6=	13	-7
DECC	19%	31%	5	14	-9
Defra	23%	32%	8	15	-7
DH	30%	36%	10	16	-7
DCMS	34%	43%	12	17	-3

Source: Institute for Government analysis of Structural Reform Plans. Data API as of 29 May 2013 and 25 July 2014.

Some, such as MoD, are responsible for more major projects than others – and the confidence that they will be delivered varies.

Figure 17: Major project delivery – confidence by department, 2014

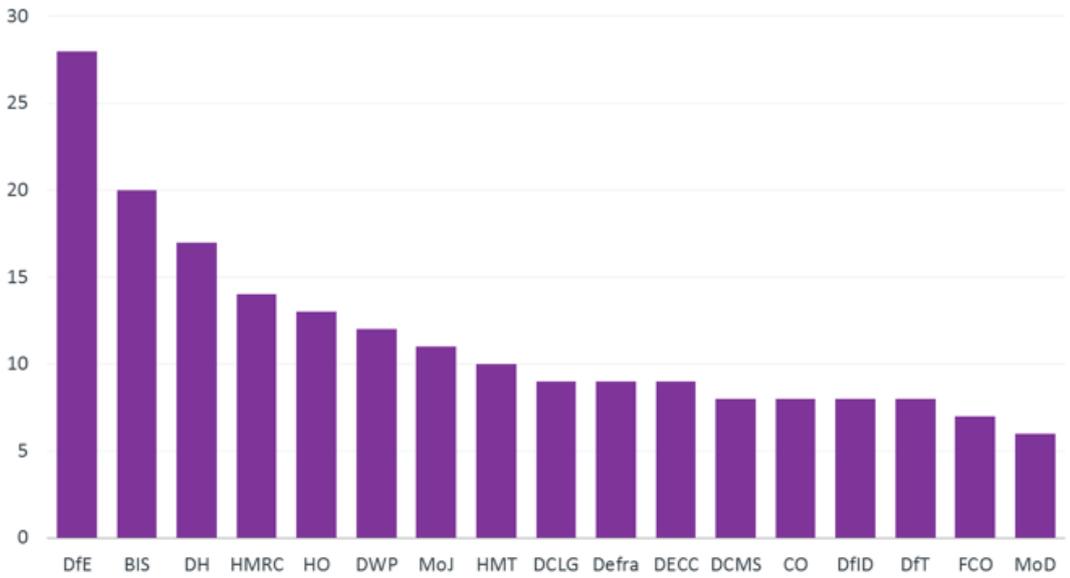


Source: Institute for Government analysis of Major Projects Authority annual report, 2014. Statuses as of September 2013.

Outcomes: the impact of what government does

The number of indicators for measuring impact varies between departments...

Figure 18: Number of impact indicators by department, 2014



Source: Institute for Government analysis of impact indicators, transparency.number10.gov.uk, 7-11 August 2014.

...as does the seriousness with which they take them and how easy it can be for the public to access them.

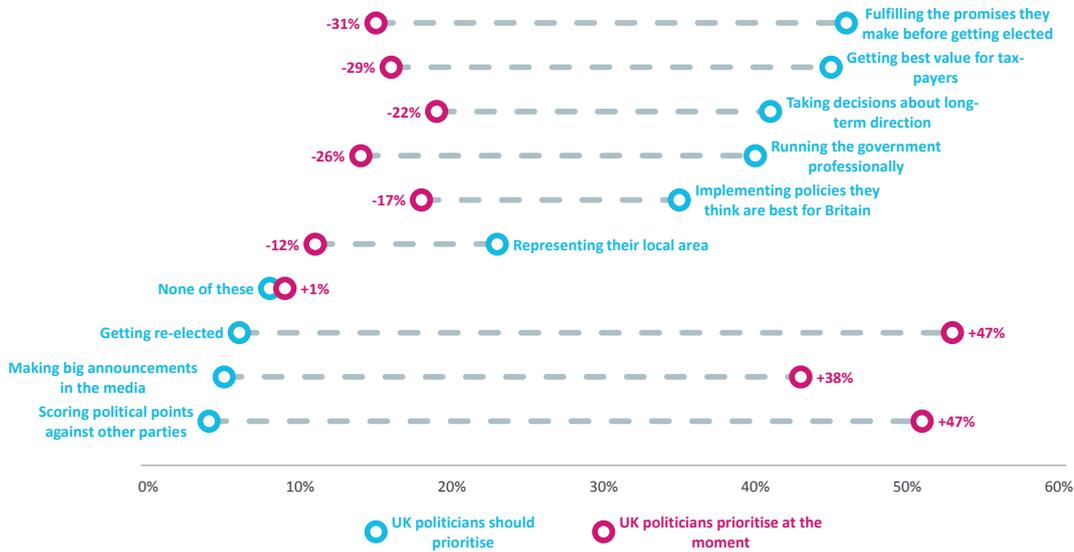
Figure 19: Usability of departments' impact indicators

Department	Current Score	Open Data	Presentation	Annual Report	Overall
DCLG	Green	Green	Green	Green	1=
DfT	Green	Green	Green	Green	1=
DWP	Green	Green	Green	Green	1=
CO	Yellow	Yellow	Yellow	Orange	4=
DCMS	Green	Green	Green	Red	4=
HMRC	Green	Green	Yellow	Green	6
DfE	Orange	Yellow	Green	Green	7
BIS	Yellow	Yellow	Yellow	Yellow	8
DfID	Yellow	Yellow	Yellow	Yellow	9
DECC	Green	Yellow	Yellow	Green	10=
DH	Green	Green	Yellow	Red	10=
FCO	Orange	Yellow	Yellow	Orange	12
MoJ	Orange	Yellow	Yellow	Orange	13
Defra	Red	Yellow	Yellow	Green	14=
MoD	Red	Yellow	Yellow	Green	14=
HO	Red	Yellow	Yellow	Orange	16
HMT	Red	Yellow	Yellow	Red	17

Source: Institute for Government analysis of impact indicators and departmental annual reports.

The British public does not believe politicians currently prioritise the right things...

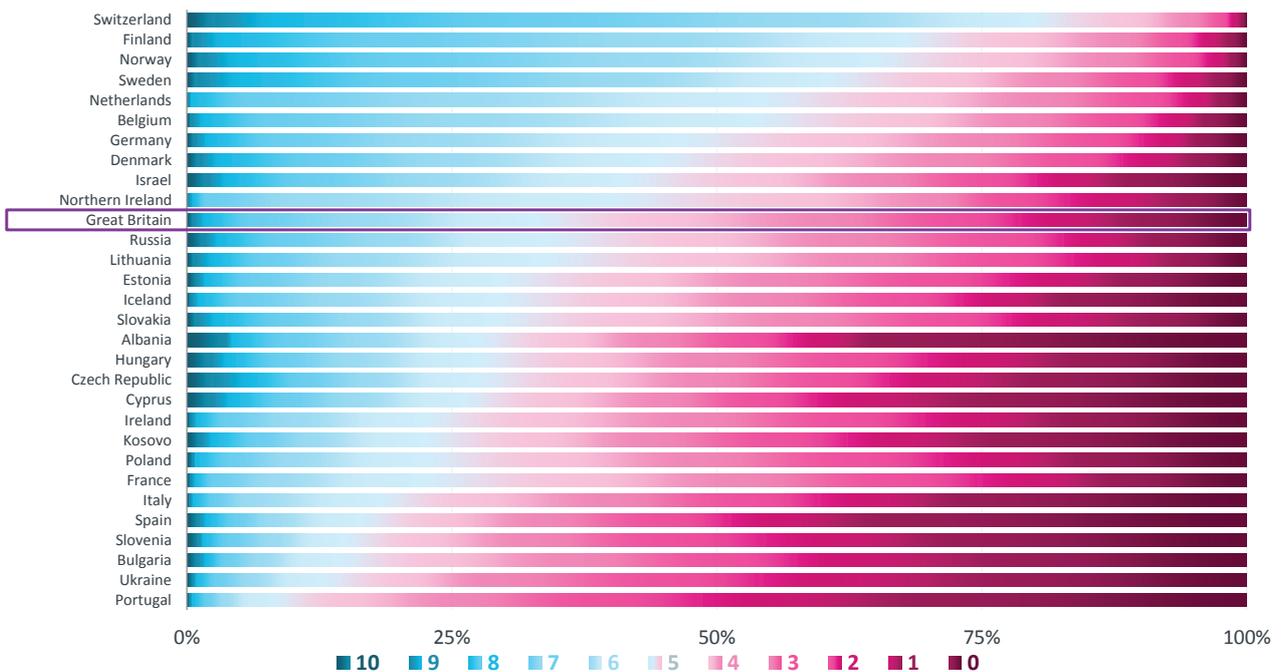
Figure 20: 'Which three things do you think UK politicians prioritise at the moment?' and 'Which three things do you think UK politicians should prioritise?'



Source: Institute for Government/Populus polling, August 2014.

...and nearly 60% are dissatisfied with the way government does its job, more than some other northern European countries.

Figure 21: 'About the Government. How satisfied are you with the way it is doing its job?'



Source: Institute for Government analysis of European Social Survey, 2012.

Inputs

The resources available to Whitehall

Inputs are the resources available to the politicians and senior civil servants who are in charge of running Whitehall departments. These include budgets, assets and people.

Budgets have been reduced across Whitehall since 2010, and many departments are spending even less than predicted. The level of control departmental leaders have varies – depending on the balance between Annually Managed Expenditure (obligations such as pensions or benefit payments) and Departmental Expenditure Limits (which leaders can allocate to departmental objectives), and between resource spending (policies, programmes and running the department) and capital spending (which adds to the public sector's fixed assets). We also look at assets and liabilities, the impact of devolution on where departments spend their money, and how transparent departments are in explaining changes between their plans and their actual spending.

Staff numbers have also been reduced across nearly all departments since 2010, although as of the last quarter, the Government is not on track to meet its *Civil Service Reform Plan* objective of operating with around 380,000 staff in 2015. Some departments have sought to fill gaps by hiring people not on the payroll. We also look at the composition of the Civil Service, which has become slightly more diverse, and levels of engagement (what civil servants think about their departments), which have held up overall, with some exceptions (departments such as DfE; themes such as pay and benefits).

First, though, we look at the turnover in the people leading these departments since 2010 – both political (ministers) and civil service (permanent secretaries).



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The leadership of departments

Before getting into the detail of how many staff and how much money goes into each department, let alone what they do with it, we consider the leadership of government departments – on both the political and civil service sides.

All departments have seen change in personnel since the Government was appointed in May 2010 – all but six, for example, have a different secretary of state now, while six other departments are on their third. There has also been considerable churn of permanent secretaries, with only the Treasury having the same permanent secretary now as in May 2010.

Although there can be good reasons for moving people from posts, excessive turnover can cause problems – for departmental leadership, policy implementation and overall government effectiveness.

About the data

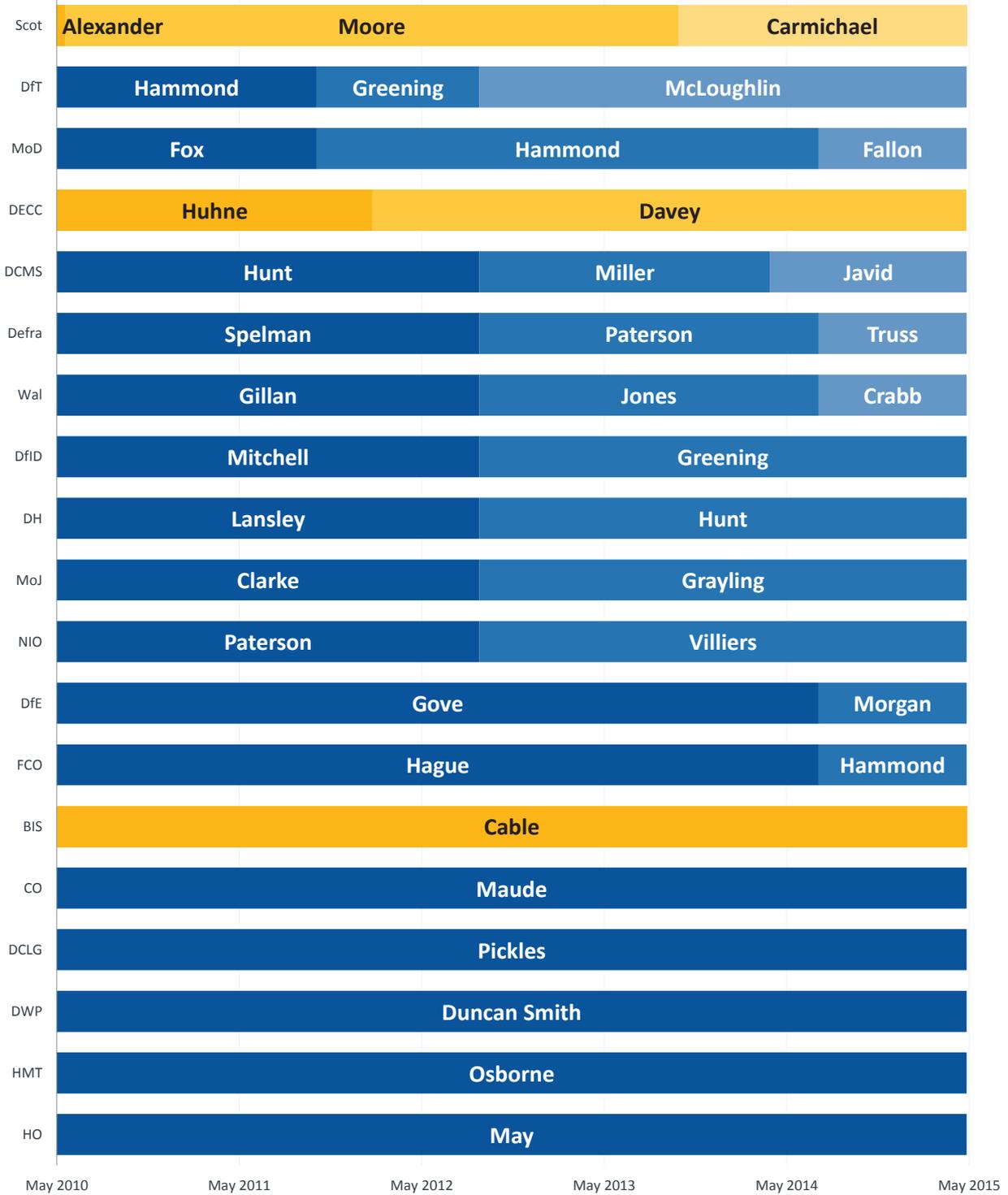
Our **ministerial data** is derived from lists of ministerial responsibility, published by the Cabinet Office; GOV.UK's ministers page; and *Ministers in the Coalition Government: 2010 – present*, a standard note published by the House of Commons Library. We also used the [@Number10gov](#) and [@David_Cameron](#) Twitter accounts, as well as other research, in our analysis. We used another House of Commons Library research paper, *Women in Parliament and Government*, for our figures on female MPs.¹

Our **permanent secretary data** is derived from research including [GOV.UK](#) announcements of appointments.

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Cabinet: six departments headed by same person as in May 2010, six on third secretary of state

Figure 1.1: Cabinet composition 2010-15 (projected)



Source: Institute for Government analysis of reshuffles, 2010-14.

Following the July 2014 reshuffle, six departments – BIS, CO, DCLG, DWP, HMT and HO – are led by the same minister now as at their initial appointment in May 2010. The same number – MoD, Defra, Wales, Scotland, DfT and DCMS – are on to their third secretary of state since May 2010.

Philip Hammond is the only person to have led three different departments during this parliament (DfT, MoD, FCO). Justine Greening (DfT, DfID), Jeremy Hunt (DCMS, DH) and Owen Paterson (NIO, Defra) have each led two departments.

David Cameron has now made three ‘unforced’ reshuffles – changes he was not forced to make because of resignations. These unforced reshuffles came in September 2012 (eight departments had new secretaries of state appointed), October 2013 (one department – the Scotland Office) and July 2014 (five departments).

‘Forced’ reshuffles at Cabinet level occurred in late May 2010 (Michael Moore replaced Danny Alexander at Scotland, Alexander having replaced David Laws as Chief Secretary to the Treasury); October 2011 (Philip Hammond replaced Liam Fox at MoD, Hammond being replaced by Justine Greening at DfT); February 2012 (Ed Davey replaced Chris Huhne at DECC); April 2014 (Sajid Javid succeeded Maria Miller at DCMS); and August 2014 (Baroness Anelay replacing Baroness Warsi as Minister of State at the Foreign Office).

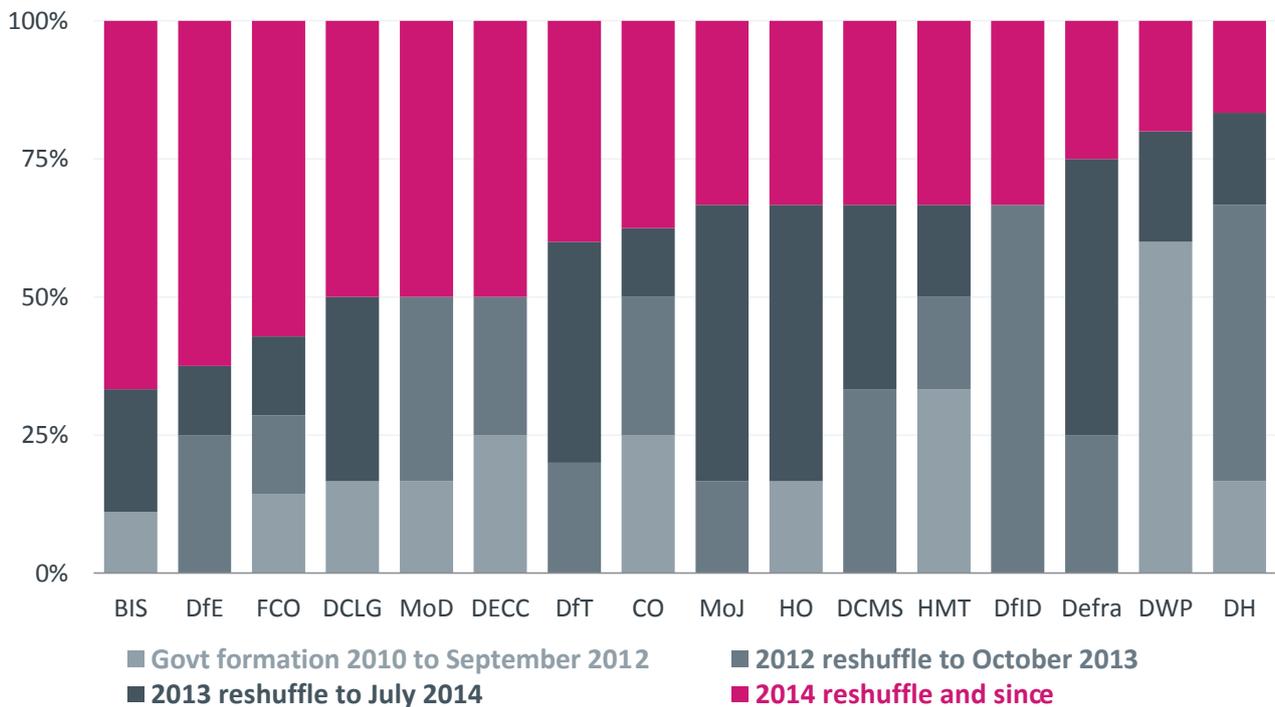
Figure 1.2: Cabinet reshuffles 1997 to date

Parliament	Prime Minister	Reshuffle Date	Type	Details
1997-2001	Tony Blair	02-May-97	Initial Appointments	
		27-Jul-98	Unforced Reshuffle	
		27-Oct-98	Forced Reshuffle	Wal: Davies resigns
		23-Dec-98	Forced Reshuffle	DTI: Mandelson resigns
		17-May-99	Forced Reshuffle	Scot: Dewar resigns
		29-Jul-99	Forced Reshuffle	Wal: Michael resigns
		12-Oct-99	Unforced Reshuffle	
		24-Jan-01	Forced Reshuffle	NIO: Mandelson resigns
		08-Jun-01	Initial Appointments	
		2001-2005	Tony Blair	28-May-02
23-Oct-02	Forced Reshuffle			DfES: Morris resigns
17-Mar-03	Forced Reshuffle			Leader Commons: Cook resigns
12-May-03	Forced Reshuffle			DfID: Short resigns
12-Jun-03	Unforced Reshuffle			
05-Oct-03	Forced Reshuffle			Leader Lords: Williams dies
08-Sep-04	Forced Reshuffle			DWP: Smith resigns
15-Dec-04	Forced Reshuffle			HO: Blunkett resigns
2005-2010	Gordon Brown	09-May-05	Initial Appointments	
		02-Nov-05	Forced Reshuffle	DWP: Blunkett resigns
		05-May-06	Unforced Reshuffle	
		02-Jul-07	Initial Appointments	
		24-Jan-08	Forced Reshuffle	DWP: Hain resigns
		06-Oct-08	Unforced Reshuffle	
2010-2015	David Cameron	05-Jun-09	Forced Reshuffle	DWP: Purnell resigns
		12-May-10	Initial Appointments	
		29-May-10	Forced Reshuffle	HMT: Laws resigns
		14-Oct-11	Forced Reshuffle	MoD: Fox resigns
		03-Feb-12	Forced Reshuffle	DECC: Huhne resigns
		04-Sep-12	Unforced Reshuffle	
		20-Oct-12	Forced Reshuffle	Whip: Mitchell resigns
		07-Oct-13	Unforced Reshuffle	
		09-Apr-14	Forced Reshuffle	DCMS: Miller resigns
		15-Jul-14	Unforced Reshuffle	
05-Aug-14	Forced Reshuffle	FCO/DCLG: Warsi resigns		

Source: Institute for Government analysis of reshuffles, 1997-2014.

Ministers: only 19 people in same post as in May 2010

Figure 1.3: Government reshuffles 2010-14 – when ministers took up current post (as of October 2014)



Source: Institute for Government analysis of reshuffles, 2010-14.

Although often overlooked in press coverage of reshuffles, junior ministers matter. They play important roles in Parliament (debates, questions and legislation) and in making sure policies are implemented, bringing and keeping the right people together and keeping political momentum going.² Their work can also provide valuable experience for politicians who might one day be promoted.

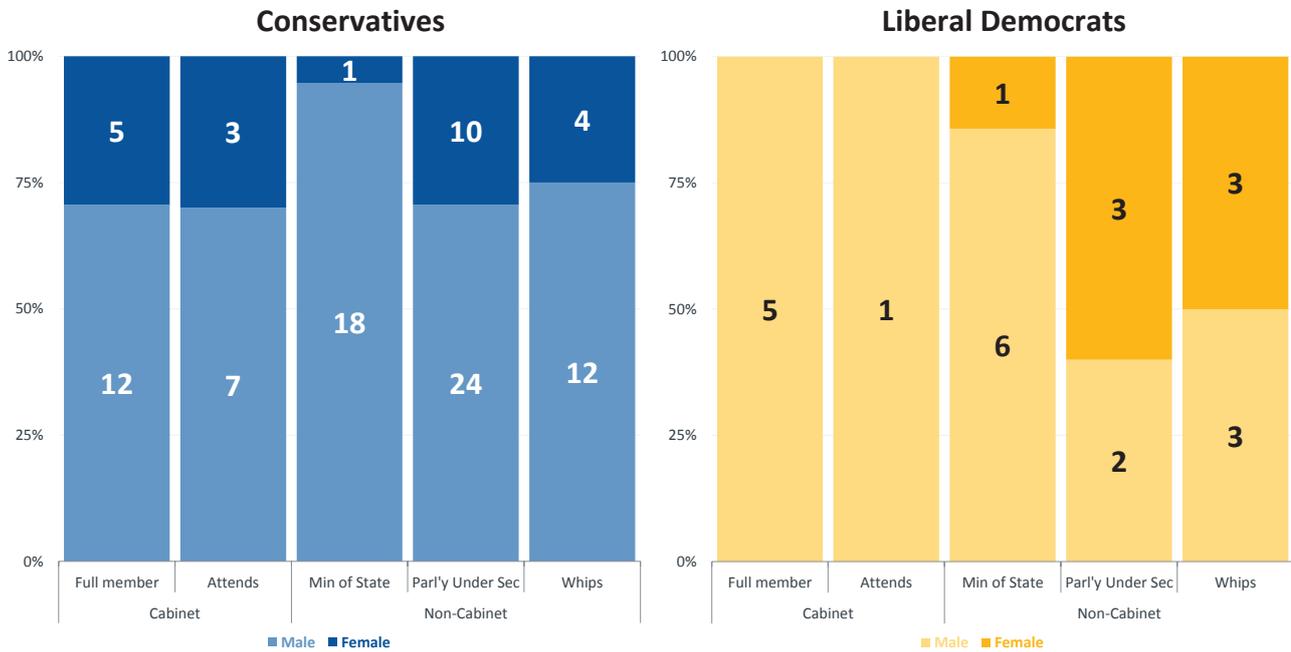
As of the July 2014 reshuffle, more than half of the ministers at BIS (six out of nine posts newly filled) and DfE (five out of eight) were new to their post, as were half of the ministers at MoD (three of six) and DECC (two of four). Four out of seven FCO ministers are new to their role as of the July 2014 reshuffle and since. Nineteen people retain the same post from the initial appointment of the Government in May 2010, including the Prime Minister and Deputy Prime Minister.

The Prime Minister has previously expressed his desire not to be ‘endlessly moving people between different jobs’ and criticised previous governments for having done so.³ Some junior ministerial posts – notably the ministers of state for pensions (Steve Webb) and Europe (David Lidington) – have remained with the same person throughout; others have changed rather more (the current housing minister is the fourth this parliament). Ministers appointed in July 2014 will have less than a year to get to know their department and policy area, and implement the Government’s policies.

Some ministers will already have experience of their department (taking on a new role within it) or even their brief (promotion from parliamentary under-secretary of state to minister of state with the same responsibilities). The Treasury is a good example of promotion within a department: when Sajid Javid moved from being Financial Secretary at the Treasury to DCMS in April 2014, he was replaced by the Economic Secretary, Nicky Morgan; and when Morgan left for DfE in July 2014, she was replaced as Financial Secretary by the Exchequer Secretary, David Gauke.

Gender: just over 25% of the Government is female

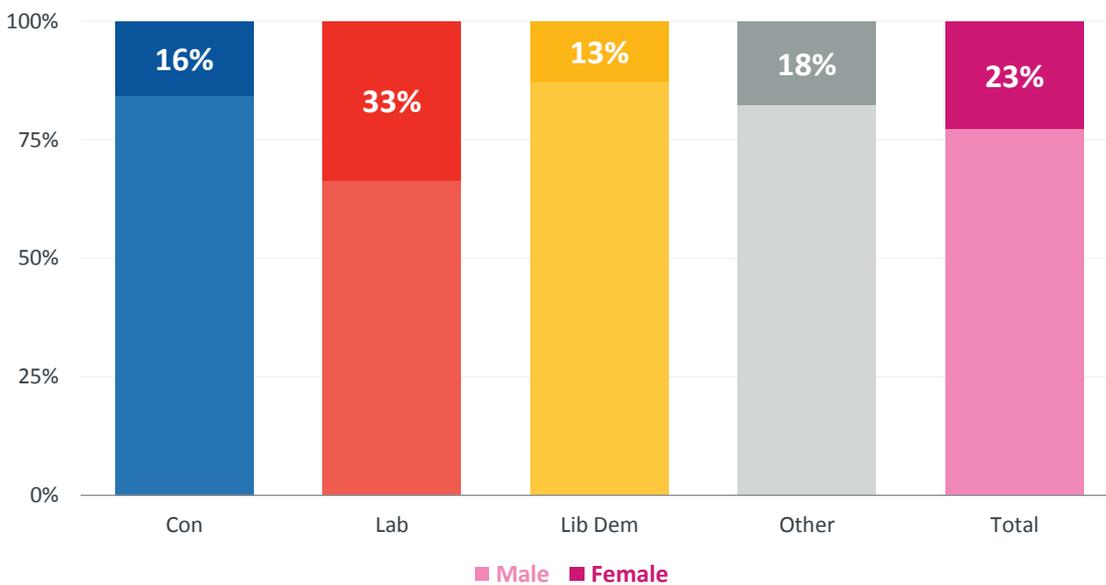
Figure 1.4: Gender composition of the Government, October 2014



Source: Institute for Government analysis of reshuffles, 2010-14.

Women now account for 25% of the Conservative part of the Government, compared with 16% of all Conservative MPs and 23% of all MPs. Of the Liberal Democrat part of the government, 28% is female, compared with 13% of the party’s MPs. However, no Lib Dem woman has been a full member of the Cabinet or held attending Cabinet status.

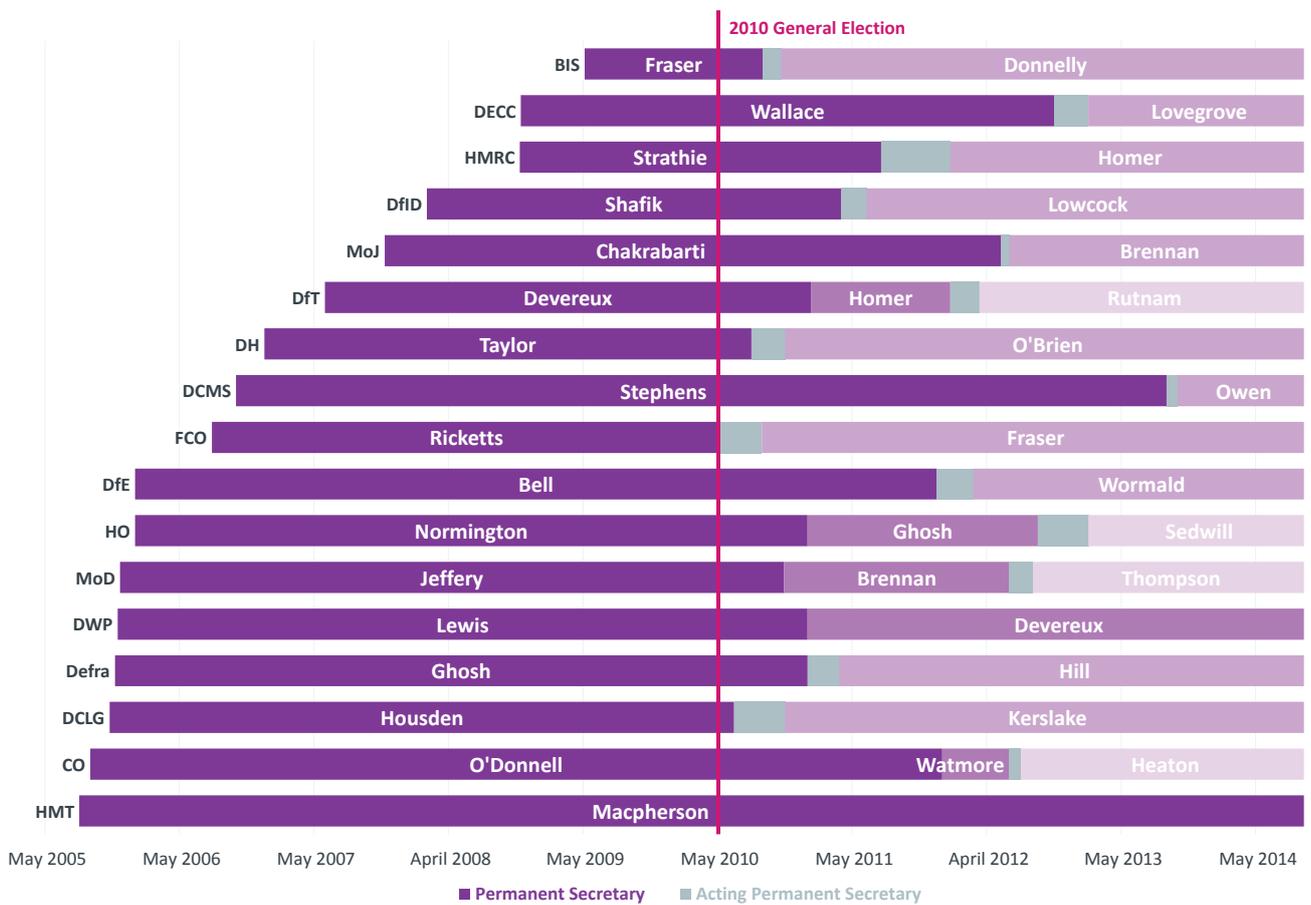
Figure 1.5: Percentage of female MPs in Parliament, September 2014



Source: Institute for Government analysis of House of Commons Library figures.

Permanent secretaries: not so permanent, with only one still in post from before May 2010

Figure 1.6: Tenure of permanent secretaries, May 2010 – November 2014 from when first appointed



Source: Institute for Government analysis of permanent secretary appointments, 2010-14.

Of current permanent secretaries, only Nicholas Macpherson at the Treasury was in post before the general election of May 2010. Some departments are on to their fourth permanent secretary (including acting permanent secretaries) in the same time period: CO, DfT, HO and MoD. All departments, with the exception of the Treasury and DWP, are on to at least their third permanent secretary of the parliament.

This has consequences for departmental leadership over the course of the parliament, where new permanent secretaries will need time to get to know their department, build relationships with their ministers and implement their agenda. But it could also have consequences beyond – only Nicholas Macpherson was Permanent Secretary in his department for the pre-election contacts and subsequent transition of government before and after the 2010 general election (although Robert Devereux and Simon Fraser were permanent secretaries in other departments).

Of 20 transitions between one named permanent secretary and another, only five did not involve there being an acting permanent secretary in the interim (at DWP, CO, MoD, DfT and HO).

Managing government finances

Total public sector spending in 2013-14 was £720bn, with 85% of government revenue raised through various forms of taxation. Departments are allocated different amounts of this, from DWP (more than £170bn) to the Cabinet Office (£500m).

How departments allocate this spending varies dramatically. For most departments, the majority of their spend is through Departmental Expenditure Limits (DEL), the spending that departmental leaders can allocate to meet their objectives. However, for some departments, most of their spend is Annually Managed Expenditure (AME), which is demand-driven and cannot be set in advance (for example, benefits and pensions).

Departmental expenditure can also be divided into resource spending (which covers the cost of running the department and spending on policies and programmes) and capital spending (that which adds to the public sector's assets, for example on buildings and roads).

In addition, departmental leaders must manage a portfolio of assets and liabilities. DECC (nuclear decommissioning) and DH (clinical negligence) are the departments with the largest liabilities, and these have risen over the past few years.

Departments also vary in the territorial extent of their spending. With devolution to Northern Ireland, Scotland and Wales, some departments have had most or all of their spending responsibilities devolved, although others still cover the whole of the UK.

We end the chapter by examining how departmental spending plans have changed since the 2010 Spending Review, and the extent to which departments are transparent about this. Our research concludes that, while departments clearly explain changes due to shifts in policy or transfers between departments, changes within financial years, which have resulted in significant underspends, are not explained.

About the data

In looking at the financial picture **across government**, we use the Whole of Government Accounts (WGA). These are consolidated financial accounts of the whole public sector based on International Financial Reporting Standards. They have been published by the Treasury since 2009-10. We also used the Office for Budget Responsibility's *Public finance databank* as of October 2014.¹

For more **detail on government departments**, we have used the reports and accounts published annually by each department. These contain consolidated financial statements for the departmental group as well as reporting against parliamentary supply estimates and the various spending control totals.²

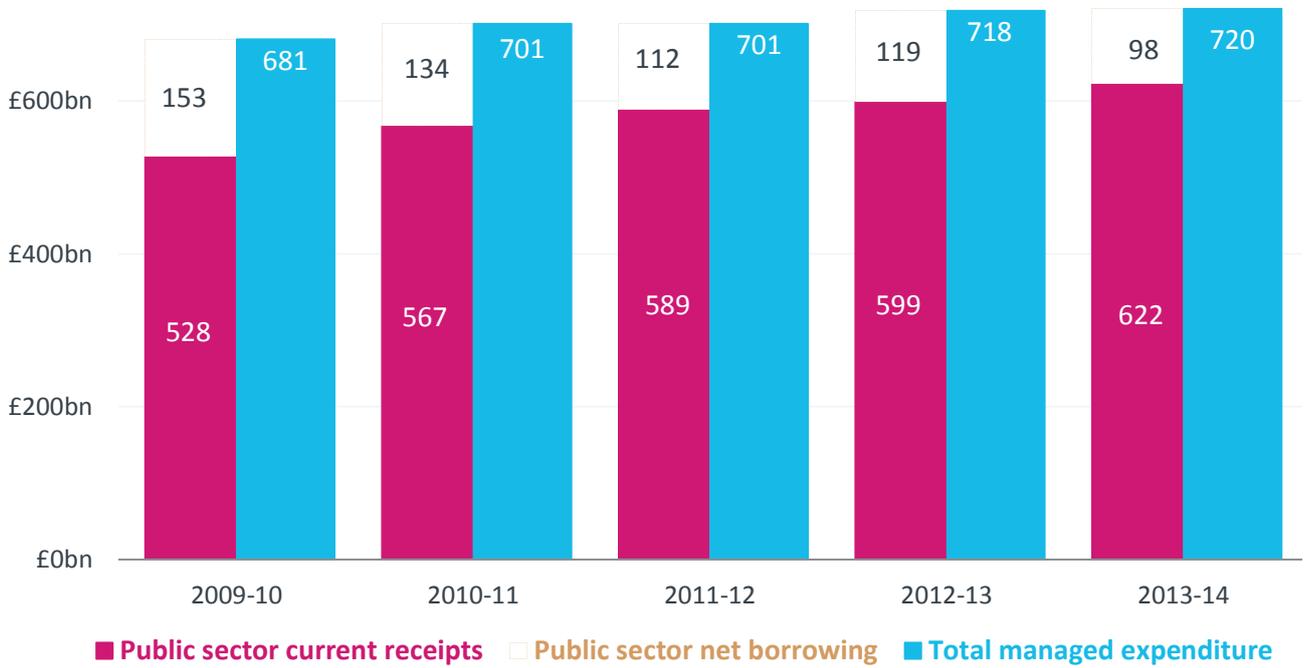
Our work on the **territorial spend of different departments** is based on *Funding the Scottish Parliament, National Assembly for Wales and Northern Ireland Assembly: Statement of Funding Policy*.³ This contains details of how spending allocations to the devolved administrations are decided.

In our work on **transparency**, we use the Public Expenditure Statistical Analyses (Pesa) and refer to Budgets and Spending Review 2010. Pesa is published by the Treasury every year and contains outturn and forecast figures for a large number of spending control totals. Spending Review 2010 set the forward spending plan for all departments for a five-year period: the annual Budget report contains updates to these forward spending plans.⁴

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Across government: total public sector spending of £720bn; DWP the highest-spending department

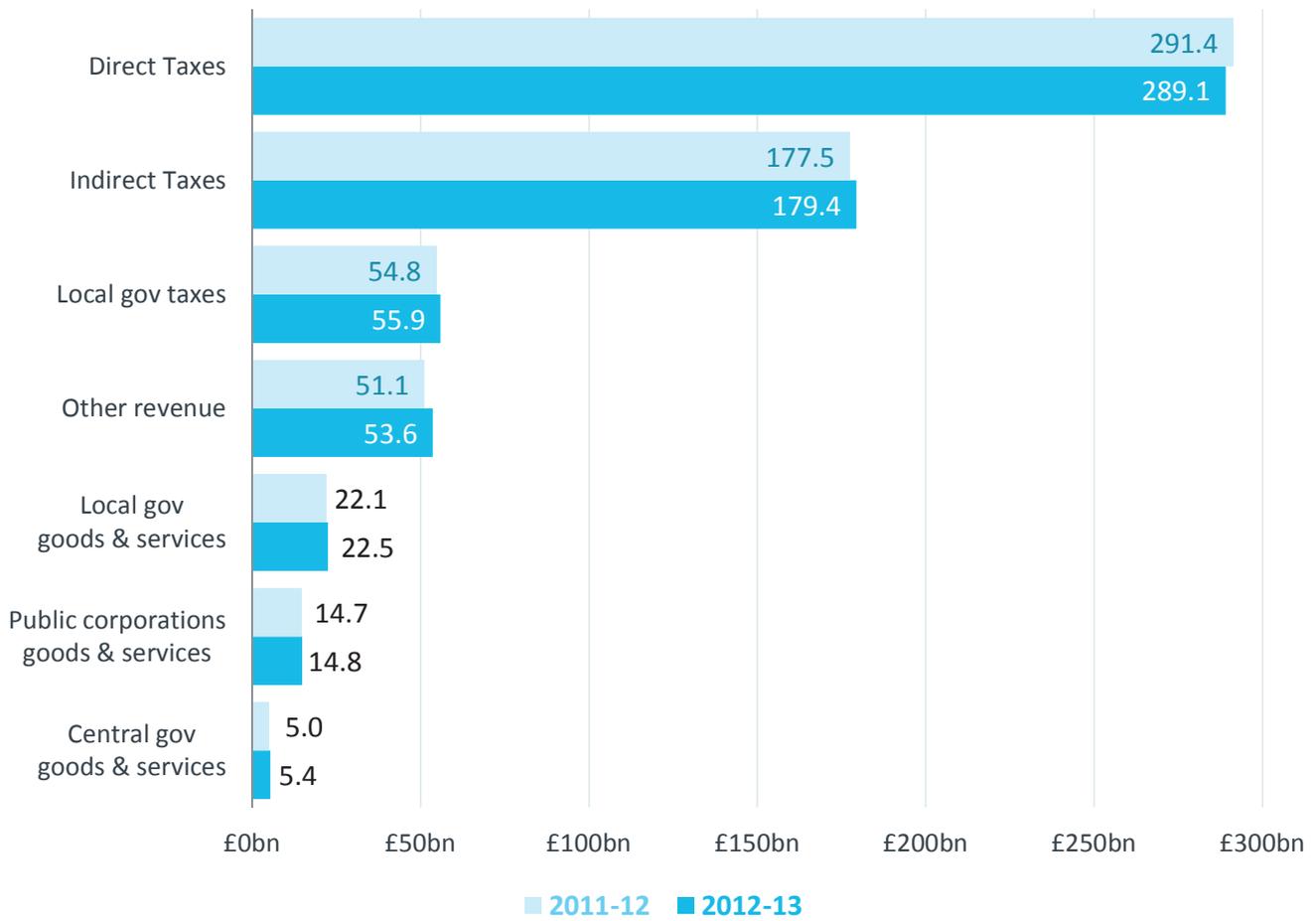
Figure 2.1: Government revenue and expenditure, 2009-10 to 2013-14



Source: Institute for Government analysis of OBR *Public finances databank*, October 2014.

Public sector spending in 2013-14 was £720bn, £98bn more than the £622bn raised through taxation and other revenue sources.

Figure 2.2: Sources of government revenue, 2011-12 and 2012-13



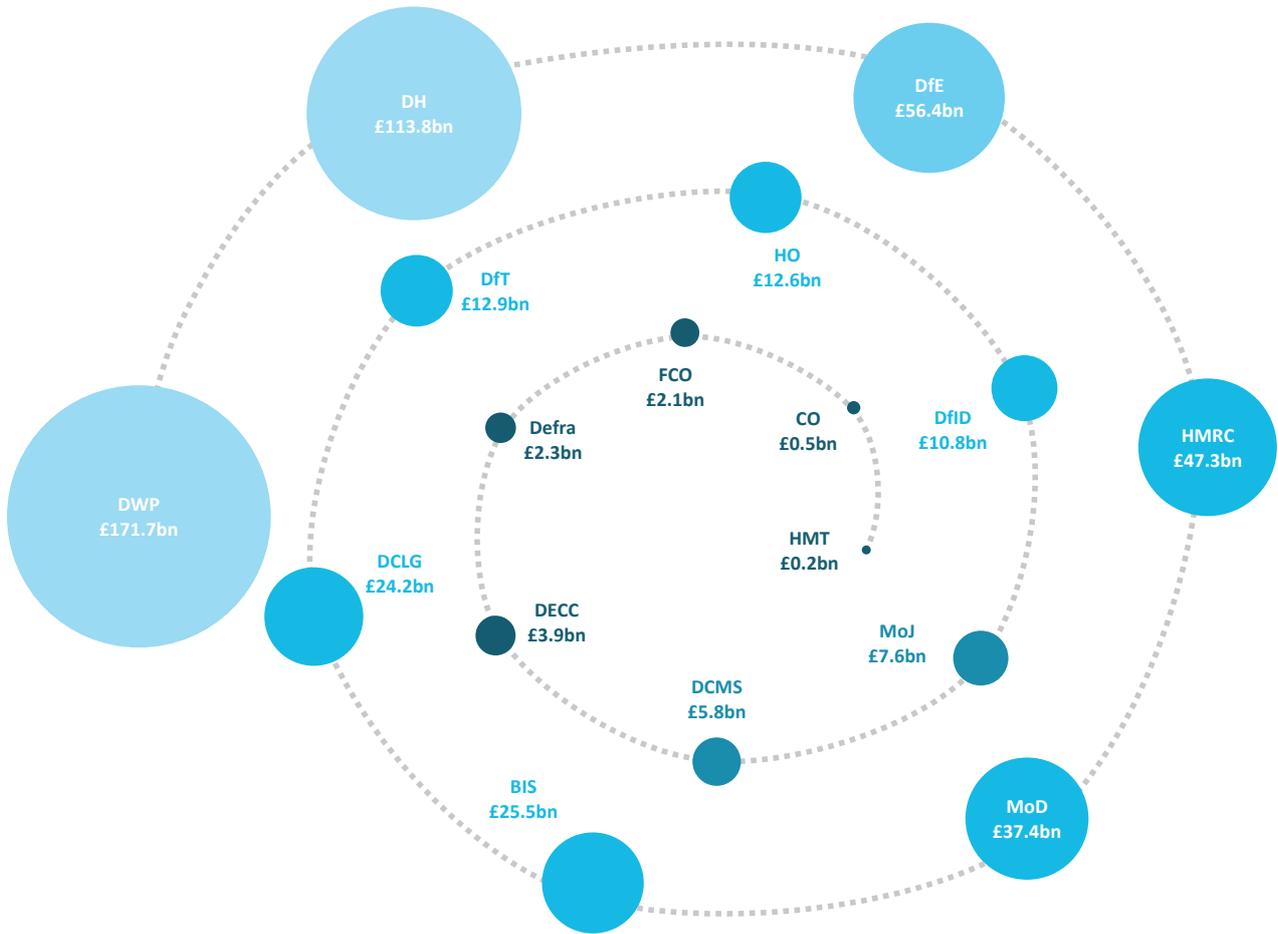
Source: Institute for Government analysis of WGA, Notes 3, 4 and 5.

The bulk – £524bn or 85% – of government revenue in the year to March 2013 came from taxation. Central government raised £289bn (47% of all revenue) in direct taxes, which include income tax, National Insurance contributions and corporation tax. Indirect taxes, which include value added tax, amounted to £179bn or 29% of all revenues.

Departments also receive income from goods and services they provide through their operations (£5bn or 1% of all revenue). The largest component of this is income related to the Nuclear Decommissioning Authority, and it also includes NHS income. Government’s ‘other revenue’ (£54bn or 9% of the total) includes items such as industry levies, local government housing rental income, and income from EU funds.

The majority of these funds come together in the Government’s Consolidated Fund and are allocated to departments on the basis of Spending Review and Budget negotiations and parliamentary approval.⁵

Figure 2.3: Total Managed Expenditure by department, 2013-14



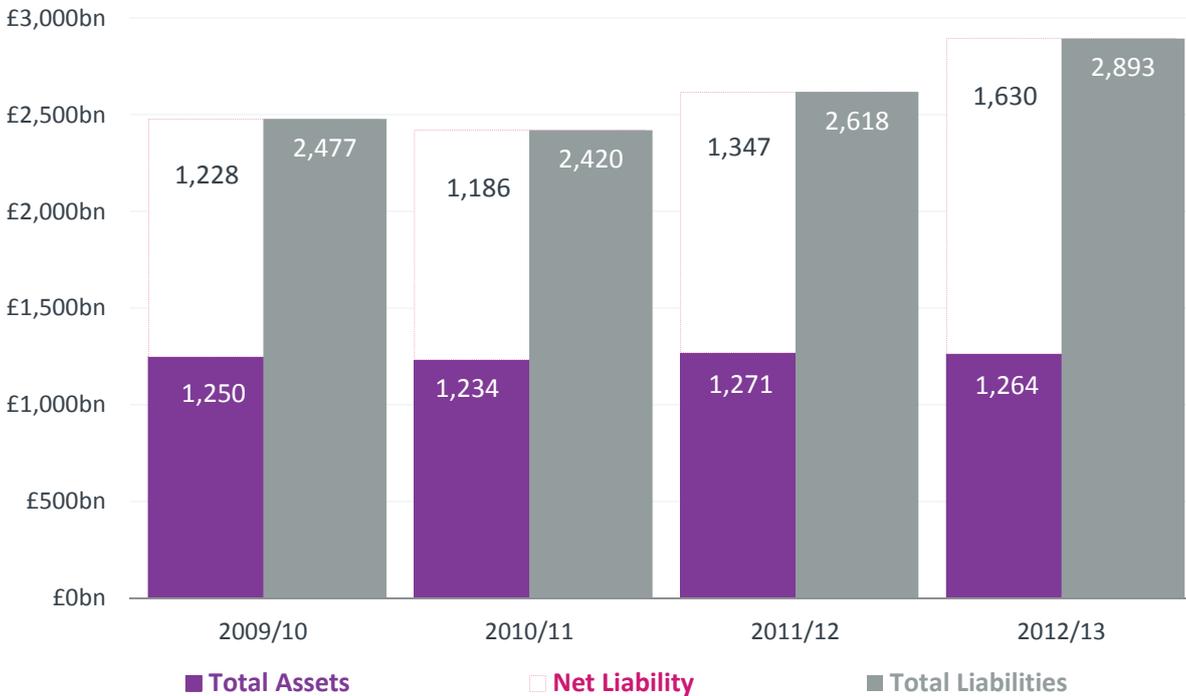
Source: Institute for Government analysis of Annual Reports and Accounts, 2012-13, planned total expenditure for 2013-14. We have combined total spending for DCLG Local Government and DCLG Communities to give a TME figure for DCLG. CO does not include spending on the Single Intelligence Account (which provides funding for the security and intelligence agencies, GCHQ and the Secret Intelligence Service), which was expected to be £1.7bn in 2013-14.

Total Managed Expenditure (TME) represents the total funds available to the department as decided at various fiscal events, which include the Spending Review, annual Budgets and parliamentary approval. It includes funds that are channelled through it and passed on to other bodies and organisations. TME varies considerably between departments according to their size, responsibility and function.

The two largest departments by size of budget are DWP and DH, each with TME of more than £100bn. Mid-sized departments, controlling annual budgets of between £10bn and £50bn, include DCLG, BIS and MoD. At the other end of the spectrum are departments with spending allocations of under £5bn, including the Cabinet Office with £500m TME, and the Treasury, with £200m TME.

The Government’s balance sheet: there is more to it than the public debt, and some liabilities have been growing fast

Figure 2.4: Government assets and liabilities, 2009-10 to 2012-13



Source: Institute for Government analysis of WGA Statement of Consolidated Financial Position.

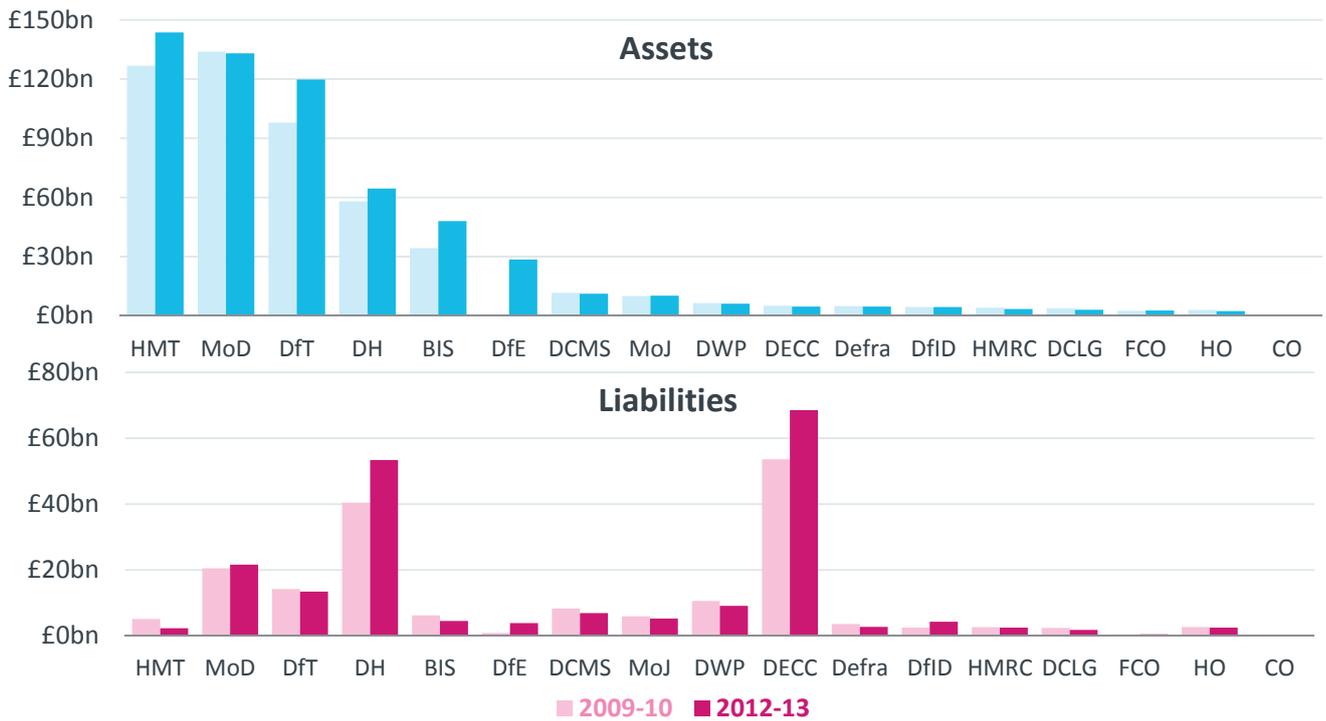
However, the spending allocations that departments receive are not the only financial resource that departmental leaders oversee. They are also responsible for a large portfolio of assets and liabilities.

At the whole-of-government level, assets amounted to £1.264trn in 2012-13. This is made up chiefly of property, plant and equipment (£747bn), such as buildings and roads. Government also holds assets in the form of loans and advances, such as loans to financial institutions (£47bn) and the student loan book (£36bn).

On the other side of the Government’s balance sheet are its liabilities. In 2012-13, these amounted to £2.893trn, of which the largest components were obligations for public sector workers’ pensions (£1.172trn) and government financing and borrowing – the public debt (£996bn).

While government debt is managed by the Treasury, and large portions of the pension liability reflect centrally made policy decisions about terms and conditions for public servants, much of the Government’s balance sheet is managed by individual organisations, including Whitehall departments.

Figure 2.5: Departmental assets and liabilities 2009-10 and 2012-13



Source: Institute for Government analysis of departmental Annual Reports and Accounts (Consolidated Statement of Financial Position). The totals differ substantially from the whole-of-government balance sheet because departmental accounts do not include government debt, pensions accounts and local government assets and liabilities. Increase in DfE liabilities results from school assets newly consolidated in DfE accounts.

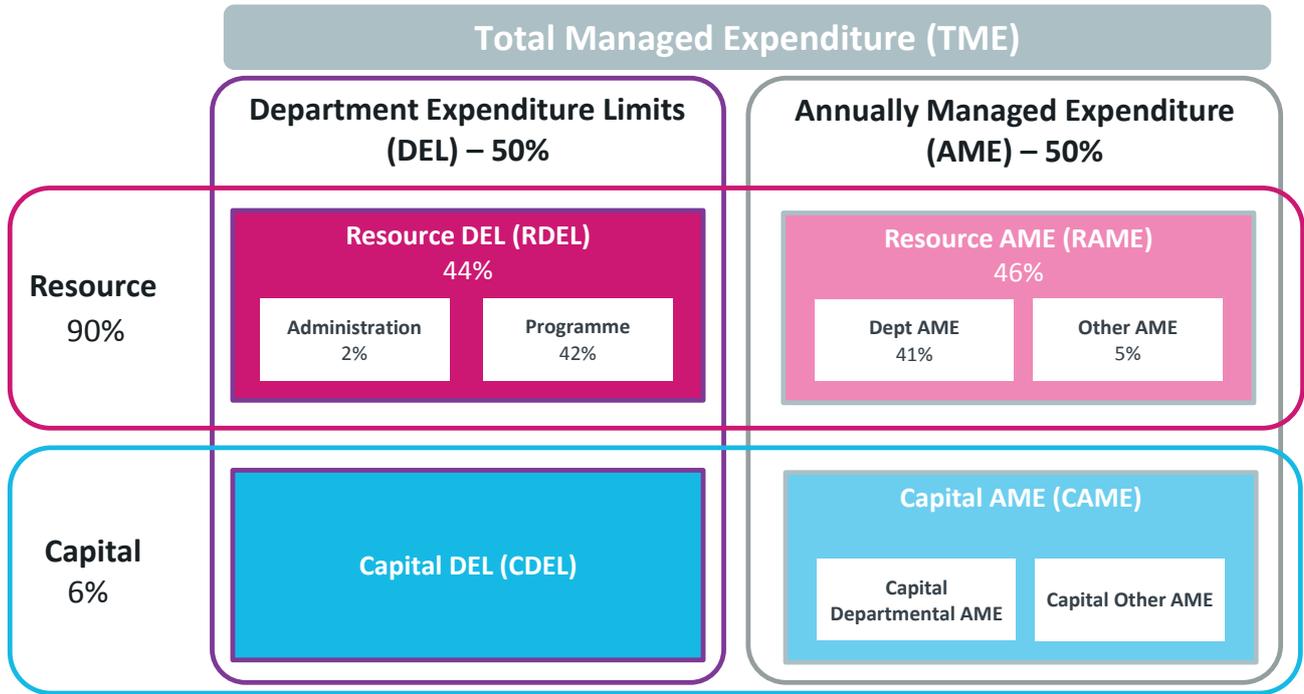
Departments vary widely in terms of the levels of assets and liabilities and the balance between them. On the asset side, the Treasury, MoD and DfT stand out. The Treasury’s balance sheet reflects the large stakes that the state took in private sector banks in the wake of the financial crisis; MoD holds the military estate and the stock of weapons systems and ammunition; and DfT manages a large part of the road network. BIS, meanwhile, holds the student loan book. The significant change in the size of the DfE asset portfolio reflects the inclusion of academies’ estates in this year’s DfE accounts, whose share in the education system has grown. Notably, some assets are not included as the Treasury did not think they could be accurately valued: for example, DCMS does not include assets such as artworks in the galleries it sponsors or in the Crown Estate.

On the liabilities side, DECC and DH hold the highest totals. DECC’s liabilities arise predominantly out of the Government’s obligation to cover the cost of decommissioning nuclear power plants (£70bn), while about half of the DH liability is made up of provisions for NHS clinical negligence claims (£24bn). Both of these large, departmentally managed liabilities have grown in the year to March 2013. The nuclear decommissioning provision has increased by 26% since 2010 (9% in the past year), while the provision for clinical negligence claims has grown by 53% (24% in the past year).⁶

Stringent controls apply to the spending of public money, but there are fewer rules around the management of assets and liabilities across government. Where these exist, they are limited to a particular type of asset, such as the controls on government estate, which we discuss in the next chapter.

Departments: DWP, HMRC dominated by demand-led spending; DfT and DECC by capital

Figure 2.6: Breakdown of Total Managed Expenditure



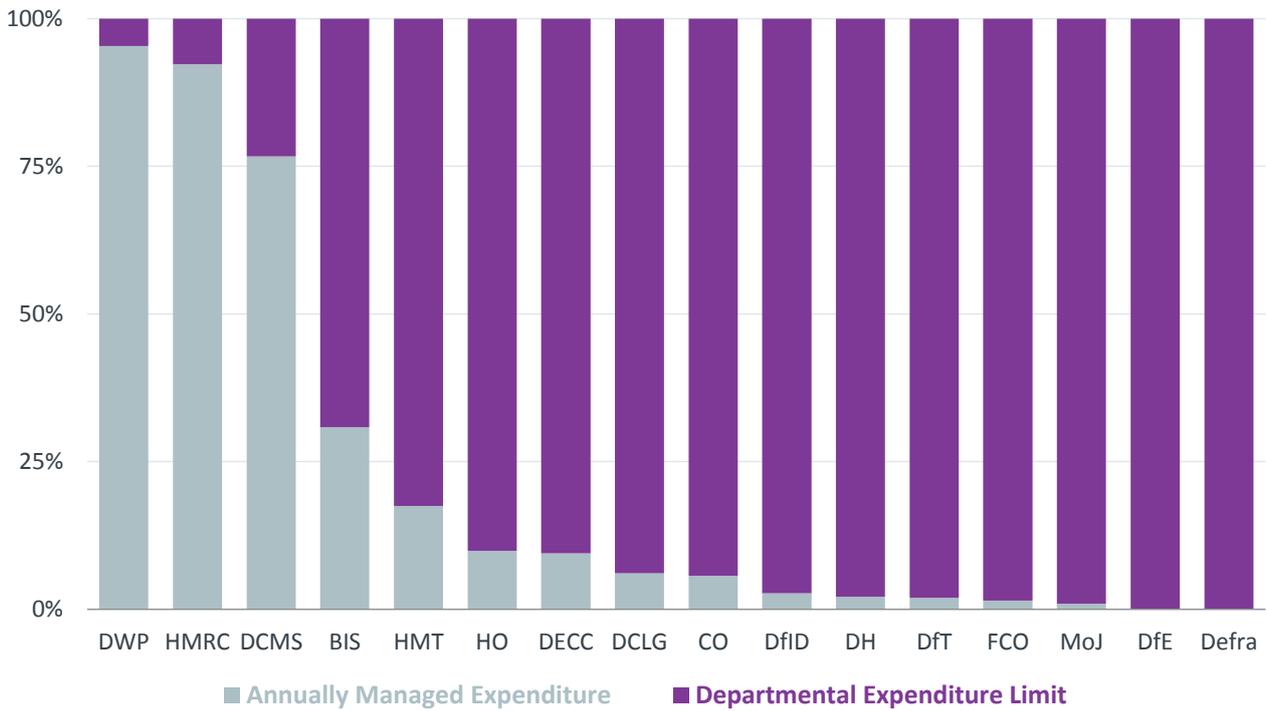
Source: Institute for Government analysis of Pesa 2014. Note that the resource and capital percentages here are aggregates of DEL and AME percentages and may not match resource and capital totals published in Pesa 2014. The resource and capital do not sum to 100% because we have excluded depreciation.

As part of the strict processes and controls applying to how and where departments can spend their money, a department’s spending allocation for each financial year – its TME – is broken down into different categories, each of which can only be used for particular kinds of spending.

At the top level, departmental budgets are split between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). DEL spending represents a known quantity, covering plans that departments are committed to: the spending that departmental leaders can allocate to meet their objectives. DEL budgets are often set for a multi-year period, with minor adjustments made within the annual reporting cycle. DEL spending is limited, meaning departmental leaders cannot overshoot their allocated DEL budget.

AME relates to ‘volatile and demand-led’ spending, which departments are obliged to undertake but which cannot be constrained in advance.⁷ This may be because it relates to functions that are demand-driven, such as pensions or welfare payments, or subject to external factors (such as revenue from BBC licence fees).

Figure 2.7: Departmental DEL and AME spending, plans for 2013-14



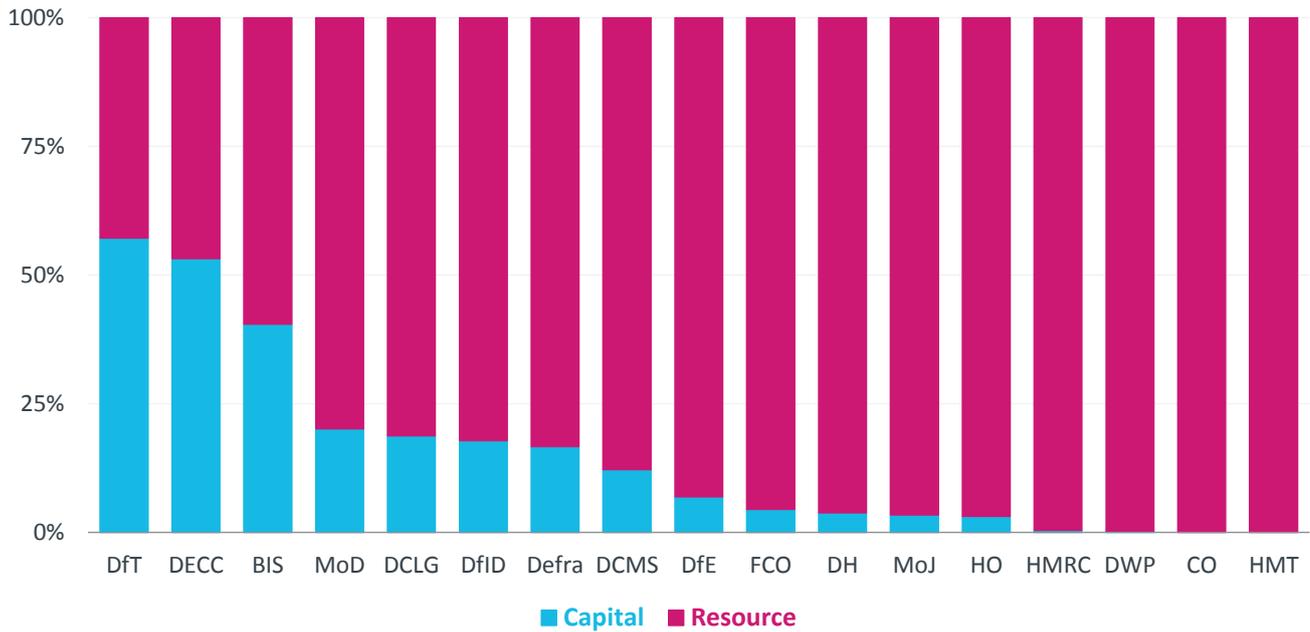
Source: Institute for Government analysis of Annual Reports and Accounts, 2012-13. HMT and DfID do not produce a CAME figure, so we have aggregated RDEL and CDEL, and RAME. We have aggregated DCLG Communities and DCLG Local Government. We have excluded MoD as it does not produce a figure for RDEL depreciation. In the documentation, AME for CO, DfE and Defra are shown as negative. This is due to AME spending set aside as provision for future spending which is no longer required being released back to the department and showing as income. Here we have excluded these released provisions.

The proportion of DEL and AME varies according to each department’s policy responsibilities and functions. The majority of DWP and HMRC’s spending is categorised as AME because they are responsible for policy areas that are demand led, such as pensions and welfare. For DWP, the largest single element of AME is the state pension (£83.4bn in 2013-14), followed by housing benefit (£17.7bn). HMRC’s AME budget for 2013-14 includes £30bn for personal tax credits and £11.8bn for social benefits and grants.

DCMS and BIS have a smaller but still significant proportion of their annual spending categorised as AME. For DCMS, AME spend includes £3.2bn allocated to the BBC and other broadcasting bodies; for BIS, it includes £7.6bn on higher education (comprising spending on student loans).

Other departmental budgets – such as DfE and Defra – are almost entirely categorised as DEL.

Figure 2.8: Departmental capital and resource spending, plans for 2013-14



Source: Institute for Government analysis of Annual Reports and Accounts, 2012-13.

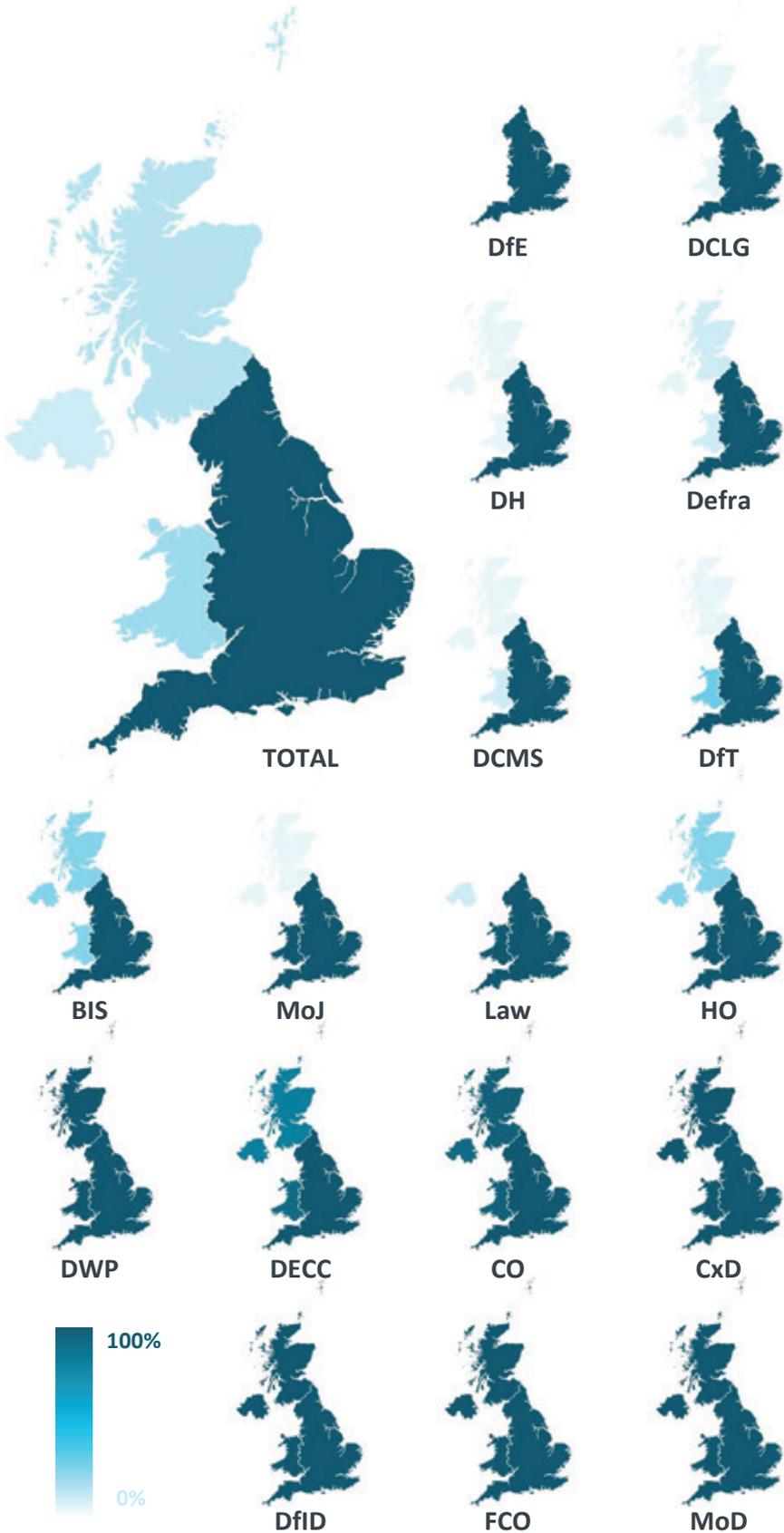
The other major division within TME is between capital and resource spending. Resource spending covers the department’s day-to-day operations, and is further divided into administration spending, which covers departmental running costs including staff salaries and accommodation, and programme spending, which pays for departmental policies and programmes.

Capital spending adds to the public sector’s fixed assets, such as transport infrastructure and public buildings. Funds earmarked for capital spending cannot be transferred to resource spending. This ring-fencing is intended to ensure that sufficient funds are invested in public sector assets to protect and maintain their value.

As with DEL/AME spending, the proportion of a department’s total budget categorised as capital or resource spending depends on the nature of its policy functions and responsibilities. DfT, DECC and BIS have the highest proportion of spend allocated to capital budgets. Much of DfT’s capital budget goes on maintenance of, and investment in, the UK’s transport infrastructure: its capital budget for 2013-14 includes £3.4bn of spending on Network Rail, £1.1bn on Crossrail and £1.6bn on the Highways Agency. Much of DECC’s £2.1bn capital budget is related to nuclear energy – £1.6bn on the Nuclear Decommissioning Authority and nuclear Site Licence Companies. BIS’s large proportion of capital spend is due to funding it receives to cover student loans. Although this comprises a smaller proportion of its overall spending, MoD has the highest capital budget (£9.7bn) of all government departments, the majority of which is used to cover the cost of military equipment (£5.7bn).

Devolution: DfE the only England-only department by spend

Figure 2.9: Extent of devolved responsibility by department



Source: Institute for Government analysis of UK Government *Statement of Funding Policy*, 2010.

Some government departments cover policy areas and functions that apply to the whole of the UK, while others have responsibilities that are more or less devolved to different nations. The Government's 2010 *Statement of Funding Policy* sets out how funding levels to the devolved administrations are decided, giving a measure for each departmental programme indicating the extent to which it is devolved to Northern Ireland, Scotland and Wales.⁸

DfE is the only department where 100% of services and policies are carried out by the devolved administrations. Its funding therefore applies only to England.⁹

At the opposite end of the spectrum are departments that act on behalf of the UK as a single unit with no distinct responsibilities in any devolved territory. This category includes the FCO, MoD and DfID, since no foreign policy or defence responsibilities are devolved.

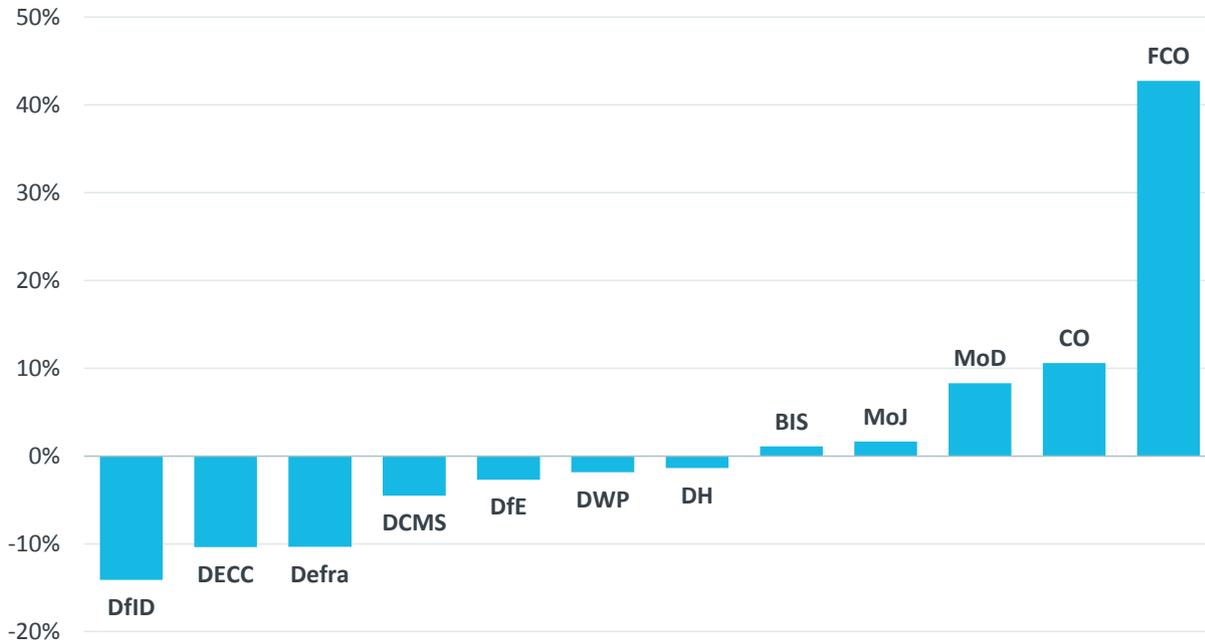
The majority of departments fall somewhere between these two extremes. Around three-quarters of the Home Office's programme spending covers England and Wales only; this includes spending on crime and policing, which are fully devolved to Scotland and Northern Ireland and funded by block grants to those administrations. The remaining quarter of programme spend is allocated to UK-wide programmes including Immigration, the Passport Agency, and Serious and Organised Crime.

DfT is an extreme example of the territorial sub-division of programme spending. It allocates programme expenditure to four different territorial groupings:

- numerous arm's-length bodies funded at a UK-wide level¹⁰
- bodies (such as the DVLA and Office of Rail Regulation) that apply to England, Scotland and Wales but not Northern Ireland
- Network Rail, the British Transport Police and capital rail projects (England and Wales only)
- other programmes and policies, such as the Highways Agency and Crossrail (England-only).

Financial transparency: departments clear on policy changes, but not on in-year shifts in spending

Figure 2.10: Percentage change in resource DEL 2013-14 between Spending Review 2010 plans and outturn



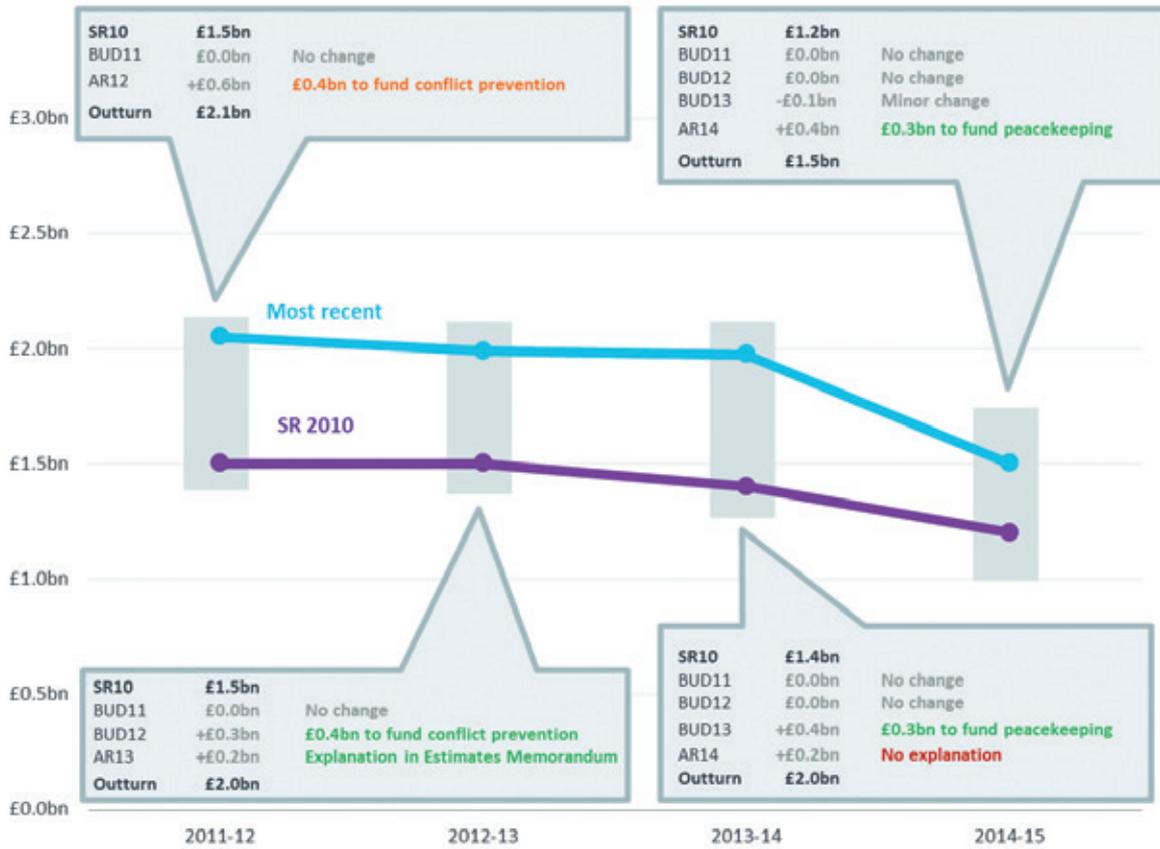
Source: Spending Review 2010 table 1 and Pesa 2014 table 1.5 (figures exclude depreciation). Pesa figures rounded to one decimal place to match Spending Review figures. HO, DfT and DCLG excluded from chart as figures affected by budget transfers between departments. CO is aggregated with the Single Intelligence Account in these figures.

The Coalition set itself a stretching challenge to reduce spending rapidly to address the deficit, and has done so quite successfully so far, reducing spending with very few reversals. The expected outturns for 2013-14's DEL relative to the amount expected in Spending Review 2010 show that, in many departments, spending is lower in nominal terms than was planned in 2010.

DEL budgets are generally set for multi-year periods (Spending Review 2010 set out forward plans across several financial years). More detailed spending controls are set each financial year through the Budget process, at which spending plans may be revised upwards or downwards. Comparing the original spending plan for each financial year with subsequent revisions and final outturn figures (as above) allows us to track changes in departmental budgets, to measure progress against financial targets and, when departmental budgets are increased or reduced, to identify when that change took place and why.

Below we select several departments that show significant changes in outturn, and indicate whether these are fully explained. Ideally, we would expect departments to explain the changes in the spending documents where they occur.

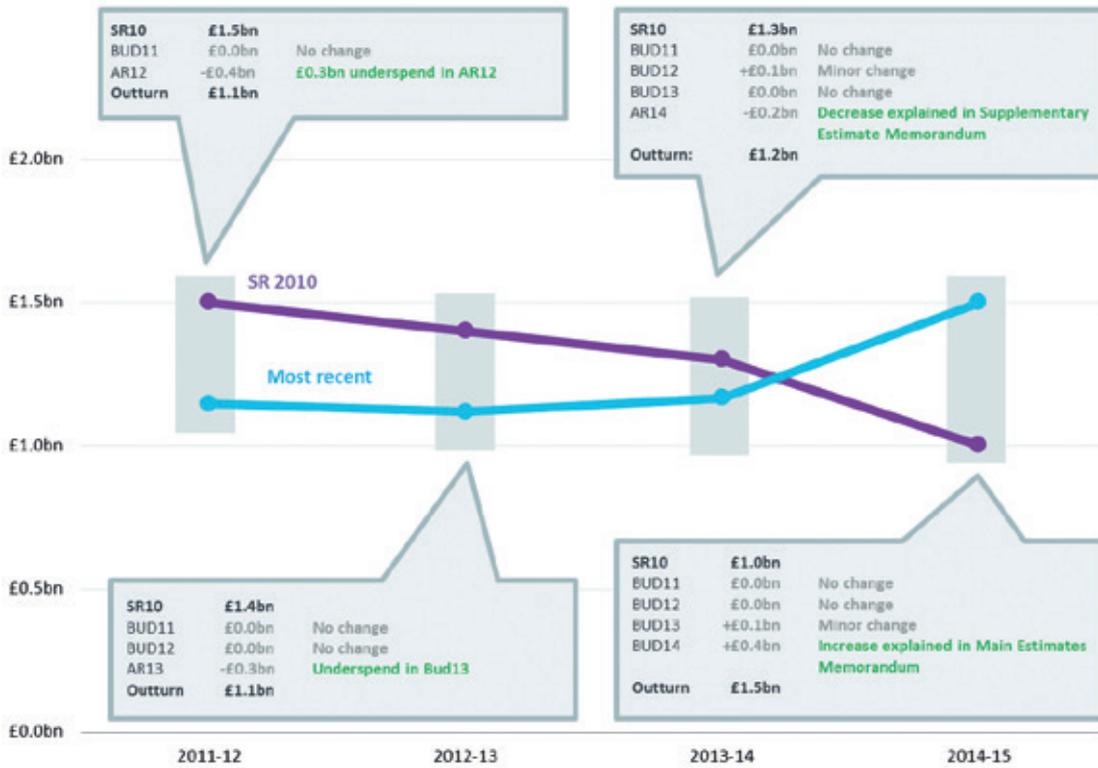
Figure 2.11: Foreign Office – changes to spending plans since Spending Review 2010



Source: Institute for Government analysis of Budgets 2010-14, Pesa 2011-14, Spending Review 2010 and FCO Annual Reports and Accounts, 2011-12 to 2013-14.

The Foreign Office’s annual outturn has been consistently above plans set out in Spending Review 2010. In most cases where spending has increased, this has been due to a transfer of funding from the Special Reserve (which contains funding not allocated in the Budget) to cover peacekeeping operations and conflict prevention. These transfers were noted in Pesa. In financial year 2013-14, however, the final outturn figure was around £200m higher than set out in the previous fiscal report. There is no obvious explanation in the department’s annual report for this increase in RDEL spend.

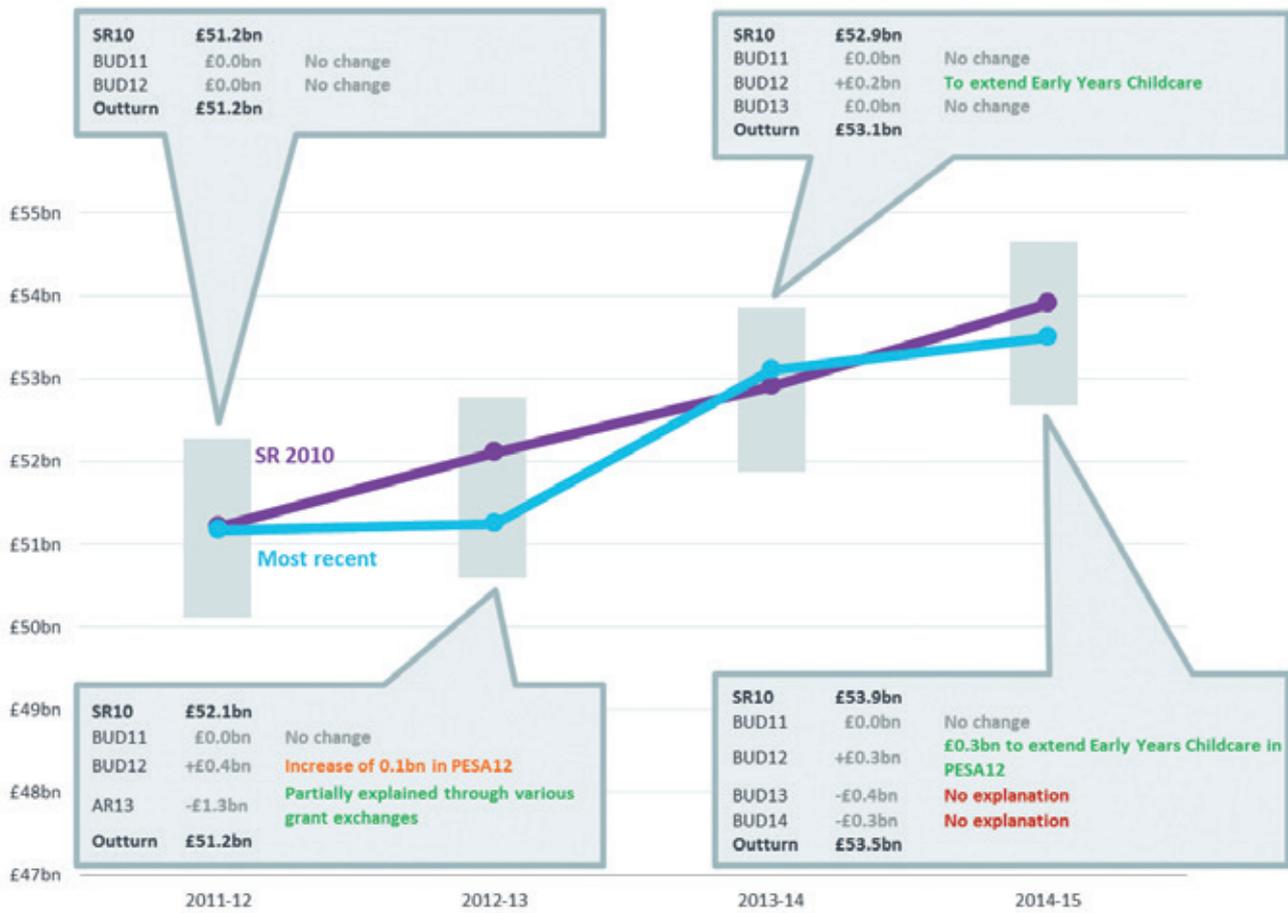
Figure 2.12: DECC – changes to spending plans since Spending Review 2010



Source: Institute for Government analysis of Budgets 2010-14, Pesa 2011-14, Spending Review 2010 and DECC Annual Reports and Accounts, 2011-12 to 2013-14.

DECC has consistently kept to the limits set down in Spending Review 2010 and underspent in financial years 2011-12 and 2012-13. Where outturn has fallen due to an underspend, this has been reflected in the Annual Report and Accounts. However, the department’s outturn in 2013-14 was £200m lower than expected, and an increase has been projected for financial year 2014-15. There is no obvious explanation for these increases in this year’s annual report or Budget 2014, but these changes are fully explained in Estimates Memoranda.

Figure 2.13: DfE – changes to spending plans since Spending Review 2010



Source: Institute for Government analysis of Budgets 2010-14, Spending Review 2010, Pesa 2011-14, and DECC Annual Reports and Accounts 2011-12 to 2012-13.

DfE has followed the spending trajectory set out in Spending Review 2010 relatively closely and with few revisions to each annual plan. Spending increases due to the decision to extend early-years childcare were clearly indicated in Pesa. Plans for financial year 2014-15, however, have been more volatile, with the spending profile rising at Budget 2012 before falling at Budgets 2013 and 2014. Again, we can find no explanation for these movements.

While these charts give only a partial account of the transparency of movements in departmental spending plans, the trends within them are common across a number of departments. Transfers of funding from one organisation to another (such as the drawdown of funds from the Special Reserve, as with the Foreign Office, or the transfer of transport grants from DfT to DCLG) or increases in spending due to new policy announcements (such as the extension of early-years childcare by DfE) are generally well documented in Annual Reports and Accounts or Pesa. It is far harder to track changes in spending within a department across a single financial year. Underspends are often only partially accounted for in the Annual Report and Accounts, and we can find no explanation at all in the annual Budget document.¹¹

Movements in the other direction are even less transparent – in financial year 2013-14 both DECC and FCO reported higher outturn figures than indicated in Budget 2013, but we could find no explanation in the Annual Report and Accounts.

Figure 2.14: Transparency of departmental spending plans

Department	2011-12	2012-13	2013-14	2014-15	Average rank
DECC	Green	Green	Green	Green	1
DCMS	Green	Yellow	Green	Green	2
MOJ	Green	Green	Green	Red	3
DH	Yellow	Yellow	Green	Yellow	4
DfE	Green	Red	Green	Yellow	5
DWP	Orange	Green	Yellow	Yellow	6
BIS	Green	Yellow	Red	Green	7
DfT	Yellow	Green	Yellow	Yellow	8=
DCLG	Green	Red	Red	Yellow	8=
FCO	Yellow	Yellow	Yellow	Yellow	9
DfID	Red	Orange	Yellow	Green	10
MoD	Orange	Red	Red	Green	11=
Defra	Yellow	Red	Yellow	Yellow	11=
HO	Red	Green	Yellow	Red	13
CO	Red	Red	Red	Red	15=
HMRC	Red	Red	Red	Red	15=
HMT	Red	Red	Red	Red	15=

Source: Institute for Government analysis of Budgets 2010-14, Spending Review 2010, Pesa 2011-14, and departmental Annual Reports and Accounts 2011-12 to 2013-14. Changes of less than £100m were excluded.

We have graded each department according to how transparently they account for movements in spending plans. For each financial year we compared the original spending plan, as published in Spending Review 2010, with each republication of the plan for that financial year (in annual Budget documents, Pesa and the department's Annual Report and Accounts), and noted whether the spending plan had changed and whether this change was explained.

We graded each department according to:

- whether an explanation was given for a change
- whether each movement was fully or partially explained
- where the explanation appeared.

We then ranked the departments based on their average transparency rating. DECC, DCMS and MoJ were given the highest rating. When changes appear in the forward spending plans for each of these departments, full explanations for these changes are generally given, either in the same document in which the change appears or in another published document. DECC scored well because although explanations for changes are not generally given in the same document in which that change first appears, full explanations for changes can be found in the department's Main Estimates Memoranda, which can be found via a link on the department's own website. No other department provides a link to these important financial documents.

At the other end of the scale, Cabinet Office, HMRC and HMT have the worst transparency rankings. This is due to inconsistencies in the way each of these departments is reported at different fiscal events, which makes it impossible to reconcile spending plans published in different documents. For example, in the annual Budget documentation HMRC is included in 'Chancellor's Departments', which means we cannot reconcile current spending plans to plans published at previous events, and therefore cannot track movements in spending plans across time. Similarly, in the Budget documentation, spending plans for the Cabinet Office include funding for the Single Intelligence Account: however, outturn figures in Annual Reports and Accounts are for the Cabinet Office only. It is not possible to reconcile plans published in the Budget with outturn figures.

Other departments received low scores for giving no clear explanation for changes in forward spending plans. For example, between Spending Review 2010 and Budget 2013, the Home Office RDEL spending plan for the financial year 2014-15 fell by £0.4bn. We could find no explanation for this drop. MoD also performed poorly on financial transparency, in part because the department does not publish RDEL depreciation figures in its annual reports, which makes it impossible to compare outturn with the original spending plan in Spending Review 2010.

Most departments fell somewhere in between, with some explanation given for most changes in plans. DWP and BIS are ranked in the middle of our table. They offered some explanation for most changes to forward spending plans, but it was not always possible to reconcile the change in forward plans with the explanation provided.

The cost of running government departments

Government departments spend some of the money they are allocated on their own operations. This includes the cost of employing staff, from salaries to pension contributions; of renting and operating the buildings in which government officials work; and building and running the IT systems that enable (or otherwise) government business. Overall, spending on administration, as measured by the administration budgets, is lower than planned.

Separate data is available on estates and staff costs, two significant components of the money departments spend on their own operations. The government estate has shrunk in terms of cost and size, and government staff now have to make do with less space per employee. The story of staff costs is slightly different: while the cost of employing permanent staff has fallen, this is partially offset by employing temporary staff, particularly agency and clerical staff and interim managers.

About the data

For overall **administration costs**, we use Public Expenditure Statistical Analyses (Pesa), which we also used in the 'Finance' chapter. We have used table 1.7 (Administration budgets) from Pesa 2013 and 2014 to compare plans with outturn. The definition of 'administration spending' has changed over time and may not include everything related to running the operations of a department.

Also, throughout this chapter, we use the savings reports published annually by the Cabinet Office's Efficiency and Reform Group (ERG) since 2011. These present cost reductions achieved in a number of categories of spend, including staff costs, consultancy, advertising and IT spend, and estate and major projects costs.¹

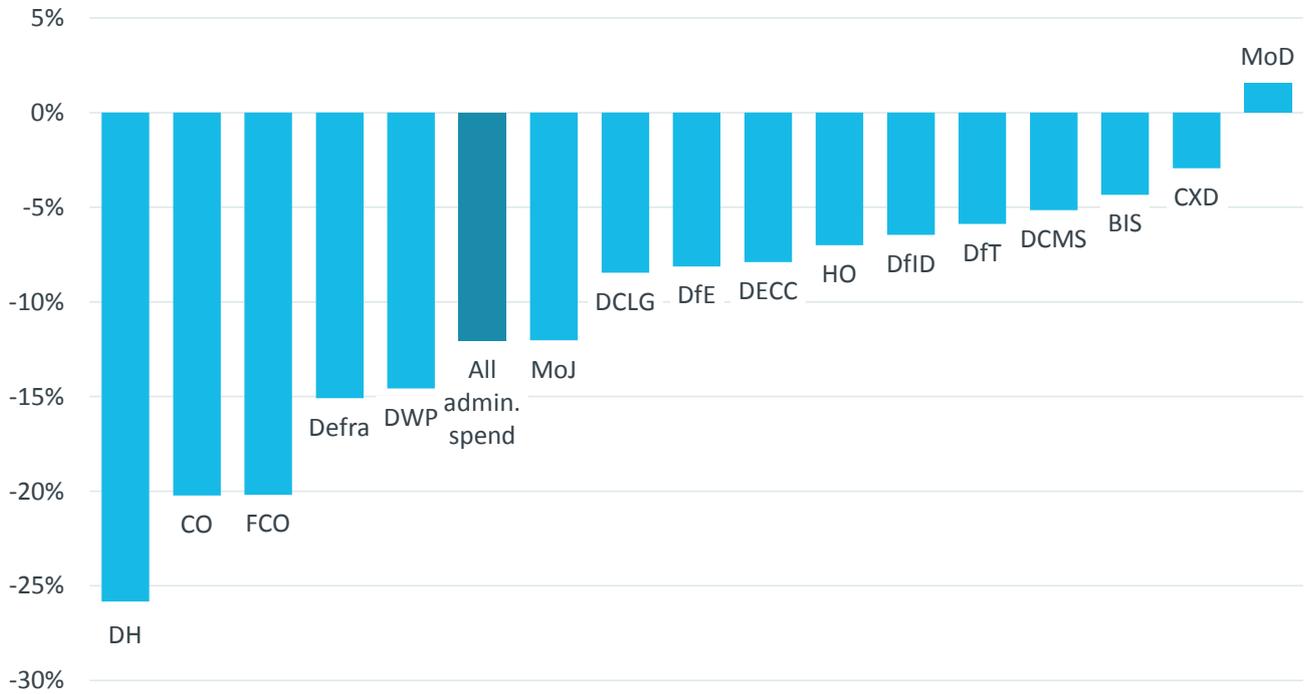
On **estates**, we have used the 2013 edition of *State of the Estate*, which has been published annually since 2010 by the Government Property Unit. It contains data on the size and cost of the mandated estate – the part of the government estate for which departments are required to report data centrally, comprising the property owned or used by government departments and arm's-length bodies and excluding infrastructure, heritage sites, the NHS, overseas property and military estate. The departmental data is for the full departmental group – it includes arm's-length bodies. A subset of this estate – the 'benchmark estate' – also includes unit costs and comparison to private sector benchmarks.²

On **staff costs**, we have used workforce management information (WMI). This is internal data on the numbers of different categories of staff and the related costs, published monthly by departments. This data started to be published after the ERG instituted a system of spending controls on hiring as well as consultancy and some other spending. They are not official statistics, so should be interpreted carefully; we have found occasional errors in the data and not all of it is publicly available.³

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Cost of running departments: continues to be lower than planned

Figure 3.1: Administration budgets – spending compared to plans, 2013-14



Source: Institute for Government analysis of Table 1.7 in Pesa 2013 (plans for 2013-14) and Pesa 2014 (outturn 2013-14).

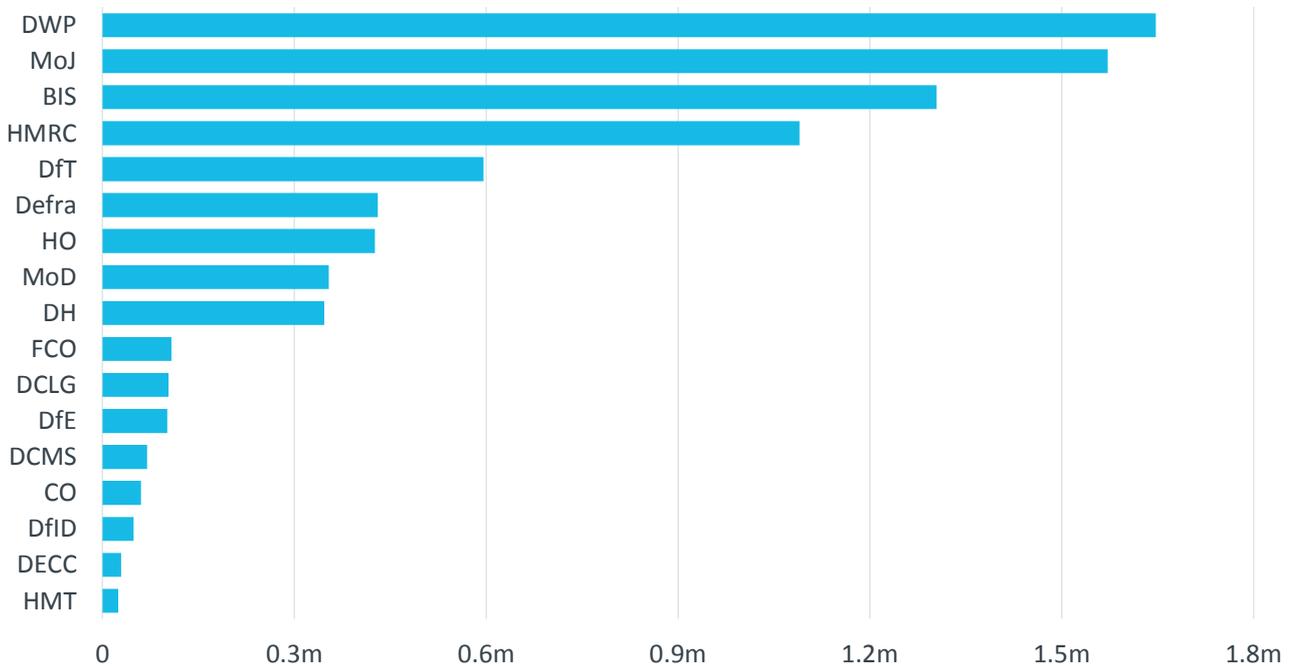
Administration budgets make up about £11.7bn – some 1.6% of total government spending and about 3.5% of Departmental Expenditure Limits (DEL). This is spending set aside for administrative expenses, as opposed to ‘programme’ expenses – money spent on providing public services.

Spending Review 2010 contained plans to reduce administration spending by about a third, and Spending Round 2013 by another £1.9bn, to around 40% below the level of 2009-10.⁴ In the year to March 2014, most departments’ administration spending was significantly lower even than planned: all departments except MoD have underspent, with 14 of the 17 departments underspending by more than 5%. Administration spending by CO, FCO and DH was more than a fifth below plan. This is a continuation of the situation we found last year. However, a look at forward plans made over time suggests that they are not always adjusted to reflect savings made in the previous year, so not all the underspends have accrued in the past year alone.

Defining each pound as spending on either ‘administration’ or ‘programme’ is inherently difficult and the definition of what types of spending fall within this total has changed over time. Administration budgets, as found in public spending documents, are therefore better thought of as a tool for controlling spending rather than a comprehensive indicator of departments’ running costs.

Estate: DWP, MoJ, HMRC and HO hold 54% of it; overall estate shrunk by 17% since 2010

Figure 3.2: Size of government estate (square metres of floor space)



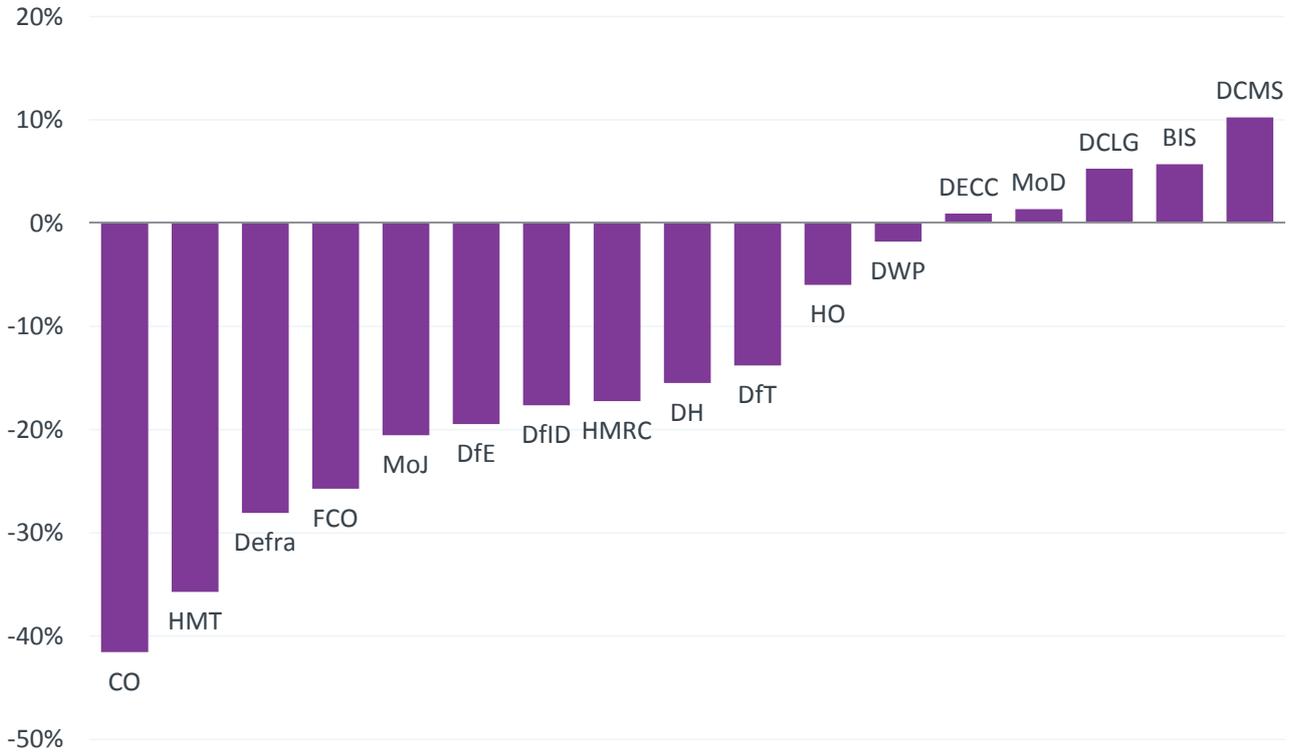
Source: *State of the Estate* 2013, data as of January 2014. Excludes overseas estate (notable for FCO and HO); MoJ includes courts estate but excludes prisons. MoD includes only civil estate.

Four large delivery departments together make up 54% of the mandated estate: DWP with its job centres; MoJ, which manages the courts estate; HMRC with its operations; and HO, which operates the borders and immigration services. BIS and DfT also feature at the top of the chart because of the presence of numerous delivery organisations, including the Land Registry and the Driver and Vehicle Licensing Agency.

Renting and running the buildings in which government business takes place is a significant component of departments' running costs. In the year to March 2014, government spent £2.99bn⁵ running the mandated civil estate totalling 8.7m square metres – the equivalent of 1,200 football pitches.

Government has identified the need to optimise and better co-ordinate how it uses office space, and since 2010, the total size of mandated civil estate has been reduced by 17%. According to the *State of the Estate* report, the cost of running the estate fell by about 5% in 2013, while the ERG has identified savings from property optimisation – downsizing and central control of new leases – of £461m against their 2010 baseline (not including asset sales).⁶

Figure 3.3: Change in space (square metres) per member of staff (Full-time Equivalents, FTE) in benchmarked estate, 2011-13

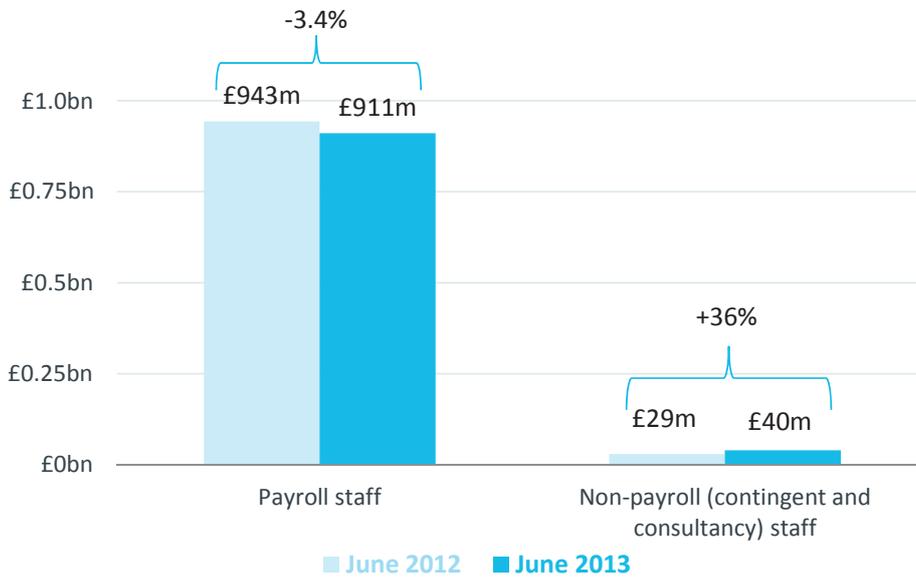


Source: *State of the Estate*, 2011 and 2013.

The benchmarked estate is a subset comprising 3.2m square metres of the 8.7m square-metre mandated civil estate. It contains property for which unit costs can be compared across departments and against private sector property management benchmarks. Since 2011, the space available on average to each member of staff within it has shrunk, in some departments significantly so: the space available per staff member in the Cabinet Office and the Treasury has shrunk by more than a third since 2011 as the buildings in which they are housed have accommodated additional organisations. The floor space of government buildings has typically shrunk faster than the workforce occupying these buildings.

Staff costs: permanent staff costs down, but temporary staff costs up

Figure 3.4: Monthly staff costs in departments, June 2012 and June 2013

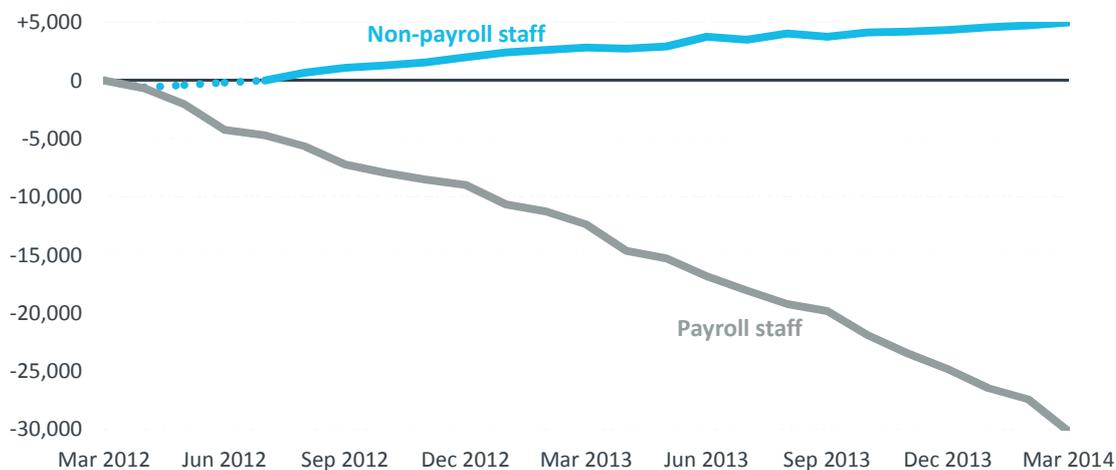


Source: Institute for Government analysis of WMI. Excludes FCO and DCMS (missing data) and most arm's-length bodies; includes organisations managed by central departments or where no distinction could be made (e.g. MoD, HO, DWP).

Whitehall departments spend roughly £900m a month on staff costs (permanent civil servants' salaries and other costs related to employing payroll staff). This gives an £11bn annualised cost of employing payroll staff. Departments spend £40m monthly (roughly £500m annually) on 'contingent and consultant labour' not on the payroll, including temporary agency staff, interim managers, specialist contractors, and consultants.

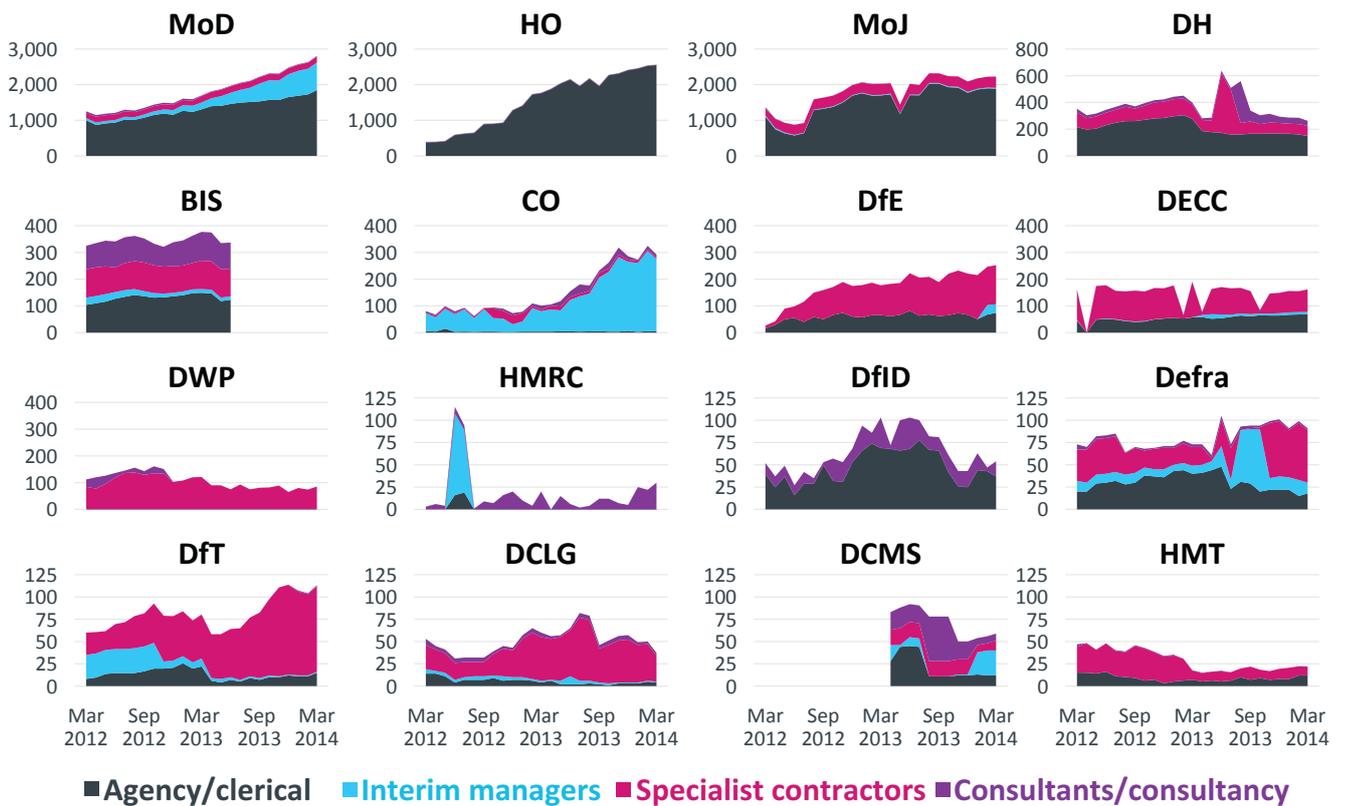
For illustration, we can compare monthly staff costs in June 2012 and June 2013, where the data is most complete. It shows that while costs of employing payroll staff have been falling, non-payroll costs have risen. This is also reflected in the staff numbers – while numbers of payroll staff have continued to decrease, the numbers of non-payroll staff have increased. In the 18 months to December 2013, non-payroll staff increased by more than 4,000 FTE.

Figure 3.5: Changes to payroll and non-payroll staff (FTE), March 2012 to March 2014



Source: Institute for Government analysis of WMI. Excludes BIS, DCMS, DfID and FCO, which did not publish all data. Drop between March and July 2012 due to missing HM Courts and Tribunals data (MoJ).

Figure 3.6: Numbers of non-payroll staff in departments, March 2012 to March 2014



Source: Institute for Government analysis of departmental Workforce Management Information.

Looking at the changes in non-payroll staff in more detail suggests that the increase is due largely to growing numbers of agency and clerical workers in HO, MoJ and MoD, and interim managers in MoD and CO. The spike in consultants and contractors in DH in mid-2013 is attributable to the onset of NHS reform, but notably no comparable increase is apparent in DWP with respect to its major reforms such as Universal Credit or automatic enrolment into pensions.

Staff reductions – a stated objective of the Government’s *Civil Service Reform Plan* – are having an effect on costs. Even in the period from June 2012 to June 2013, when most staff reductions had already occurred, the pay bill fell by some 3%. Indeed, the ERG, which has access to the complete data from 2010 onwards, has identified pay bill savings of £2.4bn in this parliament.⁷

And while staff costs and the employment of non-permanent staff form an important part of the operations of central government, the core capability of government departments stems from the civil servants that government employs. We turn to these in the next chapter.

The civil service workforce

The number of civil servants has been cut by more than 70,000 since the Spending Review in 2010, meaning the Civil Service is at its smallest since before the Second World War. Particular departments – DWP, HMRC, MoJ and MoD – account for most of the reduction in absolute terms, given their size.

The biggest headcount reduction in percentage terms has come at the most junior (administrative officers and assistants) levels. Different departments have very different grade mixes, from top-heavy DfID (where the dominance of grades 6 and 7 has become more pronounced since 2010) to administration-heavy MoJ.

A more diverse Civil Service should be more effective; it would be more representative of the population and would suggest that talented candidates from all backgrounds were working within it. Although much progress has been made on diversity, the representation of women, ethnic minorities and disabled staff in the most senior grades is lower than across the Civil Service as a whole.

Different parts of the country host varying numbers of civil servants, with London (unsurprisingly, given central government's base there) employing the most. Every member of staff in DCMS is based in London, while other departments have a wider geographical spread, including in the devolved nations (DfT in Wales, DfID in Scotland).

About the data

Our data on **staff numbers** by department is taken from the quarterly Public Sector Employment (PSE) series, published by the Office for National Statistics (ONS). We have adjusted for Machinery of Government changes (so movements of staff between departments are not counted as cuts) and distinguished between staff directly within a line management structure up to departmental leaders ('managed departments'), and those staff working for government organisations for which a minister has some responsibility ('departmental group'). We also used the ONS PSE data for the figures on the wider public sector. The Cabinet Office has kindly provided us with headcount data back to 1902. These figures are all Full-time Equivalent (FTE).¹

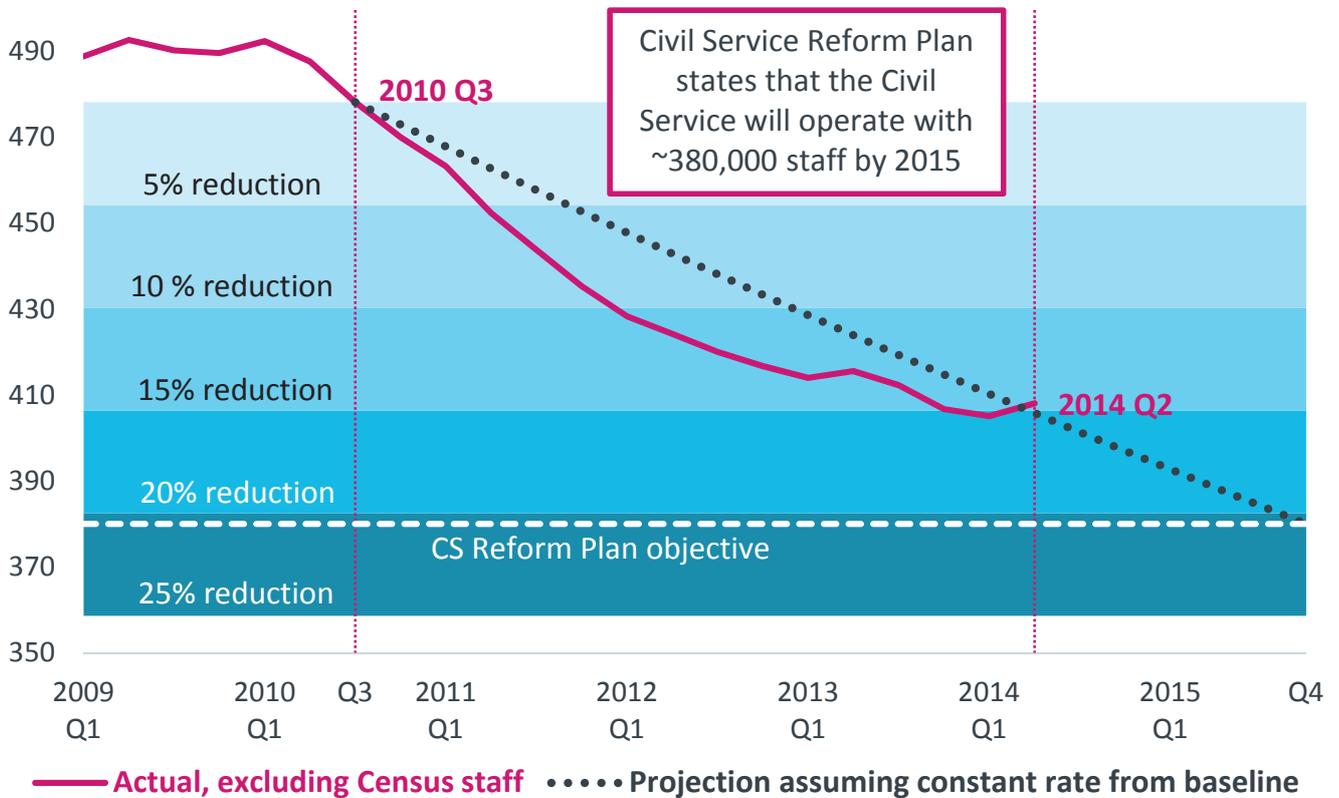
Our **diversity** analysis is based on the Annual Civil Service Employment Survey, also published (usually in October) by the ONS. We have also used the annual *Fast Stream Recruitment Report* which provides information on applicants to one of the Civil Service's recruitment streams. The historical data comes from both the Annual Civil Service Employment Survey and the Cabinet Office's Senior Civil Service (SCS) database, and was previously published in the Institute for Government report *Bringing In and Bringing On Talent*. These figures are for headcount and thus include part-time staff.²

Our **location** analysis is largely based on the ONS Annual Civil Service Employment Survey. For staff numbers in the Northern Ireland Civil Service we use Nisra, *Employment in the Northern Ireland Civil Service – 1st July 2014*, table 1(a), as it is not available in the ONS release. These figures are for headcount.³

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Staff numbers: 408,010 civil servants, down 70,120 since Spending Review 2010

Figure 4.1: Civil service staff numbers, March 2009 – June 2014 ('000, Full-time Equivalents)

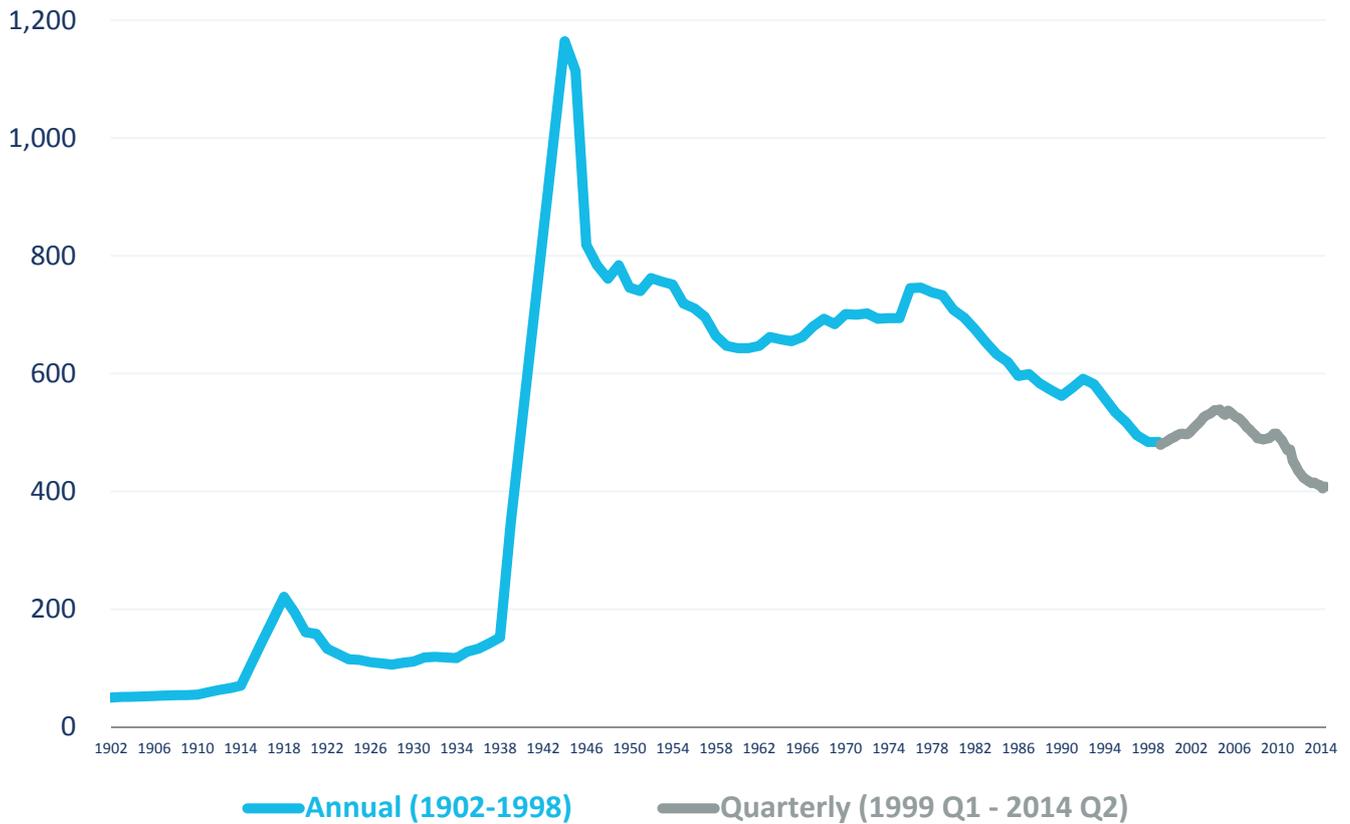


Source: Institute for Government analysis of Office for National Statistics (ONS) Public Sector Employment data (table 9), Q1 2009 to Q2 2014.

In the June 2012 *Civil Service Reform Plan*, the Coalition committed to reducing the size of the Civil Service by some 23% over the course of this parliament. Staff numbers have fallen from 478,130 (FTE) at Spending Review 2010 to 408,010 in June 2014, a fall of 70,120. An increase in staff (of 2,940) from March 2014 to June 2014 means that, for the first time, the Government is not on course to meet its objective.

The three months to end June 2014 (2014 Q2) represent only the second quarter since the Spending Review where overall headcount rose. This was because 9,100 probation staff were counted as civil servants for the first time, having joined the National Offender Management Service (part of MoJ) from the National Probation Service on 1 June. The only other quarter to record an increase was 2013 Q2 (June). This was also due to a reclassification of staff: two new executive agencies were created (at DH and MoJ), meaning that more than 6,000 employees were counted as civil servants for the first time. In both quarters, these reclassifications aside, the underlying direction of change was still a cut.

Figure 4.2: Civil service staff numbers, 1902 to 2014 (FTE)

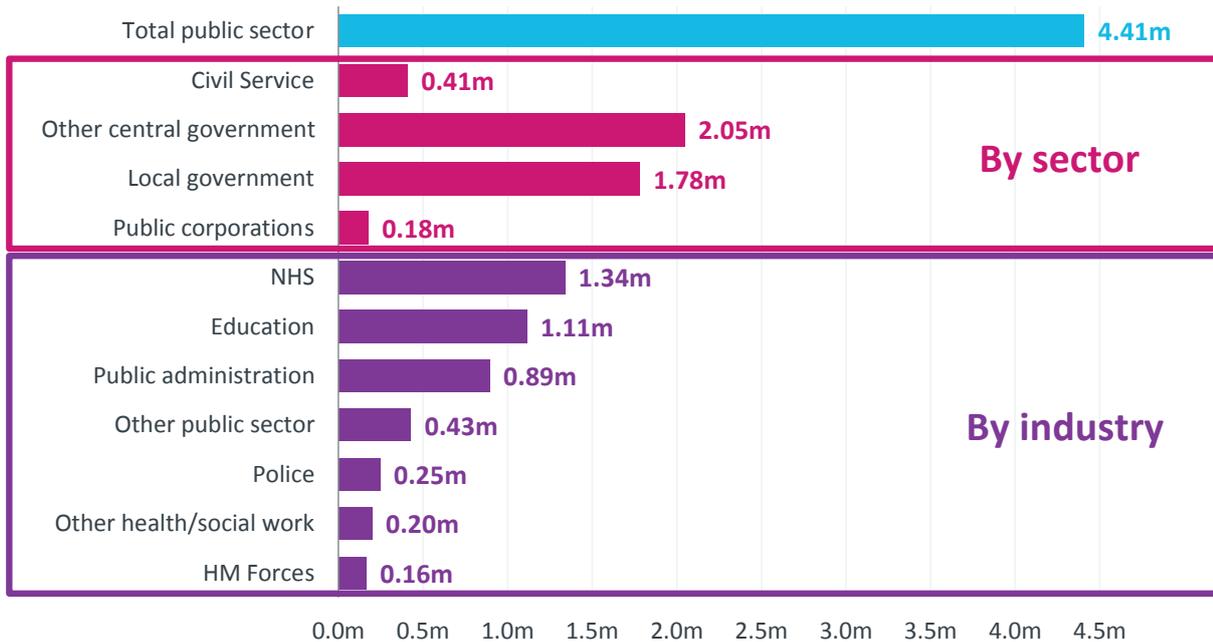


Source: Institute for Government analysis of Cabinet Office compilation of mandate and departmental returns (civil service statistics, 1902-90) and ONS PSE statistics (annual, 1991-98; quarterly, 1999 to date).

Looking at this in historical context, we can see that the Civil Service is at its smallest in staff terms since before the Second World War. There was a spike in numbers during the war periods 1914-18 and 1939-45, followed by a slight fall, but, in each case, more civil servants were employed after the conflict than before.

Civil service staff numbers fell from the mid-1970s and under the Thatcher and Major administrations (1979-97), before a small increase under New Labour from 1997. Further reductions came in the late 2000s, and then again (as we have seen) from 2010.

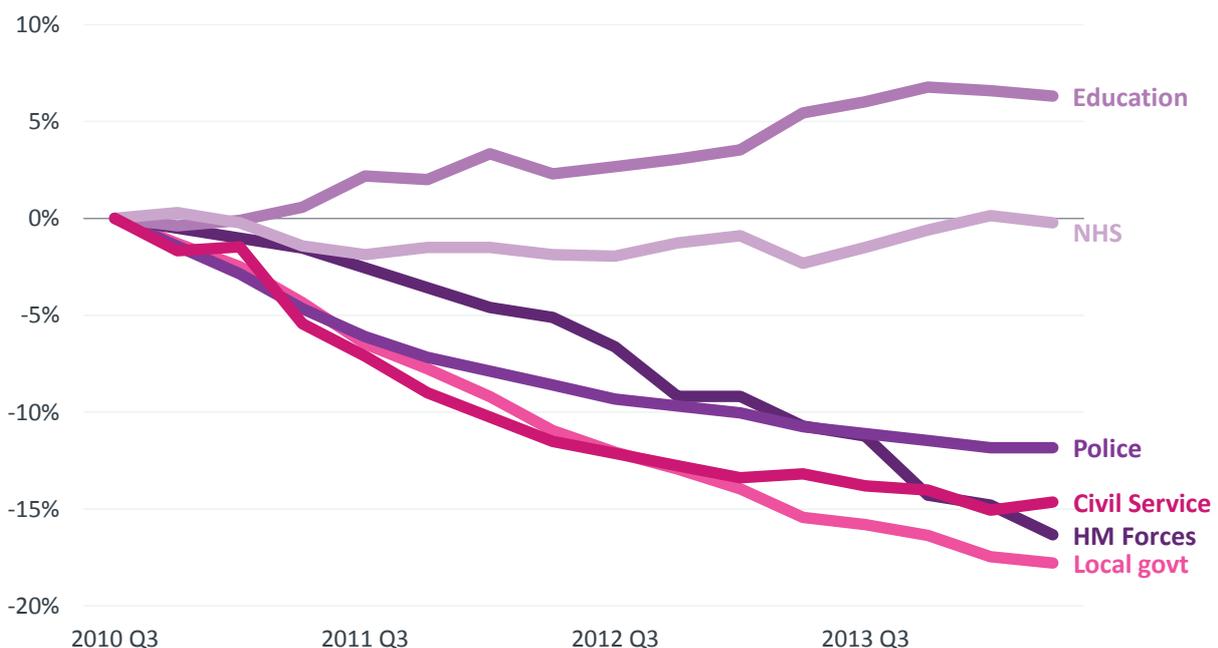
Figure 4.3: Public sector staff, Q2 2014 (FTE)



Source: Institute for Government analysis of ONS PSE data, Q2 2014. Note: for illustration only. The 'sector' and 'industry' sections are different classifications, so cannot be added or compared.

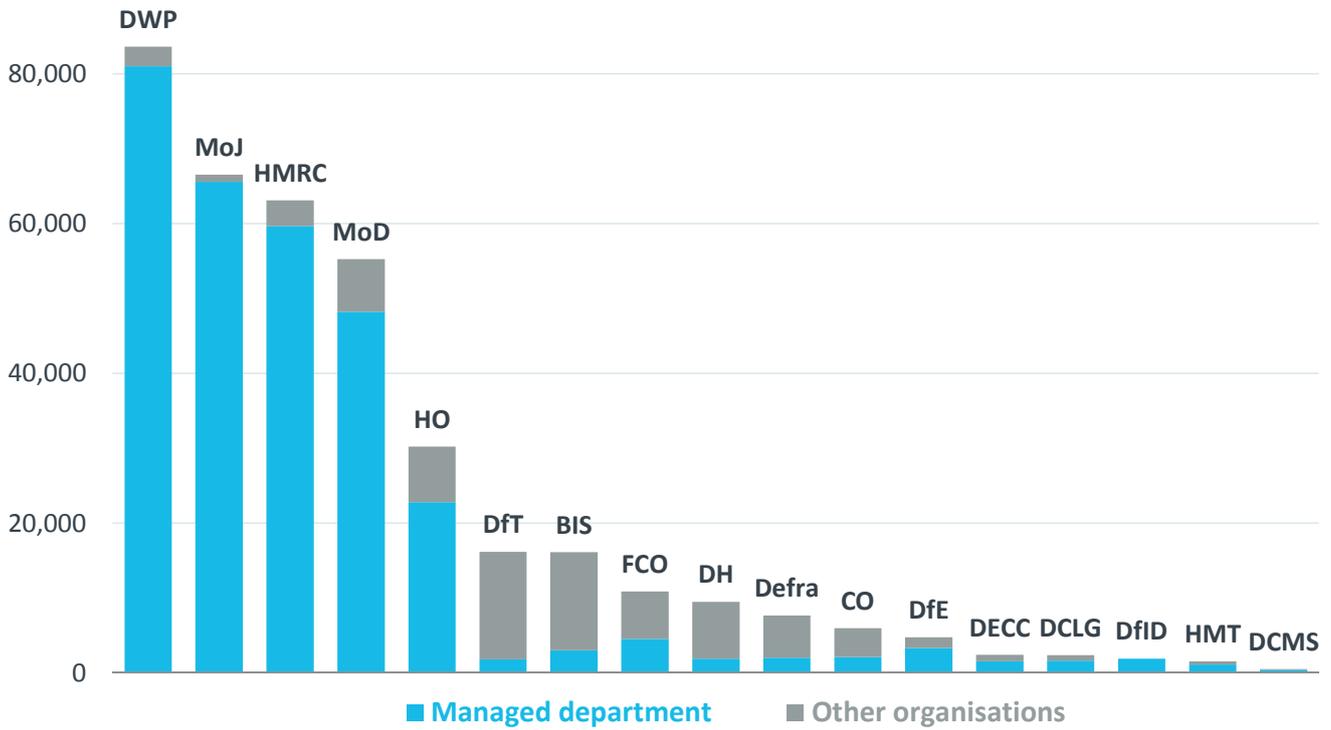
The current 408,010 FTE of the Civil Service is relatively small compared to other parts of government – the rest of central government has more than two million staff (FTE), and local government just under two million (until 2011, local government employed more staff than central government excluding the Civil Service). Since the Spending Review, civil service staff numbers have declined further and faster than other parts of the public sector, including the police and the NHS, though not as much as local government and the armed forces. Staff numbers in education have risen since the Spending Review.

Figure 4.4: Public sector staff, Q3 2010 to Q2 2014 (selected groups, FTE)



Source: Institute for Government analysis of ONS PSE data, 2010-14. Education excludes employees of English further education corporations, who were classified as public sector between 1993 and 2012 Q2.

Figure 4.5: Civil service staff by department, June 2014 (FTE)



Source: Institute for Government analysis of ONS PSE (table 9) to Q2 2014.

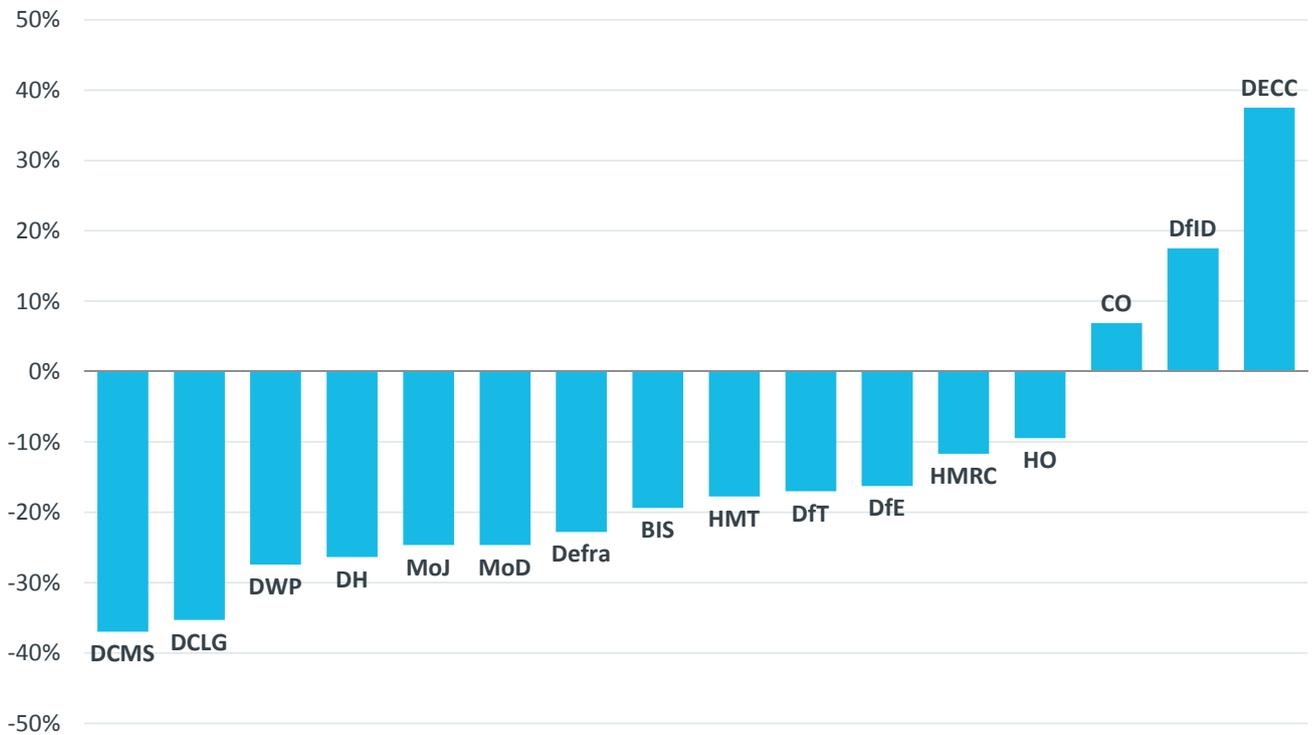
Four delivery departments – DWP, HMRC, MoJ and MoD – are considerably bigger than the other government departments. MoD is nearly twice the size of the Home Office, the fifth-biggest department, with MoJ and HMRC more than twice the size and DWP nearly three times the size.

The departments are broken down into three components:

- **managed department** – the core department and bodies within the department that are line managed within a structure that flows from the departmental leadership (for example, the National Offender Management Service within MoJ, the Education Funding Agency within DfE)
- **other organisations** – other civil service bodies for which ministers in the department have responsibility (for example, Ofsted in DfE or the DVLA in DfT) but which are not part of the department’s line management structure
- **departmental group** – the sum of the managed department and other organisations.

Staff numbers: reductions in all but three managed departments; DWP, HMRC, MoD, MoJ main drivers

Figure 4.6: Change in staff in managed departments since Spending Review 2010 (FTE)



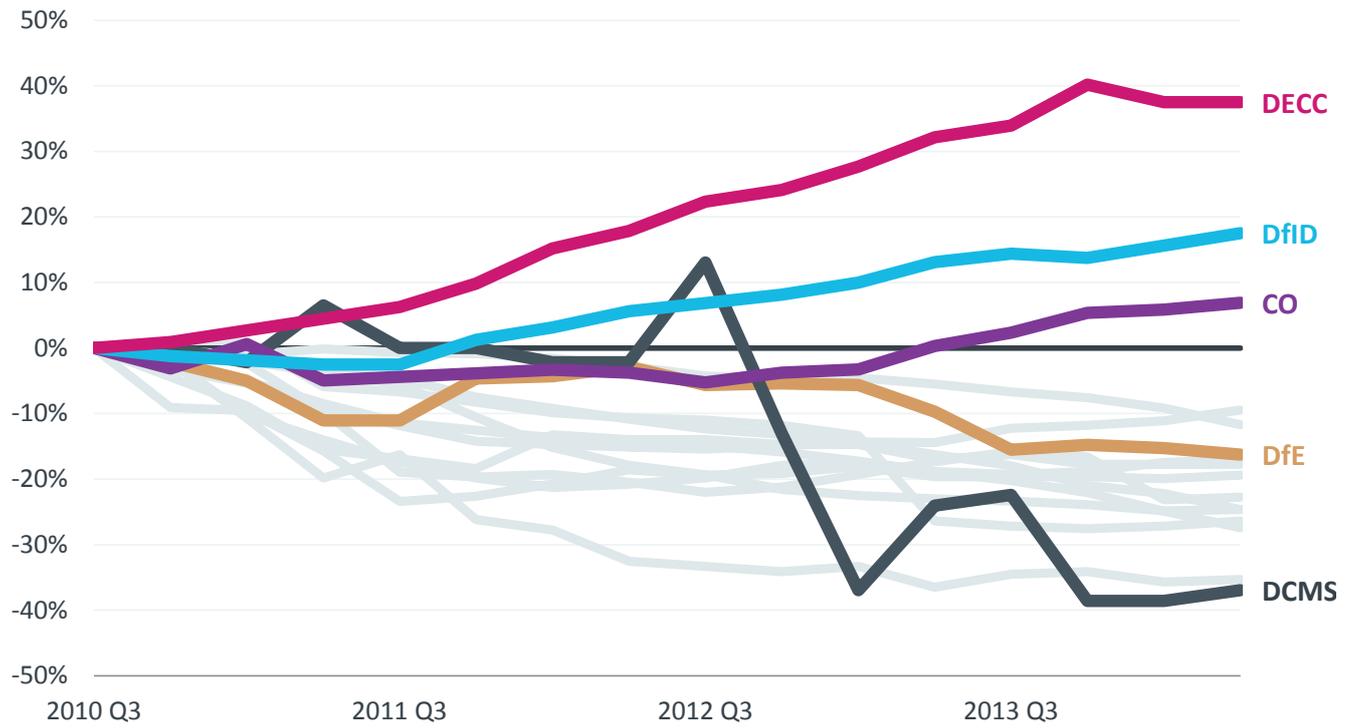
Source: Institute for Government analysis of ONS PSE data (table 9) to Q2 2014. Adjusted for Machinery of Government changes.

Since the 2010 Spending Review, only DECC, DfID and the Cabinet Office have seen an increase in staff numbers. Unlike other departments, DECC (which has had the largest increase) did not indicate that it would reduce staff numbers at the time of Spending Review 2010. It is also the newest department, having been established only in 2008.

Even though DCLG and DCMS have seen the largest staff reductions in percentage terms (more than 35%), they are two of the smallest departments. In absolute terms, reductions have mainly been driven by the big delivery departments with large numbers of staff delivering services across the UK:

- DWP has reduced by 30,640 staff (27%)
- HMRC is down by 7,890 (12%)
- MoJ has cut 18,260 staff (25%)
- MoD is down 15,750 (25%).

Figure 4.7: Percentage change in managed department staff since Spending Review 2010 (FTE)



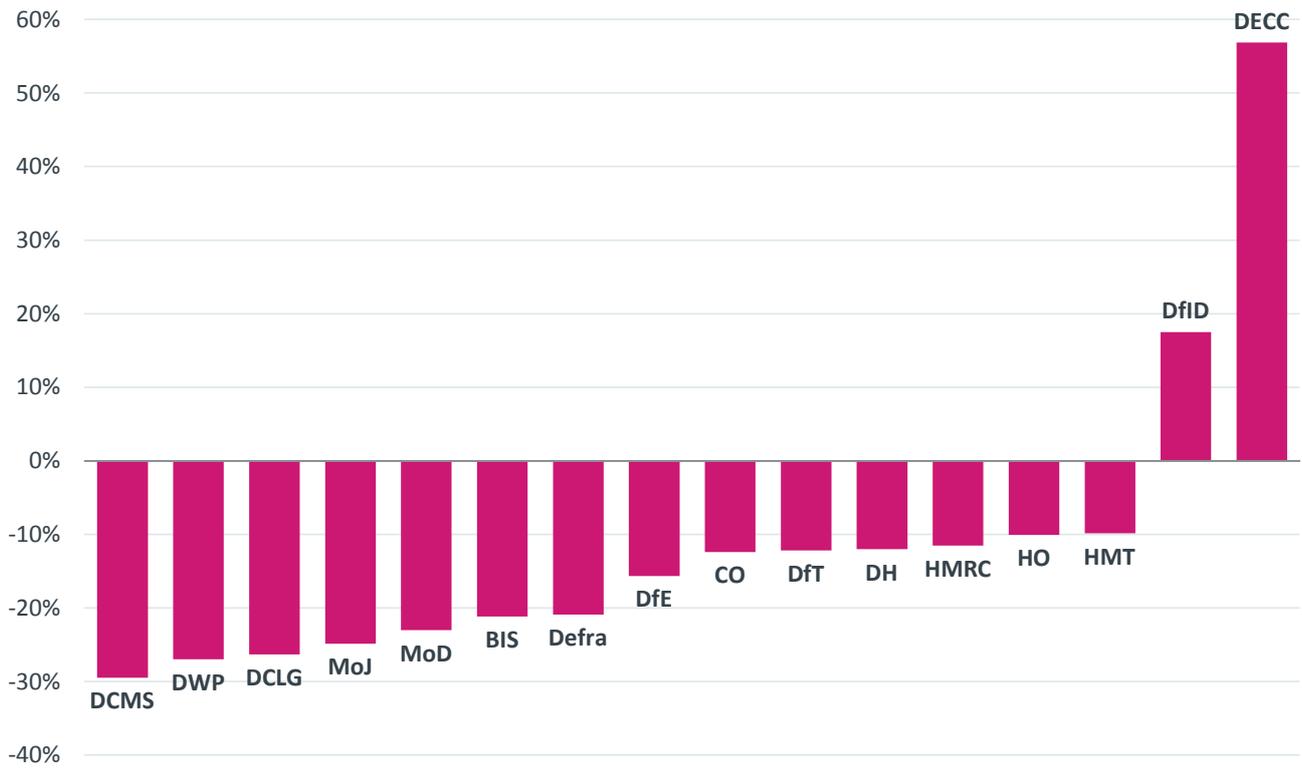
Source: Institute for Government analysis of ONS PSE data (table 9) to Q2 2014. Adjusted for Machinery of Government changes.

Most managed departments made significant cuts immediately following the 2010 Spending Review and have been relatively stable over the past few quarters, though there are exceptions. DfE, for example, embarked on two rounds of cuts – in mid-2011 and again in mid-2013.

Of the departments with an increase in headcount, DECC has had a continuous increase in staff numbers since the Spending Review (until 2014 Q1, its first fall by quarter), and DfID a consistent rise since mid-2011. The Cabinet Office has increased its staff numbers after an initial cut.

DCMS, which has gained (broadband) and completed (Olympics) various policy areas, has seen erratic changes in the size of its staff.

Figure 4.8: Change in staff in departmental groups since Spending Review 2010 (FTE)



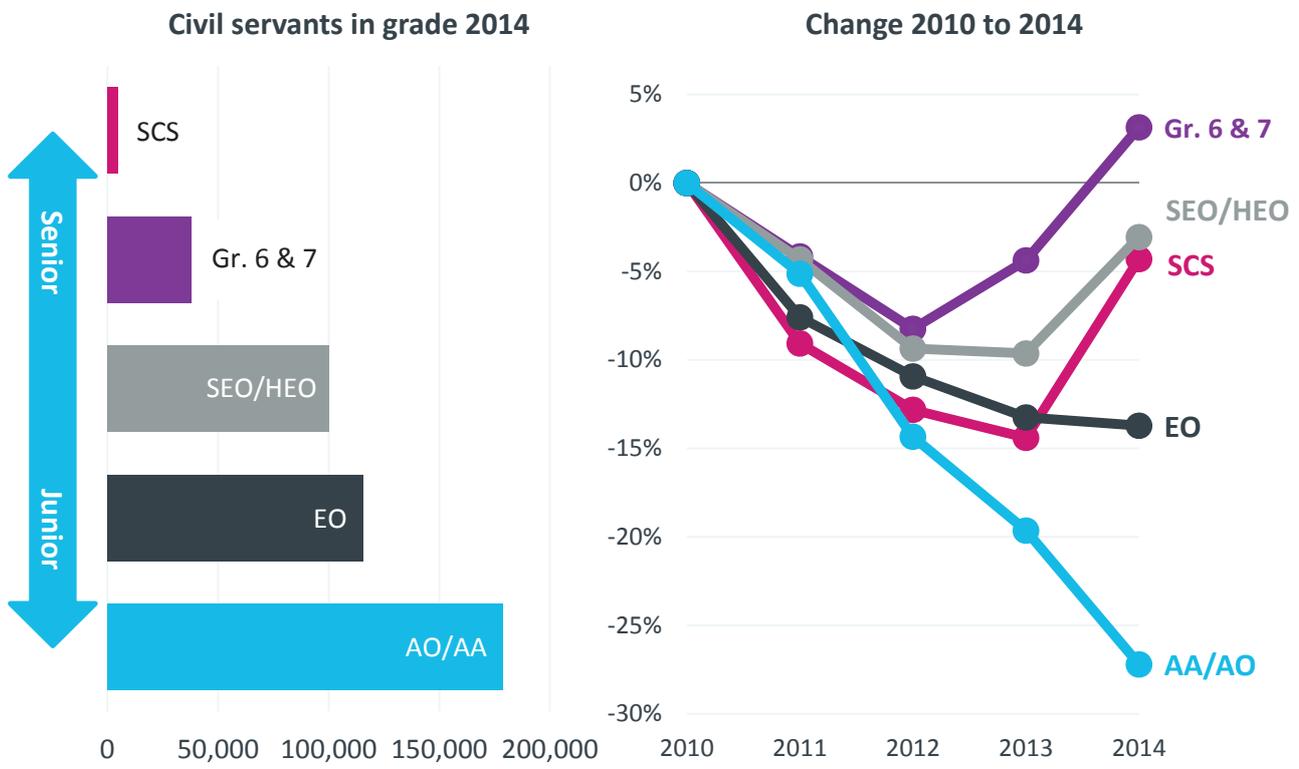
Source: Institute for Government analysis of ONS PSE data (table 9) to Q2 2014. Adjusted for Machinery of Government changes. FCO excluded (missing baseline).

We get a slightly different picture looking at whole departmental groups. DECC’s staff numbers have increased by even more, while the Cabinet Office – which had a staff increase within the managed department – sees a drop once other organisations it is responsible for are included.

The percentage drop in staff numbers is also slightly less severe for a number of departments, including DfT, DH, Defra, DCLG, HMT and DCMS.

Grade: lowest grades reduced by largest percentage since 2010

Figure 4.9: Civil service grade – composition 2014 and change 2010-14 (headcount)



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2010-14.

Looking at the whole Civil Service, the highest grade, SCS, has the fewest employees, while the lowest grade (administrative officers and administrative assistants, AO/AA) has the most, giving a pyramidal structure from most junior to most senior.

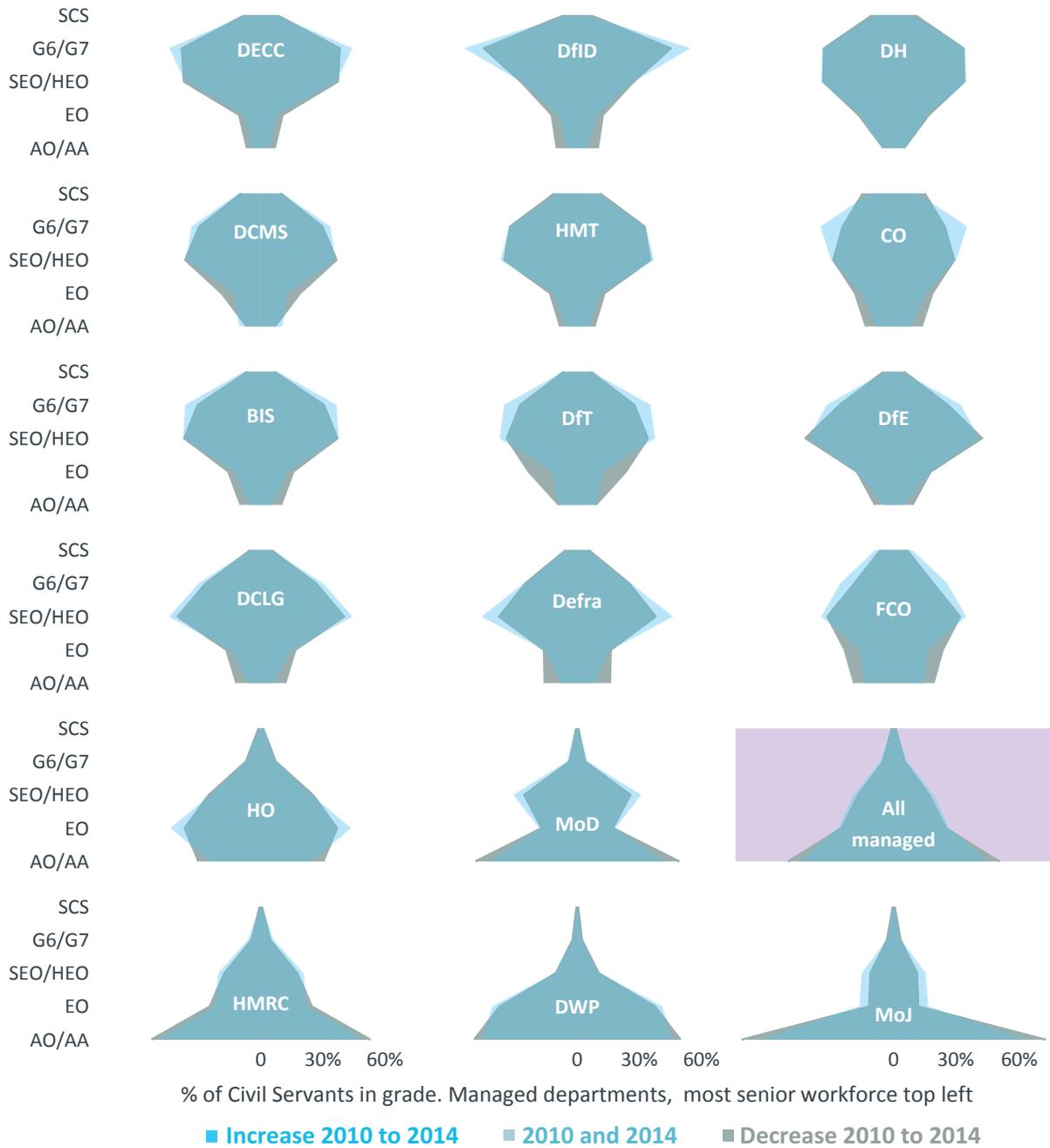
The AA/AO grade has been reduced by the largest percentage since 2010, being cut by over 25%. Grades 6 and 7, who do much of the 'heavy-lifting' on policy in government departments, appear to have been largely protected from cuts – indeed, they have grown by 3%, from 36,600 in 2010 to 37,800 in 2014.

The grade composition varies considerably between departments. DECC and DfID are top-heavy, with grades 6 and 7 being the largest grades in those departments – in DfID, they make up more than 54% of staff. DH, CO and the Treasury stand out as having a high proportion of senior civil servants – Cabinet Office has one senior civil servant for every nine in other grades, compared to DWP, which has one senior official for every 400 others.

Some of the big delivery departments – DWP, HMRC and MoJ – are dominated by AO/AA, given that they directly provide public services.

In terms of changes since 2010, DfID, DECC, CO, BIS, DfT, and DfE are among those departments with a percentage increase in the more senior grades.

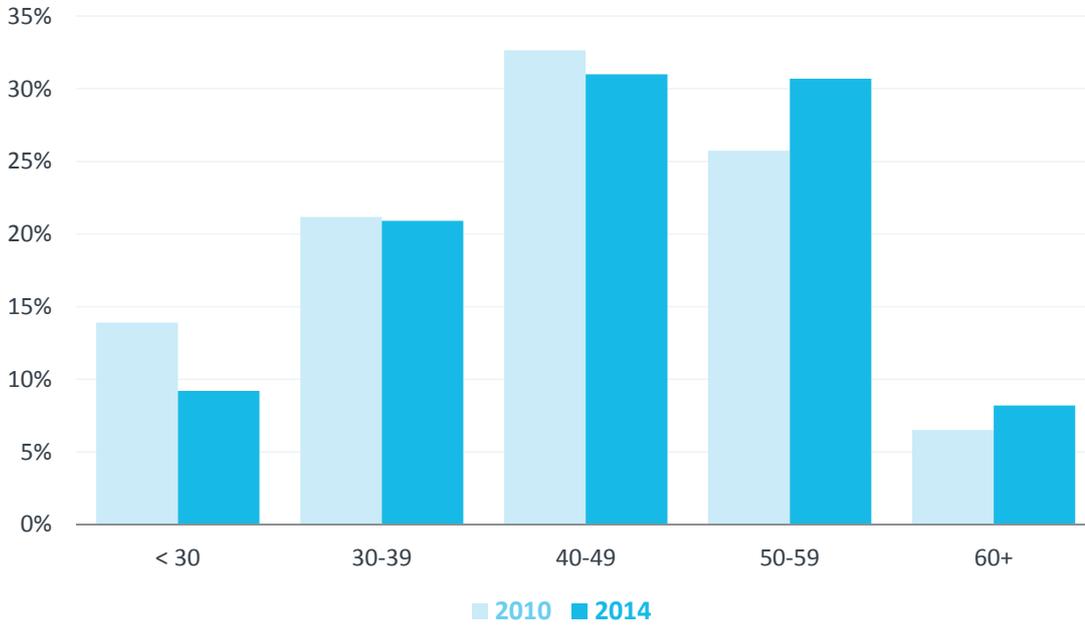
Figure 4.10: Grade composition by government department, 2010 and 2014 (headcount)



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2010-14.

Diversity: Civil Service older, slightly more female and ethnically diverse than 2010

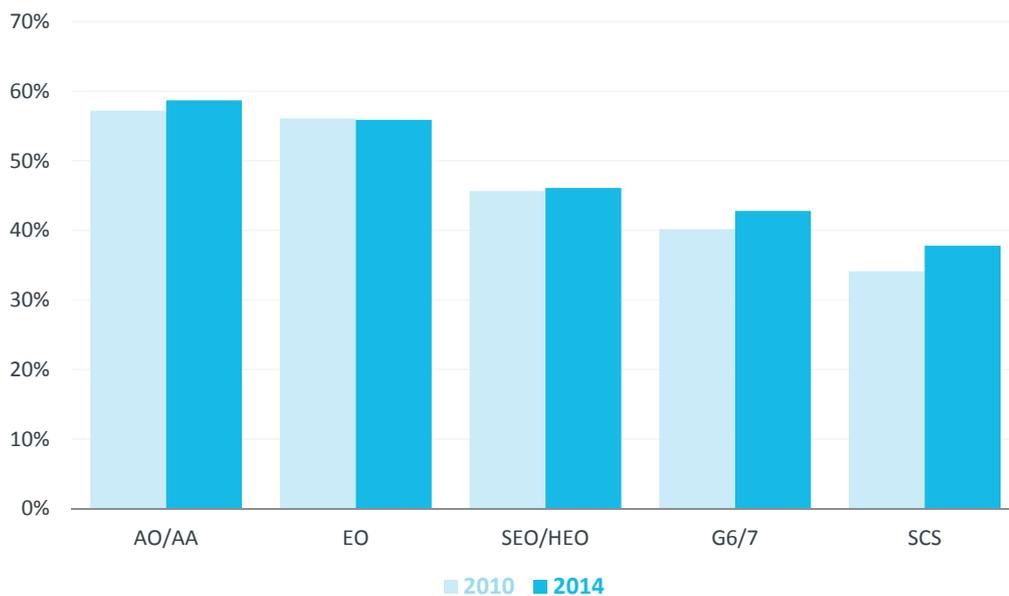
Figure 4.11: Civil service age composition, 2010 and 2014 (headcount)



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2010-14.

The concentration of civil servants in the age groups 50-59 and 60+ has increased, while the percentage of those under the age of 30 has contracted compared with 2010. This may be partly due to recruitment freezes, with fewer newer (and younger) civil servants being hired.

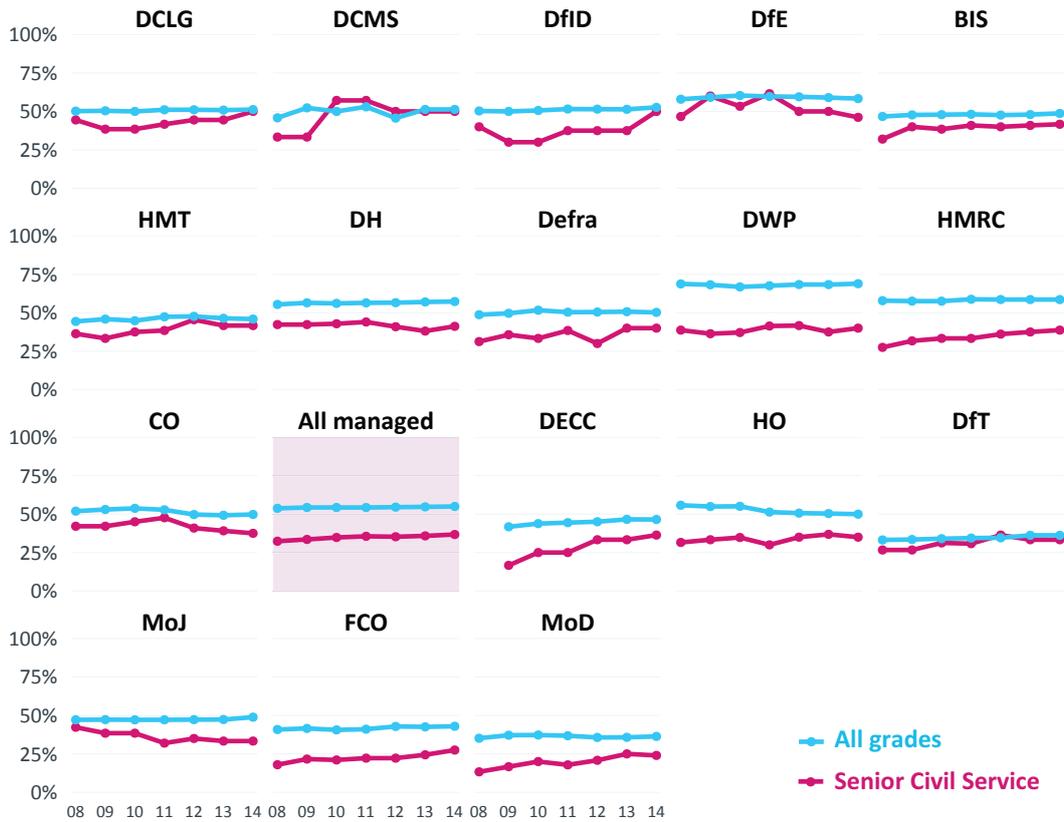
Figure 4.12: Female civil servants as a percentage of staff in grade, 2010 and 2014 (headcount)



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2010-14.

Overall, 53% of civil servants are women, unchanged from 2010. There are slight increases in most grades compared with 2010, but with small variations; the percentage of women in the SCS has increased by 4% since 2010 but remains low, at 38%.

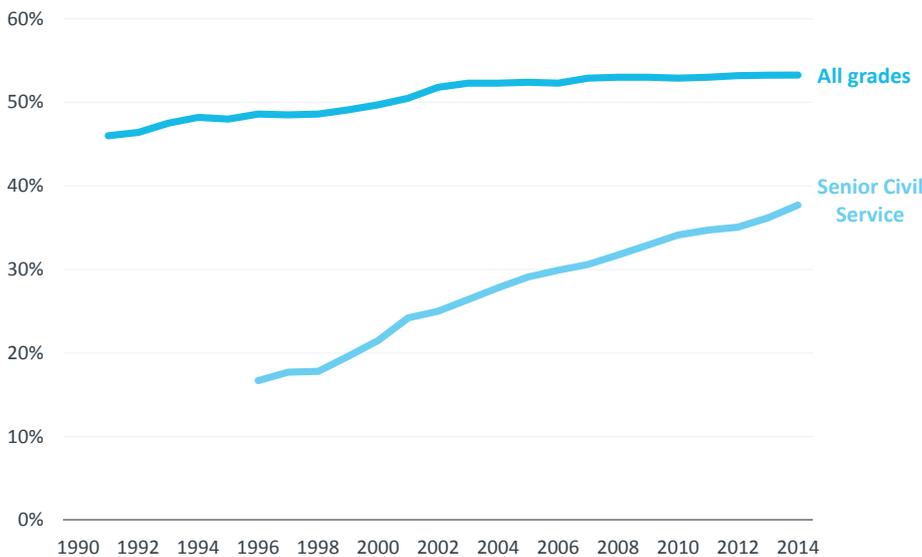
Figure 4.13: Female civil servants by department, 2008-14 (headcount)



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2008-14.

At departmental level, DWP – with its large percentage of AO/AA, the most junior grade, which is more than 50% female across the Civil Service – has the highest percentage of female civil servants, and DCMS the highest percentage in the Senior Civil Service. MoD has the smallest percentage of women overall and at SCS level.

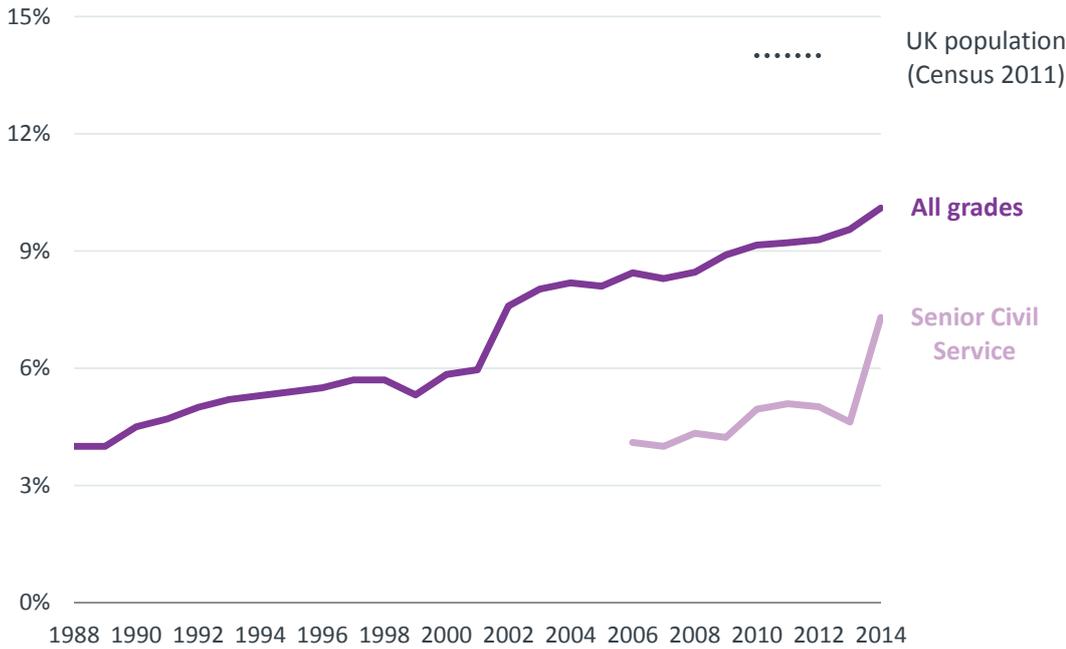
Figure 4.14: Female staff as a percentage, 1991-2014 (headcount)



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey and Cabinet Office SCS database.

Looking back over a longer time period, the percentage of women in the Civil Service and SCS has increased (from 46% in 1991 to 53% in 2014, and 17% in 1996 to 38% in 2014 respectively).

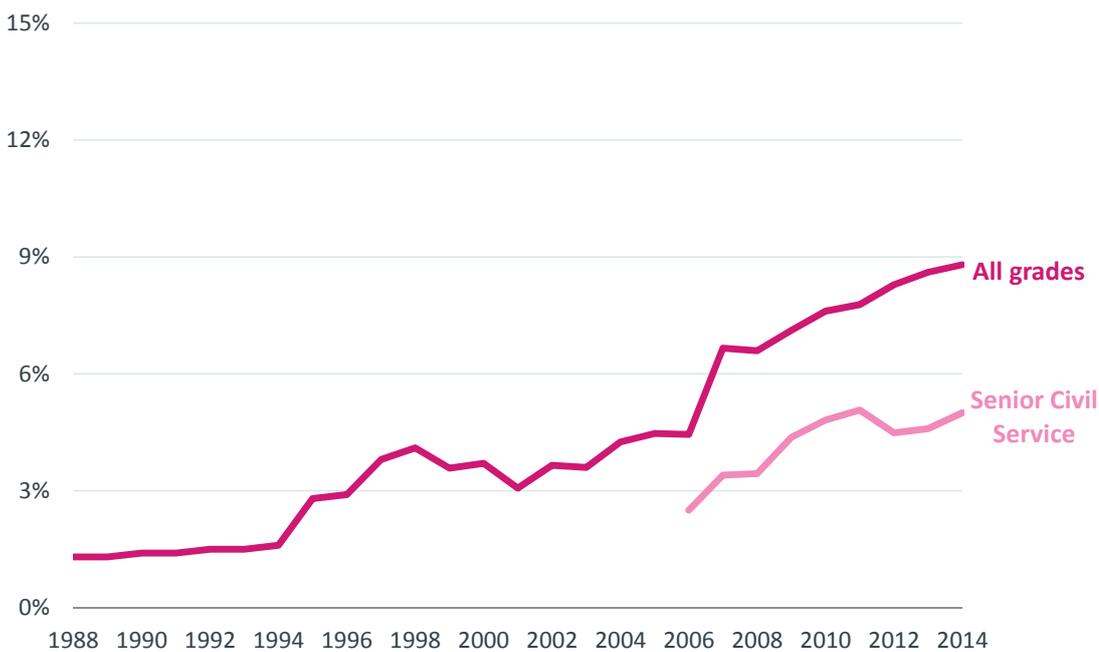
Figure 4.15: Ethnic minority staff in the Civil Service, 1988-2014 (headcount)



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 1988-2014.

Since 2010, the percentage of civil servants from an ethnic minority has increased slightly, from 9.2% in 2010 to 10.1% in 2014; since 1991, it has increased a great deal, from 4.7%. The percentage of ethnic minorities in the SCS decreased slightly between 2010 and 2013, with an increase only in 2014, and the percentage of people from an ethnic minority in the Civil Service is lower than in the population as a whole.

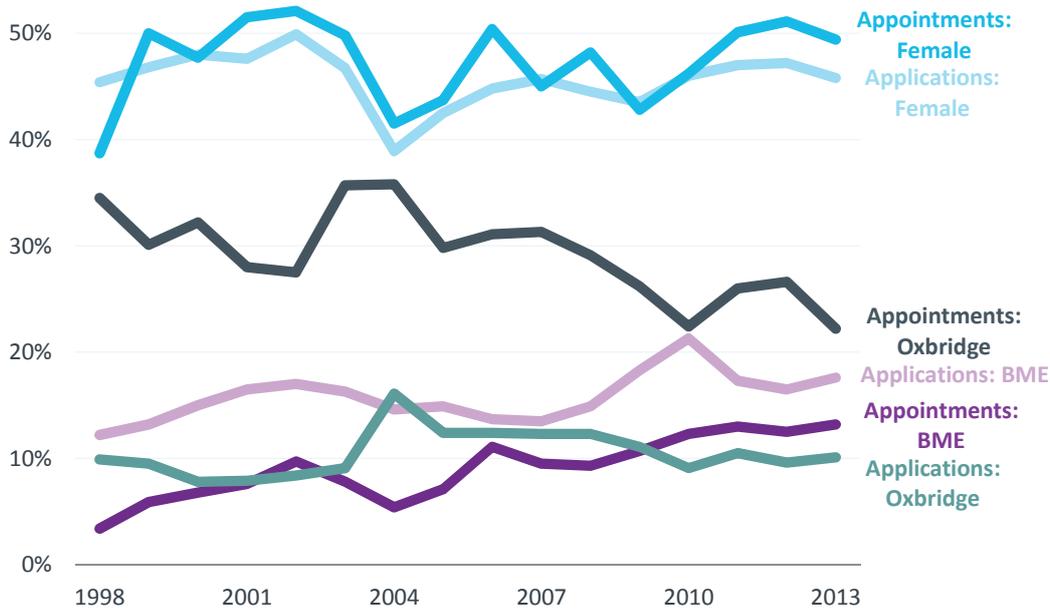
Figure 4.16: Civil service staff with a disability, 1988-2014



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 1988-2014.

At present, 8.8% of civil servants identify themselves as disabled, compared with 1.4% in 1991. The share of senior civil servants in this category saw a slight setback after 2010 but has recovered in the last two years – at 5%, it is now slightly above its 2010 level.

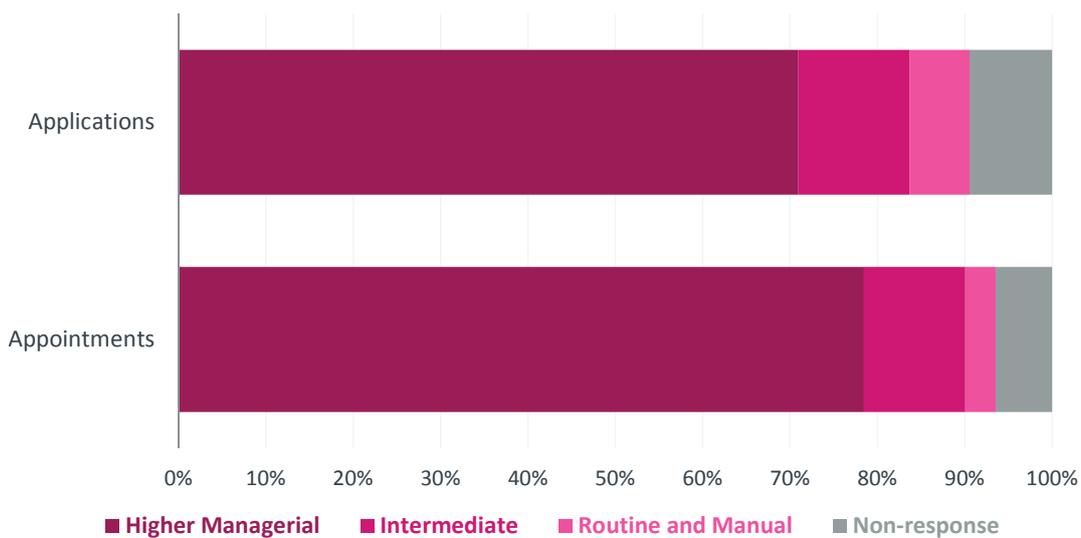
Figure 4.17: Fast Stream vacancies and applications, 1998-2013



Source: Institute for Government analysis of *Fast Stream Recruitment Report*, 2014. In 2004, a new self-assessment system lowered the number of applications.

The Fast Stream is a graduate recruitment process for future leaders (with 16,156 applicants for 864 appointments in the 2013 competition), so its diversity matters to the future diversity of the SCS. The percentage of women appointed is similar to the percentage applying (around 50%), but the appointment rate for ethnic minority candidates is lower than the application rate. Candidates from Oxbridge represent 10% of applicants but 22% of appointments, although the percentage of appointments has fallen since the mid-2000s, and four non-Oxbridge Fast Streamers are appointed for every Oxbridge one.

Figure 4.18: Fast Stream appointments by parents' socio-economic status, 2013

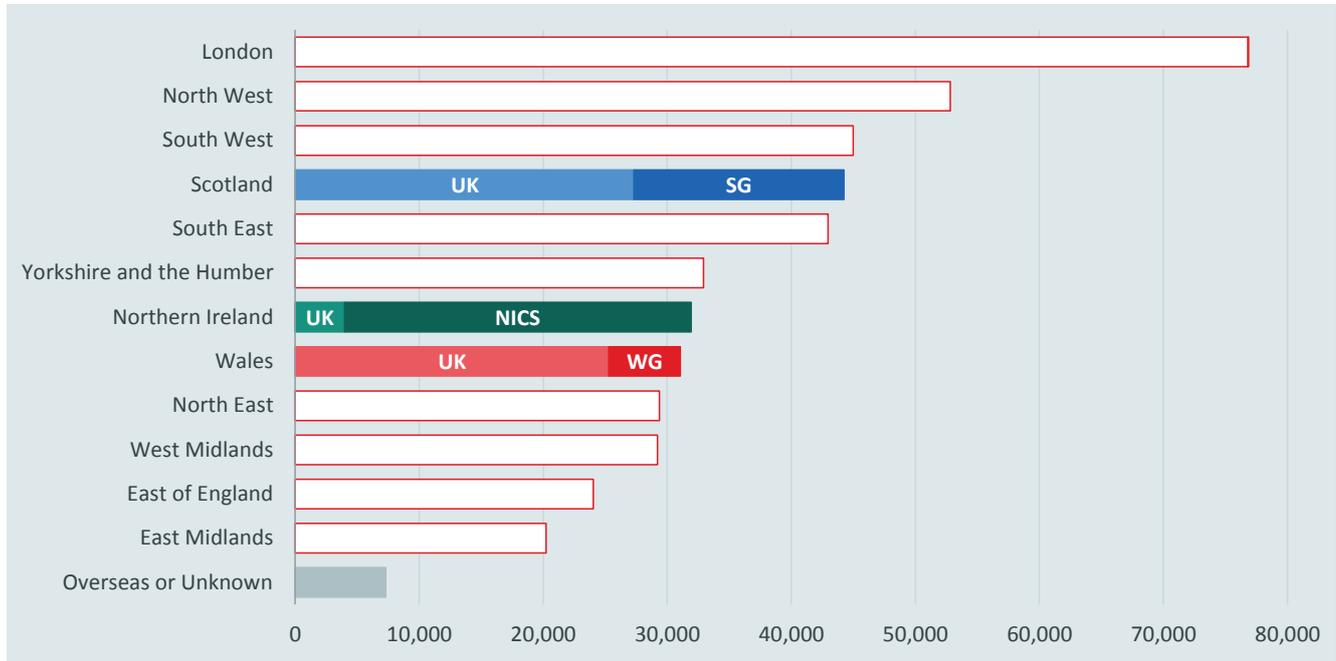


Source: Institute for Government analysis of *Fast Stream Recruitment Report*, 2014. Data available only from 2011.

In 2013, more than 70% of applicants came from a higher managerial background. These applicants are offered the majority of appointments, but they make up a higher percentage of appointments (79%) than applications; their success rate (5.3%) is higher than those from intermediate (4.4%) and routine and manual (2.4%) backgrounds.

Location: London has most civil servants, but departments vary – only DCMS has all staff based in London

Figure 4.19: Location of civil servants in the United Kingdom



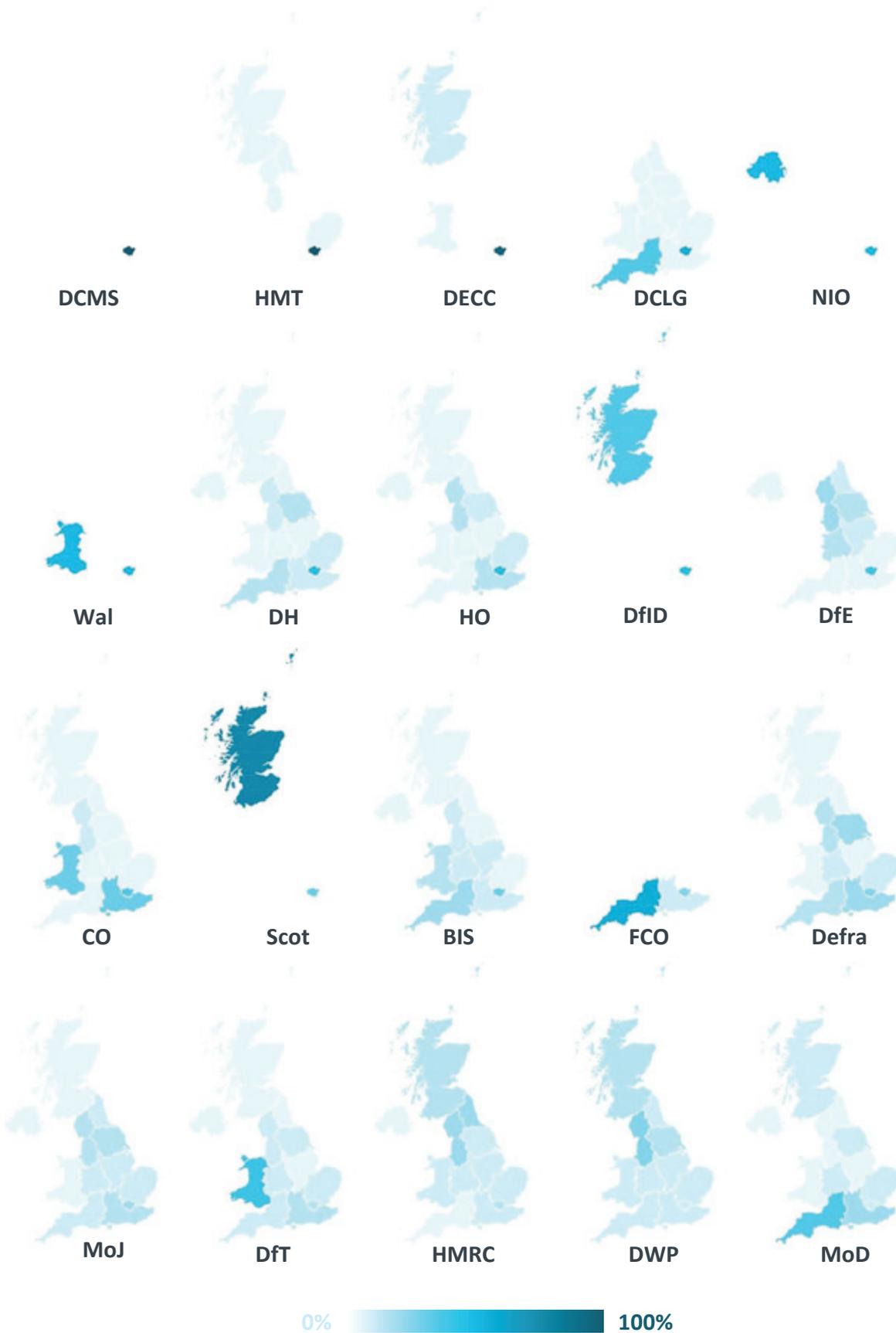
Source: Institute for Government analysis of Annual Civil Service Employment Survey. Northern Ireland Civil Service data is from Nisra, *Employment in the Northern Ireland Civil Service – 1st July 2014*, table 1(a).

Unsurprisingly given its status as the seat of government, more civil servants are based in London than in any other UK region – some 76,840 staff, or nearly one in six. The East Midlands hosts the fewest (just over 20,000, or fewer than one in 20), even though – in general population terms – it is larger than the North East of England, Northern Ireland and Wales.

In both Scotland and Wales, there are more civil servants working for UK government departments than there are for the devolved administrations. In Northern Ireland, the reverse is true: there are few UK government civil servants, but the Northern Ireland Civil Service (NICS) employs nearly 28,000 people. This is due to certain policy areas, like welfare, being devolved to Northern Ireland.

The territorial spread of civil servants working for UK government departments and their arm’s-length bodies varies considerably. DCMS is the only department with 100% of its staff based in London. Others have a large presence in different parts of the UK – more than 35% of DfT’s workforce is outside England (much of it at the DVLA in Swansea), while more than 30% of DfID’s workforce is based in Scotland.

Figure 4.20: Location of home civil servants by department, 2014



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2014 (data at 31 March 2014). Data excludes 'not reported'. Maps are ordered by percentage of civil servants based in London (high to low).

The functions civil servants perform

Inputs, the people and money going into Whitehall departments, become outputs – the things that Whitehall departments actually do with those people and that money. But how? What is in the black box that converts those inputs into outputs? What do the civil servants in different Whitehall departments do?

In this section, we look at data showing the different professions of civil servants as a first attempt to analyse that black box. We found that the data for a number of departments has too high a percentage of 'unknown' answers to allow a thorough analysis.

Where data is available, we can see that the highest percentages of civil servants are engaged in operational delivery, followed by policy. Around 90% of HMRC, DWP and MoJ staff are involved in operational delivery, while policy is the largest profession in DECC, DfID, DCLG, DH and DfE. However, policy staff do not dominate these departments in the way operational delivery staff dominate HMRC, DWP and MoJ: only 28% to 46% of their staff are policy staff, and they still employ a sizeable percentage of staff in operational delivery (23% to 32%, apart from DECC).

From the data we have available, it appears that the balance of professions in departments has not changed much between 2010 and 2013 – although the incomplete nature of the data means there are few departments we can compare. We would hope that departments internally have better data on what their staff actually do.

About the data

We use the **professions** data from the Annual Civil Service Employment Survey, published by the ONS, dividing civil servants into 24 professions.¹ (These correspond closely with [a list of 25-26 professions published on GOV.UK](#).) We have grouped these into six categories for ease of analysis:

- **policy**, which corresponds with the ONS's 'policy delivery'
- **operational delivery**, which groups together those involved in delivery, operational research and project management
- **corporate**, which includes HR, IT, finance and procurement – the internal operations of the department
- **communications and marketing**
- **insight and analysis**, which includes the Government Statistical Service and Economic Service, among others
- **specialist**, which covers areas such as engineering, science, law, psychology and medicine.

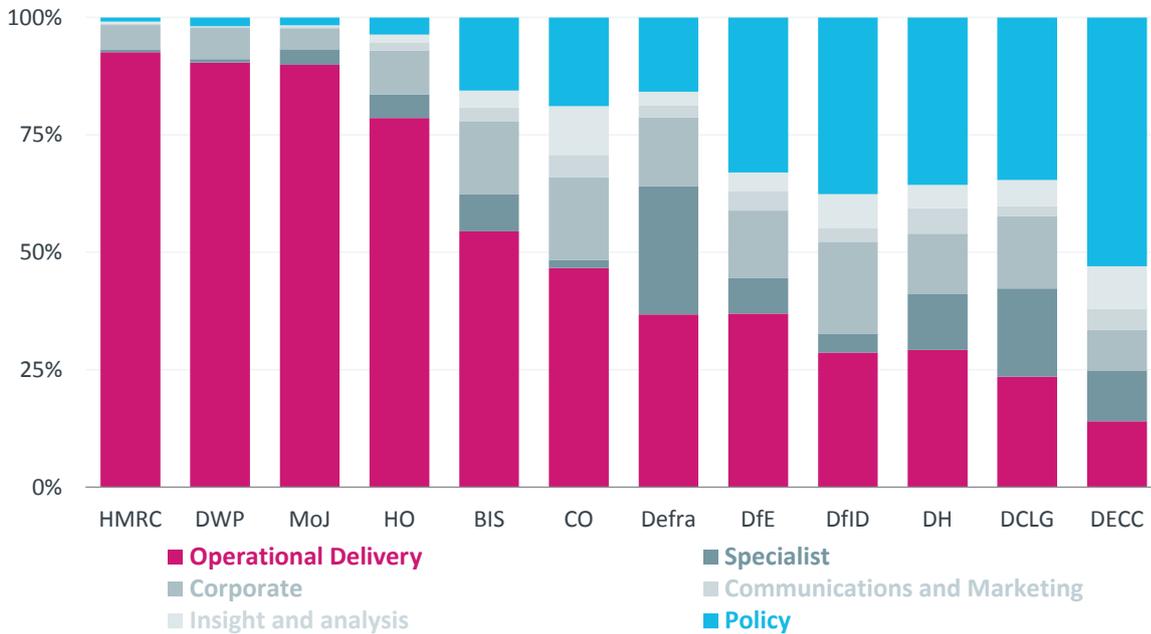
A full list of grouped professions can be found in the 'Methodology' section.

We are grateful to the ONS for providing some bespoke versions of this dataset on request.

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Professions: delivery and policy dominate, but data is poor

Figure 5.1: Professions within selected government departments, 2013

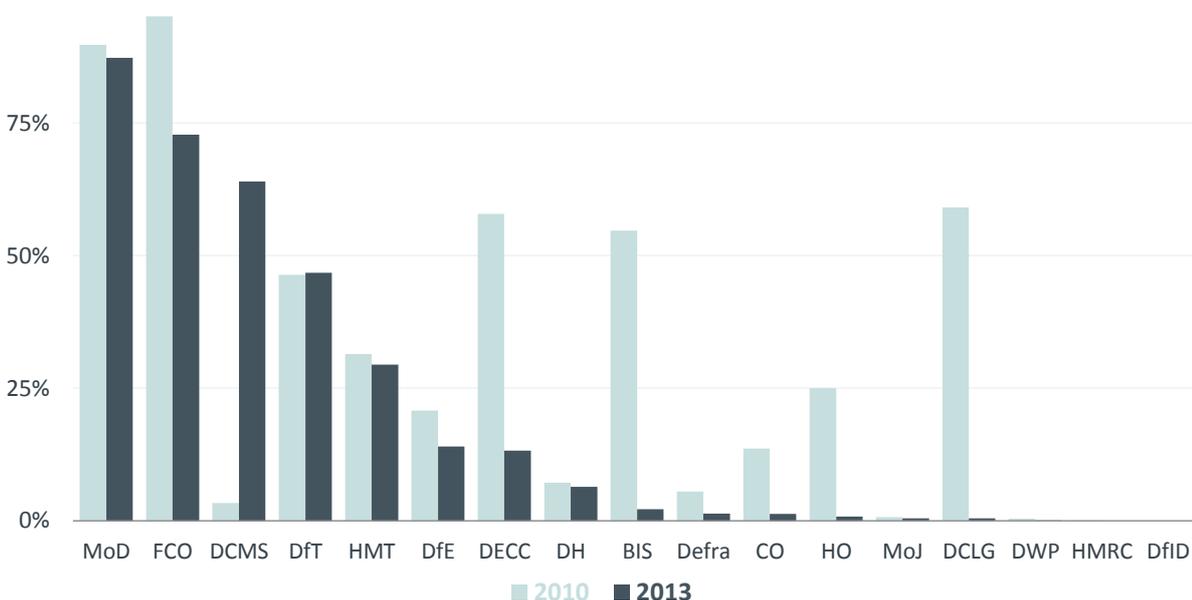


Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2013.

HMRC, DWP, MoJ and HO employ a large percentage of people (more than 75%) in operational delivery (paying benefits, staffing job centres, running courts). Policy accounts for more than 25% of staff in DECC, DCLG, DH, DfID and DfE, although even in DfE they are outnumbered by those in delivery. Defra (science and veterinary) and DCLG (planning) employ a large percentage of specialists.

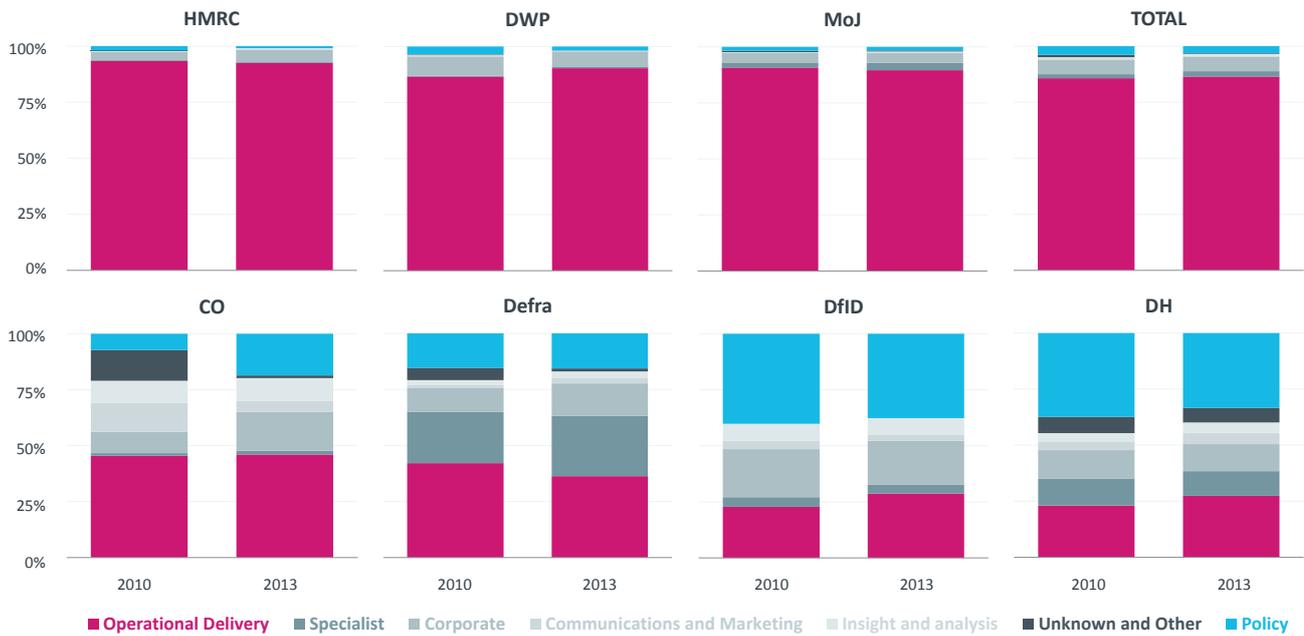
However, many departments give 'unknown' for the professions of a large percentage of their staff. We have excluded those departments where the professions of more than 15% of staff are unknown. In all cases (apart from DCMS and DfT) we have more data in 2013 than for 2010, but only seven departments had professions listed for more than 15% of their staff in both years.

Figure 5.2: Percentage of staff of 'Unknown/other' profession, 2010 and 2013



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2010 and 2013.

Figure 5.3: Change in professions, 2010 and 2013



Source: Institute for Government analysis of ONS Annual Civil Service Employment Survey, 2010 and 2013.

Comparing these departments shows relatively little change in the balance of professions, despite (in some cases) a considerable change in role for the department.

Policy appears to have decreased as a percentage of staff in HMRC, DWP, MoJ, DfID and DH. It appears to have increased at the Cabinet Office – though this may be in part due to a number of ‘unknown’ professions becoming ‘known’. Communications and marketing have been squeezed in both the Cabinet Office and DfID. Defra and MoJ now employ a higher percentage of specialists than in 2010. DWP, DfID and DH have seen the percentage of staff involved in operational delivery increase.

The lack of comprehensive data, however, means the conclusions we can draw are limited.

Staff engagement scores

Despite cuts to budgets and staff headcount, and major shifts in role for some departments, civil servants overall remain as engaged as they were in 2009, and scores for most departments rose between 2012 and 2013, according to the annual Civil Service People Survey.

However, this top-line figure masks variations between departments (DfE has fallen consistently over the past few years), dissatisfaction around particular themes (such as pay and benefits) and a much more optimistic outlook from the Senior Civil Service. Many civil servants are also sceptical about whether their responses to the survey will make any difference to the way their department is run.

About the data

The **engagement** data comes from the Civil Service People Survey, the UK's largest employee attitude survey. First run in 2009, it now covers 98 government organisations and nearly half a million civil servants. The 2013 survey was conducted in October that year, with benchmark results for the whole Civil Service published in November and results for individual departments in February 2014.

The survey consists of 71 questions. Five of these (B50-B54) are used to calculate (through a weighted average) the Employee Engagement Index score:

- 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.
- [My organisation] motivates me to help it achieve its objectives.¹

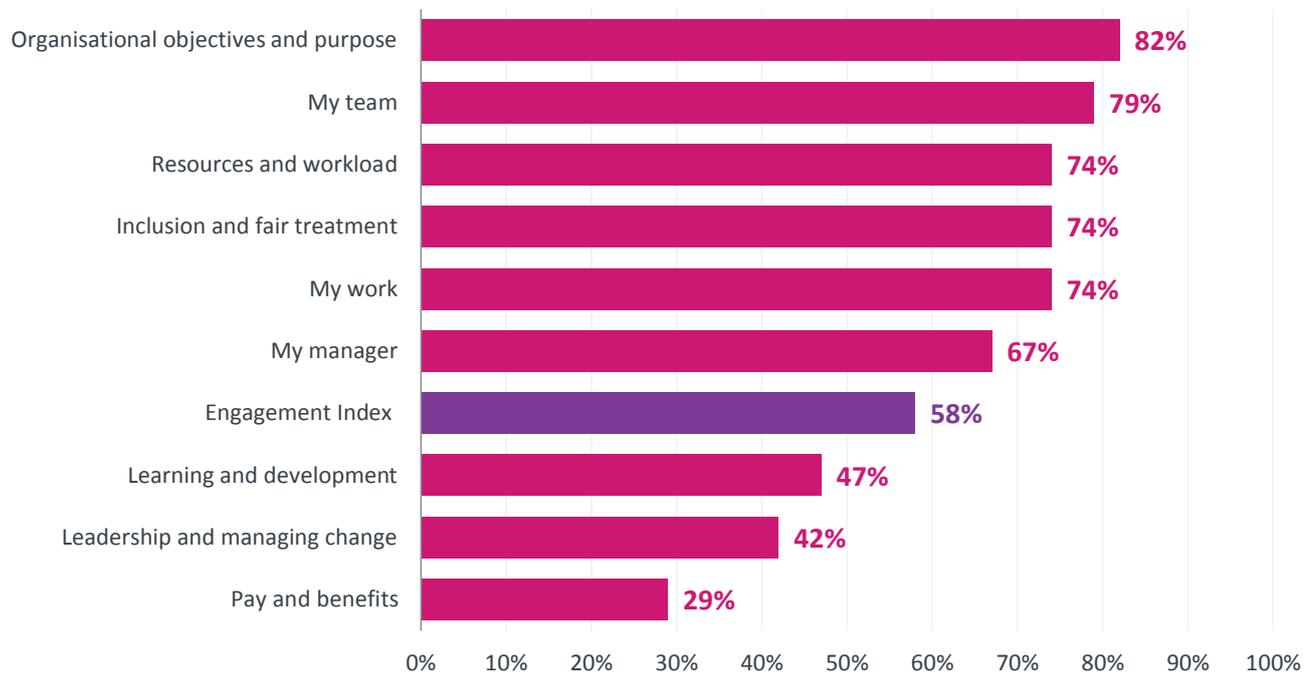
Forty-nine of the other questions are grouped into nine 'summary themes': My work; Organisational objectives and purpose; My manager; My team; Learning and development; Inclusion and fair treatment; Resources and workload; Pay and benefits; and Leadership and managing change. The remaining questions are grouped into further categories – taking action, organisational culture, Civil Service Code, discrimination and bullying, subjective wellbeing and future intentions.

For most questions, a score of 100% means that civil servants strongly agree, 75% that they agree, 50% that they neither agree nor disagree, 25% that they disagree and 0% that they strongly disagree.

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Engagement: steady overall but pay remains an issue

Figure 6.1: Civil Service Engagement – theme scores (whole Civil Service), 2013



Source: Institute for Government analysis of Civil Service People Survey, 2013.

The Civil Service Engagement Index remains at 58% for a second year, having fallen slightly to 56% in 2010 and 2011.

Although rises were recorded for five of the nine summary themes in 2013, scores for two of those five – ‘Learning and development’ (which fell 7 percentage points between 2009 and 2010) and ‘Leadership and managing change’ – remain below 50%. The score for ‘Pay and benefits’ has fallen for a third successive year, from 37% in 2010 to 29% in 2013. Scores for ‘My team’, ‘My manager’, ‘Leadership and managing change’, ‘Organisational objectives and purpose’ and ‘Resources and workload’ are at their highest level since the survey began in 2009.

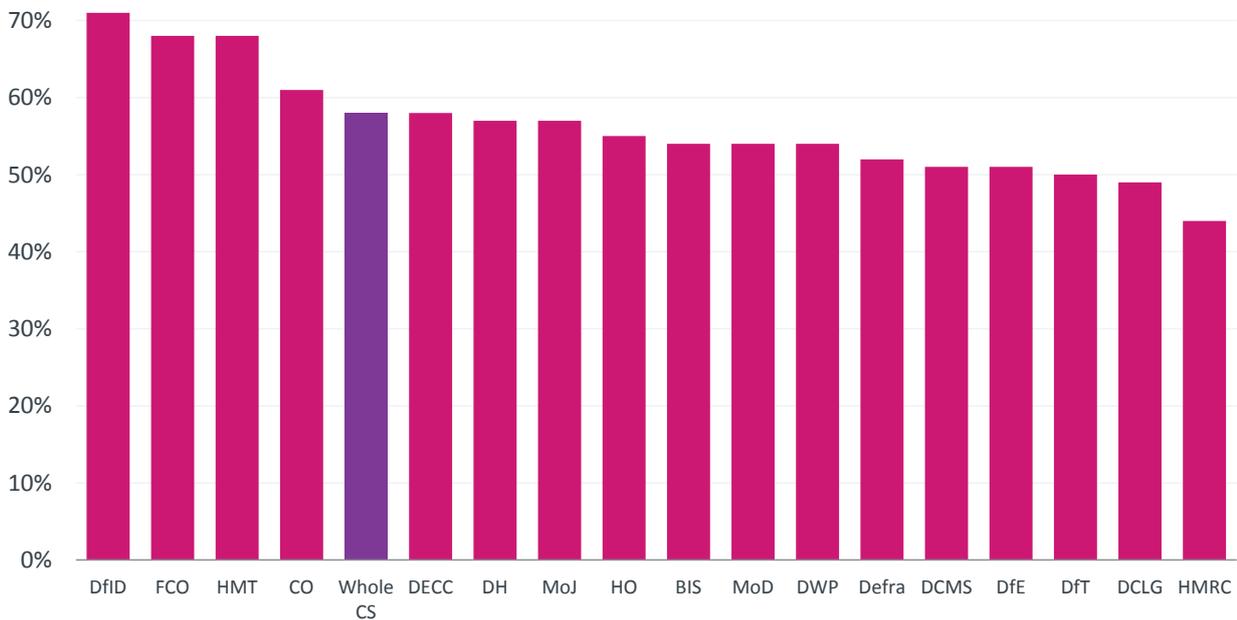
Figure 6.2: Civil Service Engagement – theme scores (whole Civil Service), 2009-13



Source: Institute for Government analysis of Civil Service People Survey, 2009-13.

Departments: most improve in 2013 but DfE, DfT, HO and MoJ decline

Figure 6.3: Civil Service Engagement Index by department, 2013

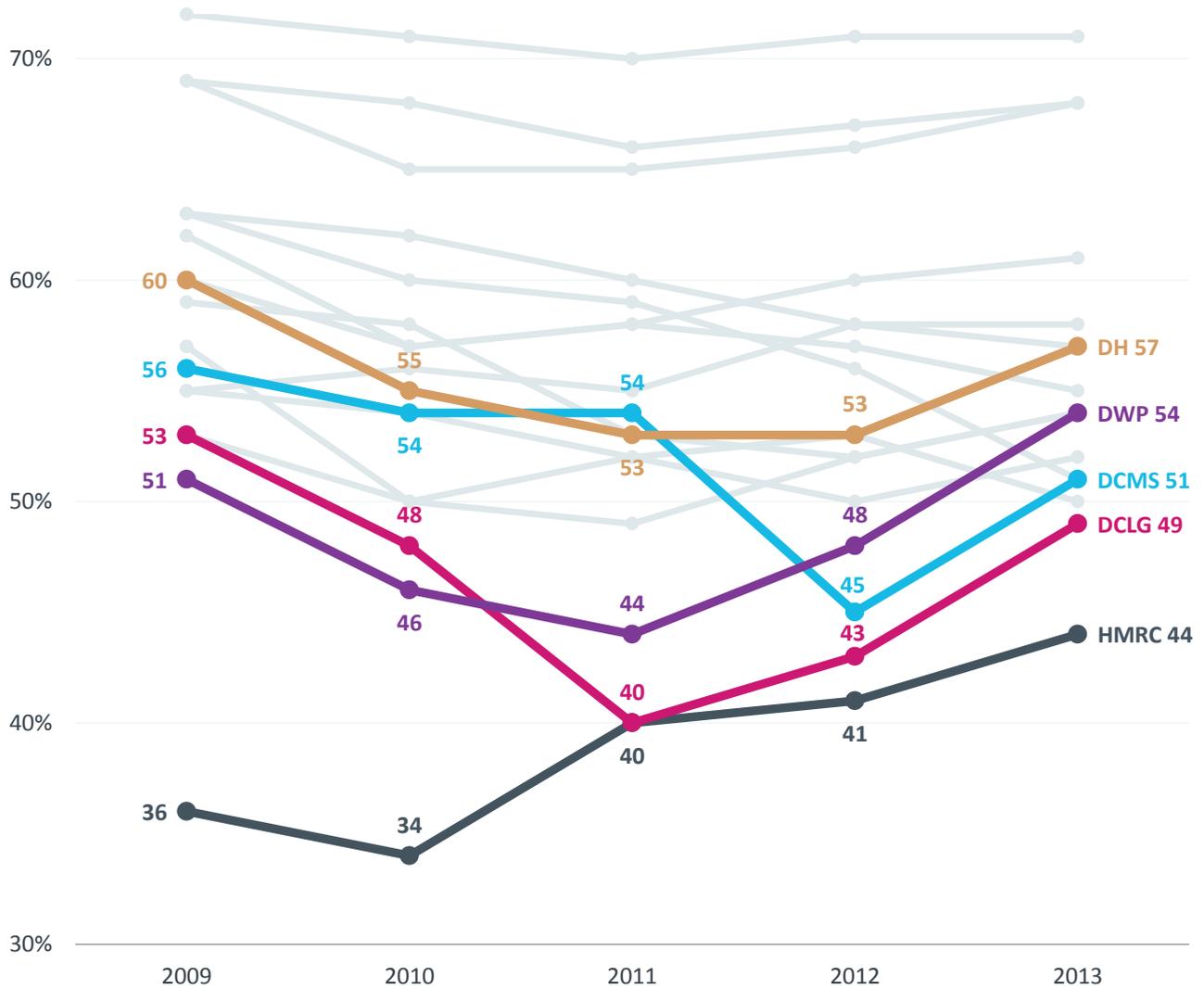


Source: Institute for Government analysis of Civil Service People Survey, 2013.

Looking at the scores as reported for core departments – excluding arm’s-length bodies – DfID has the highest, and HMRC the lowest, engagement score for the fifth consecutive year. Taking 50% (the point at which respondents neither agree nor disagree) as a baseline, only HMRC and DCLG civil servants are negative about their engagement, and DfT is neither positive nor negative.

Most departments have lower scores than the total for the whole Civil Service (58%), a figure which includes all 98 organisations surveyed.

Figure 6.4: Civil Service Engagement Index changes, 2009-13 (five largest rises, 2012-13, highlighted)

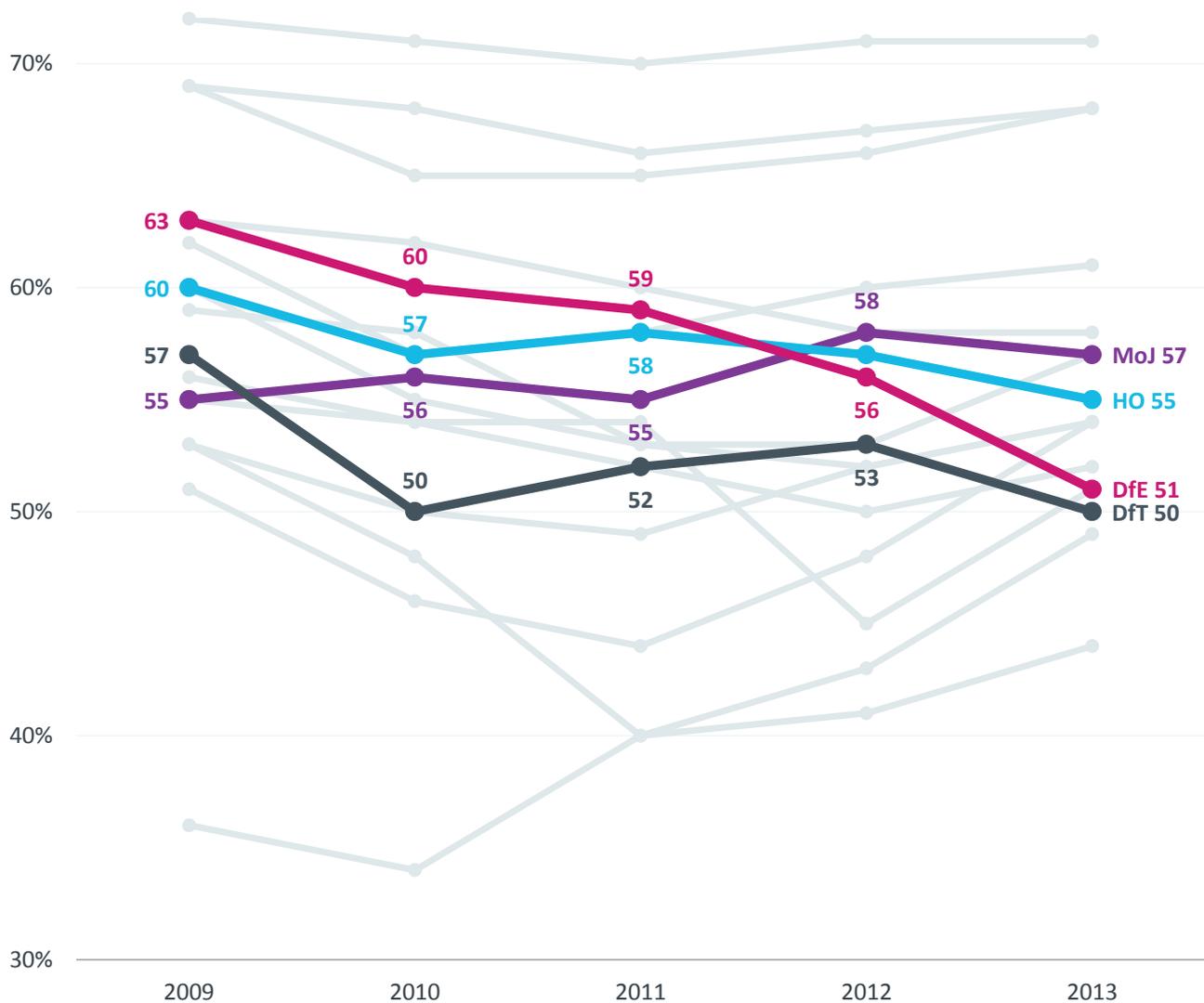


Source: Institute for Government analysis of Civil Service People Survey, 2009-13.

Eleven out of 17 departments saw their Engagement Index score rise between 2012 and 2013:

- DWP, DCMS and DCLG saw the biggest rises – 6 percentage points each.
- Both DWP and DCLG have had successive rises since 2011 – in DCLG’s case this came after a large drop from 48% in 2010 to 40% in 2011 as staff numbers were reduced substantially.
- DCMS recovered from 45% in 2012, when the survey took place just after the Olympic and Paralympic Games, with non-senior civil servants at risk of redundancy.
- DH’s score rose 4 points, but has still not returned to its 2009 high of 60%.
- HMRC has seen successive rises since 2010, from 34% in 2010 to 44% in 2013.
- The other departments with increases in 2013 were FCO (up 1 to 68%), HMT (up 2 to 68%), CO (up 1 to 61%), BIS (up 2 to 54%), MoD (up 2 to 54%), and Defra (up 2 to 52%).

Figure 6.5: Civil Service Engagement Index changes, 2009-13 (falls, 2012-13, highlighted)



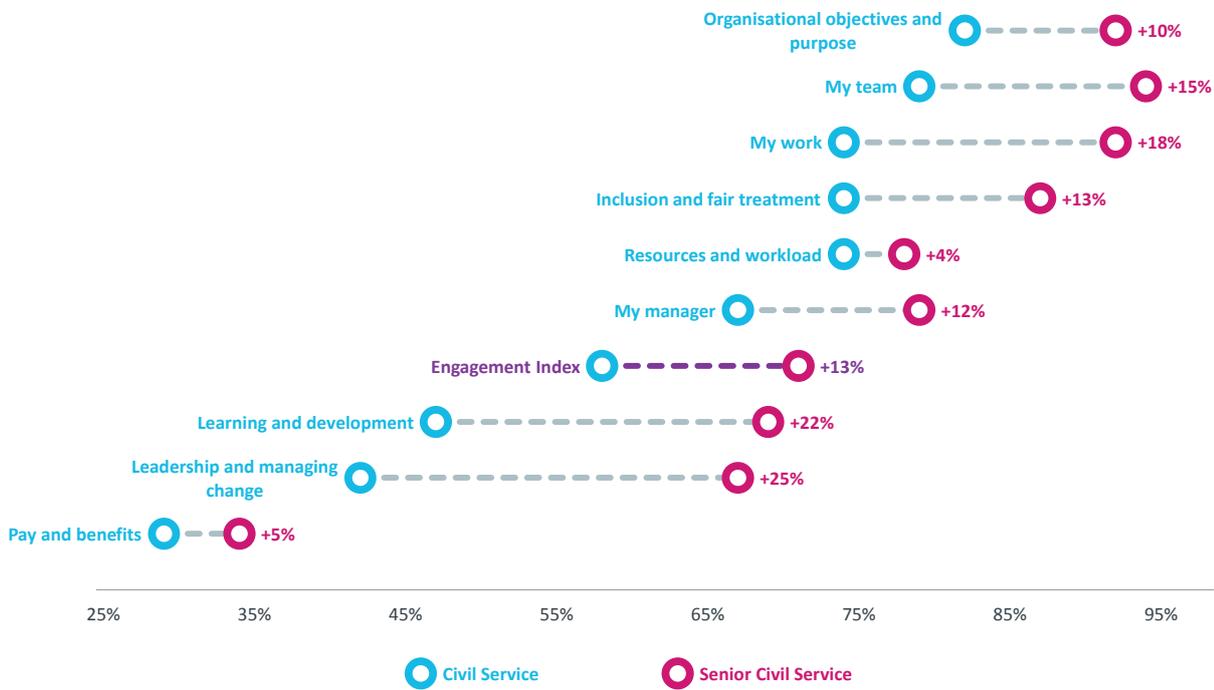
Source: Institute for Government analysis of Civil Service People Survey, 2009-13.

Four departments saw their score fall:

- DfE was the biggest faller, down 5 points. The department has fallen from having the fifth-highest Engagement Index score in 2010 (60%) to the joint 13th-highest in 2013 (51%). According to Institute for Government research, much of this was driven by downsizing, specifically some parts of DfE running staff selection exercises while others did not, raising questions of fairness.²
- MoJ declined by 1 point to 57 – the department’s score has ranged between 55% and last year’s high of 58% since 2009.
- Both the Home Office and DfT fell by 3 points. In the case of the Home Office, this is part of a steady decline from 60% in 2009. DfT fell dramatically from 57% in 2009 to 50% in 2010, before recovering to 53% last year. A fall to 50% this year makes it the third lowest-ranking department, although both DCLG and HMRC below it have been improving.

Senior Civil Service: more positive than everyone else

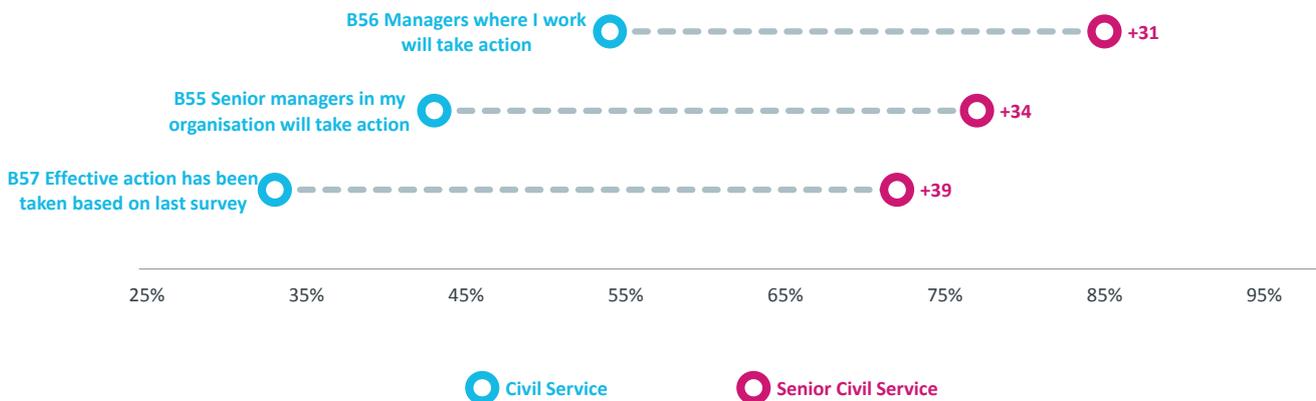
Figure 6.6: Civil Service Engagement – theme scores (whole Civil Service), 2013



Source: Institute for Government analysis of Civil Service People Survey, 2013.

Senior civil servants are much more positive than other civil servants. The differences are particularly pronounced on 'Leadership and managing change' (25%) and 'Learning and development' (22%), and especially small on 'Resources and workload' (4%) and 'Pay and benefits' (5%).

Figure 6.7: Views on whether survey will lead to action, 2013



Source: Institute for Government analysis of Civil Service People Survey, 2013.

However, as useful as the survey is for analysing how civil servants feel about their work, many civil servants do not believe anything will change based on the results, or that previous surveys have had an impact. Senior civil servants are much more optimistic about this, though – 85% thought managers where they worked would take action (against 54% of civil servants), and 72% thought effective action had been taken following the previous survey (33%).

Outputs

What Whitehall does with those resources

Outputs are what Whitehall departments actually do with the resources at their disposal – how they manage them, and how they measure their performance and progress.

Departments manage their resources in different ways. Some, such as DWP and HMRC, directly manage most of their spend. Others (DCMS, BIS, DECC) channel it through arm's-length bodies, others through grants and system funding (HO, DCLG, DfID) and others (MoJ) through contracting. Reforms since 2010 have significantly changed the way some departments (notably DfE, DH, MoD) manage their resources. This can have real consequences – a change in the model of resource management may require new skills and capabilities (for example, commercial skills for managing contracts) to be brought into the department. We look at two of these models in more detail – ALBs (whose number has fallen from more than 2,000 in 1979 to under 450 in 2014) and contracting (where issues with the data make it difficult to build up a definitive picture).

Departments pass and implement policies in a number of ways – tax and spend, persuasion, regulation and legislation. We look at legislation – finding the 'zombie parliament' of 2013-14 to be busier than in 2010-12, and the Treasury responsible for more legislation than any other department.

If legislation is something that most departments do as standard, so too is responding to inquiries from parliamentarians and the public. Overall, DWP receives the greatest demand from parliamentary questions, ministerial correspondence and Freedom of Information requests. We also look at which departments are best at responding on time and in full.

We end with how Whitehall measures its own performance: on major projects (with welcome realism, mostly), through Permanent Secretary Objectives (now much more useful) and actions set out in Departmental Business Plans (which leave somewhat more to be desired).



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Managing departmental resources

Much of the spending allocated to departments flows through Whitehall to other public bodies and third-party providers, via sponsorship, grants and contractual arrangements. Each arrangement requires specific activities and capabilities within a department.

Our simple framework for understanding how departments manage their resources uses four different models: direct management; sponsorship of arm's-length bodies (ALBs); system and grant funding; and markets and contracting.

Most departments have a dominant model for channelling their resources, but that can still leave large amounts of money to be managed in ways a department might not consider its core business. For example, DWP and HMRC manage more than 90% of their spending directly, but that leaves several billion pounds spent on contracts or grants to other parts of the public sector. Other departments have relatively large portions of their spend going through two or three models: the Home Office, for instance, funds the police system through grants but directly manages the immigration and border protection operations.

Major reforms have recently changed the way some departments manage their resources. Some areas have been moving towards more contractual relationships (such as schools, as a result of the expansion of the academies programme), others towards governance through arm's-length relationships (as has been the case with the NHS). In the chapters that follow we look at two of the models – ALB management and contract management – in more detail.¹

About the data

Our **resource management model** draws on a number of sources to arrive at a rough picture of departments' spending managed through each model. We used departmental accounts, the National Audit Office (NAO) departmental overviews, various government reports and communications, and occasionally more detailed data from the Treasury's Oscar database.²

The result is a picture of roughly 80% of each department's spending. We have excluded spending not managed by departments (such as debt interest and the UK's contribution to the EU budget). The framework we use this year is a streamlined version of the one we used in our analysis in *Whitehall Monitor 2013*.³

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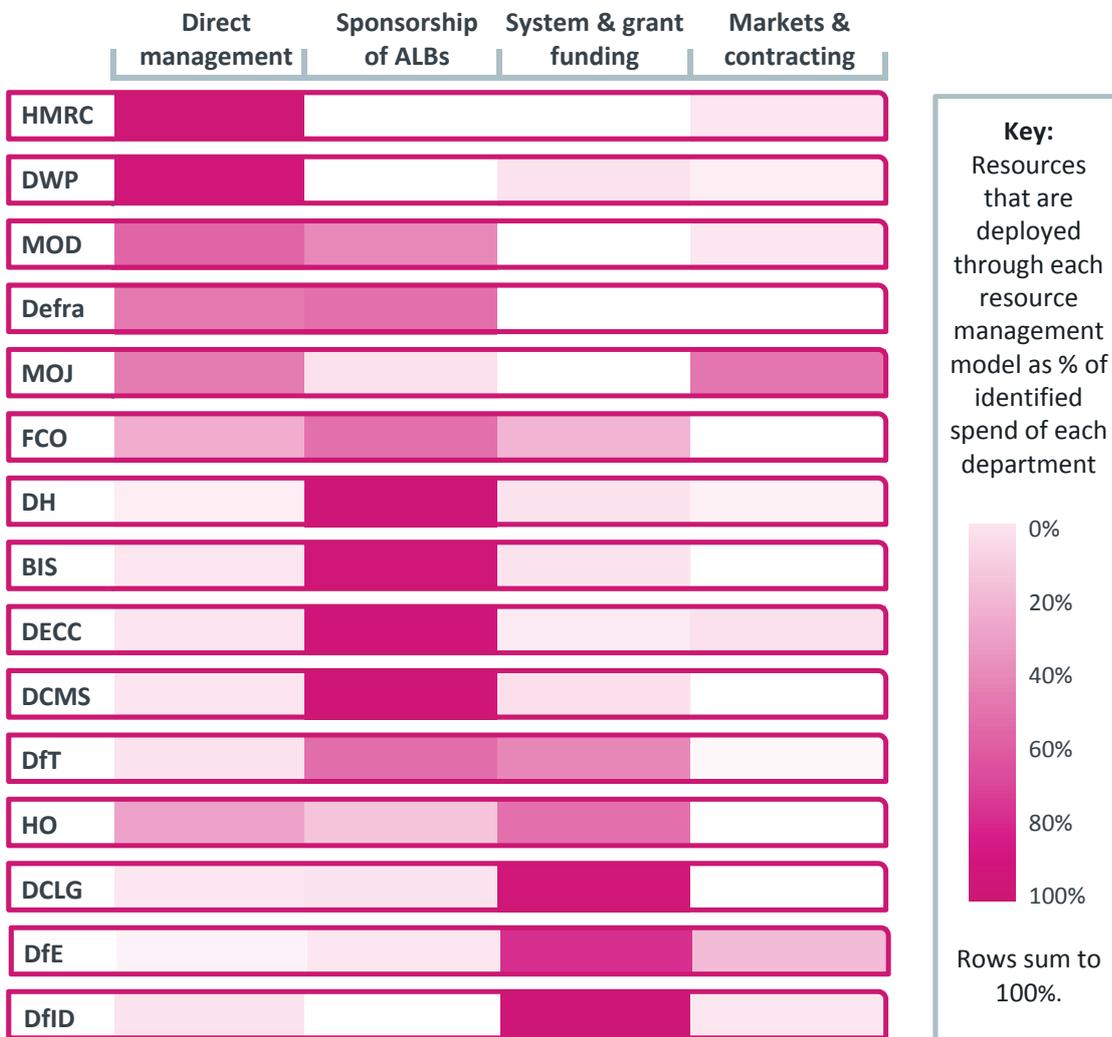
Resource management models: what we mean

Figure 7.1: Defining characteristics of resource management models

Model	Defining characteristics
Direct management	<p>Departmental leaders have direct control over how resources are deployed via line management of staff providing a service (e.g. DWP running job centres), or by controlling a mechanism through which resources are passed directly to final recipients (with no service expected in return, e.g. paying benefit claims).</p> <p>This also includes resources deployed by organisations outside the core department which are part of the direct management structure of the department. Examples include job centres, which are now managed directly inside the structure of DWP, or the National Offender Management Service, which is line-managed inside MoJ although it is formally an executive agency.</p>
Sponsorship of arm's-length bodies	<p>Departmental leaders pass resources to bodies at 'arm's length' from their departments, which they do not manage directly but whose objectives and governance they set and oversee (e.g. the research councils). The arm's-length bodies also have their own governance systems, such as their own board.</p> <p>Spending on commissioned services or grants where the ALB is the commissioner or grant-maker is included in this category – for instance, the contracts for building and maintaining national roads are managed by the Highways Agency, an arms'-length body of the Department for Transport.</p>
System and grant funding	<p>Whitehall provides resources to multiple bodies, usually performing the same function in different geographic areas (e.g. local authorities). Departmental leaders do not directly manage these bodies, or have a direct sponsorship relationship with them, but they do have a role in shaping the end system.</p> <p>Resources are usually allocated via agreed formulas or as a result of evaluating bids where Whitehall has discretion over whether to award grants (e.g. Local Enterprise Partnership grants from BIS).</p> <p>Recipients of grants and system funding can be private, public, or third sector organisations, or indeed even foreign governments in the case of foreign aid.</p>
Markets and contracting	<p>Whitehall directly procures or commissions others to act on the Government's behalf. The relationship is underpinned by a contract of some form, usually commercial (e.g. private prison services). Departmental leaders have a role in negotiating contracts, and in many cases in shaping the entire market.</p>

Managing resources: DWP, HMRC do it directly; BIS, DECC, DCMS through arm’s-length bodies; HO, DfID through grants

Figure 7.2: Resource management models used by departments, 2014



Source: Institute for Government analysis of departmental accounts, NAO departmental overviews, relevant government publications, and Oscar. This is a rough estimate of share of each department’s resources managed through each model, and includes approximately 80% or more of each department’s total net expenditure.

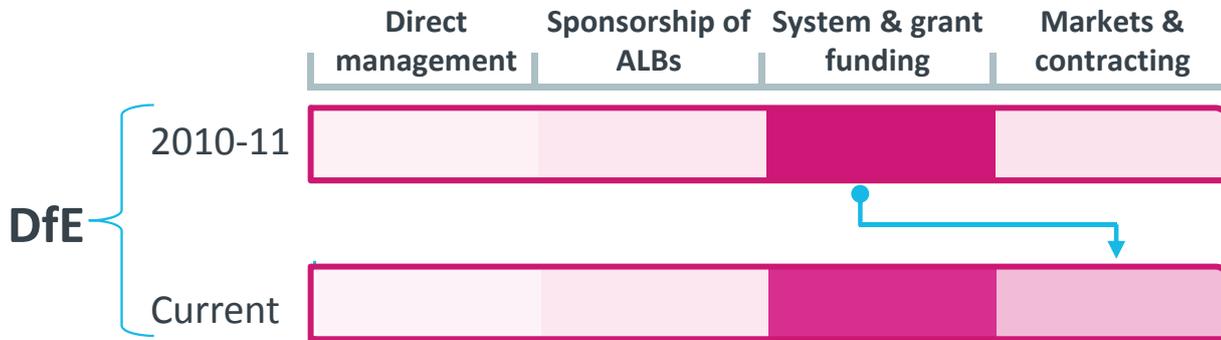
There are several easily identifiable groups of departments:

- First, DWP and HMRC stand out as departments that directly manage the majority of their spending. MoD also mainly spends money on directly managed operations, but following changes to its structure (more of which below), it now has a sizeable sponsorship element.
- Second, there are departments whose resources are primarily channelled through arm’s-length bodies. BIS has a large and diverse family of public bodies; DECC’s spending goes predominantly to the Nuclear Decommissioning Authority; and DCMS sponsors a range of culture and sports bodies.
- Third, there are the system and grant funders: the Home Office funds the police forces (but also has a large directly managed operation); DfE funds the education system via local authorities but also has a growing market element in the form of academies; and DfID provides grants to organisations and governments to deliver its international development objectives.
- MoJ stands out as a department with a large contract and market management element: it manages the markets for private prison services and, increasingly, probation services.

Major reforms: changes at DfE, DH and MoD

Since 2010, the Coalition has introduced a number of significant changes to the way public services are delivered and how government is organised.

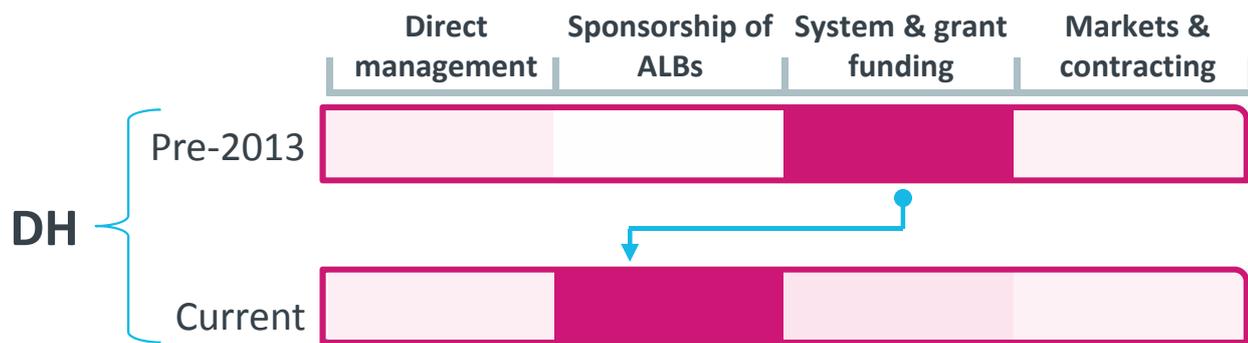
Figure 7.3: The continued expansion of academies, 2010-13



Source: Institute for Government analysis of DfE annual accounts, 2010-11 to 2012-13.

Some of the Government’s reforms were driven by a desire to open up public services and allow a greater variety of providers or choice for consumers. Others were motivated by performance or management concerns. DfE’s academies programme reflects both motivations and involves a change in the model used for managing spending. Previously all funding for schools was provided to local authorities as a grant. Now, the expansion of academies means that an increasing portion of this cash is provided directly to academies on the basis of a funding agreement – a contract between the secretary of state and an academy trust.

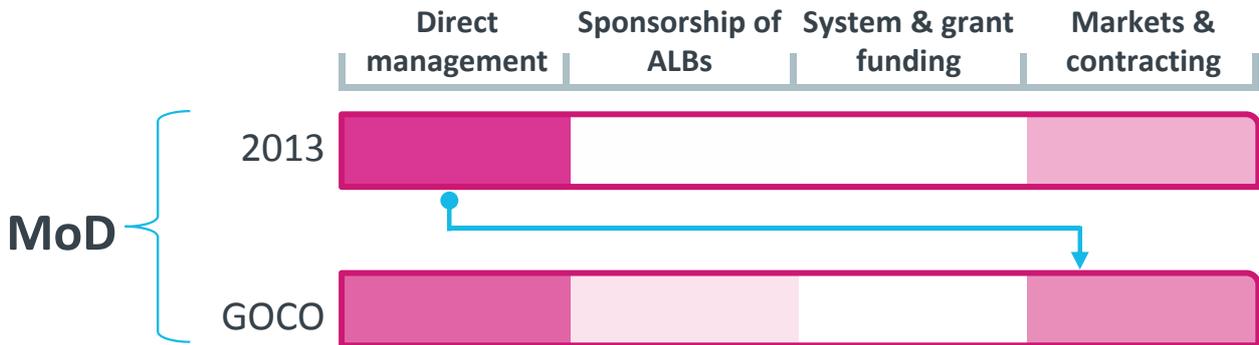
Figure 7.4: Health care reform – the NHS at arm’s length



Source: Institute for Government analysis of DH annual accounts, 2012-13 and 2013-14.

The Health and Social Care Act 2012 fundamentally changed how the Department of Health relates to the National Health Service. From April 2013, responsibility for managing the health service and the public health system moved to NHS England and Public Health England, respectively – both arm’s-length bodies. The department itself has moved to an assurance role: rather than directly managing and shaping the health system, it specifies strategic goals in framework agreements with these bodies. To what extent the actual management of such a politically sensitive area of public services will reflect this blueprint is yet to be seen, but in terms of the formal control over the system and resources funding it, health care is now at arm’s length from Whitehall.

Figure 7.5: Defence materiel – planned GoCo

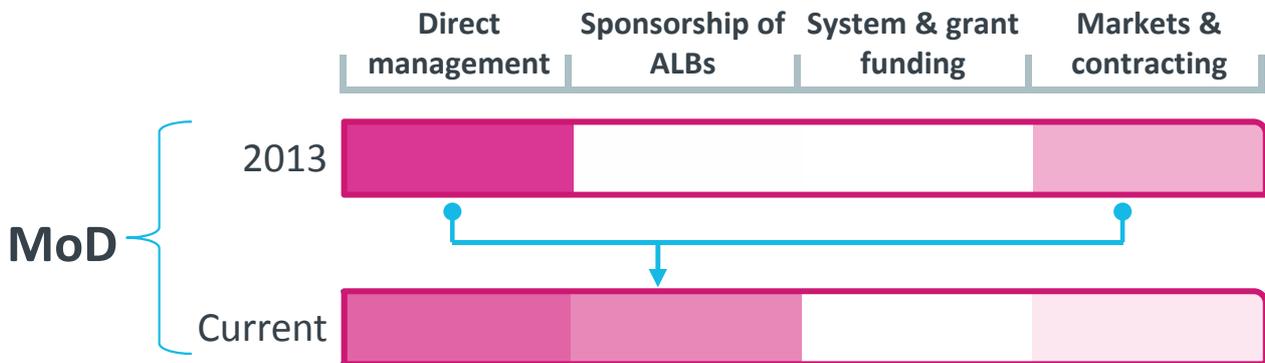


Source: Institute for Government analysis of departmental accounts, NAO departmental overviews, relevant government publications.

Since the Gray review of defence acquisition in 2009, departmental leaders have been considering whether the model of procuring defence materiel and support services should be changed. Until 2013, these activities were undertaken by Defence Equipment and Support (DE&S), a part of MoD. One of the proposed changes involved entering into partnership with a private sector consortium, which would operate the new body at arm’s length from the department as a ‘government-owned, contractor-operated’ organisation (GoCo). The rationale was to give the organisation more freedom to hire highly skilled professionals at salaries not available within civil service constraints.

While the bidders for the contractor role eventually withdrew and the GoCo option was abandoned, DE&S has moved to arm’s-length status and is no longer directly managed within the department.

Figure 7.6: Defence materiel – no GoCo (current situation)



Source: Institute for Government analysis of departmental accounts, NAO departmental overviews, relevant government publications.

Managing departmental resources: arm's-length bodies

A large amount of departmental money (and power) flows to and through arm's-length bodies (ALBs). The main subset of these is non-departmental public bodies (NDPBs), which have a role in government but are not directly part of a government department. These include:

- executive NDPBs, which perform executive, administrative or regulatory functions and account for most staff and spending, such as museums and galleries (DCMS), NHS England (DH), the Environment Agency (Defra) or Health and Safety Executive (DWP)
- advisory NDPBs, which provide 'independent, expert advice' to ministers, such as the Boundary Commission (CO) or Low Pay Commission (BIS)
- tribunal NDPBs, which have jurisdiction in specific fields of law, such as the Investigatory Powers Tribunal (HO)
- other NDPBs, including independent monitoring boards of prisons, immigration removal centres and short-term holding rooms (MoJ).

Changes to the ALB landscape must be seen as more than a straightforward numbers game: simply counting the number of bodies (or spend through them) cannot capture the full complexity of the landscape, as bodies are merged, new executive agencies established, and functions brought within departments or moved between bodies. But we can use government data to build up a picture of how departments relate to ALBs and how things have changed under successive governments.

Cabinet Office summary data suggests the number of NDPBs has fallen considerably in the past 35 years – from more than 2,000 in 1979 to under 450 in 2014. Some departments have considerably more NDPBs than others, ranging from well over 200 (MoJ) to just two (DfID and HMT). The amount of government funding for and expenditure of executive NDPBs has fallen sharply since 2009 and is now back to the same level as the early 2000s, while staff numbers have also fallen.

The diversity of those sitting on the boards and chairing NDPBs has not changed significantly over the past decade, although the percentage of those appointed who declare political activity has fallen. Most people declaring political activity have done so for Labour in every year from 2000-01 to 2013-14, with the exception of 2012-13. The level of transparency and accountability also varies between NDPBs, with some never having undergone a review.

About the data

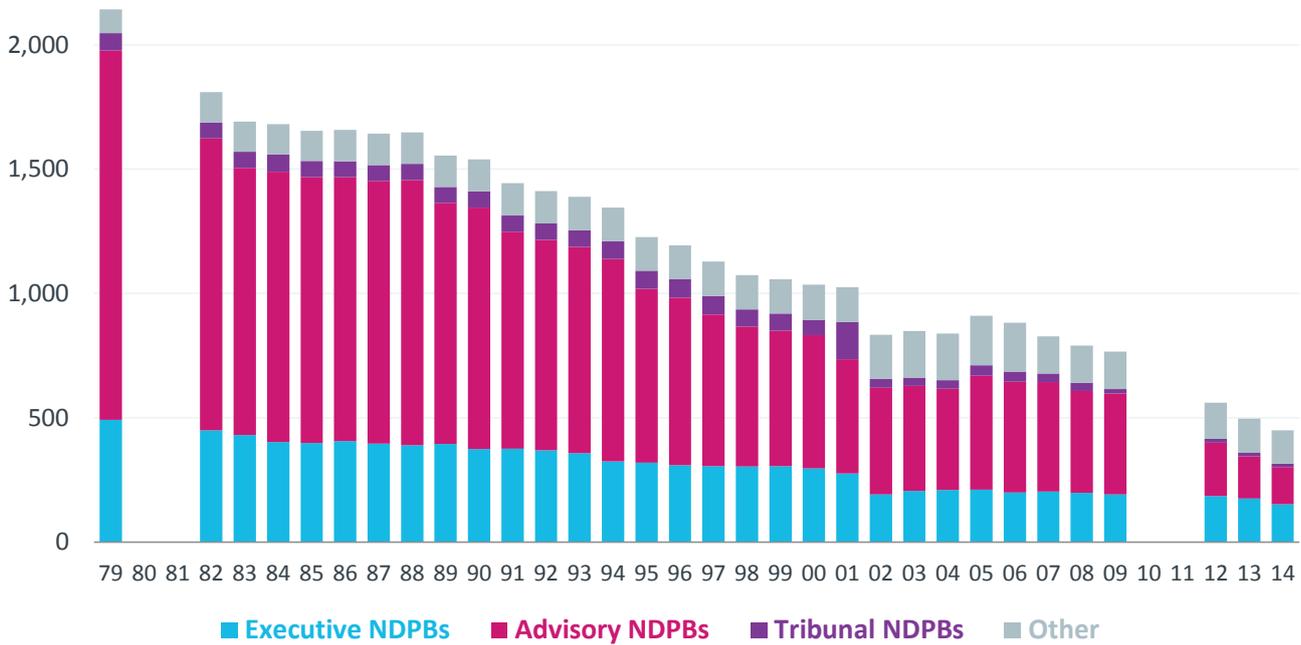
Data on the **number, finances, staff numbers, diversity of boards, and accountability and transparency of ALBs** can be found in the Cabinet Office's public bodies reports. These provide summary tables of the number of NDPBs and their type since 1979; further information for executive NDPBs (staffing and finance); and data on the gender, ethnicity and disability status of chairs and board members from 1997. There is even more detailed data for 2012 and 2013, and some (numbers by department, accountability) for 2014. We do not include executive agencies and non-ministerial departments in our analysis as historical data is not readily available. The 'Other' category in our analysis from 1979 includes boards of visitor NDPBs, public corporations, nationalised industries, NHS bodies, central bank, independent monitoring board NDPBs and the Public Broadcasting Authority category. 'Other NDPBs' from 2007 includes those that are not executive, advisory or tribunal NDPBs. Reports were not published in 2010 or 2011 owing to reforms being conducted. All data is as of March for each year.¹

Data on **declared political activity of ALB board members** is from the Commissioner for Public Appointments. The commissioner publishes annual statistics on appointments made by ministers to those bodies whose appointment processes it oversees. (It oversees the vast majority but not all of the ALBs featured in the public bodies reports.) This data refers to appointments made in a reporting year (the flow), as opposed to the public bodies reports, whose diversity figures are for composition at a given moment (the stock).²

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Arm's-length bodies: number has fallen since 1979; budgets and staffing down since 2009

Figure 8.1: Total number of non-departmental public bodies, 1979-2014



Source: Institute for Government analysis of public bodies reports, summary tables, 1997-2014.

The number of NDPBs has fallen considerably, from a high of 2,167 in 1979 to a low of 449 in 2014. A noticeable drop in numbers in 2002 was followed by an increase of 71 bodies between 2004 and 2005, followed by a further decline.

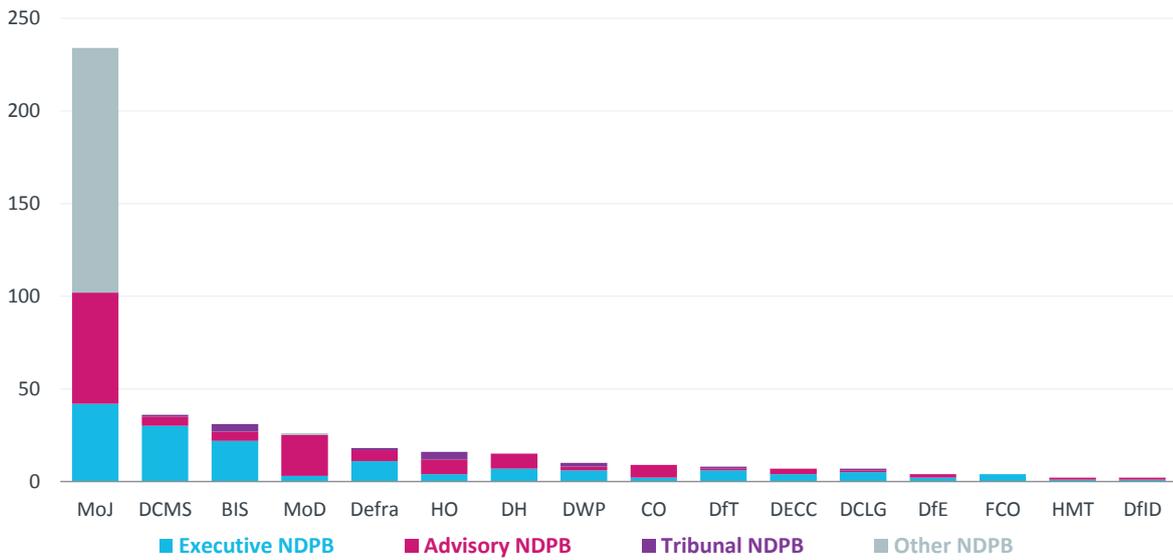
As well as the reduction in numbers overall, the decline of advisory NDPBs is striking: in 1979, there were three of them for every executive NDPB, but in 2013, advisory NDPBs were outnumbered by executive NDPBs for the first time (175 to 170 – in March 2014, the number is 152 to 150). Tribunal NDPBs have also been reduced, from 70 in 1979, via a high of 149 in 2001, to a low of 14 in 2013 and 2014.

Figure 8.2: Definitions of ALBs

Term	Definition
ALBs	Arm's-Length Bodies: organisations that are part of the state but do not operate within traditional departmental structures
NDPBs	Non-Departmental Public Bodies: The main subset of ALBs which we analyse in this chapter – bodies which play an important role in government but are not a direct part of a government department
Executive NDPBs	These perform executive, administrative or regulatory functions and account for most staff and spending, such as museums and galleries (DCMS), NHS England (DH), the Environment Agency (Defra) or Health and Safety Executive (DWP)
Advisory NDPBs	These provide 'independent, expert advice' to ministers, like the Boundary Commission (CO) or Low Pay Commission (BIS)
Tribunal NDPBs	These have jurisdiction in specific fields of law, like the Investigatory Powers Tribunal (HO)
Other NDPBs	None of the above, including Independent Monitoring Boards of Prisons, Immigration Removal Centres and Short-Term Holding Rooms (MoJ). Used in Public Bodies reports from 2007
Other	Our combination of other categories in Public Bodies reports, 1979-2007, including Boards of Visitor NDPBs, Public Corporations, Nationalised Industries, NHS Bodies, Central Bank, Independent Monitoring Board NDPBs and Public Broadcasting Authority
Executive Agencies	Part of a government department, headed by a chief executive performing specific functions according to ministerial policy and accountable to Parliament (like Companies House or the DVLA). We do not include these in this chapter, but data is available in Public Bodies 2013
Non-Ministerial Departments	Government departments without their own minister but accountable to Parliament through a sponsoring minister (like HMRC or the Food Standards Agency). We do not include these in this chapter, but data is available in Public Bodies 2013

Source: Institute for Government analysis of public bodies reports; *Read Before Burning* 2010.

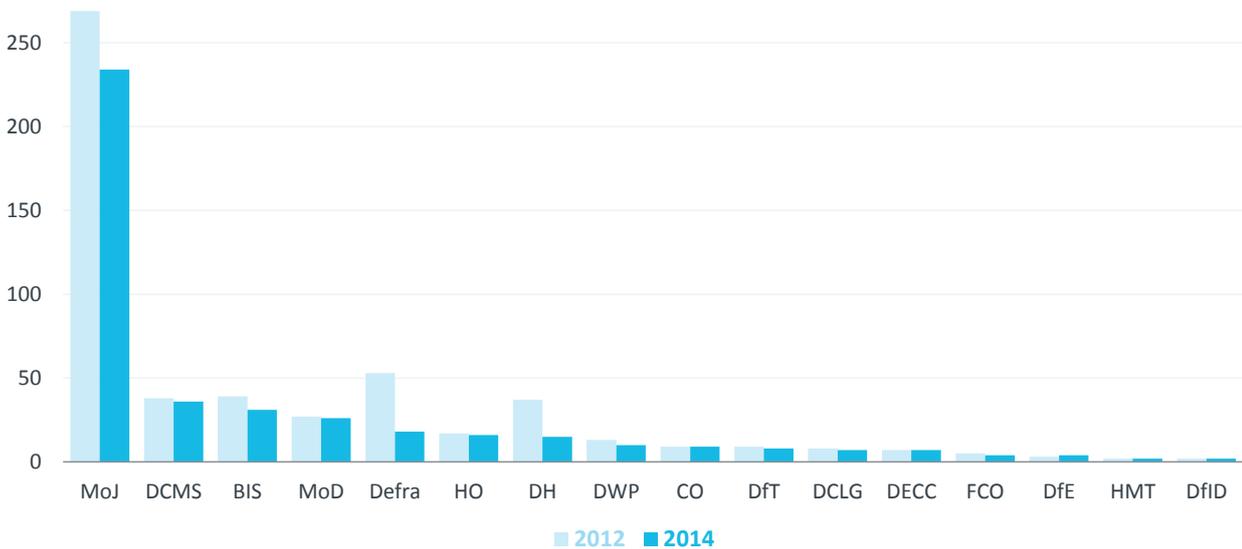
Figure 8.3: Number of NDPBs by type and department, March 2014



Source: Institute for Government analysis of *Public Bodies 2013*, update as at 31 March 2014.

MoJ had by far the most NDPBs in March 2014 – in large part thanks to more than 130 independent monitoring boards of prisons, immigration removal centres and short-term holding rooms – followed by Defra and DCMS (whose national museums and galleries are executive NDPBs).

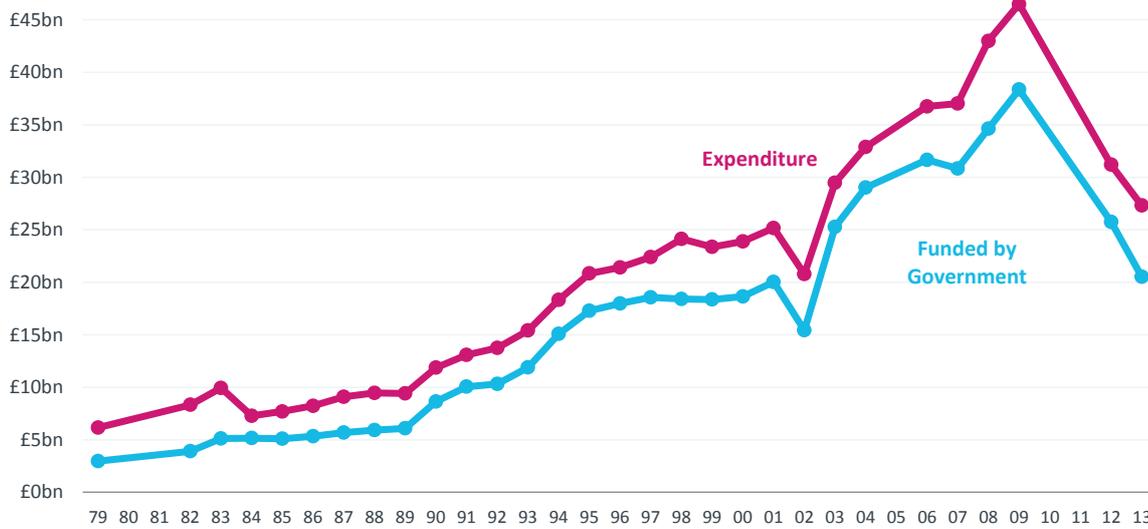
Figure 8.4: Number of NDPBs by department, March 2012 and March 2014



Source: Institute for Government analysis of public bodies reports, full directory, 2012 and 2013.

All departments except DfE had the same number or fewer NDPBs in March 2014 compared with March 2012 as a result of the Government’s reforms of ALBs. Simply counting the number of bodies, however, cannot capture the full complexity of the landscape: bodies are merged, new executive agencies established, and functions brought within departments or moved between bodies.

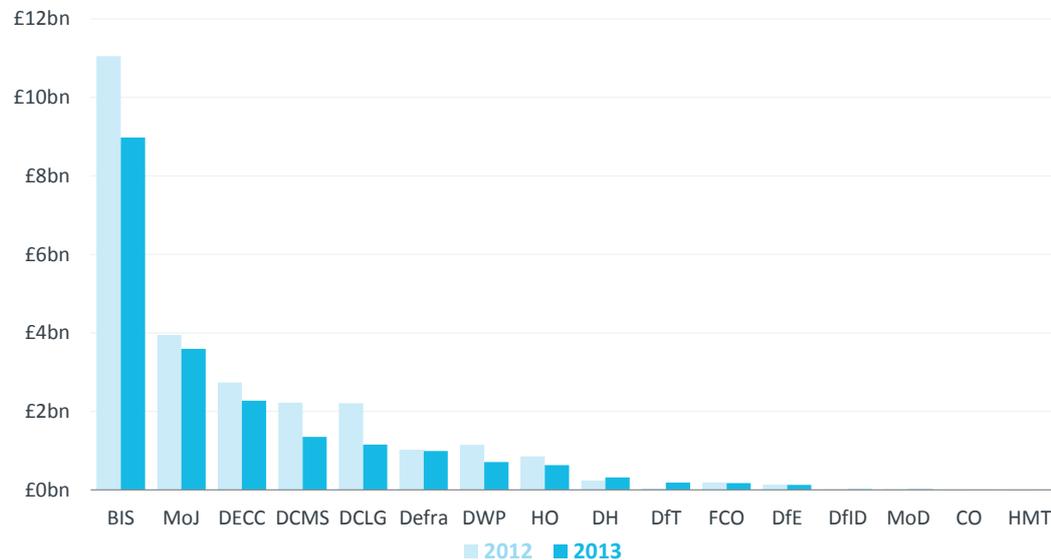
Figure 8.5: Total government funding for and expenditure of executive NDPBs, 1979-2013



Source: Institute for Government analysis of public bodies reports, summary tables, 1997-2013. Excludes total NHS spending.

Government funding of executive NDPBs fell from £38.4bn in 2009 to £20.5bn in 2013. In every year since 1979, executive NDPB expenditure has been higher than the government funding received, reflecting the fact that many also receive funding from other sources (including income from user fees, charging for services and – for museums and galleries – fundraising efforts).

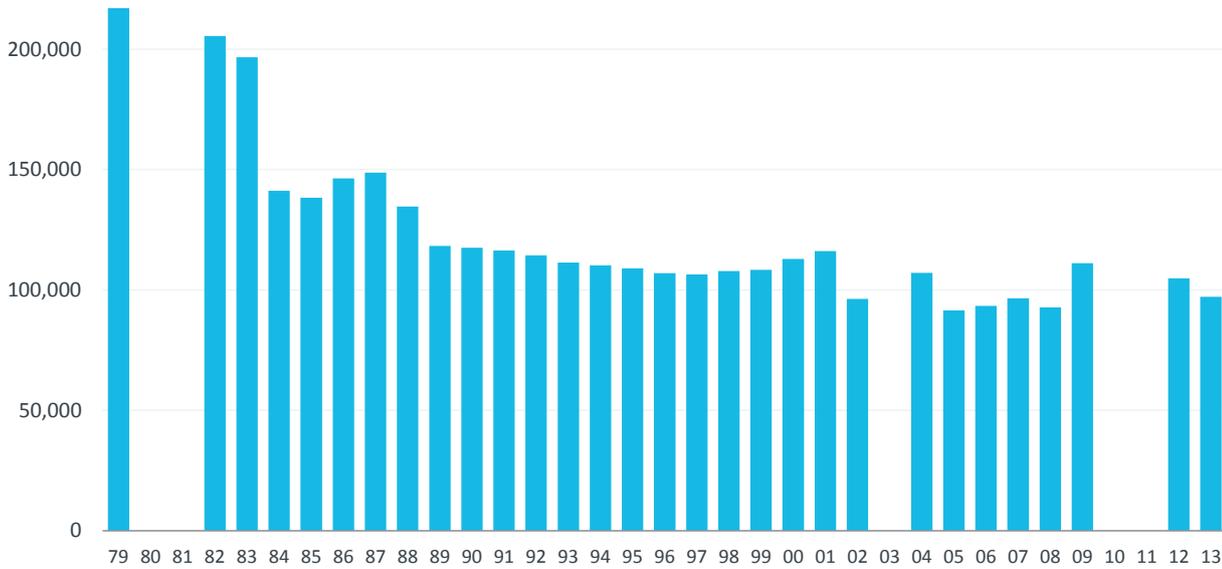
Figure 8.6: Government funding of NDPBs by department, 2012 and 2013



Source: Institute for Government analysis of public bodies reports, 2012 and 2013.

Looking at all NDPBs, most government funding went to NDPBs of BIS in the year to March 2013 (including more than £5bn to the Higher Education Funding Council for England and more than £4bn to the Skills Funding Agency), followed by MoJ (more than £2bn to the Legal Services Commission, an executive NDPB that has since been abolished) and DECC (more than £2bn to the Nuclear Decommissioning Authority). All but six departments received less funding for NDPBs in 2013 compared with 2012 (the exceptions being DH, DfT, DfID, MoD, CO and HMT).

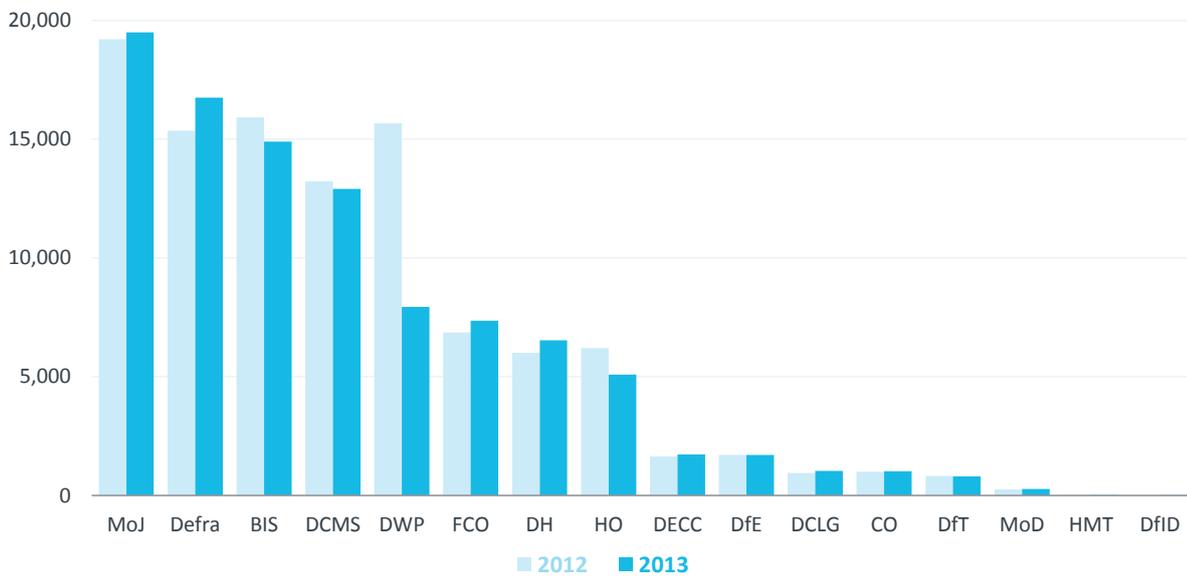
Figure 8.7: Total number of executive NDPB staff since 1979



Source: Institute for Government analysis of public bodies reports, summary tables, 1997-2013.

Unsurprisingly, given the reduction in the number of bodies, headcount at executive NDPBs has fallen since 1979 – from more than 200,000 staff to just under 100,000. This means that each executive NDPB has a higher average number of staff – there are fewer, but bigger bodies.

Figure 8.8: NDPB staff numbers by department, March 2012 and March 2013

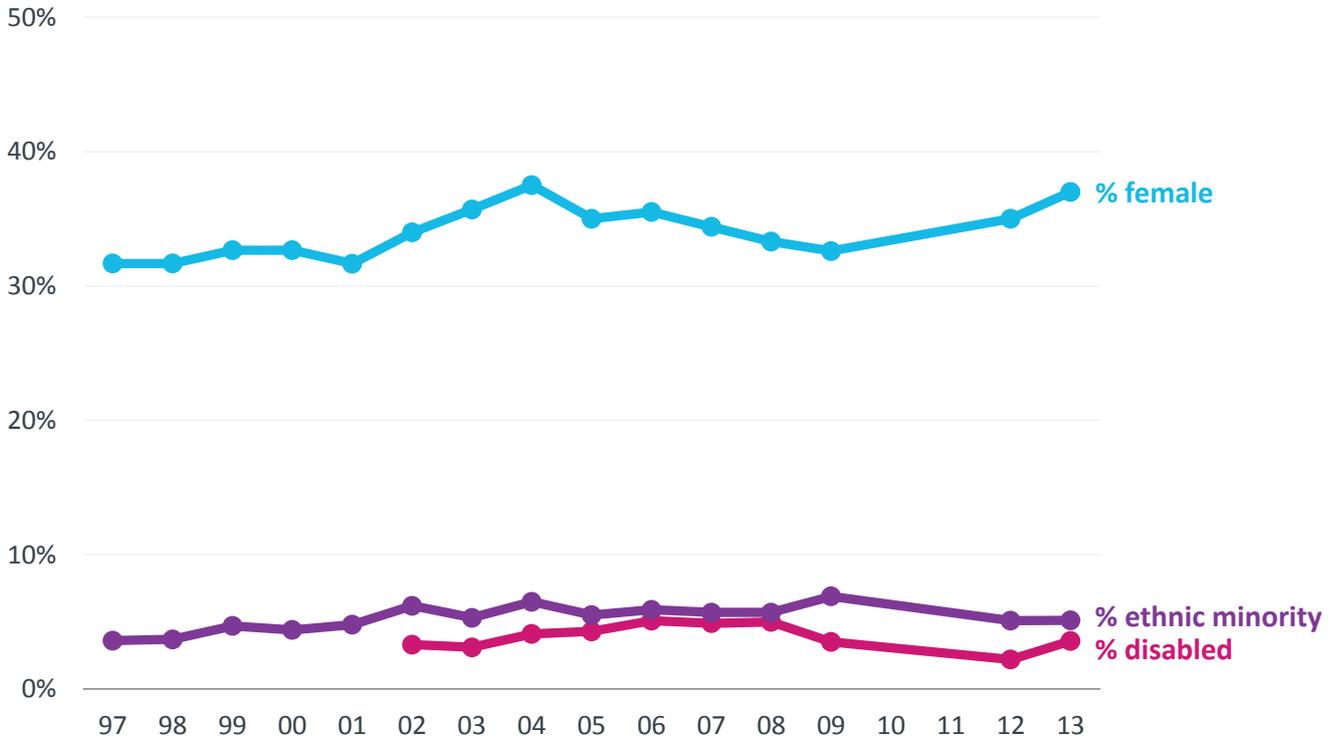


Source: Institute for Government analysis of public bodies reports, full directory, 2012 and 2013.

Looking at all NDPBs, MoJ has the most staff, followed by Defra. Some big 'reductions' in staff numbers can be explained by reclassifications – at DWP, for example, the Child Maintenance and Enforcement Commission (with its 7,898 staff) is no longer classified as an NDPB, having been brought inside DWP.

Diversity of chairs and boards: little change, but decline in declared political activity

Figure 8.9: Diversity of NDPB chairs and board members



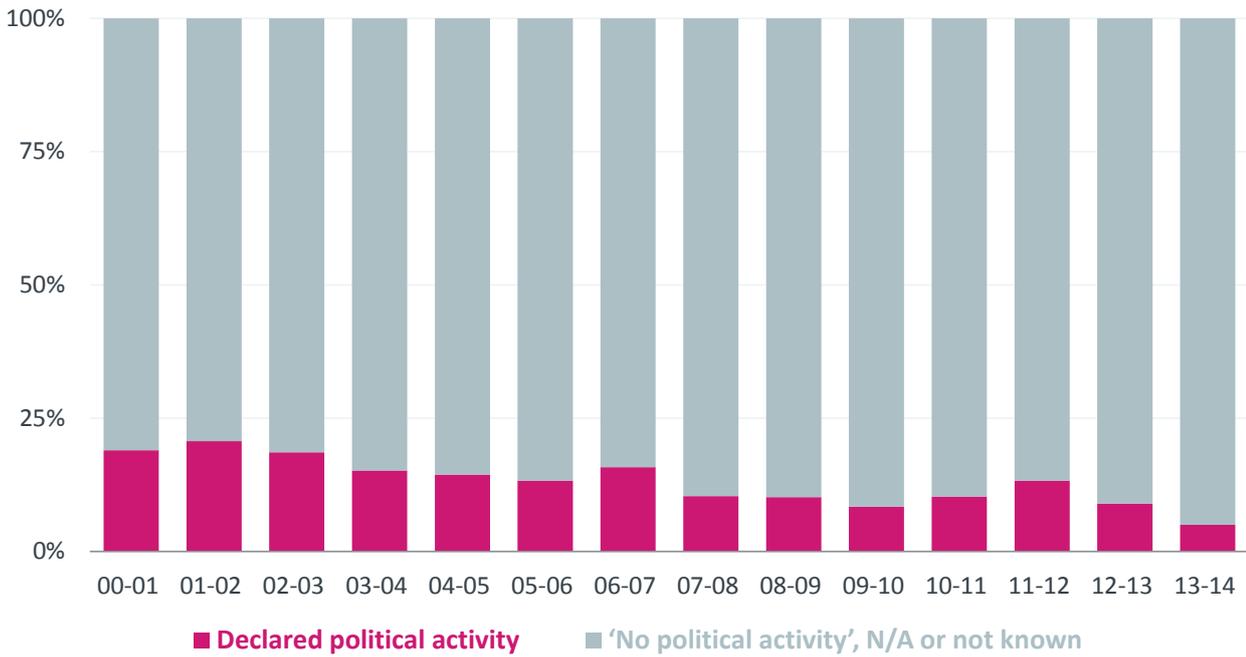
Source: Institute for Government analysis of public bodies reports, summary tables, 1997-2013.

The percentage of women on the boards of NDPBs peaked at 37.5% in 2004 (after a low of 31.7% in 2001). In 2013, it was 37%, higher than all but one year under Labour.

Only 5.1% of chairs and board members were from an ethnic minority in 2013, the lowest since 2001 (4.8%).

In 2013, 3.6% of NDPB board members had a disability, up from 2.2% in 2012 (the lowest on record) and slightly higher than 2009, but still short of the 5% of 2006-08.

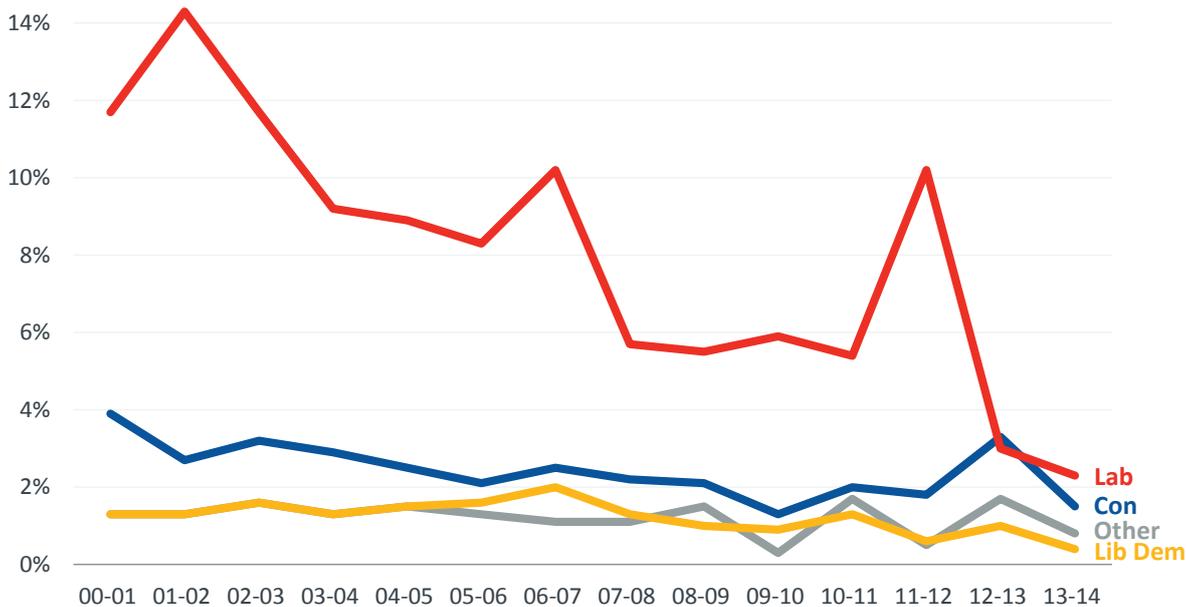
Figure 8.10: Diversity of ministerial appointments – declared political activity



Source: Institute for Government analysis of *Annual Survey of Ministerial Appointments and Reappointments* (Commissioner for Public Appointments, 2013-14).

Only 5% of people appointed by ministers to public bodies in 2013-14 declared political activity, a percentage that has declined from a high of 20.7% in 2001-02 and more than halved since 2011-12. More of these have been Labour in every year, with the sole exception of 2012-13 when there were more declared Conservatives.

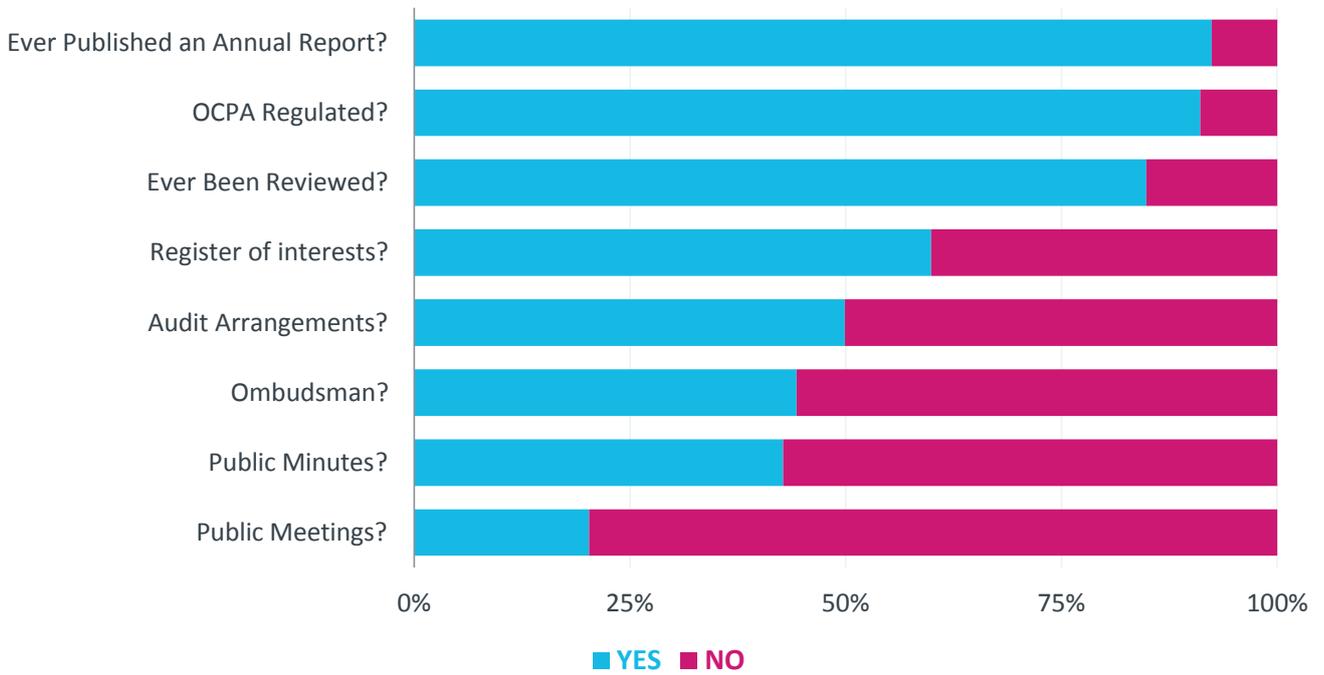
Figure 8.11: Diversity of ministerial appointments – declared political activity



Source: Institute for Government analysis of *Annual Survey of Ministerial Appointments and Reappointments* (Commissioner for Public Appointments, 2013-14).

Transparency and accountability: some ALBs have never been reviewed

Figure 8.12: Transparency and accountability of NDPBs, March 2014



Source: Institute for Government analysis of *Public Bodies 2013*, full directory.

As of March 2014, under 50% of NDPBs make minutes of board meetings available to the public, while under 25% hold public meetings. Additionally, just under half have audit arrangements or recourse to an ombudsman (although some bodies will not provide services that require one).

As part of the Reform Programme, the Government says it has reviewed more than 900 bodies (which led to many being abolished or merged) and has established a formal review process including triennial reviews for the future. However, as of March 2014, 68 NDPBs do not appear to have been reviewed, although a number of these are national museums and galleries that are executive NDPBs of DCMS.

Managing departmental resources: contracting

More and more public money is being spent on outsourcing and private providers supplying and running public goods and services.

The National Audit Office (NAO) estimates that around £187bn is spent by the public sector annually with third-party providers. Around £40bn of this is by central government (local government and the NHS spend more), with MoD spending nearly six times as much (£19.95bn) as the next department (DWP, £3.45bn).

Research conducted by open data start-up Spend Network with the Institute for Government used publicly available data to work out the top 20 suppliers of goods and services to central and local government in 2012 and 2013. It found that IT and construction companies accounted for most value in the top 20, and that DWP spent the most with them (given that much of MoD spending is not published due to security issues). We also found that some of the big suppliers are dependent on contracts with single departments and that local government spending with small and medium-sized enterprises (SMEs) is much higher than that of central government.

The differences in the NAO and Spend Network figures show that, while the Government has made more information on contracting available as part of its open data and transparency drive, this data has limitations. These include some data not being published, some not being recorded, some being suppressed or redacted, and some being published without useful categorisations. This makes it difficult to analyse definitively the extent and effectiveness of government contracting and to generate exact figures for how much is spent by government with private providers.

About the data

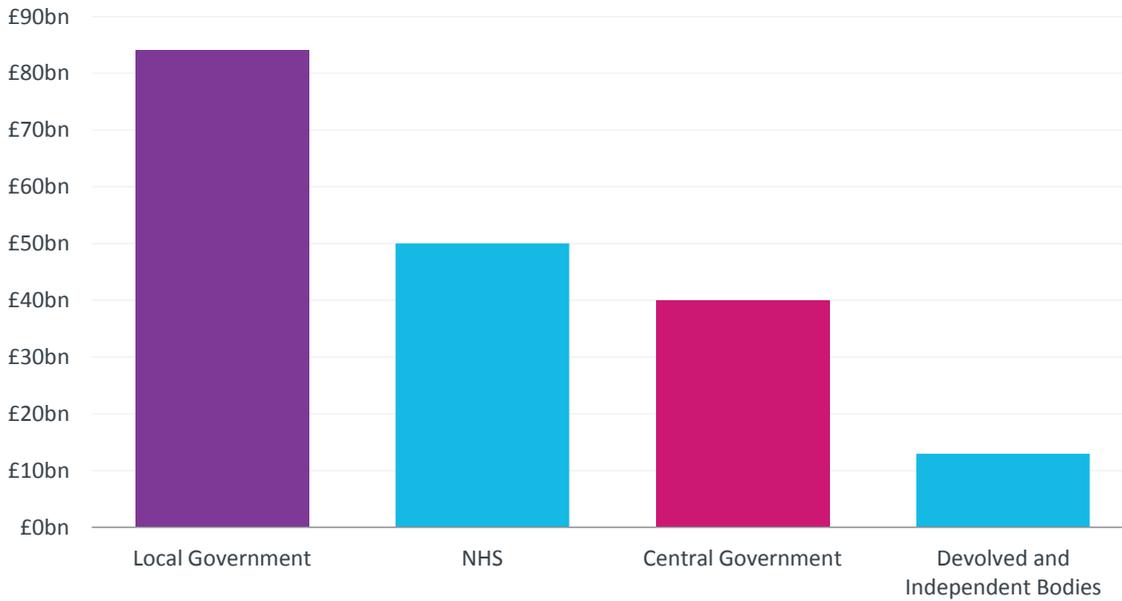
The **National Audit Office** published two reports on government contracting in November 2013, including *Managing Government Suppliers*. Its estimates of government spending with third parties are drawn from a number of different sources from different time periods: Whole of Government Accounts from 2011-12; Department of Health accounts from 2012-13; monthly data returns from departments to the Cabinet Office, which do not appear to be public; and quarterly returns from 40 strategic suppliers to the Cabinet Office for 2012-13. Some of these are partial: the Cabinet Office returns are estimated to cover only 90% of central government expenditure, while the strategic supplier returns cover only 24 of those 40 strategic suppliers.¹

Spend Network analysed public spend statements published by 247 central and local government entities between January 2012 and December 2013. In total, this consisted of more than 40 million transactions across 6,711 different files with a total value of more than £1.2trn. Supplier names were then matched with Companies House records. Building the database and website took more than two years and 16,000 hours of work. Our research found that the source data provided on government transactions is incomplete and difficult to analyse – the data contained in this chapter is therefore an estimate based on the spend identifiable from the data published by government. Indeed, significant data discrepancies came to light when we published our previous *Whitehall Monitor*, 'Government Contracting: Public data, private providers' (June 2014) – the figures in this report aim to update those ones.²

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National Audit Office: central government spends £40bn; local government and NHS spend more

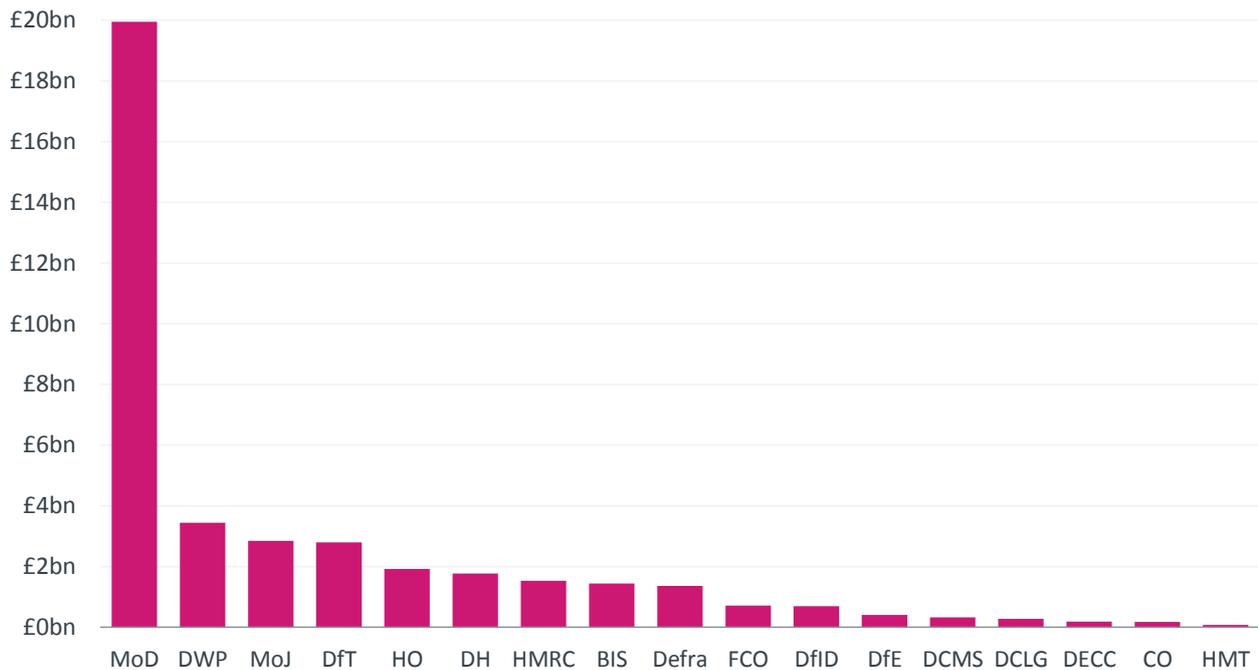
Figure 9.1: NAO estimate of annual spending with third parties



Source: Institute for Government analysis of *Managing Government Suppliers* (NAO, 2013).

According to NAO estimates, £187bn is spent annually by the public sector with private sector providers: £40bn by central government, £84bn by local government, £50bn by the NHS and £13bn by devolved and independent bodies. Of central government departments, MoD is by far the biggest spender (£19.95bn), spending nearly six times more than DWP (£3.45bn).

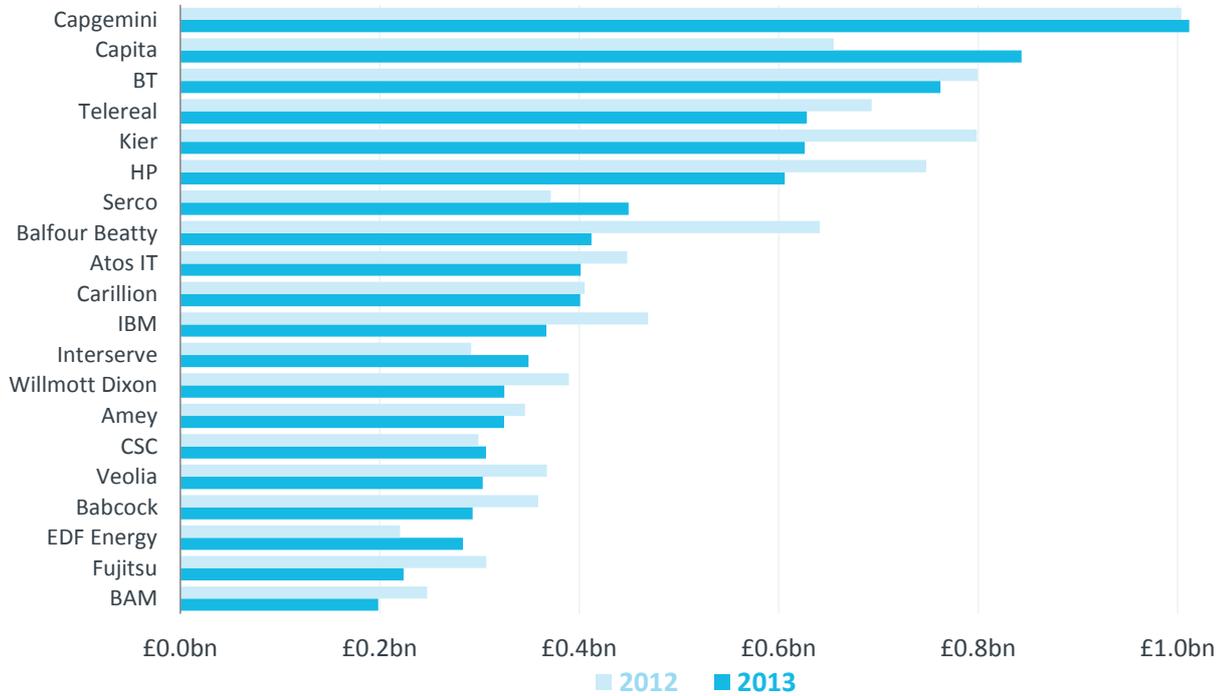
Figure 9.2: NAO estimate of annual spending with private sector providers



Source: Institute for Government analysis of *Managing Government Suppliers* (NAO, 2013).

Spend Network: IT and construction make up most of top 20 suppliers

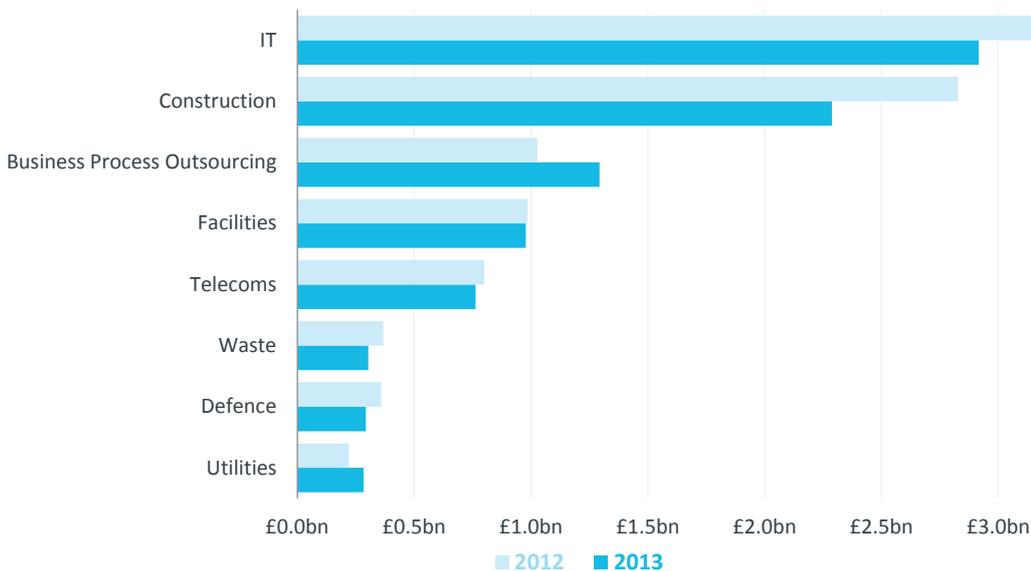
Figure 9.3: Twenty biggest suppliers to central and local government, January 2012 to December 2013



Source: Institute for Government/Spend Network analysis of government spend statements. Suppliers ordered by 2013 spend.

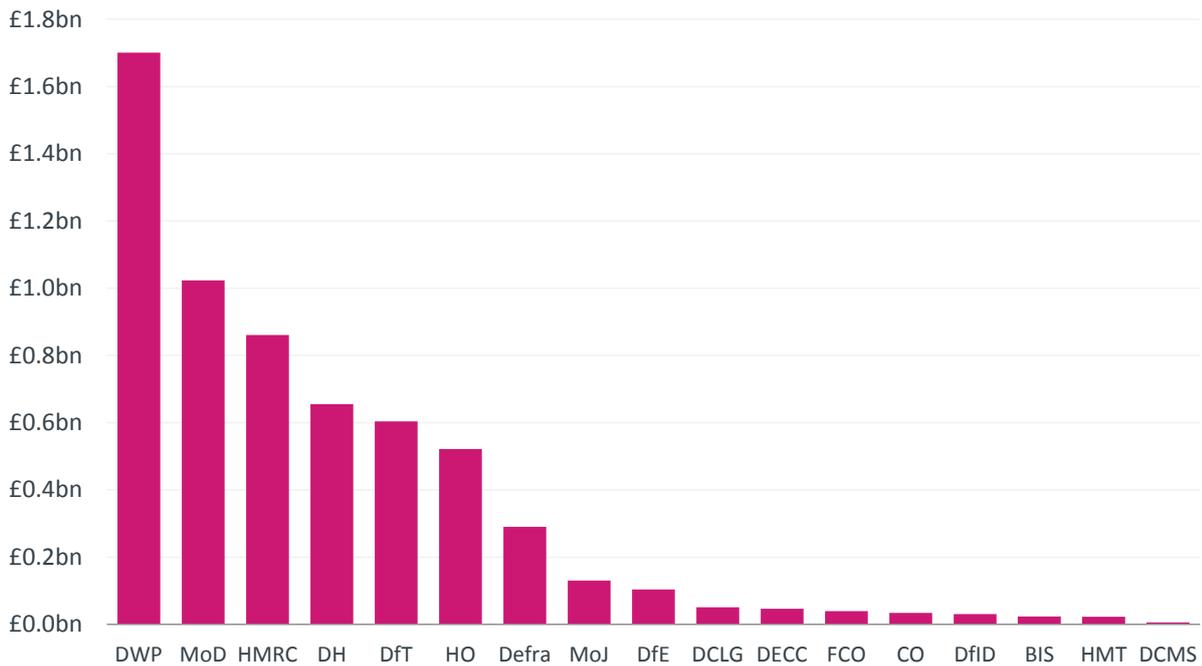
According to public data, Capgemini was the largest recipient of spending from central and local government in 2012 and 2013 (more than 80% of it from the Aspire contract, a project to overhaul the IT systems within HMRC). Of the top 20 suppliers, six were construction companies and six IT. The fact that defence comes bottom of our seven categories, despite the NAO’s figures showing MoD to be the biggest spender with private providers, underlines the issue of not all spend (especially defence spending) being published.

Figure 9.4: Twenty biggest suppliers to central and local government by category, January 2012 to December 2013



Source: Institute for Government/Spend Network analysis of government spend statements.

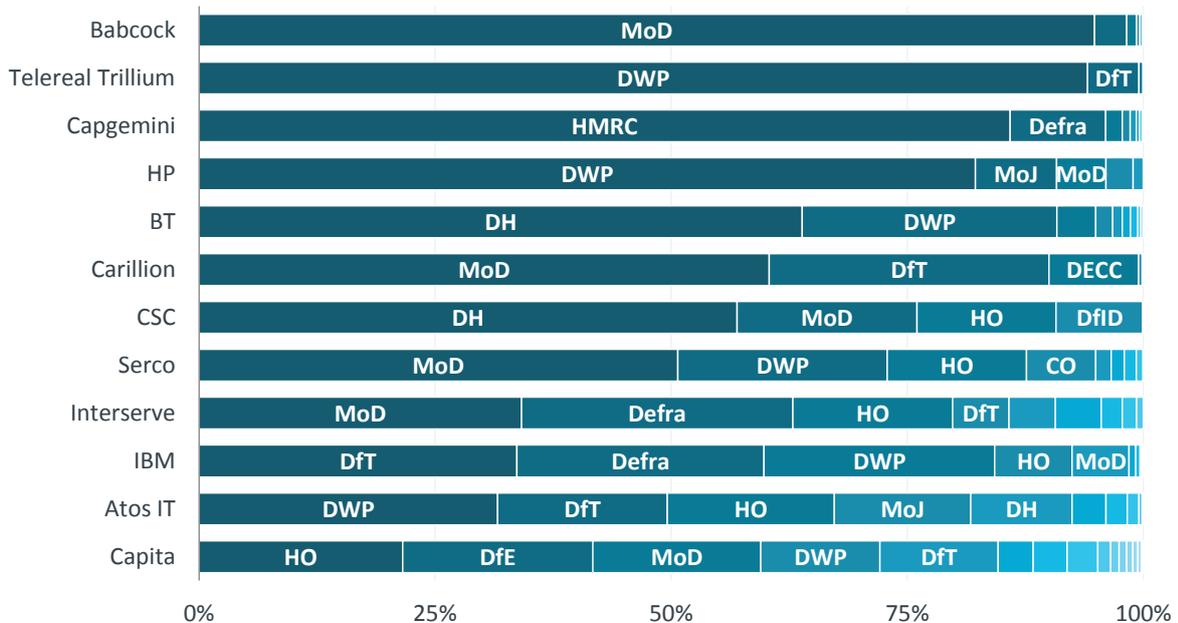
Figure 9.5: Spending by department with top 20 suppliers, January to December 2013



Source: Institute for Government/Spend Network analysis of government spend statements.

Public data shows DWP as the biggest-spending department with the top 20 suppliers in 2013 (£1.7bn), followed by MoD and HMRC. Again, the fact that MoD publishes only some of its data means we may not have recorded its full spend with the top 20 (we know, for example, that the public data does not show MoD’s full spend with Babcock).

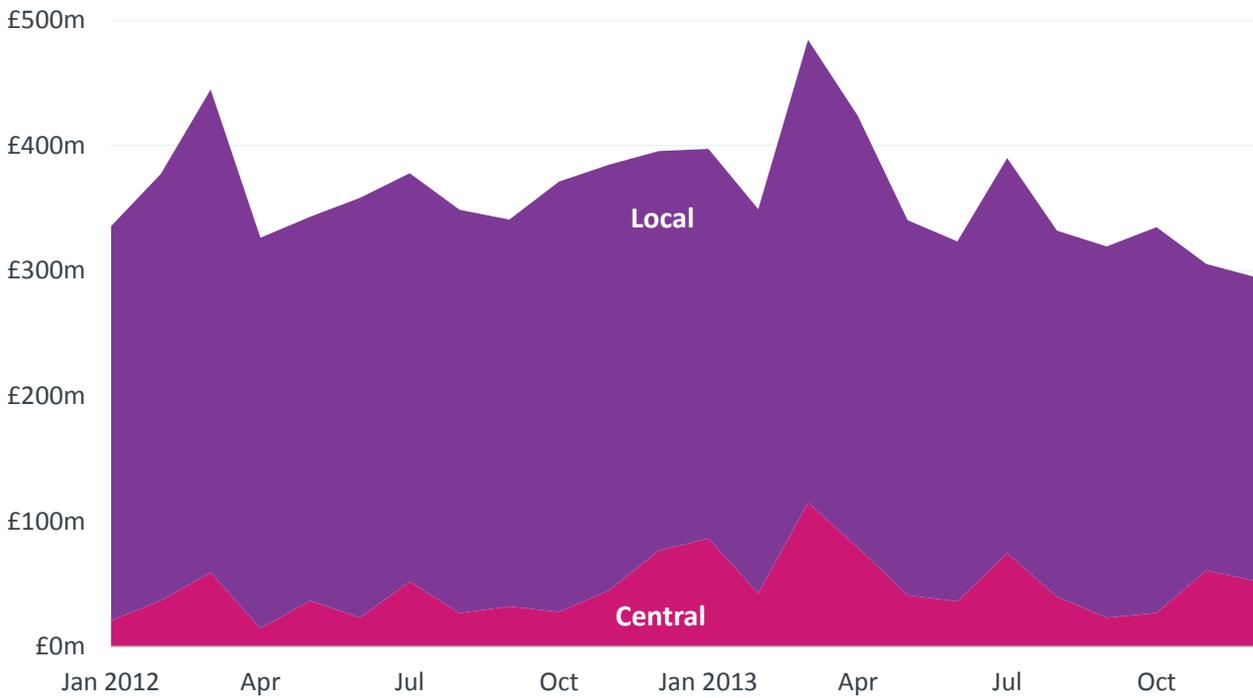
Figure 9.6: Suppliers’ revenues from central government by department, January to December 2013



Source: Institute for Government/Spend Network analysis of top 20 suppliers to central and local government. Suppliers receiving less than £250m from central government have been excluded. Departments are named where they provide 5% or more of a supplier’s spend.

Some of the top 20 suppliers rely strongly on one government department for their central government revenue – such as Babcock (MoD), Telereal Trillium and HP (DWP), and Capgemini (HMRC) – while others have a more diverse supply base (such as Capita, across 17 departments).

Figure 9.7: Monthly spend with SMEs by central and local government, January 2012 to December 2013



Source: Institute for Government/Spend Network analysis of government spend statements.

Local government spends much more per month with SMEs than central government. However, some central government spend with SMEs is not visible in our data because of a lack of published data further down the supply chain – government might publish its spend with the prime contractor, but any subcontracting by that contractor with SMEs won’t show up in our data.

Government has an aspiration to award 25% of central government business by 2015 to SMEs. It claims it is on track to meet that target,³ with an increase in direct spend from £3bn in 2009-10 to £4.5bn (10.5%) in 2012-13, and a further £4bn (9.4%) of indirect spend – where SMEs are subcontracted as part of the supply chain – in 2012-13. A lack of transparency over those calculations and supply chain spending generally means we cannot replicate that research.

More supply chain transparency would help the Government achieve its open data aims of accountability and democracy, economic and social growth, and better public services, as would greater contractual transparency (contracts and terms, including who will bear financial liabilities in the event of failures) and performance transparency (how well contractors perform, allowing value for money to be assessed).

Passing legislation

One of the main policy outputs of a department is legislation. A significant amount of a department's time is expended on drafting bills and taking them through Parliament.

The quantity of legislation passed by a department in a parliamentary session can be measured in a variety of ways. We can examine the discrete number of bills passed or count the number of pages of legislation passed to gain a clearer indication of the volume of the bills concerned. Breaking the data down by sitting day provides an insight into the day-to-day level of legislative productivity and allows for a comparison of the quantity of bills passed across different sessions, which vary in length.

While 2012-13 had the greatest number of government bills passed per sitting day in the current parliament, 2013-14 saw the largest number of pages of government legislation passed. In addition, the government bills passed in 2013-14 received, on average, the most scrutiny of all the bills in our dataset. The Treasury has produced more bills and pages of legislation than any other department in the current parliament.

About the data

Our analysis of **amount of legislation passed by departments and by sitting day** is based on data from services.parliament.uk/bills. It includes government bills that received Royal Assent in parliamentary sessions 2005-06 to 2013-14, excluding private bills, hybrid bills (such as High Speed 2) and private members' bills. This data was then cross-referenced with House of Commons Sessional Returns – the most recent session was checked against a [written statement from the Leader of the House of Commons](#). The number of sitting days in each session was also sourced from the House of Commons Sessional Returns, which allowed us to extend parts of our dataset back to 1997.¹

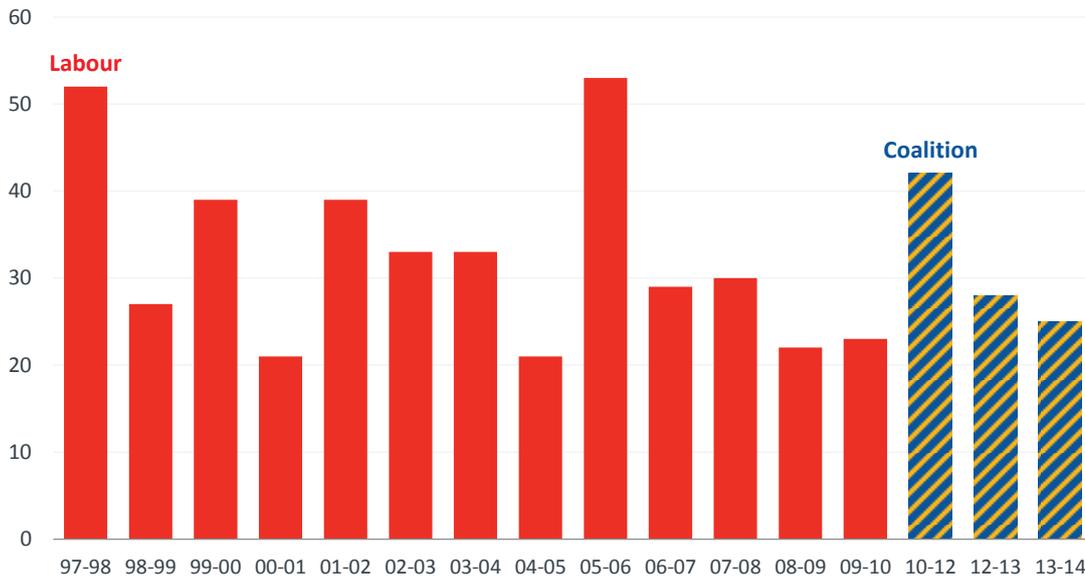
The **number of pages** in the PDF of each act, available on legislation.gov.uk, was used to calculate the data relating to the number of pages in each bill. Any blank pages that appeared in the PDF are therefore included in the page totals.²

The parliament.uk website provided some limited data on **parliamentary scrutiny** – the number of parliamentary stages each bill went through, back to 2007-08. Stages refer to events such as committee meetings during the committee stage; readings in the chambers of the Commons and Lords; ping-pong (when a bill moves between Commons and Lords for final agreement); and Royal Assent.³

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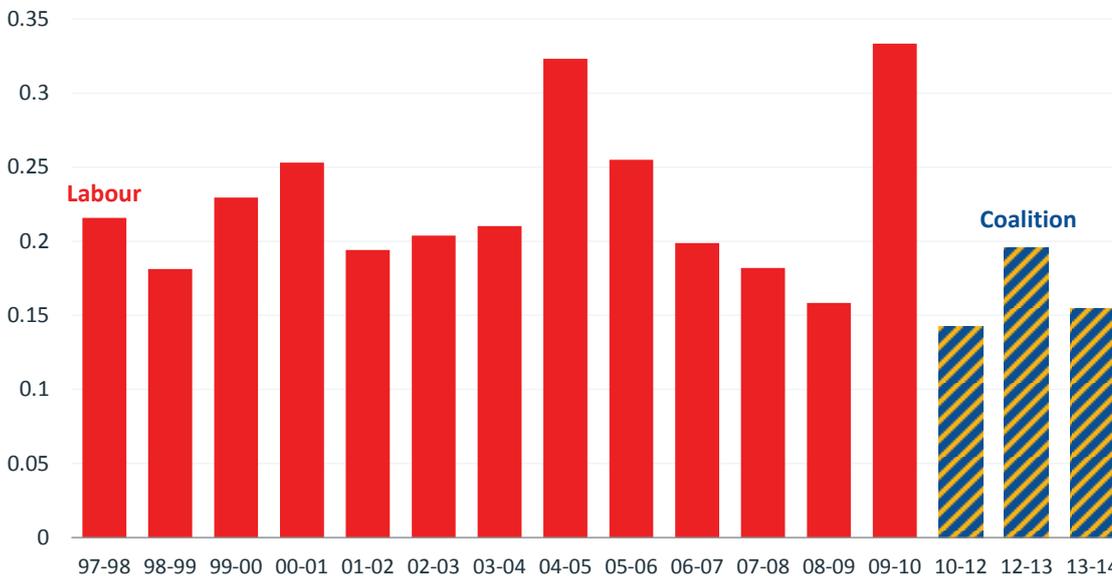
Legislation: 2013-14 'zombie parliament' busier than 2010-12

Figure 10.1: Number of government bills passed by parliamentary session



Source: Institute for Government analysis of parliament.uk legislation data.

Figure 10.2: Number of government bills passed per sitting day, by session

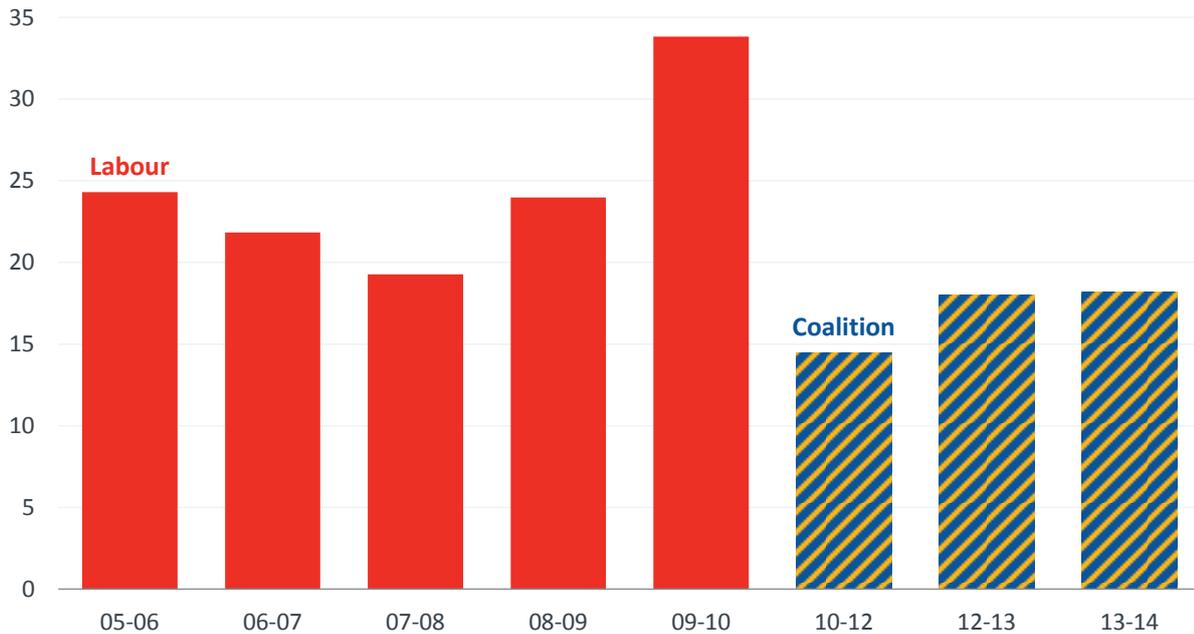


Source: Institute for Government analysis of parliament.uk legislation data.

Despite talk in 2014 of a 'zombie parliament', a similar number of government bills were passed in 2013-14 (25) as in 2012-13 (28), and more than in some previous sessions. However, parliamentary sessions vary in length; for a true comparison, we need to break the data down by sitting day.

The number of government bills passed per sitting day was largest in the final years of each parliament (2000-01, 2004-05 and 2009-10). In '04-05 and '09-10, more than 0.3 bills were passed per day, an average of one every third sitting day, perhaps due to the government's push to complete its legislative agenda before a general election. More government bills were passed per sitting day in '13-14 (one every seven) than in '10-12 (one every eight). In '12-13, it was one every five days.

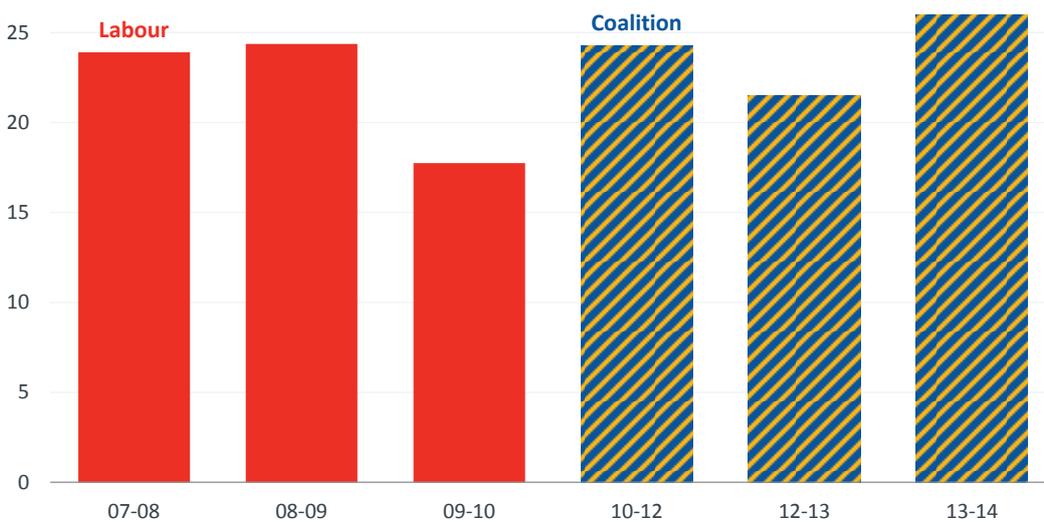
Figure 10.3: Pages of government legislation passed per sitting day



Source: Institute for Government analysis of parliament.uk and legislation.gov.uk legislation data.

Not all bills are created equal, however: simply counting the number of bills says nothing about their size, complexity or significance. (Compare, for example, the 473-page Health and Social Care Act 2012, which legislated for the extensive reorganisation of the NHS across England, with the five-page Savings Accounts and Health in Pregnancy Grant Act 2010, which modified Child Trust Fund eligibility.) On average, 18.2 pages of government legislation passed each sitting day in 2013-14, more than in 2012-13 (17.99) and 2010-12 (14.5). Fewer bills and pages have passed per sitting day under the Coalition than during most New Labour years.

Figure 10.4: Average number of stages of scrutiny per bill, by session

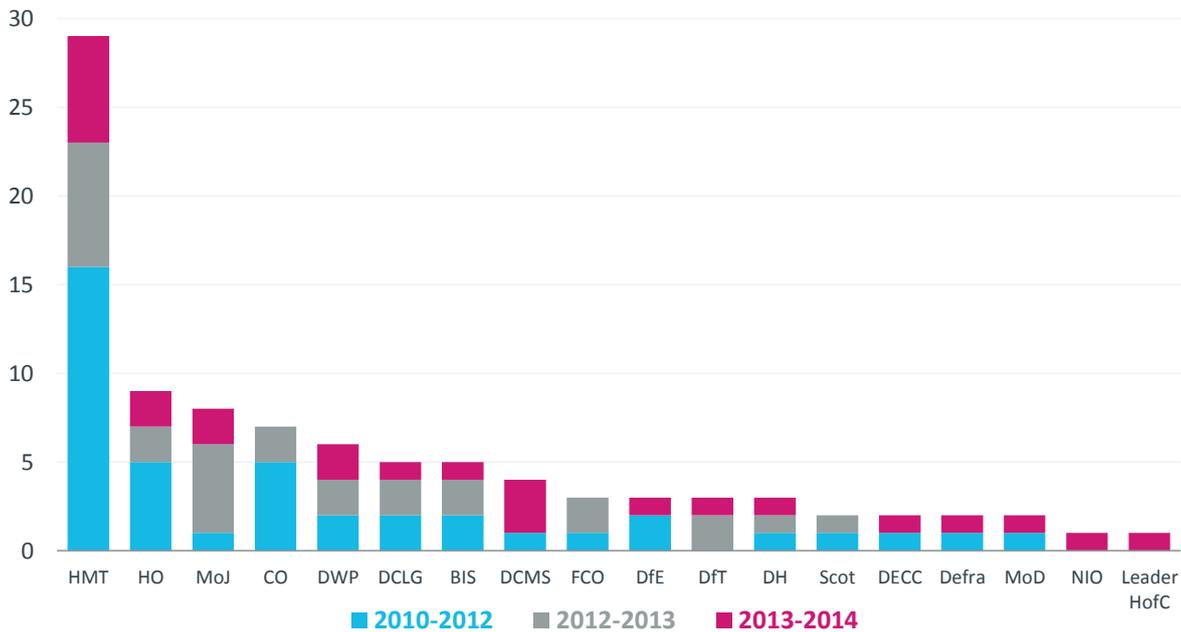


Source: Institute for Government analysis of parliament.uk legislation data.

On average, though, government bills in 2013-14 faced more stages of scrutiny (26) than in any other session back to 2007-08. This contrasts with the average 17.7 stages of scrutiny received by each bill in 2009-10, the final session of the Labour government, when the greatest number of bills by sitting day and pages by sitting day were passed. This implies that with a legislative rush at the end of a session comes less scrutiny.

Departments: The Treasury responsible for the most bills

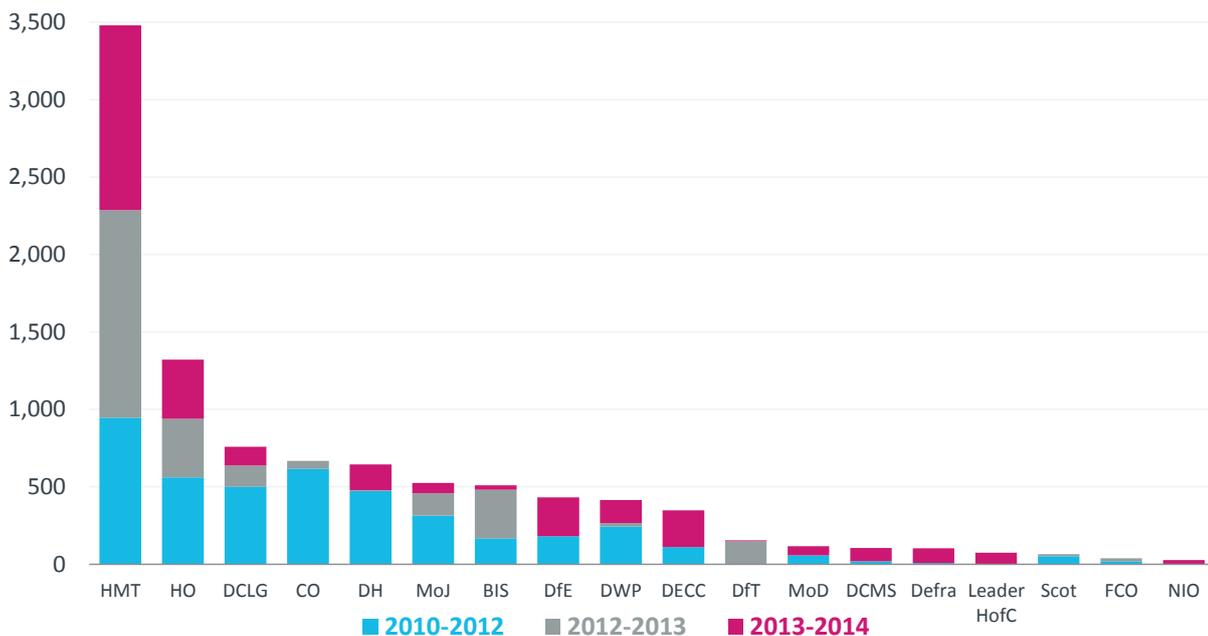
Figure 10.5: Government bills passed by department, 2010-12 to 2013-14



Source: Institute for Government analysis of parliament.uk legislation data.

The Treasury has passed more government bills under the Coalition than any other department, including various finance bills and reforms to financial scrutiny and regulation. Since 2010, it has been responsible for 29 bills, three times more than any other department. The Home Office was second with nine bills. Unsurprisingly, the Treasury has also been responsible for the greatest number of pages of legislation, producing more than one-third of all pages of government legislation since 2010.

Figure 10.6: Pages of legislation passed by department, 2010-12 to 2013-14



Source: Institute for Government analysis of parliament.uk and legislation.gov.uk legislation data.

Responses to information requests

Part of a department's work is taken up in responding to inquiries from politicians, journalists and the public. We have data on at least three of these sources: written parliamentary questions from MPs, replies to correspondence from MPs and peers, and freedom of information (Fol) requests.

Some departments face more pressure than others – DWP, for example, receives either the greatest or second-greatest number of requests across all three categories. Others (for example, the offices for Northern Ireland, Wales and Scotland) receive relatively few requests for information or answers.

Some departments are much better than others at responding in a timely fashion: HO, for example, scores poorly on responses, while DH (on written questions and ministerial correspondence) and DWP (ministerial correspondence) score reasonably well despite a high demand.

About the data

Written parliamentary questions are a key tool for MPs and peers to obtain detailed information from or press for action by ministers and departments. There are two kinds: 'ordinary' questions (which should be answered within five sitting days, though the formal limit is 14) and 'named day' questions (an MP can specify the answer date, giving at least two days' notice and being limited to five questions a day). We combine both types in our analysis.

Sessional returns published after each parliamentary session give the total number of questions asked. Since 2009-10, the House of Commons Procedure Committee has published details of the numbers answered by each department and the timeliness of the responses (within five and 10 days for ordinary questions, on the day specified for named day questions). These are self-reported by departments, although a new electronic system was launched by data.parliament.uk in September 2014.¹

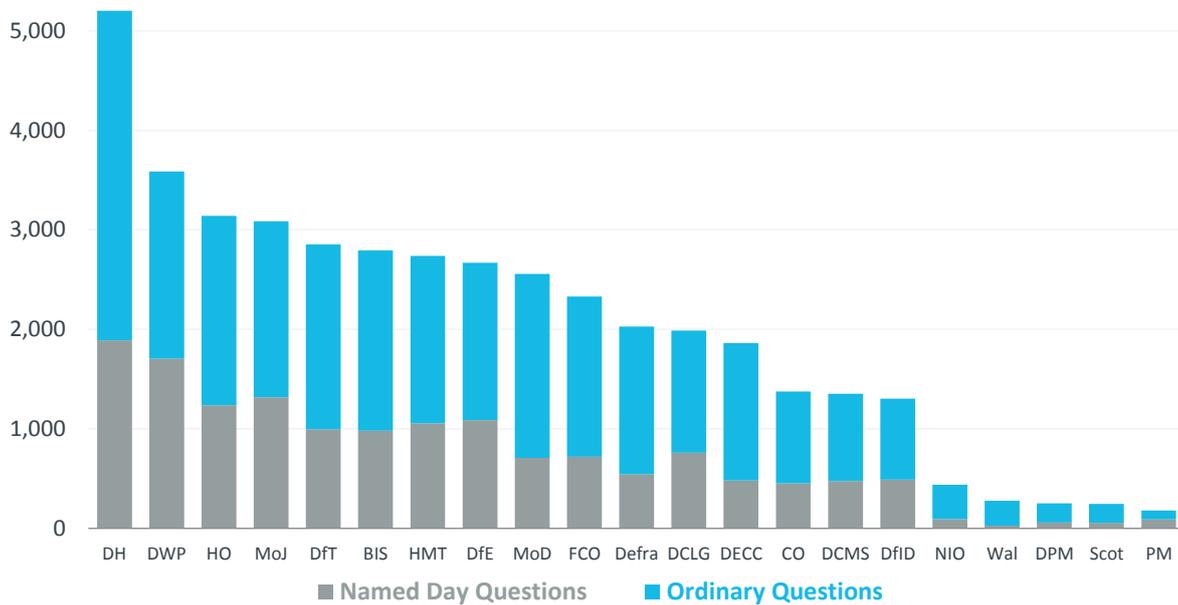
A report on rates of **ministerial correspondence** – 'the performance of departments and agencies on handling correspondence from members and peers' – is published annually as a written ministerial statement from the Cabinet Office (typically in May). Different departments and other bodies set different targets for response, and record the percentage of correspondence answered within that time. The total amount of correspondence is also recorded.²

Anyone can submit **Fol requests** to government bodies, asking for access to recorded information held by public bodies (including government departments). The Ministry of Justice publishes quarterly reports on the number of requests made to each department, the timeliness of their responses (within the statutory 20 working-day limit) and which requests have been refused and under what sections of the Freedom of Information Act 2000.³

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Parliamentary questions: DH receives the most, and answers nearly all of them on time

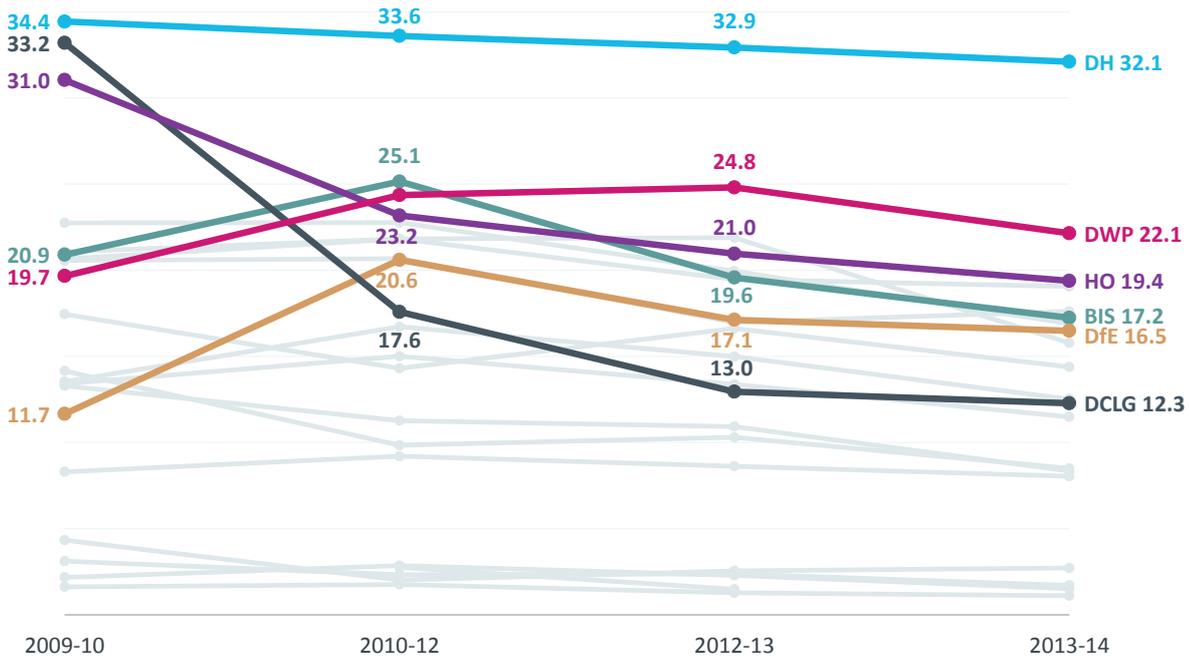
Figure 11.1: Written questions submitted to each department, 2013-14



Source: Institute for Government analysis of *Written Parliamentary question answering performance in 2013-14*, House of Commons Procedure Committee.

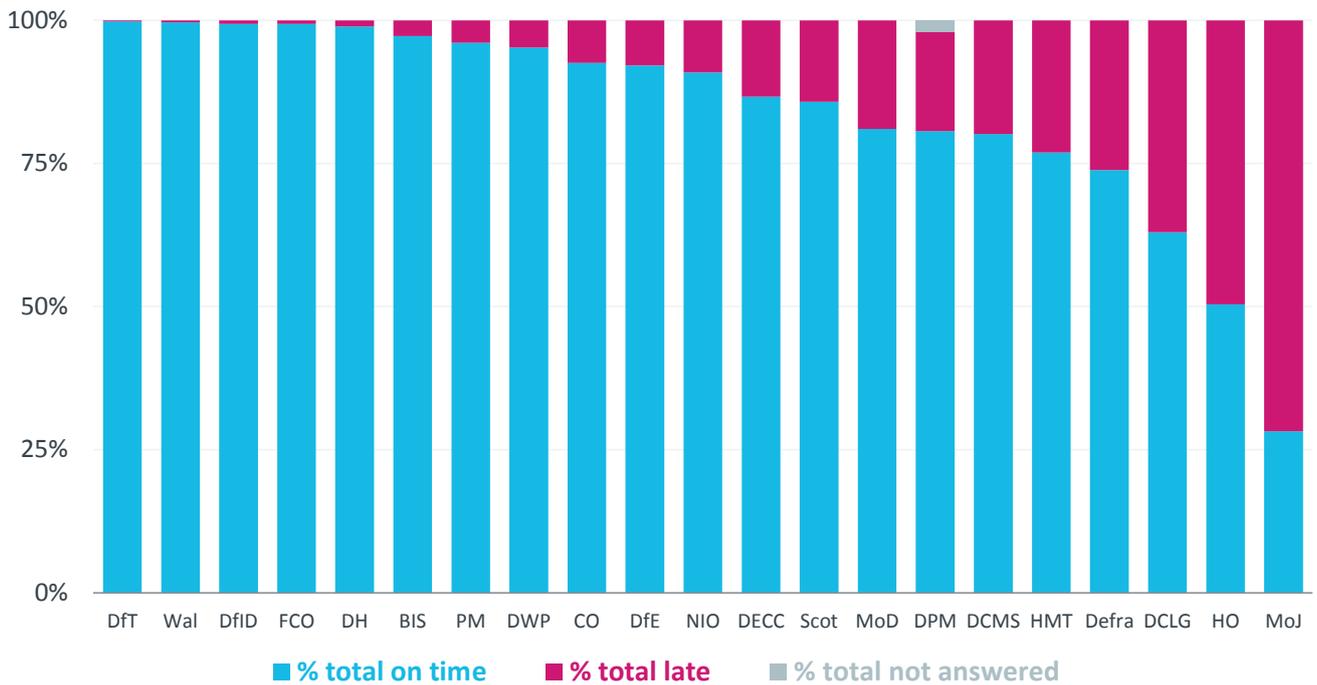
In 2013-14, DH received more than 5,000 questions in total, followed by DWP and the Home Office. DH has received more than 30 written questions per sitting day in every session since 2009-10. Departments tend to be consistent across sessions, although DCLG received nearly twice as many questions per sitting day in 2009-10 as in 2010-12, while DWP has had an increase since 2009-10 and HO has had a fall. Both BIS and DfE have fallen back from peaks in 2010-12.

Figure 11.2: Written questions submitted to each department by sitting day



Source: Institute for Government analysis of reports published by the House of Commons Procedure Committee.

Figure 11.3: Percentage of written questions answered on time, 2013-14



Source: Institute for Government analysis of *Written Parliamentary question answering performance in 2013-14*, House of Commons Procedure Committee. We have combined figures for named day questions (on the day specified) and ordinary questions (within five sitting days).

Only one department – MoJ – answered under 50% of the questions it received on time, with HO answering just over 50% on time. DfT answered the greatest percentage on time – all but six out of 2,854 questions.

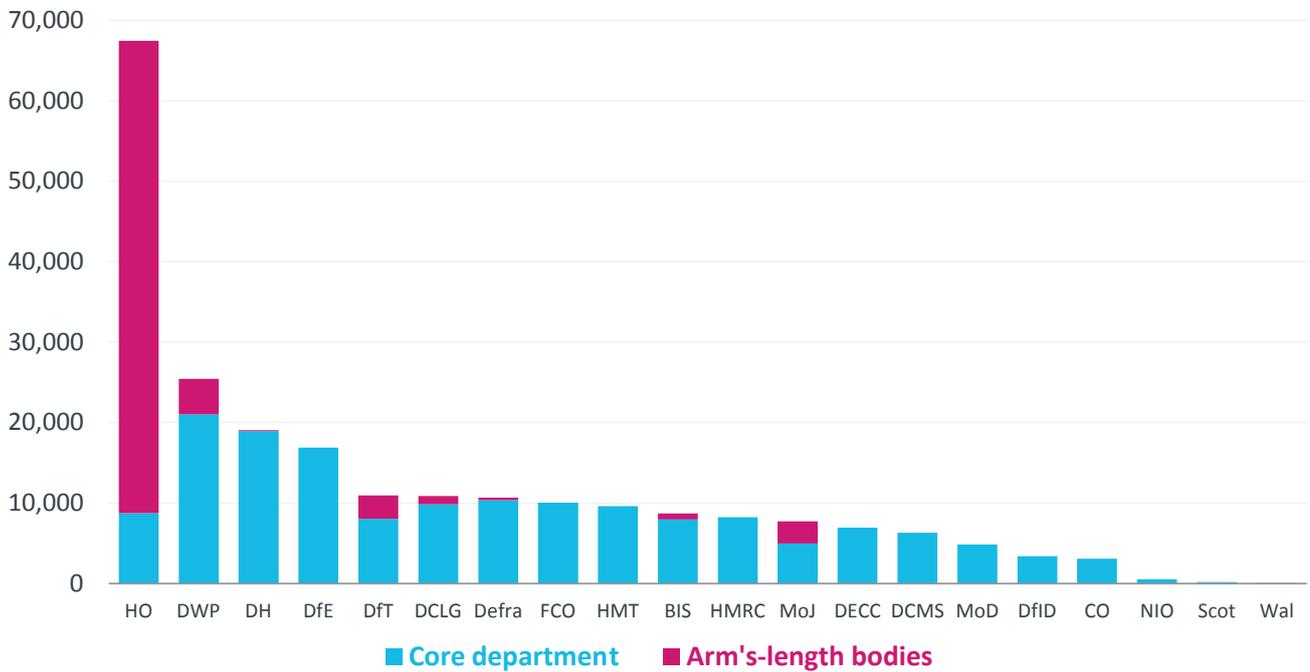
One 'department' – the Deputy Prime Minister – left some questions unanswered, compared to three in the 2012-13 session (the Prime Minister, Cabinet Office and Defra).

The majority of departments answered a greater percentage of questions on time in 2013-14 than in 2009-10 – only DCLG and MoJ answered a smaller percentage on time. Some – such as DECC, BIS and DWP – have seen a dramatic and sustained rise in performance. Others – DCLG and MoJ, the latter falling from 68% on time in 2012-13 to 28% in 2013-14 – have seen a continuous drop in performance over the last few years.

DfE's performance was a marked improvement on the three previous parliamentary sessions, when it had the lowest percentage of timely responses in each session.

Ministerial correspondence: visas, immigration and borders dominate

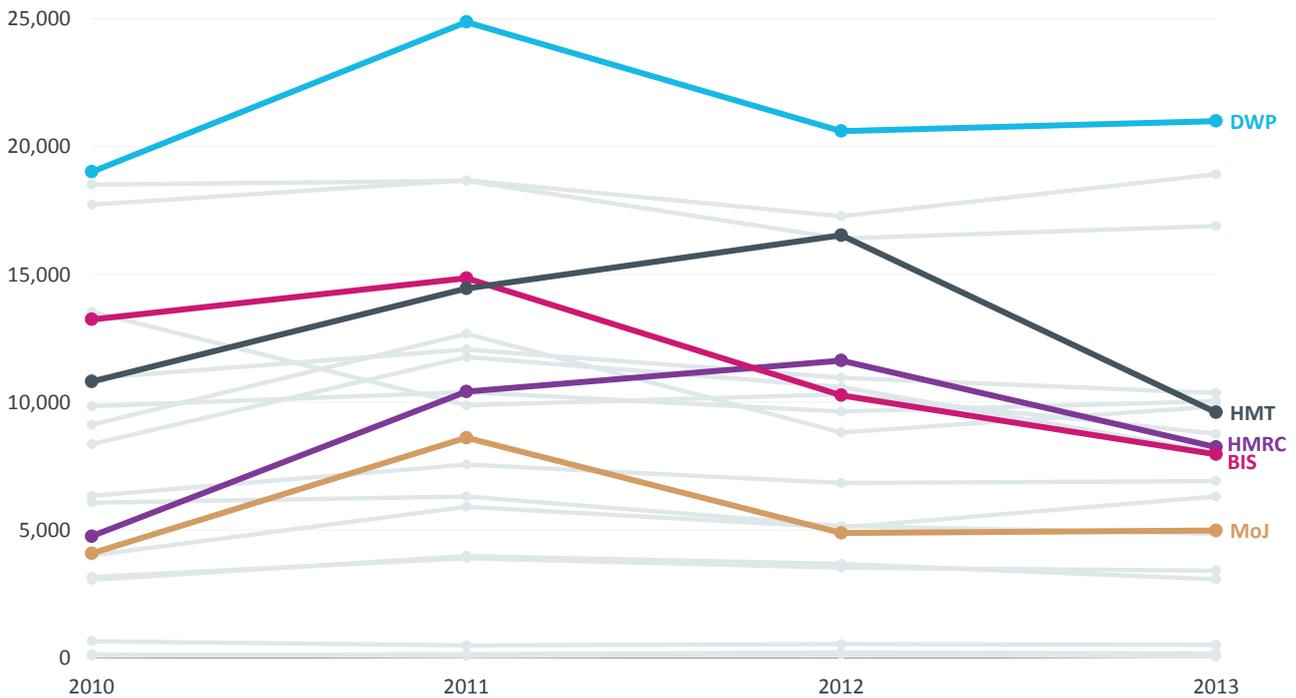
Figure 11.4: Volume of ministerial correspondence by department, 2013



Source: Institute for Government analysis of annual ministerial correspondence reports, 2014.

In the calendar year 2013, DWP received more pieces of correspondence than any other core department – just over 21,000. DH (18,918) and DfE (16,898) followed, clear of the next set of departments on around 10,000. The metaphorical postbags for Northern Ireland, Scotland and Wales were by far the lightest. If we include the various other bodies of each department we see that the Home Office received by far the most correspondence. Most of this was to UK Visas and Immigration, Immigration Enforcement and Border Force, prompting 57,582 replies.

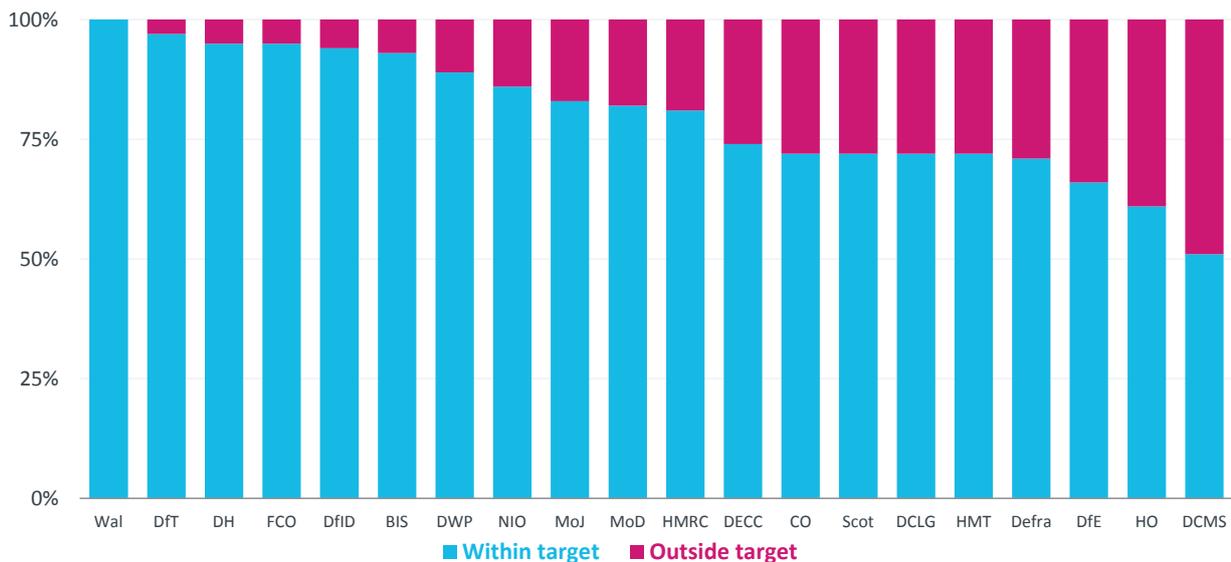
Figure 11.5: Volume of correspondence by department, 2010-13



Source: Institute for Government analysis of annual ministerial correspondence reports, 2011-14.

Returning to correspondence to main departments, from 2010 there were increases for DWP and MoJ (which doubled), perhaps due to coalition reforms in those areas; a decline for BIS (from more than 13,000 in 2010 to under 8,000 in 2013); and increases for HMT and HMRC, before a drop in 2013.

Figure 11.6: Percentage of correspondence answered within target, 2013

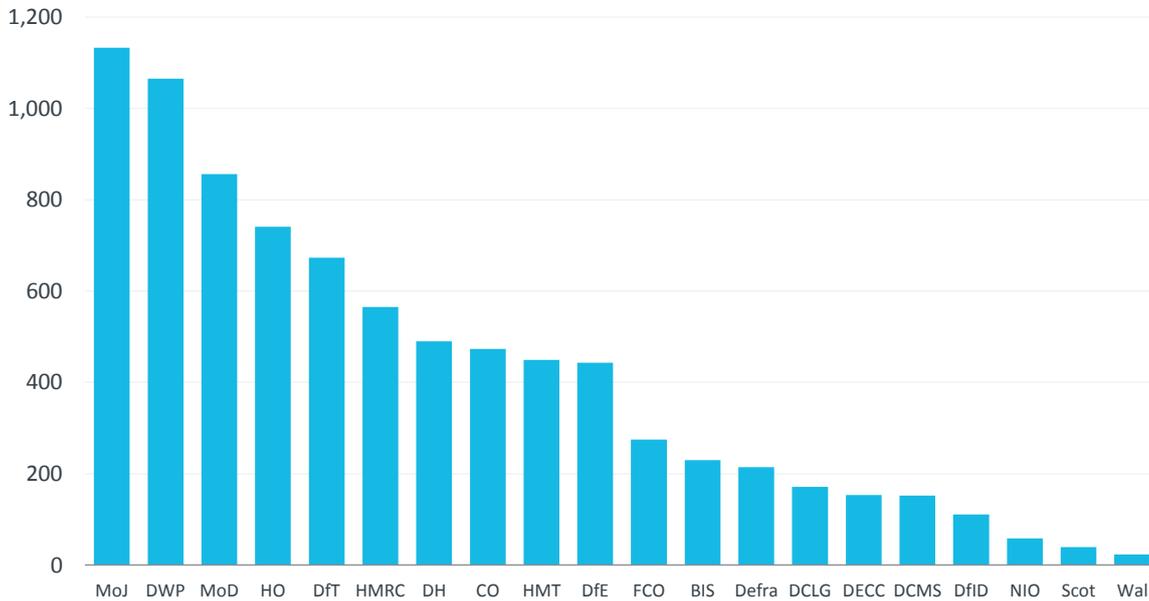


Source: Institute for Government analysis of annual ministerial correspondence reports, 2014.

DCMS answered just 51% of its correspondence on time. By contrast, DWP (89%) and DH (95%) were in the top half of the departmental league table despite having the most correspondence.

Freedom of Information: DWP and MoJ receive the most; HMRC, CO and MoJ withhold the most

Figure 11.7: FoI requests to departments, 2014 Q2

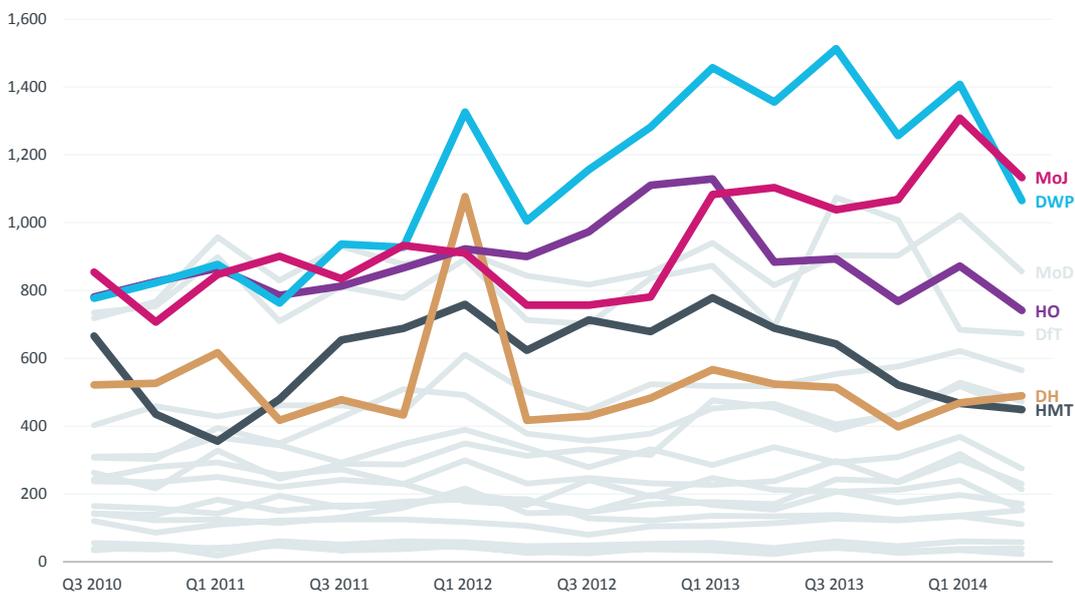


Source: Institute for Government analysis of FoI quarterly statistics.

MoJ received the most requests in 2014 Q2, closely followed by DWP. As we can see from the graph below, DWP went from one of a cluster of departments with the most requests to the clear frontrunner until a decline in the last quarter, while MoJ emerged from that cluster at the start of 2013. HO and HMT have seen declines in requests since early 2013. DWP and DH both saw a spike in requests in 2012 Q1, DH nearly trebling its previous number.

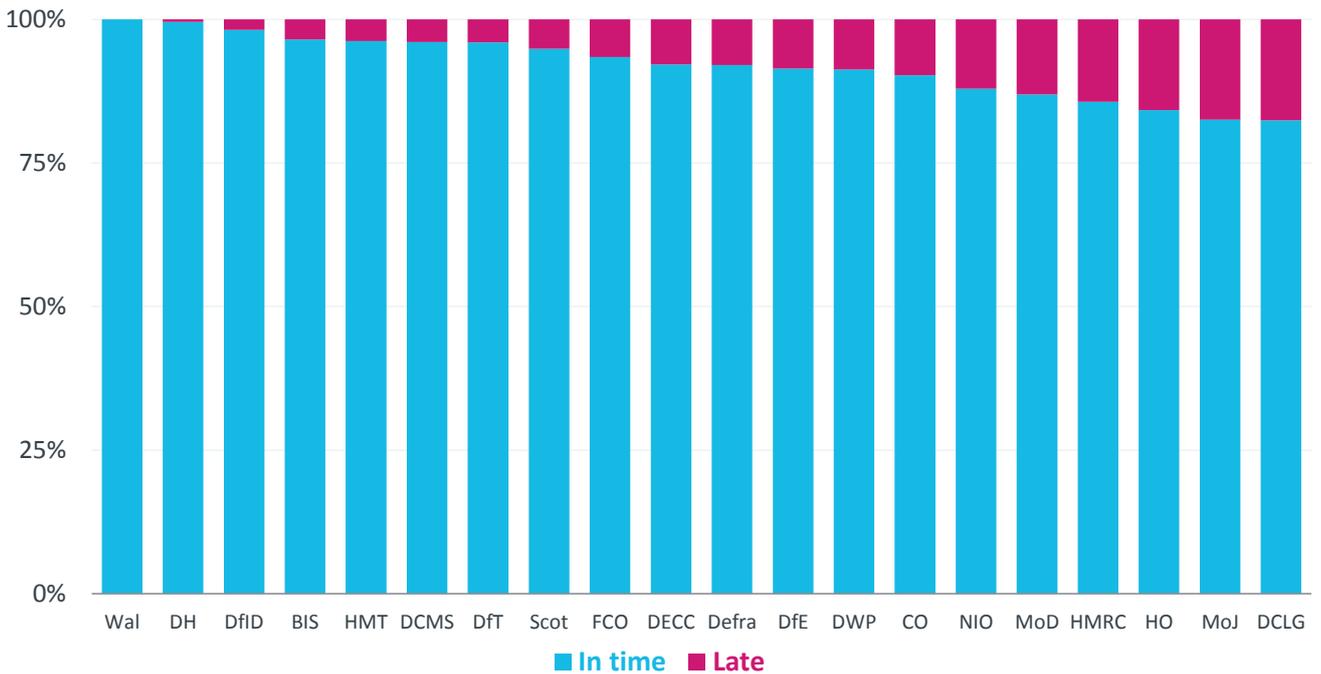
It is possible that the increases in requests for specific departments are due to major (and controversial) reforms in those departments. Many requests are submitted by individuals about themselves – for example, to check how something will affect them or the status of a claim.

Figure 11.8: FoI requests to departments, 2010 Q2 – 2014 Q2



Source: Institute for Government analysis of FoI quarterly statistics.

Figure 11.9: Timeliness of FoI responses, 2014 Q2



Source: Institute for Government analysis of FoI quarterly statistics.

Bodies subject to FoI requests are required to respond within 20 working days. The Wales Office responded to all of its 23 requests ‘in time’ in 2014 Q2, closely followed by DH (488 out of 490), while DCLG was the worst performer in early 2014 but still responded on time to 80% of requests.

There are measures other than a timely response that shine a light on how departments handle FoI requests. The number of complaints going to internal review and subsequent appeals to the Information Commissioner could indicate satisfaction with each department’s processes, for example, while the number of vetoes exercised by government to block a release can give some sense of how the overall system operates (only seven since 2005, according to other research).⁴

Perhaps the most useful measure is to look at the outcomes of FoI requests by department. There may, of course, be very good reasons why information cannot be released – there are many exemptions and exceptions under the Freedom of Information Act, and it may be the case that certain departments are more likely to hold information to which these apply.

Figure 11.10: Outcomes of resolvable FoI responses by department, 2014 Q2



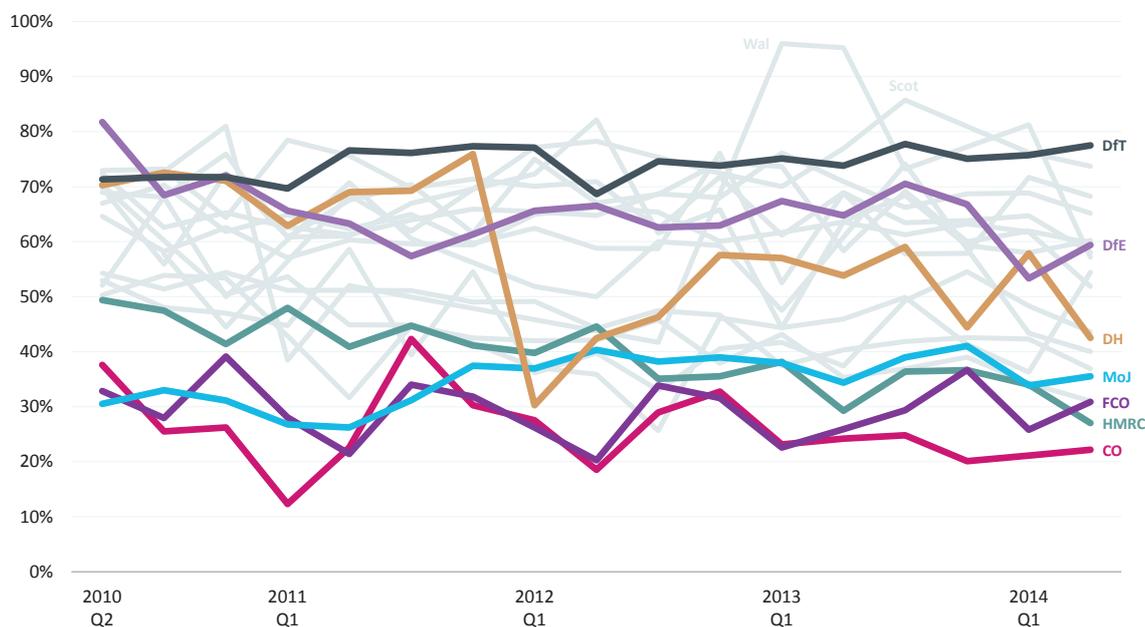
Source: Institute for Government analysis of FoI quarterly statistics. 'Resolvable' requests are those where a substantive response was possible (e.g. they exclude those where information was not held).

The departments responsible for the Government's transparency agenda (CO) and FoI policy (MoJ) are among those with the highest percentage of requests where the relevant information is fully withheld and not provided to the applicant at all.

Figures since 2010 show FCO has granted only a small number of requests in full, while DfT has consistently provided full responses.

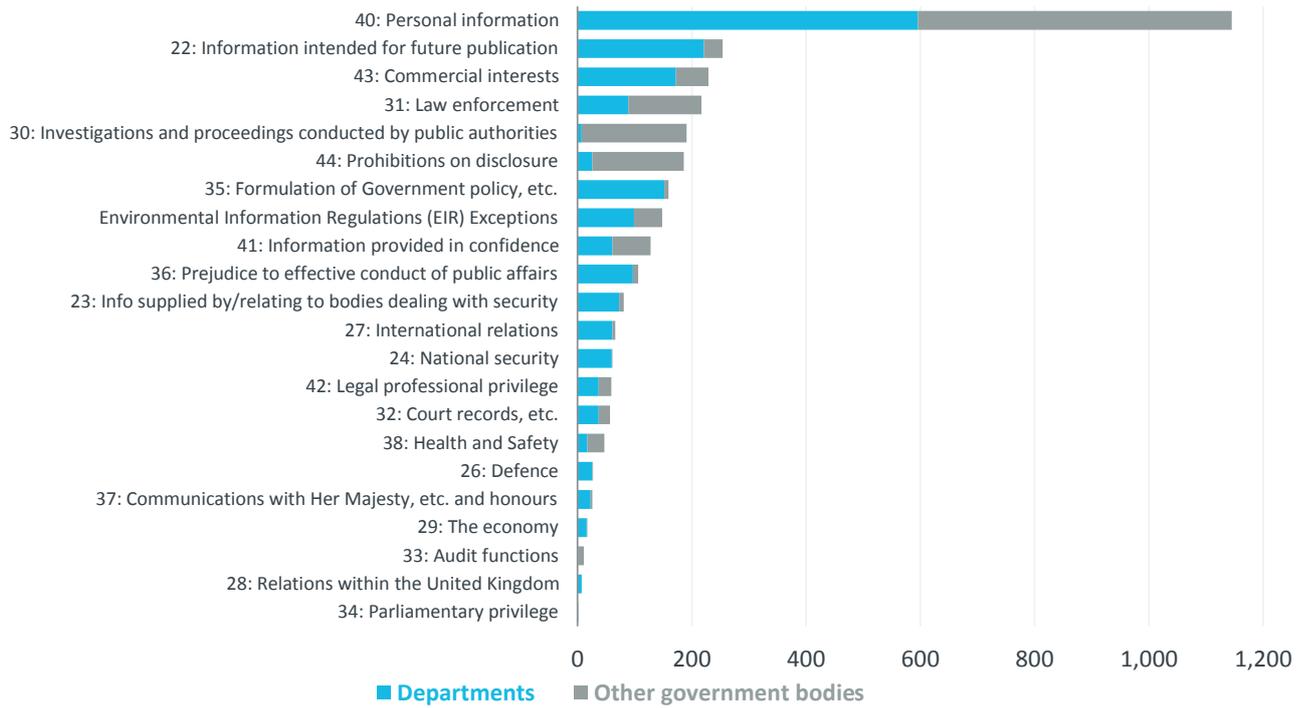
DH's full disclosure rate plummeted in 2012 Q1 (when its number of requests spiked), while DfE's has dropped from 82% in 2010 Q2 to 59% in 2014 Q2. HMRC, which had the highest percentage of fully withheld requests in the most recent quarter, fell from a full disclosure rate of 49% in 2010 Q2 to 27% in 2014 Q2.

Figure 11.11: Resolvable FoI responses granted in full, 2010 Q2 – 2014 Q2



Source: Institute for Government analysis of FoI quarterly statistics.

Figure 11.12: Grounds for withholding information, 2014 Q2



Source: Institute for Government analysis of FoI quarterly statistics.

Government bodies can cite a number of sections of the Freedom of Information Act (and Environmental Information Regulations) that exempt or except information from being released. In the second quarter of 2014, section 40 – which exempts personal data from being released – accounted for more than four times as many exemptions as any other section.

Between them, sections 41 and 43 – often referred to as 'commercial confidentiality' clauses – accounted for 233 exemptions by government departments (a total of 357 when other government bodies are included).

Overall: Wales Office, DH, DfT provide most timely responses, HO bottom of the table

Figure 11.13: Overall rankings for responses to information requests

Department	Parl'y Questions	Rank	Correspondence	Rank	Freedom of Info	Rank	Overall Rank
Wal	99.64%	2	100%	1	100.00%	1	1
DH	98.92%	5	95%	3	99.59%	2	2=
DfT	99.79%	1	97%	2	95.99%	7	2=
DfID	99.39%	3	94%	5	98.20%	3	4
BIS	97.24%	6	93%	6	96.52%	4	5=
FCO	99.36%	4	95%	3	93.45%	9	5=
DWP	95.26%	7	89%	7	91.27%	13	7
DECC	86.67%	11	74%	11	92.16%	10	8=
Scot	85.77%	12	72%	12	94.87%	8	8=
HMT	76.92%	15	72%	12	96.21%	5	8=
NIO	90.91%	10	86%	8	87.93%	15	11
CO	92.59%	8	72%	12	90.27%	14	12
DfE	92.13%	9	66%	17	91.42%	12	13
DCMS	80.12%	14	51%	19	96.05%	6	14=
MoD	81.04%	13	82%	10	86.92%	16	14=
Defra	73.83%	16	71%	16	92.06%	11	16
Moj	28.22%	19	83%	9	82.52%	18	17
DCLG	63.00%	17	72%	12	82.46%	19	18
HO	50.38%	18	61%	18	84.21%	17	19

Source: Institute for Government analysis of parliamentary questions, 2013-14; ministerial correspondence, 2013; Fol statistics, 2014 Q2.

Taking a composite ranking across all three forms of information request, the Wales Office comes out on top as providing the highest percentage of timely responses to parliamentary questions, ministerial correspondence and Fol requests, although it does receive a relatively small number. DH and DfT, which both receive considerably more, round out the top three.

HO is bottom, having finished second-bottom in answering written parliamentary questions on time, second-bottom in answering ministerial correspondence within target, and third-bottom in answering Fol requests in time. DCLG is second from bottom, and MoJ – responsible for the government’s Fol policy – is third from bottom.

Measuring performance

Whitehall has a number of mechanisms for tracking its performance against its outputs (those things that are within Whitehall departments' control to do or produce).

Structural Reform Plans (SRPs) outline priority actions for each department, along with timelines and current status. Our analysis shows that over the past three years, government has consistently completed about 75% of its actions on time, but there is variation between departments. However, our previous work on the SRPs suggests that the framework is of limited use for judging the Government's performance or for tracking progress of individual reforms.

The Major Projects Authority (MPA) assesses the delivery confidence of nearly 200 major projects across government. The transparency is welcome: on the whole the MPA is not afraid to highlight concerns, although the decision to provide no rating for DWP's Universal Credit project in 2014 was disappointing, to say the least (it was amber/red in 2013). This year's MPA report shows that although the balance of the portfolio has shifted to less confidence, this is largely due to new projects – of those rated in both 2013 and 2014, more projects improved than declined. Five departments – MoD, DH, MoJ, HO and DWP – manage more than 60% of the Government's major projects.

This year's Permanent Secretary Objectives show a considerable improvement in format, timeliness and therefore usefulness in assessing individual performance. They are now much more focused (an average of nine objectives per permanent secretary, compared with 18 for 2013-14), meaning we will hopefully be able to assess permanent secretaries' performance against their objectives for the first time at the end of the objective year.

About the data

Structural Reform Plans were introduced by the Coalition in November 2010 as part of wider Departmental Business Plans and have been refreshed annually. We have looked at data from May 2013 and July 2014 to analyse trends in performance and changes in the shape of the Government's overall programme of work as captured in the SRPs, and to assess how useful this system is for tracking government performance.¹

Major projects are given a RAG rating by the MPA, part of the Cabinet Office. Red means successful delivery appears to be unachievable, amber/red that it is in doubt, amber that it is feasible but with significant issues, amber/green that it appears probable, and green that it is on time and on budget and of high quality. The MPA has published two annual reports, in May 2013 and May 2014. The latest data gives project statuses as of September 2013.²

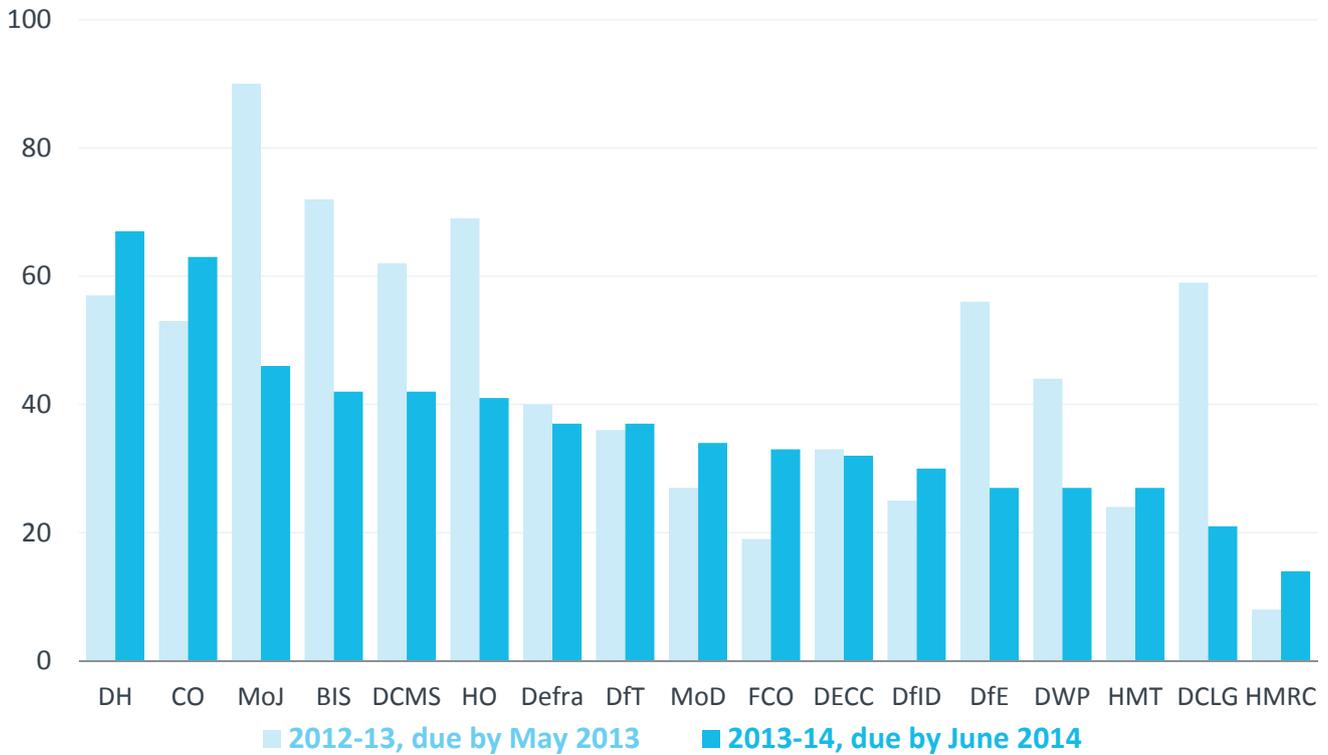
Permanent Secretary Objectives form the basis of performance management for the most senior civil service officials within Whitehall. Permanent secretaries have an end-of-year review with either the Cabinet Secretary or the Head of the Civil Service each spring. The target is to place 25% in the top category (box 1), 65% in the middle (box 2) and 10% in the lowest (box 3). The top 10% receive a performance bonus of £17,500.

The objectives have been around for many years but were published for the first time in 2012-13, with the most recent publication (in July 2014 for 2014-15) being clearer, more consistent and more useful. For nearly all permanent secretaries, objectives are split into three categories: Business (previously Business Delivery), Cross Government Working and Civil Service Reform (Corporate), and Capability (Capability Building).³

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Structural Reform Plans: huge range in actions (HMRC, 14 to DH, 67), every fourth deadline missed

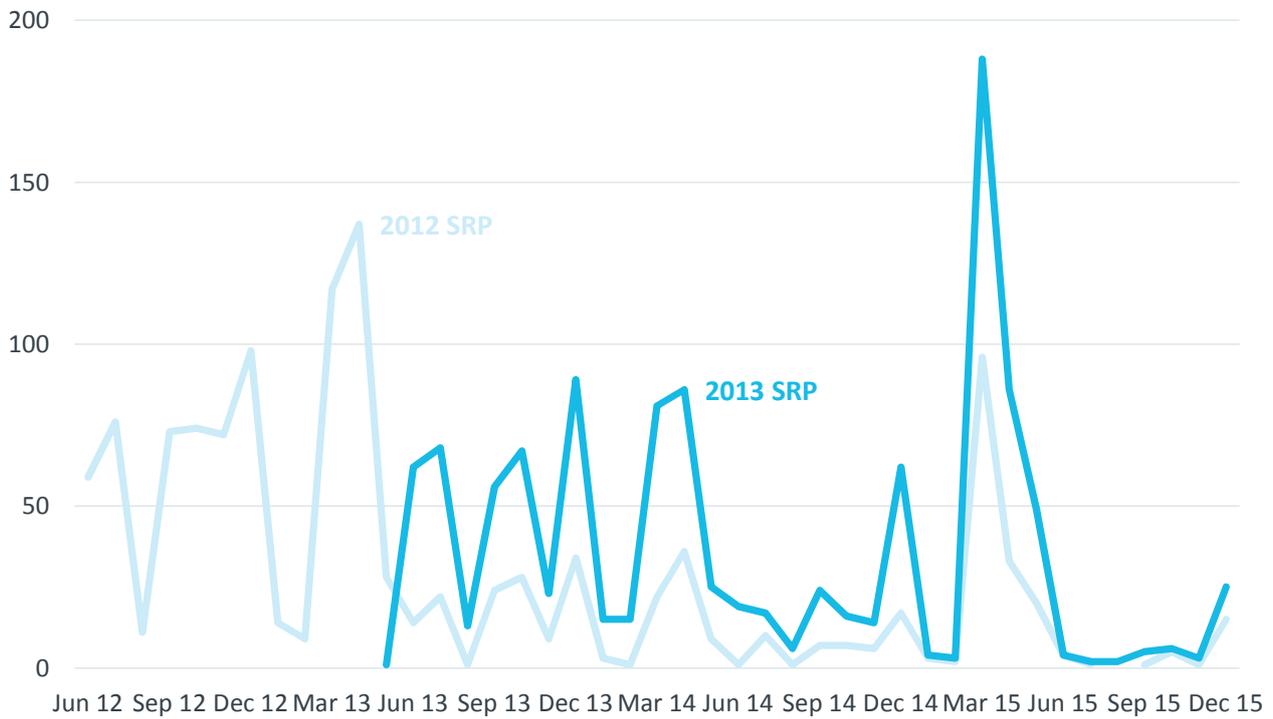
Figure 12.1: SRP actions due by May 2013 and June 2014



Source: Institute for Government analysis of SRPs. Data API as of 29 May 2013 and 25 July 2014.

SRPs were introduced in 2010 as part of the Coalition’s Business Plans.⁴ They set out actions for each department to complete, with an attached due date, to implement government priorities. The plans have been refreshed several times to allow departments to update their work programmes, drop obsolete actions and add new ones. In their current incarnation, the SRPs contain a total of 1,223 actions, with the number of actions due by June 2014 ranging from 14 (HMRC) to 67 (DH).

Figure 12.2: Due dates for SRP actions, 2012-13 and 2013-14



Source: SRPs. Data API as of 29 May 2013 and 25 July 2014.

Comparing the due dates of actions contained in the latest SRPs with those in place in mid-2013, the most recent plans suggest more tasks will be completing in the three months prior to the end of this parliament than previously expected. Although the latest refresh aimed to include more of departments’ ‘business as usual’ activity, it also labelled the SRPs ‘Key policy and implementation actions for the remainder of this parliament’. It seems that the latter consideration shaped the content of departmental plans. The comparison also suggests the 2013-14 plans are either more granular or more ambitious in terms of the amount of work they set out: the number of actions they contain is comparable with that in the previous refresh, but the time allowed in which to complete them is a year shorter.

Figure 12.3: SRP actions completed on time, 2013-14

Dept	% deadlines missed 12 months in		Rank		
	2012-13	2013-14	2012-13	2013-14	Change
DfID	4%	3%	1	1	=
HMT	39%	11%	17	2	+15
BIS	6%	12%	2	3	+1
HMRC	38%	14%	15	4	+11
MoD	9%	15%	3	5	-2
FCO	39%	18%	16	6	+10
DfE	23%	19%	9	7=	+2
DCLG	17%	19%	4	7=	-3
MoJ	35%	20%	13=	9	+4
HO	22%	22%	6=	10	-4
DfT	35%	24%	13=	11	+2
DWP	33%	26%	11	12	-1
CO	22%	27%	6=	13	-7
DECC	19%	31%	5	14	-9
Defra	23%	32%	8	15	-7
DH	30%	36%	10	16	-7
DCMS	34%	43%	12	17	-3

Source: Institute for Government analysis of SRPs. Data API as of 29 May 2013 and 25 July 2014.

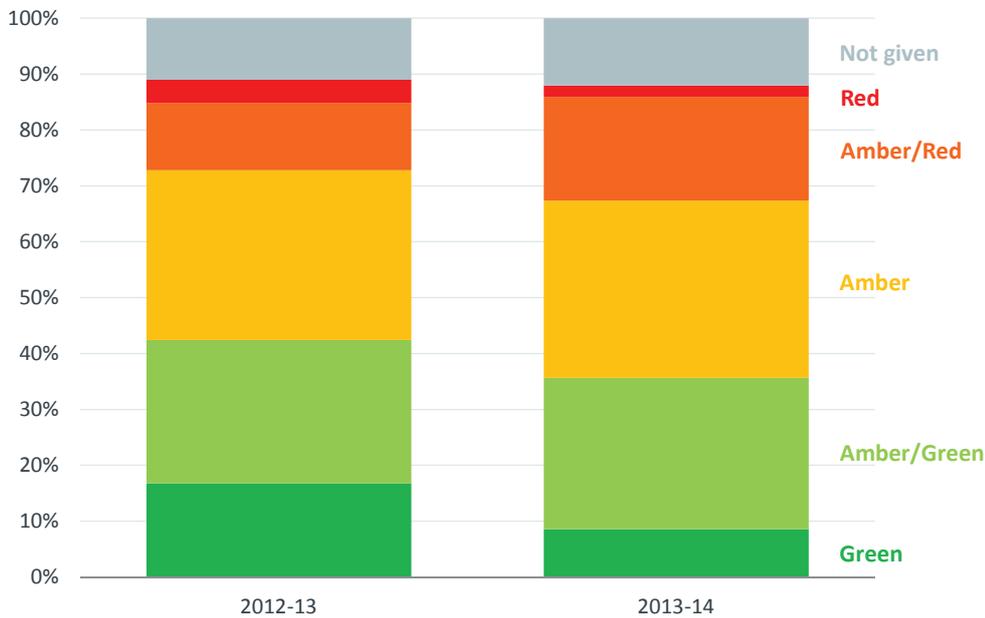
In July 2014, 73% of the actions that were due were completed on time. This is consistent with our findings from previous years, where the on-time completion rate has hovered around 75%. Yet there is wide variation between departments: in 2014, DfID had only 3% of actions late or overdue, while for DCMS the figure was 43%. The comparison of 2013 with 2014 shows that, although there are some consistently strong performers (DfID, BIS, MoD) and some consistently weak ones (DCMS, DH), many departments' scores differ significantly between the two years.

But these figures should be interpreted carefully, for a number of reasons. First, as we have seen, departmental reform workloads vary greatly. This is because the amount of reform they have been asked to undertake varies, but also because of one of the weaknesses of the SRP system: the granularity of the actions varies between departments, so one large reform may be split into several actions, while another will be reflected in only a single action. For example, the entire rail refranchising programme, comprising multiple competitions, is entered as one action.

This was one among several weaknesses of the SRP system that we have previously highlighted. The original conception – reporting on discrete departmental actions with clear deadlines, rather than on outcomes, which can be affected by factors outside of government's control – was promising. In its implementation, however, the system has several shortcomings that mean it is not as useful as it could be for tracking progress internally and for providing a view of the Government's performance to the public. We have described the weaknesses – and some improvements made over the years – in more detail in *Whitehall Monitor 2013*.⁵

Major projects: more confidence in existing projects, but more amber/red and amber overall – and Universal Credit ‘reset’

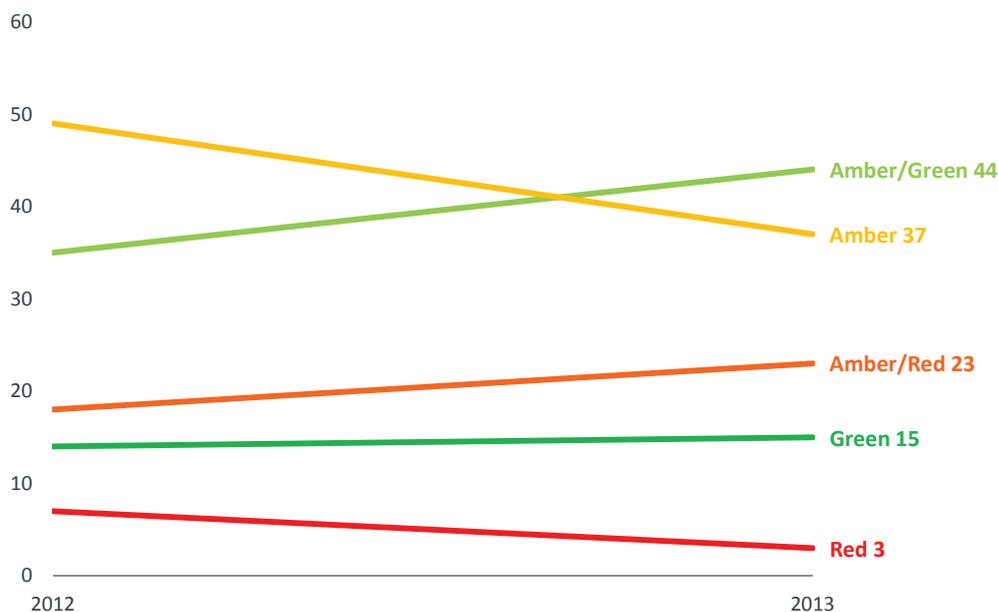
Figure 12.4: Delivery confidence for major projects across government, 2013 and 2014



Source: Institute for Government analysis of MPA annual reports, 2013 and 2014. Statuses as of September 2013.

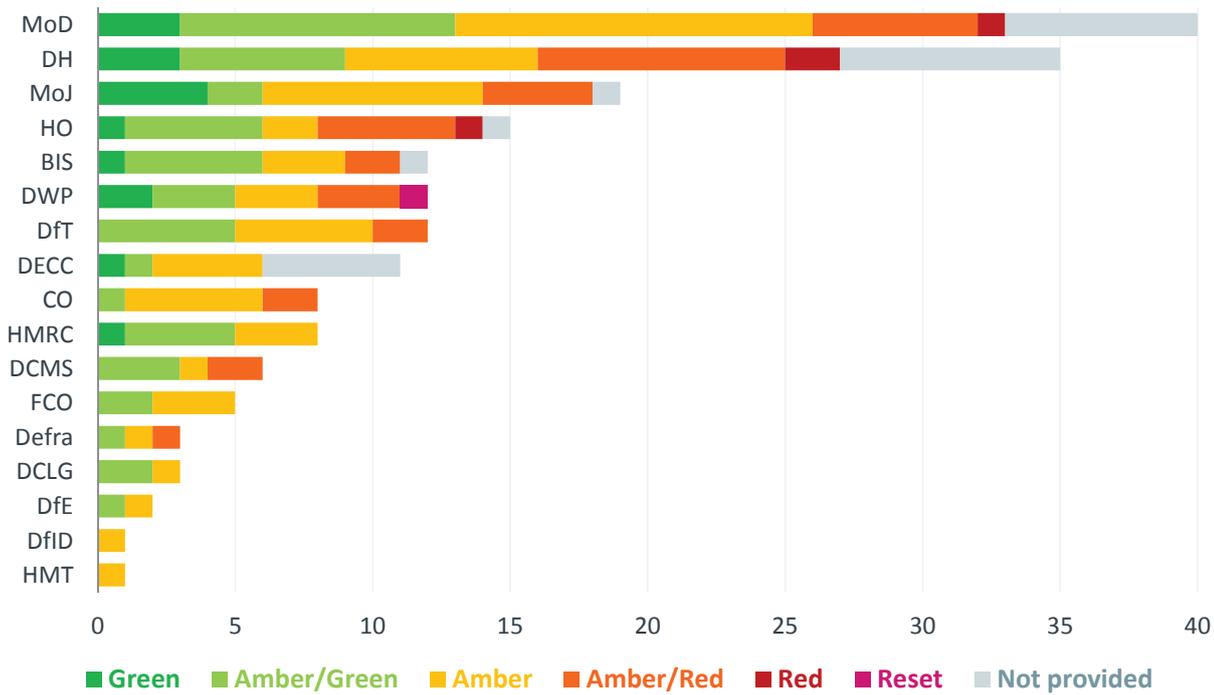
The number of major projects has grown from 191 in 2013 to 199 (with a total value of £488bn) in 2014. The portfolio as a whole has shifted to a lower confidence assessment, with more projects (and more spending) being rated amber/red or amber. However, this reflects the inclusion of new projects (47 in 2014, with 39 exiting), which are further from completion and tend to have lower rankings; of projects rated in both years, more improved (32) than declined (27) but most (64) stayed the same.

Figure 12.5: Change in delivery confidence for major projects, 2013 to 2014



Source: Institute for Government analysis of MPA annual reports, 2013 and 2014. Statuses as of September 2013.

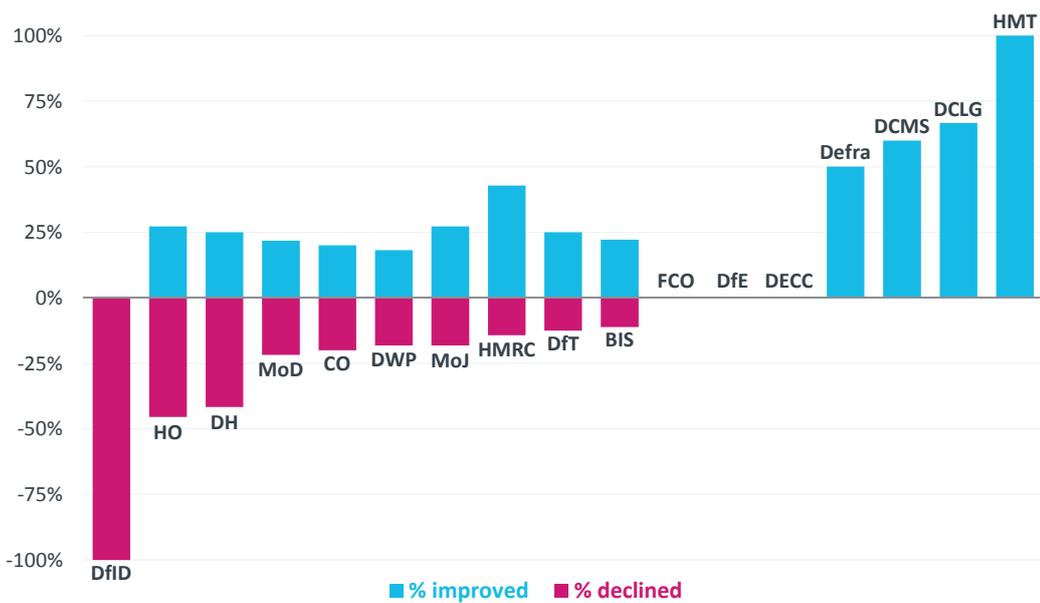
Figure 12.6: Major project delivery confidence by department, 2014



Source: Institute for Government analysis of MPA annual reports, 2014. Statuses as of September 2013.

MoD currently manages 40 major projects; the majority of departments fewer than 10. More than 60% of the projects are managed by one of the five departments with the largest portfolios (MoD, DH, MoJ, HO and DWP). DWP’s ‘resetting’ of the rating for Universal Credit means there is no information updating its amber/red rating of 2013. Where we can compare between 2013 and 2014, eight departments had more projects improve than decline, six saw no change, and three (DfID, HO, DH) had more decline than improve.

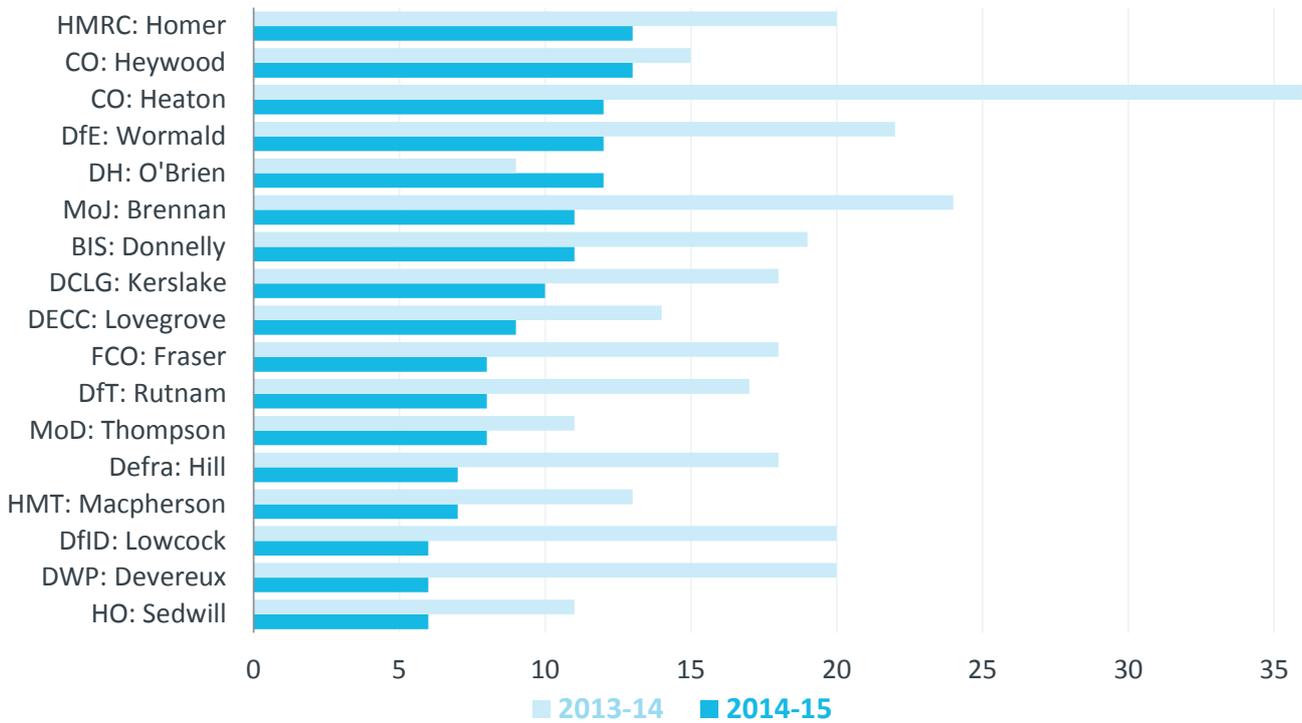
Figure 12.7: Change in delivery confidence for major projects by department, 2014



Source: Institute for Government analysis of MPA annual reports, 2013 and 2014. Statuses as of September 2013.

Permanent Secretary Objectives: a marked improvement includes fewer, more useful objectives

Figure 12.8: Number of Permanent Secretary Objectives, 2013-14 and 2014-15



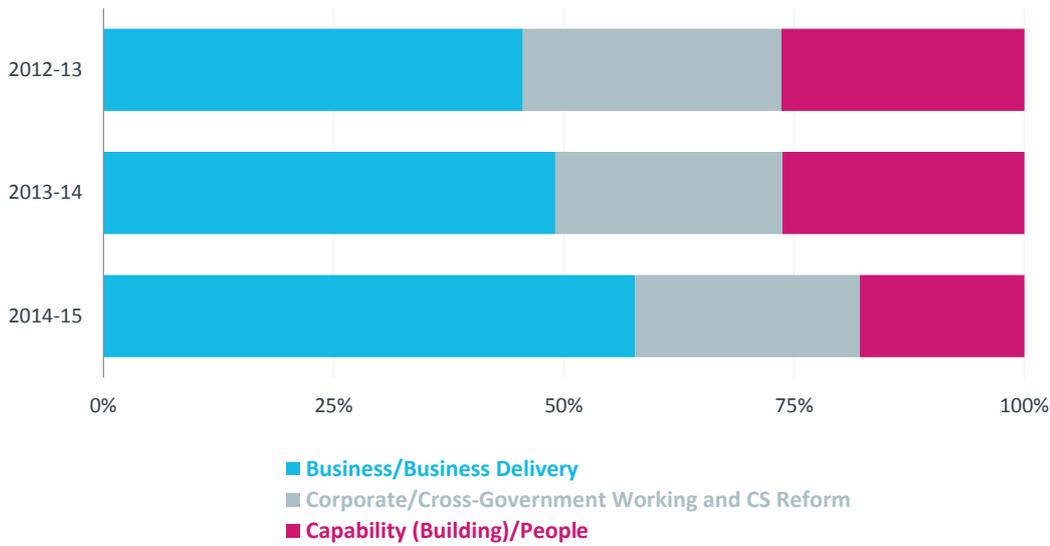
Source: Institute for Government analysis of Permanent Secretary Objectives, 2013-14 and 2014-15.

The Institute for Government has criticised previous Permanent Secretary Objectives on a number of grounds, but the latest set (for 2014-15) show considerable progress:

- Previous sets were published too late – nine months into the year they applied to – but the 2014-15 objectives were published in July, rather than December.
- There were too many objectives – the average number is now lower.
- They implied a 'Christmas tree' approach, with too many people adding objectives. This has been addressed by opening each set of objectives with a general statement about the role and the priorities of the department.
- Many objectives were missing measures or milestones by which to judge progress, and there was a huge variation in the format of these, making them difficult to analyse. Measures are now listed more consistently next to each objective.

The improvement is perhaps most marked in the number of objectives – down from an average of 18 per permanent secretary in 2013-14 to nine in 2014-15. Lin Homer (HMRC) and Sir Jeremy Heywood (Cabinet Secretary) have the highest number of objectives – 13. The highest number in 2013-14 was 36, for Richard Heaton (Cabinet Office).

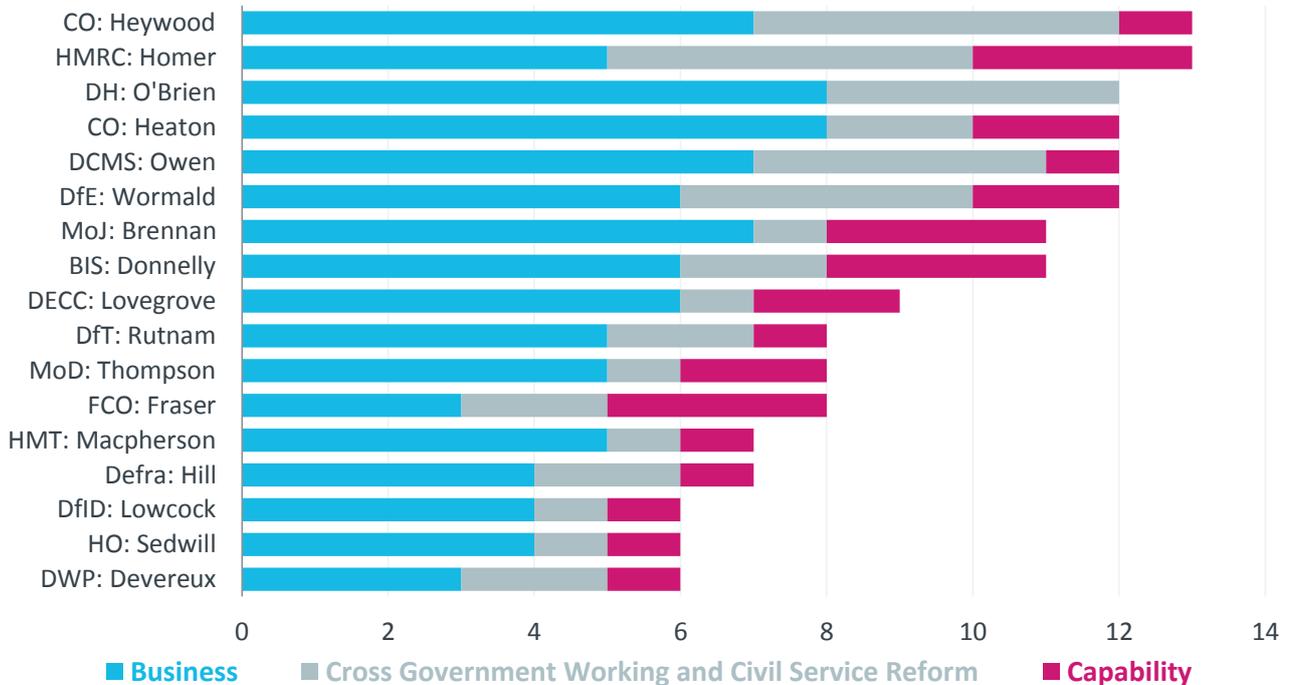
Figure 12.9: Balance of different types of objective, 2012-13 to 2014-15



Source: Institute for Government analysis of Permanent Secretary Objectives, 2012-13 to 2014-15. We have merged similar but slightly differently named categories across the years.

The objectives are split into three categories, with Business Delivery dominating: for 2013-14, 16 of the 17 permanent secretaries had Business Delivery take up the largest (or equal largest) proportion of their objectives, with 10 permanent secretaries having 50% or more of their objectives relating to Business Delivery. For those permanent secretaries with published objectives for both 2012-13 and 2013-14, there were 16 more Business Delivery objectives and nine fewer Corporate objectives in 2013-14.

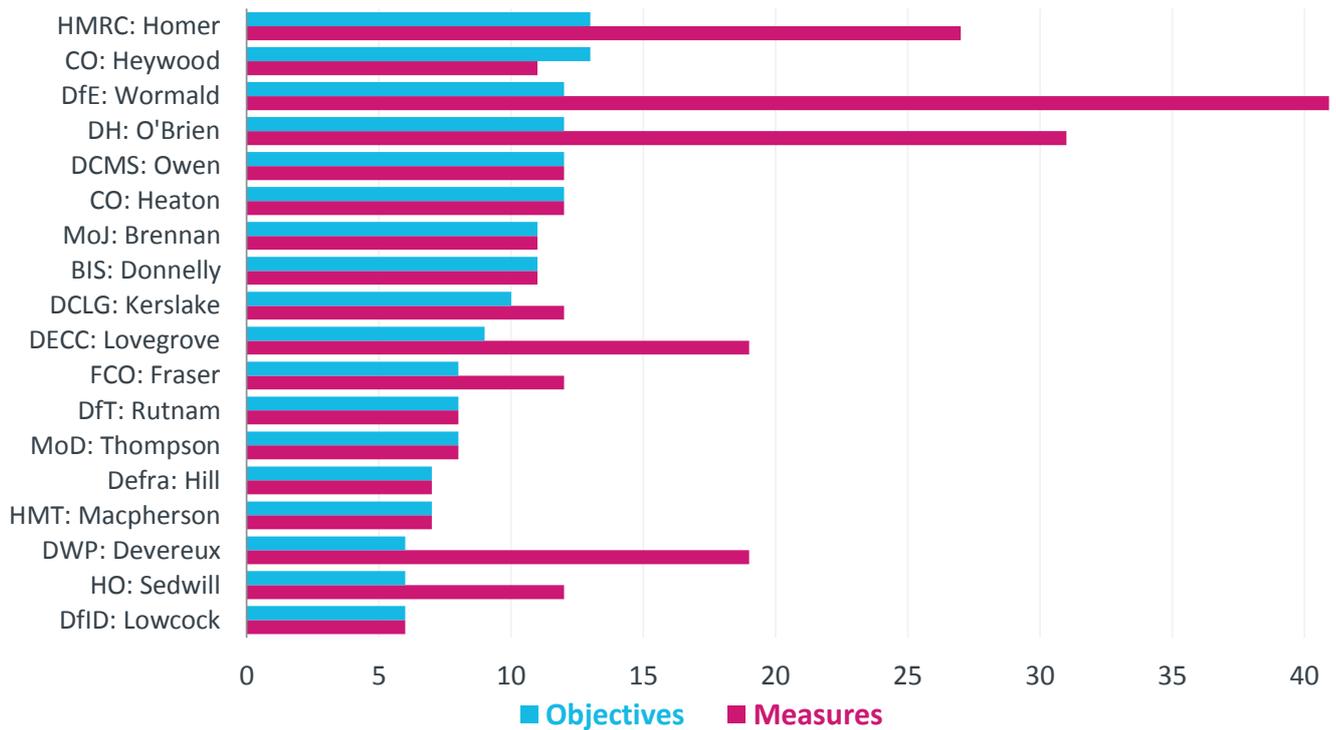
Figure 12.10: Number of Permanent Secretary Objectives by type, 2014-15



Source: Institute for Government analysis of Permanent Secretary Objectives, 2014-15. We have excluded Kerslake (DCLG) from the chart – his objectives are categorised differently (DCLG, and Head of the Civil Service).

This trend continues into 2014-15: 54% of the 171 objectives fall into the Business category. (That figure rises to 55% of 177 if we include the head of the Crown Prosecution Service, who also has published objectives.)

Figure 12.11: Number of Permanent Secretary Objectives and measures, 2014-15



Source: Institute for Government analysis of Permanent Secretary Objectives, 2014-15.

In previous years, it was sometimes difficult to calculate the milestones and measures attached to each objective. Indeed, many objectives were missing these – for 2013-14, 6% of objectives did not appear to have a measure attached, and every permanent secretary had some objectives that did not appear to be time-bound. The published objectives for 2014-15 are now much more consistent, with nearly all objectives having clear measures listed alongside them.

That said, Sir Jeremy Heywood has fewer measures than objectives. Although, as with every other permanent secretary, there is an overall statement of how progress will be measured, four objectives do not have specific measures against them. Also, some departments still seem to be shoehorning quite a lot into single objectives. One way of detecting this is to count the number of different measures of progress listed alongside the objectives as published by the Cabinet Office. The Permanent Secretary of DfE, Chris Wormald, has 12 objectives but 41 different measures.

Outcomes

The real-world impact of Whitehall's actions

Outcomes are the impact that Whitehall departments actually have in the real world. Departments are given their resources (inputs), and manage them (outputs) in order to make some sort of difference (outcomes). These are difficult to measure, but we approach them from two angles.

First, we look at 'impact indicators'. These are a cross-government way of measuring a department's impact, introduced as part of each Departmental Business Plan in 2010. Our research shows that the number of indicators for each department varies considerably, that many departments (nearly half) prefer to use their own measures, and that the indicators and underlying data for some are much easier to access and understand than others.

Second, we look at measures and perceptions of government effectiveness: domestic and international, both in general and in some specific policy areas. Perceptions data can be difficult – to what extent do people separate their own political affiliations from what they think of government performance? How can one compare across different countries and political systems? Nevertheless, we conclude that the UK scores reasonably well in international surveys (though not as well as Scandinavian countries and countries in the Far East), and that the British public wants politicians who are effective – but does not believe politicians are currently up to the job.



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How government measures its impact

The Government's cross-government way of measuring the impact of a department's policies is a set of impact indicators, originally published as part of each Departmental Business Plan.

The number of impact indicators per department varies – from a high of 28 for DfE to a low of six for MoD. Our previous work suggests that some departments take them more seriously than others. Eight departments prefer to use their own measurements, which at best supplement the Business Plans.

The way each department publishes its impact indicators also varies widely. By following the links from the Number 10 Transparency website, we found that some departments (such as DCLG, DfT and DWP) presented their impact indicators in an open format (for others to use) and in a form easily understandable by members of the public, while the links for others went to indicators not updated since 2012. Many also failed to make clear what impact they wanted to see – was the department's desired outcome a decrease or increase?

About the data

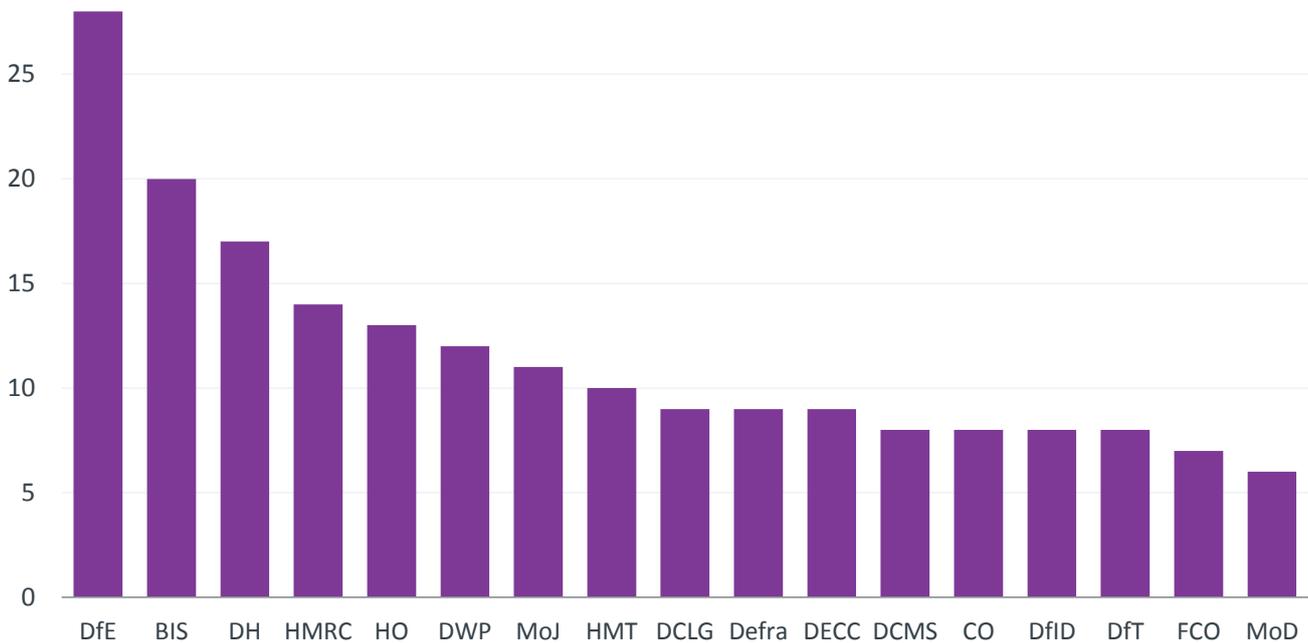
Government departments published a list of **impact indicators** as part of their Business Plans in November 2010, although the actual data was not published alongside them. Since then, the indicators have been refined, and transparency.number10.gov.uk provides a single portal for accessing the indicators for each department. The site says that 'input and impact indicators ... help the public assess the effects of policies and reforms on the cost and impact of public services'. We used these links to assess how the impact indicators were presented; our methodology concentrates on how transparent and easy to use the indicators are from the central Number 10 site.

In analysing how many impact indicators each department has, we have for the most part accepted their own classifications. However, where departments have nested indicators – a series of bullets within each indicator – we have counted these as separate indicators.¹

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Impact indicators: questions as to how useful, usable and up-to-date they are

Figure 13.1: Number of impact indicators by department, 2014



Source: Institute for Government analysis of impact indicators, transparency.number10.gov.uk, 7-11 August 2014.

DfE has the most impact indicators – 28, eight more than the next highest (BIS) – many of them nested under overarching headings (e.g. 'Attainment Gap at ages 11, 16 and 19' lists five separate measures). MoD has the lowest number, with six.

More pressing is the issue of how seriously government and government departments take the indicators. In *Whitehall Monitor 2013* we found that nearly half of all departments relied on bespoke measurement frameworks rather than the cross-government Business Plans of which impact indicators are a part. But yet another consideration is how they are published, and whether they are of any use to the public as well as to the department.

In *Performance Art* (2008), the Institute for Government analysed the cross-government performance measures then in place: Public Service Agreements and Local Area Agreements. We recommended that:

- Performance data should be published in a format that is easy for citizens to understand.
- As part of this, all the data should be published on a single website in an accessible manner.
- All performance data should be subject to independent validation, perhaps by the NAO (which the NAO now does), and the Government should update Parliament on progress through an annual report.

Building on this, we assessed the impact indicators for each department against the following criteria:

- Following the link from the central Number 10 Transparency site, can you:
 - find the score for each indicator, as listed on the site?
 - find the data in an open format for each indicator?
 - see the data for each indicator explained in an understandable way?
- From the department's annual report, can you:
 - find the score for each indicator?

Figure 13.2: Usability of departments’ impact indicators

Department	Current Score	Open Data	Presentation	Annual Report	Overall
DCLG	Green	Green	Green	Green	1=
DfT	Green	Green	Green	Green	1=
DWP	Green	Green	Green	Green	1=
CO	Orange	Yellow	Yellow	Orange	4=
DCMS	Green	Green	Green	Red	4=
HMRC	Green	Green	Yellow	Green	6
DfE	Orange	Orange	Green	Green	7
BIS	Yellow	Yellow	Yellow	Orange	8
DfID	Yellow	Yellow	Yellow	Orange	9
DECC	Green	Orange	Yellow	Green	10=
DH	Green	Green	Yellow	Red	10=
FCO	Orange	Orange	Yellow	Orange	12
MoJ	Red	Orange	Yellow	Orange	13
Defra	Red	Orange	Yellow	Green	14=
MoD	Red	Orange	Yellow	Green	14=
HO	Red	Orange	Yellow	Orange	16
HMT	Red	Orange	Yellow	Red	17

Source: Institute for Government analysis of impact indicators and annual reports.
 Note: Annual reports for 2013-14 were used where published (DCMS, DfE and MoD use 2012-13).

Only three departments – DCLG, DfT and DWP – allow members of the public to access all of their indicator scores, in an open format, in a way that is clearly explained and in the department’s annual report. DCLG has a beta dashboard with graphs and full explanations; DfT a page for each indicator with the data and an explanation; and DWP a single page with data, explanations and links. These departments are rare in signposting what the indicator scores actually mean – for example, whether an increase in a particular metric is what the Government was aiming for. Many departments do not.

Some departments that have scored badly in our survey were penalised for dead links from the Number 10 Transparency site, while others do not appear to have published updates for well over a year. Some departments published indicator data elsewhere and, since we contacted them prior to publication, many have asked for the links from the Number 10 Transparency site to be updated.

Our methodology is not comprehensive. Nevertheless, it casts doubt on how easy it is for members of the public to find and understand impact indicators.

Performance and perceptions

Measuring the effectiveness of government actions is difficult. To what extent can government claim responsibility for any improvements? To what extent can one define what an improvement looks like? How does one define effectiveness?

Some studies have developed methodologies for comparing countries according to government effectiveness or efficiency. We explore some of these, in which the UK tends to rank fairly highly but behind Scandinavia, Switzerland, countries in the Far East, Middle East and North America, and some other countries in northern Europe. The UK is top of one respected health-system ranking, however – although global education rankings are not so positive.

A proxy for measuring government effectiveness could be to look at how the public perceives it. Polling by the Institute for Government suggests that the public values those politicians who are able to show how they would implement their promises and policies, but many do not think British politicians have the ability to do so. They also think politicians place party-political activities above long-term decision-making.

A number of surveys – both domestically and looking across Europe – suggest that nearly two-thirds of the British public are dissatisfied with how government does its job. However, such measures are also driven by other factors, with ‘government effectiveness’ being seen through a political prism.

About the data

The **global comparisons of government effectiveness** we use are the Bertelsmann Stiftung Sustainable Governance Indicators, the World Bank Institute’s Worldwide Governance Indicators, the World Economic Forum’s Global Competitiveness Index, and the IMD business school’s World Competitiveness Yearbook.¹

We examine two **global studies of specific policy areas**: the Commonwealth Fund’s Health System Scorecards, and the OECD’s Pisa rankings of education systems (specifically scores for maths, reading and science).²

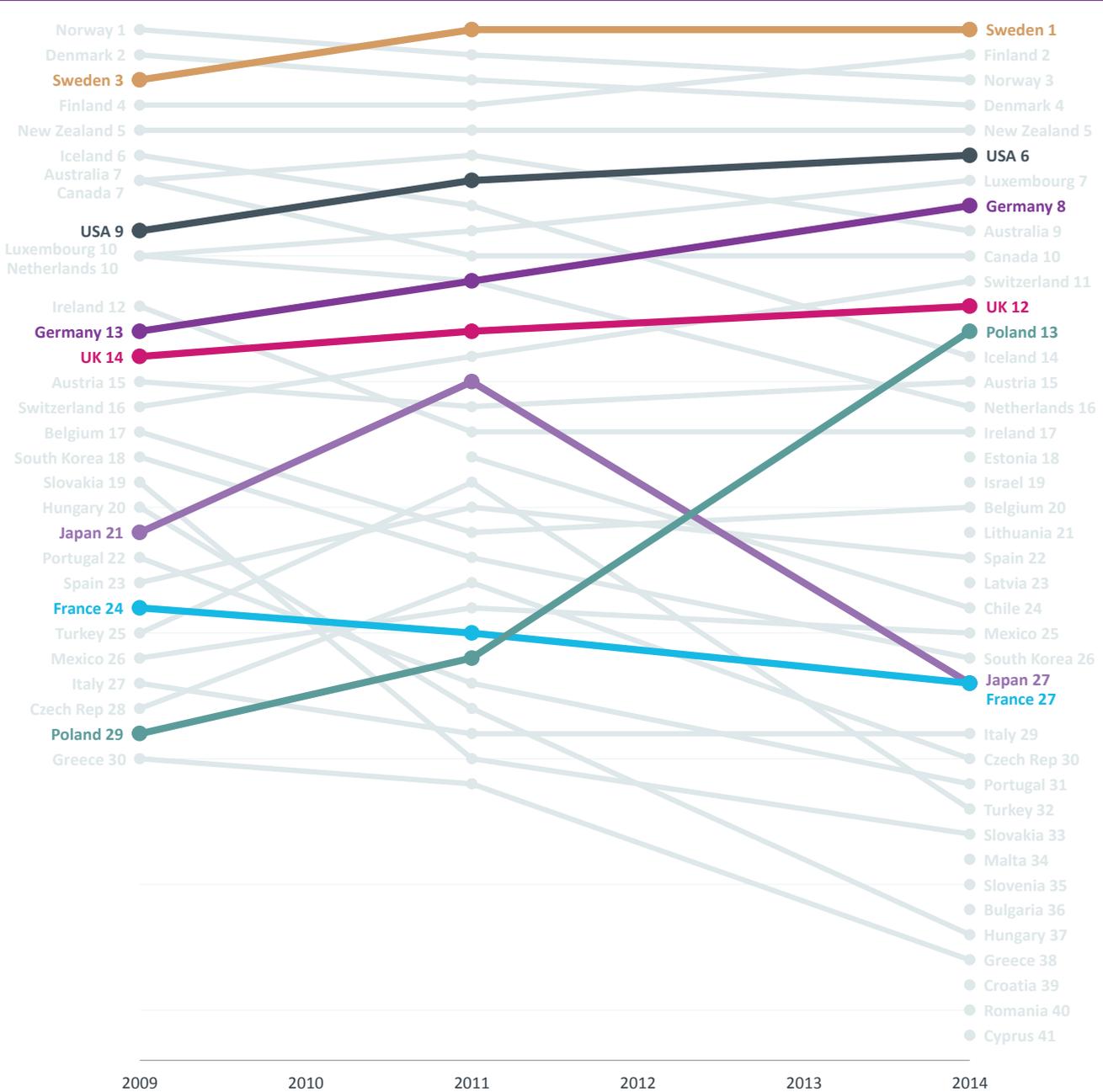
Our data on **public expectations of politics and politicians** is taken from a Populus poll commissioned by the Institute for Government as part of our *Programme for Effective Government*. Populus interviewed 2,040 GB adults online between 8 and 10 August 2014. Results have been weighted to be representative of all GB adults. Populus is a member of the British Polling Council and abides by its rules. Additionally, we use one question from NatCen’s British Social Attitudes survey.³

Our analysis of **popular satisfaction – and dissatisfaction – with government** is based on two sources: the Hansard Society’s *Audit of Political Engagement*, going back to 2004; and the 2012 European Social Survey.⁴

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Effectiveness: Nordic countries highly ranked in international comparisons

Figure 14.1: Bertelsmann Stiftung Governance rank, 2009-14



Source: Institute for Government analysis of Bertelsmann Stiftung Sustainable Governance Indicators, 2009-14.

The Bertelsmann Stiftung Sustainable Governance Indicators use a variety of sources to rank 41 countries on Policy Performance, Quality of Democracy and Governance. We have focused on the Governance category, where the UK was ranked 12th in 2014. The UK's rank has risen steadily since the first set of results in 2009. Scandinavian countries all perform well throughout. Of other major economies, the USA and Germany have risen steadily, France has fallen slightly and Japan risen and then fallen dramatically. Poland has improved its ranking considerably, from 29th in 2009 to 13th in 2014.

Figure 14.2: Bertelsmann Stiftung – UK scores by Governance sub-category, 2014



Source: Institute for Government analysis of Bertelsmann Stiftung Sustainable Governance Indicators, 2014.

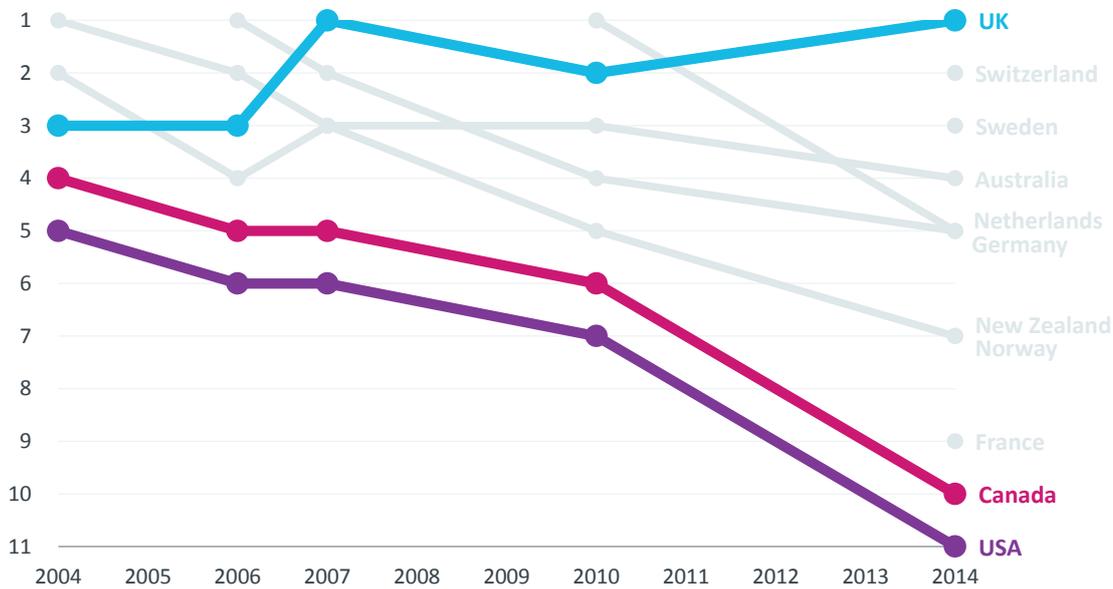
The Governance category is itself broken down into two subcategories: Executive Capacity ('Does the government have strong steering capabilities?') and Executive Accountability ('Are non-governmental actors involved in policy-making?'). Each of these is then broken down in turn to give scores for 12 subjects, which are largely reliant on survey questions but also make use of quantitative data (voter turnout for Citizens' Participatory Competence, for example).

Overall, the UK scores more highly on capacity (7.2, 9th place) than on accountability (6.6, 15th place). It scores best on two capacity measures – Evidence-based Instruments ('Does the government apply Regulatory Impact Assessments? Is the quality and sustainability of the RIA process ensured?') and Interministerial Co-ordination ('Is government decision-making co-ordinated across institutional lines?') – and worst on an accountability measure: Media ('Do the media provide substantive information, enabling the broader public to evaluate government decisions?', based partly on newspaper circulation). The next two worst measures – the capacity measure of Societal Consultation ('Does the government consult with economic and social actors in the course of policy preparation?') and the accountability measure of Citizens' Participatory Competence ('Do citizens possess the information and knowledge needed to evaluate government policies?') – also concern non-government actors in decision-making or scrutiny.

The Bertelsmann Stiftung is only one of a number of international comparisons along similar lines – others include the World Bank Institute's Worldwide Governance Indicators, which have a Government Effectiveness category (the UK was 21st out of 210 in 2012); the World Economic Forum's Global Competitiveness Index, which has a Government Efficiency category (the UK was 14th out of 144 in 2014-15); and the IMD World Competitiveness Yearbook, which has a Government Efficiency category (the UK was 17th out of 60 in 2014). Countries in Scandinavia and the Far East, as well as Switzerland and some countries in the Middle East, tend to rank consistently highly in these studies.

Health and education: UK top in Commonwealth Fund, further back in Pisa

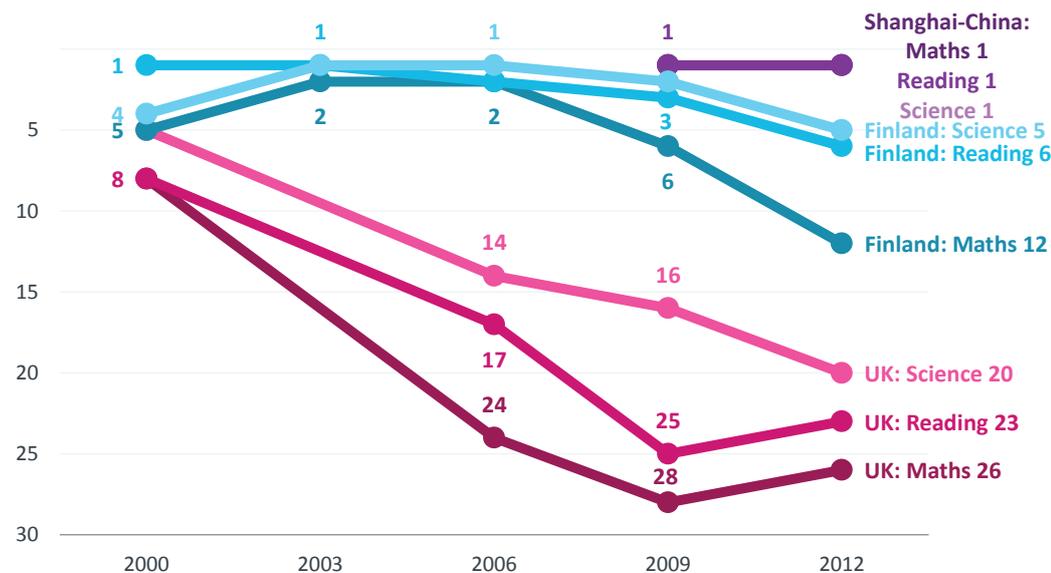
Figure 14.3: Commonwealth Fund ranking of health systems, 2014



Source: Institute for Government analysis of Commonwealth Fund Health System Scorecards, 2014.

The Commonwealth Fund scores countries on quality of care, access, efficiency, equity and healthy lives, and ranks the UK first out of 11 industrialised nations for its health system. Indeed, Britain tops all but three of the report’s 11 categories (the UK comes second to Sweden on equity, third on timeliness of care, and 10th on ‘healthy lives’). The UK has been ranked in the top three ever since the start of the series in 2004; Canada has always been second from last and the USA last.

Figure 14.4: OECD Pisa rankings (UK, Finland, Shanghai), 2000-12

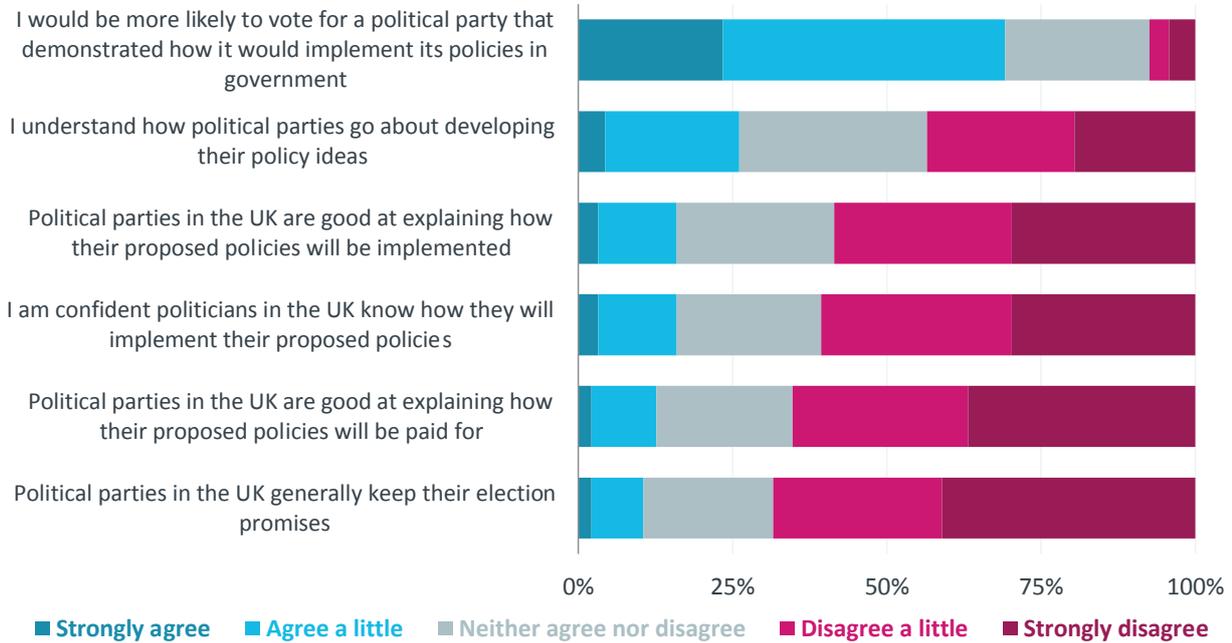


Source: Institute for Government analysis of OECD Pisa rankings, 2000-12. There were 41 countries in the 2000 study, 40 in 2003, 57 in 2006 and 65 in 2009 and 2012.

However, the UK rates less well on the OECD’s international rankings of maths, science and reading education, its ranking having fallen since 2000 (although with a recovery in reading and maths in the most recent figures). The top of the rankings are now dominated by east Asian cities and nations – Shanghai topping all categories in 2009 and 2012 – while Finland, consistently the strongest major European nation, has also fallen behind in recent studies.

Expectations: the British public values the ability to implement policies

Figure 14.5: 'To what extent do you agree or disagree with the following statements?'



Source: Institute for Government/Populus polling, August 2014.

The British are not so positive in their perceptions of government effectiveness. Polling commissioned by the Institute for Government shows the British public cares about politicians who are effective in terms of being able to implement their policies: nearly two-thirds agree or strongly agree that they would be more likely to vote for a political party that could show how it would do so. However, only one in six believe UK parties are good at explaining how they will actually implement their policies; one in seven are confident that politicians will know how to implement their policies; and one in nine believe politicians are good at costing their policies. Only one in nine also believe that election promises are actually kept.

In short, the polling suggests the British public values government that is effective in doing what it has promised, but a large majority does not believe UK politicians are currently capable of doing so.

Figure 14.6: 'Which three things do you think UK politicians prioritise at the moment?' and 'Which three things do you think UK politicians should prioritise?'



Source: Institute for Government/Populus polling, August 2014.

Our polling also suggests that the British public values politicians getting good value for taxpayers, taking long-term decisions and running government professionally. However, at present, they believe that parties prioritise political, office- and vote-seeking goals – getting re-elected, scoring political points and making big announcements – over governmental, policy-oriented ones. This tallies with other similar surveys, such as NatCen’s British Social Attitudes, which shows an increase in the number of respondents not trusting governments to place the needs of the nation above their own political interests.

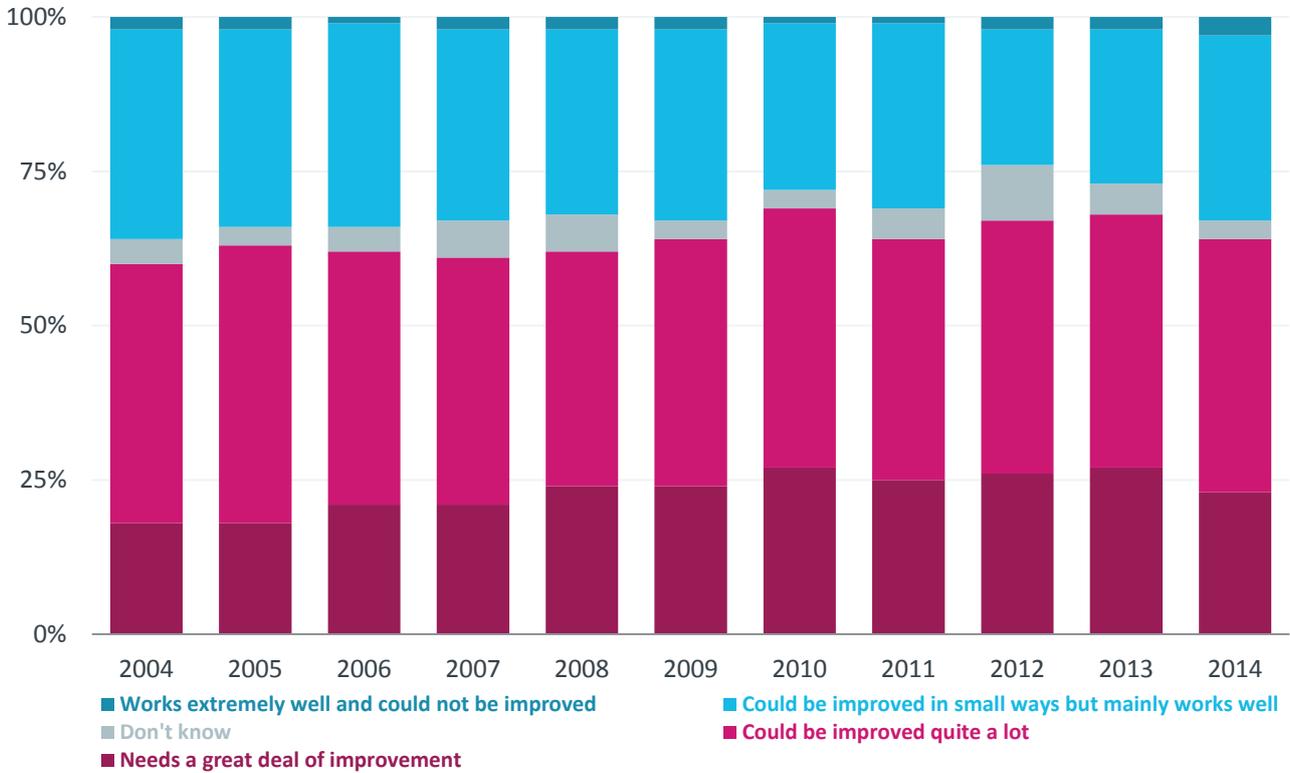
Figure 14.7: Do you trust the Government 'to place the needs of the nation above the interests of their own political party'?



Source: Institute for Government analysis of NatCen, British Social Attitudes, 1986-2013.

Satisfaction: political allegiances may influence scores; UK mid-ranking in European terms

Figure 14.8: 'Which of these statements best describes your opinion on the present system of governing Britain?'

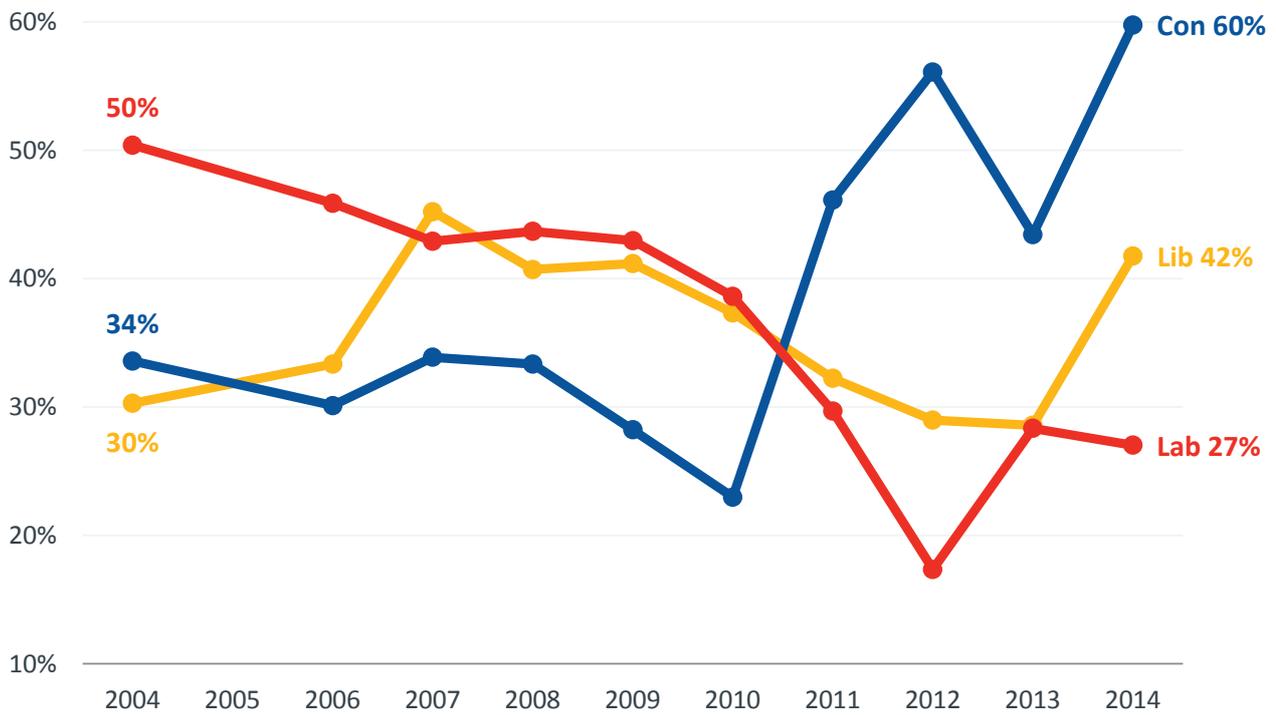


Source: Institute for Government analysis of Hansard Society, *Audit of Political Engagement*.

A number of surveys ask respondents what they think about how the government does its job, which is the closest most come to a proxy for asking about government effectiveness. For example, the Hansard Society has asked the British public what they think about the system of governing Britain since 2004. In 2014, just over 60% of respondents think our government system could be improved a lot or a great deal. This figure compares with more than two-thirds in 2010 (post-expenses scandal), 2012 and 2013.

There are important caveats to using this question as a proxy for government effectiveness: it's not directly asking about government effectiveness, for a start. But there are further definitional issues. How do those surveyed interpret terms such as 'system of governing', 'works well' and 'need improvement'? Respondents could be thinking about all of these things differently. 'Working well', for example, could simply mean that a respondent's own political party happens to be in government.

Figure 14.9: The present system of governing Britain 'mainly works well' or 'works extremely well' by political party support

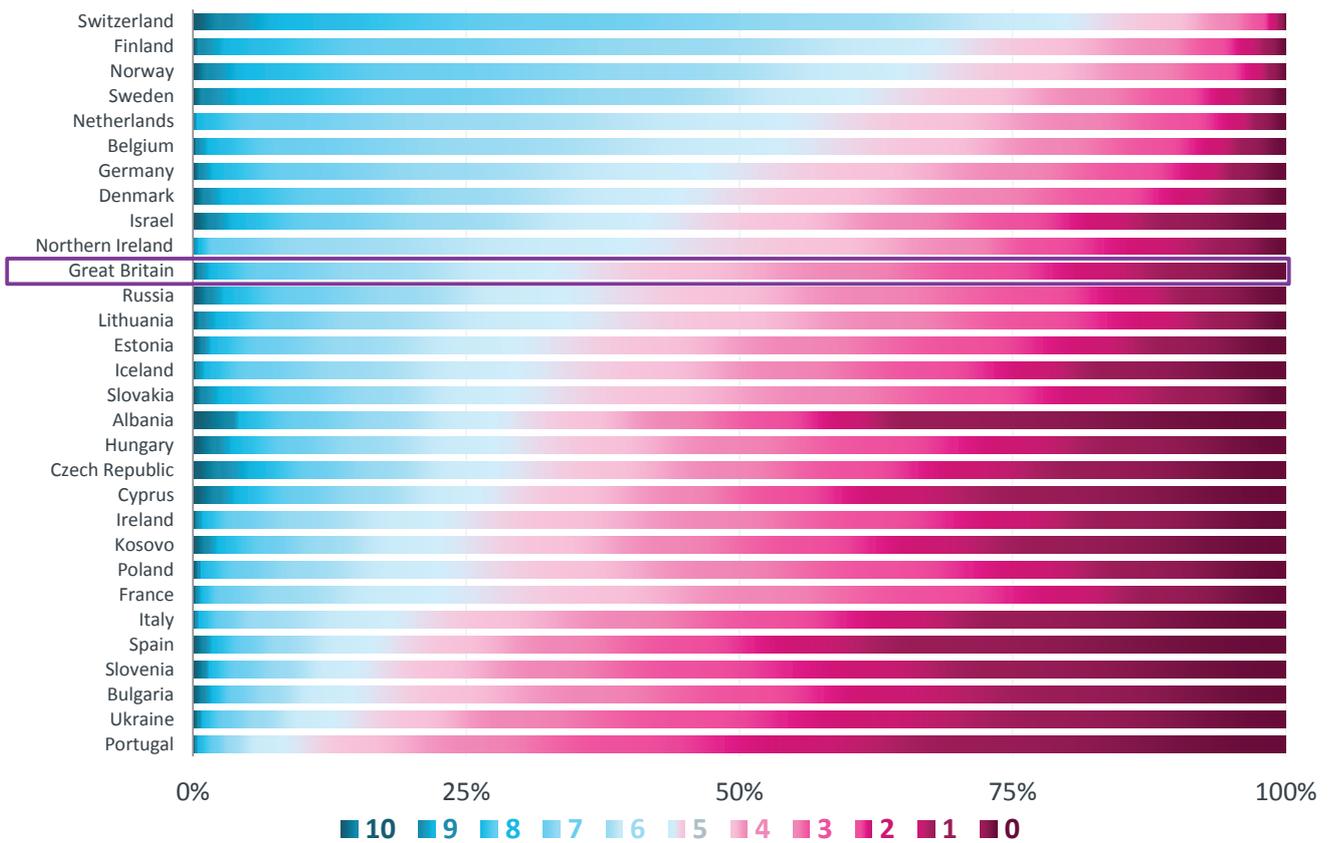


Source: Institute for Government analysis of Hansard Society, *Audit of Political Engagement*. All Audits conducted by Ipsos MORI except 2012 and 2013, conducted by TNS BMRB.

People appear more likely to think our governing system works well if their party is in power. Labour supporters were more positive than Conservative ones until 2010, when the position was reversed, although Liberal Democrat supporters were positive throughout (indeed, more positive than Labour supporters in 2007). All parties fell between 2009 and 2010, when the parliamentary expenses scandal was exposed.

Political affiliations and events not wholly connected with government effectiveness may, therefore, affect the answers given by respondents.

Figure 14.10: 'About the government. How satisfied are you with the way it is doing its job?'



Source: Institute for Government analysis of European Social Survey, 2012.

That said, one European-wide survey – the European Social Survey – also puts British dissatisfaction with the way government does its job around the 60% mark. When asked to rank their satisfaction from 0 (extremely dissatisfied) to 10 (extremely satisfied), 55% scored it 0-4, an additional 16% giving an answer of 5. Only four countries – Switzerland, Finland, Norway and Sweden – had more than 50% score their satisfaction as 6-10.

Britain’s dissatisfaction score has remained similar since 2002, hitting a low in 2008. Of the other major European economies, German citizens’ level of dissatisfaction has decreased since 2002, whereas France’s has increased steadily.

Annex

This annex contains the endnotes from each chapter, as well as some more detailed information about some of our calculations and the abbreviations we use.

Further details on all the subjects we cover, as well as the data we use published in an open format, can be found on the *Whitehall Monitor* website.

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Endnotes

Executive summary, pages 7 to 23

1. See Institute for Government, 'Annex A: Improving data on Whitehall', *Whitehall Monitor 2013*, August 2013, <http://www.instituteforgovernment.org.uk/publications/whitehall-monitor-2013>, and Institute for Government, written evidence to the Public Administration Select Committee on statistics and open data, October 2013, <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/public-administration-committee/statistics-and-open-data/written/2175.html>.
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The leadership of departments, pages 26 to 31

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6. Note 25 across Whole of Government Accounts, 2009-10, 2010-11, 2011-12 and 2012-13. For example, pp.109-111, WGA 2012-13.
7. For further definitions, see HM Treasury, 'How to understand public sector spending', May 2013, <https://www.gov.uk/government/publications/how-to-understand-public-sector-spending/how-to-understand-public-sector-spending>.
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9. To compile this chart, we calculated the proportion of programme expenditure ('comparable programme objects') that relate to each part of the UK based on the 'comparability percentages' listed in Annex B of the 2010 Statement of Funding Policy, the basis for the calculation of the devolved administrations' block grants. This data excludes territorially non-identifiable spending and also excludes AME spending, which accounts for the bulk of the DWP and HMRC budgets. Also note that where the spending provision for a programme is listed as a negative number (indicating that it is revenue-raising) we have removed the data from our calculations. As such this data is only indicative of the respective territorial profiles of the departments shown. We have added FCO, DfID and MoD.
10. This includes the Maritime and Coastguard Agency, the Air Accident Investigation Branch, the Marine Accident Investigation Branch and civil aviation services.
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7. For further *Whitehall Monitor* analysis of ERG figures, see <http://www.instituteforgovernment.org.uk/our-work/whitehall-monitor/inputs/money-revenue-expenditure/savings-reported-efficiency-and-reform-0>.

The civil service workforce, pages 54 to 69

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How government measures its impact, pages 124 to 126

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Methodology

Managing government finances: Financial transparency, pages 32 to 47

We have ranked each government department according to how transparently they account for movements in spending plans.

For each financial year we compared the original spending plan, as published in Spending Review 2010, with every time the plan for that financial year was re-published (in annual Budget documents and the department's Annual Report and Accounts), and noted down whether the spending plan had changed and whether this change was explained. We looked for explanations in the annual Budget documentation, in the Government's Public Expenditure Statistical Analyses (Pesa), in Departmental Annual Reports and Accounts, and in Explanatory Memoranda to Main and Supplementary Estimates.

We graded each department according to:

- Whether an explanation was given for a change
- Whether each movement was fully or partially explained
- Where the explanation appeared and how easy it was to access the documentation.

We then ranked the departments based on their average ranking across the four financial years.

The civil service workforce: Staff numbers, pages 54 to 69

We draw on table 9 in the ONS Public Sector Employment reference tables, which contain staff numbers in all public organisations that employ civil servants.

We report staff as Full-time Equivalent (FTE). This counts part-time staff according to the time they work (e.g. a person working two days a week as 0.4). It is a more accurate measure of the size of the civil service labour force than headcount, which does not distinguish between full-time and part-time employees.

We have sought to distinguish organisations that are part of the management structures of Whitehall departments from the rest. This is for two reasons.

- First, in many departments it is not possible to distinguish what we originally called the 'Whitehall' element – for instance, DWP has not reported its Whitehall HQ separately since 2011, while MoD and HMRC never did and reported one figure combining HQ and frontline delivery elements.
- Second, even where the core Whitehall organisation is reported – typically as 'Department for X, excluding agencies' – this does not necessarily capture the distinction between staff managed by senior officials in Whitehall and those in arm's-length bodies, and so it does not indicate the extent of resource that the department has at its disposal.

We have therefore grouped organisations included in the Public Sector Employment data into two kinds in each departmental group:

- Managed department – the core department and bodies within the department that are line managed within a structure that flows from the departmental leadership (for example, the National Offender Management Service within MoJ, Education Funding Agency within DfE).
- Other organisations – other civil service bodies for which ministers in the department have responsibility, for example, Ofsted in DfE or the DVLA in DfT, but which are not part of the department's line management structure.

This is an update of our previous methodology, which aimed to distinguish between Whitehall and non-Whitehall bodies. We have first presented our analysis for 'managed departments' and 'other bodies' in September 2014, based on data for Q2 2014 (March to June 2014).

We have grouped bodies according to where ministerial responsibility lies, even when these are reported under a separate 'departmental' heading in the ONS data. For instance, we group Ofsted with DfE and not as a separate department. The objective is to include in the departmental group all civil service bodies for which the relevant secretary of state has responsibility.

The Welsh Assembly and Scottish Government have been excluded from the core Whitehall figures. Wales Office and Scotland Office are grouped in MoJ and classified as managed bodies.

Our methodology for calculating percentage changes to staff numbers in departments allows us better to account for reclassifications of staff between bodies. It calculates rates of change in each period for each department, adjusted for reclassifications of staff between bodies. Reclassifications are usually noted by the ONS in footnotes to the data tables. The figures shown for each department in our 'change from baseline' charts are derived by taking a geometric average of per-period change rates over all periods from 2010 Q3 (our Spending Review baseline) and the latest period.

As a result, figures in this publication showing percentage changes from the 2010 Spending Review to 2012 Q2 (the previous period) may differ from those we reported in earlier *Whitehall Monitor* bulletins.

Table 1 below shows the categorisation of each body. The data we publish alongside our analysis includes all figures going back to 2010 Q3 on this basis.

Figure 15.1: Civil service bodies grouped by Whitehall departments

Department	Managed	Dept detail / Agency
AGO	Y	Attorney General's Office
	N	Crown Prosecution Service
		Crown Prosecution Service Inspectorate
		Serious Fraud Office
		Treasury Solicitor
BIS	Y	Department for Business, Innovation and Skills
	N	Advisory, Conciliation and Arbitration Service
		Companies House
		Export Credits Guarantee Department
		HM Land Registry
		Insolvency Service
		Met Office
		National Measurement Office
		Ordnance Survey
		Skills Funding Agency
		Intellectual Property Office
		UK Space Agency
CO	Y	Cabinet Office excl agencies
		Office of the Parliamentary Counsel
	N	Charity Commission
		UK Statistics Authority
		Crown Commercial Service
DCLG	Y	Department for Communities and Local Government
	N	Planning Inspectorate
		Queen Elizabeth II Conference Centre
DCMS	Y	Department for Culture, Media and Sport
	N	Royal Parks

DECC	Y	Department of Energy and Climate Change
	N	Office of Gas and Electricity Markets
Defra	Y	Department for Environment, Food and Rural Affairs
	N	Animal Health and Veterinary Laboratories Agency
		Centre for Environment, Fisheries and Aquaculture Science
		Food and Environment Research Agency
		Ofwat
		Rural Payments Agency
		Veterinary Medicines Directorate
DfE	Y	Department for Education
		Standards and Testing Agency
		Education Funding Agency
		National College for Teaching and Leadership
	N	Office of Qualifications and Examinations Regulation
		Ofsted
DfID	Y	Department for International Development
DfT	Y	Department for Transport
	N	Driver and Vehicle Licensing Agency
		Highways Agency
		Maritime and Coastguard Agency
		Office of Rail Regulation
		Vehicle and Operator Services Agency
		Vehicle Certification Agency
		Driver and Vehicle Standards Agency
DH	Y	Department of Health (excl agencies)
	N	Food Standards Agency
		Medicines and Healthcare Products Regulatory Agency
		Public Health England
DWP	Y	Department for Work and Pensions
	N	The Health and Safety Executive
FCO	Y	Foreign and Commonwealth Office (excl agencies)
	N	Security and Intelligence Services
		Wilton Park Executive Agency
		Foreign and Commonwealth Office Services
HMRC	Y	HM Revenue and Customs
	N	Valuation Office
HMT	Y	HM Treasury
	N	Debt Management Office
		Government Actuary's Department
		National Savings and Investments
		Office for Budget Responsibility
HO	Y	Home Office (excl agencies)
	N	National Fraud Authority
		National Crime Agency
		Her Majesty's Passport Office
MoD	Y	Ministry of Defence
	N	Defence Science and Technology Laboratory
		Defence Support Group
		UK Hydrographic Office

Moj	Y	HM Courts and Tribunals Service
		Ministry of Justice (excl agencies)
		National Offender Management Service
		The Office of the Public Guardian
		Wales Office
		Scotland Office (incl. Office of the Advocate General for Scotland)
		Legal Aid Agency
	N	National Archives
		UK Supreme Court
		Criminal Injuries Compensation Authority
NIO	Y	Northern Ireland Office
Scot Gov	N	Disclosure Scotland
		Education Scotland
		Historic Scotland
		National Records of Scotland
		Office of the Scottish Charity Regulator
		Registers of Scotland
		Scottish Court Service
		Scottish Government (excl agencies)
		Scottish Housing Regulator
		Scottish Prison Service Headquarters
		Scottish Public Pensions Agency
		Student Awards Agency
		Transport Scotland
		Crown Office and Procurator Fiscal
		Accountant in Bankruptcy
Welsh Gov	N	Estyn
		Welsh Government

The functions civil servants perform: professions, pages 70 to 72

We took the professions data from the ONS Annual Civil Service Employment Survey, which divides civil servants into 24 different professions, and grouped them into six categories as outlined below.

Figure 15.2: Civil Service professions grouped into categories

Profession	Category
Communications and Marketing	Communications & marketing
Economics	Insight & analysis
Engineering	Specialist
Finance	Corporate
Human Resources	Corporate
Information Technology	Corporate
Inspector of Education and Training	Specialist
Internal Audit	Corporate
Knowledge and Information Management	Insight & analysis
Law	Specialist
Medicine	Specialist
Operational Delivery	Operational delivery
Operational Research	Operational delivery

Planning	Specialist
Policy Delivery	Policy
Procurement and Contract Management	Corporate
Programme and Project Management	Operational delivery
Property Asset Management	Corporate
Psychology	Specialist
Science	Specialist
Social and Market Research	Insight & analysis
Statistics	Insight & analysis
Tax Professionals	Operational delivery
Veterinarian	Specialist
Other	Unknown/other
Not Reported	Unknown/other

How government measures its impact: Impact indicators, pages 124 to 126

We drew on the Institute for Government's 2008 report, *Performance Art*, which recommended that performance measures should be:

- published in a format that is easy for citizens to understand
- published on a single website in an accessible manner
- contained in an annual report such that government can update Parliament on progress.

We therefore assessed each department against the following criteria:

- Following the link from the central transparency.number10.gov.uk website, can you:
 - find the current score for each indicator, as listed on the Number 10 Transparency site ('Current Score')?
 - find the data in an open format for each indicator ('Open Data')?
 - see the data for each indicator explained in an understandable way ('Presentation')?
- From the department's annual report, can you:
 - find the current score for an indicator ('Annual Report')?

For each indicator, we gave a mark of either 0 or 1 for each category (meaning a maximum of four points was available for each). Once we had scored each indicator, we took an overall percentage score for each category.

Where the indicators could not be accessed from the Number 10 Transparency site, or where the most recent update was more than a year old, we awarded a 0 across the Current Score, Open Data and Presentation categories.

For Presentation, a mark was given if there was any explanation or any visualisation of the data beyond a simple table. For open format, we gave a mark if it was published in anything other than PDF or HTML.

Departments were ranked in each category, and then given an overall rank taken from the overall average scores. We conducted our original research in late August 2014, with a final check in late October 2014.

Acronyms and Abbreviations

Figure 15.3: Acronyms of government organisations

Acronym	Organisation Name
AGO	Attorney General's Office
APA	Asset Protection Agency
BIS	Department for Business, Innovation and Skills
CO	Cabinet Office
CxD	Chancellor's Departments (APA, DMO, GAD, HMRC, HMT, NS&I, OBR)
DCLG	Department for Communities and Local Government
DCMS	Department for Culture, Media and Sport
DECC	Department of Energy and Climate Change
Defra	Department for Environment, Food and Rural Affairs
DE&S	Defence Equipment and Support (part of MoD)
DfE	Department for Education
DfID	Department for International Development
DfT	Department for Transport
DH	Department of Health
DMO	Debt Management Office
DPM	Deputy Prime Minister
DVLA	Driver and Vehicle Licensing Agency (part of DfT)
DWP	Department for Work and Pensions
ERG	Efficiency and Reform Group (part of CO)
FCO	Foreign and Commonwealth Office
GAD	Government Actuary's Department
HCS	Home Civil Service (all civil servants in UK, Scottish and Welsh governments)
HMRC	Her Majesty's Revenue and Customs
HMT	Her Majesty's Treasury
HO	Home Office
Law	Law officers (AGO, Office of the Advocate General for Scotland)
MoD	Ministry of Defence
MoJ	Ministry of Justice
MPA	Major Projects Authority (part of CO)
NAO	National Audit Office
NHS	National Health Service
NICS	Northern Ireland Civil Service
NIO	Northern Ireland Office
NS&I	National Savings and Investments
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
PM	Prime Minister
Scot	Scotland Office
SG	Scottish Government
Wal	Wales Office
WG	Welsh Government

Figure 15.4: Other abbreviations

Acronym	Definition
AME	Annually Managed Expenditure
AO/AA	Administrative Officer/Administrative Assistant (civil service grade)
API	Application Programming Interface
AR	Annual Report
BUD	Budget
CAME	Capital Annually Managed Expenditure
CDEL	Capital Departmental Expenditure Limit
DEL	Departmental Expenditure Limit
EO	Executive Officer (civil service grade)
FTE	Full-time Equivalent
G6, G7	Grade 6 and Grade 7 (civil service grade)
IfG	Institute for Government
IFRS	International Financial Reporting Standards
IT	Information Technology
NGO	Non-governmental organisation
Oscar	Online System for Central Accounting Reporting
PAC	Public Accounts Committee
PASC	Public Administration Select Committee
Pesa	Public Expenditure Statistical Analysis
Pisa	Programme for International Student Assessment
Q (Q1 etc.)	Quarter
QDS	Quarterly Data Summary
RAG	Red – Amber – Green (rating scheme)
RAME	Resource Annually Managed Expenditure
RDEL	Resource Departmental Expenditure Limit
SCS	Senior Civil Service
SEO/HEO	Senior Executive Officer/Higher Executive Officer (civil service grade)
SR	Spending Review/Spending Round
SRP	Structural Reform Plan
TME	Total Managed Expenditure
WGA	Whole of Government Accounts
WMI	Workforce Management Information

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act as a catalyst for better government**

The Institute for Government is an independent charity founded in 2008 to help make government more effective.

- We carry out research, look into the big governance challenges of the day and find ways to help government improve, re-think and sometimes see things differently.
- We offer unique insights and advice from experienced people who know what it's like to be inside government both in the UK and overseas.
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Copies of this report are available alongside other research work at:

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2 Carlton Gardens
London
SW1Y 5AA

Tel: +44 (0) 20 7747 0400
Fax: +44 (0) 20 7766 0700
Email: enquiries@instituteforgovernment.org.uk

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