

## Effectiveness, Efficiency and Economy

So, the agenda has been set and now the hard work must begin. For many in government, the Chancellor's Spending Review is the mast to which the sails of government business are tied, and thus it will come as no surprise that much of this edition's contents reflects this. We are particularly delighted that both David Rossington and Mike Burt have provided insights into the key programmes they are assisting John Oughton to deliver – the work of the Efficiency team and the Lyons team respectively. The work of these two OGC-led teams – and the interaction between them - will be critical in achieving the Government's aims. The full text of the Chancellor's speech can be found at [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)



Earl's Court was the venue for one the largest gatherings of the public sector procurement community in June. *Procurement Solutions* – which was billed as a joint OGC and NHS PASA event - brought together a record number of government officials and suppliers. It proved a fertile forum for ideas to be shared and products displayed and we hope to

follow up a number of the main themes over future editions - we have started in this edition with the SME procurement pilot and the Cabinet Office's Information Assurance new look. If you want access to all the presentations at the event, you can do so at [www.procurementsolutions.gov.uk/](http://www.procurementsolutions.gov.uk/)

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### Sale of the Century

The Chancellor has announced in the Spending Review that he has asked Sir Michael Lyons to work with departments to rationalise their use of property and land and, where necessary, arrange sales and disposals. The target is to achieve an overall total of £30 billion asset sales by 2010. Sir Michael has commenced this further study which is likely to be completed by the end of the year. It will involve discussions with departments and a very close interface with the work that OGC is taking forward on implementing the efficiency programme and, within that, Sir Michael's earlier review on the relocation of public sector activities out of London and the South East.

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### Fair Payment for Supply Teams in Public Sector Construction

It is well known that members of construction supply teams often face problems caused by delays in payment down the supply chain and by losses caused as a result of insolvencies further up the supply chain. Government is reviewing contractual and payment structures common in the construction industry in an attempt to identify ways to encourage best practice.



The Chief Secretary to the Treasury has agreed to set up a Fair Payment Task Group to undertake a review of fair payment practices across supply teams. This Group's ultimate aim will be to identify what measures the government may consider taking, as a major client of the construction industry, to ensure that identified best practice is adopted throughout the supply chain on public sector projects. Membership includes representatives from industry stakeholder bodies and major client organisations. OGC will chair the Group, which is expected to report in the Autumn.

The work of the Group will complement the ongoing review by Sir Michael Latham of the operation and effectiveness of the 1996 Housing Grants Construction & Regeneration Act. It will focus on exemplar practices rather than legal requirements. The Fair Payment Task Group will specifically:

- review alternative payment mechanisms that reinforce team working arrangements and enhance the surety of prompt payment for work correctly carried out
- review measures that provide protection to supply team members in the event of insolvency further up the supply chain structure.

The Chief Secretary has indicated that, in the first instance, the Group should focus on the identification of projects and clients (in both the public and private sectors) who are already utilising exemplar payment practices and to identify the characteristics, advantages and disadvantages of the different types of process. It will then seek to make recommendations on best practice that should be promoted across the public sector in order to encourage the take-up of exemplar payment practices.

For further information contact: David Mathieson, Property & Construction Policy Development, phone: 020 7271 2747, email: [david.mathieson@ogc.gsi.gov.uk](mailto:david.mathieson@ogc.gsi.gov.uk)

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## SME Pilot leads the way

In May 2003 the Better Regulation Task Force (BRTF) and the Small Business Council (SBC) conducted a review *Government: Supporter and Customer?*, (<http://www.brtf.gov.uk/taskforce/reports/entryages/smeprocurement.htm>) which found that SMEs encounter a number of barriers when bidding for government tendering opportunities. This review made eleven recommendations to eliminate and address the obstacles that may prevent SMEs from participating in the government marketplace. In June 2003 Paul Boateng, the Chief Secretary to the Treasury (CST), announced the launch of two Pilot Procurement projects in the West Midlands and Haringey to look at helping to reduce these barriers.

OGC's role in the West Midlands SME pilot ended on 30th June 2004 having achieved the following:

- **500 West Midlands SMEs involved in the Pilot**
- **The provision of over 250 SME and Procurer 'How to Tender' training places**
- **Development of a standard simple Pre-Qualification Questionnaire based on a self-certification model**
- **Web Portal developed for low value opportunities – 73 opportunities advertised <http://www.ogc-top.co.uk>**
- **10 large suppliers in the region primed to open up opportunities in the supply chain**
- **Enhanced awareness by SMEs and Procurers of the OGC Government Procurement Code of Good Practice**  
[http://www.ogc.gov.uk/sdtoolkit/reference/ogc\\_library/codeofpractice/codeofcusprac.pdf](http://www.ogc.gov.uk/sdtoolkit/reference/ogc_library/codeofpractice/codeofcusprac.pdf)  
[click here](#)
- **Over 200 delegates attended a West Midlands Small Business Showcase event bringing together SMEs and local and central government buyers.**

A full Pilot evaluation will be completed by mid August with a summary published on the supplying government website. <http://www.supplyinggovernment.gov.uk/>

OGC will now take the lessons learned into national projects in supply chain management, pre-qualification and Procurer SME awareness training, as well as supporting the Small Business Service with a national opportunities portal. The successful elements of the Pilot will also continue in the West Midlands being led by the Regional Development Agency.  
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## IT Projects in the News Again

The House of Commons Work and Pensions Committee has published a report which states that OGC should have more powers to enforce best practice.

Although the report, *Department for Work and Pensions Management of Information Technology Projects: Making IT Deliver for DWP Customers*, was critical of DWP's history of IT projects, it was made clear that failure in IT projects was not limited to the public sector and that DWP had made improvements in the past 18 months. Nevertheless, the Committee identified that there was considerable room for further improvement and identified seven areas of best practice which were particularly pertinent to DWP. These include: simplifying policy; unrealistic deadlines; the need for early discussions; managing cultural change; COTS vs. bespoke IT systems; breaking large IT changes into a number of smaller projects; and strong contingency planning for when things go wrong, including abandoning failing projects.

## Highlights from the Report

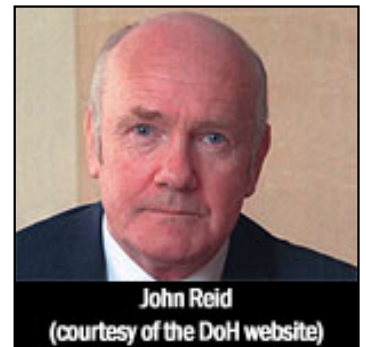
- The DWP is undertaking a massive modernisation programme, which depends upon IT projects being implemented successfully, while at the same time there is widespread concern about the number of inadequate IT systems across the public sector.
- Although there is a vast amount of information on best practice, there is only patchy compliance. Openness and accountability are vital tools in ensuring compliance with best practice. DWP should be significantly more open about its IT projects.
- OGC has had an important influence on best practice, particularly since the introduction of its Gateway Reviews. However, too many of its recommendations are optional. It needs greater powers to enforce best practice, and should insist on greater transparency.
- There is scope to simplify social security policy, to make it easier to understand and deliver. Nevertheless, the Committee recognises that questions of fairness and equity may limit the potential for extensive change.
- Despite some signs that aspects of its service are improving, the performance of the Child Support Agency's IT programme and new telephone system remain unacceptable.
- The new child support policy is a good example of a simplified policy, but Parliament was not fully informed that this simplified scheme would be delivered via a complex IT programme requiring profound business transformation.

For the full report visit:

<http://www.parliament.the-stationery-office.co.uk/pa/cm200304/cmselect/cmworpen/311/311.pdf>  
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## Releasing Resources to the NHS Frontline

The number of NHS bodies that work at 'arm's length' from the Department of Health will be reduced, saving at east £500 million in funds and increasing resources that can be channelled directly to frontline NHS patient care, Health Secretary John Reid has announced.



He said:

*"Reducing the cost of arm's length bodies will generate resources that are the equivalent of four new hospitals or 20,000 more nurses by 2008. The arm's length body sector has done a lot of good work, but it has grown over several decades and no longer meets current health and social care needs or those of future generations."*

He went on to say:

*"Last week, the Chancellor announced the Government's plans for releasing resources to the frontline. Our review of arm's length bodies shares a common objective with the Gershon review in that it seeks to minimise bureaucracy. It also carries forward the principles of the Lyons Review, which called for the relocation of public sector jobs away from London and the South East."*

The main changes will see the number of Department of Health arm's length bodies reduce by almost half from 38 to 20

and see a 25% reduction in staff working in the sector by 2008. The Department plans to develop a memorandum of understanding on human resources processes with those organisations affected by the review. This will be developed in partnership with the relevant arm's length bodies.

For full details of the bodies that are being merged, rationalised or abolished, see [www.dh.gov.uk/aboutus/relatedbodies](http://www.dh.gov.uk/aboutus/relatedbodies) [top](#)

## Cutting to the Chase



OGCbuying.solutions has taken the first, and biggest, step in a radical overhaul of its online marketing. Public sector customers now have a web channel which meets the standards set by the best retail traders today.

Customers can now register online and should be able to use the site within 24 hours. OGCbuying.solutions check that new customers are bona fide public servants or genuinely spending public money and, once cleared, most are actually approved on the same day that they register. They can then conduct a single search to find a particular product or supplier and compare same or similar products from different suppliers. Prices can also be compared and, if technical information is required, customers can be taken, via a secure link, to a supplier's own data store without the need for another password. Once signed up, customers can browse for goods and services from 600 suppliers – and, where the purchases are straightforward catalogue items, they can move straight to purchase.

Suppliers involved in the development of the new website recognise that the easier OGCbuying.solutions makes it for customers, the more business it can deliver. In addition, the new site is compliant with upcoming interoperability and data standards which will pay off both suppliers and OGCbuying.solutions as an investment in terms of all future government e-commerce.

### Further Developments

Priority will be given to building, over the next year, interfaces with existing (eg IDeA) and new (Zanzibar) public sector marketplaces – there will also be clearer links with the rest of the OGCbuying.solutions' website which is more information-based. The search facility will continue to be refined and there will be substantial additions to product information and pictures. More work will also be undertaken on identifying environmentally-friendly products.

To register or view the full range of OGCbuying.solutions' catalogues, access via <http://online.ogcbuyingsolutions.gov.uk/> or via [www.ogcbuyingsolutions.gov.uk](http://www.ogcbuyingsolutions.gov.uk) [top](#)

### The Efficiency Challenge



One of the key elements of the Chancellor's announcements on 12th July in the 2004 Spending Review was the efficiency programme of over £20 billion savings across the public sector. With departments having signed up to efficiency targets of at least 2.5 % a year over the course of the Spending Review period, a robust and transparent framework to ensure public accountability for efficiency savings is required. This has led to OGC setting up the Efficiency Team and appointing David Rossington to lead it. Philip Cunliffe spoke to David to find out about how the Chancellor's aims are to be met.

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### Working in the Lyons Den

In his report *Well Placed to Deliver? – Shaping the Pattern of Government Service*, Sir Michael Lyons challenged all departments to deliver their business from the right and most efficient location. Equally, it challenged them to make the most efficient use of the accommodation they choose to occupy. The Government has responded to his report in the 2004 Spending Review and has accepted all of his recommendations - the task of implementation now falls to OGC. [Page 14 top](#)

### Sharing Knowledge and Services

Despite a setback in July, when the Cabinet Office was forced to terminate a major contract, progress on establishing a central infrastructure to join up government, remains on target.

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### Efficiency the Key for the Rest of the UK

As part of the Chancellor's Spending Review, the devolved parliaments in Scotland, Northern Ireland and Wales were given their spending plans for the next three years. Philip Cunliffe outlines the main points of these plans and the reaction to them.

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## People and Events

### Professional Approach



John Oughton and Bruce Petter, Executive Director of the Management Consultancies Association (MCA), jointly chaired the first **Professional Services Forum** on Wednesday 26th May in Trevelyan House. Representatives from a number of professional service suppliers, industry bodies and government departments (including both OGC and OGCbuying.solutions) met to discuss the proposition that a formal dialogue between the industry and government would strengthen relationships, explode myths and address systemic issues to achieve increased value for money from government's use of professional services.

The 2001 NAO report into Purchasing Professional Services had said amongst other criticisms that:

*"Ineffective analysis of requirements leads to unnecessary expenditure through different business units purchasing duplicate work. It also leads to poor specification which lessens the value that professional services can add."*

However, in the 2004 MCA report into the 'UK Consulting Industry' the work by departments on the criticisms by the

NAO seemed to have borne fruit:

*“Civil Servants are asking how they can get better performance.”*

*“Public sector is setting the standards for the adoption of new ideas”*

*“Public sector clients are more focused on cost, quality and delivery, but are also keen to adopt a more systematic, sustainable approach to consulting. There is, for instance, more focus on knowledge transfer”*

However, there is still a perception of uncontrolled, unco-ordinated growth of consultant use across government leading to poor value for money; consultants being good at ideas but not at delivery and departments being poor at managing implementation. Members agreed that there are still real issues with the use of professional services across government and that the Forum is an excellent vehicle in which to address them. They agreed that the aims of the Forum should include building collaboration and dialogue between government and the private sector consultants, improving understanding, sharing information, resolving areas of tension and disseminating best practice.



There was an informative debate on the most important issues; an action plan has been drafted and two sub-groups will be initiated immediately. One sub-group will take forward issues relating to a definition of Professional Services and the types of assignment undertaken. The other group will analyse issues pertinent to Client/Supplier Engagement. The sub-groups will meet in September to agree proposals to table at the next Forum meeting scheduled for 7th October. Further sub-groups are planned for later this year and early in 2005.

Contact: [Nick.Streets@ogc.gsi.gov.uk](mailto:Nick.Streets@ogc.gsi.gov.uk) or [Alison.Edwards@ogc.gsi.gov.uk](mailto:Alison.Edwards@ogc.gsi.gov.uk)

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## Successful Delivery Conference – PPM Delivery Awards

### We need your nominations now!

The Successful Delivery Conference is being held at the QE2 Conference Centre, Westminster on Friday 5th November 2004 and will host the PPM Delivery Awards. Are you currently working on a programme or project worthy of one of the prestigious PPM Delivery Awards, or know someone who is? These awards are presented each year to the **individual**, **team**, and **organisation** who are judged to have achieved excellence in their implementation and use of programme and project management. The awards highlight the importance of well-established work-practices in the setting-up, running and delivery of governments' programmes and projects. Photographs of last year's winners and details about the projects on which they worked can be found on the PPM specialism website under PPM Awards. Have a look now and see if you think you, your team or organisation could do even better!

Nomination forms for the Delivery Awards, guidance on completion and information on the judging process are available on the PPM specialism website [www.ppm.ogc.gov.uk](http://www.ppm.ogc.gov.uk). The **closing date for entries is 20th August 2004**.

Contact Peter Johnson, Head of Careers and Specialisms, on 020 7271 1341 email: [peter.johnson@ogc.gsi.gov.gsi](mailto:peter.johnson@ogc.gsi.gov.gsi)

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## Procurement at work in DWP

The first of a series of conferences to establish procurement as a specialist function in the Department for Work and Pensions was held on 22 and 23 June at the Hanover International Hotel, Hinckley. It was attended by over 120 DWP delegates and guests from DWP suppliers, OGC and CIPS. Sir Richard Mottram, Permanent Secretary and John Codling, DWP Finance Director attended and gave messages of support, recognising the importance of procurement in delivering business objectives.



As the biggest spending Central Civil Government department with a procurement spend of over £4bn, DWP's procurement specialists are vital to the operation for the efficiencies they bring through professional working practices. A wide range of speakers covered the three key themes for the event: working with suppliers; developing the procurement function; and the efficiency challenge.

**Working with Suppliers:** Ian Tough, OGC and Charles Hughes, EDS spoke about adopting behaviours to manage the entire procurement process versus controlling individual contracts. They also emphasised the importance of improving the supply chain process by developing and maintaining effective communication through regular dialogue with all suppliers.

**Developing the Procurement Function:** Increasing the number of professionally qualified procurement staff was a common message from Jane Grant, OGC and Ken James, CIPS. Implementation of E-Procurement would be a key enabler for faster more effective procurement and adopting collaborative buying behaviours would bring tangible benefits.

**The Efficiency Challenge:** Presentations from John Codling, DWP Finance Director; David Smith, Commercial Director; Joan Murray, OGC/Buying.Solutions; Philip Bruce, Accenture; and Dave Thomas, RM Project Manager, all looked at how DWP could deliver its efficiency proposals while releasing major resources into frontline services and reducing the bureaucracy faced by frontline professionals, freeing them up to better meet the needs of customers.

Key Actions: Three key actions were agreed:

**A New Operating Model** - need to improve inefficient processes before automating them. **Smarter Procurement** – through: reviewing existing contracts; maximising the use of e-business practice; earlier involvement of suppliers; improved productivity and performance management; and eliminate all duplication of key services. Develop and adopt a new approach to **Challenging Business Demands**.

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## Future Events

**Solution Providers Open Day (SPOD) II - Project Zanzibar.** Follow up from SPOD I in April, to engage suppliers in Project Zanzibar from an early stage. **3 August 2004.**

Contact: [Amabel.Grant@ogc.gsi.gov.uk](mailto:Amabel.Grant@ogc.gsi.gov.uk)

**Small and Medium sized organisations (SMO) Centres of Excellence Forum.** **18 August 2004.**

Contact: [liz.underhill@ogc.gsi.gov.uk](mailto:liz.underhill@ogc.gsi.gov.uk)

**Networking event for the Heads of COEs** to be attended by Sir Andrew Turnbull. **1 September 2004.**

Contact: [liz.underhill@ogc.gsi.gov.uk](mailto:liz.underhill@ogc.gsi.gov.uk)

e-champions - **Local e-government: shaping public services beyond 2005** Queen Elizabeth II Conference Centre, Westminster. **28 September 2004**

Register at [www.idea.gov.uk/events](http://www.idea.gov.uk/events) or call 0207 296 6894 or go to

<http://www.idea.gov.uk/echampions/registration/>

**Government eProcurement Seminar (GePS) II.** Update on strategy. The National Gallery, London. **29 September 2004.** Contact: [Pat.box@ogc.gsi.gov.uk](mailto:Pat.box@ogc.gsi.gov.uk)

**Implementing Sustainable Procurement 2004** jointly sponsored by OGCbuying.solutions and Defra the event will examine the latest policy, best practice on sustainable public procurement as well how sustainable procurement can be implemented. Conference, workshops and exhibition at the Queen Elizabeth II Conference Centre on **6th October 2004.** <http://www.govnet.co.uk/procurement>

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## Publications

### Can You Please Give Us an Example?

A great deal of expertise and knowledge exists within individual projects and it is critical that the hard won lessons learned are captured and exploited. The use of case studies is one way in which we can all achieve this. Case studies are a valuable tool providing summary information and a picture of work undertaken - knowledge will not reside solely within the project or team but will be captured as an invaluable reference for use by others working on similar projects. They also provide useful information to investment decision makers and those evaluating projects in the future.



OGC have just published *HM Treasury Building in Mint Condition* the first in a planned series of case studies that will explore lessons and emerging good practice from a range of government projects in order to inform, encourage and support wider improvement and innovation. This project involved the redevelopment of Government Offices Great George Street (GOGGS), a grade II\* listed landmark, to house the Treasury, as part of a PFI agreement to provide high-standard, serviced office accommodation for the next 35 years. The case study examines the project aims, identifies the achievements and considers the lessons learned across a range of issues. In addition the critical success factors for the project are highlighted. Key project facts and figures are also included.

It is hoped that the insights from these case studies will provide encouragement for those thinking of embarking on similar projects. For further information on this case study please contact: Bridget Hardy, phone: 020 7271 2708 [bridget.hardy@ogc.gsi.gov.uk](mailto:bridget.hardy@ogc.gsi.gov.uk)

*HM Treasury Building in Mint Condition* is available online at [www.ogc.gov.uk](http://www.ogc.gov.uk). To obtain a printed copy please contact the OGC Service Desk, phone: 0845 000 4999 email: [ServiceDesk@ogc.gsi.gov.uk](mailto:ServiceDesk@ogc.gsi.gov.uk)

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## Flexible Working in Government

Flexibility has become the byword for all organisations as they attempt to find ways to respond to an increasingly dynamic business environment. Government departments and agencies have not been immune to these pressures. In order to achieve this agility, organisations require a flexible resource base. The people, information and communication technology, and the workspace need to complement each other so that overall flexibility can be achieved.

Flexibility is important. It offers organisations agility, resilience, a diverse resource base and the ability to change quickly. Flexible working combined with alternative workplace strategies can provide the right balance of people with place and ICT to support business change and deliver efficiency returns.

Towards the end of last year, OGC commissioned Reading University to provide a view of progress in implementing flexible working practices across central government and the likely impact on workplace procurement. The research was also intended to draw comparison with a previous study undertaken in 2000, providing an indication of trends and the pace of change. Specifically it was asked to draw conclusions about:

- whether flexible working offers benefits to departments
- how far and how quickly departments are reaping the benefits of greater flexibility
- what factors have helped or hindered departments' move towards greater flexibility
- what actions might be needed to speed up the pace of change.

This study was intended to guide and inform both OGC and government's strategy for leveraging the benefits offered by flexible working. Its conclusions are currently being considered by senior management in government departments. Further developments including case studies of flexible working in action will feature in future editions of *GC forum*.

For further information on flexible working work please contact:

Bridget Hardy, Workplace Strategies Team Leader, phone: 020 7271 2708, email: [bridget.hardy@ogc.gsi.gov.uk](mailto:bridget.hardy@ogc.gsi.gov.uk)  
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## eProcurement Answers

The OGC eProcurement team has published, on the OGC website, the following list of Frequently Asked Questions. The answers, which can be found at <http://www.ogc.gov.uk/index.asp?docid=1001408>, explain eProcurement policy.

- Is there a written policy statement that reflects the Government's position on eProcurement?
- What impact will the new Consolidated Public Procurement Directive have on eProcurement?
- What does OGC recommend in respect of commodity classification coding?
- Am I allowed to use eAuctions in government procurement?
- What rules should I follow if I want to use an eAuction?
- What wording should I put in an OJEU Notice if I want to use an eAuction as part of my procurement?
- What is the current policy position with respect to Dynamic Purchasing Systems?
- What is the situation regarding the retention and management of records within eProcurement systems?
- What are the security and accreditation requirements for eTendering solutions in government?
- Must digital signatures be employed in eProcurement in government?
- What is the impact of eProcurement on government contracts?
- Do I need any special accounting controls in my eProcurement system?
- Are electronic invoices permitted?
- What "standards" might I use when sending/receiving eProcurement messages to/from my suppliers?

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## Protecting Our Information Systems

The Central Sponsor for Information Assurance (CSIA), a unit within the Cabinet Office, has produced a document entitled *Protecting Our Information Systems: Working in partnership for a secure and resilient UK information infrastructure*. The document was launched by Sir David Omand, the Government's Security and Intelligence Co-ordinator at the Government Computing Conference, Earl's Court on 22nd June 2004.



The CSIA has developed a UK Government Strategy for Information Assurance which aims to assure government that risks to the information systems underpinning key public sector interests are appropriately managed. The document outlines the importance of ensuring that all information systems are made as secure and resilient as possible. Government recognises that information systems are so integral to the way the UK works that in order to protect the economic and social well-being of the nation we must all play a part in protecting information systems. The document and website [www.cabinet-office.gov.uk/csia](http://www.cabinet-office.gov.uk/csia) contain messages for all those who need to consider measures for protecting information systems, from central government departments to local authorities as well as private sector small and large enterprises.

A key message for public sector organisations is that they must take responsibility for the effective management of the risks facing their information systems. Sir Andrew Turnbull recently wrote to central government departments asking them to appoint a board level senior responsible owner for the risk associated with their department's information systems.

This can no longer be a responsibility which is passed on down to the IT department. Senior board managers must be aware of and take responsibility for the way the various risks are managed from electronic attacks to systems failures.

Copies of the document can be downloaded from the website or ordered from: [Csia@cabinet-office.x.gsi.gov.uk](mailto:Csia@cabinet-office.x.gsi.gov.uk) or phone 020 7276 3108.

For further information contact: Therese Loveday, CSIA, Cabinet Office, Stockley House, 130 Wilton Road, London SE1 1LQ.

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If you have any comments or would like to contribute to *GC forum*, please contact the editor on: phone 01689 838104 or [christine.barnicoat@btinternet.com](mailto:christine.barnicoat@btinternet.com)

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## The Efficiency Challenge

One of the key elements of the Chancellor's announcements on 12th July on the 2004 Spending Review was the efficiency programme of over £20 billion savings across the public sector. With departments having signed up to efficiency targets of at least 2.5 % a year over the course of the Spending Review period, a robust and transparent framework to ensure public accountability for efficiency savings is required. This has led to OGC setting up the Efficiency Team and appointing David Rossington to lead it. Philip Cunliffe spoke to David to find out about how the Chancellor's aims are to be met.



David Rossington

David Rossington is a career civil servant, having spent much of his time in Environment. After a time advising John Gummer, he was involved in setting up a large database to trace cattle in the UK, which provided him with the opportunity to put his experience of policy development into practice. Since then, he has led the DEFRA team which was involved in one of the largest outsourcing IT projects in government, seeing the project through from conception to the final stages of the procurement. Thus he has experience of project management, together with policy development and implementation, as well as of a complex change management

programme.

### The Role of the Efficiency Team

It would not be over-exaggerating to describe OGC's Efficiency Team as one of the most important in government today. It will certainly have a huge influence on the success – or otherwise – of the Government's ambitious goals over the course of the next three years. David Rossington describes the Team as having two main functions. Firstly, it will have a Reporting and Monitoring function, drawing together the experiences and successes across government, analysing how things are progressing and reporting these findings back, through John Oughton, to the Prime Minister and Chancellor. Secondly, the Team will have a Supporting and Advising role, helping the public sector through the process. In this role, David will build teams of people with experience in specific areas to assist in this. David commented: *"We are aiming to have people in place who can make a real difference in particular areas and who can be accountable for progress. And initial work on this has already begun, for example by the Cabinet Office's e-Government Unit which is working on transactions."*

### Interaction with Others

David believes that the interaction with others in government is crucial – indeed, an important set of relationships that will be key to the success of the Efficiency Team. Firstly, it will be working extremely closely with the Treasury and other parts of the centre of government.

The second important relationship which the Team must develop is that with departments. A User Group has been established and work continues in order to engage more meaningfully with departments. There is a need for a wider forum too and David believes that it will be crucial for the Team to listen to what departments are saying – asking questions too will draw out best practice. The third critical relationship David points to is the wider public sector, including local authorities, the NHS and the police.

There is also an important read across to the Lyons Review implementation team, which is seeking to ensure the smooth relocation of 20,000 civil service jobs from out of the capital to the regions. Implementing the Lyons Review is an integral part of delivering the Efficiency Programme and the Team will ensure that departments meet their commitments to Lyons, and that they are given the help and support they need to achieve them.

### Measuring Success

The next few months is a critical period, as all departments need to establish methods of working out how the efficiencies are to be met – the scope of which must be in place by the end of September 2004. Departments are being asked to focus on the Workstreams in Sir Peter Gershon's Efficiency Review, including corporate support; transactional services; and procurement. Ministers will be responsible and accountable for delivering efficiencies within their departments, with progress towards meeting the efficiency agreements being published regularly in departmental reports and websites.

### Key Milestones

Now that the Spending Review has been concluded, the hard work begins. Departments have been working on

plans with OGC on how efficiencies can be achieved. The detailed scope of these plans – taking into account the diverse range of services and specialist areas of activity within departments - must be in place by the end of September. From October onwards, the drive will be towards the ultimate goal of the collection of £20 billion efficiency savings by 2007/08, with progress being monitored and published twice yearly. In addition, David and his team will be looking to develop plans for further efficiency gains that could be implemented within the next Spending Review.

All this will require a well co-ordinated approach by the Efficiency Team, as David explained: *“The trick will be to break up all this complex work into chunks, then to work through these in a methodical and ordered fashion, all the while taking on board what people are telling us and reacting accordingly.”*

The core aim of the Efficiency Team reflects the core aim of the Chancellor’s Spending Review - releasing resources to the frontline through more efficient ways of working – but, for David, this is no idle, throw-away line. It is a genuine aim and one which he will pursue with enthusiasm. *“While this is the most interesting role I have taken on, it is also by far the most challenging. But I am very confident of success, not only because of the immense amount of political will behind the Efficiency Programme but also because of the commitment of all involved.”*

Throughout the coming months, David will be issuing further statements on how this work is progressing. We wish him luck and look forward to providing him with the opportunity to report on the coming success within GC forum.

For further information on the work of the Efficiency Team, please contact Phil Harris at [phil.harris@ogc.gsi.gov.uk](mailto:phil.harris@ogc.gsi.gov.uk)

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## Working in the Lyons Den

**In his report *Well Placed to Deliver? – Shaping the Pattern of Government Service* Sir Michael Lyons challenges all departments to deliver their business from the right and most efficient location. Equally it challenges them to make the most efficient use of the accommodation they choose to occupy.**

The Government has responded to his report in the 2004 Spending Review and has now accepted all his recommendations, confirming plans for the relocation of 20,000 posts (the full list of which is shown in the table below). The government response to each of his recommendations can be found at:

[http://www.hm-treasury.gov.uk/consultations\\_and\\_legislation/lyons/consult\\_lyons\\_index.cfm](http://www.hm-treasury.gov.uk/consultations_and_legislation/lyons/consult_lyons_index.cfm)

Department or public body	Number of posts
Chancellor's Departments	5,050
Department for Work and Pensions	4,000
Ministry of Defence	3,900
Home Office	2,200
Department of Health	1,110
Department for Education and Skills	800
Department of Trade and Industry	685
Department for Culture, Media and Sport	600
Foreign and Commonwealth Office	450
Department for Environment, Food and Rural Affairs	390
Cabinet Office	250
Office of the Deputy Prime Minister	240
Department for Constitutional Affairs	200
Department for International Development	85
Department of Transport	60
Northern Ireland Office	8
<b>Total number of posts to be relocated</b>	<b>20,028</b>

John Oughton has personal responsibility for delivering the Efficiency Programme, an integral part of which is the outcome of the Lyons Review. The key challenges of the review are to:

- **Integrate location issues in business planning** - the efficiency implementation framework will ensure that locational considerations are mainstreamed in departmental planning. In particular, finance directors will be expected to take full account of location in their business strategies.
- **Tightly manage office portfolio** - the Office of Government Commerce is strengthening mechanisms for co-ordinating the use and size of the Government's office estate. The Government will tighten the requirement for departments to consult HM Treasury before taking on any significant new property in London.
- **Co-ordinate approach to relocation and redundancy** - both Lyons and the Efficiency Programme raise questions of co-ordination across departmental boundaries about location choice, use of the government estate, and human resources. These issues are being addressed as part of implementation of the efficiency programme.

### Property Co-ordination

Implementing the Lyons Review recommendations across government is a major change initiative in its own right and the challenging role of Senior Responsible Owner falls to Mike Burt. He and his Property Co-ordination team are working very closely with the Efficiency Team, headed by David Rossington, to ensure that departments meet their commitments to Lyons, and that they are given the help and support they need to achieve these.

A key element of the implementation is bringing together a range of activity streams and stakeholder interests such as human resources, regional economic regeneration, new ways of working, and civil estate co-ordination and rationalisation, so that they can be managed and delivered in a fully co-ordinated way. Mike is also forming a project board to provide a strategic overview of departments' implementation of their relocation proposals, and to co-ordinate the stakeholder interests. As SRO, he will report on progress to the Efficiency Programme Executive Group.

Commenting on the challenges he is facing, Mike said: *“This is a very exciting agenda and I am delighted to be playing such a focal role. I see this as being not only about how to achieve the relocation of 20,000 or more posts out of London and the South East, but also about achieving a proper recognition of the importance of property asset management in the delivery of a department’s business, as well as embedding efficient and effective management of that asset in the department’s culture.”*

For further information contact: [Mike.Burt@ogc.gsi.gov.uk](mailto:Mike.Burt@ogc.gsi.gov.uk)

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## Sharing Knowledge and Services

**On the 28th June 2004, the Cabinet Office exercised its contractual entitlement to terminate, for breach of contract, the agreement entered into July 2003 with ITNET UK Limited to provide data centre services.**

As part of the Cabinet Office's commitment to provide the foundation for central infrastructure, the Data Centre Hosting Contract was to include the transition of:

- **The Government Gateway** - a centralised registration service for e-Government services in the UK. Registering with the Government Gateway enables anyone to sign up for any of the UK government's services that are available over the internet. Once registered, a single User ID or digital certificate can be used to send and receive forms, such as tax returns and VAT returns. <http://www.gateway.gov.uk/>
- **DotP - Delivering on the Promise**. Reducing the duplication of internet technology spend and resources across government is one of the aims of DotP. Together with the Government Gateway, it will deliver a central common infrastructure hosting government websites, using a modular 'build-once, use-many' approach. DotP is based on an effective content management system (CMS) for managing content of all types, from raw information and metadata, through business rules for creating, personalising and presenting content, to rich media such as video, audio, animation and graphics. The e-Government Unit will provide some basic consulting, including CMS training and reporting.

DotP provides:

- improved experience for government organisations - full content management and other web-related products will simplify website management
- improved customer experience - by providing consistent, reliable, accessible and familiar experiences
- reduced cost of entry
- reduced cost of maintenance through the centralised hosting infrastructure
- increased speed of service to market - by cutting procurement and development time.

The DotP platform was launched in April 2003 and it is envisaged that, by the end of 2004, a significant number of central government departments will be fully using the platform. This service will also be available to local authorities and agencies.

[http://e-government.cabinetoffice.gov.uk/Responsibilities/EDTArticle/fs/en?CONTENT\\_ID=4000265&chk=89A81x](http://e-government.cabinetoffice.gov.uk/Responsibilities/EDTArticle/fs/en?CONTENT_ID=4000265&chk=89A81x)

• **Knowledge Network** was set up in October 2000 to provide computer-based solutions to help government departments share information and knowledge within their own departments and across government. The Knowledge Network is part of the programme of Modernising Government. Services include:

- **KN Central** - on the Government Secure Intranet (GSI), allowing policy briefs, written by officials across government, to be seen and shared.
- **LION (Legal Information On-line)** - a new form of collaborative community-based working amongst the members of the Government Legal Service (GLS). GLS members can access and share information relating to government law and legal practice and other information such as vacancies, job opportunities and career prospects.
- **OGC IT projects database** - information on IT projects across government with the aim of sharing knowledge and lessons learned to help improve value for money.
- **Public Spending Guidance website** - departments and their agencies can share information on issues affecting public spending work.
- **Applications** - to allow government officials based in the UK (via the GSI) and other government officials based in over 200 countries around the World (via the internet) to communicate and share information on a common platform.

For more information on the Knowledge Network contact: [chris.hancock@cabinet-office.gsi.gov.uk](mailto:chris.hancock@cabinet-office.gsi.gov.uk)

The e-Delivery Team, responsible for the delivery of the Data Centre Hosting project (and part of the e-Government Unit), have maintained 100% availability of service provision to its customers throughout the last quarter with availability for the last 12 months exceeding 99.8%, adding both new customers and new services

on a monthly basis. Maintaining these standards is of critical importance for the wide range of both central and local government customers that make use of each of these services.

The Cabinet Office has therefore entered into a process with alternative suppliers that will ensure continuity of these services. The termination of the current contract will have no impact on the existing services, or the users of them. This decision to terminate has, of course, not been taken lightly. It demonstrates the Government taking a pro-active approach to avoid non-delivery of this IT project and to prevent unacceptable and unplanned over-expenditure against contractually-agreed costs.

The e-Delivery team is committed to providing services that join up government, make government simpler for the citizen and that speed departments' ability to deliver those services at a lower cost than might otherwise be achieved.

New releases of DotP to support customers such as the Department of Health and the Government's new flagship website, Directgov, remain on schedule for October 2004. Nearly 20 new customer services will be made available via the Government Gateway during the remainder of this year. The Knowledge Network team will also continue to add applications, including enhancements to their digital TV service.

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## Efficiency the Key for the Rest of the UK

**As part of the Chancellor's Spending Review, the devolved parliaments in Scotland, Northern Ireland and Wales were given their spending plans for the next three years. Philip Cunliffe outlines the main points of these plans and the reaction to them.**

### Scotland

The Chancellor announced that public spending in Scotland would be increased over the course of the next three years by £4.2bn to £25.5bn in 2007/08 – an average real terms increase of 3.5%. This comes in the wake of recently-launched initiative designed to deliver public sector savings of £500 million by 2007-08 and £1 billion by 2009-10.

The Efficient Government initiative is at the heart of the Scottish Executive's improvement and delivery agenda and mirrors much of the work that OGC has begun in England. An Efficient Government fund of £60m over the next two years has been allocated which will go towards invest to save projects across Scotland which is part of a three-year plan to attack waste, bureaucracy and duplication in Scotland's public sector. The ultimate aim is to unlock resources that can be invested in frontline staff and services.

Targets for efficiency gains have been set for each government department, as well as health boards and other public agencies. Despite the well-publicised over-runs - in both cost and time – in the construction of the new Scottish Parliament building, the Executive believes it is in a strong position, particularly given the success it has achieved in establishing its e-procurement systems.



But it has recognised that much more needs to be done before real progress can be made. Finance Minister, Andy Kerr, said: *"Delays in spending are delays in improving public services. And the figure for this past year demonstrates to me that after five years of Devolution, departments still have more to do to ensure sound financial management across the Executive. I am therefore taking additional action to make sure that future spending comes in closer to budget. I have agreed with the Permanent Secretary to ensure that appropriate indicators on financial management are included in the personal performance targets of all those senior civil servants with responsibility for budgets. I am also introducing a new approach to managing resources set aside for future commitments."*

For further information, visit: <http://www.scotland.gov.uk/Home>

### Wales

In Wales, the Welsh Assembly's budget will increase by an average of 4% in real terms, with an increase of £2.5 billion extra in 2007/8. The Chancellor also announced that Wales will benefit from an extra £555 to support the delivery of its structural funds programmes. In October, the Assembly will publish its draft budget proposals for the whole three-year spending period. In the meantime, intensive work is being conducted which includes a detailed review of the efficiency and effectiveness of every part of the spending programme.

The Assembly is aiming to improve efficiency in the Welsh public sector and is currently engaged in a fundamental review of how public services in Wales are delivered. This work includes a wider consideration of public service reform that will provide for as much money as possible for frontline services.

Sue Essex, the Assembly's Finance Minister, has welcomed the Chancellor's announcement of the outcome of the Government's Spending Review for Wales. She said: *"This is an excellent settlement – far better than some have predicted. The growth in the Welsh Block announced in today's spending review will allow the continued growth and improvement of public services in Wales. We have made a powerful case to the Chancellor – based on our highly successful delivery of our structural funds programmes – and this extra money, outside the Barnett Formula, will help us deliver our priorities. I am committed to providing public services across Wales at least as economically as those elsewhere in the UK and of the highest quality."*



For further information, visit: <http://www.wales.gov.uk/index.htm>

## Northern Ireland

Despite the suspension of the Northern Ireland Assembly, public services are, of course, still being delivered and the Chancellor announced that spending in the Province will grow in real terms at an annual rate of around 3% over the Spending Review period. This equates to an increase in spending in 2007/08 of £1.2bn, totalling nearly £8.3bn.

This extra investment by the Government must, however, be matched by wholesale reforms in the way public services are delivered in Northern Ireland. The Chancellor has pointed to increasing "choice, flexibility and personalisation" for the citizen. In line with the other devolved governments, efficiency gains must therefore be a priority in order to release additional resources to the frontline.

Northern Ireland Finance Minister, Ian Pearson, explained how this increase will be taken forward, commenting: *"This extra spending, coming on top of the increases that have happened in recent years, reflects the Government's clear commitment to delivering excellent and efficient public services for everyone in Northern Ireland."*



*"The Government's requirement is clear: for more given in resources to public services, more is expected in results. Ministers want and expect greater efficiency in the management and delivery of public services in Northern Ireland. That will mean more resources are made available for frontline services. Every penny that is released through our efficiency programme will stay in Northern Ireland to be reinvested in the public services that matter most to people."*

Officials are now working on the final proposals for spending priorities for the next three years and these will be published for further consultation in September. At the same time, Ministers will publish details of the public sector efficiency programme for Northern Ireland.

For further information visit: <http://www.northernireland.gov.uk>

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