

This Spending Review provides the Cabinet Office with the resources to allow it to continue to fulfil its role as a strong strategic centre for government. Over the Spending Review period the Cabinet Office will focus on the areas where it best adds value – co-ordinating government business and driving civil service reform.

The 2004 Spending Review also provides additional resources for the Security and Intelligence Agencies as part of the Cabinet Office group to support a significant expansion of their international counter-terrorism capabilities.

## AN EFFECTIVE CENTRE FOR GOVERNMENT

**22.1** Over the 2004 Spending Review period, the key aim of the Cabinet Office will be to provide a strong centre to make government more effective. This overall aim will be supported by four strategic objectives:

- to support the Prime Minister in leading the Government;
- to achieve co-ordination of policy and operations across government;
- to improve delivery by building capacity in departments and the public services; and
- to promote standards that ensure good governance, including adherence to the Ministerial and Civil Service Codes.

### **Box 22.1: Key Public Service Agreement (PSA) targets**

Cabinet Office have streamlined their PSA targets to increase their relevance and to reflect the Prime Minister's determination to reform the Civil Service, while recognising the need for continuity with existing targets. The PSA for the 2004 Spending Review period comprises targets to:

- ensure departments deliver better regulation and tackle unnecessary bureaucracy in both the public and private sectors, by April 2008;
- improve public services by helping departments meet their PSA targets, consistently with the fiscal rules (joint target with HM Treasury); and
- build the capacity of the Civil Service to deliver the Government's priorities, by improving leadership and skills and meeting the agreed diversity targets by April 2008.

**22.2** The Cabinet Office also plays a key role in co-ordinating policy at the centre of government. Although this work does not have a high public profile, it is essential to the efficient conduct of government business. The Cabinet Office provides effective co-ordination on a wide range of issues, many of which cut across normal institutional boundaries. Its work in co-ordinating security policy is particularly important in the current international climate.

**22.3** The Cabinet Office's co-ordination role incorporates:

- co-ordinating intelligence and security policy and funding;
- improving resilience to disruptive challenges and managing crises; and
- supporting the work of the Cabinet, by providing effective co-ordination of the Government's domestic, European, defence, overseas and security policies.

**22.4** The Cabinet Office will pursue its role in facilitating the modernisation of the Civil Service as set out by the Prime Minister. It will work with other departments to build the capacity of the Civil Service, making it more effective and increasing the focus on delivery and customer service.

**Box 22.2: Efficiency**

**Agreed target**

The Cabinet Office will realise total annual efficiency gains of at least £25 million by 2007-08, of which at least half will be cashable, releasing resources for other priorities.

**Implementation plan**

As part of this programme the Cabinet Office plans, by 2007-08, to:

- achieve a total reduction of 150 civil service posts and be on course to relocate 250 posts out of London and the South East, and explore the business case for the relocation of a further 120 posts;
- rationalise back office functions by continuing work on establishing a shared corporate human resources services centre with HM Treasury and the Office of the Deputy Prime Minister, outside of London and the South East, reviewing back office systems and costs, and implementing reforms in financial management and information technology; and
- deliver around half of total efficiencies through improved procurement, for example by improving systems and automating transactions.

## SECURITY AND INTELLIGENCE AGENCIES

**22.5** The Security and Intelligence Agencies continue to play a critical role in protecting the UK from a variety of threats including the current threat from international terrorism. The 2004 Spending Review provides additional resources to support a significant expansion of the international counter-terrorism capabilities of the Security and Intelligence Agencies as part of the wider cross-departmental counter-terrorism strategy. This reflects the high priority attached to this work by the Government.

**Table 22.1: Key figures**

	£ million			
	2004-05	2005-06	2006-07	2007-08
<b>Cabinet Office</b>				
Resource Budget	1,862	1,887	1,997	2,055
<i>Of which Administration Budget:</i>				
Cabinet Office (excluding Single Intelligence Account)	226	205	205	205
Single Intelligence Account	594	621	704	747
Capital Budget	220	233	248	263
<b>Total Departmental Expenditure Limit<sup>1</sup></b>	<b>1,870</b>	<b>1,906</b>	<b>2,028</b>	<b>2,098</b>
Cabinet Office <sup>1</sup>	230	220	220	220
Single Intelligence Account <sup>1</sup>	1,155	1,205	1,327	1,397
Other bodies <sup>2</sup>	485	481	481	481

<sup>1</sup> Full resource budgeting basis, net of depreciation.

<sup>2</sup> Including the House of Commons, the House of Lords, the Parliamentary Commissioner, the Privy Council Office, the Central Office of Information and the National Audit Office.

