

The Register: UK.gov outlines £95m IT savings plan

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Ahead of next week's emergency Budget, Francis Maude, head honcho of the Efficiency and Reform Group (ERG), has outlined plans to renegotiate government IT contracts to net £95m in planned savings.

Targets by project have not been set, but Minister for the Cabinet Office and Paymaster General Maude said: "Each project will need to be reviewed individually to ascertain if the project should be stopped, reshaped or continue."

Targets won't have been set because it's unlikely to be clear what has been spent and where.

"The review of ICT projects will be followed by a contract renegotiation exercise which will be undertaken at supplier level and will focus on those suppliers who have the largest overall revenues from UK public sector contracts," said Maude. "Targets by contract have not been defined as each will need to be individually reviewed and negotiated."

One of the ERG's first priorities, with immediate effect, was to implement a freeze on all new ICT spend above £1m. The group, set up between the Cabinet Office and the Treasury, is driving the government's agenda to make £6bn in spending cuts this year.

Maude was responding yesterday to a written question from Iain Wright, Labour MP for Hartlepool.

The main IT services suppliers to government are HP (a major player following its acquisition of EDS), IBM (which got £82.2m in 2009-10 just from the Department for Environment, Food and Rural Affairs), Cap Gemini, BT and to some extent Steria and Logica. For software you're looking at Microsoft, Oracle, and SAP with Computacenter, SCC and Dell kicking in the hardware. But ICT spend itself isn't the complete picture - there is also a lot of spending on IT delivery to manage the implementation and exploitation of ICT. Those links aren't always obvious.

So how much are all these players getting? It took a freedom of information request to reveal how much Defra was paying IBM so the amounts paid to these suppliers is not known. This month the Treasury has released datasets from the Combined Online Information System* (COINS [1]), the government's expenditure database, but it includes estimates, is not easily readable, and is in a complicated data format. The data is used to produce reports for Parliament and the public, including expenditure data in the Budget and Pre-Budget reports and the monthly Public Sector Finance Releases. It is also used by the Office of National Statistics for statistical purposes.

In a separate announcement today, Maude said that ERG's board would include Whitehall procurement stalwarts Sir Peter Gershon, Lucy Neville-Rolfe, and Martin Read.

Yue Jin Tay, business development manager for government e-procurement specialist ProcServe, believes that with the ERG, there will be an end to the days of "multiple complex deals with uncertain visibility of spend" on government contracts.

"The transaction data needs to be easily accessible, real-time, transparent, granular and measurable," he said.

Tay doubts whether it would have previously been possible to easily find out how much IT suppliers have been paid, both directly and indirectly. "And are they being managed as strategic, pan-government suppliers - I doubt if this has been the case up to now. However, it is clear that Government intends to dramatically alter this situation as a matter of urgency," he said.

ProcServe's e-procurement solution, called Zanzibar, is developed and operated on behalf of the Treasury and the Office of Government Commerce, and is the only HMG security accredited marketplace.

Maude was also quizzed on open standards and the likely saving accrued if the concept is adopted. He said the ERG has begun work to review and simplify ICT procurement, including an increased focus on the use of open standards. "Once this programme is under way we will define the targets for savings from this activity and these will be published," he said. ®

*The first COINS release included data for 2008-09 and 2009-10. Additional datasets for 2005 through to 2008 were published today.