



## **IPPR Manifesto for a Digital Britain**

### **Event Note: A CIO for Government?**

#### **Background**

On Monday 7<sup>th</sup> June 2004 the IPPR's Digital Society team hosted a private roundtable seminar to discuss forthcoming reforms to central Government IT. The Cabinet Office had recently announced that Ian Watmore, then UK Managing Director of Accenture, was to become Government Chief Information Officer, or "Head of E-Government". The appointment had been broadly welcomed in the media and by industry figures. But, at the time of the seminar, there had been little detailed public discussion about the new position, its responsibilities, and the challenges ahead.

The decision to replace the position of E-Envoy heralded the biggest shake-up of Government IT policy and strategy for five years. The new position, along with a revamped e-Government Unit in the Cabinet Office, also comes at a critical time in the delivery of e-Government and wider public services reform. Mr Watmore is now tasked with both with stewarding the delivery of some £6bn worth of public spending on public sector IT infrastructure and developing a new strategy for the next phase of e-Government reform beyond the current 2005 target framework.

The seminar examined the new position in detail. In particular the speakers and participants were asked to consider six core questions:

1. What lessons can the CIO learn from the operation of office of the E-Envoy?
2. How will the position of CIO, and the Electronic Government Unit, differ in practice from the position and office of the E-Envoy?
3. How can a CIO function best deliver change in public sector organisations?
4. Will the new position Government CIO have sufficient authority, powers, and control over spending decisions to deliver IT public services reforms?
5. What are the major IT policy challenges to be overcome to reach the 2005 PSA Targets, and beyond?
6. What should the CIO's strategy be for delivering a new framework for Government IT policy beyond 2005?

The seminar was held under the Chatham House Rule. The three speakers have agreed that their remarks may be publicly attributed. Other comments and themes for the discussion presented below have been presented anonymously.

Any thoughts or comments on the discussion, and how we might relate it to IPPR's ongoing *Manifesto for a Digital Britain Project* would be welcome, and should be sent to William Davies at [w.davies@ippr.org](mailto:w.davies@ippr.org).



## Speaker Contributions

**Jim Norton**

**Independent Director and Commentator**

- **The original role of the E-Envoy.** In 1999 I headed a team at the then Performance and Innovation unit in the Cabinet Office which suggested the position of an e-Envoy. We recommended that the Government establish a high level champion for information age issues across Government based in the Cabinet Office with a direct line to the Prime Minister. At that time there was a feeling that Government was not punching its weight as an exemplar of IT use, and suffered from too many isolated programmes and initiatives.
- **What have been the successes of the Office?** In my view the office has been successful in a number of areas. It succeeded in evangelising for IT, both by getting out into the industry and the country to make the case for IT, and in getting Government Departments to take electronic delivery channels serious. It also has succeeded on access: internet access levels and now broadband access have been much improved over the course of the life of the Office.
- **What have been the failures of the Office?** Again in my view, the Office has been unsuccessful in some areas. Firstly it became the wrong size: we recommended a small group of 20-30, but the office gradually grew to over 200 people. This is too large for the job we envisaged. Second it has consistently been lead by a focus on technology rather than people, and this has lead to problems of measuring only availability of technology rather than its use. The office realised too late that at least half of the cost of IT-related change should be invested in people related change, such as HR, training and learning. Third, I would say that the Office realised too late the great discontinuity between Internet use and Government service use. The majority of Internet users remain in social classes A,B,C1, whereas the majority of government services are used by those in social class C2,D and E. Fourth, the office has been slow to drive multiple access channels, concentrating only on the web to the exclusion of Digital Television, mobile phones and others. Finally, I believe that the Office did not recognise early enough the potential role of intermediary (and infomediary) organisations in delivering government services.
- **Location of the new CIO position.** My personal view is that my team, in 1999, made a mistake in locating the Office of the E-Envoy in the Cabinet Office. In hindsight I think we should have followed the Canadian model and located it in the Treasury. By extension I think the Government should look seriously at putting the new CIO position within the Treasury, where it could link more effectively with the Office of Government Commerce and other cross-departmental budget and spending mechanisms.



**John Varney**  
**Chief Technology Officer, the BBC**

- **The role of change in the public sector.** How to deliver change proved to be one of the toughest questions to answer when I arrived at the BBC. The first problem in the public sector is an absence of motivation for change. The public sector seems full of broad, almost academic desires to reform – what I call “wouldn’t it be good if...” conversations, but there is no driver. In the private sector the drive for shareholder value ensures change, and incentivises staff. But this doesn’t happen in the public sector. In many ways the pull of the market in the private sector is replaced by a ‘push-back’ in the public sector, because users value their services (like the NHS or the BBC) so much that they are suspicious of any change at all.
- **How can a CIO deliver change in a public sector organisation?** The first step is to identify who the real stakeholders are. Then you must find out what is “in it for them” to change. Which benefits can you deliver? Are they tangible? This done you must be bold and show leadership: you must convince people that the goals you want to see are achievable and will deliver benefit if reached. It is really important to avoid what I call the “anti-bodies”. All public organisations have these elements; those who will block up any process of change and tie you in knots. The protection of existing processes that appear when public sector change is immanent are often quite extraordinary! Finally, managers seeking change in IT must try to gain control over, or at least get influence upon, budgets and spending authority. And all of these points must be completed with two further elements: a realistic timescale for what can be achieved by when, and a really simple vision. The second point is perhaps the most important, as your vision has to be so simple and powerful that people can neither disagree with its intent nor pick holes in its details.
- **Will the new CIO for Government position have sufficient authority?** The short answer looks like no, but I wonder if this will prove to the case. Public Sector CIOs have something going for them that the private sector lost some time ago: stability. In the private sector CIOs have 18 months, at the top end, to deliver a change programme. But in the public sector the ebb and flow and rate of change is much less erratic than the private sector. (The average tenure for a private sector CEO is only 36 months!). However, this doesn’t mean we should not look at the powers available to Mr Watmore when he starts. The most important issue will be his ability to join-up the work of other Departmental IT heads. People like [Richard] Granger at the Department of Health and John Varney at the Inland Revenue will be working hard to improve the IT in their own departments. The question is will Watmore have a mandate to check-up on, but no powers to aid, people like this? If that happens I think we are in trouble, but if Mr Watmore has the communication skills and the power to help Departments meet their objectives and join up each others services – which is, after all, what we mean by e-Government – I predict he will succeed.



**Richard Allen MP**  
**Liberal Democrat Technology Spokesman**

- **Two equations of Government IT.** The politics of Government IT can be summarised by two simple equations. Equation Number 1 says: “Investment in IT + efficiency savings + efficient implementation = better public services without tax rises.” Equation Number 2 says “Investment in IT – efficiency savings – efficient implementations = expensive cock-up which will cost Minister’s their jobs”. Many Ministers pay lip-service to Equation 1, while secretly fearing Equation 2 and therefore not taking needed steps to improve IT. Real political leadership is required to ensure that the logic of Equation 2 does not become the norm for Government.
- **Public Value and Government IT.** The work which IPPR and others have done promoting the concept of public value in IT is important to this discussion. I feel it is now time to look carefully at this framework as a way of qualifying and quantifying the benefit of IT in public services. On the other hand I really feel it is time to dump the quantitative approach to Government targets, and I hope Mr Watmore will do so when he takes over as CIO. But this public value approach can go further. It seems relatively clear to me that some Government Departments – and I would pick ODPM as an example – spend quite a lot of money on IT without delivering much value to the public. Equally some departments and projects – and here I would pick the Cabinet Office’s Government Gateway – have the potential to deliver significant public value but to-date have been insufficiently well funded in attempting to do so.
- **The CIO role.** There a couple of things to say about this. Firstly I’m suspicious of the wisdom of empire building within the Cabinet Office. I think the objective should be to ensure that every department has a CIO as effective as Richard Granger, as this would be the most important step to ensuring efficient use of public resources in building IT systems. (Indeed, we might ask whether a Cabinet Office CIO would be needed at all if this happened.). Second, given that objective, I think it is terribly important for Mr Watmore to explain clearly what the purpose of his position will be. At the moment he has a raft of responsibilities but it seems to me he has little formal authority to deliver them. For instance, the Office of Government Commerce clearly has *authority* over public sector procurement, so why does the new CIO have *responsibility* for that area? The CIO must be very careful not to duplicate existing responsibility or muddy existing accountability in the delivery of IT investment.



### Discussion

*The bullet points below give brief overviews of some of the arguments made.*

- The recently completed efficiency review process should provide the CIO position with plenty of clout. He will be a central figure, in particular in partnership with the Office of Government Commerce, in ensuring that agenda succeeds. And because that agenda of cost-cutting to provide resources for front line services remains politically vital we can infer that Mr Watmore is likely to have voice and influence with his political masters.
- The CIO will need to have both the trust and patronage of Ministers in both the Cabinet Office and the Treasury, and also be able to talk to Ministers and officials across Departments. To do this he must find a way of driving an agenda, particularly by defining clear objectives which he can ask others to help him achieve through cooperation across Departments.
- However, he will have to be very careful in this task. He will have a tough job trying to get Departments and officials to act in ways which are contrary to their departmental interests. It is in the nature of IT projects which join-up Departments that some will win and some will lose from the process. Those famous “win-win” situations are not always common. So Mr Watmore will be lucky to find many situations in which he can persuade Departments to cooperate for mutual gain, and in situations in which such mutual gain cannot be found he must have powers to cajole and compel departments to act. This is where his job may become deeply problematic. He must have the authority and mandate to do this. In this sense his position is quite different from Richard Grangers at the Department of Health, because Granger already has total authority and a clear mandate to deliver his programme. Mr Watmore’s authority to coordinate Departmental activity is much less clear: he will have to earn it.
- The example of the NHS IT programme could be helpful, however. Richard Granger does have the power to make life hell for people in the Department who do not do what he wants. He also holds the budget and a significant budget too. Because of these two things, and the fact that he is delivering something that Nurses and Doctors actually want, Richard Granger has real power. The question is will Mr Watmore be able to build the same combination of budget, accountability and support among his internal client group?
- There is a danger that the office of the CIO will be too technocratic and insufficiently visionary. The responsibilities of the position do not seem to have much room for thinking beyond 2010. If the CIO is not thinking about such things – not least because he is in charge of delivering day-to-day improvements across departments – we must ask *who is?*
- Much of Mr Watmore’s authority will come from his ability to persuade Departments to spend-to-save across Departments. But the problem with such schemes is that the IT tail often ends up wagging the policy dog. To put it another way problems with the technology get in the way of delivering the benefits which Departments were promised. If this happens the instigator of the policy – namely the CIO himself – will lose credibility in the eyes of other Departments and stakeholders.



## Appendix 1: Speaker Biogs

**Jim Norton** is an independent director, policy adviser and public speaker. On a part-time basis, Jim is the Senior Policy Advisor - e-Business and e-Government, for the UK Institute of Directors (IoD). He is also an external member of the Board of the UK Parliament's Office of Science & Technology (POST). Jim is a Board Member and Trustee of the Foundation for Information Policy Research (FIPR), as well as a member of the 'International Regulatory Forum' and of the 'Forward Looking Programme Steering Panel' for the Irish Commission for Communications Regulation (ComReg). Jim led the Cabinet Office team that produced the PIU report 'e-commerce@its.best.uk' for the UK Prime Minister in September 1999.

**John Varney** is Chief Technology Officer at the BBC. He also leads the BBC Technology Direction, a global operation within the BBC that aims to identify the technology requirements for the Corporation now and in the future.

**Richard Allen MP** was elected as Liberal Democrat MP for Sheffield Hallam in May 1997, and held the seat in 2001 with an increased majority. Richard is the Liberal Democrat Spokesman on Information Technology. He speaks and writes regularly on a broad range of technology related subjects and takes a particular interest in the development of e-democracy and e-government. He is currently a member of the Information Select Committee and the Liaison Committee of the House of Commons.

**James Crabtree** – chair of the event - is a visiting research fellow at the IPPR's Digital Society Project.



## Appendix 2: Attendees

<b>Name</b>	<b>Organisation</b>
Andrew Beddard	National Programme for IT, Department of Health
Anna Van Zoest	IPPR
Anthony Walker	Chief Executive, Broadband Stakeholder Group
Bryan White MP	
Chris Chant	e-delivery team, Office of the E-Envoy
Chris Yapp	Head of Public Sector Innovation, Microsoft
Ed Richards	OFCOM
Fred Garnett	Head of Community Programmes, BECTA
Gail Bradbrook	Citizens Online
Gwendolyn Carpenter	iSociety, The Work Foundation
Helen Margetts	School of Public Policy, UCL
Ian Kearns	Assistant Director, IPPR
Ingrid Clifford Jones	Office of the E-Envoy
James Crabtree	Visiting Research Fellow, IPPR
Jamie Bend	Researcher, IPPR
Jeremy Ward	Symantec
Jim Norton	Institute of Directors
John Carr	Internet Consultant to NCH Action For Children
John Handby	CEO, CIO Connected
John McTernan	Policy Directorate, Number 10 Downing Street
John Varney	Chief Technology Office, BBC
Julia Glidden	Director, Accenture e-Democracy Services
Kate Oakley	Digital Manifesto Advisor, IPPR
Lisa Astall	Partner, Accenture
Mary Pitteway	Head of Government Affairs, STERIA
Matt Locke	Director, BBC Imagineering
Mike Bracken	Office of the Deputy Prime Minister
Mike Buhagiar	BT Retail
Nick Jones	Office of the E-Envoy
Nick Penston	CISCO Systems
Noah Curthoys	HM Treasury
Paul Alter	British Telecom
Paul Clayton	PA Consulting Group
Paul Jackson	CIPFA
Paul Waller	Office of the E-Envoy
Phillip Virgo	EURIM
Prof. Clive Holtham	City University
Richard Allen MP	Liberal Democrat Technology Spokesman
Robert Devlen	Efficiency Review Team, Cabinet Office
Steven Chandler	EDS
Veera Johnson-Birt	PA Consulting Group
Vicki Nash	Oxford Internet Institute
Vidhya Alaekson	Social Market Foundation
William Davies	The Work Foundation



### Appendix 3: Responsibilities of the Head of E-Government

The major part of the Office of the e-Envoy transitioned into the e-Government Unit from Wednesday 2 June in preparation for Ian Watmore taking up the post in September 2004. Specific responsibilities of the e-Government Unit and the CIO will be:

- **Strategy:** developing policy and planning for ICT within Government and providing an element of programme management for implementation, to support the Government's objectives for public service delivery and administrative efficiency.
- **Architecture:** providing policy, design, standards, governance, advice and guidance for ICT in Central Government; commissioning Government-wide infrastructure and services; and addressing issues of systems integration with other levels of government (e.g. EU, Devolved and Local).
- **Innovation:** providing high-level advice to Government bodies on innovative opportunities arising from ICT to improve efficiency.
- **IT Finance:** in partnership with OGC, monitoring major IT projects in Government and advising on major investment decisions.
- **IT HR:** Head of the IT Profession in Government and leading its professional development.
- **Projects:** undertaking ad hoc policy and strategy studies as necessary to support Ministers, the Prime Minister's Office, Cabinet Office or the Treasury.
- **Research:** identifying and communicating key technology trends, opportunities, threats and risks for Government.
- **Security:** overseeing Government IT security policy, standards, monitoring and assurance, and contingency planning for the critical national infrastructure (the functions of the Central Sponsor for Information Assurance, a responsibility of the current e-Envoy).
- **Supplier Management:** in partnership with OGC, managing the top-level relationship with strategic suppliers to Government and conducting supplier analysis.

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