

Speech to Conservative Technology Forum on 1st March 2010

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I am presenting a supplier's view of what the next government needs to do about its own use of technology. These views are **mine**, not the official views of my company or Trade Association, though they are based on many years of experience and do reflect many recent discussions with colleagues across the industry.

In the current financial squeeze government, like private industry, is going to have to 'do more for less', cutting the costs of delivering services while providing the improved services demanded by citizens.

- That cannot be done by more incremental squeezing of costs by a few % as government has attempted in the last few spending reviews.
- It will need radical reform of the way services are designed and delivered
- And, as in private industry, that new efficient service delivery will generally need to be enabled by Information & Communications Technology (ICT).

Those reform programmes are business change programmes, not ICT projects. Experience shows that the ICT element of the cost of a radical business change programme is typically around 20%. Don't let the tail wag the dog by focussing on the technology. As Sir Peter Gershon and others have identified it is seldom the technology that is responsible for project delays and overruns. Yet today business change projects in the public sector are often labelled 'ICT Projects' and assigned to the CIO's team for delivery.

..and why have those projects got such a bad reputation?

The NAO has produced several good reports that give the answer - fundamentally the governance of major public sector change projects is flawed.

- Requirements are not adequately defined in terms of outcomes and budget.
- Overambitious projects - too big, too long term, too ill-defined - and the plans are often unrealistically optimistic. Requirements are sometimes put together with limited regard to the cost of implementation or the value of the deliverable. We continue to be asked for complex, gold-plated solutions that are unaffordable. Just compare the Single Farm Payments systems in England with those in Scotland for instances of gold plating versus sensible specification.
- There is lack of real ownership, personal accountability and leadership at ministerial and senior official levels in the delivery of those programmes - responsibility is delegated down to those who do not have the real authority to manage the whole programme.
- Lack of continuity - ministerial terms of office are frequently too short to see initiatives actually delivered and civil servant's career progressions take priority over project requirements.
- Lack of professionalism - individual and organisational.
 - Government is still suffering from transferring too many of its experienced IT professionals to suppliers in the round of outsourcing during the 1990s.
 - ICT Suppliers have produced and signed up to a code of organisational professionalism, but that code requires all organisations involved in implementing change to apply the rules and we do not yet have the active commitment of government.
- Procurements take too long. Not only does that mean procurement costs are too high, but by the time an order is placed the requirement has often changed. And don't blame the EU (or OGC) for procurement rules and standards that UK officials and lawyers have over-egged. If the Dutch can procure ICT projects to OJEU rules in an average of 6 months, why does it take us an average of 17 months in the UK?

There are other issues that the next government is going to have to address if it is to get control of its policy implementation and deliver improved services to citizens.

There is a culture of risk avoidance in the civil service that creates more problems than it solves.

- Officials try to push risk down to suppliers that the suppliers cannot manage. Taking risks over which they don't have control costs everybody time, money and reputation.
- Overdependence on third party advisers or experts to help the civil servants manage their suppliers. It is not uncommon to have as many 'checkers' as there are 'doers' on big programmes, yet the 'checkers' have no strong interest in or commitment to the successful outcome of the programme. It costs a fortune & is counter-productive.

There is no proper activity-based cost accounting system in central government so government does not know the cost of each service it provides. The ex-industry CEOs who led the recent Operational Efficiency Programme were appalled by the lack of management information in government, citing in the report the well known business maxim that 'if you can't measure it you can't manage it'. The government is pushing for VFM but doesn't have the basis to measure it, so continues to buy at the lowest cost rather than best value.

In summary, what do ICT Suppliers want of government?

- Clear, costed and practical requirements. And suppliers are willing to help, pro bono, to get requirements right. - Concept Viability workshops organised through the Technology Trade Association, Intellect, have proved valuable for assessing the efficacy of projects being planned by government departments, and OGC now recommends all new projects are reviewed before procurement starts. Industry will be delighted to extend that service to provide ministers with a validity check on the deliverability and completeness of policy concepts and suggest how to improve Value for Money before plans become embedded.
- Leadership and strong management and governance of business change programmes - ensuring all assigned staff are competent and trained would be a very good start.
- Mandation of OGC guidelines on procurement and project management together with better (and enforced) government technical standards from the CIO Council and CTO Council - the existing eGIF standards are out of date and have never been mandated across government. There is too much freedom in departments and agencies today to ignore Cabinet Office and Treasury guidelines, making joined-up government much more difficult.
- Implementation of good (and common) activity-based costing in all public sector organisations so ministers and the PAC can understand and question what services are actually costing, and so that suppliers can be measured on real cost-savings and value for money.
- An efficient competitive market for all suppliers, big and small, so that the best supplier is picked to deliver government's requirements. Government should make OJEU procurements work properly rather than fudging through Frameworks.
- We want a grown-up relationship of shared objectives and mutual trust between government and its suppliers.
- Oh and incidentally we also want government to agree international standards for Information Governance - on valuing information as an asset, on assuring the quality of information held in the public sector, on setting practical security and assurance standards and on identity governance - if you want to know more about those, ask EURIM.

In return you will find that suppliers will commit to deliver your policy implementations to time, quality, budget and outcomes, and will bring the innovation and commitment you need to make UK citizens and business happy with the services they get from government. You have a world-class IT services industry in the UK. Please capitalise on it.