

COMPACT CENTRAL GOVERNMENT IMPLEMENTATION PROGRAMME

1. Introduction: a compact central government in a compact government

The coalition agreement includes a cutback in expenditure of 6.14 billion euros for 2015 and 6.56 billion euros structurally entitled "kleinere overheid" (smaller government). Achieving this ambition calls for a compact government. This affects all levels of government: central government, provinces, municipalities and water boards. This implementation programme deals with the compact central government in greater depth. It sets the framework for drawing up ministries' plans of action for the implementation of cutbacks. The net savings achieved with this programme will all be directed to the departments that have had their budgets cut.

2. Building on the Central Government Reform Programme

With this implementation programme, the government is building on the foundations laid by the Central Government Reform Programme which were implemented in the Central Government Reform policy document. Since 2007 and as part of this programme, work towards a smaller and better government has been carried out throughout government.

In terms of the operational management in central government, a number of important steps have been taken towards a flexible and efficient central government as part of the Central Government Reform Programme. Specifically the decisions regarding building functionality which can be dramatically simplified as a result, the new accommodation plan for ministries which will be located at a maximum of ten minutes walking distance from each other and the introduction of digital workspaces. Combined with the government pass and the uniform logo for example, significant steps have been taken towards a flexible and efficient central government.

The policy intentions contained in this implementation programme continue to put into practice the above projects and build on the results which have been achieved. To complete the monitoring and management programme in the Central Government Reform Programme, the government will present one further finalised report to Parliament in February 2011. With regard to the progress of the personnel cutbacks, the largest part of which will have to be realised during 2010 and 2011, there will be reports in the spring of 2011 and the spring of 2012 in accordance with the commitments made to Parliament.

3. Strategy and direction of the forthcoming term of government

Further streamlining of operational management support and deduplication in the implementation and inspectorate bodies offer perspective to the ministries during the development of their departmental plans for determining cutbacks. This is shown in the examples and calculations of the alternatives included in the report on the operational management review "Niet schaven, maar sturen" (Don't trim, just manage). Moving together towards further streamlining of operational management and the deduplication of implementation and inspectorate bodies brings the advantage of shared efficiency savings and effects which can be seen in ministerial budgets. A further advantage of this government-wide approach is that any future interministerial or ministerial restructuring can be achieved with considerably less fuss, friction and costs. By making policy, implementation and inspection "worry free" and by removing overlapping functions in the implementation bodies, these tasks can be more easily tailored to the needs of the future and so better serve the requirements of clients, which is the primary process. Services to both citizens and companies can be improved at the same time. This type of unified strategy is not motivated purely by financial reasons.

For the further steps which will need to be defined over the coming years in the area of operational management in order to put this approach into practice, it is useful to make a distinction between three areas of action:

- *Continued building of a government-wide infrastructure for the supporting operational management;*
- *Agglomeration of the operational management support in ministries;*
- *Deduplication of implementation and inspectorate bodies*

Central government should firstly be connected to a government-wide infrastructure for operational management support. To achieve maximum efficiency gains, all of central government will have to make use of these provisions based on a well-founded business

case. When organising provisions consideration will be given to the similarities and differences in requirements between the policymaking cores and the implementation bodies. Any barriers to the participation of autonomous administrative authorities in the government-wide infrastructure (for instance EU legislation on unfair competition) need to be removed.

Secondly, there needs to be a progressive agglomeration of operational management support for the policymaking cores of the ministries in The Hague. In accordance with the coalition agreement, all ministries will take part in this. Thirdly, any duplications in the implementation and inspectorate bodies (this affects approximately 150,000 FTEs when autonomous administrative authorities are included) should be removed. This is possible by extensive collaboration in clusters between organisations which have similar processes or target groups, naturally with the guarantee of continuity in primary processes. This also leads to cost reductions and to a more integrated service.

This strategy demands that close attention is paid to the ministerial responsibility of individual ministers for specific policy areas. A balanced system of agreements and powers for the implementation of tasks will guarantee at the political level that these political responsibilities can also be practically fulfilled in situations demanding additional attention to particular facts or circumstances.

The ambitions of this programme in the three areas mentioned above will be further refined during this term of government. The implementation of this project will be prioritised in the coming period. The intentions of this programme will also be the basis for further development of a number of plans for the organisation of ministries during this term of government. In order to guarantee the relationship between the government-wide strategy and the development of the ministries, any necessary harmonisation will be carried out. This harmonisation is based on a new coordination decree for Central government organisation and operational management 2011 (Dutch Government Gazette 2011, 18). This decree also stated that government-wide accountability for operational management will take the form of an operational management annual report. This takes the place of various separate progress reports.

4. Strategy outline

4.1. Operational management of government-wide ¹ infrastructure

Ambition:	Central government will work further on the expansion of the standardised government-wide infrastructure for operational management.
Why:	More efficient organisation of the government by making use of economies of scale; To act uniformly as government and reduce the compartmentalisation of services provided to citizens; Better cooperation between organisations within government; To respond better to changes in society and political situations.
How:	Through creating standards, harmonization and by standardising processes; Deduplicate similar processes through shared services (government-wide and/or around large implementation organisations) or through outsourcing; decision-making based on business cases; Economising of operational management provisions, e.g. accommodation standards
What:	Not beginning from zero: P-Direkt ² , Government Collective Labour Agreement, Accommodation system, A single logo We have already achieved a lot: Civil Service workstations, Goevernment pass, Doc-Direkt ³ New initiatives: Data centre infrastructures, the harmonisation of IT security policy, excellent purchasing support, regional organisations for facility support, agglomerated central government housing services.

¹ Given the specific nature of the armed forces, it will be considered whether the participation of the Ministry of Defence will bring added value for each business case. The separate employment conditions sector of the Ministry of Defence also plays a role here. The latter also applies to the police, judiciary service and the Public Prosecutor's Office.

² P-direct is a shared service for ministries to automate employment processes.

³Doc-Direct is a shared service for providing documentary information to the civil service.

During the coming term of government, the government-wide infrastructure for operational management will be extended. It has been determined how the large implementation bodies Belastingdienst (Tax and Customs Administration), Rijkswaterstaat (Directorate- General for Public Works and Water Management) and Dienst Justitiële Instellingen (Custodial Institutions Service) will participate in the government-wide infrastructure and/or where they will be able to provide their government-wide shared service organisation. This may lead to two or three Shared Services Organisations, which offer a government-wide provision. By taking advantage of existing provisions, the correct scale can be chosen and the organisations can keep each other alert. The government has stated in the policy guideline that the Independent Agencies (ZBOs) will use the government-wide operational management infrastructure in the future. The government prefers there to be a positive business case for connecting this agencies to the infrastructure. A study will be initiated into the issue of how the Independent Agencies can participate in the service in the light of the current tender and competition regulations. Whatever the outcome, the Independent Agencies are free to join the government-wide standards.

5 projects will be started for the creation of the government-wide operational management infrastructure

Project 1: A single (administrative) civil service employer
Project 2: Pooled Personnel and Organisation (P&O) services in shared services
Project 3: Agglomeration of government office sites (accommodation and facility services)
Project 4: IT infrastructure
Project 5: Reduction in the number of central government procurement points and pooled demand

The aim of Project 1 is to configure the administration of central government (excluding defence, police and the armed forces which have their own collective labour agreements) as one employer. Ministerial differences in legislation on employment terms prompted by the characteristics of the implementation and/or enforcement services will then take shape within the government-wide frameworks. Administrative transfers between ministries will proceed in the same way as transfers within a single ministry. After a preparatory phase which will last for several months, the project is estimated to be completed in two years.

The aim of Project 2 is to pool all HR services (excl. P-direkt and first-line management) for civil servants working in The Netherlands (sectors where the General Civil Service Regulations apply) into a limited number of shared service centres in 2012. These will be the shared service centres for organisations such as the Dienst Justitiële Instellingen (Custodial Institutions Agency), Rijkswaterstaat (the Directorate- General for Public Works and Water Management, "Belastingdienst (the Tax and Customs Administration) and the Human Resources Management Expertise Centre (HR EC) of the Werkmaatschappij (Operating Company).

All central government services will purchase specialised tasks from one of these organisations. The ministries, including the implementation bodies, which are closely linked to them, will make purchases from the HR EC. The shared service centres will work with a single product and services catalogue, a single charging structure and a single quality system. This will allow a comparison of the costs and quality of their products and services. Human resource management services will be procured from the private sector via one of these shared service centres (category management). All ministries and Central Government services will transfer their respective sections to one of these shared service organisations and those which are not transferred will be downsized.

Project 3 concerns the agglomeration of central government office sites. An ongoing evaluation of the accommodation system will form the basis for a proposal in 2011 to amend the accommodation system in order to guarantee supraministerial pooled demand. Civil service agglomeration areas will be created. A long-term road map for each agglomeration site will be drawn up which will offer guidance for ministerial housing, relocation and investment in the relevant agglomerated site. This road map cannot consider accommodation separately from facility services for work places and from generic provisions such as meeting and conference areas, library facilities, archives, deposits and the design of physical safety. As a result of the supraministerial demand pooling for

accommodation and the shared accommodation which will arise from this, these functions can be designed per building (cluster) and no longer per organisation. This also applies to facility services. The project provides rules for dealing with demand bundling of civil service offices sites, unoccupied accommodation management and any provisions which may differ from these. There are simple standards for accommodation, physical safety, facility services and the design and use of generic provisions which describe the organisations which take care of facility services in each civil service office site. In the area of facility services, a government-wide catalogue of products and services needs to be determined in addition to standards for a uniform facilities management information system. As regards the facilities management services in the The Hague region, the use of a single facilities management service provider is being considered. Together with the large implementation services it will be established which implementation service will take care of which agglomeration site for agglomeration sites to be newly adapted. Service will be based on a total cost price. The Ministry of Defence is included in this agreement in so far as it involves office buildings located outside of barrack sites. Furthermore police and armed forces buildings are beyond the scope of this agreement. During the implementation of the agreement, attention will be given to ways of dealing with any regional effects on employment. Studies into the feasibility of ambitions to further lower the accommodation standard to 0.7 workstations per FTE (full-time equivalent) will be carried out as part of this.

Project 4 deals with the IT infrastructure. IT in central government continues to be fragmented. The ongoing Digital Civil Service Work Environment project will lead to standardisation at the level of workstation design. There are still large differences between the ministries in terms of how they deal with IT security and data access, software procurement, digitalisation of paper trails, identity management, design and use of data centres and the manner in which decisions are taken about this. The appointment of departmental Chief Information Officers in 2009 saw a large step towards the supraministerial management of IT. There are plans to reduce the number of central government data centres from 64 to 4 or 5. The business case that has been drawn up shows a possibility to make savings. The shared use of applications entitled 'central government cloud computing' enables avoiding redundant software purchases. The basic principle is that shared software and hardware use is standard. It also needs to be acknowledged here that implementation and enforcement bodies have specific IT requirements. Still, shared IT solutions can be found for similar work processes which cross departmental boundaries. The short-term aim of the project is to arrive at proposals for the strengthening of the Chief Information Officer role in ministries so as to strengthen the management of ministerial IT. Furthermore to reduce the number of central government data centres from 64 to 4 or 5 according to the business case which has already been formulated. Ministries will transfer their IT data centres to these shared data centres. The Ministry of Defence will also be included for consideration in this project. The turnaround time for this part, is four years, for the design of a single IT security function for central government which implements the harmonised IT safety policy where various levels of security are possible (including NATO requirements), is four years. The Ministry for Security and Justice is responsible for organising the appropriate IT security management. The framework for this will be determined in 2011 by the Ministry for the Interior and Kingdom Relations.

Project 5 proposes the reduction of central government procurement points and using pooled demand. Across central government there is expenditure of around 10 billion euro each year with roughly 68,000 suppliers. Around half of this involves procurement expenses related to operational management. Therefore central government is one of the largest buyers in The Netherlands. Central government buys from all manner of market segments and markets and it therefore has a high level of knowledge about the market. A little less than half of purchases made are policy related: these include influenza vaccines, bridges and roads, aircraft, etc. Policy-related purchases which are specific to one particular department are not as such part of this project. But for other services and projects, as with the development of shared frameworks for procurement processes, it is desirable to have extensive government-wide collaboration. In the current situation, purchases are made by central government from more than 350 procurement points. Under the title of category management (government-wide procurement for one category of products, for example energy or office furniture), work is being done to harmonise demand and to optimise procurement from the perspective of central government.

Approximately 30% of generic central government purchases currently take place by means of category management. Not all ministries are playing a full part in the existing product categories and there are still a number of product categories for which there is not yet any category management.

Proposals were made in the review of operational management for a different way to organise government procurement. The aim of the project is to reduce the number of procurement points in central government. Furthermore they will be linked to existing procurement organisations which already operate. Wherever possible knowledge and expertise will be guaranteed at each procurement point at a sufficient level to comply with the procurement requirement. Furthermore the project proposes to extend the number of product categories using category management. This will ensure that all procurement points have high-quality support with Electronic Ordering and Invoicing, TenderNed⁴ and the digital marketplace and that these changes will contribute to further harmonisation of the procurement and tendering processes. One precondition is that all ministries fully participate in all categories and in the EBF, TenderNed and the digital marketplace. The Ministry of Defence will also be considered for involvement in this project. In addition proposals will be made for the tasks, responsibilities and powers of the central government Chief Procurement Officer (CPO) and the ministerial CPOs (Central Procurement Managers). In the first half of 2011, there will be changes to the ministerial sections which form procurement points (several dozen). After this people and resources will begin to be transferred to the indicated procurement points which is estimated to last for 2 years. There will also be policymaking in 2011 about the quality requirements for the procurement points and TenderNed will be implemented under the responsibility of the Minister of Economic Affairs, Agriculture and Innovation. Electronic Ordering and Invoicing will be implemented across central government by the beginning of 2014.

4.2. Operational management agglomeration in policymaking cores of ministries in The Hague⁵

Ambition:	To agglomerate the operational management of policymaking cores in shared services.
Reason:	Reduce pressure and coordination costs on government officials; Bring efficiency savings;
How:	Contribute towards more flexible policy organisation; Through organisational pooling of operational management tasks; Move to a direct staff-line relationship between the agglomerated staff (working on site) and the departmental line organisation; By the creation of a government-wide Shared Service Organisation transfer of staffing units from policy core ministries and by maintaining a connecting function;
What:	Not beginning from zero: Expertise centres already exist in the Human Resources Management areas for facilities management and IT; New initiatives: a single facilities management service for the policy cores in the Hague; a single security organisation for buildings in The Hague; a single IT workstation administrator for workstations in The Hague.

According to the coalition agreement, the operational management of ministerial cores will proceed to a following stage. The ambition is to serve the cores in The Hague through shared service organisations which work for all ministries. Naturally the central staff services will continue to provide their services 'on site', but there will be a direct relationship between the central staff and the primary process. The ensuing contribution towards the final targets is related to the (limited) staffing levels in the Hague cores and is provisionally estimated at 40 million euro. Furthermore agglomeration leads to a substantial reduction in pressure and coordination on government officials and it is a precondition for making the organisation more flexible.

In order to execute the agglomeration of operational management for the ministerial cores in The Hague, four projects will be carried out:

⁴ TenderNed is a system for electronic tendering in The Netherlands.

⁵ Due to the vertical integration with branches of the military services, this agglomeration is not related to the ministerial core of the Ministry of Defence.

Project 6: A single facilities management service provider for offices in The Hague including building-related security Project 7: A single IT provider for policy cores + closely linked implementation bodies Project 8: Design of procurement function for The Hague Project 9: A single support provider for the international central government functions
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The strategy in each project is to continue building on the agglomeration processes which are already underway. Every ministry taking part needs to have an underlying positive business case.

Project 6 is the implementation of project 3, but in the The Hague region. The supraministerial demand for government accommodation in the The Hague region will be developed on the basis of a master plan for The Hague. As a result of the division of departments, this matter will now be updated and there will be policymaking at the beginning of 2011. The elaboration of the facilities management services and the building security policy still need to be dealt with in more depth. A gradual agglomeration process is already underway for facility services. From 1 January 2011, 4FM⁶ and Fasam⁷ will be placed in one FM Holding. The project generates proposals for the creation of one facilities management service in the The Hague region that is based on the development which has already been put into action. The Ministry of Education, Culture and Science and Health and the Ministry of Welfare and Sport will join no later than 1 January 2012. Decisions will be made on the basis of a business case submitted around this date for the entry of the Ministry of Finance, the Ministry of Economic Affairs, Agriculture and Innovation and the Ministry of General Affairs. This section will be completed no later than 2013. Ministries still pursue their own policies regarding building security. That gives rise to practical differences which cannot be inferred from the differences in threats or formal requirements (such as NATO requirements). Harmonisation is desirable in this area in order to be able to achieve further harmonisation in the practice of access policies. This requires another division of responsibilities for building security, which will occur based on the assumption that the Minister of the Interior and Kingdom Relations is responsible for building-related security policies and also for the implementation of these policies in all ministerial buildings in The Hague.

Project 7 relates to a single IT service provider for the policy core and closely-linked implementation bodies. Approximately 27,000 civil servants work in The Hague. In general they have a workstation with IT support. This is a volume which could be properly attended to by a single IT administration organisation so that economies of scale can be achieved. The pooling process has started already. The IT shared service organisation (SSO ICT) at the Ministry of Infrastructure and the Environment already provides IT services to the Ministry of Social Affairs and Employment, the Ministry of Health, Welfare and Sport and Ministry of Infrastructure and the Environment policy cores. The Ministry of the Interior and Kingdom Relations and the Ministry of Security and Justice have indicated they would like to take part in the SSO ICT. Experience has shown that the costs per workstation drop considerably after entry into the SSO ICT. During the previous government, the former cabinet ministers for Transport, Public Works and Water Management and of the Interior and Kingdom Relations agreed to transfer SSO ICT to the Ministry of the Interior and Kingdom Relations and to allow SSO ICT to operate across central government. To arrive at one IT service provider in The Hague, other ministries will also need to participate in SSO ICT. In so far as the implementing sections are linked one-on-one to the policy core or are too small to develop their own IT at a market-based price, they will also participate in the SSO ICT. The departmental IT management organisations will be replaced by one shared management organisation for the generic workstation provisions. Ministerial IT management organisations focus exclusively on the IT for primary processes. Eventually there will be a single IT service provider in the The Hague region charging for each workstation at market level as shown tested from periodic market price.

⁶ 4FM is a joint venture between The Ministry of Infrastructure & The Environment (Ministry of Transport, Public Works and Water Management/Ministry of Housing, Spatial Planning and The Environment), The Ministry of Social Affairs and Employment and The Ministry of Foreign Affairs in the area of facilities management.

⁷ FASAM is a joint venture between The Ministry of the Interior and Kingdom Relations and The Ministry for Security and Justice in the area of facilities management.

Project 8 is the implementation of project 5 for ministerial cores in The Hague. At present each ministry in The Hague has its own procurement function. This can be specifically reduced for The Hague. For this to happen, the current procurement departments in the ministerial cores in The Hague need to be pooled into one or several procurement points. The form that these procurement functions should take needs to be determined. They can then be organised on the basis of standard agreements made under the framework of project 5, which are applicable to central government in its entirety. For foreign procurement we refer to project 9. The pooling of procurement departments which are part of the ministerial cores in The Hague is the first step in the development. Concurrently, the issue as to where category management can be incorporated will be raised. The following step will look at the pooled procurement power which is now spread over many implementation bodies and it will examine how the procurement power of these organisations can be pooled into one or more procurement implementation centres. The transfer of tasks from the ministries to the procurement functions in The Hague will begin on 1 January 2012. This transfer will be complete by 1 January 2013.

Project 9 deals with a single support service provider for the international function of central government. Around 1500 civil servants and 2300 local employees work to represent Dutch interests at more than 175 offices around the world and for around fifty divisions of central government. Dutch foreign policy is also implemented in and from The Hague in the case of the international dimension to Dutch policy. The Ministry of Foreign Affairs has been providing representatives abroad for many years providing services in the areas of accommodation, IT, procurement and more, but this support service is fragmented in part across departments and as a result it is inefficient and of variable quality. For a considerable length of time the Ministry of Foreign Affairs has operated as a shared service centre in the foreign expenses area (policy, administration and payment). But progress has also been made in the area of planning & control in the form of Long-term Intraministerial Policy Plans for embassies in the most important countries for the Netherlands. This can be extended. At the intraministerial level, there could be better collaboration in the areas of training and other preparations for international dispatches for instance, better information exchanges between 'The Hague' and the diplomatic posting network, better employee and information safety and actual support for dispatched employees, etc. But wherever practical, the concentration can also be considered for agglomeration of operational management support. Pooling these tasks across government has a positive effect on the efficiency and quality of services. This involves specific support services which are closely intertwined with the primary process (international function), that are highly influenced by specific, foreign circumstances. Therefore these services require specific knowledge and experience. In these specific areas, The Ministry of Foreign Affairs, more than any other ministry, possesses the necessary knowledge and skills This is valued by other departments. The ministry of Foreign Affairs is able to further expand these services with relative ease and without a lengthy preparation time or high investment costs. Additionally, proposals for further standardisation will be made where possible for managing the supply of generic services. The intention is to deliver the specific services needed in the most efficient manner possible. This agreement does not relate to military postings outside of embassies or to the dispatch of personnel for deployment on civil or military missions. The aim is that the shared service centre will be operational in the second half of 2012.

4.3. Deduplication of implementation bodies

Deduplication between implementation and inspectorate bodies should make a substantial contribution towards achieving the cutbacks during the implementation of the policy. Similar activities and target groups should be brought together in clusters. The coalition agreement states the following as a starting point: government collection, real estate, subsidies and inspection. A part of this is deduplication amongst the physical inspectorate bodies Inspectie Verkeer en Waterstaat (Transport and Water Management Inspectorate), VROM-inspectie (Housing, Spatial Planning and The Environment Inspectorate), Staatstoezicht op de Mijnen (State Supervision of Mines) en Arbeidsinspectie (Labour Inspectorate). Significant areas of interest here are management, agreements between providers and clients and business cases.

Areas of central government which specialise in similar primary processes or which serve similar target groups will be placed under clear political and official management. The similarities in processes and/or target groups will provide opportunities for synergy.

Processes can be streamlined, duplicate processes can be removed, tasks can be done by sections which are best equipped.

The starting point is an indication by a minister who will be given responsibility for deduplication in a cluster of organisations or processes. The most important preconditions are the arrangements for savings. A positive side effect is that implementation and inspection are exempt with regard to the policy. New policy no longer automatically leads to new implementation organisations, but will be matched in an orderly manner to the existing implementation apparatus.

Over time deduplication will lead to increased flexibility in central government. When forming new governments, policy responsibilities will be assigned to ministers separate from implementation responsibilities. Further flexibility will be achieved since deduplicated organisations will use the government-wide operational management infrastructure. This deduplication will offer new perspectives over time to other authorities for linking up with a more extensive joint venture or for a new design of the division of responsibilities within the government as a whole. The focus will be on deduplication at government level during this period of government. Steps can be taken towards deduplication at other levels of administration during a following government.

The government has isolated a number of clusters and these have been assigned to members of government.

- The collection services cluster to the Minister of Security and Justice (project 10)
- The subsidies back office cluster to the Minister of Economic Affairs, Agriculture and Innovation (project 11)
- The income support schemes for citizens cluster to the Minister of Social Affairs and Employment (project 12)
- The real estate cluster to the Minister of Finance (project 13)
- The government inspections/inspectorate of company safety cluster to the Minister of Infrastructure and The Environment (project 14)
- The non-financial markets supervision cluster to the Minister of Economic Affairs, Agriculture and Innovation (project 15)

These projects have agreements of varying natures. Depending on the current level of preparation of the project, the agreement is more exploratory in nature and requires further decision making in the council of ministers at a later date or it is more implementary in nature because of the availability of a business case which has already been drawn up.

Project 10 involves the clustering of the government collection services. Many sections of government in almost all ministries have to deal with collection and refunds to citizens, companies and institutions. The Central Fine Collection Agency (CJIB, Centraal Justitieel Incassobureau) currently already carries out fine and collection processes for the majority of services. The pooling of collection and fine processing potentially allows considerable savings to be made. The potential for savings can increase when the legislation and regulations regarding fine collection are harmonised, where there is an about-turn from business-oriented collection to individual-oriented collection put into practice (naturally execution orders are expected to remain). This involves the active recovery of money and not the settlement of debts with ongoing payments. Due to the size of the collections made by the Tax and Customs Administration, it is excluded from this project. Alongside the proposed clustering at the CJIB, the Tax and Customs Administration is the only section in central government that performs collection under its own management. The engagement consists of three parts which are as follows: to ensure that all central government fine collection services are clustered at CJIB in a manageable way; the Ministry of Security and Justice will allow the CJIB to evolve into the service provider for central government in this area; it will propose the harmonisation of legislation and regulations in the area of fine collection so that the turnaround from business-oriented collection to individual-oriented collection can be made. The core of the approach is that step-by-step collection tasks carried out by services will be transferred to the CJIB. Alongside this, studies will be carried out into the harmonisation of legislation and regulations in the area of fine

collection. The road map for the transfer of tasks to the CJIB will be determined at the end of 2011 and will be implemented thereafter.

Project 11 handles the clustering of subsidies back offices. There are many sections in central government that allocate subsidies to companies and knowledge institutes. Agentschap NL (NL Agency), Dienst Regelingen (Regulations Agency) and Agentschap SZW (Social Affairs and Employment Agency). Agentschap NL and Dienst Regelingen carry out projects for almost all ministries. In the last period, these three agencies have already managed to work together on common areas. They carry out the same types of activities (alongside others, including subsidies) which focus on trade and industry and organisations. Considerable savings are possible when the ambitions as part of the interpretation of the cutbacks for ministries, which were detailed in the coalition agreement are achieved. Studies will be carried out into how the subsidy processes are connected and how a significant process-oriented clustering of these implementation processes can be carried out and designed in the organisation and whether the political steering and responsibility can be sufficiently realised by clustering. When proposing this, applicants will be requested to map out the potential savings which will be achieved through process/organisational clustering. In addition, closer attention will be paid to the implementation costs of the subsidy regulations; the differences in subsidy frameworks and forms of subsidies; standardisation of regulations as a result of which the simplification of IT is possible; the way in which ministerial responsibility over ministers responsible for policy will take shape; any relevant activities by other subsidy providers, such as The Netherlands Organisation for Scientific Research (NWO); the connection with relevant organisational paths, for instance concerning the creation of the Ministry of Economic Affairs, Agriculture and Innovation and the ongoing reorganisations within the Regulations Agency and NL Agency as a result of the ongoing cutbacks and the associated time schedules.

The aforementioned implementation agencies jointly implement approximately 30% of the government subsidies budget. A large part of the budget (up to 65%) however is implemented by the ministries which are responsible. Furthermore Independent Agencies (ZBOs), legal persons with statutory tasks (RWTs) or foundations are entrusted with the implementation of subsidies. The extremely complex European subsidy regulation, EFRO⁸ is implemented by several autonomous 'management authorities'. The introduction of the government subsidy framework has simplified and uniformised the financial implementation and accountability processes. In line with this, it is inefficient to not implement processes which logically 'belong together' (and are equivalent in terms of processes) in one cluster (to prevent fragmentation of knowledge and building of separate systems). Proposals will be made regarding the manner in which subsidies are granted by the remaining subsidy organisations and whether these can be clustered at the central government level.

Project 12 concerns the sections of central government which implement forms of income schemes and/or income support for citizens. This involves parts of the Tax and Customs Administration (the tax credit regulations), parts of the Education Administration Agency (DUO, student financing section), national insurance (National Insurance Bank) and employee insurance schemes (Employee Insurance Agency). From the perspective of the individual, these regulations have many areas in common with each other and households often use the services of more than one of these implementation bodies. Apart from the specific content of the regulation concerned, the implementation work done by these services is very similar. The total implementation costs of the aforementioned income schemes and/or income support is roughly € 2.6 billion⁹. A potential saving of € 210 million by the end of 2015 and € 275 million by the end of 2017 was highlighted at the time of the review of the operational management. The core condition to deliver improved (read: more effective) services is the simplification, harmonisation and improved enforcement of current legislation. One example is striving towards a uniform reference date that is less subject to changes such as T-2 or the implementation of an umbrella construction such as the uniform subsidy framework which harmonises and simplifies subsidy applications and accountability. This first step needs to be taken in order not to encounter obstacles during the clustering of tasks such as working with dissimilar standards or unfeasible legislation.

⁸ European Fund for Regional Development

⁹ Calculated as part of Review 19 that was based on the 2008 annual statements.

Furthermore it is practical to look at the pooling of redundant implementation functions, combining peak and low moments in the implementation and therefore making use of each other's (temporary) capacity, the pooling of high-value IT knowledge, the creation of a shared IT infrastructure equipped for the separate regulations and shared accommodation and forms of communication towards citizens. Gains in quality can be made regarding the service provided to citizens by behaving as one entity. A precondition of this was shown in the review of operational management that firm guidance is necessary and furthermore that departmental boundaries need to be removed by means of clustering. From a strategic point of view, after the aforementioned services have been clustered it will be possible to combine them with the (bulk) implementation tasks performed by municipalities in this area. During this term of government, the aim is to carry out clustering at central government level. In a following government, work can be done on connections at the local level. The task for this exploratory study, which will be completed in June 2011, is as follows: to arrive at proposals from the implementation perspective to further simplify and harmonise existing legislation regarding income transfers (see above) and to map out the implications so that clustering is possible; to arrive at proposals at the same time on the ways in which the aforementioned services can cluster their implementation tasks to citizens in the income support/schemes areas to achieve the savings indicated in the operational management review and also to create quality improvements for citizens.

Project 13: Real Estate. Clustering is also possible in the area of real estate. Central government owns a great deal of real estate. According to the statement of government income and expenditure amounts to a total value of approximately € 75 billion. This real estate is in the hands of 8 government organisations: Rijksgebouwendienst (RGD, the Government Building Agency), Rijksvastgoed- en ontwikkelingsbedrijf (RVOB, The Government Estates and Development Agency), Dienst Vastgoed Defensie (DVD, The Ministry of Defence Estates Department), Centraal Orgaan opvang asielzoekers (COA, , The Central Agency for the Reception of Asylum Seekers), Rijkswaterstaat" (RWS, Agency of The Ministry of Transportation and Water Management Staatsbosbeheer (SBB, Forestry Management Agency), Dienst Landelijk Gebied (DLG, The Government Service for Land and Water Management) and ProRail. Despite working together, there is still as ever fragmentation of the implementation tasks across 8 services in 5 ministries, Ministry of the Interior and Kingdom Relations, Ministry of Infrastructure and the Environment, Ministry of Finance, Ministry of Economic Affairs, Agriculture and Innovation, Ministry of Defence. An initial analysis into extensive cooperation as part of the review of operational management showed that potential savings/increased returns are possible. To achieve these, more centralised management is needed. One option is to cluster the implementation tasks for this purpose. The assignment of this project is as follows: perform a further exploratory study (with regard to the review) of the potential savings and increases in return for estates owned by central government. The investigation will cover all of the eight central government estates services mentioned above and will consider both land and building usage by these services. The study will cover the whole acquisition process, making available, management and disposal of estates. These proposals regard the following: the division of tasks between the government services involved, including any task transfers and clustering or pooling of organisations or part of organisations; the manner in which real estate is acquired, made available, managed and disposed of. The study will be completed in 2011.

Project 14 deals with government inspectorates in the area of the physical safety of buildings. There are many inspectorates within central government which are organised according to policy areas. Some inspectorates work for more than one minister: Voedsel en Waren Autoriteit (VWA, the Food and Consumer Product Safety Authority) and Staatstoezicht op de Mijnen (SodM, the State Supervision of Mines). Central government inspectorates work together in a Inspectorates Council (Inspectieraad) where their organisational setting is a basis and a precondition for their collaboration . The coalition agreement spoke of working towards 'a single central government inspectorate'. To date the trend has been for inspectorates to be pooled for each ministry, irrespective of their social target group. Looking at the target group and the nature of the inspection work, there is a category of inspectorate bodies where there could be greater collaboration than is currently the case. This is SodM, VROM Inspectorate and the Major Hazard Control Directorate of the Labour Inspectorate (AI MHC). SodM is connected to the extraction industries (9 companies with several hundred locations), AI MHC is connected to

production companies (approx. 800 companies are subject to BRZO and ARIE), the VROM Inspectorate is connected to pipelines and the Nuclear Physics Service (section of the VROM inspectorate) to nuclear installations (7 companies).¹⁰ Immediately after the formation of the Ministry of Infrastructure and The Environment, a merging process was started between the inspectorates for Transport, Public Works and Water Management (IVW) and Housing, Spatial Planning and the Environment (VROM). The clustering of inspectorates for the physical safety of companies is also desirable from a strategic point of view. When tasks are transferred to municipalities and provinces it is expected that inspection of these centralised tasks will remain centralised. From a societal perspective, a fragmented inspectorate at government level is not suitable. In addition there is a connection with the Regional Implementation Agencies (RUDs). The project is as follows: elaborate the proposals regarding clustering of the inspectorates for physical safety of companies included in the review of operational management. Show what the effects will be on reducing inspection costs, the reduction of implementation costs and also the improvements in inspection quality; and propose ways in which clustering can be shaped and the ministerial accountability of the ministers responsible for policy can be properly guaranteed. The project will be completed in 2011.

Project 15 involves the regulators who perform the role of 'watchdog' in non-financial markets. This concerns the Dutch Competition Authority (Nma), the Independent Post and Telecommunications Authority (OPTA), the watchdog section of the Dutch Healthcare Authority (NZA) and the Netherlands Consumer Authority (CA). The primary processes of the Nma, OPTA, part of the NZA and the CA all have considerable overlap. They are all responsible for the regulation of markets or market sectors, they each have a legal service for this which certainly requires comparable levels of knowledge and performs comparable market analyses. Potentials for saving lie in removing the overlap of tasks, areas of specialist knowledge and areas of support. It is furthermore expected that doing this will create greater unity in their manner of operating in society that will lead to reduced administrative burden/inspectorate pressure in addition to producing quality improvements.

The project is as follows: elaborate on the manner in which the regulatory tasks of Nma, OPTA and CA can be clustered. Also involve in the study the relevant tasks of the NZA; give sufficient attention to the way in which the minister who is responsible for the policy can fulfil their ministerial accountability if the cluster does not form part of the ministry under their responsibility. The survey will be completed in 2011.

4.4. Working further towards a single central government inspectorate

Deduplication in inspectorates requires further attention, given the understanding contained in the Coalition agreement to work further on a single central government inspectorate. This understanding does not exclusively represent the savings, but also reducing the inspection burden for companies. It means that working towards a single central government inspectorate involves more than deduplication within the inspectorate world. The policy making which leads to inspections will also need to be taken into consideration. The Minister of the Interior and Kingdom Relations is responsible for taking further steps towards a single central government inspectorate. The cabinet wishes to do this with due care, in other words in a manner that can bring fast returns in terms of tax reductions and efficiency. This proposal will be made concrete during this term of government in two ways. Firstly there will be an exploration of the inspectorates and regulators which can be deduplicated; in addition to the merger already in operation, the priority lies with the government inspectorate for physical company safety cluster (project 14) and the non-financial markets regulators cluster (project 15). Furthermore it will be considered whether the development of the government inspectorate can be driven through policy such that inspections are consistent for those being inspected, in particular in business. The "Kaderstellende Visie op Toezicht" (KVoT, a framework vision for supervision from 2005) will be re-assessed for this purpose. The 'risk-regulation reflex' (the mechanism by which incidents lead to legislation that is difficult to enforce) will be studied in a Risks and Responsibilities project. The results will be included in the KVoT.

¹⁰ Decree on major accident hazards (BRZO) and Additional Risk Inventory and Evaluation.

4.5. Policy implementation that is less labour intensive

The preceding paragraphs of this policy note offered suggestions for a more efficient organisation of central government on the basis of the existing range of duties and current legislations and regulations. In many cases, implementing government policy is extremely labour intensive. This offers points of reference for a different approach. The ways in which existing policy objectives and duties of central government can be achieved with the deployment of less labour should be looked into. An exploration of the possibilities of the amendments to policy and legislation and regulation is suitable for this approach; for instance by introducing less particularisation and exceptions. Consideration can also be given to the involvement of parties other than the government when putting into practice policy aims or the possibilities of engaging alternative policy instruments such as social consultation and communication. The government has decided to assign the task of mounting a government-wide study into the possibilities of organising policy implementation in a less labour intensive manner to the Secretaries General for consultation.

Project 16: Policy implementation that is less labour intensive

In project 16, the Secretaries General of the ministries will make proposals in the areas of all ministries for less labour intensive policy implementation as part of the Secretaries General Consultation Process (SGO). Each Secretary-General will forward proposals from his ministry which will form the basis for drawing up a government-wide and cohesive report to the council of ministers which can then be used in the decision making process by the minister responsible or by the council of ministers. The SGO will report in 2011 with proposals to the Minister of The Interior and Kingdom Relations, which will be considered in the council of ministers.

5. Capital investment

The cutbacks were entered into the ministerial budgets in the coalition agreement. No further financial resources were made available for the implementation of this programme. Therefore the projects need to be implemented within the existing departmental budgets which are available. Where costs arise before savings can be made, this can lead to problems and there is the risk that economising projects will develop slowly. In so far as investments are concerned which will be made through the writing off of expenses scheme, this can be solved in the usual manner via the loan facility. The requests for using the loan facilities are part of the main budgetary decisions during spring as per usual. Given that organisations use this on the basis of payment of a full cost price when paying for their purchase, it will be discounted in the usage price. When departmental divisions which are not subject to deductible expenses acquire a government-wide role, then this option will no longer be available. The possibilities of finding practical solutions will be considered here on a case by case basis.

6. Focus and accountability

6.1 Providing guidance

The Minister of The Interior and Kingdom Relations will be concerned with the politics of the compact central government implementation programme. Irrespective of this government-wide implementation programme, each minister will remain personally responsible for performing the cutbacks in their ministry. The financial accountability for the cutbacks occurs as part of the budget cycle. The Minister of The Interior and Kingdom Relations will have regular bilateral consultations with other ministers on the progress of the programme in their ministries and the projects for which they are responsible.

The role that was agreed for the Minister of The Interior and Kingdom Relations in the coalition agreement in the area of government-wide organisation and operational management is embedded in a new central government organisation and operational management decree, 2011, that will replace the central government organisation and formation decree of 2007. This new decree includes an role for the Minister of The Interior and Kingdom Relations to make frameworks in the area of operational management.

6.2. Accountability

Parliament will report annually on how the cutbacks are being achieved as part of the renewal of central government (VRD). The VRD was provided with a double lock (in money and FTE). There are VRD ceilings in place on the basis of the current financial agreements until the end of 2011. These cutbacks will be concluded during the course of 2011. Parliament will receive further reports in the spring of 2011 and the spring of 2012 about the attainment of these cutbacks.

The new targets in the coalition agreement are expressed in terms of money and not FTEs. Therefore from 2012 the focus will be the total expenditure by central government on staff and equipment (P&M). This means that the double lock (in money and FTE) will be discontinued and that from the start of 2012 cutback numbers for the reduction of FTEs will no longer apply. A report will be provided instead on the total P&M costs of central government. This report will be included in an annual statement of important developments in the organisation and the operational management of central government. Developments in the number of FTEs will also be reported in the Operational Management Annual Statement.

The organisation and operational management of the government will be shown with the Operational Management Annual Statement. The annual statement will include data about the P&M Budgets for each ministry, the scope of the expenses for temporary external personnel, the FTE number, environment and other indices. The Operational Management Annual Statement will also detail top incomes, sustainable operational management and will contain IT, procurement and accommodation reports. The Operational Management Annual Statement is also an exceptional tool for annual reporting to parliament on the implementation progress of the "Compact Central Government" programme. Developments in the field of advisory bodies and independent agencies will also be included in the Operational Management Annual Statement.

By streamlining the information provided, a number of instruments and/or reports have become redundant. Various memoranda are now going to be sent to Parliament, including the Annual Social Report, the temporary external employee report, information about advisory bodies and reports on large IT projects. Part of the information included in these memoranda, which relates to the government-wide organisation and operational management, fits well into the Operational Management Annual Report. By pooling these reports, the number of reports can be reduced over time.

7. Conclusion

A large step has been taken towards a more compact central government with this programme. Its implementation will be energetically taken in hand and efforts from central government will be demanded.

Consideration for the continuity of operational management processes is vital. We should also realise that such large transitions are also unavoidably accompanied by transition problems. However, the realisation of these projects, however ambitious they may be, does not mean that the organisation and operational management of central government will have been 'completed'. Innovation is still needed and where necessary the government will also develop new initiatives.