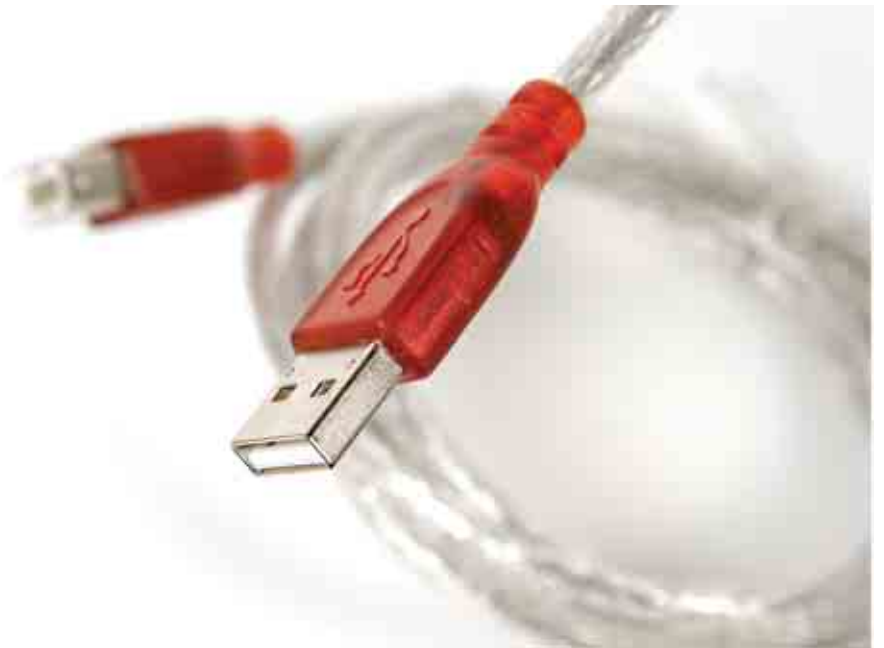


NEWSTATESMAN



IT AND MODERNISATION



Building technologies for the future

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This *New Statesman* round table discussion, sponsored by Atos Origin, debated issues around IT and how it affects the modernisation of society and, in turn, how society's attitudes affect the technology that seeks to make our lives easier. Public perception of IT projects as successes or failures can have a dramatic impact on those working in the industry, and which projects they take on. Projects that take several years to realise can change considerably from the initial scope. Comparisons between public and private sectors can be misleading in such a young industry.



NEWMEDIAAWARDS
ON THOUSANDS OF UK



CONSULTING > SOLUTIONS > OUTSOURCING

Perceptions, priorities and people

Bill Thompson Good morning. As you can see from the paper in front of you, the conversation we have today will, we hope, focus on the ambitions of government, the scale and scope of the challenges that this implies and prospects for the future. We have picked five core themes: choosing priorities, setting the pace, standardisation and sharing, being fit for purpose and ideas for the future. Are there any other areas you feel that we should be dealing with?

Derek Wyatt I think, over the next five to ten years, the China/Russia/Brazil/India situation will impact on our economy and competitiveness, our standard of living and everything else, but I am not sure that we fully understand what is coming down the wire. Is it a London debate or is it a national debate?

Barbara Kitchenham Perhaps audit. How do we put in place systems so that we know how to measure what is or will be happening?

John Coulthard I would say “people”, whether it is their work in the programmes that we develop and work alongside, or in the form of citizen, consumer or patient. How people fit into the equation.

Bill Thompson With those points borne in mind and the other themes, let me ask Derek to kick us off.

Derek Wyatt After nine years in Westminster I am not convinced that the government “gets” IT. There is still a lack of co-operation between the departments in government. Let me give you one illustration, that of the e-University project, which cost us £165m, that’s £39,000 per student. When I went to see David Blunkett about that project, I asked him if he had ever heard of the Open University, and he said, “What on earth has that got to do with the e-University?” I said, “We do not need to reinvent the wheel, but we could

ask them to hold it on behalf of the nation as a concept before we go out and create something”.

What we need is a secretary of state, a chief operating officer (COO) in the Cabinet Office, just for IT, but I cannot push that approach through.

Where I operate, in Sittingbourne and Sheppey, north Kent, there is a nexus of poverty because the employment centres used to be shipyards or naval dockyards. Fewer than 30 per cent of my constituents have a PC. The divide is going to get bigger and that situation affects education very seriously. There does not seem to be any policy at all to help the poorer communities. I think television is the future.

Last year, I was lucky enough to be taken to India for ten days and I spent a considerable amount of my time in Bangalore and Mumbai. The quality of computer science teaching in India is far in advance of anything here in the UK. Their higher education computer science institutes are sensational.

Alex Bax If you go to some of the community-led projects and to some of the local authorities, there is some interesting positive activity. There is a very interesting project in Shoreditch, which is trying to deliver interesting content, applications, services and technology to some of the most marginalised and poorest people in London. We have had some great successes with specific things, such as congestion charging or the Transport for London (TfL) website, which is very well used.

John Coulthard Another example is defence. Since 1992, the Ministry of Defence has done a fine job of creating the kind of capable, motivated people who deliver not only the defence industrial strategy, but also 330,000 entities on their network, from Afghanistan to Abingdon. I would put it down to a coherent strategy, coherent organisation and bringing suppliers in to understand their procurement

processes, policies and procedures. They have integrated the military satellite communications – naval and air force – with their civilian and commercial personnel so tightly that you cannot tell the difference.

Will Davies Britain has done quite well in its attempts to get technology into people’s homes. It was the first country to get complete broadband coverage in terms of exchanges converted for broadband. Ofcom has done very well there. Uptake of technologies in homes, schools and workplaces has also been unusually high in the UK compared with many of its competitors. I think the question that then arises is: “What has been achieved with that?”

Joanne McCartney One success in London is the Oyster card. It was focused on what customers would want and how they would use it very simply. They knew there was a benefit in having an Oyster card because they would always be capped with the lowest fares for that day. Furthermore, it is simple to administer.

The project team did not allow itself to be diverted by what it could do, but focused on what it delivered.

Ajaz Ahmed I am a shopkeeper. I am not a technologist at all. The reason why iTunes, Amazon, eBay and Freeserve are successful is because they do something that the government seems incapable of doing, and that is connecting with the customer.

Richard Granger There has been so much hypocrisy in the press coverage of IT in the NHS. Maybe one of my service providers would like to talk about the service it delivers to the NHS.

John Coulthard Yes, I would. Every day people benefit from things like a liver function test. I am not a

GP, but GPs will tell you that they can look at a patient’s liver function test and tell a huge amount about the health of that patient, which enables them to diagnose more effectively. That test result comes electronically, not because it is easier to do. The van still has to pick up the item and carry it to the hospital to be tested. The fact is that it gives a better understanding of things more immediately. There has been a lot of bad press about the health service. The people using that technology inevitably mark it ten out of ten but people who do not use it criticise it.

Richard Granger The Choose and Book programme has been erroneously recorded as costing £30bn. Derek runs it and it has, for many months in the past year, run at 100 per cent availability. It hooks up approximately 180 legacy back-end systems and feeds that data out to nearly 9,000 end-user locations, using 17 different computer systems with 8,500 independent small businesses. There are quite a few people who deliver IT systems or comment on them in this room. Do we have any comparators for that?

Malcolm Fallen Richard makes a good point. The NHS is the largest employer of people in a single enterprise across Europe. On that scale, these projects are complex and difficult to manage.

John Yard It is very easy to confuse IT and IT failures, wherever they are, with a far bigger underlying issue and challenge. Following on from Derek’s introduction, I believe that the government does “get” IT but what we mean by IT, when we are talking about these things, is management of change – governance. It is about whether, as a country, we should have a network as a utility, like gas and electricity; about the digital divide and education.

IT is the embodiment of all of those different elements. Richard is saying, “We have made huge

Round table participants



Tony Ageh
Project leader
iPlayer, new media
division BBC



Ajaz Ahmed
Founder of
Freeserve;
chairman of
Callserve



Alex Bax
Senior policy officer,
planning and
development,
Greater London
Authority (GLA)



Neil Glass
Author of
*Plundering the
Public Sector*,
pseudonym David
Craig



Richard Granger
Director general IT,
Department of
Health



Alan Jackson
Chief technical
officer
Aidworld

Sometimes comparison with commercial products is not appropriate
Barbara Kitchenham

step-change improvements in the country.” I do not think it is the technology that is holding it up. That leads on to what would be the priority? One of the questions or the themes is: should we do the easy things or should we do the hard things? The answer is that we should do a mixture.

Barbara Kitchenham Sometimes comparison with commercial products is not appropriate. If you are working in a commercial environment, you can decide not to support the disabled, the illiterate and the poor, whereas the whole point about the NHS and government services is that they have to include all those groups to whom commercial businesses can say, “They are not my concern”.

John Yard One of the key issues – someone has already touched on it – is scope creep. We do like to have huge complexity, whatever the requirement. As something becomes more complex, it puts huge pressure on people because of the delivery date.

Bill Thompson Joanne, how did the Oyster project managers resist the scope for expansion? What methods did they use and what did they do right?

Joanne McCartney They just remained focused. They said no. There was good project leadership. I went to the presentation and the project leader said that many suggestions had been made to him about how the Oyster card could be used for various applications. The decision was taken that that technology would come later or the project would not be on time.

Richard Granger Having worked on the original scope for what is now branded as the Oyster card, having been a leader on congestion charging and now doing this NHS stuff, I have a perspective around scope on those three projects. The Oyster card, was

radically descoped, compared to what it is now, as a consequence of serious project failure from EDS’s original proposals in 1996-1998. Its scope went through a couple of major cycles of failure before it ended up as it is at the moment.

On congestion charging, we managed scope very aggressively. One thing that was absolutely not in scope was the use of SMS messaging, which is now the primary preference channel for people paying their charge. Sometimes you need an expansion of scope in order to meet what the public wants.

On the NHS project, which is obviously a work in progress as part of a ten-year programme, one of the things that was not even considered to start with was a technology called digital imaging or picture archiving. We have gone through the 50 per cent mark on that in this country in the past 12 months, whereas it was around 10 per cent in the previous decade. If you go to a hospital and have a scan or X-ray, it will now be captured and stored digitally; 20 per cent of X-rays are not present at the point of clinical decision. They have to be reshot, or the decision is made without them, but there are a significant number of laterality errors. For those of you who don’t work in the NHS, that means the wrong thing being removed, be it a limb or an organ.

That additional scope cost about a £1bn and this is now being presented as a cost overrun. We need to be a bit cute about scope control and scope expansion.

Bill Thompson I would like to ask the suppliers who are here: was that because technology evolved in a way that allowed that facility to be added on, or was it a policy choice?

Richard Granger On congestion charges it was the mobile phone take-up and the exponential growth in SMS messages. In terms of picture archiving, it was about listening to what end-users wanted. The



John Coulthard
 Director,
 Healthcare,
 Microsoft



Will Davies
 Former head of
 digital society and
 media,
 Institute for Public
 Policy Research



Malcolm Fallen
 CEO,
 Kingston
 Communications



Barbara Kitchenham
 Professor of
 quantitative software
 engineering,
 Keele University



Matt Locke
 Creative director,
 BBC new media
 innovation



Joanne McCartney
 London Assembly
 Member; Mayor’s
 e-envoy; vice chair
 LondonConnects,
 GLA

technology was already there but there was a pricing cartel that I had to break.

Bill Thompson Perhaps we can now turn to Roy and John. As the technology your companies supply changes quite rapidly, how does that influence the way you are working with public sector projects in offering them things that are not possible when project scope was settled?

Roy Simpson We adapted technology or moved to future technology based on close working relationships with Connecting For Health, so it has been very beneficial to us. We are a push technology company rather than a “What-was-that-you-wanted-again?”-type company.

Coming back to an earlier point, it would be great if we could take some of the knowledge areas around government and combine them better. Derek mentioned the COO for government; I love that idea.

John Coulthard When I look at defence or education it seems to work best when we are integrated fundamentally into that process and understand their decision-making. An area that comes to mind is identity. Microsoft’s identity work at the moment is pretty generic. That is as a result of understanding the government’s need for identity. The most important thing in working with government is policy. Policy changes seem to affect us most of all. In 1992 in health there was a purchaser-provider split. Today it does not look any different, yet there has been a cycle of complete change in between.

Alan Jackson The longer a project is, the more likely it is that the world will change while the project is running. Something that is accepted within

international development is that you do smaller things more frequently and you participate with people who will be using them, so that you can adapt to the changing world.

Derek Ward Something nobody does particularly well is expectation management; expectation management of users, the public and ministers. You have a very large number of stakeholders in these projects. Expectation management is a big area.

Richard Granger There is a real gap between the reported environment that leads to public perception about the performance of public service organisations and the secrecy with which the private sector conducts its operations.

Bill Thompson I want to bring in Tony Ageh, who is the project leader of the iPlayer project at the BBC. Do you think there are any lessons to be learned from the way you are handling things in terms of the public perception of BBC projects?

Tony Ageh I feel for Richard because the BBC is under permanent scrutiny. iPlayer is an umbrella project that pulls together the ways you can consume AV media assets on the BBC websites, as well as digitally delivered projects. It is also looking to develop four new pieces of technology components: the ability to deliver television programmes over the internet retrospectively; the ability to deliver retrospective television programmes over the cable networks; to be able to simulcast television programmes over the internet and to have the freedom to make available some downloads without digital rights management.

The problem we have in the BBC is that there are so many legacy systems to be integrated. We have a duty

Round table participants continued



Eamonn Molloy
Lecturer in operations and technology management, Said Business School



Roy Simpson
Director public sector, Intel Corporation UK Ltd



Bill Thompson (Chair)
Technology critic and essayist



Stephen Timms MP
Chief Secretary to the Treasury, former e-government minister



Derek Wyatt MP
Chairman of the all-party iGroup; Founder, Oxford Internet Institute, Oxford University



John Yard CBE
Member, EzGov Europe Middle-East Advisory Council,

Other participants were: **Derek Ward** Executive vice president, UK markets and accounts, ATOS Origin. Observers: **Tariq Khokhar**, Aidworld; **Matthew Style** Private secretary to Stephen Timms MP

We are 40 years into having digital information, yet people are passing judgement on it as if it were something mature
Richard Granger



of universality to start with the people most unlikely to be able to access the services and to give them availability. We are building services today that we probably will not be able to use in 20 or 30 years' time and we will create other legacy systems for ourselves. Scope creep is a major burden, particularly because we cannot know what device you will want to view it on. At the moment you think that might be a large screen but it might be on something that is projected on to your retina in the future. We cannot control the speed of IT development, be it hardware or software.

We have a number of stakeholders and rights holders, who have different views about what we should be allowed to do with TV programmes. There is a misconception that the BBC owns the rights to the programmes it broadcasts but it does not, so we cannot stick out *Only Fools and Horses* or *Dad's Army*. Many of these are in archives that are incompatible with each other, so it is a huge project.

The difficulty we have is trying to budget here, today, for something that shows demonstrable value, that can be held up to scrutiny, that allows the outside industries to have their point of view or have a positive market impact. It needs to provide opportunities for other businesses and entities to be able to put into the technologies we develop and make money from them.

Derek Wyatt If you take Tiscali's Homechoice, broadband television currently delivered to about 40,000 London homes, it cost £450m to build and the owners now have the proprietary rights to the technology. In building your iPlayer, will you have proprietary technologies or have you been able to take off-the-shelf stuff?

Tony Ageh We do take off-the-shelf stuff. We are much more into the buy rather than build culture. The

hope of other industries that have made significant investment is that the BBC's technology will stand still to allow them to recoup their investment. That is an unfair burden to place on a public service body. Other companies can say, "Never mind the people with accessibility issues; it is all about getting our return back", whereas the BBC has to go at the speed of the slowest members of its audience.

Alex Bax In London, we are looking at crime rates and whether our neighbourhood policing is having a positive impact. There is a lot of technology deployed to help. The point is whether innovation is going to help to deliver us a city with low levels of crime that will help the citizens feel more comfortable. What will be interesting is if the police come to us and say, "We think we need this and that technology to be deployed to enable that service." We need professionals to advise us.

Joanne McCartney Having extra police on the streets means people tend to report crime more. Police stations now have digital screens where the public can go in, report the crime and get a reference number. It is easy; you can also do it on the internet. However, there is a danger that the crime figures go up because the public realise crime is a lot easier to report.

Alex Bax That is why the average crime survey in that particular field is not a measure of the number of offences committed, it is a randomised sample of people's experiences. From the Mayor's point of view, that is what we are always looking at.

Will Davies One of the problems here is that technology tends to show up on both sides of the judgement about public services' successes and failures. When technology can do something, we assume it is going to be able to do that 100 per cent of the time. When we look at a failure, inevitably there will be a piece of technology involved around that failure. With the police, if we were to share as much data as we possibly could, potentially that would enable surveillance levels to reach a point where crime would be eradicated in certain areas. Then what happens is that, when something goes terribly wrong, people throw that whole strategy into doubt.

Richard Granger We are talking about something that is fundamentally immature. We are 40 years into having digital information, yet people are passing judgement on it as if it were something mature, complete and suitable for evaluation. People champion the great successes of Victorian civil engineering but conveniently forget a number of fairly serious engineering failures. The Thames is criss-crossed with tunnels of moribund technology –

steam pipes, hydraulic pipes, foot tunnels – that now have phone lines running through them. IT is in its early stages.

In the NHS, we want to give everybody who wants to get information rapidly a handheld wireless device. We have asked a number of industry partners, but there is not a device out there at the moment that will work for a full working day for a clinician in an acute setting, with eight to ten hours of battery life, with a screen that is visible in a variety of lighting conditions, that will enable them to enter data quickly and that can be kept clean.

John Coulthard A study in North America of IT healthcare benefits is published in *International Affairs*. It found 4,000 programmes that did not show any health benefit but 67 programmes that did provide health benefit. Of those 67, all of those organisations had been in information technology healthcare for more than ten years, which refers to Richard's point. If you have been in it for long enough and you are mature enough, the benefits come out.

Richard Granger There are two seminal works that are not quoted in the UK at all around putting computers into healthcare. One is Don Berwick's work on *One Hundred Thousand Lives*, 100,000 lives each year being the estimated increased death rate in the US, with a population of around 300 million people, as a consequence of preventable information loss between people delivering care.

The second work is a Rand Corporation study of IT usage, primarily in secondary care, which concludes that this is the most difficult area to computerise because of the complexity, the nature of the workforce and consumer needs. However, the benefits are there to be reaped if you stay the course. I will leave you with one thought, which did not appear in the National Audit Office's interesting

editing, but I asked them to use the same metric as road schemes, regarding cost per life, to evaluate putting IT systems into hospital settings. When the Department for Transport puts together business cases for building bypasses, when estimating the economic value of loss of life, it is just under £1m per death to feed into Treasury-approved business cases. So we have hypocrisy regarding financial evaluation, where known error rates in hospitals from the National Patient Safety Agency studies, going back over the past three or four years, are treated in one way and road building schemes are treated in another.

Will Davies What John was saying does not sound all that different from the story in the private sector, where people have been trying to understand how productivity gains in that sector relate to IT investment for 50 years or so. The areas where it is easiest to get productivity gains tend to be in the older industries, manufacturing and mining, where the processes are quite easy to specify. It is quite easy to look at how you can speed it up, make what you are doing more efficient and take out or insert technology.

Neil Glass I feel a slight distance between the theoretical and top-level discussions we are having here and what I see on the ground. I have just come from a public-sector conference today, with 100 financial directors. I could not find one who had ever run a successful large IT project. They all thought they had got ripped off by their suppliers. What they are saying is that there is rapacious and plundering behaviour by large consultancies, by the large IT suppliers. That is what I see happening on the ground.

Richard Granger I would like to know what Neil's position is regarding when the public sector stands up to the private sector?

Neil Glass I am working at the moment with a very small group of people who are lawyers, IT systems consultants and so on. What we are trying to do is improve the contracting that the government does with IT providers. The public sector seldom stands up to the private sector.

Richard Granger Take, for example, my picture-archiving contract in the north-west. That was with a company called ComMedica, which failed to deliver so was terminated; it subsequently ceased to trade. It was replaced by GE at almost the same cost as the original supplier, at the same cost as GE supplying in the south of England. What is your position on that, when the public sector stands up to what you described as the "rapacious private sector"?

Neil Glass You are probably one of the first people to have ever done that. In relation to all the other

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John Coulthard



delivery failures, the public sector has never demanded its money back.

John Coulthard You do not deal with the public sector these days without them bringing coherent plans. The National Audit Office is watching. If you could make an onerous profit out of some contract, the ethics of your own organisation would not allow it. Your government body would not allow it. I do not recognise it. I do not recognise it in my dealings in defence, healthcare or, for that matter, with the police.

Neil Glass At a conference last November entitled “IT and the Law”, one of the chief legal counsels of one of the largest IT companies laughed and joked about how public sector contracts were a licence to print money because you could do death by change control. He called the public sector buyer “inconsistent, inexperienced and incompetent”.

Richard Granger Have you talked to Sainsbury’s or Centrico, for example? It is important to evaluate the private sector’s performance in this as well.

Neil Glass All the studies show the performance level of IT systems in private and public sectors is similar.

Ajaz Ahmed I want to talk about how the government is delivering things that make a difference to normal people. There are two issues: the computerising of existing systems and whether the major new applications will make a difference to normal people.

Bill Thompson What sort of things do you have in mind?

Ajaz Ahmed The Oyster card is a great example of something that is touching all people. Is enough of that type of thing actually happening?

Stephen Timms We are certainly doing a lot. One of the things I find a bit frustrating, although it is understandable, is that the excitement is around the things that go wrong. You mentioned Oyster, but I was thinking about when I was at the Department for Work and Pensions, about the change to the way benefits were paid. Until April 2003, we were using ration-book technology, but the new system involved putting a PIN pad on every Post Office counter in the country, which everybody said would be a disaster. However, it went like a dream and feedback from users is that it is a much better system.

I have always been enthusiastic about the terminals in Jobcentres. Jobcentres used to have scruffy noticeboards with postcards on. Now we have terminals that contain a lot more information about the job. It is a much more dignified process and it is available on the web. It has about 5 million hits per month. One of the reasons unemployment has been kept low is because that system has worked so well.

The Pensions Service has been transformed over the past couple of years through an arrangement whereby the normal way for applying for your pension is now over the phone. You can also apply online. It has allowed us to link in with local authorities and voluntary sector organisations to improve the service. It has become a much more proactive service, thanks to the successful use of IT. It is really important that the government continues to have the confidence to take on the project that Richard has been leading. It will build an effective and successful service for a new generation.

Bill Thompson What needs to be done for the politicians and the government to have the confidence to commission large-scale projects?

Roy Simpson Since 1980, the process has been: request for information (RFI), invitation to tender and award of contract. The better projects have been where partners have worked more closely together before this horrible RFI thing arrived on the desk. It works really well where government departments and suppliers work closely together. You still have to go through the legal process but you can say, “This is the team that we should be working with if they get it right.” With this approach, the accusations of “You did it wrong. This is not what we asked for. You are not what you said you were,” could be stopped.

Richard Granger The big rush to outsource lots of in-house capacity in the first half of the 1990s, followed by the year 2000 hysteria and the ensuing downsizing of programming capacity in the UK, have caused significant capacity and delivery problems. The IT industry was on its knees for three or four years.

John Yard That shortage of capacity is combined with a growth in the demand for transformational IT.

I would argue that that gap is growing. This is one of the reasons why we have talked about management of expectations. There is a pressure to sell, which I can understand, but that comes unstuck when it hypes up what everybody thinks they are going to get, and the reality is that it takes a bit longer. A bit more realism is necessary from civil servants, ministers and suppliers. The road to complex major projects is bound to be rocky. We need discipline around the way that you manage that.

Bill Thompson How can government remain resolute?

Stephen Timms The point about capability is important. That is what is picked up in the *Transformational Government* document. We have to make sure we have the capacity to learn from what happens in projects and make sure that the benefits of that learning are available for projects across government.

Bill Thompson One of the issues Derek mentioned first of all was the growing importance of Brazil, Russia, India and China. What are the implications of outsourcing to India for these projects?

Stephen Timms I do not think outsourcing is undermining, as long as things are properly managed.

Will Davies This time two years ago, we were having a discussion about the Gershon Agenda, which was promising to shave 2.4 per cent off budgets in efficiency savings across the public sector. To what extent does that give any sort of framework to our discussion today, because it is strange that no one talks about it any more?

Stephen Timms The *Transformational Government* document warns us about taking that process further

and learning the lessons from that experience, which is underway at the moment. The Gershon target was £21bn of savings. At the end of year one, we were up to £9.8bn, so things are well on-track.

Tony Ageh There are two or three aspects where there is an expectation that cannot possibly be realised. Even in delivering systems that work, you have people who do not know how to use them, users making mistakes. If you look at Amazon, it is not measured by how many times it fails to fulfil an order, but it is measured by how many books it has fulfilled.

Richard Granger You could compare the “Book coming back into stock” experience with Amazon to the referral rejection from an NHS hospital.

Bill Thompson We could, but we choose not to.

Richard Granger Exactly. You can just go off and buy a book somewhere else.

Eamonn Molloy There is a great deal of project and programming experience here, particularly in dealing with these large-scale transformation projects. I have done some vague research in the past couple of years into these initiatives in both public and private sector contexts. One of the key points from survey respondents is that they do not have the capability in project or programme teams. They do not have the sector skills. Yet there are good examples where project managers and programme managers have a kind of informal network among themselves, where they switch and move between companies and organisations. As there is not a career structure or career path for these people, where do they come from? The techies have worked their way up from writing code and happen to have a whole range of people skills, management skills and learning on the job. Other people come along with management experience who do not necessarily understand the technology but can run a good transformation programme. Is there a way those skills can be identified so that we could profile what an ideal programme/project manager would be at different levels?

Bill Thompson Who here has their staff writing code? [*Eight participants raise their hands*]

Alex Bax We have a small project in London called The Olympics where there is a lot of project management. In civil engineering, there is a long experience of how you do this. There is a very controlled team project management discipline. It is broadly similar to bringing an IT system to fruition. Look at the two stadiums that have been built in London: Wembley and Arsenal. Both are of a similar scale project-wise; one has come in on time and on

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Stephen Timms



The government looks after one country. Some big companies here look after 50 to 100 countries and are bigger than most countries
Derek Wyatt



budget, the other has not. Perhaps IT people need to take some of their expertise from other places.

Malcolm Fallen We profile psychometrically everyone we hire. The psychology of the individual is now very task- and delivery-focused. When they get to the end of a project, they are off. They want to be part of a big project in Australia, or they want to go to India or to the US and then come back. It is a very volatile part of the employment base that we have.

Matt Locke In the parallel with civil engineering, maybe we should recognise the fact that this is a condition of a dynamic but immature industry. If you look at rolling out the telegraph in the 19th century, you get the same thing. The superstar engineers move on quickly from project to project. It is not until the rate of change in the industry slows down and matures, as standards evolve and modes of practice start to become commoditised and occupied, that the whole process starts slowing down.

Bill Thompson How do we accept the fact that IT is a maturing industry? How do we deal with the special problems that arise for public sector projects and critical national infrastructure projects, where certain amounts of risk simply cannot be taken? How do we deal with those as a special case and make sure we can get the benefits of IT without putting people's livelihoods at risk?

Richard Granger The media environment in the UK has now arrived at a point at which we will cease to do things that are large scale and have significant elements of managed risk in them. I do not see us having the courage to do some of the things I have worked on over the past few years on a forward basis. Our appetite for doing things that are transformational and taking large amounts of risk is going to reduce and we

will end up buying things in as commodities after other countries have got them in first.

Stephen Timms Richard's view is unduly gloomy on this. I recognise what he is describing. The government must continue to have confidence. The NHS IT project is the biggest civil IT project in the world. There are plenty of other things we need to do that will not be on that scale, but we will need to continue to be confident and to be able to do it. I recognise that there will be a whole range of changes that will have to be resolved for us to do that.

John Yard We are managing risks. If we manage them well, the majority of them will be mitigated; some projects will falter and we will need to deal with them and move the project along.

John Coulthard I endorse Richard's point. There are plenty of other places to go. There are lots of people who worked in the NHS and Microsoft who have left and gone to work in places on the Mozambique border to help the developing world. Increasingly, we compete with the World Bank, the UN and the World Health Organisation on their IT needs. We try to hang on to our young people in Microsoft, but the world is their oyster. If we do not provide them with a compelling reason to stay, some career opportunity and the opportunity to go and work away and then to come back, we will face difficulties. That is the real tragedy going on in the UK, in my view.

Stephen Timms It is possible for people in other countries to come and work on some of these projects. People moving around is not entirely bad.

John Coulthard Some government organisations do it really well. If you look at defence, people start at 16 at the Defence Sixth Form College. They are pushed through Sandhurst, the other military colleges and the Ministry of Defence college, through university and get a career that allows them to move in and out.

Derek Wyatt There are some tensions in the discussion. Let me try to put the case.

The government looks after just one country. Some of the big companies here look after 50 to 100 countries and they are bigger than most governments. They have an experience that we do not have, which is quite rare. If globalisation means that there are only five oil companies left in ten years time and five supermarkets, does government have to match it? Does the European Union become the biggest thing, or does China do a deal with Japan? In other words, is there going to be a serious change? Will the next generation of children pay to go to Tokyo, Sydney or Harvard, just as production managers are going off to Australia and America? Maybe that is what is coming.

Our university sector is not even close to understanding the profound changes that will have to be made in the structure here for us to be able to cope with that form of consumer education.

Alex Bax It brings up another issue. It is said now that we are teaching children in schools how to use computers, not how they work. My experience at school was how to program a computer, be it the good old BBC or whatever, whereas now we are teaching children to write and click on spreadsheets so they can paste it into PowerPoint. We should try to get kids into maths, science and computing as a thing of interest.

Bill Thompson That is a different skills base. However, as citizens, the demands of these children from the IT systems provided for them by government are going to be quite severe. So far, many government IT projects have been “push” projects. They push them out to the citizens and hope that there will be some take-up, but what happens when there is a “pull” from the citizens for more interesting, interactive, personalised and integrated services?

John Yard The motor vehicle licensing material that has just come out shows a system linking into a garage if you need an MOT, an insurance company and the government. If you join it up, that is the sort of thing that makes a difference. You do not have to go to the Post Office and you get it done very quickly.

Richard Granger I worked on that between 1996 and 1997, and there were 16,000 outlets and three major networks of spares suppliers into the MOT testing stations. That is quite similar to computerising GP surgeries and private sector insurers; it has taken a decade longer than people wanted, but it is private sector data, private sector networks all working together, feeding into a public sector service.



It is said now that we are teaching children in schools how to use computers, not how they work
Alex Bax

Alex Bax That brings you back to the role for the public sector.

Matt Locke We are seeing a shift in demand by our audience, which is leading our strategy rather than the other way round. It raises two questions. The first is the architectural service and the second is where you think your value is as a service provider in the value chain. There seem to be two models. One is that you identify a particular opportunity in that value chain, and try to develop and integrate it by creating artificial boundaries up and down – iPod does that very effectively for Apple.

The other opportunity is the Google one with AdSense, where you can massively disintermediate your own means of production and distribution and let them be carried by numerous other service providers. AdSense can be disintermediated from Google to the end consumer by anyone. Your call as a service provider to your end user is about what kind of a strategy you are going to adopt.

Are you going to go for the kind of strategy where you are trying to reinforce your brand and your identities in the service from top to bottom and gather all the value from that, whether that is economic value or social value as a provider? Or are you in a position to accept radical disintermediation and throw your services out there and let other people join them together and deliver them for you? It is both a structural and a philosophical question. Do you resist or allow disintermediation, and what kind of brand identity do you want?

Derek Wyatt We are coming down to a model where we say “excellence is out there so we will find it, but we do not necessarily own it”. However, the unions then say, “Wait a minute. That is outsourcing.”

Richard Granger There are some blocks to radical structural change. I have encountered an incredibly powerful union, comparable to the National Union of Mineworkers, and that is the British Medical Association. We have had very complex demarcation disputes that govern who can order what, who can do what, and they get into price per job negotiations around anything that is driving towards more liquidity in the marketplace. It really is a rate-limiting factor on change in the public sector.

John Coulthard If the disintermediation accelerates the quality of the patient’s life, improves the patient’s or the consumer’s journey, it is a good thing.

John Yard This picks up on the whole question of intermediaries. There is always a feeling that it is government that needs to do it, whereas many people feel they want to go to someone who they trust. The obvious example might be the Citizens’ Advice Bureau paying benefits or giving advice on benefits

We were creating better parking systems so that we could catch you more easily. It was all punishment
Roy Simpson



with access through data to the information that is held at the centre, with the approval of the individual.

Stephen Timms That is starting to happen.

John Yard Birmingham is looking at how it pushes information out to mosques. Muslim people do not always trust the society they currently live in. You start to disseminate information, using technology, in a way that pushes data to the point where people are comfortable with it. That point may be different for different people.

Bill Thompson What does that do for the integrity of the public sector and the security of data?

Will Davies It certainly raises questions as to whether we have a public culture that can deal with the resulting change in accountability. When he was health minister, John Reid was asked, “What will happen when the first foundation trust hospital starts to go wrong?” and he said, “I will have the urge to pick up the phone and do something about it, but I will not”. Will the public and the media, behave in a similar fashion or will they be blaming the minister?

Bill Thompson What happens when the waves of creative destruction sweep through the public sector?

John Yard Give them the choice. You do not have to go through the intermediary.

Joanne McCartney There is a case for some strategic thinking. For example, the Your London site that we have done through LondonConnect, which is now moving to the GLA. No matter where you live or work you should be able to log on to one website and log a faulty lamp-post or that there is rubbish or has been fly-tipping in the road.

Matt Locke Using open standards and lowering the barriers for innovation for any potential provider is a good thing for service innovation but what scale or what kind of legacy does that leave in the market over a longer period of time? What is their potential length of service? How far can you push that without creating an environment in which you have chaos?

Bill Thompson What you are saying there is that IT starts to redefine the limits of the state.

Stephen Timms What IT is doing is giving us the opportunity to reorganise public services around the interests of the people who are on the receiving end, rather than organising the services around the government’s convenience.

Roy Simpson When we were doing this stuff at Westminster it was all punishment-related stuff. We were creating better parking systems so that we could catch you more easily. It was all punishment. We were doing nothing for the benefit of the people.

Derek Ward The debate has gone back and forth. I was asked last week to go to Hong Kong to an e-government summit. While I was there I met the chief information officer (CIO) of Singapore and the CIO Taiwan. What struck me was how much they are looking to the UK to learn how to do things. They are way ahead with some technologies but, in terms of how they transform that into delivery of citizen-centric services, they are light years behind.

On Richard’s earlier point, we really must not lose our appetite for taking risks. We must get over the hurdles. I appreciate that sometimes things will fail, but that cannot be a proxy for saying that we cannot do anything. On Stephen’s point that technology enables radical reorganisation of how we do things, the genie is out of the bottle. People want to be able to deal with government in the same way they deal with Tesco or Ocado, online gambling or anything else they want to do. Actually, we are not far off being able to deliver it. People need to get off the sidelines, stop throwing rocks at it and get involved in making it work.

Will Davies Does that go for ID cards? It is very unclear what ID cards are for. That bullish approach to technology in general is quite a good way of justifying ID cards.

Richard Granger Matt referred to the content and purpose of what we are doing; John made a plea for joining things up. To my mind there are four axes when we think about this: the organisation; the channel by which you interact with the organisation; the data and the people using it. The paradigm of dealing with that is quite complex.

When you start hopping across organisations, as

opposed to channels, you get into some interesting issues. Some quite difficult things happen to people when there are unintended consequences. If you are under 16 and live at home and a pharmaceutical company sends you a text message about contraception, what happens if your mum gets the text message? What happens to your data, and whom you trust with your data, is something we are currently dealing with in the way the public sector is becoming a commissioning organisation. The relationship you have with the NHS is one of the most trusting relationships you will have.

We are the only organisation in the country that is committed to e-Gift level 3 security. The systems we are rolling out now have 250,000 users and they are more secure than military systems because they rely on a closed system. Only if you are part of that organisation will you get access and you have to get through the defences to do so, be they electronic or physical. With the NHS you can walk in. So, with e-Gift level 3 security, how do you do that and ensure data integrity and security when you have dozens of independent suppliers?

We are dealing with that issue right now. That will be one of the key constraints to dealing with a more pluralistic commissioning model for public services.

Barbara Kitchenham Speaking as someone who works in a university, most of the things you are talking about seem not to be technology problems, but the introduction of technology, the introduction of ultra-large, complex systems. People who come out of our university are not trained to deal with costing large systems. I have spent 20 years in the field and I do not know how to cost unique, one-off, ultra-large systems. Whenever people say something is over budget, it may just be that we do not know how to cost it.

Matt Locke ID cards are a great example of the

confusion between service and innovation, both in the media and in the public sector. It is a pipes project being sold as taps. More projects are going to be around service innovation. The point is that you have to start with a clear insight of what the market wants and build backwards. ID cards make a nice infrastructure project, but people are struggling to come up with formulations.

Bill Thompson On that note, I would like to finish by going around the table asking people if they have one area where they think a little effort could make a big difference to transform a government agenda.

Stephen Timms There are many examples now of projects that have gone extremely well and are improving services. There is huge potential for us to do a great deal more. I was talking to David Varney earlier today and, when his report is published later this year, there will be a good road map for us to follow.

Eamonn Molloy We have to put programme managers in the frame and see who the ideal types would be and what their career structures might look like. If it is going to be a sustainable capability, presumably government would be offering them permanent positions, rather than contracting them, and they would have to think about how organisations build up capability.

Joanne McCartney I want to re-emphasise the point about objective customer focus.

Richard Granger It is time for the truth to come out. That would completely change the environment in which these projects are being conducted. The negative politicisation of them is very unhelpful for the people who we serve.

Matt Locke One of the advantages of working in the public sector is that your legacy will endure. The tone of this conversation is downbeat because we are using the private sector as our matrix. We must accept that people will attack us for the wrong things.

Alex Bax Derek mentioned that only 30 per cent of his constituency members have any of the technology we have been talking about. We have to remain focused on the people who are most excluded. I want to mention climate change. After discussing it with our IT people, they got pretty excited and went off to explore new low-power devices and how we can do more to change behaviour on the technology front.

Derek Wyatt Something that was mentioned early on was the trust element in relation to government. It is not an IT thing. It is that you cannot touch government in your community. If you do not have

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Everyone thinks that the NHS is going to hell in a handbasket, but as soon as people use it, they feel the opposite
Will Davies



IT at home, what are you going to do? Where are you going to go?

Tony Ageh I have two points. The first is accessibility. A substantial number of citizens in this country could do with more help. Second, we need to find a way to celebrate failure, rather than be held hostage to failures. Every time you make a mistake there is a lesson to be learned, which needs to be shared.

Ajaz Ahmed We need to work harder. We need something that is multi-platform and something that is accessible via interactive television, the internet, mobile devices and so forth. That is the first choice for people when they want information about government or government services and it should be accessible to everyone. We have to connect with our consumers.

Bill Thompson The citizen consumer.

Will Davies Derek spoke to the former Canadian e-envoy a couple of years ago. She said that, when they started out with their e-government programme, instead of setting the target of getting all services online, they set themselves a customer satisfaction target, which they intended to achieve within a certain number of years. In fact, they exceeded it.

When you look at the type of survey that MORI produces, it is evident that people's perceptions of public services improve when they actually have to use them. Everyone thinks that the NHS is going to hell in a handbasket, but as soon as people use it, they feel the opposite. The one exception to that is the police, unfortunately.

Derek Ward The only thing that I would add is that, at an organisational level the move to have people like Ian Whatmore and John Suffolk pulling together at the Chief Information Officer Council is beginning to pay

rewards. The answer to a lot of this is dialogue. I sense an appetite to engage with the private sector, which is not as scary as some people would have us believe.

John Coulthard For access, I would put the Home Computing Initiative back on the agenda. I have no idea why that scheme was cancelled. The other thing the government should do is to acknowledge the tyranny of the web metric. If you build a site and you make a case study for that site and people use it, you will never get the disintermediation that will make the patient journey or the citizen's journey effective, because nobody else can offer the service; you are, essentially, disintermediating.

Barbara Kitchenham Technically, one way of getting large trustworthy systems is to start with small involvement systems and a lot of the success we have had has been with small, well-defined projects.

I entirely agree with the people who were saying we need to have objective evidence about the truth of things. Things need to be more transparent about the way government makes choices for us.

John Yard I would like to see more recognition of the complexity of the innovation being attempted. We must be prepared to discuss risk and should be proud of the solutions we find in dealing with the risks.

Roy Simpson I have written down "communications". There is an awful lot of very good stuff going on that the public never gets told about. We never communicate the good stuff that has gone on. The private sector does that all the time. Maybe the government should say, "Look, these are the challenges we have to meet with the biggest public sector in the world."

Alan Jackson I would say "livelihoods". In international development, trying to understand the impact of an intervention is a very difficult thing to do and yet it is always measured. The UK Department for International Development has developed a livelihood framework by which it tries to measure these impacts and it has, quite successfully, pushed this internationally. If you are looking at the end-user it is about how systems and technologies affect lives.

Neil Glass We need more focused projects and better project management and contract management. That is very important in the public sector.

Bill Thompson I would like to thank all of you. When Freud was talking about the purpose of analysis, one of the things he said was, "It is to turn life-threatening depression into mere unhappiness".

I would like to think that we have done a bit of that in our discussion today.



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