



**Draft Report of the EURIM Personal Identity Group meeting,
1000 – 1200 hours, 3 February 2006, 1 Parliament Street, Westminster**

SUMMARY OF MAIN POINTS

1. The Shared Services agenda is a critical part of the Transformational Government strategy, and presents a number of challenges for the infrastructure of the UK Government across the public sector. The aim is to transform IT from an inhibitor to an enabler of information exchange, while observing data protection principles, so as to liberate the assets held in the public sector and maximise efficient use of resources.
2. Shared Services heralds a radical change in the nature of service provision, from a situation where suppliers offer niche products for a customer to fit together, to convergent, integrated, bundled solutions with open standards across the technology sector. The challenge to the markets is to provide convergence, transform the way we use and exchange information, and (for suppliers) to bring a new approach to commercial arrangements that incentivise sharing. The shared service agenda will depend on implementation of standards, compatibility between software solutions and interchangeability between networks in the community of suppliers in a quest for convergent solutions.
3. Over 1300 public sector organisations are duplicating spending rather than sharing resources and increasing efficiency. Barriers to sharing will be replaced through rationalization of service centres (most are not joined up at present) for dealing with personal information, in a way that protects against risk while affording a one-stop-shop, holistic service for the citizen.
4. Government Gateway is a key area for shared services, including its security, availability and interfacing with Government departments. A subgroup of the CIO Council is looking to develop a cross-Government enterprise architecture model, linking with Government Connect to bring in local authorities to the network, opening up channels of communication between all parts of government.
5. The approach to shared services will subdivide Government into 9 sectors. A sector management board will draw up a plan focused on the needs for sharing data, resource, systems, infrastructure, information exchange etc. within each sector, rather than from a departmental perspective. Most sector plans should be in place by April 2006. Inter-sectoral links will prevent the development of 'super-silos' and exploit the different connections that become apparent, e.g. between Local Government and Home Office, where improved information flows could greatly enhance efficiency.
6. Data cleansing and data quality present serious challenges to data security management. Resources have been available to study this, and there is an intention to pare down the type of data held to what is necessary. Within the sector plans, data analysis, data protection, security implications and access rights are especially significant for front line services where correct and up-to-date health, criminal and employment records are particularly important.
7. EURIM members are invited to send examples of successful methodologies for data cleansing, data sharing in banking and international information exchange via Dave Wright (davywright2@ntlworld.com).
8. The EURIM response to the Transformational Government consultation has been submitted.

1. Welcome and Introduction

1.1 Members and observers were welcomed to the meeting, with introductions around the table.

2. Implementation of Shared Services – David Myers

2.1 The sharing agenda presents a number of challenges for the infrastructure of the UK Government across the public sector, much of which will affect networks, applications provision and controlled data exchange. Many EURIM members have a direct role in driving the government agenda forward; the aim is to transform IT from an inhibitor, to being an enabler of information exchange, while observing data protection principles, so as to liberate the assets held in the public sector and maximise efficient use of resources for the TG agenda.

2.2 The clear message from Government is that we can improve front line service delivery by joining up and working together - examples include NOMS, child services, local government and criminal justice. Back office efficiencies and economies can also be achieved in corporate services through joining up and liberating the key assets of infrastructure, people and information.

2.3 The shared service agenda encourages implementation of standards, compatibility between software solutions and interchangeability between networks in the community of suppliers in a quest for convergent solutions. Shared services heralds a radical change in the nature of service provision from a situation where suppliers offer niche products for a customer to fit together, to the provision of integrated, bundled solutions as for example Oracle (and others) are now embracing, with open standards across the technology sector.

2.4 Supporting services is primarily about HR and Finance, but also IT. It includes moving towards common desktop capabilities, compatibility around data standards and protocols, common process models for HR and Finance functions and bringing commonality to back office functions.

2.5 Currently, over 1300 public sector organisations are duplicating spending (through having their own data stores and IT functions, and operating separate systems), rather than sharing resources and increasing efficiency. Barriers to sharing will be replaced through rationalization of service centres (most are not joined up at present) for dealing with personal information, in a way that protects against risk while affording a one-stop-shop, holistic service for the citizen. An example of what might be achieved is provided by the Defra 'whole farm' approach, where the various regulations e.g. land, veterinary services, CAP payments etc., are brought together in an enterprise architecture which links data elements together.

2.6 Shared corporate services concerns rationalizing the back office, e.g. sharing 1 HR function between a group of organisations. Examples where data sharing can provide benefits, in both front line and back office, include HMRC-DWP, applications for NINO and in ID management. A more professional and rigorous approach to information management, including prioritizing and understanding personal data and the connections that can be made, data protection and confidentiality, will increase the value and applicability of the data.

2.7 Government Gateway is a key area for shared services, including its security, availability and interfacing with Government departments. With Directgov, it is hoped to move from being a post box to information service provision useable to the citizen, akin to the Australian Centrelink project (<http://www.centrelink.gov.au/internet/internet.nsf/home/index.htm>) delivering a range of Government services accessible to the citizen from a single portal.

2.8 A subgroup of the CIO Council, comprising departmental chief technology officers, is looking to develop a cross-Government enterprise architecture model, linking with Government Connect to bring in local authorities to the network, opening up channels of communication between all parts of government.

2.9 Although much of the drive towards information sharing has been an IT initiative, it is recognised that the key issue is the willingness and ability to share information, and to remove the barriers to information sharing related to security, fitness for purpose and 'people' issues of vested interest, resistance to change and organisational impediments.

2.10 Geographic information is an area where more support could drive efficiencies. Defra and the Environment Agency would quite often have the same data sets, with each body running its own geographic information sources, whereas the Northern Ireland Survey holds name and address details in common with associated geographic data.

2.11 The main focus however is the rationalization of HR and Finance, with predicted savings of ~ £1.3 bn with improved service delivery, by using data in Government in the same way as e.g. banks. At present, efficiency is constrained by the inability to share information and to access good quality information. Government data stores will be migrated away from SE England to centres in S Wales, NW England etc., with a need to develop skills and resources in those areas.

2.12 The accomplishment of shared services requires:

- Governance – a framework in which sharing is encouraged by strong leadership
- Demand – more collaborative procurement in an enterprise approach, focusing on Government rather than departmental silo need
- Supply – suppliers must provide convergent rather than niche or bespoke solutions which do not interface with others.
- Support – in an effort to practice what they preach, the CIO website which offers free a Shared Services Toolkit (useful web-links and best practice on delivering shared services in the public sector), Pathfinder Projects (public sector projects supported by the Shared Services team) and Special Interest Groups. The website is recording ~ 15000 hits/day.

2.13 Adopting a sectoral approach effectively subdivides Government into 9 units (sectors):

- Home Office (including Police)
- Education
- Local Government
- Whitehall 2 – all departments not in the other sectors (e.g. DTI, DCMS, ODPM etc.)
- Families – of organisations (e.g. Defra, EA and veterinary services dealing with farms)
- Defence
- HMRC
- Health
- DWP

A sector management board will draw up a plan focused on the needs for sharing data, resource, systems, infrastructure, information exchange etc. within each sector, rather than from a departmental perspective. Thus e.g. Home Office, DCA, Criminal Justice and the Police decide how and what infrastructure, services and information to share to be able to operate more effectively, in a process-oriented way, bringing in prisons, courts and immigration services etc.

2.14 Most of the sector plans should be in place by April 2006, and at this level, different connections become apparent, e.g. between Local Government and Home Office, where improved information flows could greatly enhance efficiency. One small but interesting example is Westminster Council's 'Civic Watch' project, where services are shared between the LA, the police and fire service, and which has been successfully used in tackling anti-social behaviour (identifying and addressing a group of 20 – 30 teenagers setting fire to derelict premises). Again, Blackburn with Darwen LA was able to reduce hospital costs by sharing information with those organisations with whom they had cross-cutting services, to find a solution to a common problem (in this case, by providing sturdy slippers for senior citizens who were prone to falling over because of the poor state of their footwear!).

2.15 The challenge to the markets is to provide convergence, transform the way we use and exchange information, and (for suppliers) to bring a new approach to commercial arrangements that incentivise sharing.

Questions and answers

2.16 Successful sharing of information requires high quality data, but data cleansing is an important issue that has received little attention. A big problem for the data cleansing operation is the security issue of what data different staff are allowed to access or see: how will this be dealt with?

This is a serious problem. Resources have been available to study this, and early results have shown that some Government data-bases are actually better than expected, but in other areas, e.g. health,

much of the data was seriously flawed. There is an intention therefore to contract teams on data analysis exercises, and to pare down the type of data held to just what is necessary. Data cleansing does present a challenge to data security management, and there is an important market here. Within the sector plans, data analysis regarding data protection, security implications and access rights is performed as part of early stage preparations. This becomes especially significant for front line services where correct and up-to-date health, criminal and employment records are particularly important.

2.17 Are changes anticipated as to how the bidding process is managed (and associated costs), following on from the transformational relationship between the supplier and demand side?

A new procurement strategy for shared services is at this moment being worked on, and will radically transform the terms and conditions for contractual and commercial arrangements, and the procurement cycle. In a utility-type set of common service offerings across a landscape, it is easier to create a catalogue of menus of services for which to bid and then re-use across Government. This may require a new concordat between OGC and the industry on IT in particular, and an announcement on this may be made in the next few months.

2.18 Have any lessons been learned from private sector experience of shared services (e.g. the telco billing system run by BT on behalf of its competitors), in terms of the politics of what brought the competing organisations together?

Private sector experience of shared services is well-established, but had not always been successful. The public sector also has some good examples, including schemes run by Blackburn with Darwen, Liverpool, Rotherham and Norfolk local authorities. The Shared Services team are working with private sector firms such as Pfizer (on HR and finance), and the telcos, who have faced the same challenges on governance that the team now faces. The difference is that commercial necessity and the interests of the shareholder - reducing costs and improving quality of service - drive sharing in the private sector, but in Government the same allegiance to the taxpayer is not so evident.

The utility market should provide good examples of how the shared service market will develop in the UK, and it is possible to foresee a small number of large providers of shared services operating alongside a large number of niche organisations offering a range of products in a joined-up system that will radically change the way the market is shaped.

2.19 Joining up in the back office blurs the distinction between different organisations – whereas GG can enable individuals to interact with many distinct organisations in a better way.

Government needs to provide front-line services in an easy-to-use, joined-up way, whilst retaining the brand identity of the providing departments and adhering to the requirements for information security. This responds to what citizens want whilst improving back-office efficiency. Sharing services does not however mean centralisation, but rather a platform enabling maximum flexibility of service provision.

2.20 The management of a shared infrastructure in which so many parties had a common interest is likely to be difficult.

Experience in both the public and private sectors supports this, and therefore continuous improvement and the maintenance of the service ethos is vital. The HR shared service in Transport for London is a good example of where the service ethos is strong.

2.21 Does the establishment of extended Whitehall sectors raise the possibility of the creation of 'super-silos', which could actually impede shared services?

The establishment of inter-sector connections, along with the principle of customer focus, should prevent this. 'Whitehall 2' presents the greatest challenge; a critical mass of 20000 staff served is needed to benefit from economies of scale.

2.22 Could information security be a show-stopper to information sharing at the strategic level?

Security concerns would probably bring about a more rapid solution for managing information held at different classifications in a desktop environment. This might entail the use of new technologies from a managed, architectural perspective, e.g. hand-held devices, federated models etc.

2.23 What is the business model for sharing HR?

The model works on a cost/employee basis. A good shared service centre should operate at a few hundred £/employee; the ratio of support staff to staff served for HR in large private sector organisations is commonly c. 1:300 (c.f. 1:37 in Government at present).

2.24 EURIM members are helping to compile a 'grid' of current data sharing initiatives, including Secure ID and authentication, data protection and good practice protocols: would it be useful for the CIO website to host a link to the EURIM grid? It was agreed this would be helpful; DW undertook to action this.

2.25 What can the EURIM membership do to help with the Shared Services programme over the next few months, to help set the climate for the sector plans?

An area of interest is information exchange between England, Scotland and Wales, and also internationally, where up to now no research had been undertaken by the Shared Services team. Other areas would be approaches to and methodologies for data cleansing, and data sharing in banking and debt management.

2.26 One area of interest internationally is the EU collaborative project 'Guide' which set out to share entitlements between countries (<http://www.guide-project.org>). This is an EC-funded integrated research project with the aim of creating an open architecture for secure and interoperable e-government electronic identity services and transactions in the EU.

2.27 Another EU integrated project is TrustCoM which is developing a framework for trust, security and contract management that provides required access to shared information and services between business partners, both trans-border and trans-sector: (<http://www.eu-trustcom.com/index.php?page=Objectives>). Demonstrators are available if further information is required.

2.28 Trials to test data quality on the major, DfES-led, national information sharing index, using data from some of the major departments and local authorities, were also being planned, and statistical data from this could be shared.

2.29 Will the 'brand identity' of the providing departments be preserved in a back-office shared services environment, where the focus was on Government (not departmental) delivery?

Research on the motivational power of brands has reinforced the perception that the sense of identity in belonging to a team is extremely important, both for delivery and accountability. Shared services may be Government-wide, but it is critical that ownership is local; departmental franchises will help to maintain this.

3. Report from EURIM Council

3.1 The final version of the EURIM response to the Transformational Government consultation has been submitted. A change from the circulated draft response was the provision of an opening Summary. A digital copy of the response is attached to the email carrying this report, and so it will not be repeated here. The response is also available from the EURIM website at: http://www.eurim.org.uk/resources/status_reports/EURIMResponse_TGconsultation.pdf

3.2 The EURIM Council agreed a number of actions that need to be in the public domain by April 2006 to help set the climate for the departmental and sector plans. One action is for an open meeting with Jim Murphy MP (or the Chancellor of the Duchy of Lancaster if appointed by then) to give an update on progress, but more particularly to enable EURIM members to announce how they are contributing to the implementation of the TG agenda and be publicly thanked.

3.3 A meeting with Baroness Ashton at DCA will take place after the Ministerial Committee on Data Sharing (Misc31) has met (it's ToR being 'to develop the Government's strategy on data sharing across the public sector'). The aim is for the minister to introduce policy and plans to an audience of those with whom government expects to work on service delivery (intermediaries as well as suppliers), and to invite members present to announce how they can help turn policy into reality. It should be borne in mind that most of the projects that fail do so not because of the technology, but because of people issues (e.g. failure to adequately train practitioners).

3.4 The need is to work up successful examples of data sharing. The EURIM 'Successful Delivery' Working Group has been renamed 'Transformational Government, charged with looking for successful examples of secure sharing and joining up. It has so far found only small-medium intra-departmental examples; the real task is to find examples of successful cross-organisational data sharing wherever they occur, including local government and the private sector in other parts of the world as well as the UK. Examples of creating the political climate that enables the running of shared services across organisations, competitors and groups who do not trust each other are needed, together with cases of best practice within the IT industry – and examples of how not to do it!

3.5 A meeting of the e-Crime Group with Paul Goggins is also planned on the Home Office e-Crime strategy, a large part of which overlaps with public sector security.

3.6 Another action from Council was to hold a meeting with Home Office officials on the Identity Cards Bill, on how to get departments to work together in a reasonable time frame – the scheme presupposes an 'unprecedented degree' of cross-departmental cooperation. This will include asking suppliers to say how they can help and encourage joining-up, rather than reinforcing silos.

4. Date of next meeting

4.1 The next meeting of the PI Group will be:

- 23 February – Iain Bell (DWP) on data sharing in the Work and Pensions Longitudinal Study