

## **Good Governance: the effective use of IT Issues and Questions Paper**

The Public Administration Select Committee (PASC) is undertaking an inquiry into the way in which Government develops information technology (IT) policy and the strategy for its implementation. The inquiry will examine the Government's overall approach to information technology including how it identifies business needs, the effectiveness of governance arrangements, and procurement policy and practice. This paper sets out the issues and outlines key questions that those wishing to submit evidence are invited to consider. **The deadline for submitting written evidence is noon on 21 January 2011.**

### **Reasons for the Inquiry**

As in other areas, the Government's approach to IT will be affected by current financial constraints and its drive for greater efficiency. The need for cost reduction is a key concern. At the same time effective application of IT has the potential to impact significantly on lowering the overall costs of public services whilst also improving their quality.

It will also be affected by the Government's agenda for decentralisation of public service provision. The Prime Minister has spoken many times about his belief that Government is now having to operate in "*a post-bureaucratic age*". In his view the post-bureaucratic age is "... *about showing an understanding of people, in how we make policy and design government and public services.*"<sup>1</sup>

Changes to Government IT are already underway: in the emergency budget, £95 million of cuts to central IT spending were announced, along with a moratorium on new contracts greater than £1 million.<sup>2</sup> The Government has also taken steps to centralise IT procurement,<sup>3</sup> and to re-negotiate contracts with suppliers.

Central government is notorious for large IT projects running over time, over budget and ultimately failing. The Cabinet Office business plan, published last November, lists a number of actions on IT designed to meet one of its structural reform plan priorities "to drive efficiency and effectiveness in government". These include integrating IT infrastructure across government and improving value for money; improving rules for designing and running IT initiatives and increasing online service delivery. An examination of the effective use of IT in government is therefore timely.<sup>4</sup>

### **Background**

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<sup>1</sup> [From central power to people power, 22 February 2009](#)

<sup>2</sup> HM Treasury Press notice 25/05/10

<sup>3</sup> [Draft Structural Reform Plan June 2010, Cabinet office, HM Treasury press notices 2010](#)

<sup>4</sup> [Cabinet Office, Business Plan 20011-2015, November 2010](#)

Information technology is now ubiquitous. The scale of government IT systems exceeds many private sector organisations, with a total spend in 2009 estimated at around £16 billion.<sup>5</sup> This figure covers the many large scale bespoke departmental systems, including those within the military and the NHS, the estimated 2500 government internet sites as well as individual local authority spending.

Over the past 20 years there have been a number of high cost IT initiatives which have run late, under-performed or failed. This has led to highly critical publicity.<sup>6</sup> Meanwhile successful IT-enabled programmes have received little coverage.<sup>7</sup> There has been significant parliamentary scrutiny of successes and failures. These include the House of Commons Health Select Committee's inquiry into NHS IT<sup>8</sup> and the National Audit Office's investigations into Government on the Internet;<sup>9</sup> and IT procurement in general.**Error! Bookmark not defined.**<sup>10</sup>

There is a long track record of evidence and recommendations for improving Government IT use and procurement. In 2003, the Treasury set out clear guidance, including that "*It is important to develop a thorough business case for any major investment decision; it is not sufficient to justify action solely on the basis that it is needed to meet a target.*"<sup>11</sup>

In 2004, the National Audit Office reviewed the Office of Government Commerce's initiatives on departments and suppliers in the delivery of major IT-enabled projects<sup>10</sup>. It noted that "*The history of [IT] procurements has not been good, with repeated incidences of overspends, delays, performance shortfalls and abandonment at major cost.*"<sup>12</sup> In a 2006 NAO review three principles were identified to deliver successful IT:

- *ensuring senior level engagement;*
- *acting as an intelligent client;*
- *realising the benefits of change.*<sup>13</sup>

**The Committee would like to receive written evidence on the following issues in particular:**

## Questions

### 1. How well is technology policy co-ordinated across Government?

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<sup>5</sup> [Operational Efficiency Programme: back office operations and IT, May 2009. HMT](#)

<sup>6</sup> See for example <http://www.independent.co.uk/news/uk/politics/labours-computer-blunders-cost-16326bn-1871967.html>

<sup>7</sup> [NAO, Delivering Successful IT enabled Business Change, 2006](#)

<sup>8</sup> [Health select com report; National Programme for IT in the NHS – progress since 2006](#)

<sup>9</sup> [NAO, Government on the internet - progress and delivery of information and services online 2007](#)

<sup>10</sup> [Improving IT procurement: The impact of the Office of Government Commerce's initiatives on departments and suppliers – 2004](#)

<sup>11</sup> [http://www.ogc.gov.uk/documents/HM\\_Treasury\\_-\\_Measuring\\_the\\_expected\\_benefits\\_of\\_e-government.pdf](http://www.ogc.gov.uk/documents/HM_Treasury_-_Measuring_the_expected_benefits_of_e-government.pdf)

<sup>12</sup> See note 10

<sup>13</sup> See note 7

2. **How effective are its governance arrangements?**
3. **Have past lessons from NAO and OGC reviews about unsuccessful IT programmes been learnt and applied?**
4. **How well is IT used in the design, delivery and improvement of public services?**
5. **What role should IT play in a ‘post-bureaucratic age’?**
6. **What skills does Government have and what are those it must develop in order to acquire IT capability?**
7. **How well do current procurement policies and practices work?**
8. **What infrastructure, data or other assets does government need to own, or to control directly, in order to make effective use of IT?**
9. **How will public sector IT adapt to the new ‘age of austerity’?**
10. **How well does Government take advantage of new technological developments and external expertise?**
11. **How appropriate is the Government’s existing approach to information security, information assurance and privacy?**
12. **How well does the UK compare to other countries with regard to government procurement and application of IT systems?**

### **How to respond**

Responses should be submitted **by noon on 21 January 2011** by email to [pasc@parliament.uk](mailto:pasc@parliament.uk). If you do not have access to email, you may send a paper copy of your response to the Clerk of the Public Administration Select Committee, Committee Office, First Floor, 7 Millbank, London SW1P 3JA.

Each submission should:

- be no more than 3,000 words in length;
- begin with a short summary in bullet point form;
- have numbered paragraphs; and
- be in Word format or a rich text format with as little use of colour or logos as possible.

Submissions should be original work, not previously published or circulated elsewhere, though previously published work can be referred to in a submission and submitted as supplementary material. Once submitted, your submission becomes the property of the

Committee and no public use should be made of it unless you have first obtained permission from the Clerk of the Committee.

Please bear in mind that the Committee does not investigate individual cases.

The Committee normally, though not always, chooses to publish the written evidence it receives, either by printing the evidence, publishing it on the internet or making it publicly available through the Parliamentary Archives. If there is any information you believe to be sensitive you should highlight it and explain what harm you believe would result from its disclosure; the Committee will take this into account in deciding whether to publish or further disclose the evidence.

For data protection purposes, it would be helpful if individuals wishing to submit written evidence send their contact details in a covering letter or e-mail. You should be aware that there may be circumstances in which the House of Commons will be required to communicate information to third parties on request, in order to comply with its obligations under the Freedom of Information Act 2000.