



CABINET OFFICE

Civil Service Chief Operating Officer & Cabinet Office Permanent Secretary

Catherine Little CB
Civil Service Chief Operating Officer
and Cabinet Office Permanent Secretary
8 July 2025

Dear Sir Geoffrey,

Following the Prime Minister's reform speech on 13 March and the recently concluded Spending Review, the government has set out its approach to cross-government efficiency; including the role of functions.

The Office for Value for Money and its Chair have worked closely with all departments to agree bespoke technical efficiency targets and delivery plans for day-to-day budgets, publishing targets and plans allowing for greater external scrutiny and public accountability. This exercise has harnessed cross-government expertise, including the following Cabinet Office functions: the Government Commercial Function, the Office of Government Property, and the Government Grants Management Function. The Department for Science, Innovation and Technology (DSIT), as the digital centre of government, provided guidance and support to departments on their plans for delivering efficiencies through digital transformation. The functions will continue to support departments as they deliver their plans.

I remain committed to the publication of the functions' contribution to efficiencies. The Cabinet Office is working across Government on how best to publish these savings and any future publication will be based on the Government Efficiency Framework (GEF).

In the meantime I would like to provide an update on your Committee's remaining recommendations on functional reporting:

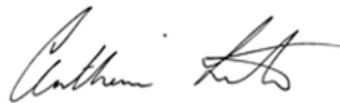
- **Recommendation 2b:** In my previous letter to you in December 2024, I said that the Cabinet Office would deliver this recommendation in June 2025. I can now confirm that we will shortly be publishing on GOV.UK a range of benefits delivered across the different functions. This will close this recommendation.
- **Recommendation 3:** Functions are now expected to use consistent methodologies in respect of efficiencies in accordance with established Government Efficiency Framework (GEF). This will enable costs and efficiency savings delivered, to be compared across time and different areas of government. The Cabinet Office will ensure functions continue to support delivery of the government's efficiency savings agenda. This closes this recommendation.
- **Recommendation 4a:** As outlined in my previous letter to you in December 2024, I committed to meet this recommendation through delivery of publication of a range of functional benefits in accordance with recommendation 2b above. This closes this recommendation.

- **Recommendation 4b:** As outlined above, the government has set out a new approach to delivering efficiencies at the Spending Review. Each departments' delivery plan sets out how it will deliver efficiencies as it delivers its priorities, including those from the functions (e.g. through better grants management; estates management, or digital improvements.) This will ensure a holistic approach to efficiency reporting, where functional efficiency activity is captured alongside departments' wider efficiencies. This also means that the most recent annual function efficiency publication from January 2025 will be the last. The functions will continue to support departments to deliver efficiency targets and plans. This closes this recommendation.
- **Recommendation 5a:** Through the adoption of the GEF, all efficiencies will be required to be reconcilable to departmental budgets and as such will avoid double counting by requiring common and comparable baselines. In respect of guidance, HMT and CO will support functions to provide examples/case studies for further iterations of the GEF. This closes this recommendation.

As the Government continues to develop its approach to the efficiency agenda and the functions' role within that, I will write to the Committee in 12 months to provide an update on the Cabinet Office's ongoing work in this area.

Finally, the functions will continue to support delivery of cross-cutting efficiencies that help drive down costs across Government. Our engagement with your Committee over the past year has contributed towards this goal.

Yours sincerely,



Catherine Little CB

Civil Service Chief Operating Officer & Cabinet Office Permanent Secretary

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