

# Whitehall Monitor #20

## Business Plans: 2012/13 review

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Departmental Business Plans, introduced in November 2012, were intended to usher in an era of “democratic accountability” to replace “bureaucratic accountability”<sup>1</sup>. As part of this initiative, Structural Reform Plans were published for each department, containing commitments for department to complete a set of actions by specific dates.

This Whitehall Monitor provides an overview of the Structural Reform Plans and looks at the progress made by departments since the last annual refresh of the plans in May 2012. It then points to limitations of the data that make it difficult to paint a picture of reform on the Structural Reform Plans alone.

### Summary

- Departments continue to miss about one in four deadlines scheduled in their Structural Reform Plans. Since the Business Plans underwent their annual refresh in May 2012:
  - Departments have missed 25% of all deadlines. Of these, 13% were actions completed late and 12% are actions still overdue.
- Since our 6-month review of progress against the Structural Reform Plans in November 2012:
  - The performance of most departments has dropped.
  - However, the worst performers at the last review, including DH, DWP, and MoJ, have improved.
- Looking at the last year as a whole:
  - DfID is the top performer in both absolute and percentage terms, followed by BIS, which has had a larger volume of work to complete and has maintained a consistently high on-time completion rate.
  - MoJ has missed the most actions in absolute terms, while HMT has the highest percentage of missed deadlines.
- The data only provides limited insight into the status of government reforms:
  - The changes to key reform initiatives, such as the roll-out of Universal Credit and prisons commissioning, are not reflected in Structural Reform Plan data.
  - The information presented does not make it easy to get a picture of progress on whole priority areas or on the whole duration of structural reform.

Leading this research at the Institute for Government, Justine Stephen said:

*“Since the first publication of the Business Plans in 2010, departments have consistently missed about one in four structural reform action deadlines. One year on from the most recent annual refresh of the Business Plans, it is also becoming clear that the published data does not adequately reflect progress or otherwise on flagship reform initiatives such as the roll-out of Universal Credit.”*

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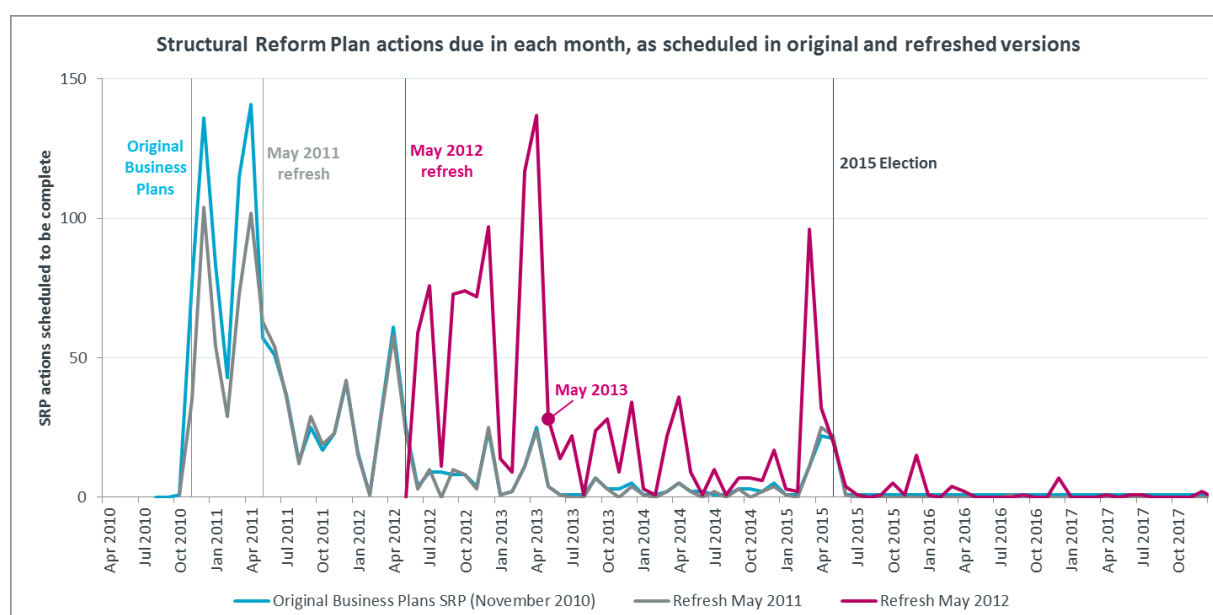
<sup>1</sup> Speech from David Cameron at the launch of the Business Plans publication 08/11/10.  
<http://www.number10.gov.uk/news/pms-speech-on-business-plans/>

## Origin and evolution of Structural Reform Plans

The initial version of the Business Plans was formally published in November 2010<sup>2</sup>. The Structural Reform Plans were a key part of the suite of information contained in the Business Plans. They laid out what actions the departments would complete, with dates attached to them. The Business Plans were then refreshed in May 2011 and May 2012 and the government has stated it would refresh them every year. While later iterations of the Business Plans contained some new information, such as names attached to specific blocks of spend, the format of the Structural Reform Plans has remained broadly constant.

The actions in the original 2010 Structural Reform Plans were primarily based on the Coalition's 'Programme for Government'. As Figure 1 shows, the plans were front-loaded, with a large volume of activity in the first year and the vast majority of the original actions scheduled to complete before the 2015 election. The May 2011 refresh simplified the data and streamlined some of the items. That lowered the number of actions, but the shape of the plan remained virtually unchanged.

Figure 1: Structural Reform Plan actions, 2010-2012



Unlike the May 2011 refresh, the 2012 publication cleared out all historic actions that had already been completed. The 2012 refresh also introduced a substantial amount of new actions, many of them longer term: while less than 10 individual actions in the original Business Plan were scheduled beyond this Parliament, the 2012 refresh contained some 70 actions scheduled to finish after June 2015. This refresh also shows a more pronounced spike in activity in the few months immediately preceding the 2015 election.

<sup>2</sup> Draft Structural Reform Plans were published by most departments over the summer 2010

## Progress against 2012 Structural Reform Plan<sup>3</sup>

Six months ago, in Whitehall Monitor #15, we analysed the Structural Reform Plans data to report on progress since the May 2012 refresh.<sup>4</sup> Below, we look at performance over the last six months and at the state of structural reform one year after the latest annual refresh.

As Figure 1 shows, the majority (about 60%) of structural reform actions contained in the latest refresh were scheduled to complete by April 2013, with a spike in completions in the last few months.

## How have departments fared over the last six months?

The period since our last review of the Business Plans was a busy one for structural reform with a significant volume of actions scheduled to be completed in the last six months.

Our analysis shows that 74% of the actions that were due were completed on time. The actions that were not completed on time break down into 8% completed late and 17% still overdue.<sup>5</sup>

This is similar to the performance over the previous six months (May-October 2012<sup>6</sup>), when 76% of actions were completed on time, and to performance in the first year of the Business Plans, when 74% of actions were completed on time.<sup>7</sup>

Most departments report a higher share of overdue and late actions than they did six months ago. The largest drops in performance were by HMRC, which had only had two actions to complete within the first 6 months but has missed deadlines recently and dropped from top rank to 15<sup>th</sup>. The drop in HMRC's performance results from the failure to meet the fraud and error reduction target and to clear legacy backlogs prior to the roll-out of Real Time Information, the new tax reporting system. DCMS now has overdue work across its priorities, in particular growth, broadband, and equal opportunity. As a result, it dropped from 5<sup>th</sup> to 12<sup>th</sup>. At the other end of the scale, DH and DWP, two departments that did among the worst on this measure six months ago, have shown the greatest improvement. BIS stands out for having the highest on time completion rate in each of the last six months.

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<sup>3</sup> The analysis is based on data extracted from the Number 10 Structural Reform Plans API feed. We normally take our cut of the data approx. 1 week after the end of the month to allow departments time to report against actions due the preceding month, but as we noticed that departments were still updating performance on their April deadlines after 10 May, this bulletin is based on data downloaded on 29 May. As the Business Plans can be updated throughout the month, this represents a point in time snapshot. Details of the No. 10 API feed can be found here: <http://transparency.number10.gov.uk/developers>

<sup>4</sup> See [Whitehall Monitor #15: Analysis of Departmental Business Plans](#), November 2012

<sup>5</sup> Figures do not round to 100% because of rounding.

<sup>6</sup> See [Whitehall Monitor #15: Analysis of Departmental Business Plans](#), November 2012

<sup>7</sup> See [Whitehall Monitor #9: Business Plan performance – one year on](#), November 2011

Figure 2: Completion of Structural Reform Plans actions due in the last six months

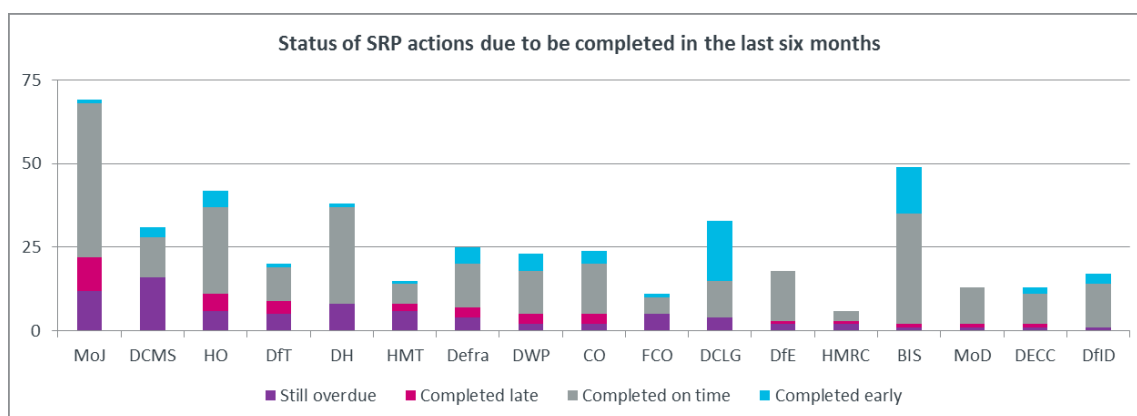
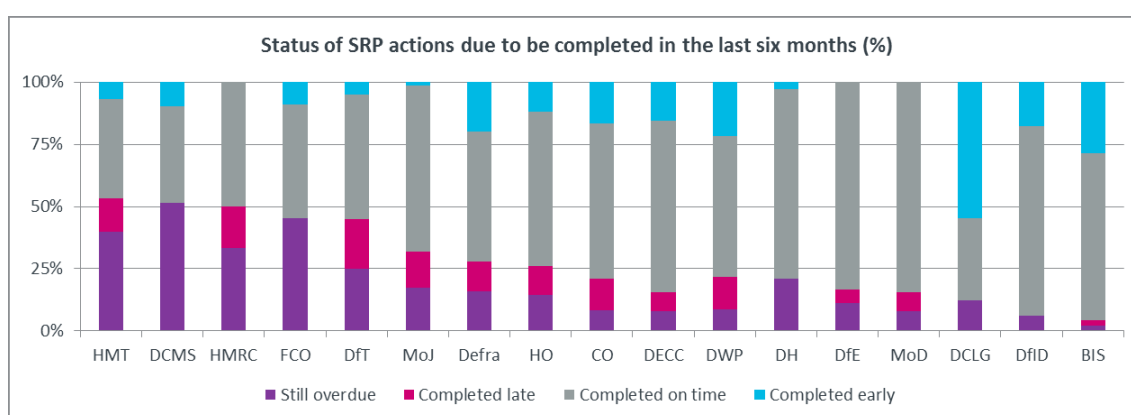


Figure 3: Completion of Structural Reform Plans actions due in the last six months (%)



MoJ and BIS stand out as having the largest volume of work due in the last six months, but they differ in how much of the work they completed on time. MoJ had the highest number of actions due in the last six months, but also missed the most deadlines (Figure 2). BIS had the second highest number of actions due and also completed the highest number on time, making it the best performer in absolute and percentage terms (Figures 2 and 3).

### What is the picture one year after the refresh?

Putting the last 12 months together, we can now paint a picture of structural reform performance since the refresh, for whole of government and for departments.

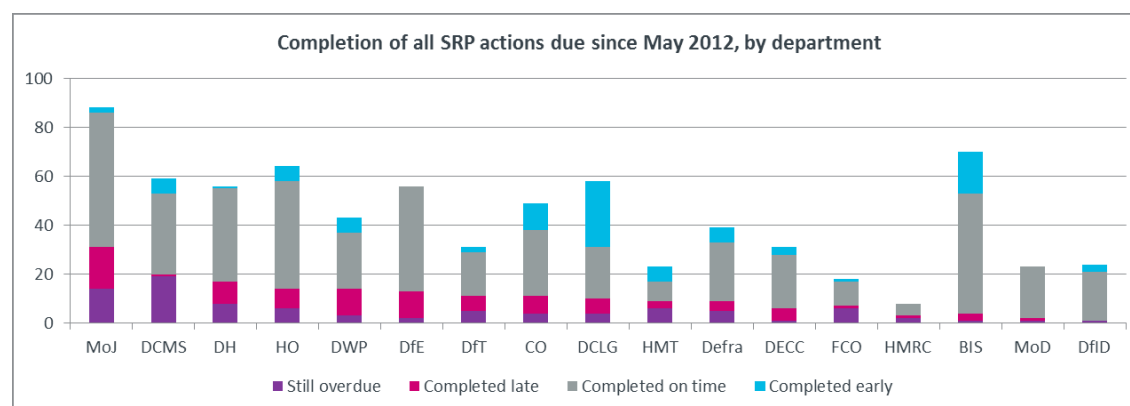
Looking at government as a whole, in the 12 months since the refresh, 75% of all actions which were due were completed on time. The 25% missed deadlines break down into 13% (94 actions) late and 12% (88 actions) which are still overdue.

Figure 4: Percentage of missed deadlines for all due actions, six and twelve months after refresh, with ranks<sup>8</sup>

Dept	% deadlines missed		Rank		
	6 months in	12 months in	6 months in	12 months in	Change
DfID	0%	4%	1=	1	▲
BIS	10%	6%	4	2	▲
MoD	0%	9%	1=	3	▲
DCLG	24%	17%	10=	4	▲
DECC	22%	19%	9	5	▲
HO	14%	22%	5=	6=	▲
CO	24%	22%	10=	6=	▲
Defra	14%	23%	5=	8=	▼
DfE	26%	23%	13	8=	▲
DH	50%	30%	17	10=	▲
DWP	45%	33%	15	10=	▲
DCMS	14%	34%	5=	12	▼
MoJ	47%	35%	16	13=	▲
DfT	18%	35%	8	13=	▼
HMRC	0%	38%	1=	15	▼
FCO	29%	39%	14	16=	▲
HMT	25%	39%	12	16=	▼

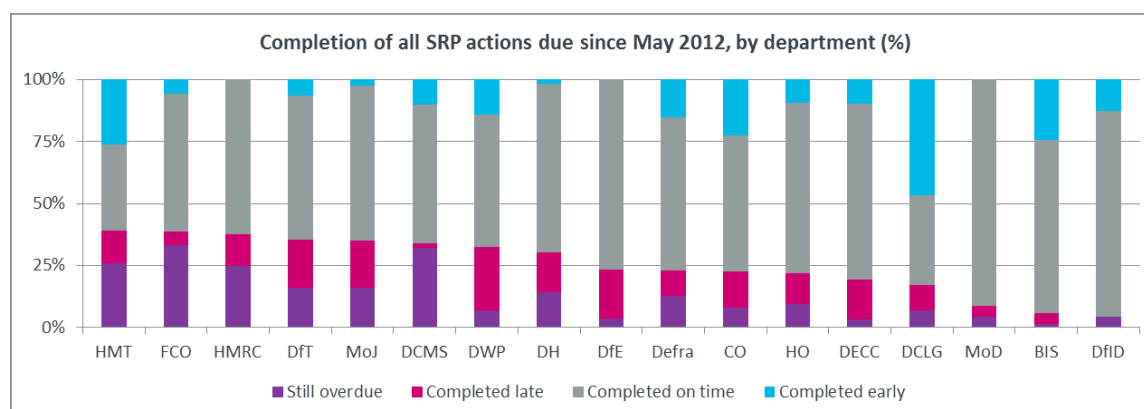
Looking at individual departments, BIS and MoJ have completed the most actions (Figure 3). MoJ has also missed the most actions (Figure 5). In relative terms, DfID, MoD, and BIS rank as the best performers with less than a tenth of their work overdue. HMT, on the other hand, ranks last with almost 40% of deadlines missed, although the percentage is based on a small number of actions. (Figure 6).

Figure 5: Status of all actions due since May 2012



<sup>8</sup> 'Six months in' 2012 percentages and ranks taken from [Whitehall Monitor #15](#), November 2012

Figure 6: Status of all actions due since May 2012, in %



## Is this a good reflection of the progress on structural reform?

Whilst the Business Plans do allow us to analyse whether departments have kept to their original plans, it is not clear that tracking the numbers of actions completed or missed offers real insights into departmental progress. Below we illustrate some of the issues in using them to assess the status of major reforms and we also examine how far they can be used to judge departmental performance.

### The reality of major reforms

We have pointed out previously that a “key test for the credibility of the Business Plans” will be whether the data reflect the reality of major reforms on the ground.<sup>9</sup> It is now clear that at least in some cases, the Structural Reform Plan data do not pass this test:

- The roll-out of Universal Credit by DWP is marked as complete even though the scope and timing of the initiative have changed significantly (DWP Action 1.1)
- Changes to DfT’s rail franchising programme are not visible in the data: the entire franchising programme is bundled into one action which is not due until 2015 (DfT Action 2.2).
- However, there are instances where the Business Plans do provide an insight in to the status of reforms. For example, the known delays to DCMS’s broadband programme are reflected in the data (DCMS Action 5.1)

The upcoming annual refresh of the Business Plans should take account of these changes so that work can be tracked meaningfully in areas where intentions have changed.

### Responsibility for delays

In most cases, departments provide information on why an action is overdue, so it is possible to gain some insight into why delays are occurring. Most of the variation between departments’ shares of late or overdue probably reflects how well departments are managing their work, but in some cases delays are driven by factors beyond departments’ control or by how actions are defined and how progress is tracked.

<sup>9</sup> [Whitehall Monitor #9: Analysis of Departmental Business Plans](#), November 2011

One common explanation for delay is that the department has to wait for Parliament to act before they can report an action as complete.

- This is the case with HMT's work on taxation reform (HMT Action 2.3), whose completion depends on the passage of the Finance Bill. It is not clear whether the scheduling took no account of time needed to pass legislation, or whether the Finance Bill, whose passage is quite predictable, has indeed taken longer than expected to pass through Parliament.
- DCMS's work on the Equalities Red Tape Challenge (DCMS Action 6.3) is reported as delayed due to Parliament.

Departments cannot foresee all delays that occur when legislation reaches Parliament, but they should allow sufficient time for them in their plans.

## Status tracking

The way actions are defined and tracked can distort the picture of a department's performance and make comparisons difficult. In our first look at the Business Plans in 2010 we noted that "each department was allowed to choose what actions went into its Business Plan and there is significant variation in the level of granularity they report on."<sup>10</sup>

- In FCO's Structural Reform Plan, actions usually list multiple steps, and even if only one of these steps is incomplete, the action is listed as overdue. This means that the department gets no credit for the steps it has completed and it also makes comparisons with departments who report at a more granular level tricky. An example of this is FCO's engagement on the EU budget, which is considered a success but is pending approval by the European Parliament; the FCO has a role to play at this stage, but the bulk of its work in this area is already complete (FCO Action 2.3).
- The data focuses on the completion of actions, but some departments have included targets in their plans. For instance, HMRC has missed its target for reducing error and debt. This has resulted in the related action being marked as overdue – but since this is an annual indicator, the action would remain overdue for a year.

The design and presentation of the publically available data make it difficult to paint a genuinely informative picture of progress on reform.

- Completed actions contained in previous versions of the Structural Reform Plans have been removed in the 2012 refresh. This makes it difficult to provide a view of reform from beginning to end.
- Structural Reform Plans are organised into top-level priorities, consisting of areas of work, which in turn contain individual actions. However, completion is only scheduled and tracked for individual actions, with no view of how work on entire priorities is progressing over time.

## Next steps

We will continue to track progress on structural reform. We will also be watching how the government's thinking on Business Plans and transparency develops in the upcoming 2013 refresh,

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<sup>10</sup> [Whitehall Monitor #9: Analysis of Departmental Business Plans](#), November 2010

and whether the refreshed Business Plans reflect recommendations that we have made over time on the Business Plans, first in *See-through Whitehall*<sup>11</sup> and most recently in a note published alongside Whitehall Monitor #15.<sup>12</sup>

## More information

All Whitehall Monitor bulletins and data, as well as other publications, are available at <http://www.instituteforgovernment.org.uk/our-work/more-effective-whitehall/whitehall-monitor>

## Annex 1: List of acronyms

Acronym	Department Name
AGO	Attorney General's Office
BIS	Business, Innovation and Skills
CO	Cabinet Office
DCLG	Department for Communities and Local Government
DCMS	Department for Culture, Media and Sport
DECC	Department for Energy and Climate Change
Defra	Department for Environment, Food and Rural Affairs
DfE	Department for Education
DFID	Department for International Development
DFT	Department for Transport
DH	Department of Health
DWP	Department for Work and Pensions
FCO	Foreign and Commonwealth Office
HMRC	Her Majesty's Revenue and Customs
HMT	Her Majesty's Treasury
HO	Home Office
MoD	Ministry of Defence
MoJ	Ministry of Justice

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<sup>11</sup> Justine Stephen, Robin Martin, David Atkinson, *See-through Whitehall*, November 2011, available at <http://www.instituteforgovernment.org.uk/publications/see-through-whitehall>

<sup>12</sup> Justine Stephen, "Departmental Business Plans", 20 November 2012, available at <http://www.instituteforgovernment.org.uk/our-work/more-effective-whitehall/whitehall-monitor>