

A Focus on Implementation

The proof of any policy 'pudding' is in the implementation – and this edition of *GC forum* reflects on progress on a number of key policy programmes. Perhaps the most important programme – and certainly the most high profile - is Efficiency which is one of the biggest challenges for government and we offer some views on progress to date, in particular the new team which has been formed within OGC to help departments take the programme forward. Meanwhile, the Department for Work and Pensions has already made a solid start by formalising the use of delegations to ensure value for money is achieved for the Department. In addition, we provide an update on the Kelly Programme which is well down the road of implementation.

Peter Fanning has joined OGC as Deputy Chief Executive and brings a wide and very relevant experience – from both the public and private sectors - to the challenges which lie ahead for the organisation. A highly-skilled communicator, Peter will provide considerable enthusiasm and drive at this crucial juncture and we wish him every success in the coming months.

News	In-Depth	People and Events
Peter Fanning joins OGC Page 2	A Golden Start for Retriever Page 6 Page 10	New Head of Procurement for Prison Service Page 7
Jobcentre Plus – A National Programme Page 2	Delegations and Skills Page 6 Page 12	The Efficiency and Procurement Conference Page 7
Transport Portal Page 3	The Changing Face of OGC Page 6 Page 14	Future Events Page 8
New Training for New Directives Page 3	New Team for Efficiency Programme Page 6 Page 16	
Crystal Mark Award for OGC Page 4		
Implementing Kelly Page 4		
		Publications
		Procurement Policy – Over-dependency Page 8
		VFM Appraisal Guidance Page 8
		ECOE News Page 9

Peter Fanning joins OGC

Peter Fanning, the interim Director of the London Regional Centre for Procurement Excellence and a former Managing Director of IPF Ltd, has been appointed Deputy Chief Executive of OGC. He will work with OGC's Chief Executive John Oughton who is currently implementing the Government's efficiency programme.

Peter has had a varied career including significant periods of work in both public and private sectors including the Norcros Group, Cadbury Schweppes and the NatWest Bank. He joined the Public Private Partnership Programme (4ps) as Chief Executive in 1997 and in 2001 took on the additional role of acting Associate Director (Procurement) of the Improvement and Development Agency (IDeA). He joined IPF in 2001 as Managing Director. He is also a non-executive director of Hyde Housing Group and the Coalfields Regeneration Trust.

Commenting on his appointment, John Oughton said:

"Peter is joining OGC at a very important time. Not only has OGC's remit been extended to include the wider public sector, but we are also tasked with implementing both the Government efficiency programme, and delivering an enhanced package of value for money gains within three years."

"Peter's knowledge of the private sector and his background in both banking and procurement will be invaluable in helping us achieve our goals."

Peter Fanning said: *"I am delighted to be joining John Oughton's team at OGC at such an exciting time in the evolution of public services. I hope that my varied experience will enable me to support colleagues as they strive to improve services to the public through better procurement and more efficient operations."*

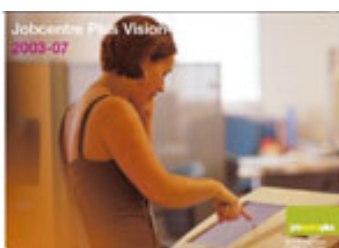
[top](#)



Jobcentre Plus – A National Programme

The Jobcentre Plus rollout programme is a four-year £2.2 billion modernisation programme. The programme involves estates refurbishment and rationalisation, the introduction of contact centres, up-to-the-minute telephone information technology and efficient new processes, to revolutionise the way services are delivered to people of working age.

The refurbished offices provide a welcoming and professional environment, while improved access to services by telephone and Internet means customers can contact Jobcentre Plus at a time, and from a location, convenient to them. Personal Advisers have been introduced to tailor the service to meet the needs of individual customers. Jobcentre Plus is supporting the Government's objectives of tackling poverty and modernising the welfare state, with the aim of providing work for those who can and security for those who cannot. With 530 offices across the UK already, the roll-out programme is on budget and on schedule for completion in 2006. The modernisation programme also involves looking critically at how the business is organised, looking to achieve efficiencies where possible.

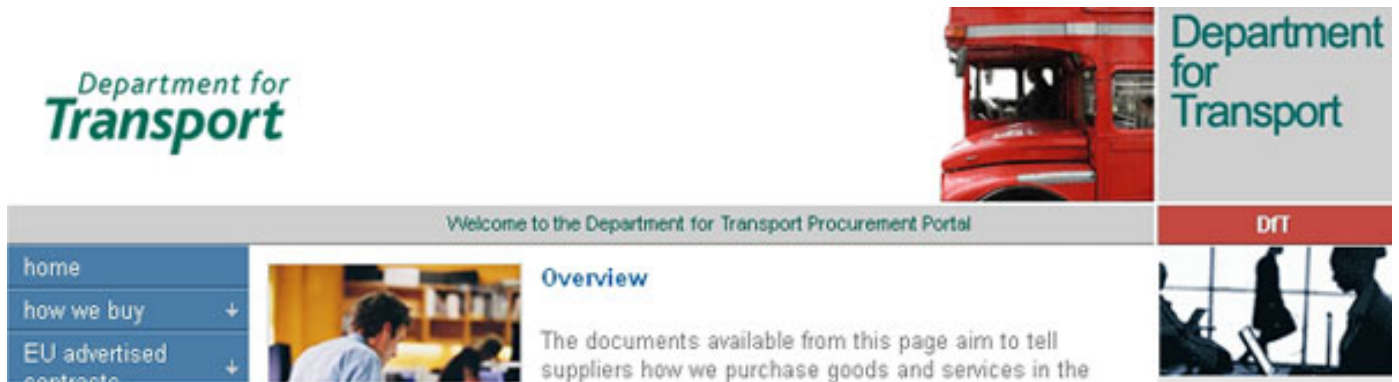


On 16 September, The Secretary of State for Work and Pensions, Rt Hon Alan Johnson, announced details of Jobcentre Plus's plans to reduce the number of sites that are carrying out benefit processing to around 81 sites. Currently there are hundreds of dispersed small teams processing benefits, half of them having fewer than ten staff. The aim is to move to larger processing centres which will improve consistency of service, allow staff to develop their benefit knowledge and expertise to deal with the more complex cases, and lead to a reduction in costs, for example in management and other overheads. These changes will be completed by 2008.

We plan to publish an interview with Peter Davies, Jobcentre Plus Implementation Project Manager, in a future edition of *GC Forum*.

[top](#)

Transport Portal



The Department for Transport has launched a web-based procurement portal. It provides information for suppliers on how goods and services are purchased, explains what they need to do in order to take advantage of the business opportunities, provides information on current and past opportunities, together with lists of useful contact points. The portal can be accessed via <http://dft.g2b.info/index.htm>

[top](#)

New Training for New Directives

New Public Procurement Directives have been adopted and must be implemented in the UK by January 2006. A new consolidated Public Sector Directive replaces the existing Works, Supplies and Services Directives, and there is also a new Utilities Directive. The new Directives update existing rules, reduce inconsistencies between them, and introduce new flexibilities. The major changes are:

- Introduction of a new *competitive dialogue* procedure, intended for use on big and complex projects - for example PFI, which allows for dialogue with suppliers throughout the procurement process.
- A new provision which explicitly allows the use of framework agreements, and - where such agreements have been advertised following the rules - individual call-offs are not subject to the advertising rules.
- A new provision covering dynamic purchasing systems, an entirely electronic form of open framework qualification system.
- A provision explicitly allowing electronic auctions to be used on price and, if appropriate, other quantifiable aspects of procurement.
- New provisions clarifying the scope to take account of social and environmental issues, including the ability to reserve contracts for sheltered workshops.
- A new exit mechanism built into the utilities rules where utilities operate in fully competitive conditions.

The changes will affect the whole of the public procurement community and everyone needs to become familiar with them before the new regulations are introduced in 2006. To assist with this, OGC has developed a training module on the new Directives which can be downloaded from its website <http://www.ogc.gov.uk> under the "Procurement Policy

and EC Rules” section. It contains:



- A Slide Set and Tutor Notes
- Case Studies
- FAQ
- A Guide to the changes.

The training is designed for experienced procurement practitioners who are already familiar with the existing public procurement rules and/or for delivery by those with experience in public procurement training. Questions and comments on the material are invited and recurring questions will be addressed in future updates.

[top](#)

Crystal Mark Award for OGC



Congratulations to OGC's Finance and Procurement team who have been rewarded for their work in making their online forms as user friendly as possible.

The Plain English Campaign (PEC) has awarded the prestigious Crystal Mark to the new online Purchase Order form (PR1). The Crystal Mark was introduced as the public's own seal of approval to encourage organisations to communicate clearly with the public. It has become firmly established in the UK as a guarantee of a document's clarity and is recognised around the world. The Crystal Mark is only awarded when PEC testing shows it can be read, understood and acted upon by the intended audience.

The Procurement team aimed to make the form as easy as possible for the user to complete and to reduce the frustration and additional work for the Procurement team when dealing with incomplete or incorrect forms. End-users were consulted throughout the form's development and extensive testing was also undertaken to ensure that the form's logic worked as 'advertised'. The driving force behind the project was the Procurement team under Kim Webb who provided the general layout and operational requirements and Mark Jennison, Finance Systems Administrator, who provided the Microsoft Excel and programming skills.

[top](#)

Implementing Kelly

In 2002, the Chancellor of the Exchequer committed OGC to consider steps to be taken to increase competition and long-term capacity planning in markets where government has significant purchasing power. Sir Christopher Kelly (former Permanent Secretary at the Department of Health), and members from the OGC Government Market team, prepared a report for the

Chancellor entitled *Increasing Competition and Improving Long-Term Capacity Planning in the Government Market Place* which made recommendations that were subsequently accepted by Ministers. OGC has been charged with the implementation of those recommendations. Both the Report and the implementation Action Plan were published in December 2003 and are available on the OGC website at: <http://www.ogc.gov.uk/index.asp?docid=1002160>

OGC Report to the
Chancellor of the Exchequer

Increasing Competition and Improving Long-Term
Capacity Planning in the Government Market Place

December 2003

The Kelly implementation programme covers two broad work-streams:

- New work to achieve a systematic, joined-up approach to the markets within which the public sector operates
- The monitoring of progress on existing commitments to enhance client capability and improve public sector procurement.

To test the recommendations made by Kelly, the construction market was selected following consultation with stakeholders (who include the wider public sector and industry). The Kelly team is focussing on the collation of public sector demand and construction industry views on what government needs to do to ensure a strong and adequate supply to meet that demand. Demand and supply analysis will identify peaks in activity, capacity pinch points, skills gaps and other issues that will influence measures to improve capacity planning. OGC is also developing, and will publish, case studies of Market Creation - for example, when departments have tried to stimulate a competitive supply response to novel service requirements where a healthily competitive supply market does not exist. Lastly, the Action Plan calls for departments to provide information about future needs to industry and implement proposals for improving two-way communications with industry early in the procurement process. OGC is collating and comparing their responses with current guidance with a view to developing new material where appropriate.

- For the latest news on the Kelly Programme, OGC produce a newsletter which is available at: <http://www.ogc.gov.uk/index.asp?id=1002161>
- A Kelly Supply Capacity Workshop was held in central London on 17 August 2004 to seek information and opinions from Construction industry representatives. The day's agenda and presentations are available at: <http://www.ogc.gov.uk/index.asp?id=1002162>

For more information contact the Kelly Team on Kelly.apip@ogc.gsi.gov.uk
[top](#)

A Golden Start for Retriever



Recognising the need for sound information management policies and practices, OGC has initiated an Electronic Document and Records Management (EDRMS) project. Now well into corporate roll-out, and with OGC teams already utilising the new system, Change Manager Stuart Bailey believes the project has meant a radical change in how information management is conducted within OGC. [Page 10 top](#)

Delegations and Skills

Professional procurement will have a key role in the Efficiency Review and practitioners will be expected to exert a consistent and visible influence on major expenditure decisions. The Department for Work and Pensions (DWP) is already ahead of the game here, with recognised procurement Centres of Expertise, a Commercial Strategy endorsed at Board level, and an active customer management function. DWP has now moved things on a stage further, by introducing a formal system of Delegated Procurement Authority (DPA) which links delegation to skills.

[Page 12 top](#)

DWP Department for Work and Pensions

Homepage

The Department for Work and Pensions (DWP) is responsible for the Government's welfare reform agenda. Its aim is to promote opportunity and independence for all. It delivers support and advice through a modern network of services to people of working age, carers, pensioners, families and children and disabled people. [More About DWP and Working for DWP](#)

The Changing Face of OGC

OGC's current high-level vision, strategy and structure are currently under review. These will consider what adjustments are necessary to deal with OGC's enhanced role at the centre of government.

[Page 14 top](#)

New Team for Efficiency Programme

A new team is developing rapidly within OGC to take forward the procurement workstream of the efficiency programme. The procurement workstream has a challenging target of achieving savings across the public sector of £14bn between April 2005 and March 2008 – this breaks down to about £2bn in year one, £5bn in year two and £7 billion in year three.

[Page 16 top](#)



New Head of Procurement for Prison Service



Vincent Godfrey joined HM Prison Service as Head of Procurement Group in May 2004 taking over from John Cavell. He was previously the Regional Supply Chain Manager (Southern) with Network Rail having worked in the rail industry for almost fourteen years. Throughout his career Vincent has been a commercial professional involved in almost every type of procurement covering supplies, services and major works including the PPP contracts for London Underground. He has also led a number of major procurement change programmes that have embraced Enterprise Resource Planning solutions. He has an MBA in Strategy and Procurement Management from the University of Birmingham and has been a member of the Chartered Institute of Purchasing and Supply since 1990.

With an annual spend of circa £900m with external suppliers, procurement represents one of the best ways for HM Prison Service to meet the challenges that contestability will bring and to get much better value for every pound spent. Category strategies will be developed for the main types of supplies, services and works that are used to ensure that they are getting best value for money and determining what should be undertaken in-house and what should be sourced from external suppliers. There will also be a new organisational structure with a streamlined Central Procurement Unit and six Procurement Service Units to support establishments.

[top](#)

The Efficiency and Procurement Conference

The Efficiency and Procurement Conference took place on Thursday 16 September at the QEII Conference centre in Westminster. This year the flavour was different from the event's previous incarnation as the Joint Planning conference. Over 100 delegates from many parts of the public sector heard from a variety of speakers and they also took part in some interactive sharing of ideas on the theme of '*efficiency and procurement - releasing resources to the frontline.*'

Opening the conference, John Oughton gave an address on OGC's vision and purpose, including the new focus on the wider public sector. David Rossington described the Efficiency Programme and explained how his team aims to ensure clarity of messages on efficiency. He also described the aim of achieving a culture of continuous improvement and moving from efficiency planning to delivery. Martin Sykes outlined the work he is leading on the procurement workstream within the Efficiency Programme. Mike Pitt, the Chief Executive of Kent County Council and Ian Magee, Second Permanent Secretary of the Department for Constitutional Affairs, shared their organisations' approach to efficiency work. And Richard Granger, the Director General of the NHS IT Programme, spoke about the steps being taken to modernise IT in the health sector. Plenty of good material from the breakout discussions focused on construction, collaboration and good deals, measurement of progress and professionalism. The event was a good opportunity to share views and perspectives on how best to release resources to the frontline.

[top](#)

Future Events

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>

Series of seminars explaining the **Decision Map** around the country starting **12 October** until **18 November**. Contact: Mike.massie@ogc.gsi.gov.uk

PPM specialist interests will be embedded in the **Successful Delivery Conference** to be held at the **Queen Elizabeth II Conference Centre**, Westminster, London on **Friday 5 November 2004** where the second annual Delivery Awards will also be made.

SOPO Annual Conference and Exhibition 2004 including **SOPO GALA Awards 11 -12 November 2004** Britannia International, Docklands, London
http://www.bipsolutions.com/events/sopoconf_04/programme.htm

[top](#)

Publications

Procurement Policy – Over-dependency



The response to recommendation (ix) of the Kelly Report *Increasing Competition and Improving Long-Term Capacity Planning in the Government Market Place*, has been published on the OGC website. *Guidelines on Factors That Can Be Considered When Trying To Reduce The Risks Of Over-Dependency On A Supplier* is available at: http://www.ogc.gov.uk/embedded_object.asp?docid=1002151

[top](#)

VFM Appraisal Guidance

HM Treasury has developed a Value for Money Framework incorporating the reform of the Public Sector Comparator. This will be mandatory for all projects from the SR2004 period, and those transition projects that have been agreed with HM Treasury.

The Quantitative Evaluation tool itself is held centrally by HM Treasury and has been distributed to Departmental Private Finance Units. The use of this tool with any PFI Value for Money assessment is mandatory, and changes should not be made to the tool without prior agreement of the Corporate Private Finance Team, HM Treasury. Further information regarding the outcome of the Stage 1 assessments will be available as part of the Departmental Investment Strategies to be published in the new year. New Guidance on Bid Evaluation is now under development and the Corporate and Private Finance Team, HM Treasury will be seeking input and comment on this part of the guidance shortly. Please contact Susan Bickham on 020 7270 4396 or email susan.bickham@hm-treasury.gov.uk with any comments or queries.

The Guidance, and User Guide for the Quantitative Evaluation Tool that accompanies the guidance, can be downloaded from:

http://www.hm-treasury.gov.uk/media/CE2C2/pfi_vfmguidance_040819.pdf

http://www.hm-treasury.gov.uk/media/5A88F/pfi_vfmuserguide_040819.pdf

[top](#)

ECOE News

Issue 9 of *ECOE News* is available on the OGC website at:
<http://www.ogc.gov.uk/index.asp?docid=1000547>

If there is something that you would like to have published in *ECOE News*, please write to the ECOE Team at ECOE@ogc.gsi.gov.uk



[top](#)

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

The Editorial Board Members are: Bryan Avery, Chair (OGC), Nic Hopkins (OGC), John Kitching (British Library), Sandy Flatman (The National Archives), Jason Skill (Department for Education and Skills), Sue Broyd (OGC), Suzanne Fred (OGC), Philip Cunliffe, Deputy Editor and Christine Barnicoat, Editor.

GC forum is published by OGC © Crown Copyright 2004. Unless otherwise indicated the material in this newsletter is the subject of Crown Copyright. The Crown does not accept any responsibility for the content or accuracy of material which is not Crown Copyright material.

A Golden Start for Retriever



Recognising the need for sound information management policies and practices, OGC has initiated an Electronic Document and Records Management (EDRMS) project. Now well into corporate roll-out, and with OGC teams already utilising the new system, Change Manager Stuart Bailey believes the project has meant a radical change in how information management is conducted within OGC. It also helps OGC address mandatory compliance with the fast approaching Freedom of Information Act! The SRO, Nic

Hopkins, plans to share their experience at the TNA Records Management in Government Conference, 6-8 October.

One of the key elements of the Modernising Government White Paper of 1998 was a commitment to ensure that all government departments and agencies had established electronic records systems by the end of 2003. Moreover, another important piece of legislation that comes into force at the beginning of next year is the Freedom of Information Act. Many departments have only recently become confident that they can secure real business benefits as well as address these two driving commitments.

The formation of OGC brought together the functions and processes of its predecessor organisations, and it is only recently that it has had the capacity to implement a strategy or approach to managing the vast amount of information it possesses. Although it began to look at putting in place a document management system back in 2002, the OGC Board felt this was too much change to implemented in parallel with transition to its Medium Term Strategy, so it was put on hold. However, in April 2003 it was re-launched and a new project team established under the leadership of Nic Hopkins (SRO) and Steve Mumby as Project Sponsor.

Rapid Response

As OGC's core business is providing advice, guidance and consultancy services, it is crucial to have a central information resource for both internal and external processes – especially given the fact that, from 1 January 2005, anyone will have the right to ask a question of OGC and that the organisation will have to respond within 20 days. A system was therefore required to ensure that the process of responding to any request was handled effectively, quickly and efficiently. Furthermore, it was clear that the Government's current Efficiency Programme involves the maximum use of IT-enabled systems and processes to improve productivity.

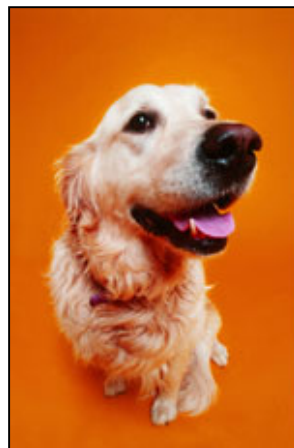
Stuart Bailey is, however, keen to point out that the EDRMS project is not purely about IT. He says: *"The technology is only a new tool and is very easy to use.. The real challenge has been to change people's attitude to the management of information. There is a huge amount of information that is lodged within people's heads, but what happens when they move to another role or organisation and that knowledge is lost? The creation of a corporate memory bank was therefore not an option but a necessity."*

Procurement and System Development

The procurement process to secure the right supplier of the new system was critical, so Stuart and the team worked hard to establish clear priorities and a strict timetable. Some key aims and objectives were agreed and built on with the final two bidders. Crucially, the team established a User Group at a very early stage, and this Group provided vital input into functionality and policy issues, especially in the pre-contract stage. In addition, a group of Early Adopters were used to tease out some of the technical and process design issues.

One of the first issues to be resolved was how the File Plans were to be structured and the team decided on a Plan built on the functions of OGC, as Stuart Bailey explains: *"We had to decide what the basis of the system was to be. An organisational-based system was considered, as well as an external-facing one. But in the end, we opted for function-based system. The theory was that, even if the organisation were restructured, the functions of the OGC would be much more enduring."*

Another issue was exactly what information needed to be put onto the system. The question was, how far back – in terms of time – people should go. The User Group was instrumental in determining that all information produced during the past financial year should be used, with prior material being archived or migrated in slower time, but still within the new system and therefore searchable. This “separation” of data has proved valuable in reducing the time and effort of OGC teams.



Of course, OGC were not alone in developing a system of this nature and Stuart and his team gained insight and lessons learned from bodies such as the National Audit Office who were further down the implementation path, as well as drawing on the National Archives’ Best Practice guidance on document management. *“It is true to say we were lagging behind other organisations in developing these plans at the beginning, but there is no doubt that we have caught up the leaders of the pack,”* says Stuart.

The preferred supplier – Valid Information Systems – was selected and contracts signed in February 2004. Since then, the EDRMS team has, together with the contractor, further developed the system. Working relationships have been established with each OGC team within all the various directorates, with Business Function Co-ordinators appointed to each team. These Co-ordinators are the main interface between the OGC teams and the EDRMS project team in establishing how the team’s information fits into the corporate Fileplan.

Branding

As this was not just an IT project per se, but more about changing people’s approach to information management, Stuart Bailey believed a concerted and heavy branding was important. At a basic level, the project is concerned with Storage and Retrieval of information. The brand name Retriever was therefore adopted – a good, easily-identifiable name which encapsulated the whole package neatly. Once this name had been decided upon, the team embarked on a series of launch events, which included marketing merchandise. This proved successful, with a high level of awareness and positive feedback being attained.

Implementation

Retriever is now well into the implementation stage. A rigorous process of training and support is being carried out team by team. This involves a group attending a workshop which provides detailed information on how the system works and how each particular team will be managing its data. The project team then migrate all there existing material into the system over the weekend. On the Monday morning, staff can put this training into immediate action, with the EDRMS team on hand to offer support and guidance.

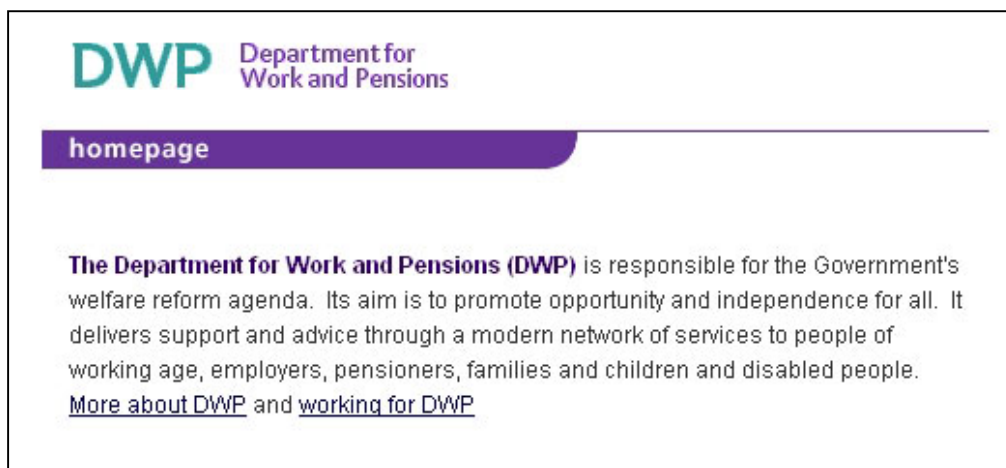
Over one-third of OGC staff have now gone through this process and Stuart Bailey is confident that all OGC staff will be able to use Retriever by the end of the year. *“We believe we have the right system for this huge undertaking, and that we have done an excellent job in making it as relevant and usable as possible for users. Come 1 January 2005, OGC will be in a good position to answer almost any question – quickly, easily and efficiently.”*

For further information on Retriever please contact Stuart Bailey via the OGC Service Desk on 0845 000 4999.

Delegations and Skills

Readers will be aware of the key role that professional procurement will play in the Efficiency Review and its drive to deliver efficiency gains of £20 billion per annum by 2008. Procurement practitioners will be expected to exert much more consistent and visible procurement influence on major expenditure decisions, thereby delivering better quality, good value contracts for their customers.

The Department for Work and Pensions (DWP) is already ahead of the game here, with recognised procurement Centres of Expertise, a Commercial Strategy endorsed at Board level, and an active customer management function. DWP has now moved things on a stage further, by introducing a formal system of Delegated Procurement Authority (DPA) which links delegation to skills and which aims to ensure that all DWP contracts with a value in excess of £10,000 are let by suitably qualified and experienced people.



The screenshot shows the DWP homepage. At the top left is the DWP logo (DWP Department for Work and Pensions). Below it is a purple bar with the word 'homepage' in white. The main content area contains a paragraph describing the DWP's role in the Government's welfare reform agenda, followed by a link: [More about DWP and working for DWP](#).

In the past, successive DWP audit reports had identified weaknesses in the way the Department conducted its commercial business. There was limited assurance of compliance with proper controls and procedures for commercial activity as enshrined in 'Government Accounting' and the European Union Procurement Regulations. In a number of cases there was insufficient separation of duties between budget holder, purchasing specialist and invoice approver, with obvious potential consequences for value for money and propriety. In addition, major procurements had sometimes proceeded without scrutiny from trained and experienced procurement staff. With an annual spend of over £4bn on bought-in services, the need for central assurance of how this has been spent was paramount.

DPA is new and innovative but is already recognised as a very important element of financial and procurement control and assurance within DWP and is supported at the highest levels. The Department is exposed to unacceptable levels of risk and criticism if staff with little commercial knowledge and experience let high value contracts without involving professional procurement staff. With DPA, DWP will have a recognised, named cadre of individuals who have been assessed by DWP's Commercial Policy and Best Practice Team as having the right levels of qualifications and experience to manage commercial activity of particular value and risk.

DWP expects that this new approach will secure better, more robust, performance-based contracts, in line with central and Departmental procurement standards and offering improved value for money and increased protection for the Accounting Officer. A key element of the DPA system is **accountability**. The DPA holder will be expected to take the lead on all aspects of the commercial deal and to be accountable to the Project Manager and Senior Responsible Officer for the commercial viability of the deal which emerges.

Other beneficial changes likely to flow from DPA are:

- a significant increase in the workload of delegated officers as commercial assignments, previously handled wholly within business units, begin to be channelled towards procurement professionals.
- increased interest in businesses acquiring or developing the necessary level of procurement expertise to manage their activities in line with DPA, leading to the potential setting up of new Centres of Expertise within business units, with associated training programmes to develop staff to professional MCIPS level.
- a larger number of procurement experts identified, thus creating more scope to manage Departmental commercial priorities more flexibly, as well as more effectively.
- increased assurance for managers across the business that delivery of their accountabilities that involve commercial arrangements will be managed in line with required standards to achieve the best value for money outcome.

Major change initiatives should not now proceed without a DPA holder being involved. Business units or individuals who intend to let contracts with external suppliers will be expected to ensure they involve an appropriately qualified and experienced individual before any deal is concluded. This covers the development of specific contracts, establishment of frameworks and the accessing of services from within a framework (though clearly different levels of risk apply to each of these).

DPA has been implemented at five levels, each with its own typical levels of qualifications, experience and training and with an understanding of the types of risk associated with each category.

Low Risk examples:

- Requirement is non critical to DWP operations.
- The consequences of supplier failure would be minimal as there are plenty of alternative suppliers.
- Requirement is not part of a flagship Departmental initiative.
- Failure to successfully complete the procurement would not jeopardise delivery of core DWP business and embarrassment to the Department would be minimal.

High Risk examples:

- Complex procurement, e.g. a complex information technology system.
- Mission critical requirement, where failure would seriously impair Departmental operations.
- Registered with the DWP 'Change Lifecycle' – the OGC approved governance, funding and approval system for DWP projects.
- Supplier failure would cause major disruption to Departmental operations; difficult to change suppliers without impairing efficiency.

284 DPA Certificates have already been issued and the DPA list will expand as new expenditure is identified. The aim is to have identified all potential DPA holders by the end of the 2004-05 financial year. The DPA system will, of course, also develop as business needs change and as individuals move and/or acquire additional experience and qualifications. Compliance with the new system will be evaluated in late 2004 to test the effectiveness of the DPA arrangements.

For further information contact: David Greensmith, DWP Procurement Policy Manager, phone 0113 2327096 or e-mail david.greensmith@dwp.gsi.gov.uk

The Changing Face of OGC

The core remit of OGC is being extended to embrace the wider public sector, including local authorities, health, police and education and will take effect from April 2005. This new work will be delivered without additional resource and as stated in a recent letter to staff from John Oughton CEO – “this represents a significant challenge for everyone in OGC”! The Skill Development Centre (SDC) is taking up this challenge.



OGC's current high-level vision, strategy and structure are currently under review. These will consider what adjustments are necessary to deal with OGC's enhanced role at the centre of government.

The Skills Development Centre has recently completed a project to enhance the Successful Delivery Skills Framework. The new Skills Framework is now available together with the Skills Passport - a low technology system to record and analyse delivery skills assessments. The Department for Constitutional Affairs and HM Customs & Excise are currently acting as “trailblazer” users of the Skills Passport and these products are available from the OGC website.

These two products now underpin three distinct bodies of work:

- the Programme and Project Management (PPM) Specialism www.ppm.ogc.gov.uk,
- the Government Procurement Service (GPS) www.gps.ogc.gov.uk
- the Senior Responsible Owner (SRO) workstream.

A Strategic review of the GPS is currently underway – a consultation paper was presented to the Chief Executive Advisory Group (CEAG) on the 14 September. The paper will be discussed further at the next CEAG meeting in December 2004.

GPS Conference



The next GPS conference is being held at the Hilton on the Park, London on the 26 and 27 January 2005. This will be the opportunity to see how the GPS, with leadership from Heads of Procurement and Commercial Directors, is shaping up to the new challenges including the Efficiency agenda. Of course it's also an opportunity to renew or make new professional networks. Please contact the GPS Manager with topics you would wish to see aired at this conference. We hope that in this way we can make sure that the conference programme reflects your concerns, views and aspirations. Email to: timothy.robinson@ogc.gsi.gov.uk

The SDC has initiated a new workstream with the objective of improving services to support SRO and Investment Decision Maker (IDM) capability and capacity. Outputs for the workstream will include:

- A catalogue of information, development and services currently available to SROs
- Identification of the need for strengthening of support, or adding new services, for SROs and IDMs based on a development needs analysis now underway.

The PPM specialism project is just over a year old and is entering a most interesting phase as it relates, along with GPS, to the Cabinet Office's Professional Skills for Government (formerly IPC) initiative. This relationship should secure key recognition for specialist delivery skills and its sister programme for Improving Leadership Capacity (ILC) should improve core delivery skills in the SCS.

Successful Delivery Conference – PPM Delivery Awards

PPM specialist interests will be embedded in the Successful Delivery Conference to be held at the Queen Elizabeth II Conference Centre, Westminster, London on Friday 5 November 2004 where the second annual Delivery Awards will also be made.

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.



Contact Peter Johnson Head of Careers and Specialisms on 020 7271 1341 or peter.johnson@ogc.gsi.gov.uk

A series of more focused seminars and workshops are being arranged by the PPM specialism project – see the website for information.

Watch this space for further developments over the coming months!

GC forum is published by OGC. © Crown Copyright 2004. Unless otherwise indicated the material in this newsletter is the subject of Crown Copyright. The Crown does not accept any responsibility for the content or accuracy of material which is not Crown copyright material.

New Team for Efficiency Programme

A new team is developing rapidly within OGC to take forward the procurement workstream of the efficiency programme. The procurement workstream has a challenging target of achieving savings across the public sector of £14bn between April 2005 and March 2008 – this breaks down to about £2bn in year one, £5bn in year two and £7 billion in year three. The workstream is being led by Martin Sykes.



The procurement workstream of the efficiency implementation aims to help the public sector deliver around £14 billion of efficiency savings during the SR04 period. It's a challenging mandate, as this represents about a third of the total efficiency programme target.

A small team has been hard at work in London and Norwich since July. It is busily designing the structures and mechanisms that will support public sector organisations in their quest for greater procurement efficiency but more importantly it is engaging with customers to identify the good practice and success stories that are already happening and encouraging greater co-operation, collaboration and sharing of information across the public service.

This is moving into a lot of new areas, including work across the "wider public sector" as the Chief Secretary requested. New relationships are being established with the MoD, the police and the health service to name but a few. There are also significant challenges for departments in working across boundaries – for example Department of Health will be working closely with local government in the procurement of social care.

Martin Sykes, Executive Director of SGMD and head of the Government Procurement Service, is leading the workstream. His view, expressed to delegates at the Efficiency and Procurement Conference, is that *"we haven't got all the answers in OGC – but you, across the public sector, have"*. Martin believes that the answers to questions on how to achieve procurement efficiency savings are already being put into practice in parts of the public sector. *"It's a question of capturing exemplars and encouraging public bodies to work closely together to share information and ideas. We're really talking about OGC leading a public service wide cultural change programme"*.

Three initial projects will be set up:

- A procurement hub in OGC to co-ordinate activity across the public sector. Project leader, Adrian Howcroft (on secondment from PwC) is leading a small team that will co-ordinate action, provide linkage between different sectors, offer support and measure progress. This procurement hub will primarily interface with a number of sector "change agents" which will co-ordinate action in particular markets and sectors.
- A team, led by project leader John Stewart, is establishing a commodities change agent. This team will analyse the potential for greater collaboration in the purchasing of goods and services to which a unit price can be attached. This will build on the good work of individual departments, OGCBuying.solutions, NHS PASA and local government consortia to co-ordinate action, bring people together and help in the brokering and assessment of the right shape of deals. Protocols on national, regional and local aggregation and sourcing strategies will be developed, and reducing supplier costs will also be a priority. This body will also be guardians of the SME and sustainability agendas, to ensure the best possible mixture of local, regional and national purchasing so that the gains made in those areas over the last few years are not lost. John will be inviting key individuals from across the public sector to an inaugural meeting of the Commodities Change Agent steering group in October. Work has already started on scoping the areas of commodity market to address in the first instance, building on the work that has already been done. John will also continue to have responsibility for the e-commerce team.

- The third project is the setting up of a Construction and Facilities Management agent. This will develop from the work currently being undertaken by the Kelly First Market project (dealing with construction) and Achieving Excellence in Construction. Martin Sykes is currently leading this work himself. The team to deliver these projects is still being recruited. This work clearly throws up a lot of issues for the future shape and direction of OGC - dealing with a new set of customers and a new set of challenges.

If you want to know more, please contact Stephen Tokley who is taking forward the communications strand for the workstream, on 020 7271 2746 or mailto:Stephen.tokley@ogc.gsi.gov.uk

GC forum is published by OGC. © Crown Copyright 2004. Unless otherwise indicated the material in this newsletter is the subject of Crown Copyright. The Crown does not accept any responsibility for the content or accuracy of material which is not Crown copyright material.