

Part 1

The changing context of electronic public services

1.1 The Prime Minister has set a target of making all central government public services available over the Internet and the Web by 2005. This report examines progress in implementing electronic public services delivery via the Internet within UK central government over the last two years, since the National Audit Office's earlier *Government on the Web* report (HC 87, Session 1999-2000). Part 1 briefly introduces changes in the social and policy context for the study. Parts 2 and 3 look in depth at developments in two major Whitehall ministries, HM Customs and Excise and the Department for Transport, Local Government and the Regions (which has responsibility for promoting e-government in local authorities in England). Part 4 considers the central policy-making on e-government and assesses data on the extent of Web-based interactions across central agencies. This report should be read in conjunction with another recent National Audit Office report, *Better Public Services Through E-Government* (HC 704, Session 2001-02). That report examines central government procedures for managing major IT projects and reviews some of the broader opportunities, risks and challenges of encouraging citizens to interact electronically with government.

The wider importance of E-government

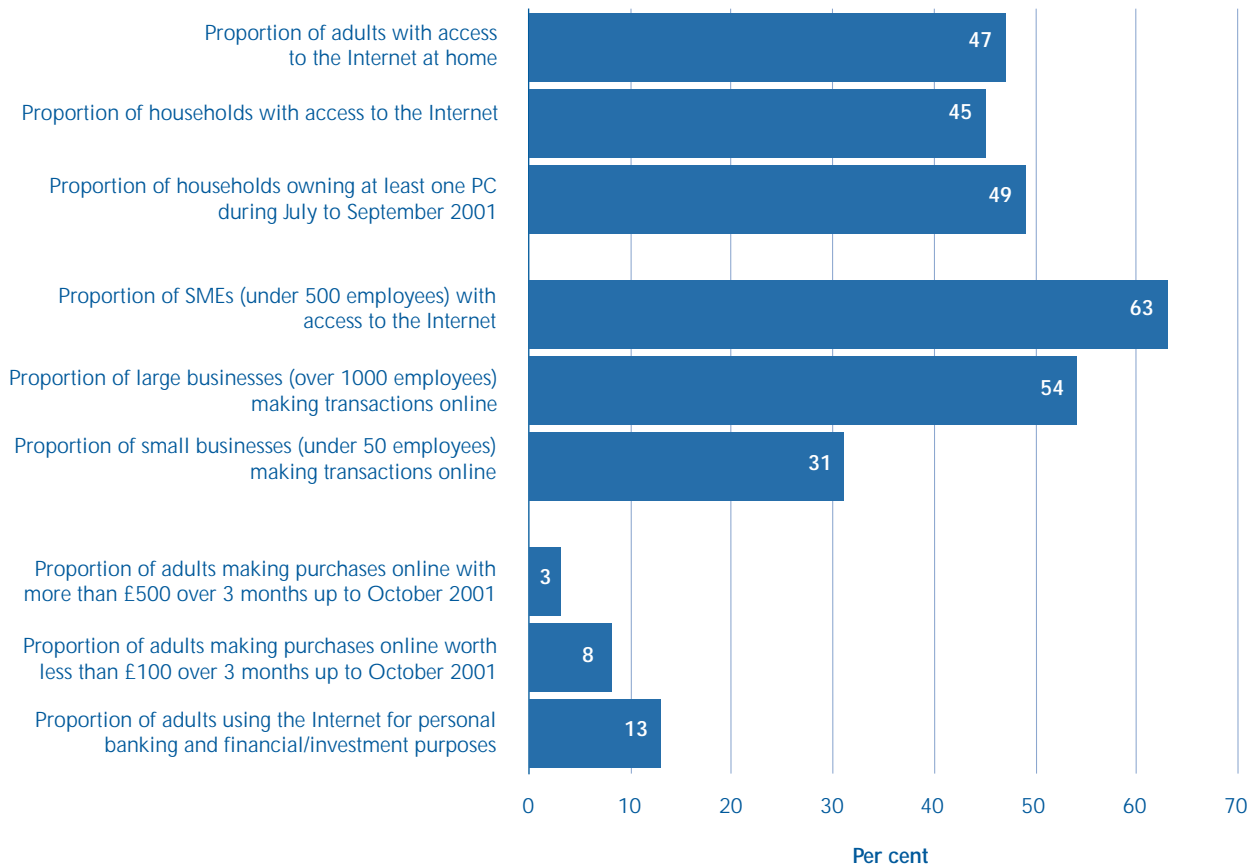
1.2 Amongst major European countries the UK has one of the higher rates of household and workplace access to the Internet. Nearly half of all British households have a PC and the vast majority of these are connected to the Internet - see [Figure 1 overleaf](#). Figures for Internet penetration continue to rise; Oftel found that 45 per cent of households were connected by January 2002, showing a renewed increase after a period of non-growth at around 39 per cent during much of 2001. The patterning of Internet access is strongly influenced by two main variables, occupational class and age cohort. People in the higher income and non-manual social groups are more than twice as likely to have a home PC with Internet access as similarly aged people in unskilled manual groups, although this differential has reduced since 1999. People aged under 35 are also much more likely to have home Internet

access compared with those aged over 55, while the over 65s are the age group most resistant to new technologies. The diffusion of this technology (home PCs plus an Internet connection) is currently less widespread than some other recent technological innovations, such as the use of mobile phones (used by over 70 per cent of people). The proportion of the population with digital television is also catching up, at around two fifths. But PCs so far remain the absolutely dominant way of accessing the Internet. Only 3 per cent of households currently connect to the Internet using other technologies. In the near future 'third generation' mobile telephones will also offer Internet access, although charges may be higher. Interactive digital television (iDTV) services already operate, especially oriented towards on-line shopping, but most do not yet provide full Internet access.

1.3 By autumn 2001 one in seven British consumers had established Internet bank accounts, and some on-line companies were successfully managing large numbers of customers, such as the leading digital financial services company Egg, with 2 million customers. E-commerce transactions also increased substantially; ONS data for 2001 suggested that 8.6 million adults bought online, up 28 per cent from the previous year. Government advertising in autumn 2001 put the volume of UK business traded on-line at £15.3 billion. Of those who have made any purchases via the Web in the last three months to October 2001, nearly one in seven have spent over £500 in total (Figure 1). Amongst large businesses Internet access was near universal, and it also reached three in five small and medium businesses by late 2001, with strong recent growth. However, less than a third of small businesses were purchasing goods on-line.

1.4 The government believes that the development of electronic public services can play an important role in making the UK a congenial location for e-businesses and e-commerce to develop. It has set a policy goal of Britain being 'the best place in the world for e-commerce by 2002', and the Office of the e-Envoy (within the Cabinet Office) is charged with taking forward this goal. If citizens and enterprises can interact electronically with government this may play an important

1 Key facts about Internet and Web use in the UK



Source: *In sequence from top:* (i) National Statistics Omnibus, ONS, 2001, Great Britain; (ii) OfTel, 2002; (iii) Expenditure and Food Survey, ONS, 2001; (iv) OfTel 2002; (v) ONS, 2001; (vi) ONS, 2001; (vii) National Statistics Omnibus, ONS 2001, July, Great Britain; (viii) National Statistics Omnibus, ONS 2001, July, Great Britain; (ix) ONS, 2001, July, Great Britain. Data not restricted to Great Britain above covers the UK. For details see references.

role in stimulating the growth and use of business-to-business Web services, and business-to-consumer Web sites. The ability to transact electronically and conveniently with government agencies can create useful additional incentives for citizens and small businesses to master new technologies, and it can help boost innovativeness and international competitiveness. The evidence of some other countries' successful e-strategies (such as that in Singapore) suggests that government participation can increase citizens' willingness to invest in learning new media skills and can encourage them to attempt e-transactions with businesses as well as with public sector agencies. Government policy support also influences businesses to appreciate the advantages of having effective Web sites, training staff in new media skills and being able to transact significant business over the Web. Strong government endorsement of the Web's value influences schools to teach students about it and increases the legitimacy of the Internet and e-mails as normal communication tools.

share include the purchasing of books and CDs, PCs and software, travel, holidays, clothes and many areas previously developed by mail order. The recent rapid growth of Internet banking and investment services marks an important change. Supermarket shopping via the Internet has also expanded, although more slowly. So-called 'peer-to-peer' technologies, such as Web sites allowing people to swap and download music files between their computers, proved very popular in 2000, especially with younger people.

1.5 Some recent developments have suggested the continuing potential of Internet and Web-based services to change how people lead their lives. Key industries where cyber-sales now account for a significant market

1.6 Not all recent developments have facilitated the introduction of electronic public services, however. The dot.com boom of 1999 and 2000 petered out in 2001, with many newly established Web-based companies going out of business, and all suffering marked declines in their stock market valuations, hence the phrase 'dot.bomb' companies. Web-based advertising budgets were severely pruned, partly reflecting a drying up of new dot.com company launches, partly increased advertiser scepticism about the effectiveness of banner ads in generating sales, and partly more pessimistic estimates of general economic growth. Private sector investors in 2001 grew much more sceptical about the business plans of dot.com companies reliant upon advertising revenues

than they had been a year or so ago. A business consensus now exists that Web-based business services will remain only one amongst several channels for consumers and businesses to make purchases. And solely e-based companies have become less important than enterprises which combine a 'clicks and mortar' operation. Finally the development of broadband connection in the UK remains extremely disappointing: less than 0.5 per cent of the population have access to a broadband connection. Consequently expectations of new broadband services developing (such as video downloads) have not so far been proven in practice.

- 1.7 The e-Envoy's Office believes that the development of e-government in the public services follows its own dynamic, and is largely independent of the widespread media coverage of the end of the dot.com boom. Yet recent private sector changes may have some effect on the attitudes of public agency chief executives. In 1999 a survey for the first *Government on the Web* report showed that senior public servants were very positive about e-government and expected major changes to occur over five years. They may now be somewhat more sceptical, since the pace of private sector organisational changes has slowed. However, the reduced private sector growth of Internet industries has eased the public sector's position in one key respect, by somewhat improving its ability to recruit IT and new media staff. At the height of the boom government agencies found it very hard indeed to match 'dot com' salaries.

Internet services and UK government modernisation

- 1.8 The development of electronic public services plays an important part in the current agenda for central government modernisation. 'Information age government' was one of five key pillars of the 1999 white paper on *Modernising Government*. In September 1999 the Prime Minister appointed an e- Envoy (Alex Allen) to advise him personally on the development of e-business and e-government issues. The Office of the e-Envoy (OeE) has subsequently expanded into a substantial organisation within the Cabinet Office. It has a current staff of 244 people, most of whom are working on e-government issues. In December 1999 the first NAO *Government on the Web* report found that the regime of central targets put forward by the Cabinet Office to promote e-government was undemanding. At that stage agencies were required to make 25 per cent of public services available electronically by 2002, 50 per cent by 2005 and 100 per cent only in 2008. The survey of permanent secretaries and chief executives included in the report showed that most felt that only the 100 per cent target was a demanding one. In June 2000 the Public Accounts Committee concurred that the target regime was likely to prove too slack. In March 2000 the Prime Minister



announced that the 100 per cent target for services to be available electronically would be brought forward to 2005. At the same time, the basis for defining the target and measuring progress towards it was changed. Instead of counting individual transactions and assessing the proportions of those transactions which were capable of being done online, the new method counted the number of complete services which were fully electronically enabled. This meant that a particular service would no longer count towards the achievement of the target unless each element of the service was enabled. The definition of 'electronic' provision was also tidied up to remove some previous anomalies. However, the target regime remained orientated towards agencies having in place a capability for electronic delivery, but not to securing actual take-up of electronic services by citizens or enterprises.

- 1.9 In April 2000, the OeE published *e-government: a strategic framework for public services in the Information Age*, which set out a number of actions, including the requirement for asking each central department to prepare an e-business strategy document setting out in detail how they were making progress in each of their main activity areas towards the 2005 target. The first round of these plans were submitted in October 2000, scrutinized by the e-Envoy's staff and then revised for a further round in July 2001. Some Whitehall departments set up new units specifically to oversee and prepare these rolling plans and to promote adoption of e-services within their departments. In addition the plan-making loop was partly joined up with the new set of public service agreements (PSAs) negotiated between the Treasury and each of the Whitehall departments for the period 2001-04. The services monitored for progress towards the 2005 target were directly linked with those agreed between departments and the Treasury in their PSAs and service delivery agreements (SDAs). A sum of money amounting to £1 billion was ear-marked for funding e-government implementation over these three years, subject to 'dual key' approval of departmental plans by both the Treasury and OeE. This amount is still a relatively small slice of the broader investment in information technology projects. Around 100 new IT investments are under way in central government at present, with a total cost of approximately £10 billion. In addition a range of electronic service delivery projects have been funded through the Invest to Save Budget and the Capital Modernisation Fund, which are managed by the Treasury with advice from the Office of the e-Envoy.
- 1.10 In January 2001, a new e-Envoy, Andrew Pinder, was appointed to head OeE. In his speeches Mr Pinder has emphasised the importance of implementing as a priority those e-services which have the greatest potential

to contribute to social well-being and economic performance, a view also communicated to departments in OeE's commentaries on their e-government plans. The Office has made a portfolio of investments in central services designed to help achieve higher take-up across government, discussed in detail in Part 4. In the 2001 iteration of the e-business strategy, the Office of the e-Envoy asked departments and agencies about take-up levels for their services. Most departments have so far very little evidence on take-up levels. However, the target regime set in 2000 still applies. It centres on agencies achieving 100 per cent electronic capability to deliver services electronically by 2005, and has not been amended or supplemented by OeE.

- 1.11 The approach adopted by the Office of e-Envoy within central government was copied by the Department for Transport, Local Government and the Regions (DTLR), which has responsibility for encouraging modernisation of local government. A circular to local authorities in April 2001 announced that £350 million would be made available over three years for councils to develop electronic services. Local authorities were asked to submit 'implementing electronic government' (IEG) statements on the basis of which funding would begin. The main measure of success for this programme is a 'best-value performance indicator' closely modelled on the approach used by the Office of the e-Envoy in relation to central departments and agencies.

Issues in the development of e-government - a debate

- 1.12 The approach to the implementation of e-government is evolving. As with many other innovations in management, commentators have tried to map the development of e-government into distinct phases. In this sub-section, we present two models of e-government. Both provide some insight into the development of online services, though the second is a more useful approach to understanding government. Neither is intended to represent the right approach or description of the government's strategy. Ultimately the approach which departments adopt will be largely determined by their individual circumstances and the public services they offer.
- 1.13 The dominant way of picturing the development of e-government in IT industry thinking in the UK and internationally is the so-called 'stages model', shown in [Figure 2](#).

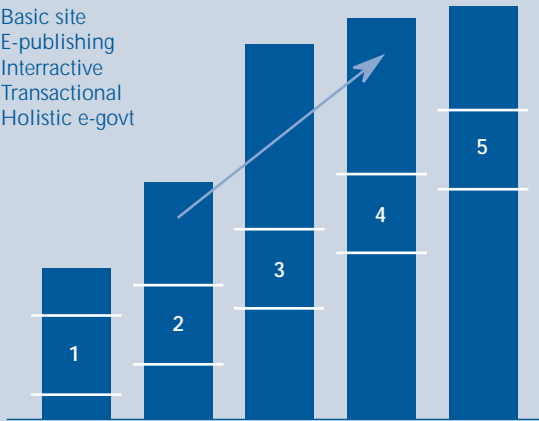
Box 1: E-government five stages

E-government is seen here as a process with five stages, which follow on from each other in increasing order of implementation difficulty, desirability for citizens, customers and society, and the levels of sophistication of systems which are demanded. The stages are supposed to be, in order:

- 1 **A basic site** holds electronic versions of the agency's major print documents for public consumption (sometimes dismissively called 'brochure-ware'). It gives basic information about the agency, or serves as an on-line advertising hoarding. Contact with the agency is by phone or mail, not e-mail. Site users cannot download forms or accomplish anything substantial on-line. The site has few pages.
- 2 **Electronic publishing** occurs when the agency develops its external Web site to be an important element of its overall communications strategy. The site becomes extensive, with many hundreds or thousands of pages, and the agency begins to put a substantial part of its information on-line, but in a linear, one-track fashion that has to be followed in the same way by all users. Citizens or firms can download forms to fill in and post back, but cannot do on-line submissions. The agency supports modest forms of e-mail contacts. But the external Web site still does not link in any significant way with the agency's back-office systems.
- 3 **Interactive e-publishing** is reached when users can personalise in a useful way how the site works for them via effective search tools. For instance, users can specify their address or postcode and see only relevant local information, culled from the agency's databases. The agency's external Web site links extensively to at least some back-office systems. All the agency's forms are downloadable, and some can be submitted on-line also. Extensive e-mail contacting of officials is encouraged and responses are timely and well-organised. Perhaps there are e-mail alerting services to let users know about new Web content. The agency also has a full or partial Intranet (a closed private network operating in a Web-like manner). All staff are routinely trained on how information is presented on the Web site and can answer questions from the public about it.
4. **A Transactional Web-site** exists when users can accomplish specific dealings with the agency on-line. Users can authenticate themselves to the agency and register their identities reliably. They can then undertake a complete transaction with the agency on-line, for instance, making secure payments for a service, fee, fine or tax. There are two levels of sophistication for such a transaction. One-off transactions, in which the system does not use prior information about the user, are simplest - for instance, paying council tax via a local authority Web site using a Girobank facility. In more complex applications users can interrogate the agency's databases at various levels of security, for instance, to track the progress of an application they have made, or to bid for a contract. The most difficult applications would let users manage their own 'account' or file with the agency, covering a whole set of dealings - similar to Internet banking and demanding high security. At this stage users can download and submit all forms on-line (although there may still be stages like issuing ID numbers or collecting signatures which are carried out via the mail). The external Web site links fully to most of the agency's back-office systems. The agency has a full Intranet for internal staff, linked to the Web site. It may also have an 'extranet' which offers many of the same facilities to outside organisations which work closely with the agency, for instance, other government agencies or contractors.
- 5 **Joined-up e-governance** is achieved when public sector Web sites can facilitate 'one-stop shop' services on-line for citizens. Sites provide transparent access not just to the agency where people have logged on, but across central government agencies as a whole. Where necessary they also connect with other fields or tiers of government, especially regional and local governments. Users can see their own files or accounts, and manage their relationships with the agency wholly via the Internet (and e-mail). Many agency processes use 'zero touch technologies', where transactions do not require any active intervention by a human employee to be accomplished. Agencies carefully research, analyse and anticipate the needs of their users, for instance by alerting them proactively to opportunities for them to improve their welfare or to meet given deadlines (so-called 'zero stop shops').

2 The stages of e-government model

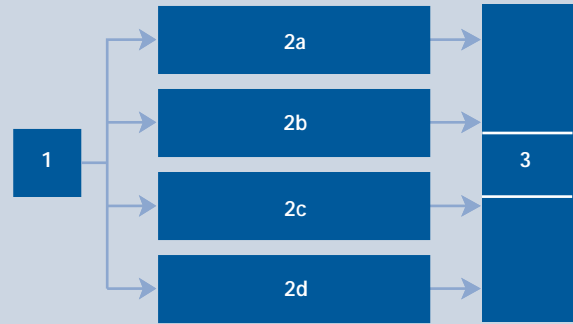
- 1. Basic site
- 2. E-publishing
- 3. Interactive
- 4. Transactional
- 5. Holistic e-govt



1.14 The stages model closely follows observations of how company Web sites have developed over time. After all, for private sector firms the ability to make money via electronic transactions is a vitally important touchstone of success. But some of the model's criteria of progress are more questionable within the public sector. The stages delineated seem to confuse issues about the *type* of agency being analysed with the separate question of how sophisticated that agency's e-government or digital public services strategy is. Many agencies do not undertake individual transactions with citizens because of their fundamental role. The stages model may erroneously lull them into feeling that they cannot or need not do much in delivering services electronically. The model seems to privilege certain kinds of agencies which do transactions, such as collecting taxes from or paying transfers to citizens and enterprises, or selling goods or services to the public. The stages model seems to imply that only 'machine bureaucracies' of a rather traditional kind can progress far with e-government.

1.15 An alternative approach (shown in Figure 3) allows for fewer and simpler judgements. Here stage 1, the basic site, is clearly identified as the starting point for public agencies beginning to put services on-line. As before it is the least sophisticated stage. Similarly the final stage 3 here, joined-up e-governance, is undoubtedly the most difficult hurdle to surmount. If it can be achieved, it would produce the most sophisticated systems and the best feasible results for citizens, firms and government. What is different in Figure 3 from the stages model is the pathways between the beginning and end points. Here agencies can make progress in all four remaining ways - by building-up full-scale electronic publishing, by pushing more interactive publishing strategies, by developing simple on-line transactions, or by 'account management' transactions (which require more systems development, investment and higher levels of security). There is no automatic reason why government strategy should favour any one of these routes over others for all agencies. Instead each agency should ask: 'Given the type of organisation that we are, and the kind of

3 Revised e-government model



- 1. Basic site
- 2a. E-publishing
- 2b. Interactive
- 2c. Transactional
- 2d. Account management
- 3. Holistic e-govt

functions that we have, our fundamental mission and role, how far can we and should we move towards fully electronic or digital operations?' The general rationale for government moving towards digital methods focuses on:

- the potential of moving to lower marginal cost forms of doing business, thereby saving public money or creating resources for service improvement;
- responding to public preferences; and
- offering quality of service and extension of service improvements to citizens, enterprises and other clients.

1.16 Some of the main drivers for change towards electronic services and some of the main inhibitors on change are shown in summary form in Figures 3 and Figure 4 with a short explanatory comment on each. (In addition, the NAO report *Better Public Services Through E-Government* discusses the potential rewards and risks involved here in more detail). The main forces promoting e-government using the Internet are partly the active demands from citizens and enterprises to find government information, communicate with agencies and accomplish transactions electronically. But there are also powerful pressures inside government to match innovations by private sector firms or civil society organisations, to modernise processes and achieve savings and continuous efficiency gains over time, and to accomplish the substantial service improvements which the Internet and Web make feasible. The main forces inhibiting change in government stem partly from societal pressures to avoid creating any new form of social inequality in services access, and from high public expectations about the privacy and security of confidential information held by government. There are also substantial risks involved in managing the investment and change processes involved in setting up large-scale e-public services. In addition, however, these changes are likely to be impeded by:

- various forms of strong organisational constraints within the public sector, including inertial resistance to new methods;

4 The main drivers for e-government change

Main driver	Comment
Growth of Internet/Web usage	A critical mass of Internet users is needed to sustain the Web provision of government services. Access levels in the UK seemed to flatten out in 2001 at around 40 per cent of households with home access, but now seem to have started to expand again. Access continues to grow amongst small businesses and is nearly universal for medium and large firms.
Citizens or firms demand Internet access to government	Usage of Web sites can be easily measured (see Part 4), but potential demand for electronic services is harder to gather from surveys. Users interested in new technology may overstate their willingness to use new services. Others may indicate reluctance because they have little idea what electronic services would be like. Evidence from the private sector suggests that heavy marketing and close attention to the transition may be needed to effect lasting shifts in consumers' behaviour.
Quality of service potential	Web access offers distinctive advantages for users in terms of immediate access, the ability to browse catalogues and databases, search interactively, and tailor your search to your individual needs and circumstances.
Extension of service potential	Government Web sites should be 'always on', 24 hours a day, 7 days a week, 365 days a year. On all public sector Web sites examined for this study at least 45 per cent of weekly traffic occurs outside office hours (defined as 9.00am until 6.00pm on weekdays). On many sites the proportion is well over half of traffic, even up to two thirds.
Potential for reducing government costs	Web accesses on well-used sites can have very low to negligible marginal costs. If citizens or firms electronically input information then the need for government to employ keying-in staff is reduced. Greatly improved real-time data becomes available, and there are opportunities to progress risk-based regulation, analysis and inspections services to new levels of efficiency. 'Zero touch technologies' offer the prospect of achieving fully automated dealings without needing any human staff interventions.
Crises in policy or communication	Properly set-up Web sites can accommodate high peak loadings and provide direct access to immediately up-dated information. Crises often provide a stimulus to develop Web facilities, for example, the UK Passport Agency crisis in summer 1999.
Central political support from government leaders and finance ministry	In many liberal democracies PMs or Presidents have imposed central targets and deadlines for progress on e-government, in order to ensure that collective benefits for government as a whole are obtained and to counter possible inertial or 'channel rivalry' problems (see Figure 5 for these). Central initiatives can lead to the creation of centrally provided infrastructure, offering economies of scale to departments planning to implement e-government. Finance ministries may see e-government as a source of cost-savings or public sector productivity increases.

- difficulties changing the organisational culture of established agencies; and
- possible 'channel rivalry' problems where managers or staffs used to conventional service delivery resist the 'disintermediation' effect of the Internet, its tendency to cut out intermediaries, in this case between government and citizens or enterprises.

The possibility of these forms of impediments is one key reason why in most advanced liberal democracies central political figures (usually the Prime Minister or President) have required their civil service and government bureaucracies to meet demanding across-the-board milestones for progress in e-government. This approach has been strongly emphasised in the UK also, especially since 1999.

The approach of the current study

1.17 The starting points for this study are the report and recommendations of the Public Accounts Committee on 'Government on the Web' in June 2000 and subsequent

government policy changes. **Box 2** shows the main Committee recommendations, which essentially called for an improved target regime linked to department's service delivery agreements and annual plans; better central monitoring of how far targets were being met; and improved staff training and performance in implementing Web sites by departments and agencies.

1.18 As with the previous report in this series we used a range of methods, including in depth case studies of two major departments and of central policy-making by the Office of the e-Envoy; comprehensive censuses of the facilities included in all central government executive agencies' Web sites and of all local authority sites; analysis of central departments' Web site statistics and usage trends; and visits and interviews conducted in four overseas comparator countries, the United States, Australia, the Netherlands and New Zealand. Appendix A sets out these methodologies in detail.

5 The main inhibitors of e-government change

Main driver	Comment
The 'digital divide' and the risk of creating new forms of social exclusion	In liberal democracies there are concerns about potential worsening problems of social exclusion through the creation of 'two-tier' provision offering superior services only to Internet-connected groups. Vigorous digital access strategies can counteract this risk, as with the UK government target to offer Internet access to everyone who wants it by 2005. Electronic kiosks in all public offices, libraries, town halls and community centres and cyber café facilities can help those without home access. Cost savings from growing e-services can free staff resources to focus on new ways of helping people not on-line. Outreach workers with portable PCs can visit people at home. Web-enabled 'one stop shops' can offer joined-up access to all government services at a very local level, e.g. in high streets or on problem housing estates rather than in remote government office enclaves.
Low take-up by citizens or firms of e-public services	Citizens or firms will not switch over to e-services just because they are interested in using the Web. They need hard incentives to do so in terms of extra convenience, time saved, cash discounts, or superior services. All new e-services will require a clear marketing strategy and they will often need significant marketing activity. Poorly designed e-services can easily fail, with investment and marketing fixed costs lost.
Capital investment and human resources costs of setting up e-services	Electronic publishing via the Internet is relatively cheap. But Web-enabling large back-office systems and achieving new business architectures for major new electronic services can require heavy IT infrastructure spending, as well as reorganization and re-training costs.
High costs of multi-channel services provision	Failure to close the digital divide or to persuade citizens and firms to migrate to e-service methods may lock governments into maintaining higher marginal cost forms of access even after e-services develop.
Privacy and security issues	For government agencies to offer secure Internet transactions, there are various technical issues to resolve. There are also problems of perception; regardless of actual risk, privacy and security problems are perceived by public opinion as more associated with the Internet than other forms of communications.
Authentication/ identification issues	Various solutions are feasible for establishing that someone accessing a Web site is who they say they are, including: public key infrastructure identification by trusted third parties; downloadable identifiers; mailed-out identifiers; and swipe card technology.
Inertial resistance to new technology in public agencies	Internet developments move very fast, but public agencies often work with long planning periods and risk-averse mind-sets that are inimical to flexible, 'build and learn' responses.
'Channel rivalry' problems inside government agencies	People who make their livelihoods from conventional services do not welcome the Internet's 'disintermediation' effect. Travel agents may oppose holiday firms selling direct on-line, and car dealers oppose manufacturers undercutting dealer prices. Similar responses may occur where agency staff or managers fear that e-services entail reorganizations which threaten their existing jobs, roles or ways of working.
Other cultural blocs on public sector organizations' responses	The absence of dynamic competition between agencies, various political accountabilities and sensitivities, and relatively inflexible personnel systems may mean that new media and e-based approaches are resisted as not relevant to public sector conditions.

Box 2: PAC Recommendations on *Government on the Web*, June 2000

Progress in Achieving Government on the Web

- 1 We look to the Cabinet Office to give a strong lead from the centre to encourage departments to make more rapid progress (paragraph 11).

Targets to Promote Government on the Web

- 2 We look to the Cabinet Office to ensure that only those services delivered by telephone which fully draw on Web-based technology are counted as contributing to the targets (paragraph 17).
- 3 We recommend that in monitoring the achievement of the target to make 100 per cent services provided to citizens available electronically the Cabinet Office measure not only availability of services electronically but also the extent to which citizens take up these services (paragraph 18).
- 4 We look to the Cabinet Office and departments in preparing new Service Delivery Agreements and Public Service Agreements to include in them strategies for achieving the Government's electronic transaction targets (paragraph 19).
- 5 We encourage the Cabinet Office to continue with their drive to bring about cultural change across departments so that electronic communications becomes much more the normal way for departments to do business (paragraph 23).
- 6 We urge the Cabinet Office to pursue the issue of determining a robust methodology for justifying the expenditure which departments and agencies invest in web-based technologies (paragraph 27).
- 7 We encourage the Cabinet Office to give priority to training staff so that the full potential of government on the web in terms of better quality and cost effective services for citizens is realised (paragraph 28).

Increasing the Benefits of the Web to Deliver Higher Quality Services to Citizens

- 8 We look to departments and agencies to make more progress and in particular to be more innovative in exploring ways of offering more services on-line (paragraph 33).
- 9 We emphasise the importance of the Cabinet Office having more reliable information on the existence and quality of government Web sites so that they can target their efforts in promoting good practice (paragraph 40).
- 10 The Cabinet Office will monitor how often government Web sites are updated (paragraph 46).
- 11 We welcome the Cabinet Office's decision to introduce a new Web search facility - the Government Portal - later in the year which is intended to make it easier for

citizens who do not know which department to contact to identify the government Web site most appropriate for their information seeking needs (paragraph 47).

Joining Up Government

- 12 We emphasise the importance of electronic systems being more integrated so that departments responsible for complementary services to citizens can provide them in a fully joined up way (paragraph 53).

Managing Increasing Volumes of Electronic Transactions

- 13 We look to the Cabinet Office to encourage departments to introduce measures such as electronic document management systems which can help them manage the increased volume of e-mails (paragraph 58).
- 14 We expect departments to respond more quickly to e-mails from the public unless the issues raised by the correspondence are especially complex (paragraph 59).
- 15 We encourage departments to make greater use of facilities which track communications from the public electronically so that citizens can benefit from a quicker and better service when they contact departments (paragraph 60).
- 16 We expect departments to give sufficient attention to simplifying and streamlining their systems and forms so that citizens see a real advantage in accessing government services on-line (paragraph 61).

Realising Cost and Efficiency Savings

- 17 We expect departments and the Cabinet Office to make more progress in ensuring that the significant savings which are available from providing more of departments' services and operations on-line are realised (paragraph 66), including the impact on staffing and patterns of reemployment (paragraph 67).

The Risk of Social Exclusion

- 18 We reinforce the importance of the Cabinet Office and departments doing all that is possible to avoid social exclusion arising as more government services are delivered on-line, by making it easier for those at risk of being disadvantaged to access government Web sites (paragraph 71).

Progress in Using Intranets to Improve Communications

- 19 We encourage the Cabinet Office to continue with their drive to ensure that Intranets are established across departments (paragraph 23).



HM CUSTOMS AND EXCISE

NEW KING'S BEAM HOUSE

In Part Two:

The key e-business issues facing Customs and Excise

The department's e-business strategy

The department's Web site

Main conclusions and lessons learned