Good morning.

Thank you very much for the invitation to address this IPPR event. The work of its Digital Society programme has a long pedigree of engagement with the e-Government agenda. Whether on issues of e-democracy and ‘Touching the State’, digital identity or intermediaries it has always produced beneficial insights. I hope today continues to generate such insight.

My invitation asked me to explore the linkage between the government’s public service delivery agenda and new technology. I also note that the banner title of today’s event asks the question ‘is e-Government better Government?’.

So, can e-Government transform what we deliver and how we deliver?

Will e-Government just benefit the bottom line of the public accounts?
Or will e-Government bring benefits to all - to citizen, to government and Society?

Today I will outline:

- how we have responded to the challenges of e-Government,
- our desire for transformation,
- how we will seek to reap the benefits of that,
- the support the Centre gives to delivery departments,

[MAIN BODY]

Before outlining the real benefits that e-Government transformation can achieve and is actually delivering today, it will be useful to re-cap on a smaller but still significant transformation that has occurred within the machinery of Government.

As many of you will beware, the nature of the Cabinet Office’s responsibility for e-Government has changed this year. From the Office of the e-Envoy – with a broad set of responsibilities, to an e-Government Unit – much more deeply focused.

Back in 1999, we commenced programmes to encourage citizens to venture online. We also wanted to create an e-business friendly
environment. We also took our first steps towards putting
government services online.

Looking back over the intervening years, we were largely
successful in discharging those broad responsibilities. The right
environment was created. People go online, people shop online.
And, e-business is thriving.

So, in 2002, we re-focused the Office of the e-Envoy’s role.

We wanted to not only put Government services online but ensure
there was a high take-up of them. To do this we established the e-
Government Delivery Programme. Our key policy lever was the
modified 2005 PSA targets.

To date, good progress has been made. Our efforts stimulated
irreversible change.

Not only do we have three quarters of our services online but the
take-up of them, by citizens and businesses, is improving across
all e-government sectors.
For example:

- Company incorporations - 67 per cent are now electronic.
  That’s up 19 per cent year on year.
- Income tax self assessments - over 1.1 million were filed electronically for the 2002-3 tax year.
- University applications - over 65 per cent are made electronically now.

Indeed, 96 per cent of government services will be available electronically by the end of 2005.

While such improvements are welcome, there is also a general recognition that e-Government isn’t just about putting existing processes online. That is why we transformed the Office of the e-Envoy into the e-Government Unit. You might say that the ‘e’ not only stands for electronic, but for efficient and for effective. All for better government.

The Prime Minister has said that we should aim for radical reform, re-designing public services around the individual…to give people the services that they today expect – services that are prompt, convenient, responsive and of the highest quality”
Everywhere we look in the private sector, ICT has been absolutely fundamental to bringing about such transformation.

Personalisation of services on a population scale can only be achieved through effective, widespread e-government.

If we are to use e-Government to create better government it has to be propelled by four key drivers.

- The transformation of the business processes delivering public services.
- The creation of better services that people and businesses want to use.
- And, equally importantly, ensuring that all this is achieved efficiently AND effectively.

Transform - because technology presents an opportunity to bridge the gap between our current state and our vision of the future.

Creatively – because that technology-fuelled opportunity also allows us to be innovative in service design and service delivery

Efficiently – in order to release resources to the front line.

And, effectively – in order to achieve successful policy outcomes.

Then, we can say that e-Government is better government.
To make this claim requires confidence that we can design and deliver services that meet all our business requirements. And, a confidence that through-out that execution we can identify, nurture and realise the benefits generated by these services.

Therefore, the business case for e-government is critical. If we cast it well we can reap much.

We need business cases that focus just as strongly on benefits for the citizen as for the Treasury. We need to strengthen our management disciplines and frameworks to make sure creative complex transformation programmes are effective. And, we need the strength of purpose to ensure those benefits are delivered.

We have learnt much about what can make the business cases for e-Government better. For example, in the past there was a failure to identify full benefits in the round. Meaning that many external benefits were missed.

While this failure makes benefits realisation down-the-line much more difficult it also has more immediate negative impacts. It skews option selection at the planning stage and it can even damage how the actual service is designed. For example, delaying the deployment of additional channels.
To address these weaknesses the e-Government Unit has an increased focus on efficiency and effectiveness. Its new priorities reflect this. It is not just looking at those services provided online to citizens at the front end but at all IT-enabled services.

Electronic government supports the running of government bodies themselves. As the Chancellor said in his announcement of the Spending review – I quote

‘It is because the public sector has invested £6 billion in new technology, modernising our ability to provide back-office and transactional services, that I can announce a gross reduction in civil service posts of 84,150, in order to release resources from administration to invest in the front line.’

The investment the Chancellor was talking about include HR systems managing those who work within the public sector, financial systems which control and monitor government spending, and office systems enabling public sector workers to communicate in normal times and in crisis and emergency situations. Through getting these unsung, but vital systems right the civil service can deliver the savings that the public, ministers and parliament expect of them. Through better IT that works effectively we can deliver more bang for the buck.
So, the unit is going further behind the scenes into the domain of transaction processing systems – the bedrock for effective delivery of front line public services. These include the systems for collecting national and local taxes. Paying pensions and welfare benefits. Licensing vehicles, distributing passports and drivers’ licenses. Supporting security and maintaining patient records.

In tandem, the Unit is also examining the corporate systems which support Government bodies themselves. These include HR systems managing those who work within the public sector. The financial systems which control and monitor Government spending. And the office systems enabling public sector workers to communicate in normal times and in when a crisis occurs.

In all this activity, the Unit is striving to work in cooperation with delivery departments. Contributing to their transformation.

This method of working is also repeated closer to home. The unit is working with other parts of the centre. The Office of Public Services Reform. The Office of Government Commerce. The ODPM and local government. And, of course, the Treasury. All to ensure that the support for transformation given to delivery departments and agencies is consistent.
Importantly, the subsequent Efficiency Programme now ‘locks-in’ efficiency gains associated with such transactional services into SR04. The efficiency review brings to the public sector the same cost pressures that have driven the private sector to make effective use of technology to deliver better, cheaper services. The financial sector is a great example of the transformation that can be achieved in the delivery of previously paper-based services.

So quality and effectiveness will be monitored as well as the savings that are made.

Let me clarify that further. The drive for efficiency is not just about squeezing savings out of services. It is building quality into services—measuring it in terms of user satisfaction. It is about engineering-in effectiveness – ensuring benefits are later realised.
Again, this lock-step with the Efficiency Programme gives the e-Government Unit the opportunity to further sustain the departments as they transform their services.

One of its roles is to be a change agent for the Efficiency Programme, focusing on transactional services. In this role the Unit aims to de-risk and accelerate the achievement of the Programme’s goals. To achieve these goals requires substantial levels of change. And, therefore, teamwork between departments and coaching from the centre will continue to be vital. Especially, if we are to go beyond merely increasing take-up of existing e-services. The work of OGC over the last two years is now bearing fruit – the recent NAO report into public IT procurements said that ‘the processes now in place are increasing the likelihood of project success, but more remains to be done’

If true transformation is to occur, there must be more focus on the emerging discipline of service design. And, the Unit will provide support to those seeking to increase their experience of this discipline.
‘Service design’ is simple to say but it actually encompasses a host of skills.

- Customer segmentation
- Channel management
- Business planning
- e-Government Intermediaries
- Benefits planning and realisation

We, in public sector delivery, have been putting them in to practice, often separately. But, if transformation is to occur these skills need to be applied coherently and concurrently.

We must ensure that customer segmentation exercises go beyond being mere descriptive. Their findings must feed into a customer needs analysis. This in turn can inform the choice of just what are the right channels for specific parts of the transactions.

The needs analysis can also help build attractive propositions that encourage citizens and businesses to make use of our new delivery channels.
Be it *direct* through the likes of Directgov or Businesslink, or *indirect* through intermediaries from the private and voluntary sector. Citizen’s Advice Bureaux are a good example – should we allow them to help citizens more by actually making secure direct entries on the computer systems of major government and local government departments to deliver services direct to the citizen? Or taxing cars for instance – we all trust insurance companies and MOT centres to do their job properly, I know that DVLA are looking at whether we can use either of these channels to collect vehicle excise duty.

We also need to ensure that every exchange people have with the State – whether they are visiting a hospital or paying taxes – is designed with them in mind. Also, if we can make these exchanges better experiences, we can start to use them as opportunities to ask people to get involved in other ways.
For example when a busy person juggling kids, a job, their parents and their leisure time rings up their bank they no longer have to identify themselves separately for each of their financial products. They wouldn’t expect to – it is a sign of progress that they sign in once at the outset and deal with the current account, credit card and even shares. So to the citizen it is increasingly odd that when they deal with government authentication over the phone or online is difficult, recurrent and sometimes impossible.

We have to bring a modern, informed and above all practical approach to authentication. Part of which is to assure the minority of concerned citizens that they can trust us to look after their data. We have to tackle difficult questions such as a single log-in for government services and, as a consequence, perhaps a single citizen number. In the end the ID card will get us there, but the public will demand effective, joined up electronic government services this decade.

Our business planning must take account of needs and potential channels but it must also address the need to transform our own organisations as much as the methods of delivery. All while not loosing sight of the projected benefits.
And talking of the possible benefits, we seek a total of one billion pounds in departmental efficiency savings over a three-year period. And, just as importantly, customer benefits of approximately one billion pounds.

As we go into the future we aim to plan better, to design better and to execute better. All in order to deliver better government.

Having mentioned the importance of being customer-centric a minute ago, I must address concerns that such an approach is incompatible with efficient government.

The experience of the private sector is that good customer-centric processes are not only effective, but efficient also. In Government we would expect to drive out efficiencies as we help public servants do their jobs better, citizens to serve themselves, and intermediaries to transact on their behalf. In other words, better public services are also more efficient.

The Prime Minister has said that “putting the public at the heart of public services also means services that fit the individual needs and preferences of each service user”.
The best way to do that is often to let citizens serve themselves using opportunities created by technology that were hitherto impossible.

For some services it is possible for citizens to serve themselves without intervention by public servants – for instance the Inland Revenue tax portal and the business.gov. By 2005 the great proportion of Government services will be available on-line. It is through self-service that take-up rates of e-government services can be driven up, and substantial efficiency gains can be made.

The real challenge now is to prioritise and focus upon excellent delivery and public understanding of clusters of services that make a real difference to real people’s daily lives. Government is in many ways the biggest mass-market service provider – we need to nurture and bring on public sector easyjets and amazons.

We need to produce services that add real value and make people’s life easier - the sort of service they will recommend to their friends. People will never recommend an e-government service because it is fun – but because it is simple, quick and efficient.
For many people the most compelling and transformative feature a government web service can offer is speed. Tax returns or benefit entitlements calculated in an instant. The web can cut through complexity of administrative law and practice by doing all the fiddly bits in the background and concentrating upon extracting the right information from the customer.

A good example for a small business is deciding whether to register for VAT – the excellent small firms web site run by Business Link can help a small business decide in a few quick clicks of the mouse whether they ought to register for VAT.

Where the government has this right, we have to communicate it better, where we don’t exploit these features of the technology to the full we have to try harder.

[CLOSING REMARKS]

I hope my remarks have given you an insight into the transformation in public service delivery that e-Government is enabling.
Let me briefly recap:

- We have responded to the changing challenges of e-Government
- Our vision is to transform service delivery
- We are focused on reaping benefits going forward
- We are actively coaching delivery departments
- And, again, we are delivering benefits today

I note that the rest of today’s agenda addresses issues such as new delivery mechanisms and institutions and front line challenges. I am glad that others are equally engaged with the important issue of e-government.

I wish you well in your discussions.

In closing let me re-iterate that e-Government seeks to have a transformative effect. A transformation for the better.

Thank you

END