

# White Paper

Local Government - A Partner You Can Count On

Communication for the open minded

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# Rethinking public service delivery – technology and local government trends...

...radical business reforms through the implementation of practical technology.

Political parties agree that public sector spending cutbacks are inevitable. The Chartered Institute of Public Finance and Accountancy estimates cuts of 7.5% to 15% in real terms. Once protected budgets (NHS, etc) are factored in, cuts to unprotected budgets may exceed 20%.

It is inevitable that people must become used to receiving less from their public services. Savings can be made by reducing national overspend and relying more on the judgment of local government. Further savings can be achieved through better collaboration within local councils and between government. Governments need to minimise the effects of budget cuts and engage the public in an open dialogue about priorities.

Local government ICT services need to align to these new, practical aspirations and the various forms of working smarter, transformational agendas appearing - council by council - across the whole of UK.

It is a great time to be working in public service delivery! Economic imperatives, together with the potential that technology offers, are directing you to deliver more effective and efficient services. You and your colleagues now have a opportunity for a more exciting involvement in shaping your organisation's future than ever before. Hence the theme for this (hopefully) helpful White Paper '**Rethinking public service delivery – technology and local government trends**'. It is you, the information and technology managers, who will help, with others, to stimulate the radical thinking, then identify and implement the practical solutions. Tomorrow's Public Sector will involve solving some extremely difficult dilemmas that are now forming a clear agenda for the future.

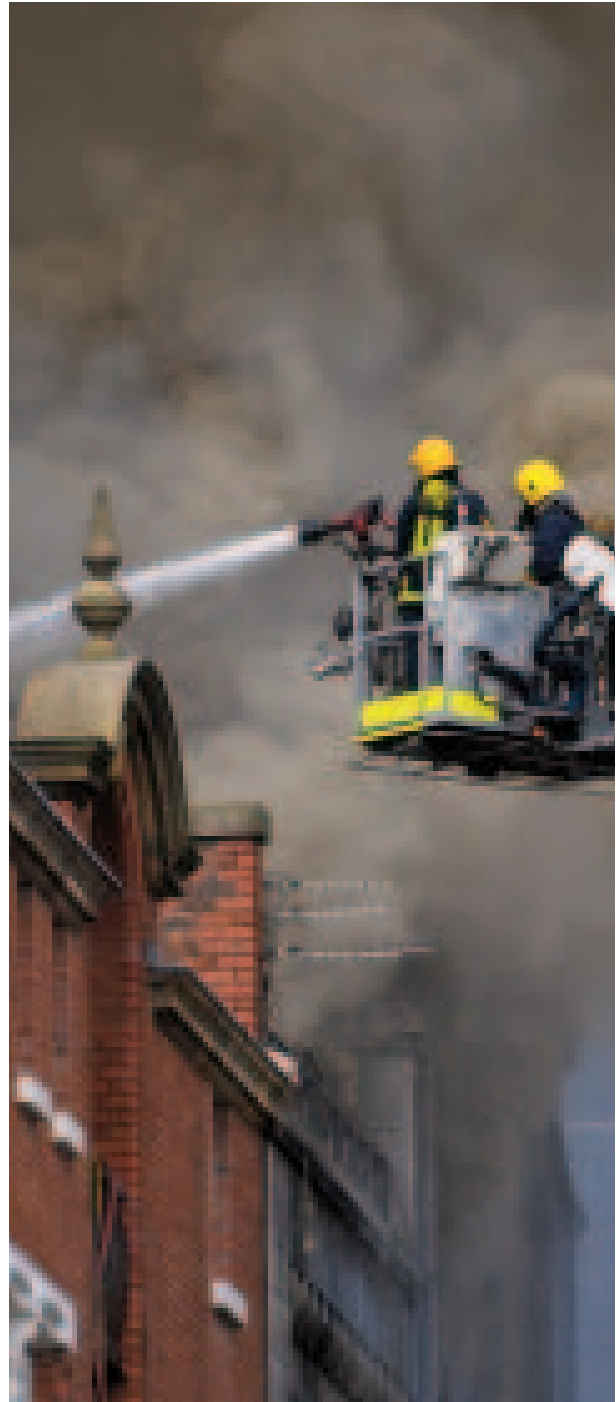
*Cost savings were also the top priority for **Essex County Council** as it struggled to meet Department for Education and Skills standards for symmetric bandwidth in schools. The council's existing supplier was, according to an independent report, over-running the project and failing to provide value for money.*

*The council put the project out to competitive tender. Siemens Enterprise Communications was awarded the contract and deployed a broadband network solution using an innovative technology known as local loop unbundling. The result is a **managed service, delivered on-time and on-budget, that will achieve total savings of £9-million over the next four years.***

*The Essex solution is completely future-proof and can be adapted as the needs of the council expand. It is also **fully compatible with the Government's Public Sector Network (PSN), currently in development.***

Instead of being just the back-room technical guru, the organisation should now be looking to you to help resolve complex and seemingly intractable problems. These concern the economic situation, transformation of public services, development of shared services, the retention of a sufficiently skilled workforce, and the maintenance of a strong demand for ICT products and services that will help your organisation to its objectives.

At the same time, there are also issues around sustainability and green ICT, security and privacy, digital inclusion, and information sharing, to consider. Tomorrow's Public Sector will be considerably leaner and more efficient, leaving a smaller impact on the environment, and leaving citizens to make more choices for themselves.



**Wakefield Council turned to Siemens Enterprise Communications**

to implement an IP-based unified communications infrastructure in order to increase operational efficiency and improve service to residents. The £3-million investment integrates Open IP telephony, fixed-to-mobile convergence, Siemens Enterprise Communications' own OpenScope Unified Messaging and a new contact centre.

The new infrastructure is expected to deliver significant cost savings by supporting Wakefield Council's Worksmart programme. The scheme combines flexible working policies with support for at-home, mobile and remote work in order to help the council maintain an efficient service during peak times without the need for a permanent increase in staff and property.

"When we went out to competition, we gave companies almost a blank canvas," says Alan Kirkham, service director for corporate ICT at Wakefield Council. "We told them what we had at the moment, what we spent and asked them to design a solution specifically for Wakefield."

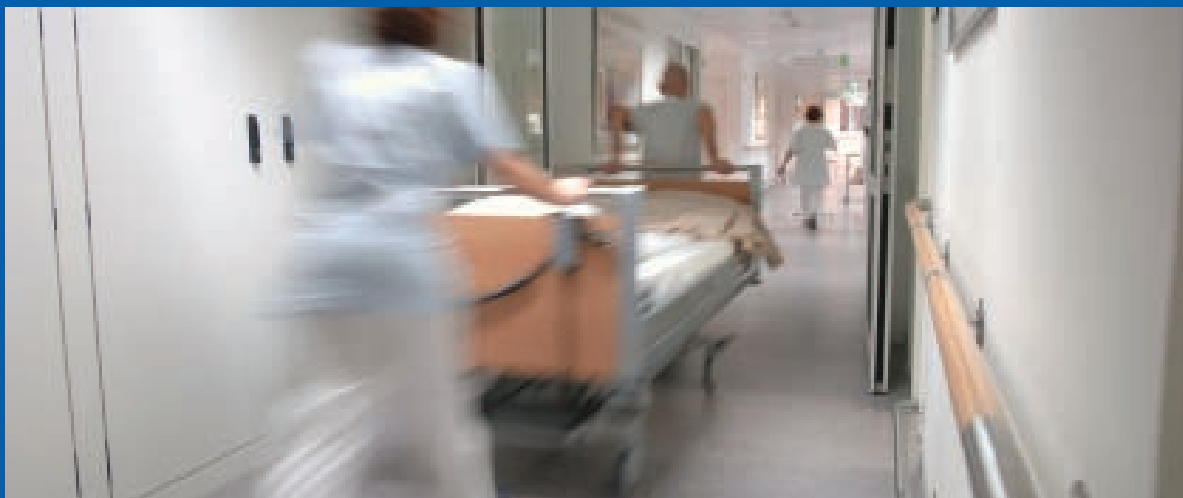
"Siemens Enterprise Communications' technology had an appropriate fit to our organisation," Kirkham adds. "They were able to offer experience and knowledge of the local government marketplace, compliance and regulations, as well as **an affordable solution that would offer significant value and return on investment.**"

So let us look in more detail at the economic situation. For much of 2009, many politicians appeared to still be in denial (at least in public) about the need for cuts, despite the obvious fact that the public sector financial sums just do not add up. Despite an acknowledgement that cuts will be necessary, practical proposals from the two major parties to meet the whole shortfall are still far from clear. That is not the case with the financial facts. They are worryingly clear.

The Treasury predicts that borrowing will peak at 12.4% of GDP, or £175bn. Compare that with the previous biggest peak of just under 8% in the early 1990s, or the 7% in the mid-1970s when Britain had

to ask the IMF for an emergency loan. Total public sector spending had jumped from 36% of GDP in 1999 to 41% by 2005. Economists predict that it will exceed 50% before it falls. About £50bn of the borrowing is due to lower tax receipts. Another £90bn is down to increased spending.

The balance comes from the impact of the recession, which has taken about 5% out of the country's capacity to generate its GDP. Compare that with the Chancellor's expectation that GDP would be 16% higher when he made his 2008 budget speech, but only 3% in this year's speech. That overall 21% change indicates how deep the cuts really need to be in order to return to a balanced budget.





Public sector cuts have become the central item of debate in the run up to the general election which has to take place by June 2010 at the latest. Widespread opinion is that there will be cuts, it is now just a case of when and where. Although short on practical detail, the Operational Efficiency Programme sets expectations for a radically different approach to delivering local public services.

One could argue that winning the next election is a poison chalice, but whichever political party ends up running the country, it will want to achieve the necessary savings with minimum impact on the party's popularity or the wider economy. So, whilst we can expect to hear no more about identity cards, (although they might be a useful aid to citizen authentication for efficient online self-service), an approach of protecting frontline services, at the expense of back-office support, seems inevitable.

A survey by Local Government Chronicle revealed that most councils are aiming for cuts of between 10-17.5%. Judging by the Treasury's own figures, this may not be enough. Whatever the level required, solving the problem must mean greater reliance upon technology, and more pressure to

exploit existing information assets. This will mean deploying methodologies such as 'systems thinking' and 'business process redesign', as well as a fresh focus on information management practice. Use of ICT-enabled flexible working will become far more pervasive, if not the norm.

The technology function will certainly need an increased engagement with the service functions in order to be successful. Here lies another dilemma for technology managers. Many have gained much of their experience in logical, engineering disciplines where the level of ambiguity is low, as is the relevance of subjective opinion. However, 'change management', which underpins 'systems thinking' and 'business redesign', is nowhere near as clear-cut.

People and the organisations that they operate within, are so complex that there are very few purely right and wrong answers. Opinions, organisational politics and cultures matter.

The successful 'change manager' must be skilled in the softer social skills and be comfortable with ambiguities and small 'p' politics. A career spent in technology management does not normally develop these skills in any depth.



One way to resolve the financial dilemma is to take the 'joined-up government' agenda on board. Economies of scale could be impressive. Local government is looking afresh at shared services, driven by the economic imperative. The development of the Public Sector Network (PSN) may well emerge as the key initiative to generate shared (cross sector) service delivery in the coming decade.

However, as witnessed by the leading-edge initiatives undertaken by authorities such as Essex and Devon County Councils, local government is starting to reinvigorate its interest in shared services driven by the need for efficiencies, a desire to support flexible working and to provide quicker (often collaborative) access to information. Local government must however find ways to overcome the political hurdles that have stifled many initiatives.

Initiatives develop real momentum with political backing, but linking the technologies together and making them compatible, will be the next hurdle. However, away from the political spotlight of frontline service delivery, ICT services may be in a strong position to lead the way and councils such as Essex and Devon are indeed setting an ideal example.

Internal politics are such that despite this increased reliance on technology, the ICT function will have to take its share of the cuts too. Certainly, the scope for efficiency savings is not uniform across the public sector. Also, there is little sense in cutting the means to solve the problem. Logic suggests that the balance of resources allocated to 'change' projects

must increase, that issue is unlikely to be resolved in the immediate future. This poses another dilemma for technology managers as ICT must cope with increased demands whilst the organisation is cutting the budget by 15% or more.

One methodology being considered, by increasingly large numbers of forward-thinking local authority heads of ICT, is the concept of 'unified' communications. Many local authorities still operate (at least) three primary network services:

- Core data network – in effect, the computer network within and between council buildings.
- Telephony – incorporating internal 'traditional' or IP telephony and mobile services.
- Wireless networks – often on-street connectivity sometimes including CCTV and highways device-control services.

Unified communications has now reached a state of maturity where it can be procured either as a tailored, 'internally managed' solution or as a 'managed' service both of which can deliver performance and the promise of considerable cost benefits by convergence and the reduction of individual networks.

In addition, sharing 'unified' communications as a service, with other parts of the public sector across whole counties, sub regions or regions, provides ubiquitous coverage, resilience, future connectivity into the proposed Public Sector Network (PSN) and adaptability and future proofing as employees conform to new patterns of working.

Whilst it is only too easy to become gloomy, the positive side is that it will be a challenging and rewarding time to be a public sector ICT manager. It is very difficult to see how organisations will manage without more ICT, and more imaginative use of ICT.

In this White Paper I have talked about the unique combination of skills that make the ICT manager a strong candidate to be the principal agent of required change. Where to start? ...well you can start to shape your 'Tomorrow's Public Sector organisation' by looking again at your core infrastructure.

Siemens Enterprise Communications is supporting this time of change through the development and implementation of 'IP-based' voice and data solutions, 'citizen contact' solutions and professional service advice to make it all happen. Make sure that you take the opportunity to engage with them.



*Devon County Council looked to Siemens Enterprise Communications for a managed, converged voice and data service. By converging the existing voice and data network and services, the county council will benefit from significant cost reductions plus the benefit of a single 'Managed Services' contract with the SEN Group which will allow strict service level agreements to be achieved.*

*In addition, the increased functionality of the OpenScape Voice platform will support a flexible working environment within the council that will help to reduce costs, increase staff productivity, deliver environmental benefits through reduced travel, enable the council to handle citizens' needs more effectively and improve business continuity across its communications platforms.*

*"The new wide area network will give improved and quicker access to information for our users and allow us to serve a more flexible and mobile workforce" says Rob Parkhouse, Devon's head of ICT services. "It will also mean we can cut costs."*

*The agreement will support Devon's shared service agenda by providing a robust, scalable voice and data network, which includes SEN Group's flagship product, OpenScape Unified Communications Server. OUCS technology is capable of quickly and securely providing fast resilient bandwidth to county council locations and other partner local authorities within the county.*

*'Mobile flexibility' also means that the council can save on travel and property costs by enabling staff to deliver services from home or partner offices.*

*The converged network is a 'multi-protocol label-switched' system that allows for the connection of wider networks such as the NHS and the new Government Connect secure network.*

*"We have an eight-month rollout plan with our trusted partner Siemens Enterprise Communications," Parkhouse says. "The remote sites will start to come online by March 2010. That's when our users should see the benefits of better response times and productivity gains."*

As a result of recent successful ROI/TCO studies with some of our leading clients we would like to offer the opportunity for an on-site review.

We will be looking for ways in which we can help you improve service quality and drive out unnecessary costs, whilst providing the flexibility, innovation and economy of scale needed to support today's forward-looking public sector organisation.

To book your free review, please contact us on Tel: 0800 1583740.



### About the Author

**David Hopkins**

**Siemens Enterprise Communications**

David has worked in local government for over twenty-five years and represents Siemens Enterprise Communications on numerous public sector representative bodies and lobby groups, including Intellect, SOCITM and Eurim.

Siemens Enterprise Communications is a premier provider of end-to-end enterprise communications solutions that use open, standards-based architectures to unify communications and business applications for a seamless collaboration experience. This award-winning "Open Communications" approach enables organizations to improve productivity and reduce costs through easy-to-deploy solutions that work within existing IT environments, delivering operational efficiencies. It is the foundation for the company's OpenPath commitment that enables customers to mitigate risk and cost-effectively adopt unified communications. This promise is underwritten through our OpenScale service portfolio, which includes international, managed and outsource capability. Siemens Enterprise Communications is owned by a joint venture of The Gores Group and Siemens AG. The joint venture also encompasses Enterasys Networks, which provides network infrastructure and security systems, delivering a perfect basis for joint communications solutions.

For more information about Siemens Enterprise Communications or Enterasys, please visit [www.siemens-enterprise.com/open](http://www.siemens-enterprise.com/open) or [www.enterasys.com](http://www.enterasys.com)

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