



British High Commission Islamabad

SPEECH TRANSCRIPT FOR THE UK'S MINISTER FOR THE CABINET OFFICE AND PAYMASTER GENERAL, THE RIGHT HONOURABLE FRANCIS MAUDE MP AT PAKISTAN'S MINISTER OF PLANNING, NATIONAL REFORMS AND DEVELOPMENT

STARTS

The starting point 4 years ago was that the UK Government inherited a large budget deficit, borrowing £1 for every £4 we spent. So, we needed to do things very differently.

We have driven an aggressive programme of public service and public sector reform. We are only at the beginning of that, but we are seeing results. We aim to cut the costs of Government by £20bn this year, compared with 5 years ago.

The truth is that wherever I go in the world, I find that all governments are facing the same problems. We all face demands on public services. Demand is rising. In our case, we have an ageing population. People's expectations on the quality of public services are rising. And we all have less money. The challenges that you face are comparable.

When I look back at what we have achieved over the past 4 and a half year, I can tease out 5 underpinning themes.

The first is openness and transparency. The UK is now ranked as one of the most open and transparent governments in the world. We are publishing more data sets than ever before, and much more data about how we spend our money. This makes us more accountable, and it makes the public sector more careful about what they spend their money on. Benchmarking comparisons is a powerful driver of reform.

We have been instrumental in setting up the Open Government Partnership, which now has 65 member governments, all working in partnership with civil society organisations around the world. One of the things that I have discussed with yourselves and colleagues during this visit is the potential for Pakistan to join the Open Government Partnership. It is an incredibly stronger driver for reformists.

Second, tight control from the centre over common areas of spend. We have introduced – since the very early days of our Government – tight spending controls, so that no part of central government can enter into a property lease, or pass a break point in a property lease, without me personally agreeing to it. The result of this is that we have forced different parts of government to collaborate. Costs have been cut, and it enables joint working. No part of Government is allowed to spend more than £5 million on an IT project without my personal signoff. So we have been able to stop a lot of the wrong things being done, and encouraged government to be much more sensible.

We are looking at how IT can become more interoperable across government. We are at the very early stages. We now expect Government to act as a single customer with our biggest suppliers. Previously, we found that they were playing one part of government off against another. For example we found that parts of the government were paying seven and a half

times more for standard printer cartridges than others. There was massive inconsistency – and anyone in business would have addressed this a long time ago.

We also expect departments to exercise tight control over recruitment into the Civil Service, and have reformed its redundancy arrangements to be much more affordable (but still generous in comparison to the private sector). This control over recruitment, coupled with an affordable exit scheme, have led us to cut the numbers of our Civil Service like for like by over 20%. We have also reformed public sector pensions. Again, these are still more generous than most private sector schemes, but will be much more affordable. These reforms will approximately halve the cost of pensions to the public purse.

Third is loose. We are shifting power away from the centre, to the people who know best about how a service should be delivered – the frontline. Too often, we have dictated from the top how services should be delivered.

In the most extreme form, this principle involves 'spinning' activity out of the public sector altogether in the form of public service mutuals. This is where a group of public sector workers decide to take themselves out of the public sector, and deliver service on a contractual basis. In many cases, they have chosen to operate as not-for-profits, and plough the profit back into the business.

These 'spin-outs' bring together four very powerful elements. Firstly, entrepreneurial leadership. Secondly, a workforce which feels empowered, trusted and liberated from the bureaucracy by having responsibility for taking decisions about how to do things better. Thirdly, a business and commercial discipline, controlling costs and thinking in a business like way. Fourthly, a remaining public sector ethos. These four elements have led to dramatic improvements in productivity and quality.

The fourth theme is, digital, which is critical. If it can be done online, it should be. We have created a single web domain called GOV.UK. This has replaced 300 previously existing government websites. All of which tended to be on different architecture, with different providers, and which were expensive. GOV.UK has improved this. It won a design award for ease of use – because it is designed around how citizens themselves want to interact with government. We are now moving gradually to put Government services online through the same platform.

The next stage will see Government as a platform. Instead of having contracts for IT services which are in silos – individually procured with expensive and technology that is not interoperable – we move towards buying together. One email system. One payment system. One appointment system. One system for registering activity. Buy it once, make it really good, and then be able to tailor it each bit of government as appropriate. Because it will be consistently used and improved, we can save a lot of money.

I was very struck when I visited Estonia 3 years ago. I asked the then Prime Minister how it had happened that his country became such a digital leader. He said it was very simple. When they became an independent country, they had two advantages: no legacy and no money – so they had to do things differently. So I replied that we had created the second of those conditions: we have no money. But unfortunately we have very expensive legacy systems. By doing things differently the Estonians cut out a lot of bureaucracy – and their whole approach was to go digital.

We are only at the beginning of this process in the UK. One of the things we are doing is bringing more capability in house. In the past, we had reduced our Civil Service digital and technology capability by outsourcing far too much to bigger suppliers. We are rebuilding it in a modern way. Our Government Digital Service has been described as a sort of start up in

the heart of Whitehall. It has much more of a feel of Silicon Valley than it does of "Yes, Minister".

And what we are doing is being replicated elsewhere, such as in the US and Australia. The source code for [GOV.UK](https://www.gov.uk) – which is all open source – has been used by other Governments, including New Zealand. This will improve it, as the more it gets used, the better it becomes – and people benefit from that.

The fifth theme is the most difficult and important. Changing the culture in the Civil Service, and in the public service. This has tended to be – and this is not unique to Britain, nor to some big private sector organisations – very innovation adverse. It is axiomatic that the best organisations learn more from the things that they try that don't work, than the things that are tried and do work.

The culture of most governments is to be very negative about things that don't work. We look around government and we see people who don't change anything – but their career don't suffer from continuing to preside over an insufficient status quo. But try something new that doesn't work and it will really damage your career. We need a reverse culture – if you didn't try anything new that didn't work that means that you didn't try anything new! We need a culture where people don't think they need to seek permission to do new things – but see it as an obligation.

I was really struck when I visit Singapore's Civil Service College. The slogan that they had on the wall set out how it was the duty of every public servant to challenge the existing way of doing things. Most civil services tend to be quite hierarchical and deferential – which is much more about culture and behaviour than it is about structure and organisation. A culture where people feel able to challenge within the organisation. Willing to challenge how things are done, suggest new ways of doing them, and then if they try something new that doesn't work – stop doing it. The mantra from Silicon Valley is fail small, fail fast – and then move on to the next thing. That is the most difficult thing of all to do but we need to adopt it.

When we began down this path, I did not start with these 5 themes of principles. We saw some things that were capable of being changed, and we did it. It was only afterwards that we looked back, and said that these 5 themes pick up all that we did, and give shape to it. Wherever I go around the world – and certainly my conversations here this week – confirm that we are looking at the same sorts of challenges, constraints and opportunities to do things differently. We can all learn from each other.

ENDS

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