

# SUMMARY

**1** For millions of citizens and thousands of businesses and civil society organisations the ability to find relevant government information via the internet and to accomplish public service transactions online is perhaps the most radical extension of access to public services as a whole for several decades. For example, around 45 per cent of online accesses to government websites occur outside normal office hours in the evenings or weekends, and so could not take place by phone or office visits. For government and taxpayers, providing information and processing transactions online can also be much cheaper than conventional forms of service delivery such as call centres, mailed-in forms or office visits.

**2** Not everyone uses the internet, and internet access rates are much lower than average amongst the elderly and people in receipt of means-tested benefits. There is, therefore, a need for departments to understand how to deliver services to citizens through the channels that suit them best. While government policy is to promote digital inclusion by seeking to increase internet access and skills there will be an important group of citizens who cannot make use of the internet, or who prefer to make use of more traditional forms of communication such as the telephone or post. But encouraging greater use of the internet has potential benefits for these customers as well, because money released from improved efficiency can be redirected to fund more focused and improved services for hard-to-reach groups.

**3** Departments and agencies made good progress towards meeting the Prime Minister's ambitious target of providing access to all relevant services in electronic form by 2005 and recent achievements in the use of the internet can be found in many of the most important sectors of government (see **Figure 1 overleaf**). This progress reflects heavy investment in e-services from 2000 to 2005, a period when around £6 billion was spent in new IT services, of which £1 billion (channelled through the Office of the e-Envoy) specifically promoted e-government.

**4** Previous studies by the National Audit Office in this area have found that the size and complexity of the Government's web-estate makes it hard for citizens to find the information they want in a comprehensible form. Since 2004 the Government has taken a new strategic direction, intended to tackle these issues in the long term by:

- re-ordering information to make it easily findable;
- re-presenting information so that it is clearer and makes sense for citizens or businesses, and;
- joining up information effectively so that it better meets people's and enterprises' overall needs.

This approach is challenging because of the complex departmental structure of national government against a background of ten or more years of un-coordinated growth of government websites.

## 1 Some key achievements of government information and service provision online

Policy sector	Online Achievement	Annual service users or visitors to websites (millions)
Local government	Websites run by local authorities provide a wide range of information on local services and issues	180.0
	Local authority websites accept e-payments transactions	4.0
	The Local Directgov service seeks to provide direct links between Directgov and online local services	n/a
Foreign affairs	The Foreign and Commonwealth Office website offers advice on travel and consular services	25
	The Foreign and Commonwealth Office sends emails alerting subscribers to changes of content including travel advice, press releases and job adverts	1.5
Labour markets	The Jobcentre Plus website, including job information accessed through public Jobpoints, is the biggest of its kind in the UK	67.0
	The 'Employer Direct' facility on the Jobcentre Plus website allows employers to upload their job vacancies online or by phone. The service now accounts for 27 per cent of all notified job vacancies	n/a
Taxation	Import/export declarations have long been processed overwhelmingly online, with the service collecting £22 billion in import duties annually	26.0
	Income tax payers who need to file a self-assessment form with HM Revenue & Customs can do so online	3.0
	Employers annual declarations (form P35) filed online during 2006-07	1.31
	Employers annual summary of pay, tax and NIC details for individual employees (form P14) filed online in 2006-07	45.7
Transport	An online journey-planning service is provided by the Transport Direct website	11.0
	Motorists can now renew and pay for their car tax or declare Statutory Off Road Notification online	3.7
	The Highways Agency handles emails to its enquiry service	0.017
Health	NHS Direct offers online health advice, now used by almost twice as many online visitors as phone users	13.5
	The NHS.uk site offers information to the public on NHS services	17.7
	The Department of Health website publishes extensive health policy and NHS performance information as well as departmental consultations and publications	10.2
Pensions	During 2006-07, 116,000 Real Time Pension Forecasts were processed online between April 2006 and March 2006	0.12

Information provision     
 Transactional service     
 Mixed/other

Source: Transformational Government Annual Report (2006) plus additional information from government departments and agencies

5 These changes are intended to be delivered by moving customer facing content across to two “supersites” [www.Directgov.gov.uk](http://www.Directgov.gov.uk) for citizens and [www.businesslink.gov.uk](http://www.businesslink.gov.uk) for businesses. Both sites involve substantial process re-engineering behind the scenes to produce high quality information in language targeted at the customer, not the producer. Both sites so far show traffic levels indicative of early success, and some significant organisations have moved their customer-facing content onto Directgov.

6 Government sees the next logical step as rationalising its current sprawling web-estate so as to focus upon these sites, plus a small number of other sites that target specific audience segments. There is a strong policy commitment to this approach, which has been approved by the relevant Cabinet Committee. Some 951 sites deemed as surplus have already been reviewed, of which 551 so far will definitely close.

7 There are significant challenges ahead (see Figure 2 for examples). Moving the majority of internet based services to the supersites is an ambitious undertaking which will require effective joint working across many different departments and agencies, all with very different customers. Future investment in internet provision of services will need to be aligned to channel strategies based on robust knowledge about how citizens will choose to access and use public services.

Our focus group participants found some government online services and most online information-giving useful, but they were not aware of many services and often found the design of departmental and agency websites text-heavy and off-putting

8 Online services can now be accessed more easily due to the growth in households with broadband. In focus groups we found that many users are only aware of a few key sites that they use with some regularity and mostly people tend to use one or two transactional e-services once or twice a year (such as filing income tax returns or renewing car tax). However some government sites are widely and repeatedly used. An online survey carried out by Jobcentre Plus showed that 78 per cent of online service users visited its sites at least once a week. Focus group participants said that that they found government departments’ and agencies’ information

websites quite complex to understand, with information useful to them hard to find amongst large amounts of policy material and official documentation alongside poor performing search engines. In line with the Varney report recommendations (see Case Example 1 overleaf), one of the key aims of Directgov and [businesslink.gov.uk](http://businesslink.gov.uk) is to address these issues by being much easier for citizens to use and communicating government information materials and providing services in simpler ways. We show in Part 3 that Directgov materials were appreciated as a big improvement on conventional government information by respondents in our focus group and experiments.

9 Simple to use services (like road tax renewal online) are widely used (see Figure 1) and appreciated. However, participants in our focus groups also saw greater potential for more developed kinds of web-based information provision forming an important element of choice in areas like finding schools for their children or choosing NHS hospitals for operations.

## 2 Three key challenges for internet based services and information provision

### Channel strategies

The internet is one of many different channels available to government to deliver public services. To safeguard value for money, future investment in making services and information available online will need to be informed by channel strategies based on knowledge of how citizens prefer to use public services and how this is likely to change in the future.

### The design and accessibility of websites

A census of department and agency websites conducted for this study shows that overall quality has improved little since 2002. Many internal search engines remain ineffective, sites tend to be very text-heavy and stringent accessibility standards are not always being met.

### Directgov and Businesslink

Figure 20 on page 30 shows that Directgov has achieved impressive growth in unique visitor numbers in the last three years, especially since DVLA motor tax operations moved onto the site (see paragraph 3.7). In research conducted for Directgov, between a fifth and a third of the public as a whole also say that they have heard of Directgov when prompted about the site.<sup>1</sup> In our survey only two per cent of internet users could name it unprompted.

Source: National Audit Office

### NOTE

1 Directgov Brand Tracking Research (March 2007).

**10** A large proportion (two fifths) of the population do not have internet access at home and there is a risk that many may not benefit from the advantages of using online services, particularly the elderly or people who lack the skills necessary to use the internet effectively. (For example 51 per cent of adults earning less than £10,400 a year have never used the internet<sup>1</sup> and four fifths of people receiving means-tested benefits lack practical ICT skills.<sup>2</sup>) The Government is committed to making online services accessible to all citizens by 2010<sup>3</sup> and free or low cost internet access is provided in 6,000 UK online centres used by around three million visitors a year, housed in libraries, community centres and colleges. Many people who do not have an internet connection at home will also need support and training to be able to use the internet and most UK online centres also have staff who provide structured training and who actively promote online services. There are a small minority of centres which can only provide the most basic of help.

Government websites are rated reasonably well by users but their quality (as measured in our census of features) has improved only slightly since 2001

**11** There are indications that government web provision became more comparable with the best private sector websites in the period around 2003-04, and the vast majority of government sites have quite similar and effective levels of functionality and design. In our survey they are rated reasonably well by respondents. Some sites such as the 10 Downing Street and Department of Health sites are introducing more advanced features. The provision of information and transactional services remains almost exclusively text-based and on most sites little use is made of other elements (such as video, audio or icon-based designs). As the technology shifts and customer demand changes, government sites need to consider carefully how to apply features such as video, audio and user feedback facilities appropriately. Up to a third of government sites may not meet modern accessibility standards for disabled or visually impaired people. The current web rationalisation process provides the Cabinet Office with the opportunity to establish new, up-to-date standards for all government websites.

**12** There is an as yet largely unrealised potential for government websites to signpost citizens towards organisations that have sites with information, services and web communities that can offer help, advice and guidance on, for example, childcare, health matters, legal problems or finding employment. This is particularly the case with third sector organisations, many of whom act as important intermediaries between government departments and citizens, but to which few government websites provide links. In response to the Power of Information Review, commissioned by the Cabinet Office in April 2005, the Government has stated that it “should engage in partnership with user led online communities”. The challenge for Government will be to make sure that the websites that it links and points users to are reliable and safe.<sup>4</sup>

## CASE EXAMPLE 1

### ‘Transformational Government’ and The Varney Report

In January 2005 the Prime Minister told the Government CIO Council that ‘Departments need to work together in delivering more public services built around the needs of the citizen’. In e-government services he identified Directgov as ‘our flagship digital service’. Following this *Transformational Government*, a command paper, was published by the Cabinet Office as the policy of government, which said that services enabled by IT must be designed around the citizen or business, not around the provider. It also called for a move to a shared-service culture, releasing efficiencies in IT provision, and for an improvement in the professionalism of the government IT function. A process for achieving ‘service transformation’ was set in place, complete with annual reports and monitored by the e-Government Unit, subsequently made part of the Delivery and Transformation Group in the Cabinet Office.

In 2006, following on from Transformational Government, Sir David Varney completed a wide-ranging review for the Chancellor of the Exchequer called *Service transformation: A better service for citizens and businesses, a better deal for the taxpayer*. He called for action to ‘improve Directgov and businesslink.gov.uk so that they become the primary information and transactional channels for citizens and businesses, reducing the number of departmental-specific websites’. His vision was that by 2011 almost all citizen-facing and business-facing services will move to the two supersites, including all e-transactions. All departments will then have one corporate website utilizing shared infrastructure, and other websites will be closed.

The principles of Sir David Varney’s work will be taken forward in the Comprehensive Spending Review 2007.

<http://archive.cabinetoffice.gov.uk/e-government/strategy/>

[http://www.hm-treasury.gov.uk/pre\\_budget\\_report/prebud\\_pbr06/other\\_docs/prebud\\_pbr06\\_varney.cfm](http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/other_docs/prebud_pbr06_varney.cfm)

1 National Statistics Omnibus Survey, National Statistics. August 2006.

2 DiES, Skills for life Survey, A national needs and impact survey of literacy, numeracy and ICT skills (London, TSO, 2003).

3 EU Commission Ministerial Declaration, Transforming Public Services Ministerial eGovernment Conference 2005.

4 For more details on the estimated costs, see Figure 12 on page 24.

We estimate the annual running costs for central government websites as £208 million.<sup>5</sup> Some departments and agencies still have weak information about the costs and usage of their information provision and other facilities online. Hence they are unlikely to be maximizing the value gained from these expenditures

**13** In 2002, the Committee of Public Accounts recommended that to increase their website usage all central government organisations should have excellent information on who is using their online services and why. **Case Example 2** shows how such information can be used to tailor online information-giving to different types of users. However while some sites do now perform data analysis, the picture generally across departments and agencies is of sharply varying degrees of information on who is using their websites and how they are using them. While there is a balance to be struck between costs and benefits of such data collection, often there is little analysis of user data that is relatively easy to collect.

## CASE EXAMPLE 2

### Growing web service usage for information services via excellent customer segmentation

#### Land Registry

The Land Registry has tailored the way it delivers its online services to two key groups of customers: property professionals and citizens. *Land Registry Direct*, launched in March 2004, provides property professionals with access to around 21 million registered titles to land in England and Wales. Access is free of charge but users pay a fee for each transaction entered at their location. The service costs on average £525,000 per year to run and currently has around 13,700 registered organisations. *Land Register Online* was developed in January 2005 as a separate service specifically designed for citizens. It provides anonymous access to data and generates around £4.4 million per year in revenue.

**14** At £208 million per year, the costs of web provision constitute only a small proportion (three per cent) of central government<sup>6</sup> spending on IT services (which is £6.4 billion annually).<sup>7</sup> Some departments and agencies have poor data on the cost of their websites and along with poor data on usage, they are unlikely to be maximizing value for money. Departments who use a single contractor to provide an integrated IT and web package may have limited access to information on the costs of their web services.

To optimise investment in the internet better ways of determining the value of IT and online services as assets and judging appropriate levels of investment are needed

**15** Getting citizens and businesses to accomplish transactions with government organisations online offers great scope for achieving efficiency savings, by reducing the numbers of local offices needed, the amount of mail and paper-handling involved in administrative processes, or the number of call centres needed. Investments in websites and services have historically been easier where a financial case for future cost-savings can be made. There is still considerable potential for organisations to do more with existing transaction service assets, migrating more customers over to e-channels where appropriate by better marketing and customer segmentation. The development of channel strategies which integrate online service delivery with other available channels should support better targeted investment.

**16** Few government organisations have developed ways of evaluating the business value of their online information and services as an asset, or determining an appropriate investment level accordingly. However, **Case Example 3 overleaf** shows four examples of good practice, where government bodies have strong information on the business value of their websites. Systematically developing the 'web-estate' and planning investments in this way will become more important as the scope for channel switching in transaction services progressively reduces in the future.

<sup>5</sup> See *Research Report (Section A: Part 2, Figures 35 to 42)* available from the National Audit Office Website.

<sup>6</sup> The term 'central government' used throughout the report includes departments, executive agencies and NDPBs.

<sup>7</sup> This figure is taken from the Transformational Government Annual Report (2006), with some exclusions such as local authorities, NHS organisations and Scottish and Welsh bodies.

Directgov and [businesslink.gov.uk](http://businesslink.gov.uk) are set to become the main government websites for citizens and business

**17** As referred to in paragraph 5, since 2006 Cabinet Office policy for improving the visibility and operations of government websites has focused on migrating all transactions services to two 'supersites', [www.Directgov.uk](http://www.Directgov.uk) for citizens and [www.businesslink.gov.uk](http://www.businesslink.gov.uk) for businesses. To support Transformational Government policy, citizen-facing content and services from all government websites will be moving to Directgov. To maintain consistency with Directgov's existing approach, this process is not as straightforward as simply cutting and pasting information across. Each website's content and functionality needs to be looked at by its owner and by Directgov to reach agreement about what is appropriate to move and when. Similar processes will apply for business-facing content with [businesslink.gov.uk](http://businesslink.gov.uk).

**18** The planned transition to focus heavily on the two supersites and to reduce considerably the number of other government websites is an ambitious undertaking and would be the first of its kind in the world. A number of risks involved will need to be carefully managed if it is to succeed as planned.

There is scope for departments and agencies to improve value for money in the provision of online services

**19** We estimate that expenditure on website provision currently stands at £208 million per year. Despite many positive signs of well used information and transactional services, departments and agencies have further potential value for money to gain from using the internet. Most departments still do not have sufficient information on who is using their sites and how they are being used, and a third of departments and agencies have very little knowledge about how much their online provision of services costs them.

What we did

**20** This report examines the progress the Government has made in delivering services and information online since our last report on this subject in 2002.

**21** We have used a range of methods for this report including a web census of 300 department and agency sites, a survey of 153 central government organisations, web crawling of government sites, interviews with government officials and experts from the private sector,

international comparisons with three countries, focus groups and experiments with users of government websites, a national survey of 1,006 adults and desk research. (Appendix One provides a detailed description of our methodology.)

### CASE EXAMPLE 3

#### Appreciating the business value of websites and online services

##### Financial Services Authority (FSA)

A key part of FSA's work is to make available the official register of authorized financial services firms and the FSA Register. In 2004 the Authority carried out a cost benefit exercise and estimated that making this material available online saved the organisation around £9 million annually in distribution and administrative processing costs. The FSA also estimate that they have achieved considerable savings per visitor to their website when taking into account the annual cost of running their website.

##### Environment Agency (EA)

The Agency experienced a website outage lasting three full days during 2003. They used this incident to estimate the cost of not having the website operational for a period, which was estimated at £66,000 per day (made up of the cost of fixing the website and fielding displaced information requests and transactions in higher cost ways). The Agency also recognised the importance, and potential impact on its reputation, of the site being down. Currently around 15 per cent of all contacts with EA run through the website (equivalent to around 340,000 unique visitors per month).

##### Companies House

Companies House introduced online services on its own website in 2001 to enable around 2.3 million limited companies and their representatives to submit statutory company information. Electronic filing is currently used to submit over 250,000 documents per month (around 40 per cent of total volume filed), equivalent to around eight tonnes of paper which would have been filed manually. The website currently receives on average 40 million hits per month, making it one of the most frequently visited websites in central government.

##### [businesslink.gov.uk](http://businesslink.gov.uk)

The impact survey measuring the economic impact of [businesslink.gov.uk](http://businesslink.gov.uk) in England was a jointly agreed project between the economic analysis unit of the Small Business Service and Serco, the service provider. Carried out with 805 established businesses in England, it showed that over a 12-month period those businesses saved 2.9m hours of time (worth £61m); £94m by getting information and advice they would otherwise have paid for; and reported additional sales of £195m, increased profits of £31m and cost reductions of £7m that they believed they would not otherwise have achieved.

## Recommendations

Recommendation number	Purpose	Who for	Recommendation	Why
To enable departments to assess the costs and benefits of online provision				
1	Government organisations need to have a clear strategy for providing services for different groups of citizens according to their needs. Online provision should be designed to suit both beginners and more expert users – and also intermediaries acting on behalf of citizens who do not use the internet.	Cabinet Office, HM Treasury, Departments & Central Office of Information	To inform their investment decisions, all departments should commit to carry out regular channel research, to create and publish a formal channel strategy and to set out an implementation plan that is regularly updated.	Without a channel strategy, value for money is at risk because investment decisions are not made on a strategic basis and what is provided may not meet users' needs (paragraphs 1.21, 2.9, 2.10, 2.11).
2	Improving value for money by creating a robust investment rationale for government websites and online services.	Cabinet Office, HM Treasury & Central Office of Information	Criteria should be devised for helping departments and agencies to judge the correct level of investment in websites and transactional services.	Departments have no means at present to make informed investment decisions about how much to invest in their website and transactional service provision. It is becoming harder to cost-justify new investments by making savings in conventional services and just looking for savings may not optimize the investments made (paragraphs 2.4, 2.5, 2.6, 2.7).
3	Improving value for money by creating a robust investment rationale.	Cabinet Office & Central Office of Information	Require departments to report annually on costings for information and services online according to a common methodology.	Annual reporting would incentivise departments to cost their website and transactional services provision accurately. It would provide cross-government comparisons that would increase the transparency of departments' management of their online services (paragraph 2.7, Figure 14).
4	Ensuring the risk management of the "supersite" strategy.	Cabinet Office, Department for Work and Pensions	Given the scale and complexity of Directgov, a framework should be put in place to ensure regular, independent reviews and challenge functions to identify risks and assess how effectively these are being managed.	The dual "supersite" strategy did not reach the threshold on the Risk Potential Assessment for an OGC Gateway Review. But the implications for departments' online provision put the implementation into the high risk category (paragraphs 3.17, 3.18).

Recommendation number	Purpose	Who for	Recommendation	Why
To improve the quality of online provision				
5	Ensuring that departments prioritise meeting of information demands of citizens, businesses and civil society organisations and that an emphasis on developing transaction services via supersites does not lead to a lack of development (or a pause in development) of government information websites.	Departments	Collect and analyse usage data and ensure that such data feeds directly into the design of government websites.	Online services that are not designed around how internet users actually behave will not optimise take-up, resulting in poorer value for money so feedback of usage statistics is crucial (paragraphs 2.8, 2.9, 2.10, 2.11).
		Cabinet Office	Maximise the visibility of government websites to search engines and carry out usability testing to make sure users can find the information they need within sites once they find them.  In order to make information quicker and easier to find, the Cabinet Office, in conjunction with departments, should develop a strategy to identify and promote best practice within and across government search facilities.	Most internet users use search engines and sites should be designed accordingly (paragraphs 1.10, 1.11, 2.13). Users find some government sites hard to navigate (paragraphs 1.5, 1.15, 1.16).  Internal search engines are widely used but are not meeting users' needs (paragraphs 1.12, 1.13, 1.14).
6	Ensuring that departments design web-based services that their customer groups are able to use.	Central Office of Information, Departments	Ensure websites meet accessibility and usability criteria: no government website should go online if it does not meet required accessibility standards.	Accessibility and usability criteria should be incorporated at the earliest stages of website design (paragraph 1.21). The 2007 Budget announced an expanded and strengthened Customer Insight Forum, which it is intended will help to ensure future website design is conducted with end users in mind.
			Annual Reports should outline what actions have been taken to make web services and online information as useable as possible for all customers. Departments should attempt to assess the range of 'reading ages' of their users and design their web materials accordingly.	
To encourage and assist citizens to use online services				
7	Optimising the take-up and return on investment of online services.	Cabinet Office & Central Office of Information	The Delivery and Transformation Group should develop and publish revised, up-to-date standards expected of all government websites.  Explore what government-wide action can be taken to encourage development (for example of widely used standard features) and innovation to stimulate enthusiasm for and use of government websites.	Some public sector sites lack standard applications such as filling in forms online. Aside from some notable innovations, many public sector sites lack some of the popular features of good quality private sector sites (paragraphs 1.8, 1.9, 1.17).



Recommendation number	Purpose	Who for	Recommendation	Why
To encourage and assist citizens to use online services <i>continued</i>				
8	Optimising the take-up and return on investment of online services.	Cabinet Office, Department for Business Enterprise and Regulatory Reform	Cabinet Office to work with DBERR, DIUS, DFSC, the Digital Inclusion Team at DCLG and the COI, following the review of the digital strategy, to assist citizens currently not using online services to do so, if they wish.	By optimising the take-up of online services, resources are released to the frontline for other delivery channels for those unable or unwilling to use online services (paragraph 1.18, 1.19).
		Department for Innovation Universities and Skills	DIUS, informed by the results of the e-government pilots for the UK online centres, should help other departments identify how they can support and use the centres to improve take-up and ensure their online services are socially inclusive.	Developing relationships with intermediaries can be a cost-effective way to optimise take up among non-internet users (paragraph 1.20).
		Departments	Departments should develop their strategies for dealing with intermediaries, including formalising channels for online interaction with intermediaries, more funding of intermediaries to support citizens wishing to learn how to use online services, and publicising the availability of the provision.	
9	Optimising the take-up and return on investment of online services.	Cabinet Office, Central Office of Information, Departments	An improved marketing strategy is needed to improve brand recognition of all key government websites, which should include the Directgov and businesslink.gov.uk web addresses being included on all correspondence from departments to citizens.  Building on the Power of Information Review, the Cabinet Office, COI and departments should establish ways in which government websites can safely work and interact with non-governmental websites that are relevant and useful to citizens.	To optimise take-up, citizens need clear signposting to online services and the Directgov site has low brand recognition. Risks of brand duplication and of dividing citizen from business and UK from overseas users of currently integrated sites would also be mitigated (paragraphs 3.14, 3.15, 3.16, 3.17, 3.18, 3.19).