

Industry Research

The Operational Efficiency Programme Findings (May 2009)

The Operational Efficiency Programme was launched by the Chief Secretary to the Treasury on 3rd July 2008.

Building on the SR04 Efficiency Programme, which successfully delivered over £26.5 billion in savings, and on plan to deliver another £35 billion in savings as part of the CSR07 value for money programme, the Operational Efficiency Programme has taken a close look at achieving greater efficiency in a number of cross-cutting areas:

- back office operations and IT, led by Dr Martin Read
- collaborative procurement, led by Martin Jay
- asset management and sales, led by Gerry Grimstone
- property, led by Lord Carter of Coles
- local incentives and empowerment, led by Sir Michael Bichard

The first four workstrands of the programme draw on valuable private sector expertise. Martin Read, Martin Jay, Gerry Grimstone, and Lord Carter of Coles have provided advice and challenge to government to ensure that the Government's plans are as ambitious as possible. The fifth strand, led by Sir Michael Bichard, has looked at how to go further in local collaboration and innovation, tapping into the experience of frontline professionals to increase efficiency and service outcomes.

Collaborative Procurement

The collaborative procurement workstrand of the OEP found that collectively, the public sector has the potential to become an extremely powerful purchaser, with over £175 billion spent on external goods and services in 2007-08. The review has found that it is realistic to achieve a total of around £6.1 billion of annual value for money savings by the end of 2013-14 provided ***the Government acts swiftly to implement the recommendations of this report.*** A further £1.6 billion value for money savings could be achieved through the collaborative procurement of IT. This gives a total of collaborative procurement savings figure of £7.7 billion by 2013-14.

To further promote greater uptake of collaborative strategies, central Whitehall departments and organisations across the wider public sector should:

- make better use of existing investments in eProcurement tools, such as [Zanzibar](#), to support greater uptake of collaborative category deals; and align and OGC-developed central eProcurement policy with commercial strategies.

Zanzibar supports the four key recommendations of the [Operational Efficiency Performance Review](#), published in May 2009, by:

- providing a single repository of cross government management information;
- helping to drive uptake of collaborative strategies and incentivisation through organisation and role specific access to content, providing improved access to suppliers, reducing process time and creating a secure environment to work within;
- providing rich real-time management information (to line item detail with consistent classification) to enable Chief Financial Officers (CFOs) and Chief Procurement Officers (CPOs) to track and manage their spend. This will also support in performance management across Departments by facilitating comparisons in prices paid for common commodities within and between Departments; and
- promoting and, if necessary, 'forcing' cross-government collaboration on procurement of common commodities from the collaborative contracts which are made available on the system.

Learn more about how [Zanzibar can enable OEP savings](#)

Read the [Operational Efficiency Programme Findings - Final Report \(Apr 2009\)](#)

Read the [Operational Efficiency Programme on Collaborative Procurement - Final Report \(May 2009\)](#)