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Alex Chisholm
Civil Service Chief Operating Officer
and Cabinet Office Permanent Secretary
28 November 2022

Dame Meg Hillier MP
Chair of the Committee of Public Accounts

Dear Chair

**Response to commercial / procurement related queries regarding Cabinet Office
Accounting Officer Assessments**

My thanks for your letter of 15 November raising further queries over the Accounting Officer Assessments published by the Cabinet Office on 29 September.

I have responded to these in turn in the Annex to this letter.

A handwritten signature in dark ink, appearing to read 'Alex Chisholm'.

Alex Chisholm

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Annex

1. Transforming Public Procurement Programme

You have asked for my reflections on the size of benefits estimated from the Transforming Public Procurement Programme, and the likelihood of their materialising.

The impact assessment that was published with the introduction of the Procurement Bill in May analyses the key monetised benefits of the programme. This analysis looked at the costs and benefits of the reforms, and costed these relative to other potential options. The crux of the analysis involved modelling the time savings implications of new procurement procedures and processes. If, as planned, the Cabinet Office delivers an effective training programme then we are confident these benefits can be achieved. A benefits realisation framework is being put in place to support future evaluation. This will monitor whether the reforms are on track to meet their strategic objectives and provide feedback on whether the interventions are working as planned or if there are any unintended consequences.

2. The Crown Commercial Service (CCS) Change Programme

You have asked for an explanation of the value for money assessment of the reduction in scope of the programme, and the impact this reduction is likely to have on the anticipated benefits of the programme.

The digital delivery element of the CCS Change Programme was subject to a detailed review in Q1-Q2 2021/22, which concluded that the successful delivery of the full digital scope, the Contract Award Service (digital procurement interface) and Shopping Service (digital catalogue) was unlikely to be achieved by the end of the programme (31/03/22).

Re-scoping options were considered with the focus on long term customer benefits and business criticality. After a detailed review, it was determined that the focus for the remainder of the programme would be concentrated on the Contract Award Service, and the Shopping Service would be descoped. The decision to descope the Shopping Service was mitigated by the launch of two catalogue based CCS Commercial Agreements (Tail Spend and Low Value Purchasing System), which are currently providing customers with access to catalogue-based spend services.

At the same time as the re-scoping exercise, there were increasing concerns about the reliability and robustness of the Digital Marketplace (DMP) to continue to host the CCS G-Cloud and DOS commercial agreements. Due to a significant risk of DMP failure and the decision to transfer the Digital Marketplace platform to CCS ownership in summer 2021, CCS decided to add the "Supplier Onboarding" functionality for both G-Cloud and DOS agreements to the scope of the programme, to ensure and protect both customers' access to the agreements, and the significant commercial benefits both agreements generate.

The impact of the changes in scope on the overall programme benefits was negligible. The MVP for the Shopping Service had included the onboarding of two catalogue based

commercial agreements, both of which were of low value in terms of spend and commercial benefits to customers.

You also asked for an explanation for my agreement to allow for additional testing of the digitised commercial agreements.

The decision to launch the digitised commercial agreements on to the Contract Award Service was impacted by the prospect of a series of worldwide software upgrades to CCS's e-sourcing platform during the final weeks of the programme. It was critical - following these upgrades - that further testing was undertaken to ensure that the Contract Award Service could function as required and designed, and that the digital buying process for the commercial agreements scheduled to be on-boarded onto the service was compliant with Procurement Contract Regulations (PCR) 2015 and safe for customers to use sustainably and at scale.

Finally in this section, you asked whether the digital products which impacted the Amber delivery confidence rating in March 2022 GMPP data are the same as those now delayed to the Autumn, and for the reasons behind these delays.

The digital products that were scheduled for deployment in May '22, and subsequently delayed until Autumn '22, are the same and the Amber rating has been maintained in GMPP returns to provide absolute transparency of that position.

The Contract Award Service has now been deployed into live service, with CCS Management Consultancy Framework (MCF3) agreement fully onboarded and available for customers to use. An additional CCS agreement, Digital Specialists and Programmes (DSP), was originally scheduled to onboard onto the service at the same time. However, the decision has been taken to defer to January 2023 in order to prioritise the onboarding of CCS G-Cloud and DOS agreements.

The delays in onboarding are as a direct result of the outcomes of the additional testing referenced in your previous question, and whilst the delays are disappointing, they have been necessary in ensuring that the commercial agreements we onboard onto this service work as designed and are safe and compliant for customers to use.

Deployment is now scheduled to be completed by January 2023 with the impact that in-year benefits for 2022/23 will likely be in the region of 50% less than originally forecast in the business case, which will be reflected in the CCS Change Programme GMPP Q3 submission accordingly.

3. Commercial Capability Expansion programme

You have asked about the programme's ability to adapt to future uncertainties; for details on the number of assessments and accreditations completed compared to expectations; and for an explanation of how recruitment and spending controls within the Cabinet Office are affecting the programme.

Taking the learning from our response to the Covid-19 Pandemic has meant that the L&D program and its approach to delivery has been completely transformed.

We now deliver all learning virtually in small bite sized chunks via instructor led virtual cohorts which allows for a much more flexible approach to learning by participants.

In practice this means that Civil Servants can flex the length of their learning journey according to BAU departmental priorities. This flex has retained colleagues' engagement, but has meant progress is slower than we would like on completion rates, but we are continuing to adjust how to progress learners through what is a 6 to 9 month programme and balance commitment to learning with "doing the day job".

With regards to our 'entry level' online Foundation Contract Management training product, against an original forecasted target of 8500 learners we have now trained and accredited 17,100 Civil Servants (both central and wider public sector) on the importance of managing awarded contracts to achieve delivery and value for money.

For our more complex contracts where we offer more detailed training we currently have 109 Practitioners accredited vs a target of 1105, and 76 Experts vs a forecasted target of 661. These totals are growing rapidly as we have, at Practitioner level, 551 in training and 427 ready for assessment, and at Expert level, 370 in training and 206 ready for assessment. We continue to work with departments to ensure accuracy of their individual departmental targets and identification of new learners.

The delivery of these training programmes relies on a mixed resource model of Civil Servants and the use of external Subject Matter Experts to deliver training and assessment of learners.

The focus from the Cabinet Office on reducing both third party spend and CO headcount has meant that recruitment of resources to meet learner demand has proved difficult. Partly in consequence we are forecasting to achieve accreditation of 15% (was 30%) of the population by the due date of March 2023. We are currently at 10% and will need to work hard and effectively to achieve this revised target.