

THE EUROPEAN
INFORMATION
SOCIETY GROUP

EURIM



Minutes of the EURIM Transformational Government Policy Dialogue Hearing with John Suffolk, 5 March 2008, 1530-1700 hours Committee Room 10, Westminster Palace

Parliamentarians present on the Panel: Margaret Moran MP (Chair; Labour, Luton South); Tim Boswell MP (Conservative, Daventry); Philip Dunne MP (Conservative, Ludlow); Earl of Erroll (Crossbencher), Lord Archy Kirkwood (Liberal Democrat); Rt Hon Alun Michael MP (Labour, Cardiff South and Penarth); Chris Mole MP (Labour, Ipswich), Mark Todd MP (Labour, South Derbyshire).

Witness: John Suffolk (Government Chief Information Officer)

EURIM Team Leaders present: Peter Buchanan (EDS), Chris Francis IBM), Dave Waltho (SAS).

Panel Apologies: Ian Stewart MP, Dr Phyllis Starkey MP, Derek Wyatt MP.

Rapporteur: Dave Wright (EURIM)

1. Introduction

1.1 Margaret Moran MP welcomed John Suffolk as the sole the witness to the fourth EURIM Transformational Government Policy Dialogues hearing, and explained that John had had to withdraw from the previous hearing because of illness. The Policy Dialogues team were 'seekers after the truth' rather than inquisitors, and the hearing was designed to elicit evidence from a wide range of stakeholders that would help with the policy of transforming government.

2. Witness testimony

2.1 MM initiated the questioning by referring to a Public Accounts Committee report in 2007 (DW: see <http://www.publications.parliament.uk/pa/cm200607/cmselect/cmpubacc/113/113.pdf>) 'Delivering successful IT-enabled business change', which linked successful case studies to continuity with departmental champions and senior responsible owners, and ownership from concept to implementation. However, most major policy initiatives will involve at least one change of minister and senior officials between primary and secondary legislation before procurement is complete and implementation under way. How serious is this as a complicating factor for the successful delivery of transformation, and what can be done to reduce the rate of churn, at least among officials involved, or to otherwise handle the consequences?

JS considered that the issue of large scale change is a challenge for any organisation, and should be seen not just in terms of ministerial, SRO or programme director change, because inevitably people move on for many valid reasons throughout the life of the project. We therefore have to factor in churn when planning change in terms of design and risk management. But from the beginning, unless we clearly articulate why change is necessary, and win the hearts and minds of those who have to execute the change, the project will be doomed to fail even with continuity of SRO .

The NAO report was very useful, because it reinforced the messages of the Cabinet Office-led McCartney Review of 2002, which looked at common causes of success and failure. JS did not think that we focus as a core competence on how to handle business change from a leadership development perspective; there are many stakeholders, and many opportunities for holding back progress. We should not therefore just focus on the SRO or administrative change: Change has to be understood and managed professionally.

2.2 MM referred to exciting evidence from witnesses at previous hearings about best practice around personalized services, engaging directly with the consumer and involving diversity of delivery;

how can the CIO Council ensure that such learning and innovation is captured and spread, because this seems to happen only on a very limited scale.

JS replied that he had once asked the IT community in the UK to articulate to the CIO Council examples of their successes, but the disappointing response did not reflect the value the IT industry had created. So suppliers were invited to present 2-page case studies of problems they had addressed, how they were solved and what value was created; these would be posted to the Cabinet Office website. Unfortunately, ~95 % of their submissions were rejected because most suppliers were unable to present an evidence-based case for the value added. One reason for this appears to be that in UK culture we are somewhat embarrassed by talking up success.

The CIO Council therefore does a number of things to advertise success. Firstly, it selects products and services that are known to work and advertises them so as to discourage 're-invention of the wheel'. Secondly, when there is a national competition, all the case studies, which may be well in excess of 100, accompanying entries are published to provide maximum exposure so that others can adopt from them ideas and techniques that they can use in their own projects. The Council also encourages those who have innovative ideas that work to talk about and promote them as widely as possible across their fields of influence.

2.3 Alun Michael asked if this problem was confined to the public sector, and was it made worse by media bias in over-reporting of bad news stories?

It is a problem of the IT industry, not the public sector. It's not that the media just always publish the bad news - we never give them the good news. A balance is needed between learning lessons where appropriate, and celebrating success where this is justified to promote the achievements of the industry when value has been added and where that may be useful for others to adopt and/or learn from. There is a collective role for the industry to ensure that a balanced message is given to the public.

2.4 MM noted that evidence from the TG hearings had shown that sometimes the best ambassadors of success are the citizens/customers themselves, especially where they have been innovatively engaged in the design and delivery of joined-up services. To what extent have you in your role tried to promote this message, and what examples have you used? In Connecting Canada, the greatest advocates and ambassadors of the new system were MPs – have you ever thought of using parliamentarians in a similar role here?

There are pockets of sheer brilliance in the public sector where customer insight and citizens have been used to drive particular service propositions, but others find this a difficult concept. The Delivery Council has produced a customer-insight toolkit, at the heart of which is the use of a team of customers, letting them help shape the service and determine what is good, and also discover what works and what does not. Importantly, the customer voice is heard on the inside of the service, not the outside, and going through the service delivery stage by stage to assess workability and value. While we are still building expertise, the signs are that this is the right direction to go, and we are learning from the public sector experiences of other countries, including Australia, Canada, Holland, New Zealand, Singapore and the USA.

The idea of using MPs as champions has not so far been considered, but this does would appear to be a route worth trying.

2.5 Mark Todd remarked that in the public sector, the concept of the customer was not always obvious, and the respect for their contribution to the service intended often non-existent. Is their an task for us in trying to change attitudes so that the customer is properly understood and their potential value to the organisation recognised?

JS averred that in his experience, a public service ethos is apparent, and people were passionate about providing a good service but there is more to do. When he was in retail banking JS' salary was performance related as determined by the customer and he had to personally ring anyone who wrote in with a complaint. It was a very salutary experience. The public sector has not gone that far but does take customer satisfaction very seriously.

MT suggested that the CSA experience might indicate otherwise.

2.6 AM suggested that part of the problem may be the fragmented nature of Government and its interface with the public, where people encounter both inter- and intra-departmental silos, with little contact between providers let alone the customer.

JS acknowledged that this was a big challenge, if only in terms of the huge size of public sector as a whole. Steps taken to counter this include bringing people together in the setting up of local criminal justice boards, with witness care units and crime and disorder reduction partnerships. The private sector responded to people not wanting to give their personal details repeatedly for a service, and the public sector similarly must ensure that the customer does not have to make multiple applications, repeatedly defining their personal details, in order to effect what is to them one process. The public sector must therefore adopt horizontal convergence, and embrace the *raison d'être* behind transformational government, in order for the silos to become more invisible to the citizen.

2.7 Lord Erroll recalled a point made at a meeting with Tom Steinberg (founder and director of mySociety) that on the whole central government is not good at working across silos. Other organisations working on behalf of the citizen can however draw related threads together to provide the citizen with the required information (e.g. “mash-ups” and social network interest groups). Would this provide a better model than trying to link up the various silos?

JS considered this a different model, not necessarily a better model. We can all get too excited over the Internet/Web 2.0 etc. The Government deals with every citizen regardless of their ability through all available channels, whereas mySociety and similar organisations will satisfy just one segment of the population. So we have to become more skilled in employing the best competence to fill a particular requirement, and select the appropriate channel that will best serve the need of the citizen – whether this is through mySociety, Citizens Advice, or the Government.

2.8 LE asked if this would still be true where the Government had to act as enforcer to the citizen (e.g. taxation), as opposed to service provider?

There is no single answer. The role performed by an organisation often drives its culture, so there is no point asking hard-nosed financial operators to act as bedside counsellors: the required culture, values and skills are clearly different. So purpose and cultural mapping are important considerations for decisions on joining up, and where work is allocated.

2.9 MM asked why, having advocated using intermediaries and self-help groups like Citizens Advice, Netmums etc., the Government has sought to compete with such websites.

JS disagreed; a citizen faced with trying to choose between a plethora of websites faces a very difficult task. Many will not conform to accessibility standards and will be difficult to navigate, so the Government decided that providing a small number of access points for citizens and business is a better use of resources. But we also need good, innovative, popular sites in the third sector, like Netmums, where expertise resides and which the Government should not attempt to replicate, but to link with.

2.10 Tim Boswell commented that while technology must be combined with other factors and processes when providing services, there are many different kinds of capabilities of service users. Could JS say more about how the CIO Council frames its advice to departments, and the extent to which they are able to sample in advance what their customer base is, especially for those not using computers or have mobility difficulties, and how they use feedback to assess what method or channel will work best, and to identify which people have a particular problem, so as to avert having to redesign the system at further expense.

There is no substitute for excellent business analysis; this means identifying the problem that has to be solved, who for, and how is it solved, how to assess whether the solution is working, and how to make corrections when things go wrong. This fundamentally starts at the policy stage, and if the process is applied correctly at the front end, there is a good chance that the outcome will follow. This is a hard-earned skill, which without practice will lapse.

Unfortunately, Government tends to make a policy announcement and ignore the gap between this and implementation – after which circumstances may have changed. In a rapidly changing world, the ability of human beings to take on board the level of change is inversely proportional to Moore's Law (DW: a prediction by Intel co-founder Gordon Moore in 1965 that the number of transistors on a chip

would double every 24 months, which has driven the phenomenal increase in computing performance). The public sector has to design services around a wide diversity of people, e.g. from those born since 1984 who are very familiar with modern technology to those who have no knowledge of a computer. A single solution is therefore impossible, and business analysis combined with good design is crucial to service provision.

2.11 Philip Dunne alluded to the quality and apparent lack of accountability of people involved, e.g. where the best people are not necessarily promoted or where problems have emerged after inappropriate promotions, and asked how we can ensure that good practice is identified and promoted, and excellence rewarded.

This relates to the risk-reward balance, the incentives for success and disincentives from failure. No business enterprise is static, and so some degree of change must be experienced. A change programme is therefore necessary to reduce cost, increase effectiveness etc. But all too often, the focus is on the spot project, or programme or the spot change initiative rather than on the desired outcomes in terms of delivery.

So in analysing failure to achieve a target, we need to ask what happened to the change that we wanted to see, and the desired outcomes, rather than considering the project as an end in itself. This would help identify accountability, because people have more association with tasks and improving achievements than in completing projects. We should therefore focus on the change that needs to be generated, which then connects back to the rationale of the provider and the policy it aims to execute. Accountability can then be aligned with incentives.

2.12 Lord Archie Kirkwood how you would build in provisions or solutions to generational difficulties – illustrated e.g. by people who have gathered information in their work capacity and from Internet sources that enables them to challenge the expertise and judgement of professionals? He gave the example of a patient researching their problem and possible treatments before visiting a doctor. Also, how do you provide for technological and cultural change where systems and policy are agreed, as e.g. in the case of the IT system behind the Child Support Agency, only for implementation to be confounded by culture problems during the change from paper systems to telephony, and the technical problems associated with CS2 computer system built by EDS?

This really reverts to the point that we need to know what the problem is and who we are solving it for: the solutions can be fundamentally different depending on the characteristics of the people involved. Focusing on the target groups so as to increase granularity of the desired outcomes, rather than looking at the big picture, will help to shape the options and constraints of the service provided. This also involves making provision for change over time as the dynamics shift, and should be tied to effective feedback mechanisms, and also to incentives. But this is not a trivial exercise, e.g. the time from a policy announcement to engaging with a supplier might be an 18-month gap.

2.13 LAK asked if the CIO Council could recommend to ministers that they take this on board when making policy announcements, or that some form of future-proofing be included in the wording on the face of a Bill?

Yes, this might be possible.

2.14 LAK noted that social security services reached out to the entire UK population, where social structures, and particularly family composition and personal conditions, are subject to rapid change. This is reflected in the increasing complexity of supporting technologically-driven systems, involving e.g. as many as 1200 rules for income support claimants. What we need is just 12 rules! Continual scaling up with increasing complexity makes failure at some point more likely. Is there some way of de-centralising the service so that simple rules and standards can be applied?

Compared with the number of subscribers to Google, 23 million households in the UK is not a significant number – this is not a scaling-up issue. Adding a few more rules incrementally is easy enough, but 'simple is good'. Trying to deal with 100% of all eventualities for all citizens adds unnecessary complexity to a system in which a few rules would be sufficient for 80% of the population; a different system and solution could be used for the 20% of more complex cases. We could then better manage the transition between the simple cases and the complex ones.

2.15 MT asked to what extent is engagement with the citizen an essential part of success, e.g. where a project faces potential hostility, and refusal to comply, from its customers. Is this such a large risk factor as to make it necessary to refer back to the policymakers for reconsideration?

If the service is an enforcement issue, with a substantial number of people who are not going to comply, then it should be handled from a risk-management perspective; other delivery options should be considered. However, if it is clear that the end-user will not comply, the Lewin theory of the harder you push someone, the harder they push back, springs to mind. (DW: Kurt Lewin created a model called 'force field analysis' which offers direction for diagnosing situations and managing change within organizations and communities. He also theorized a three-stage model of change that has come to be known as the unfreezing-change-refreeze model that requires prior learning to be rejected and replaced).

You then have to decide if this is a battle you wish to fight from a change management perspective, explaining the business case for example where it involves a long-term strategic investment. It may be that the time is not right. Without the involvement of the end-user, there cannot be a solution and so a different solution informed by business analysis may be more appropriate. This might mean applying a solution where progress can be made (maybe the majority of cases), allowing change to be managed where it is appropriate. The alternative of no change because of the resistance of a few would appear to be self-defeating.

2.16 MT asked how difficult is it to design a change programme and budget appropriately? What tends to happen still is a heavy emphasis on the software and hardware of the delivery, and much lesser emphasis on the human aspects: training, familiarization, process, customer communication etc. These are typically either bolted on or decentralized to others who have no part in the ownership of the project. To what extent is this a problem?

This is frequently an issue. For most change programmes, the technology forms only about one third of the budget, and good programmes will comprise the complete spectrum of the change. Where the change is occurring, you have to apply the appropriate implementation model for the end-user, which will include defining where accountability lies.

2.17 AM suggested that the culture of both Government and Parliament is to start with a problem, and to solve the problem turn it into a project that fits within government departments, which then has to fit to the project management and acquires all kinds of extras by the time it reaches the procurement stage. Whereas the proper place to start is an assessment of the needs and capabilities of the citizen, which should be part of any discussion on how to change the culture, so that it's not just about the structures. This means taking account of those who are not able or willing to use IT channels. Citizens Advice puts laptops in the reception area of its offices so that people can perhaps find information online, and thus avoid the need for a face to face interview. However, a significant proportion of clients need some-one to show them how to use the laptop and help them find the information, Bringing in the third sector also involves changing the culture, and procurement requirements, so as to make possible a genuine partnership. This is a big ask!

What we are trying to do is move away from being a 'one-size fits all' product provider (here is the product, you must take it) to a provider that sees delivery from the citizen's viewpoint – a big cultural shift involving fundamentally turning round the culture, unwritten rules, policies and procedures created by 500 years of functional silos. We are also governed by European procurement rules, which impose some constraints which we must work with (or change).

But these are not reasons for avoiding the challenges. It is not necessary, and probably not wise, to try to solve the problem for everyone now; e.g. services should be shared where this is possible, but if a different solution is required, so be it. Teams that are making progress should be encouraged, without diverting resources from those that are not, so as to focus on creating value. Often it may be better to let go of control to allow the providers to innovate. The Pension Service provides a good example of this, with transaction times for multiple benefits reduced from 6 weeks to 1, telephone calls at 12 minutes, face to face services, teaming up with local authorities etc. – none of which was required by regulation, policy, constraint or procurement, but was a manifestation of acquiring a clear view of what they wanted to achieve, the problems they were solving, and what their customers wanted. The CIO Council seeks to promote that 'can do' approach and mentality.

2.18 Chris Mole strongly endorsed the idea of rolling out solutions for the maximum number of citizens possible, while recognising the need to support those who require more assistance. However, this runs the risk of traditional channels becoming unviable as more people migrate from less efficient to electronic channels which are more convenient once the skill is acquired. The Post Office is a good example where Government has sought to maximise efficiency for pension payments to BACS, resulting in higher transaction costs for post offices. How are you managing such changes?

There is no vision of a single channel solution for the public sector via the Internet; therefore there is always going to be choice. Residents in Cambridge now speak over a hundred languages, and an Internet route may not be relevant for them. While we have to improve websites, contact centres, front offices and one-stop shops, at the same time we have to get the balance right of how many of each we need, and where.

Within a single department, some channels may become unviable as more citizens become computer-skilled and migrate to more convenient electronic routes. The public sector as a whole however sees a different model, as different departments serve citizens in different ways, and some physical locations are more valuable or convenient than others. Such an holistic view of channel shift, informed by customer insight, is being considered by the Sir David Varney and the Delivery Council.

2.19 MM asked why a survivor of domestic abuse has to contact up to 8 separate departments – why cannot a service to help victims be provided securely online? If such an acute problem cannot be addressed, what hope is there for other services?

I do not know what work is being done in this area; there is however, because of limits on resources, a ministerial prioritisation of where change should occur. This may be localized to a departmental level, but where the service crosses departmental and agency boundaries, it increases complexity (e.g. the relationship between cost and benefit) and prioritization is subject to government policy.

2.20 MM referred to JS' earlier reply on the reconciliation of procurement issues, and recalled that at an earlier hearing, the Social Enterprise Council, giving evidence on diversity of delivery, said that it was impossible for them to tender for large contracts with government, despite being closer to citizens, because of how the imperatives imposed by the Gershon Review have been interpreted.

JS remarked that the ability and opportunity to achieve economies of scale and improve services will drive shared services, but this does not apply in every scenario, especially where specialist needs are involved, and there is nothing in the Gershon Review that precludes this.

AM pointed out that this was so, but an issue for concern is e.g. the way that DWP can offer large contracts with the intention that big contractors can subcontract to the third sector. This can be seen as a very fragile arrangement and subject to misinterpretation unless very carefully managed. Very often the policy is right at the time of legislation, but unforeseen and unintended consequences may occur under secondary legislation, and later on when guidance is issued (usually, different sets of people are involved at each stage).

JS responded that from a procurement perspective, anything in excess of £110,000 is expensive, and many third sector organizations could not afford the European procurement process. Therefore the DWP model is a legitimate option. We have to address the question of what is problem to be solved; if the £110,000 limit is the issue, why not collectively work to get this raised across Europe?

MM suggested that the issue also included what messages are sent out from such as the CIO Council, especially around the interpretation of what is meant by diversity of delivery.

2.21 CM asked about whether the infrastructure of security barriers was preventing joined-up services. For example, over 10 years ago the social care service of the local authority he led was the first to win a connection to the NHS via the Government Secure Intranet (GSI). It took over 6 months to get the accreditations to it, and it embraced very tight access controls in support of data privacy. Yet more recently, a civil servant thinks it is appropriate to gain access to and post CDs containing the personal details of 25 million benefits claimants! Why did the procedures and protocols adopted 10 years previously not apply in this case?

We have to take on board any lessons that come out of the various reviews on identity management, including the report by Kieran Poynter into the massive data loss by HMRC, and execute them as

quickly as possible. Technology is now pervasive in every walk of life; the police national computer is in fact now 33 years old, which gives some idea of how long the public sector has been using IT. There are consequently thousands of infrastructures that need to be secured – which is not just an IT issue, but involves people, processes and culture. The widespread use of Facebook suggests that some of us have become much less concerned about some of our own personal data, and so the various reviews into information and identity management will help to re-set the benchmarks in terms of the value of that data, and the need to protect it from abuse. Joining up makes this more complicated, e.g. across the ~400 local authorities connecting to DWP to accelerate benefits transactions, and so the people using those systems, outsourced organisations and their staff, the accreditations, data quality etc all have to be considered as part of the security package that is applied to the network. The pending reviews will be crucial in helping to deal with this.

2.22 MM asserted that if citizens were directly involved in the design of, and dialogue about, their services, we would have both champions for transformational government and better services. Is there not a case for joined up government, especially with local government where citizens are encouraged to talk online about their experience of public service delivery, and is this not central to the CIO Council work? Why do we not have a virtuous circle of involving citizens both online and offline in the design, improvement and delivery of services, incorporating feedback and building relations, as in the private sector?

There is a case for joined-up government here, and much work is being undertaken around the 'power of information' report of Ed Mayo and Tom Steinberg. Government is particularly keen to understand how to create a virtuous circle of participation, collaboration, engagement, commitment and feedback. The e-petitions site was a first attempt, and Tom Watson MP as minister for transformational government in the Cabinet Office is looking at how we begin to engage in a different way, while still engaging with citizens who do not use the e-channels.

2.23 LAK recalled the evidence presented to a previous hearing by Paul Hodgkin of Patient Opinion, which struck him as particularly relevant: the social enterprise site provided extensive feedback from patients about their experiences of the NHS to government at no cost, and is directed to appropriate managers for action. However, the NHS decided to replicate the site, at significant cost, because it wanted to own, and perhaps control, the incoming information. This appears to be crushing a patient-centric initiative that has real value, and allows the patient to have confidence in a site set up for them and allowing them to monitor, evaluate and report their experiences – an example of 'sous-veillance'.

The question we have to ask is 'why was it crushed'? This may concern the boundaries we are setting people in terms of their freedom to operate. With the rise of social enterprises and social networking sites, the ability to control information from the centre is becoming much more limited. But collectively we have to be able to stimulate creativity in a positive way. In both the public and private sector, people may be reticent to receive and publish negative feedback, especially where staff pay is tied to customer satisfaction ratings. It is humbling and not easy to contact dissatisfied customers, and it takes time to adjust to this way of operating and learn the skills necessary to deal with it properly. We do however have to promote this as the right thing to do for the right reasons.

2.24 PD commented that Government faced a huge task in attempting to restore trust and confidence around its handling of data and security. If government is going to introduce more and more plans for coordinating data capture and storage, it needs to be able to convince the public that the data is secure, and this requires positive messages rather than negative sticks. Incentives are used in the private sector to encourage take-up of technology, so should we not adopt an incentives-based approach rather than enforcement?

The worry about using incentives is that people often associate this with money. The best incentive to change the behaviour of providers and users is likely to be the provision of what people want - a product that is tuned for purpose regarding time, quality, capability, usability, safety, security etc. We need to know and drive through what success looks like, as determined by the service user.

2.25 MM referred to JS' previous forecast of the need to anticipate what outcomes the next generation will want - but how will this be done?

What we should not do is chase the technology, because this is changing too rapidly. Using the analogy of an ATM machine, where the technology has changed many times, the desired outcome has remained the same – the delivery of cash to the account holder from that owner's account.

Similarly, for ~80% of citizens, their requirements generally do not change greatly over time, and so here we can automate, simplify, drive up the quality and drive down cost etc. However, we need to be able to predict when their requirements change, so that we can transfer resources to the ~20% of people who will require extra benefits or healthcare, so that the effort can be applied here.

2.26 MM thanked JS for his patience and forthcoming, open responses to questioning.