



CABINET OFFICE

Alex Chisholm
Civil Service Chief Operating Officer
and Cabinet Office Permanent Secretary
30 January 2023

Dame Meg Hillier MP

Chair of the Public Accounts Committee.

Dear Chair,

SUBJECT: *Government Shared Services Inquiry (Monday 16 January 2023) : Additional responses.*

Thank you again for presenting me with the opportunity to give evidence to the committee on the progress of government shared services.

During the session on Monday 16th January, requests for additional information arose during specific exchanges between committee and panel members.

In reference to Q70 to Q72 in transcript of the session, regarding the costs of extension work within the Matrix cluster, we can confirm that upgrading the BEIS Oracle Estate (BOE) (current E Business Suite (EBS) Version 12.1.3) to the latest version (currently 12.2.10), will cost [REDACTED] (inclusive of risk provision). Oracle ceased premier support for the current version at the end of 2021, at which point it moved into sustaining support. Oracle is strongly advising all clients to migrate from EBS 12.1.3 by the end of 2023. This upgrade will ensure a resilient platform upon which to run critical HR, Payroll and Finance processes, and operate the business for an acceptable time period until onboarding to the shared service centre can be completed.

Additionally, we can also confirm the figures for the cost of the extension to the existing SSCL contract referenced at Q6 of the transcript. Negotiations are ongoing on extending this contract and the current projected costs are [REDACTED] per year, for the 2 years of the extension period. This will cover the ISSC2 Customers (DWP, DEFRA, EA, CO, ONR, HSE, HO and MOJ) and enable them to bridge the gap between the current contract end date and the date when new service arrangements will be in

place. These figures are commercially confidential until the contract is agreed and signed, expected in March.

Q94 of the transcript makes reference to IP ownership. The contracts that we will be procuring are for technology systems and services. As far as possible we want to adopt 'off the shelf' IT systems rather than adapting them and making them bespoke. Therefore, we do not expect the issue of who owns any intellectual property to be a major concern, as IP will remain with the service providers and the creators of the IT systems we purchase. In relation to the back office business processes, these are designed for and owned by HMG and the service providers need to comply with HMG standards and policy for HR and Finance as well as Data Security and Protection regulations and HMG policies.

I hope that sufficiently answers the committee's questions. If you need any additional details on these points, or any other information regarding government shared services, please do not hesitate to contact my office.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Alex Chisholm', written in a cursive style.

Alex Chisholm

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