DVLA®
Driver and Vehicle Licensing Agency

ICT CONTRACT LET

THE JOURNEY BEGINS...

ASHLEY CROMPTON – PROGRAMME MANAGER

An executive agency of the Department for **Transport**

Agenda

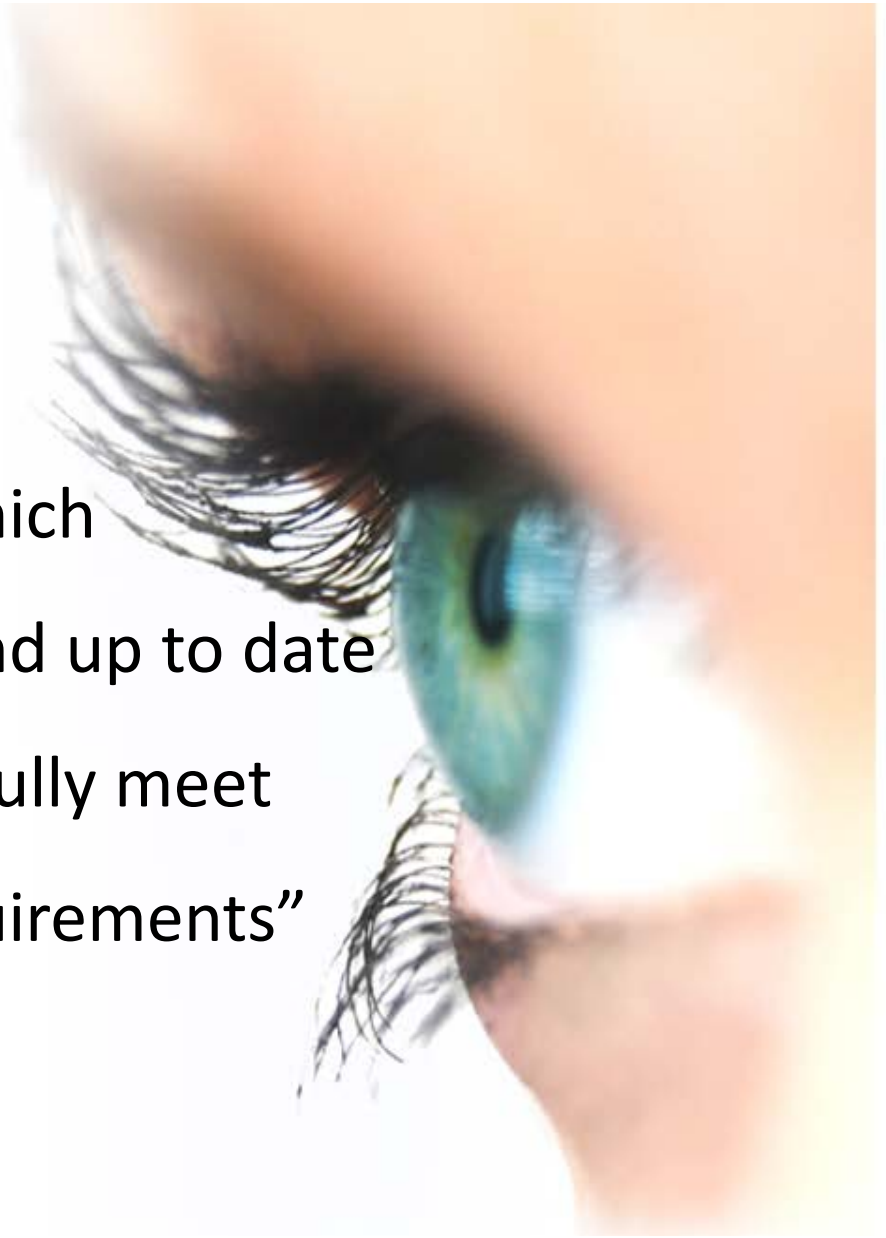
The Journey begins.....	**Ashley Crompton** (Programme Manager)
DVLA Business Strategy	**Simon Tse** (Chief Executive Officer)
Government Ambition	Guest Speaker
DVLA Strategic Agenda	**Ieuan Griffiths** (Finance & Strategy Director)
DVLA Target Technical Architecture	**Richard Hixson** (Head of Enterprise Architecture)
A new age for ICT service provision at DVLA	**Paul Evans** (Chief Information Officer)
Procurement Approach	**Andrew Falvey** (Head of Commercial Services)
Things to ponder.....	**Ashley Crompton** (Programme Manager)
Lunch	
Q&A Session	Panel
Next Steps	**Ieuan Griffiths** (Finance & Strategy Director)
Coffee & Depart	

DVLA Business Strategy

Simon Tse

Chief Executive Officer

Vision



"Our vision is to be a modern, highly efficient organisation which provides complete, accurate and up to date information and services that fully meet customer and stakeholder requirements"

ICT CONTRACT LET

44 million
active driver records

36 million
active vehicle records

> 1.2 billion
scanned and
microfilm images

> 88.9 million
vehicle transactions
(26% electronically)

> 19.1 million
driver transactions
(26% electronically)

> 19.7 million
phone calls answered

> 250,000
e-mails dealt with

£6 billion
tax collected
99.1% compliance

£66.5 million net
revenue from
sale of marks

DVLA - post Comprehensive Spending Review

DVLA Business Plan Total Operating Costs 2010 – 2011 £557.4 million

By 2014 – 2015 DVLA will cut total Operating Costs by £100m per annum

39 Local Offices

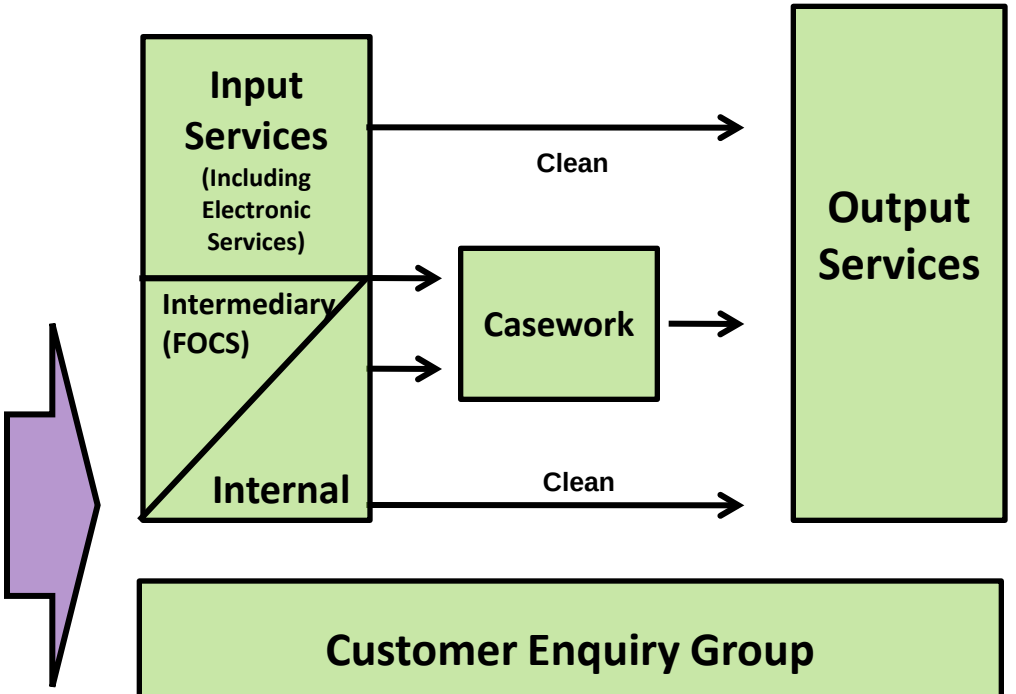
incl. 10 Enforcement Centres

Ambition for 2020 underpinned by...

- Driving channel shift from paper to electronic
- Using "intermediaries" (such as counter service providers, manufacturers, dealers) to transact face-to-face and capture our data electronically
- Revising internal structures to best support e-handling and delivery
- Streamlining internal processes and removing duplication of effort
- Avoiding non-value adding work through policy changes
- Trusting other organisations in Government to support data collection and handling
- Letting a new IT contract in a way that reflects today's requirements – consistent with Government strategy, intent for future services and drive for more cost-efficient delivery
- Expanding our revenue generation by leveraging our assets – also saving the public purse through economies of scale for other government organisations

Target Operational Model

- Central Operations Directorate
- Local Services Network
- Enforcement Directorate
- Products & Services Directorate
- Business Change Management
- Customer Enquiry Group



- Customer Enquiry Group
- Operational Support and Development Directorate

Information Systems Directorate	Finance & Strategy Directorate	Human Resources	Corporate Affairs Directorate

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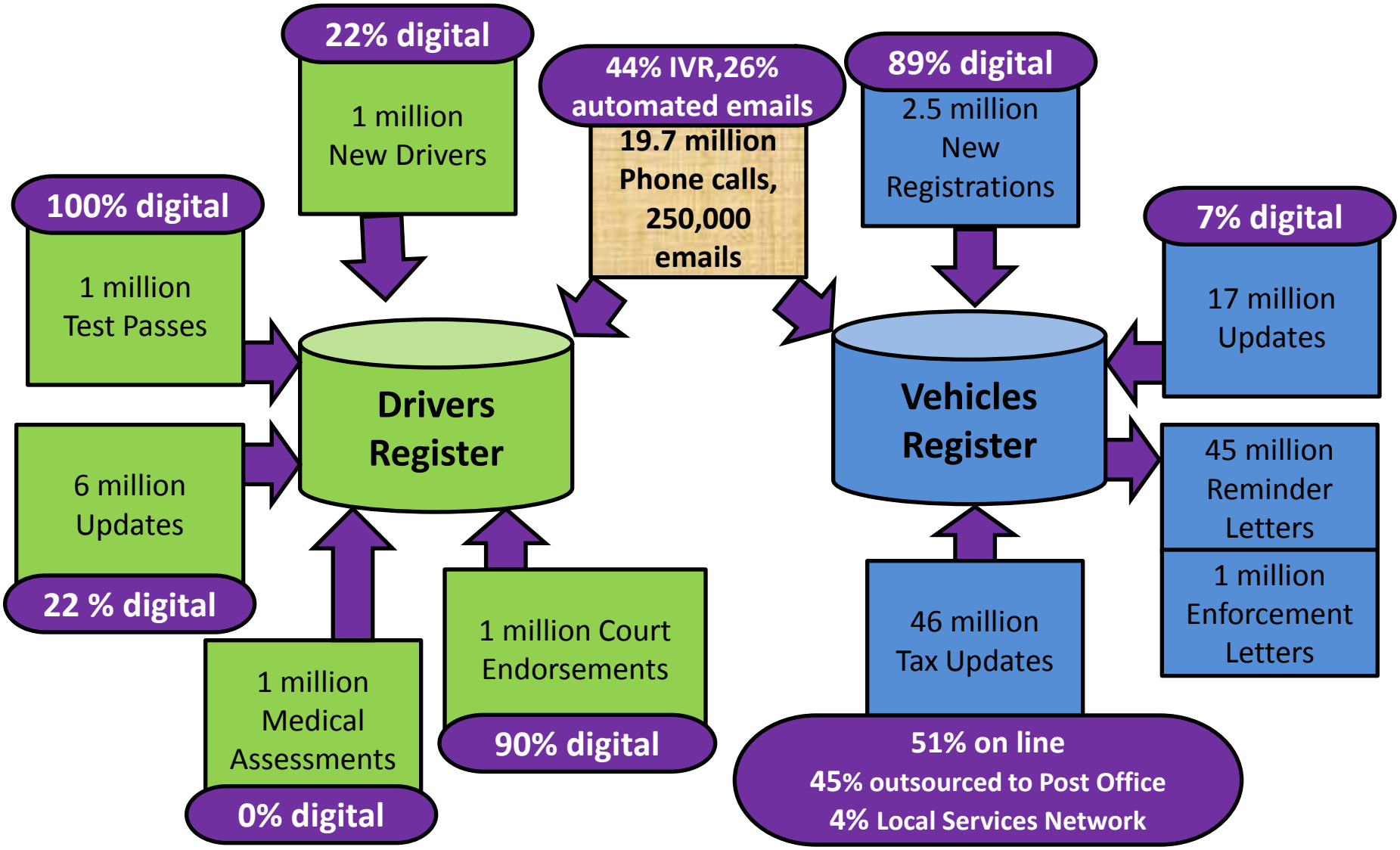

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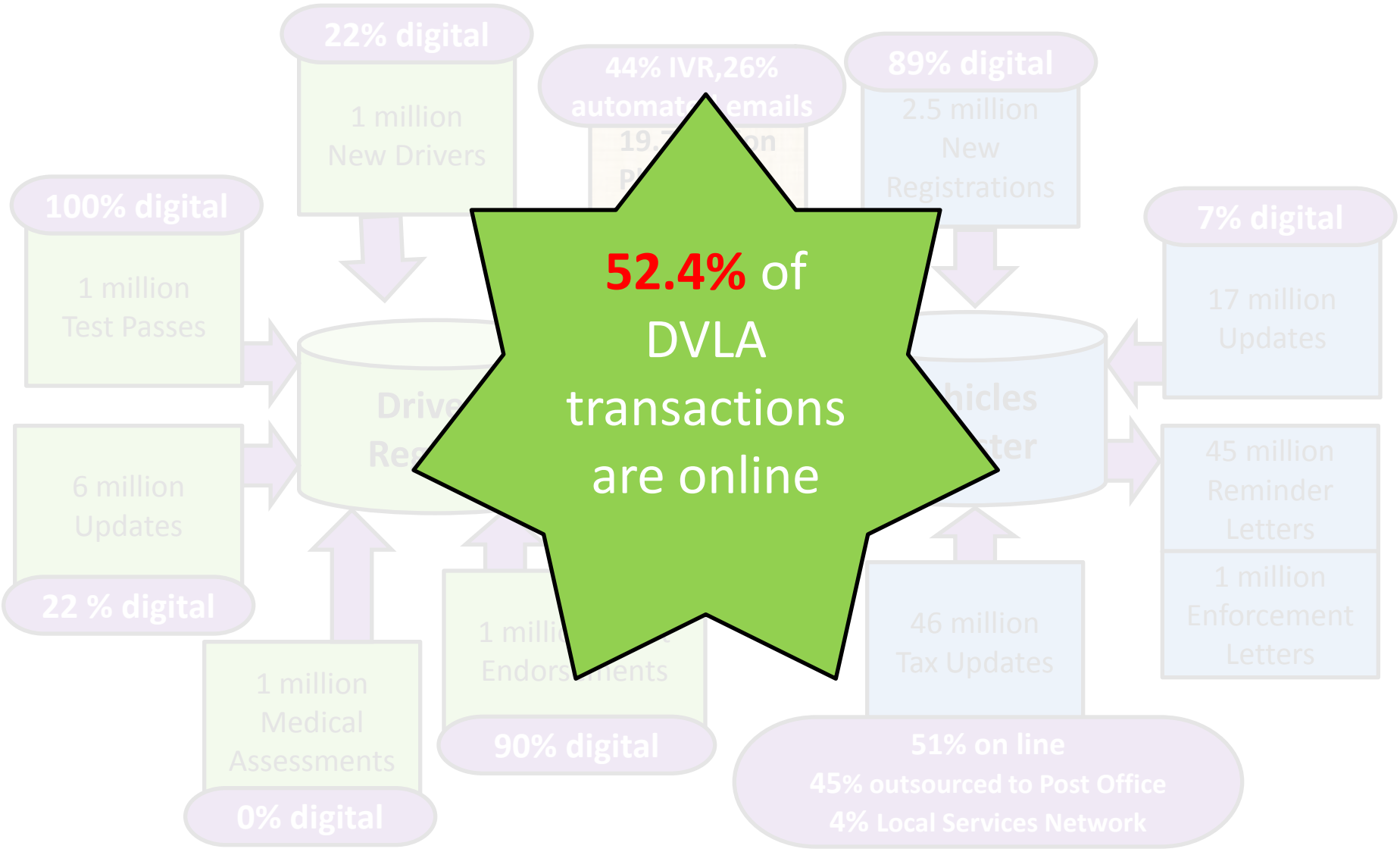


Digital by Default

Mike Bracken @MTBracken 16 Dec

Awesome transaction volumes at DVLA Swansea today. Inspiring desire for digital development. Thanks Simon Tse & team. See you soon @GovUK

Sir Gus O'Donnell - "Thank you and goodbye" interview Jan 2012

Fantastic work of the DVLA in enabling motorists to pay their car tax online or over the phone.

My challenge to you

- How can you improve on the work we've started?
- How can you help us continue the transformation and continue to serve our customers well?
- How can we work together in a way that works for you, and increases our reputation?
- How can you help us significantly reduce costs?

Government Ambition

Procurement Reform

Paul Marriner

Cabinet Office ERG

The Government Procurement Agenda

- ✓ The Need for Reform
- ✓ Strategy & Key Targeted Outcomes
- ✓ Progress to Date
- ✓ Procurement Supporting Growth
- ✓ Government ICT Approach

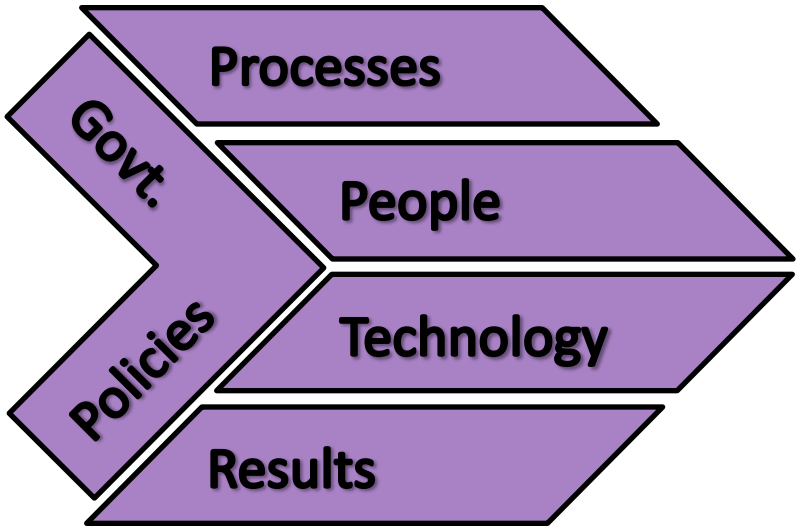
The Need for Reform

From 09/10 Baselines:

- ✓ Not leveraging purchasing spend
- ✓ Procurements too complex and long
- ✓ Too much reliance on consultants
- ✓ 'Big was beautiful'

Strategy & Key Targeted Outcomes

Ministerial Buy In and Commitment



- ✓ Increase in spend through GPS
- ✓ Higher % of CS staff trained
- ✓ Deployment of enabling technology
- ✓ Reduction in sourcing time & cost
- ✓ More contracts & spend with SMEs
- ✓ Sustainable savings through CSR
- ✓ Better perception of Procurement!

Deficit Reduction + UK Growth = Burning Platform

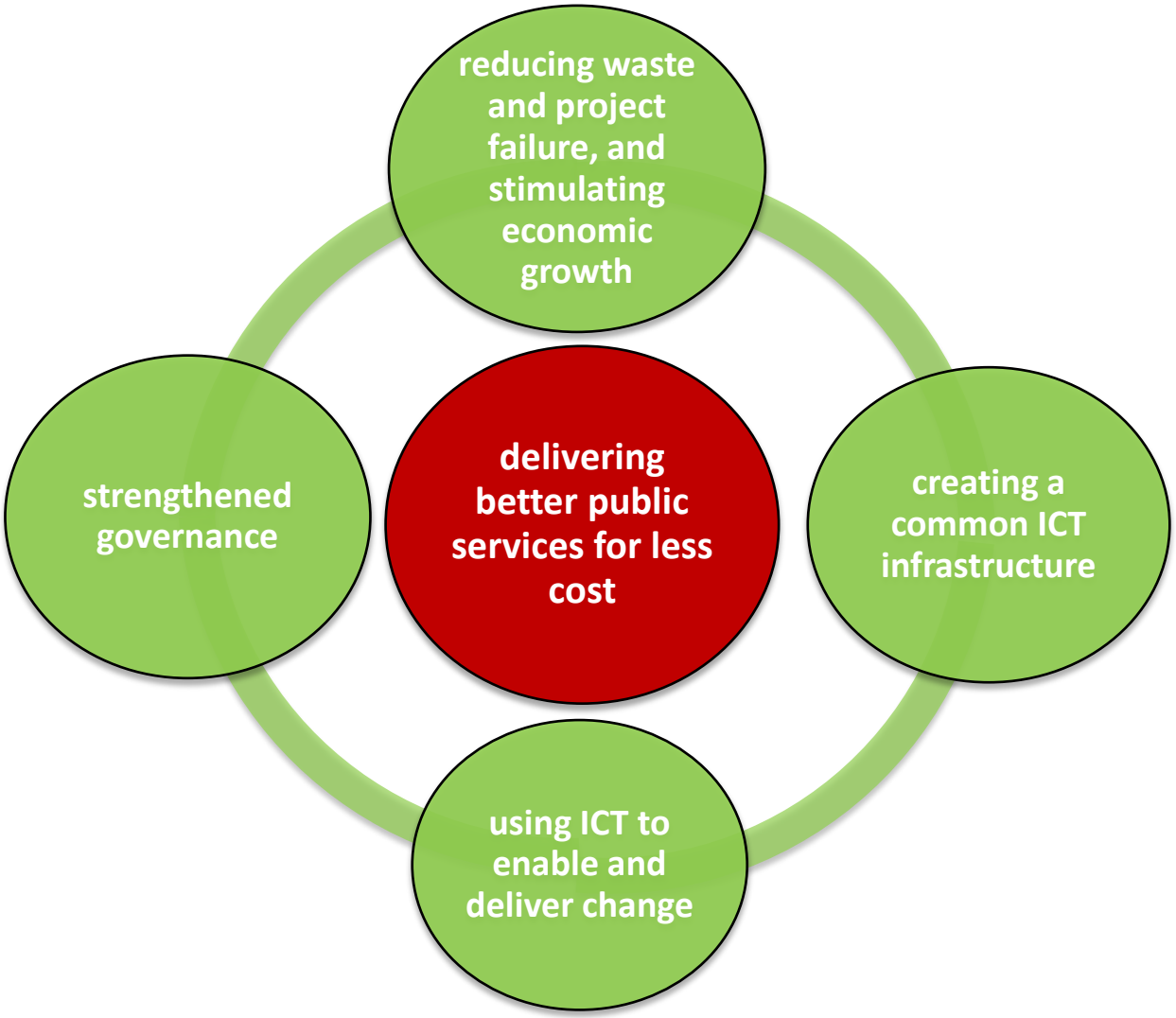
Progress to Date

- ✓ Full Ministerial commitment & support
- ✓ £3.75bn savings achieved in the first year
  - *£1.4bn on CCL : £800m through CCR work*
- ✓ Lean Standard Operating Procedures
- ✓ Enabling technologies being implemented
- ✓ Transparency driving behavioural change
- ✓ New contract awards to SMEs increased from 5% to 40% between January – September 2011

Procurement Supporting Growth

- ✓ Thought & planned for - pre procurement
- ✓ Can and will include supplier development
- ✓ Open & fair opportunities for SMEs to compete
- ✓ Visible and managed tiers - no longer ‘hidden’ through the prime
- ✓ Will apply to projects, sectors & categories

Government ICT Approach



Government Commitment

Transparency

Market Diversity

DVLA Strategic Agenda

Ieuan Griffiths

Finance and Strategy Director

Agency Fit for the Future

How do we become

- more effective?
- more efficient?
- more on-line?

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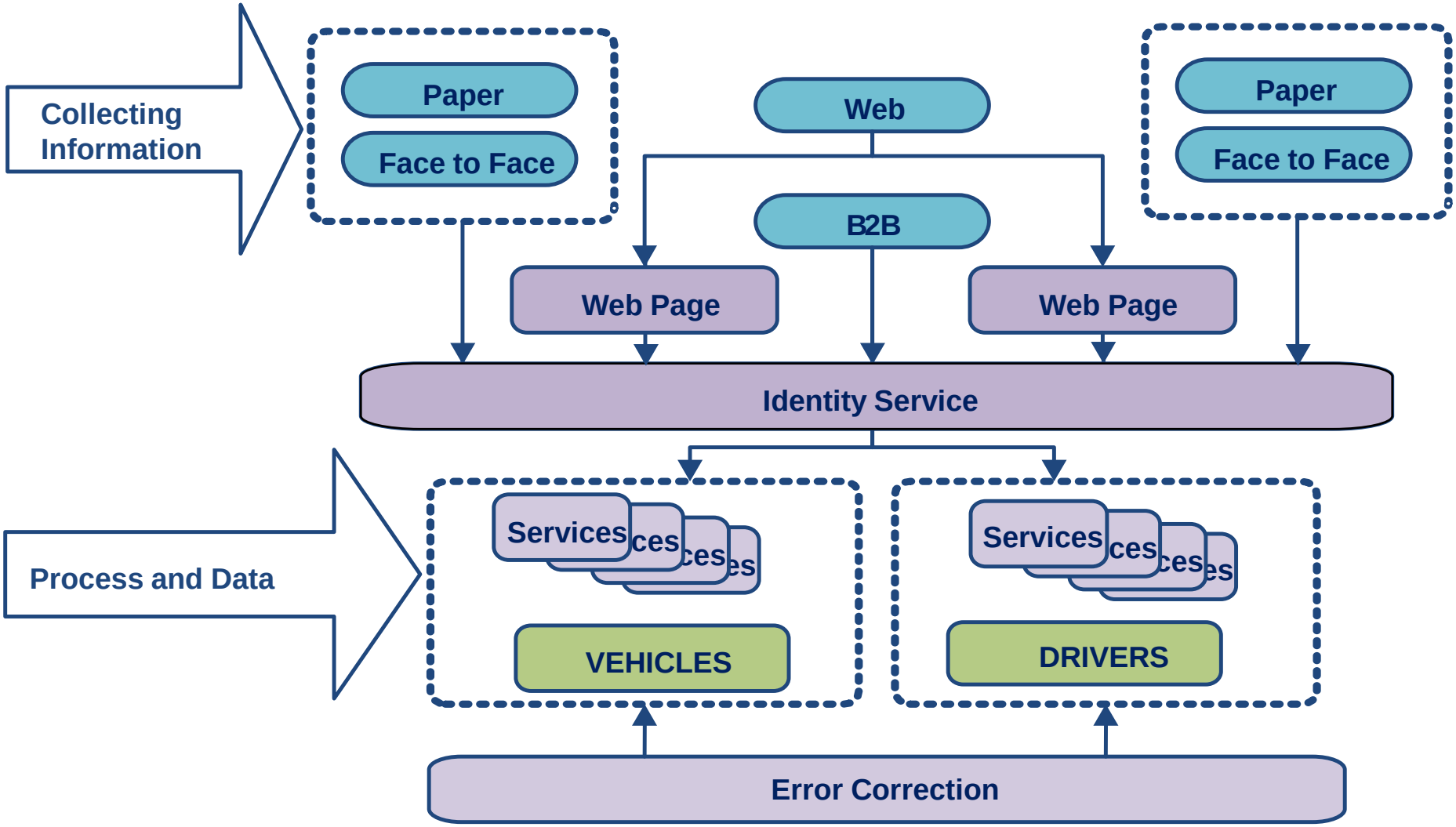

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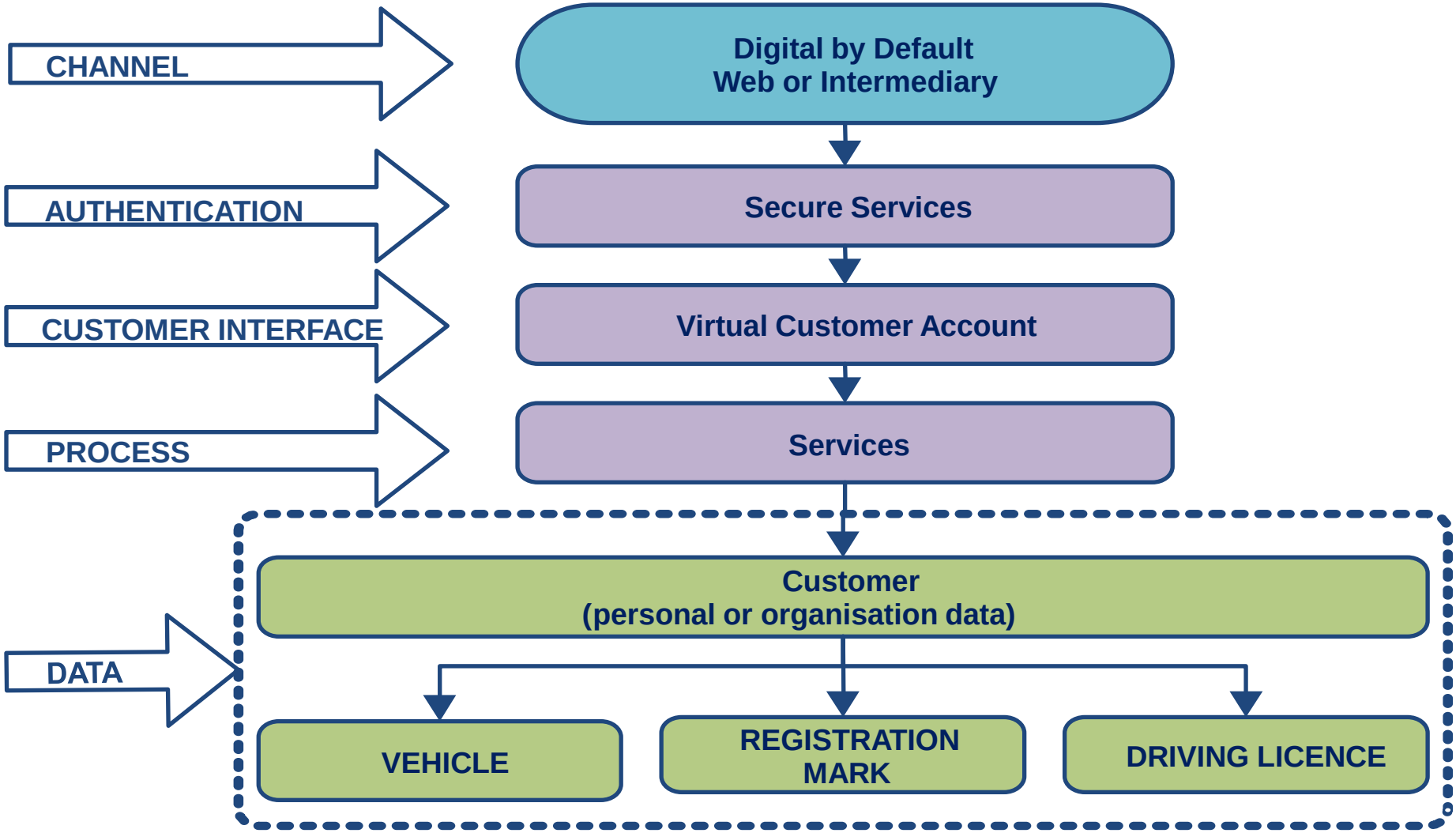


Cross Government Agenda

Home Office
Identity & Passport Service

Department for Transport

Ministry of JUSTICE

Directgov
Public services all in one place

DWP Department for Work and Pensions

Transport for London

VOSA
Vehicle & Operator Services Agency

Change

What opportunities can you help us explore

- scope of change?
- organisational landscape?
- customer centric view?

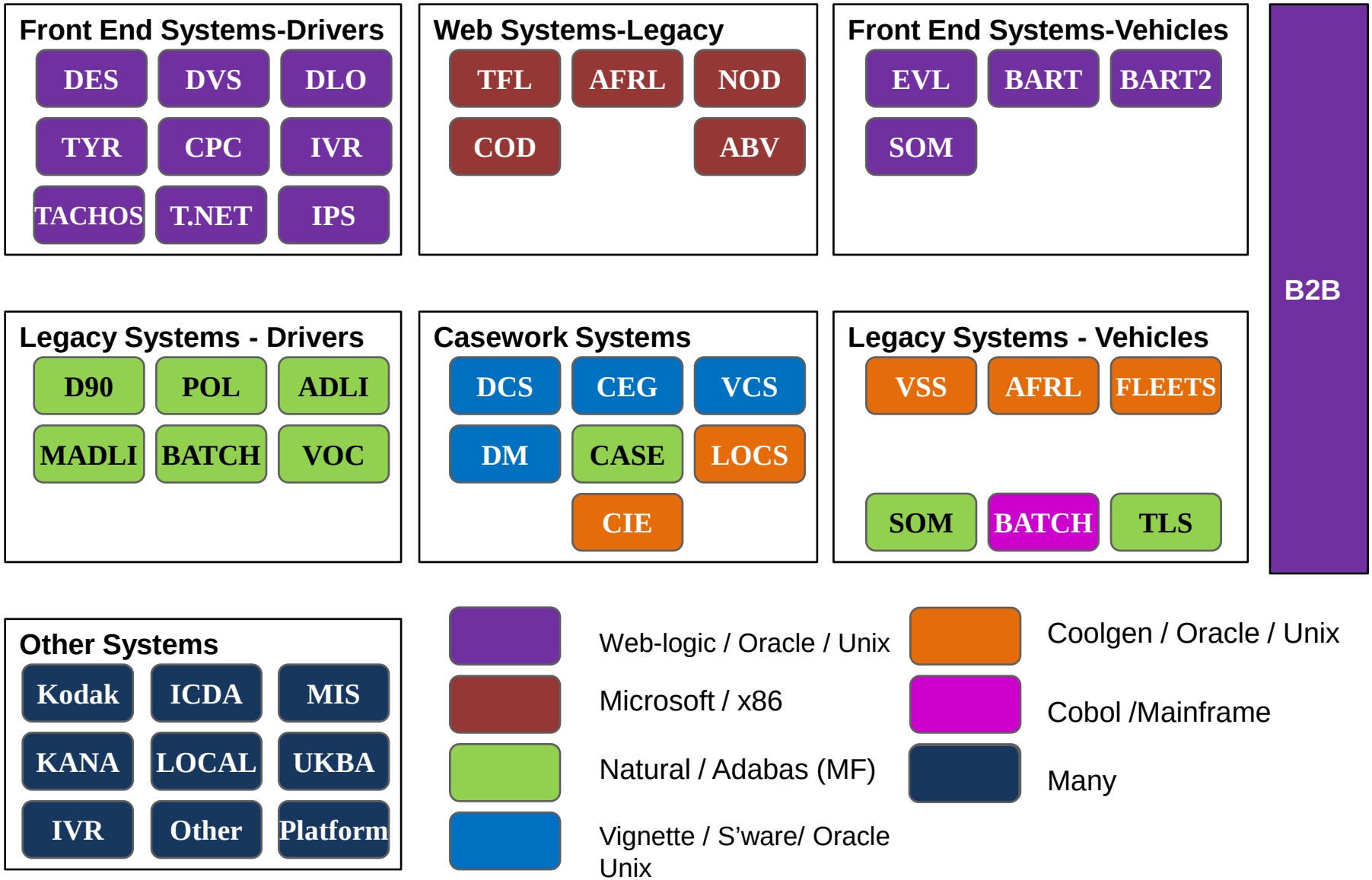
DVLA Target Technical Architecture

Richard Hixson

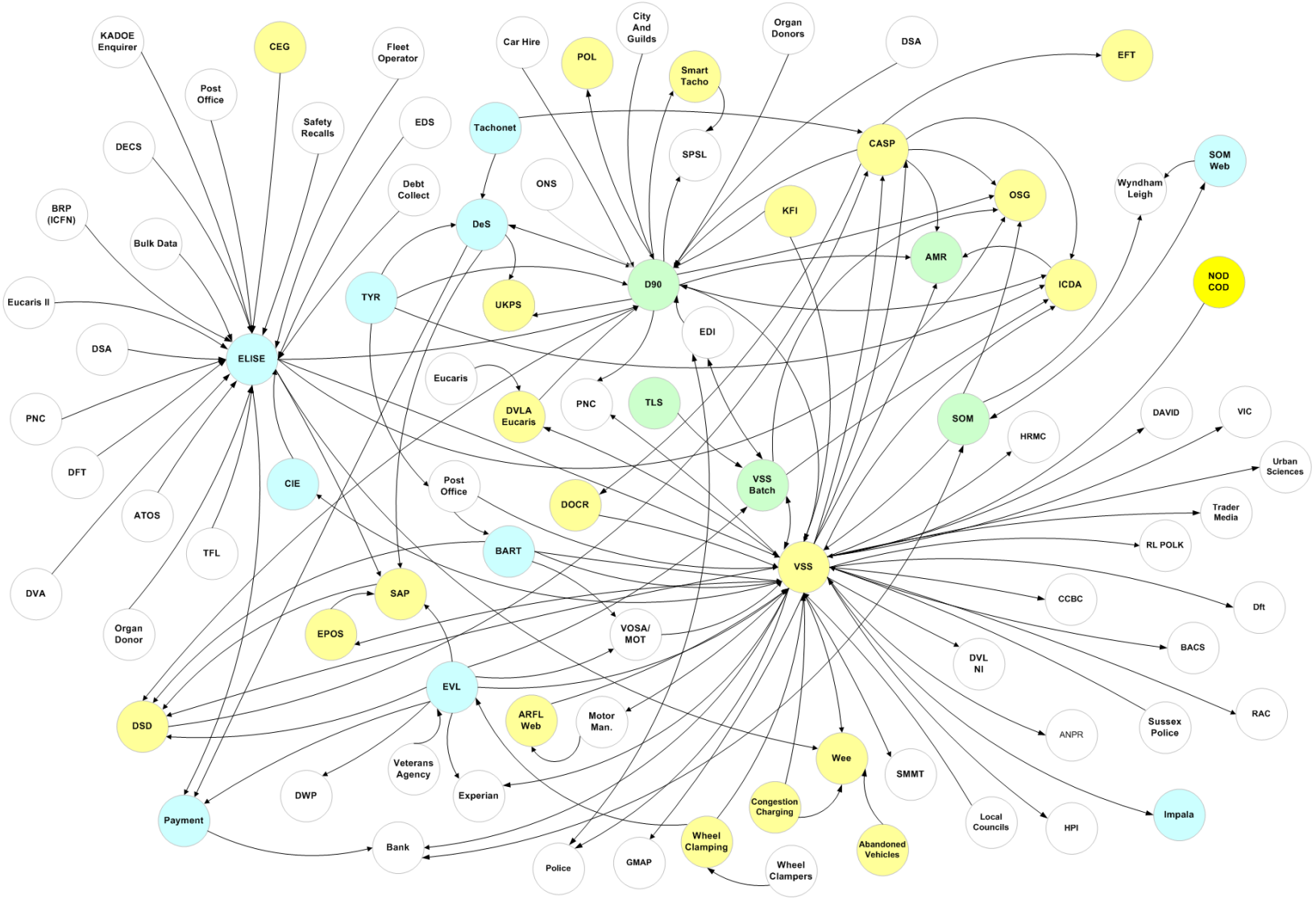
Head of Enterprise Architecture Group

Current Primary Business System Architecture

Current Primary Business System Architecture

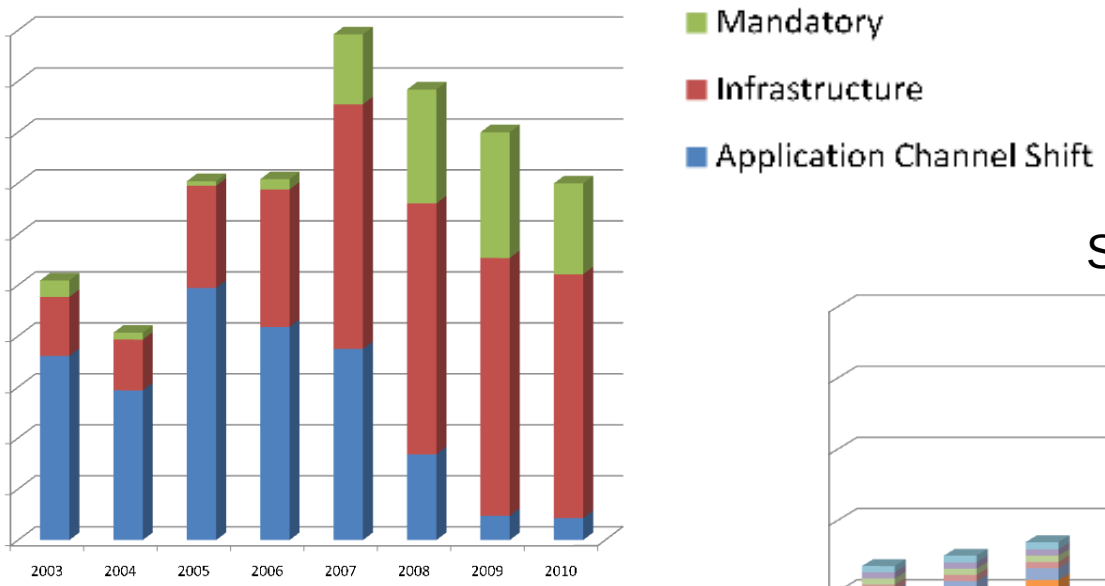


Complexity of this Architecture



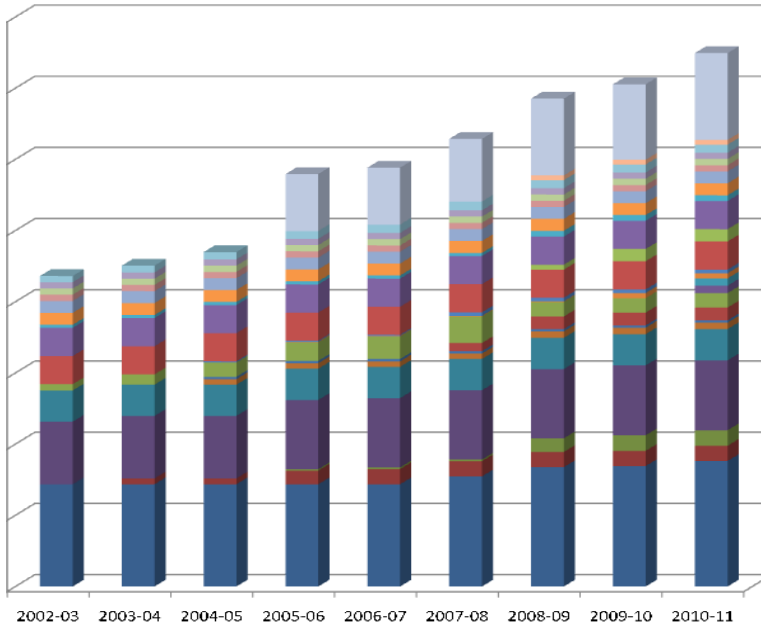
Cost of ICT Change

PROGRAMME SPEND



Amount spent on "capability projects" is being increasingly squeezed...

SYSTEM SUPPORT



... and siloed systems are driving up support costs year on year

Rationalising the IT estate & reversing System Sprawl must be seen as key business priorities

Change approach – the tortoise & the hare analogy...

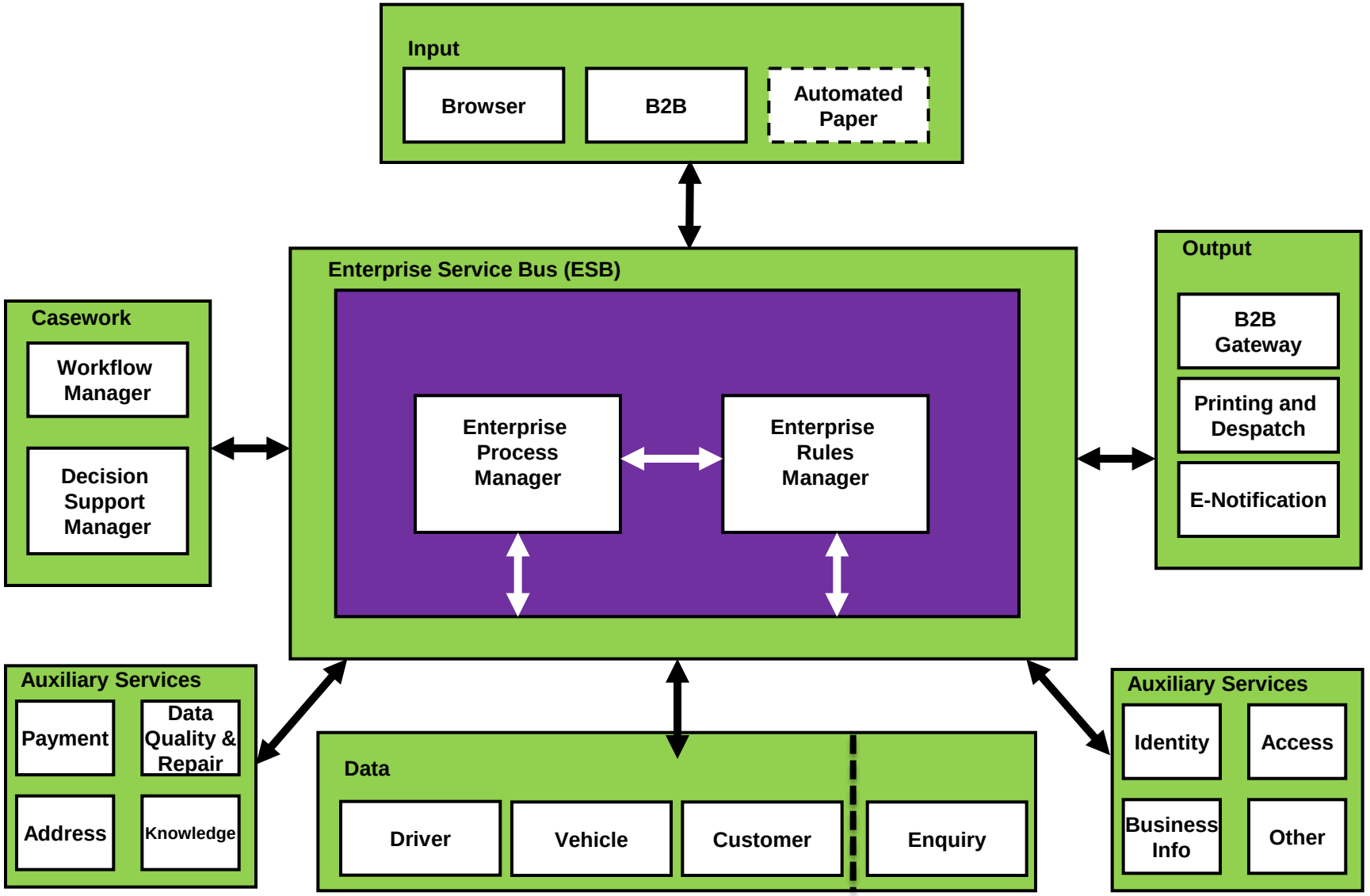
Currently DVLA is like the Tortoise! We do deliver quality products. However, this takes much too long.

DVLA does not want to be the Hare. Too many changes of directions, too many interruptions and distractions. We need a new approach to solve:

- Waterfall approach
- 100 plus documents in any project
- Assurance points throughout
- Large change programme
- Releases every week
- Many interdependencies
- Mainly tactical projects
- Large amounts of time spent in feasibility, testing and Service Implementation
- 9 – 24 month projects

We need an agile approach to change

Possible Target Technical Architecture



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Business Strategy

Single View of Customer

Efficiency Challenge

RED TAPE CHALLENGE

Government ICT Strategy

Current Programmes

Our questions to you

What are you views on this model?

How else would you construct this architecture to meet our requirements?

What tooling would you use?

What reference model/approach to change would you propose?

A new age for ICT service provision at DVLA

Paul Evans

Chief Information Officer

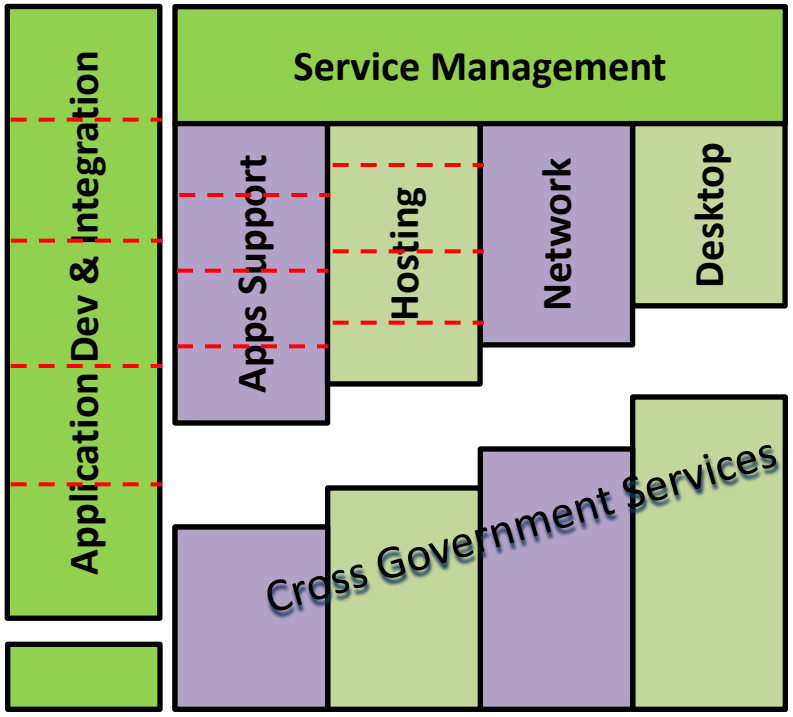
Introducing a step change in approach to ICT delivery

Key design principles of future ICT solution:

- ✓ Technology Delivery Partner(s) will bolster DVLA ICT Client side capability in the medium term
- ✓ ICT supply chain rather than single contract
- ✓ DVLA will contract directly with each supplier in the supply chain
- ✓ Clear separation between above the line 'solution architecture' and range of below the line competed 'tower services' [with two procurement phases]
- ✓ Suppliers can only have a role either above or below the line
- ✓ Joint accountability for delivery of service outcomes with supplier rewards dependent on joint success
- ✓ Flexible model which accommodates emergence of cross government services (e.g. desktop)

Revised ICT Model

Seeking to enhance the retained IT function by employing a partner to assist in the design of IT architecture, and the creation and management of the supply chain.



Seeking a supply chain that will be able to deliver services for the future.

Needs to be flexible to allow DVLA to use Cross Government solutions as they become available.

Needs to allow SMEs to compete for share of the business.

Needs to allow access to real innovation.

Technology Delivery Partner(s)

Initial thinking on key roles:

Overarching role	Role is likely to include:
Design Authority	Advising on future technical blueprint.
Solution Design Assurance	Sign off of solutions against technical requirements.
Technology Roadmap	Approval of transformation roadmap from legacy to new systems.
Technical Assurance	Approval of build and delivery proposals.
Internal Development	Development of in-house capability.
Commercial advice	Support to develop procurement strategy and technical specifications for service towers. Contract management of service tower suppliers.

Key questions: What are suppliers views on the key roles identified for the TDP(s)?

What are suppliers views on encompassing risk and reward models for this role?

Potential Service Towers

Initial thinking:

Potential service towers
Application development front end
Application development back end
Application Maintenance and Support
Middleware
Service Management
Desktop and Local Area Network
Hosting including refresh

Potential for multiple service towers to be awarded to same supplier(s)
Supplier views on risk transfer and reward models in multi-supplier model required

Summary of Key Points

- ✓ Above the line / below the line model
- ✓ Technology Delivery Partner(s)
- ✓ Risk & reward
- ✓ Service towers
- ✓ Your opportunity to help shape our procurement

Commercial Approach

Andrew Falvey

Head of Commercial Services

Agenda

- Commercial Vision
- Commercial Principles
- Commercial Aspirations
- Government Direction

Commercial Vision

- ✓ Not more of the same
- ✓ Focus on outcomes / outputs
- ✓ Share risk and reward
- ✓ Run smart procurements
- ✓ We want your ideas
- ✓ We want to be....

A Winning Team....

- ✓ DVLA may be a Government Agency with a head office in Westminster, but we happen to be in Swansea
- ✓ We are very important to the local economy, as an employer and as a buyer of goods and services
- ✓ We spend around £350m per annum, with IT as our largest commodity spend
- ✓ We aim to spend less on ICT in the future but it will still be by far our biggest commodity spend.
- ✓ We spend about £10m per annum directly with SMEs, most of them local, and around £40m with SMEs at tiers 2 and below in our supply chain we are keen to include all sizes of firm within our IT supply chain

Commercial Principles

- ✓ Value for money
- ✓ Optimum supply chain
- ✓ SME involvement
- ✓ Enhancing skills
- ✓ Governance and Management Information
- ✓ Collaboration
- ✓ Sustainability
- ✓ Innovation

Commercial Aspirations

- ✓ Timely and effective procurements
- ✓ Honest and inclusive processes
- ✓ Team mentality – client / supply sides
- ✓ Genuine shared goals
- ✓ Effective incentivisation
- ✓ Open relationships - transparency
- ✓ Ongoing competition

Government Direction

- ✓ Open up to the market
- ✓ Think supply chain
- ✓ Consider SMEs
- ✓ Use lean procurement & agile development

Things to ponder.....

- ✓ Technology Delivery Partner(s) Role
- ✓ Above & below the line
- ✓ Lotting strategy / service towers
- ✓ Risk & reward
- ✓ Commercial model
- ✓ Approach to change
- ✓ Technical model

Lunch

ICT CONTRACT LET

Simon Tse

CEO

Ieuan Griffiths

Finance and
Strategy Director

Paul Evans

CIO

Ashley Crompton

Contract Let
Programme Manager

David Evans

Transformation
Director

Richard Hixson

Lead Architect

Andrew Falvey

Head of Commercial
Services

Next Steps

Ieuan Griffiths

Finance and Strategy Director

Coming Up ....

- Procure Technology Delivery Partner(s)
  - ✓2012/13
- Procure rest of supply chain
  - ✓2013/15

Next Steps

- Continued discussions with the market
- Reviewing your feedback
- Maintaining open and effective lines of communication with the market

Close