



# Public Services and ICT

Why ICT? :The role of ICT in public services

By Alexandra Jones and Laura Williams



# Why ICT?

The role of ICT in public services

**Alexandra Jones and Laura Williams**

the work foundation

---

## **ACKNOWLEDGEMENTS**

We would like to thank Adobe for sponsoring the programme of research, in particular Ian Cockerill, Trevor Salomon, Nick Peart and Harriet Kitcat for their support. Craig Leviton, Michelle Di Leo and Luke Gibbs at LLM have given helpful comments at different stages of the report.

We are very grateful to PCS, Unison and NASUWT for their help in surveying frontline staff, and to Graham Steel at PCS for his detailed comments and support. We would also like to thank all those who participated in the surveys who contributed so much to our understanding of ICT use in public services.

The authors are grateful for comments from Stephen Bevan, Alan Cave, David Coats, Louise Horner, Marianne Huggett, Nick Isles and Louise Shevlane at The Work Foundation. Thanks also to Ruth Holmes, Alison Gardner, Adam Wurf at Madano and to Firefly for their help and support.

We look forward to continuing to work with these organisations, and with others, as the programme of research progresses.

## **ABOUT THE AUTHORS**

Alexandra Jones is a senior researcher at The Work Foundation, and one of the founding members of its Public Services Unit.

Laura Williams is researcher in The Work Foundation's research team while on a one-year secondment from the ODPM.

First published in March 2005 by  
The Work Foundation, Peter Runge House, 3 Carlton House Terrace, London, SW1Y 5DG

© The Work Foundation 2005

ISBN 1 84373 020 0

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, and/or otherwise without the prior written permission of the publishers. This report may not be lent, resold, hired out or otherwise disposed of by way of trade in any form, binding or cover other than that in which it is published without prior consent of the publisher.

Printed by: Patersons

The Work Foundation is a registered charity no.290003

# Contents

<b>Foreword</b>	<b>5</b>
<b>Executive summary</b>	<b>7</b>
<b>1 Introduction</b>	<b>12</b>
Better public services and the ICT revolution	12
It's different in the public services...	12
But lessons can still be learned	14
What are the challenges facing ICT in the public sector?	15
<b>2 Quality</b>	<b>19</b>
How do you measure quality?	19
What do the public and frontline workers think quality looks like?	20
How do the public want to access 'quality' services?	21
Which methods of service delivery help to improve quality the most?	22
What do frontline staff think would best support quality public services?	24
<b>3 Customer focus</b>	<b>26</b>
How do you measure customer satisfaction?	26
How satisfied are the public and frontline workers with public services?	27
What would customer-focused services look like?	27
Choice, ICT and customer satisfaction	29
ICT as information and communication	34
<b>4 Value for money</b>	<b>36</b>
What is 'value for money' in the public sector?	36
Do the public believe that public services are 'value for money'?	38
What would more efficient public services look like?	39
Efficiency and ICT	40
Key challenges	43
<b>5 People management</b>	<b>45</b>
How does management contribute to better public services?	45
How satisfied and well managed are frontline staff in public services?	46
How does management support better use of ICT in public services?	47
<b>Conclusions</b>	<b>49</b>
<b>References</b>	<b>51</b>



# Foreword

---

A commitment to 'better' public services sits at the heart of the debate about improving public services. We all want efficient public services that provide value for money. But do these factors alone deliver better public services?

The Gershon and Lyons reviews aim to deliver both efficiency and value. In addition, there is also a commitment to providing services that are responsive to people's needs, particularly in regard to choice and access. The aim is to move resources from the centre to the frontline and to change the ways in which public service providers and citizens interact – a movement towards 'better' services.

Given that there are more mobile phones than people<sup>1</sup> in the UK and over half of the population has home access to the internet, it is perhaps unsurprising that information and communication technology (ICT) is regarded as a key tool for improving the way people access public services. ICT can also alter radically the way services are delivered, as well as how people access them.

However, there is a danger that without a more thorough understanding of what ICT can do, exactly how it can help and how this can change working practices, the benefits to public services may prove elusive and public service workers and the public alike may become disillusioned, or worse, disaffected.

This report, the first of a series, will attempt to flesh out answers to questions about what we mean by 'better' public services, and where and how ICT can help make this a reality. As this report shows, the British public and public sector workers both agree on the three most important factors: value for money, better management and providing more staff to deal with customers.

The report also shows that people understand the complexity of the task and do not necessarily expect ICT to provide a 'magic bullet' solution.

Adobe is delighted to sponsor this year-long research study into the 'why, what and how' of ICT and public services. We believe that ICT is a powerful tool for change. The key to its success lies in helping people make changes that improve their lives.

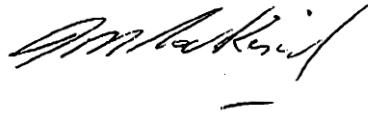
The Work Foundation, with its history of in-depth and independent research into public services, performance and productivity issues, is ideally placed to

<sup>1</sup> Mobile Data Association, January 2005

## FOREWORD

---

help us understand these issues and answer some of the questions challenging those seeking to respond to the demand for 'better' public services. We hope that you find this report interesting and useful.



**Ian Cockerill**  
**Government Practice Manager**  
**Adobe Systems Europe**

# Executive summary

---

---

## Introduction

- ICT has the potential to transform public services, but it needs to be part of a wider strategy to improve the quality of public services. This strategy needs to be about three factors above all others: customer focus, value for money and effective management of staff. For these are the three key issues that both the public and frontline staff identified as most important to improving the quality of public services. (Section 1.1)
- ‘Public services’ are different from those in the private sector because they need to be universal, equitable and accountable. (Section 1.2)
- The ‘publicness’ of public services raises some key challenges to the role of ICT, particularly because of concerns over:
  - data security
  - perceptions about ICT as a ‘job-cutter’
  - the need to manage change and engage staff
  - the need to ensure universal access
  - the definition of ‘ICT’
  - the lack of credibility of ICT as an instrument of change
  - the lack of a clear ‘business case’ for using ICT to transform public services. (Section 1.4)
- However, while there needs to be caution about ‘lifting’ practice from one sector into another, there are some lessons that can be learned from the private sector’s experience of ICT, particularly around:
  - responding to increasing customer demands
  - making use of constantly changing technologies
  - shaping – rather than just responding to – demand
  - managing change. (Section 1.3)

---

## Quality

- Quality in public services is not easy to measure. Frontline staff and the public understand it as being primarily about customer satisfaction. More than four-fifths of frontline staff (83 per cent) and over two-thirds of the public (68 per cent) agreed with this. Value for money and staff satisfaction were also seen as important, although the public believed value for money to be more important than staff satisfaction, while staff favoured staff satisfaction over value for money. (Sections 2.1 and 2.2)
- The public wants choice in the way they access services, and 78 per cent of respondents to our survey of the public feel they currently have enough choice. There is an even split with a third wanting to access services online, a third by telephone, and a third face-to-face. (Section 2.3)
- However, the way in which the public wants to access services depends on the nature of that transaction, as well as their own individual preferences.

For example, 95 per cent of the public would prefer to make complaints in person. For ICT to transform the way the public interacts with public services, it needs to be used in a way appropriate to the service and the type of transaction. (Section 2.4)

- Frontline staff believe that the best way to achieve better quality services is through more effective people management, more staff and more money. (Section 2.5)

---

### Customer focus

- One challenge of having customer focus as a key indicator of quality is the difficulty in identifying the customer and all the different ways in which public services can engage with customers. (Section 3.1)
- Customer satisfaction is important and surveys have become the norm in public institutions. However, it is difficult to measure customer satisfaction as it is so perception dependent and not necessarily linked to customers' experience of public services. The public tend to be sceptical about whether public services are modernising, changing or improving. For example, fewer than half of respondents to our survey of the public agree that public services have improved over the last three years. To increase customer satisfaction, there needs to be both improvement in public services and in perceptions about those services. (Sections 3.1 and 3.2)
- The public and frontline staff have slightly different ideas about what would make public services more customer focused. However, both groups view staff competence and value for money as critical to customer-focused services. (Section 3.3)
- 'Choice' is seen as the main driver of increased customer focus. However, it is an ill-defined concept that raises challenges in terms of customer satisfaction and use of ICT. (Section 3.4)
- This is partly because the choices that ICT can deliver are mainly around different ways of accessing services: they do not necessarily promise 'choice' as it is understood by the public. Our survey found that the public and frontline staff have different ideas about choice. There is a danger that this gap will lead to unrealistic expectations from the public and potentially lower satisfaction with services.
- ICT is critical to delivering choice in the way that customers engage with public services. It is seen as the route to transforming how service provision will move along a continuum of engagement: from passive engagement to active service interaction or even 'self-service'. However, this requires that individuals have access to the information they need to make decisions, and may be damaging to the equity and universality of public services.

- Lack of trust in public services is also a barrier to people making use of online services and information. Trusted intermediaries could be one way in which ICT is used to help overcome the digital divide and credibility gap, enabling people to make 'better' choices. For example, the Citizens Advice Bureau could help people fill in benefit claim forms online. (Section 3.4)
- The choices created by ICT could also potentially exist in tension to the efficiency review as it may mean excess capacity is created. There is a need to combine use of ICT, eg through NHS 'choose and book' with demand-shaping and management. (Section 3.4)
- ICT offers the potential to transform interactions and to provide more 'seamless services' face-to-face, by phone and online. However, this is only if sufficient information is provided to staff and the public, and there is good communication and clarity about what ICT is being used for. There also needs to be consideration of how to use ICT to overcome the digital divide built into customer-focused strategies, eg through using ICT to take services to the public where this is appropriate. (Section 3.5)

---

#### Value for money

- The Gershon Review provides the backdrop for considering value for money and efficiency in the public sector, and ICT is at the core of most of the workstreams established by Gershon in his efficiency review. Yet there is clearly a need to use ICT differently to the way it has been used in previous projects in order to generate the significant efficiency savings outlined by Gershon. (Section 4.1)
- It is clear that the public and frontline staff are concerned about value for money. It is seen as a critical indicator of customer satisfaction. However, while 65 per cent of respondents to our survey of frontline staff believe the service they deliver offers value for money to taxpayers, the public does not perceive public services to be good value for money at the moment. Whether this is true or not, it does indicate that there is a perception problem likely to affect the quality of public services. More communication is needed around the value for money gains being made, preferably in terms of how it is improving customer focus. (Section 4.2)
- ICT will support Gershon and help to deliver efficiency only if:
  - it is clear what the objectives of using ICT are
  - government can 'join-up' its ICT strategies more effectively
  - change is at organisational-level
  - management and leadership are strong
  - there is good staff engagement
  - there are better procurement, ICT, contract and project management skills

- there is better internal and external communication. (Section 4.4)
- An overhaul of procurement is central to making efficiency work – ICT procurement is critical to technology playing an enabling role. The public sector spend accounts for 55 per cent of the ICT market so there is a real opportunity for the public sector to shape the market.
- There is also a need to consider whether the review enables the behaviours and actions above. Its design makes it quite piecemeal and means that efficiencies could be achieved in some areas at the expense of others, eg expelling pupils from schools makes those schools more efficient, but not the education system as a whole.

---

### People management

- People are the most important asset in the programme to reform public services, as illustrated in discussions about both customer focus and value for money. ICT always requires good technology and good people managing the technology. Successful ICT use depends on competent public service professionals who are satisfied with their jobs and who have a voice in the implementation of change. (Section 5.1)
- Frontline staff are not as well managed as they could be. Although 85 per cent see their work as worthwhile and two-thirds speak positively of their service, they do not feel their views make a difference to managers. Communication is inconsistent, and managers and staff tend to have different views about the quality of services and the benefits or otherwise of ICT. This suggests that some of the enablers highlighted as critical to achieving value for money are unlikely to be in place. (Section 5.2)
- Better management has been identified as key to ICT project success by a range of sources. Based on our analysis, we would argue that 'better management' needs to include:
  - communication of the business case for ICT and its benefits
  - engaging with staff
  - capacity to use ICT or to manage others to do so. (Section 5.3)

---

### Conclusions

- More detailed questions remain about what ICT should look like and how it can be implemented effectively – questions that will be explored in subsequent reports. However, already there are some clear recommendations from our research:
  - **Make the case:** Senior managers need to make a better case for ICT's contribution to improving quality, customer focus and efficiency, and the technology specification needs to be based on a clear business case.
  - **Consider ICT early:** ICT needs to be considered at a sufficiently early

stage in policymaking to be useful in achieving objectives.

- **Manage demand:** ICT needs to respond to the customer but demand needs to be managed if the efficiency benefits of ICT are to be realised.
- **Communicate:** Better communication about what public services are doing to improve customer focus and value for money is vital.
- **Inform:** 'Choice' and 'voice' require good information available to all. It should be considered how ICT can be used to disseminate information to all groups.
- **Consider intermediaries:** ICT could facilitate use of trusted intermediaries in supporting individuals to engage with public services.
- **Improve procurement and project management skills:** Ensure that public sector staff can design and manage contracts with technology providers. Providers could also seek to engage more effectively with government to better understand the market.
- **Build capacity:** Staff and managers do not always know how to unlock benefits of technology. More training is required for staff in frontline offices, call centres and in online support services.
- **Engage with staff:** There needs to be far more effective engagement with staff, getting them involved in designing technology and testing ways of working, and staff should be able to see how their input has helped to shape services. This is likely to have an impact on job satisfaction levels.
- ICT clearly has the potential to help modernise and transform the relationship between the public and the public sector through increasing the availability of information and methods of accessing services. However, without ensuring that the right information is available, that different methods of communication are publicised, and that these methods respond to customers' needs, ICT will not improve customer satisfaction or service quality.

# 1 Introduction

---

---

## 1.1 Better public services and the ICT revolution

'Better public services' is the battle cry of all the political parties as we charge headlong into the next election. One of the main weapons in each party's arsenal is information and communication technology (ICT). It sits at the heart of many existing and proposed public service reforms. Yet there is still scepticism about whether investment in ICT is worth the money and whether service delivery is demonstrably better. How much of this scepticism is down to failure in technology, failures of management and communication, or failures to implement technology effectively? What is the role that ICT can play in improving public services?

There is no question that ICT has transformed the way we live our lives, and interact as individuals and with organisations. People can have their bank account balance sent to them by text message, get pensions and benefits paid straight into their bank accounts, and can pay their taxes online. It is not an overstatement to describe these changes as an ICT revolution.

---

## Transformational ICT

Such ICT innovations have been embraced widely by organisations in all sectors as a way of transforming the way we work. There are four main reasons why ICT can add value to organisations. It:

1. changes transactions
2. changes interactions
3. enables sharing of information across boundaries
4. overcomes spatial constraints.

All four are being relied on to transform public services. ICT is at the heart of much of the Gershon Review – 2004's comprehensive review of how Whitehall could become more efficient and improve services. ICT is also seen as critical to improving the efficiency of transactional services, the back office and the 'productive time' of staff. It is seen as vital to offering 'choice' of delivery channel – face-to-face, phone or online – and as enabling transformation of long-established working practices, eg by giving social service workers remote access to electronic information, thus enabling them to stay 'out and about' and see more people for longer.

---

## 1.2 It's different in public services...

Yet despite these possibilities, there remain doubts about ICT's capacity to transform the public sector, partly because of its distinctive 'publicness'. 'Public' services go beyond transactions: they should be funded collectively, universally and equitably available, and accountable. They are paid for by the taxpayer and exist because of the contract between the individual and the

state. They need to have wider public legitimacy conferred on them by the 'external authorising environment'<sup>2</sup>, ie the democratic process and the decisions made by politicians elected by the public, and subject to media and parliamentary scrutiny.<sup>3</sup>

---

**Services have to be universal and equitable**

In practice, this means that the public sector operates at a scale far beyond most private sector organisations. Hard-to-reach groups of customers cannot be dismissed or ignored as too expensive or difficult because they do not have the access or information required to use online services. Little or no choice between providers in the public sector means that each single provider, like the Inland Revenue, needs to offer all delivery channels required to encourage people to access them. These factors make it particularly challenging to generate efficiency savings from ICT investment in the public sector.

---

**Customers or distressed purchasers?**

The diversity of the customer base also makes identifying and understanding the 'customer' important. Public services interact with a wide range of 'customers' in a variety of ways: as patients, motorists, parents, pupils, tenants, benefit recipients, prisoners, voters, politicians and businesses. Many interactions with public services are 'distress purchases': perhaps when you have been the victim of a crime. Public servants argue that one of the key challenges in public services is being able to identify who their customer is, and how that person, who may be a prisoner, can possibly be called a 'customer'.

---

**Accountable services**

The importance of accountability means that public services are subject to considerably more scrutiny than the private sector. Public service agreement (PSA) targets, efficiency targets, audit and inspection regimes, parliamentary scrutiny and media attention are some of the ways in which public service organisations are held to account – nine out of ten local councils think they go through too many inspections and two-thirds believe that the costs outweigh the benefits.<sup>4</sup> The need to report in detail on benefit claimants or hospital patients creates a greater emphasis on compliance with bureaucratic procedures than in the private sector. It can also be more difficult to 'force through' good practice, for example on ICT projects, as central government relies on influence, ring-fencing funding or targets, rather than being able entirely to shape strategy in frontline organisations.

<sup>2</sup> Moore M, *Creating Public Value: Strategic Management in Government*, Harvard University Press, 1995

<sup>3</sup> Horner L and Hutton W, *Why Public Value?*, forthcoming, 2005

<sup>4</sup> MORI for Local Government Association, December 2004

---

### Information sharing and privacy

People also seem to be more concerned about the public sector storing personal information. Although banks know about our salary and spending habits, and companies such as Nectar even know our preferences for Hovis over Kingsmill, people do not want the public sector to have similar levels of detail about them. These concerns are related to the sensitivity of information, eg about health, and trust in how the information will be used and stored. Although since none of the government databases are integrated, there seems little cause for concern at present!

---

### 1.3 But lessons can still be learned

While there are very clear differences between the public and private sectors that affect the role ICT can play in improving public services, there are also many similarities. As Ruth Kelly MP said, government is the biggest mass-market service provider and there is a need to 'nurture and bring on public sector Easyjets and Amazons'<sup>5</sup>

---

### Rising customer demands and changing technologies

Both sectors have to respond to rising customer expectations about how services will be provided. Both also have to manage the fact that technology may be obsolete by the time it is implemented, by which point there are expectations based on new technology. For example, online banking is now seen as integral to the customer service offer of most banks – and some are moving on to how they can make use of mobile phones in order to offer new ways of interacting with their customers.

---

### Need to shape demand

Both sectors need to respond to the challenge of shaping demand rather than just reacting to it. Public services are some way behind, still struggling to live their rhetoric of being demand-driven rather than provider-led. Yet being demand-driven generates problems. In transport, for example, the M25 was given an extra lane in response to congestion. This resulted in more pleasant driving, more people wanting to drive, and ultimately more congestion: back to square one. In relation to ICT, demand-driven could mean providing every option of service delivery, regardless of cost. In the private sector, incentives are offered to encourage people to use more cost-effective transactions, for example utility bill discounts for those who pay by direct debit. If public services are to realise benefits from ICT, it needs to travel down the demand-shaping road.

---

### Need to manage change

The public and private sectors both have to be able to cope with the management, communication and implementation challenges that come with using ICT to transform services. Both sectors also have to deal with often

<sup>5</sup> Ruth Kelly MP in her role as minister of state for the Cabinet Office, speech to the ippr conference 'Is e-Government better government?', 15 December 2004

unreasonable demands for immediate and demonstrable returns on ICT projects, whether these projects are about online banking or a call-centre based pension service. This is in spite of the research showing a time lag after technology investments, involving a period of organisational change, before their impact is visible.<sup>6</sup>

---

**Lessons do not  
always translate  
easily**

Despite the distinctiveness of 'public' services, there are lessons that can be learned from private sector organisations' experiences of implementing ICT. But there needs to be caution about lifting a case study wholesale from any organisation, whether private or public, and trying to crowbar it into another organisation, let alone lifting examples from sectors with different overall objectives. Ikea's reliance on self-service and DIY has interesting lessons, but this could hardly be employed effectively in a hospital. The differences are not so great that nothing can be learned, nor so small that they should be ignored.

---

**1.4 What are the  
challenges facing  
ICT in the public  
sector?**

Looking at ICT in particular, six main challenges need to be overcome in public services.

**1. Suspicion**

One of the first challenges is overcoming public servants' suspicion about ICT. The 2004 Spending Review cited ICT as part of the reason the proposed 84,000 civil service job cuts were possible. Although ICT does not cut out the need for people – in fact they are vital if it is to be used properly – it is still blamed for some of the disruption being caused by the efficiency reforms, and as such may not be welcomed by public service staff.

**2. Need to manage change**

A second key challenge to effective ICT use in public services is linking it with organisational change. Giving people mobiles or PCs does not mean services will improve or even necessarily change much: after all, one central government pensions team used PCs to record where all their paper files were kept. Technology needs to be part of a wider change management strategy and staff need to be fully engaged in the changes required to how they work. Time and again the reasons that ICT-enabled projects fail is not so much about technology as about the way in which ICT was managed and implemented.<sup>7</sup> For example, GPs' lack of engagement in the 'choose and book' system, due to be rolled out during 2005, is highlighted as a key barrier by the National Audit Office.<sup>8</sup>

<sup>6</sup> Coyle D and Quah D, *Getting the Measure of the New Economy*, iSociety/The Work Foundation, 2002

<sup>7</sup> National Audit Office, *Improving IT procurement: The impact of the Office of Government Commerce's initiatives on departments and suppliers in the delivery of major IT-enabled projects*, November 2004

<sup>8</sup> National Audit Office, *Patient Choice at the Point of GP Referral*, January 2005

### **3. Need to ensure access for all**

Access and the reality of choice is a third challenge to using technology in public services and to the success of e-democracy. Together with a recognition that online services provide a cost-effective way of extending opening hours comes a recognition that over-reliance on the internet will exclude certain groups. Nearly a fifth (19 per cent) of all adults in the UK agree with the statement 'I have not really considered using the internet before and am not likely to in the future'<sup>9</sup>, and the rate of internet connections among social groups D and E has remained at just 20 per cent since 2001.<sup>10</sup> Plus, 32 per cent of small businesses did not have internet access in April 2004.<sup>11</sup> The digital divide is a real and growing issue for those seeking to use technology to change the way in which the public and businesses interact with public services.

### **4. Need for a clearer definition**

Clarity about what ICT means is a fourth challenge to making use of technology, and relates directly to discussions about the digital divide. There is a tendency to assume that ICT equals 'e': that is, online services and 'e-government'. In reality, ICT covers other communication technology, including telephones and mobiles. Some of the biggest transformations of public services using ICT have involved telephony, for example NHS Direct. Often, however, this is a technology-enabled improvement that goes unseen and unsung.

### **5. ICT lacks credibility**

Unseen and unsung technology may be one of the reasons for the fifth challenge: scepticism about the role ICT can play in improving public services. Media reports on large-scale IT projects in the public sector tend to be negative, and focus on the problems and 'wasted' money. Some projects do go badly wrong – such as the Child Support Agency's IT system making payments to only one in eight single parents – but others go unrecognised. For example, the Crown Prosecution Service's Compass system where technology has enabled pleas to be entered in the absence of lawyers to prevent the case being delayed. The potential to reap further benefits over time is also often overlooked. This negative coverage is likely to affect the public's and frontline workers' perceptions of the role ICT can play in improving public services.

### **6. Where is the 'business case' for ICT?**

A sixth and final challenge to making the case for ICT's role in public services improvement is the failure to say exactly what contribution ICT can make. The

<sup>9</sup> Office for National Statistics Omnibus Survey

<sup>10</sup> Oftel, cited in *The Evaluation of CMF Funded UK Online Centres – Final Report*, 2003

<sup>11</sup> Ofcom, *Internet and Broadband Update*, April 2004

National Audit Office assessment of IT-enabled projects found a tendency to skip over the 'business case', diving straight into a detailed specification of what technology was required, without clarity about objectives or success criteria.<sup>12</sup> By missing out fundamental questions about what ICT can be used for – and what it can't be used for – those trying to use ICT to improve public services are left with technology just being one more initiative to add to myriad others: efficiency, choice, personalisation, PSA targets.

In response to these challenges, the question that The Work Foundation's year-long project on Public Services and ICT, sponsored by Adobe, seeks to answer is: how can ICT help to improve public services?

---

**About the The Work Foundation's project**

The project is designed to side-step the trap that so many technology-focused projects seem to fall into; the trap of assuming that technology in itself is good, and then looking at how it can be used to improve public services. Instead, the project focuses on what better public services might look like, and asks the following three questions:

- 1. Why ICT?:** What role might ICT play in making public services 'better'?
- 2. What ICT?:** What ICT might be used to improve the way that services are provided to the public?
- 3. How ICT?:** How can ICT be implemented more effectively in order to generate improvements in public service delivery?

To understand what 'better' public services might look like, and hence what role ICT might play in improving them, The Work Foundation has been speaking to three key groups involved in public service delivery:

- Senior managers developing the strategies: Interviews are ongoing with senior managers in central government, health, education and local government.
- Frontline staff implementing the strategies: A postal survey of 500 public sector workers, using samples provided by unions PCS, Unison and NASUWT, conducted by ORC in December 2004.
- The public who use the services: A telephone survey of 1,000 adults (aged 16 and over) conducted in November 2004 by BMRB Access Omnibus Survey.

---

**About this report**

This report is the first in a series of four, and seeks to answer the first question: why ICT? What role might ICT play in making public services better

<sup>12</sup> National Audit Office, *Improving IT procurement: The impact of the Office of Government Commerce's initiatives on departments and suppliers in the delivery of major IT-enabled projects*, November 2004

and where does it not have a role? Subsequent reports in the series will focus on answering the questions 'what ICT?' and 'how ICT?' in-depth, before pulling the different strands together in a final report at the end of October.

This report starts by looking at what 'better' and 'quality' means in public services, and goes on to outline the survey results about the issues that are most important to achieving quality in the public sector.

Three issues are highlighted as important to quality:

1. customer focus
2. value for money
3. management of staff,

and how ICT can play a role in supporting these is assessed. Finally, it outlines some of the key recommendations emerging from our preliminary survey analysis and sets out some of the questions that need to be answered in the three later reports.

## 2 Quality

### 2.1 How do you measure quality?

#### Complexity of measuring quality

Measuring 'quality' in public services is hugely complex because of the public nature of services, and defining outcomes or outputs is difficult. This is why productivity measurements in the public sector too often focus on inputs rather than outputs. Targets – breaking down overall aims into specific output measurements – are criticised for not getting to the heart of 'quality' because they do not include a measurement of the experience. If hospital waiting lists for knee operations have decreased dramatically, but only because easy operations have been fast-tracked, and I have a complicated knee problem and don't feel 'cared for', then the target may have been met but my personal experience of that service is poor.

Quality is not just about inputs, outcomes and experience, but also about 'publicness'. The need to provide universal, equitable and accountable services means that public services cannot just be the 'sum of individual choices'. They need to be the outcome of planned risk-sharing and decisions about what the collective good should look like.<sup>13</sup>

Public value is the most recent attempt to articulate what the 'collective good' might look like.

Public value<sup>14</sup> is the value – economic, social and cultural, for example – created by goods and services provided from the public purse. Similar to shareholder value in the private sector, the creation of public value is more complex, involving the dynamic between public management and political decision-making. Trust, accountability and fairness are conditions for, and desirable outcomes of, public spending. Why a service is public, and how a service provides value to citizens – core questions as to whether a service delivers public value – is the subject of considerable debate and beyond the scope of the focus of this paper.<sup>15</sup>

As with all attempts to better articulate the purpose of public services, until it has been defined more clearly and in practical terms, it remains no more than a helpful intellectual framework. For the purposes of this project, we wanted to understand what quality meant from the perspective of the public and frontline staff, as this will shape the way services are designed and delivered, and hence the role that ICT can play.

<sup>13</sup> Siefert R and Ironside M, *An Alternative View of the Future of the Civil Service*, 2005

<sup>14</sup> Moore M, *Creating Public Value: Strategic Management in Government*, 1995

<sup>15</sup> For further information, see The Work Foundation's Public Value Forum

**2.2 What do the public and frontline workers think quality looks like?**

Our surveys found that the most important indicators of high-quality public services are that they will have satisfied customers and staff, and offer value for money. Table 1 below sets out in more detail what each group believes to be the best indicators of 'quality' in public services.

**TABLE 1 The most important indicators of 'quality' public services – comparison between frontline public sector workers and the public**

Factor	Public (%)	Frontline staff (%)
High levels of customer satisfaction	68	83
High levels of job satisfaction among staff	35	66
Value for money	56	32
Achievement of performance targets	22	14
Meeting political objectives	7	2

**Consensus that customer satisfaction is most important**

The figures in Table 1 indicate a clear consensus about what is the most important indicator of high-quality public services: 83 per cent of frontline staff surveyed and 68 per cent of the public agreed that high levels of customer satisfaction are key to quality.

This result can only be a proxy for quality, and an indication of the outcomes and experience individuals had with public services. However, it is significant that customer satisfaction is seen by both the public and frontline staff as the easiest way in which to express their understanding of what 'quality' looks like. It suggests that this is one of the best ways in which improvements in public services can be measured and then communicated more widely.

This contradicts a recent report from the National Consumer Council that argued: 'Many service commissioners and providers have remained hunkered down in the trenches of deeply held conviction resisting, rather than responding to consumer need – often in the name of citizen interest.'<sup>16</sup> Our survey results show frontline staff value feedback from customers, with a fifth regarding more research into what customers want as being a key enabler of improvements to quality. This challenges the perception of a frontline workforce overly tied to performance targets (only 14 per cent thought this was important), or meeting political objectives (just 2 per cent thought this

16 National Consumer Council, *Making Public Services Personal: A New Compact for Public Services*, 2004

was important). Central government's emphasis on 'customers' is finding resonance with frontline workers. Yet this emphasis does not necessarily mean that frontline staff fully understand the views of their customers or end users. Although only 6 per cent said they were unsure who their customer was, some of the differences in views about quality and customer satisfaction explored in the rest of the pamphlet suggest otherwise.

---

### Disagreement about the other 'quality' factors

There was some disagreement about the second most important factor for achieving quality public services. For the public, value for money was critical (56 per cent), whereas for two-thirds of frontline staff the priority was high levels of job satisfaction among staff.

This is an unsurprising division in priorities. Although just over a third of the public regard staff job satisfaction as important for quality, as taxpayers they see value for money as a more important indicator of quality. For frontline staff, who are unlikely to make financial decisions about the service they deliver, it is the people involved – staff and service users – that come out as most important. Research has shown that the emphasis on staff satisfaction as an indicator of quality has been proven.<sup>17</sup>

---

### 2.3 How do the public want to access 'quality' services?

If 'quality' public services are about customer focus and better value for money, ICT should in theory be a sure-fire winner. However, as outlined in Section 1, there continue to be concerns about access and the digital divide, and whether the public really want – and will use – all the different ways of accessing services that are being offered to them.

To explore further what role ICT might play in improving customer focus, value for money and staff satisfaction, we asked the public how they would like to access services, and what they think are the advantages and disadvantages of three of the main service delivery channels. We found that there was an equal split, with a third each preferring: one-stop shop, face-to-face services; telephone hotlines; and interactive websites.

---

### Demographic differences

There are also some clear demographic differences between these three groups. For example, men are more likely to prefer to access services online, while women tend to prefer telephone-based service delivery. Whichever mode of service delivery individuals prefer, it is clear the public can see the benefits and limitations to each.

<sup>17</sup> Barber L, Hayday S and Bevan S, *From People to Profits: The HR link in the service-profit chain*, Institute of Employment Studies, 1999

**BOX 1 Preferences for accessing public services**

- **Choice is important:**
  - 78 per cent of the public believe that they currently have enough choice between one-stop shops, telephone hotlines and interactive websites
  - 48 per cent would like to access more services online
  - 63 per cent think that the internet makes finding out about public services easier.
- **Trust and confidentiality issues are important:**
  - 71 per cent trust face-to-face services more than using the telephone or the internet
  - 95 per cent would always prefer to make complaints in person.
- **Time and accessibility are also crucial:**
  - More than three-quarters like to access services outside of normal working hours.

**Take up of e-Government**

Our survey indicates that take-up of electronic services is increasing: just one in ten members of the public had used a public service online in 2002<sup>18</sup> but we found that a third now prefer online services over more traditional methods. With almost half of our respondents wanting to access more services online, it is clear that attitudes are changing.

**2.4 Which methods of service delivery help to improve quality the most?**

To understand more explicitly how ICT might relate to quality and customer focus, we asked the public to consider different aspects of customer service, and to think about which mode of service delivery would achieve each of these aspects.

**One-stop shops and websites score highest**

We found that one-stop shops and interactive websites came top for different aspects of customer service. For example, websites are seen as quick, accessible and cost-effective, while one-stop shops are seen as having the best customer service and being good at confidentiality. Telephone hotlines, in contrast, did not score the highest on any aspect of customer service. Table 2 below shows how respondents view face-to-face and online service delivery.

18 National Audit Office, *Better public services through e-Government*, 2002

**TABLE 2 What do face-to-face and online services offer?**

One-stop shop	Interactive website
Helpful staff (50 per cent)	Accessible opening hours (52 per cent)
Confidentiality (47 per cent)	Quick service (45 per cent)
Good customer service overall (47 per cent)	Low financial costs (45 per cent)
High-quality service overall (43 per cent)	Value for money for taxpayers (43 per cent)

**Method of delivery to suit the service**

It is clear from our survey that the public want the method of service delivery to suit the service being delivered. For example, there is widespread satisfaction at using the web to send back tax returns as people do not want to have to go to an office to file them. However, when it comes to making a complaint, 95 per cent would prefer to do this in person.

**Using ICT effectively**

ICT and people have a role in all three modes of service delivery we asked about. In a Job Centre Plus Office, staff should use ICT to quickly pull up the individual’s details, rather than having to wade through boxes of paper files to find the right information. Similarly, online services can only be effective if there is a person in the back office handling any mistakes. Those delivering frontline public services will need both ICT and interpersonal skills to deliver a high-quality service, regardless of whether this is face-to-face, on the phone or using the internet.

**Managing demand**

Although telephone services are not perceived to have the distinct advantages that face-to-face or online services offer, a third of our sample prefer the telephone. The group was more likely to be female, aged 55 and over, retired and in social grades D and E.<sup>19</sup> Given the range of people that public services need to respond to, it is unlikely that telephone services will disappear.

Indeed, while face-to-face services are preferred by the public, the telephone can offer many of the advantages of face-to-face services – a real person on the end of the phone, helpful staff and confidentiality – with the added

<sup>19</sup> For the purposes of this survey, social grades are defined as:  
 A Upper/middle class  
 B Middle class  
 C1 Lower middle class  
 C2 Skilled working class  
 D Other working class  
 E Lowest level of subsistence

bonus of extended hours of access and better value for money. Each service has its own advantages, but those of telephone services may need to be ‘sold’ better. If the public expect that dialling a hotline will lead to a difficult-to-navigate menu followed by 15 minutes on hold made even more frustrating by easy-listening tunes, they are unlikely to take up the option of telephone services.

**Multi-channel voting**

A study carried out by the Electoral Commission that looked at the effect on turnout of offering new channels for voting at local elections found that ‘the technology-based voting pilots appeared to have no significant impact on turnout.’<sup>20</sup> Voting by text does not increase turnout at elections, and paying council tax online will not make people happier about having to pay council tax. Offering new channels for service users to interact with public services does not in itself transform customer or citizen behaviour, but it does increase ‘choice and flexibility’.<sup>21</sup>

**2.5 What do frontline staff think would best support quality public services?**

Given the discussions about what quality public services look like, what factors do frontline staff think would help them most improve public service quality? As Table 3 shows, the prevalent themes are better staff management and resources.

**TABLE 3 What frontline staff believe will enable improvements to the quality of public services**

Rank	Factor	%
1	Effective people management	36
2	More staff	35
3	More money	26
4	Benchmarking and sharing good practice with similar organisations	20
5	More staff training	18
6=	Staff enthusiasm about change	17
6=	More research into what customers want	17
8	Effective IT use	11
9	Less emphasis on back-office functions	10
10	Devolved decision-making	7

<sup>20</sup> Electoral Commission, *Modernising Elections*, 2002

<sup>21</sup> Electoral Commission, *ibid*

When it comes to ICT's role in improving quality, only 11 per cent of frontline staff believe that the effective use of IT is the best enabler of quality public services. That said, ICT can support the top three priorities (management, people and money) and have an impact this way on customer satisfaction and perceptions of quality.

---

**Exploring quality  
in detail**

According to our surveys, quality public services will have high levels of customer and staff satisfaction, offering value for money to taxpayers. We will now explore each of these issues in greater depth, considering how they can be defined, measured and achieved. We will also discuss what the challenges are for policymakers and service delivery managers.

## 3 Customer focus

---

'We are proposing to put an entirely different dynamic in place to drive our public services: one where the service will be driven not by the managers but by the user – the patient, the parent, the pupil and law-abiding citizen.'

**Tony Blair, July 2004**

The success of ICT in public services depends on the end user and how satisfied they are with the quality of the service offered to them. This section looks at who the customer is, the different ways customers can engage with the state, and what people think customer satisfaction means. It also examines how the shifts to user focus and choice relate to customer satisfaction.

---

### 3.1 How do you measure customer satisfaction?

The 2004 Spending Review emphasises the importance of paying 'greater attention to users' experience and perceptions of services as a valuable indicator of service performance'. It has also given rise to a booming customer survey business. Not only is the general public regularly quizzed about their views on public services, but local authorities are now statutorily required to carry out triennial user surveys, primary care trusts have to survey their patients and service users, and regular surveys are the norm for many other public service organisations.

---

### Challenges of measuring satisfaction

However, there are a number of challenges associated with measuring customer satisfaction. The first is in knowing who the customer is: the public are simultaneously citizens, consumers, customers, clients, service users and voters. Defining who the customer is remains a key challenge for public servants.

While frontline workers may be confused about who their customer is, many members of the public have been found to be confused about who is providing the service.<sup>22</sup> This means that the results to public surveys asking about specific public service providers – the local council, central government – may not necessarily reflect fairly on their performance.

---

### Scepticism about public service improvement

Customer satisfaction tends to be based predominantly on attitudinal data – perceptions of the accuracy of information, and the competency and friendliness of staff. Yet perceptions can be very different to the reality of individual experience. For example, research suggests that even though, say, Mrs Hobbs's hospital is excellent, she is likely to think that she has just been

22 MORI, *Five Years of Communications: A Review of Local Authority Communications*, 2002 and DETR, *Revisiting Public Perceptions of Local Government: A Decade of Change*, 2000

'lucky' and that overall public services are not good.<sup>23</sup> While the public may be dissatisfied with institutions, they may be happy with service providers or staff they come into contact with.

The general public is also sceptical about government communications. Research for the Office of Public Service Reform (OPSR) found that only eight out of 25 delivery facts (for which objective performance data of delivery exists) are believed by more than half of the general public.<sup>24</sup> This means that the government could be delivering, but the public just will not believe them: influencing perceptions is therefore key to improving customer focus.

---

### 3.2 How satisfied are the public and frontline workers with public services?

Levels of satisfaction do not necessarily reflect improvements, and we found that the public was almost equally split with 44 per cent of respondents agreeing that public services have improved, with 40 per cent disagreeing. This is not to say that four in ten people think public services have got worse. Other surveys on satisfaction suggest that there is a significant group of people who think public services have stayed the same, but this lack of perceived improvement in itself can of course lead to dissatisfaction.<sup>25</sup>

And there is a gap between the perceptions of the public and the perceptions of frontline staff, who are much more optimistic about improvements to services:

- Seventy-five per cent of frontline staff believe they are working for an organisation that is continuously working towards improvements.
- Fifty-four per cent can see a lot of room for improvement.
- However, 79 per cent believe the service they deliver is responsive to public need.

This gap is likely to make it more difficult for frontline workers to know how to improve customer satisfaction.

---

### 3.3 What would customer-focused services look like?

So, what do the public and frontline workers think are the most important indicators of customer-focused services? Responses to our surveys are shown in Table 4.

<sup>23</sup> MORI for the Department of Health, *Public Perceptions of the NHS Winter 2003 Tracking Survey*, 2003

<sup>24</sup> ICM on behalf of OPSR, *Public Attitudes to Public Services Survey*, September 2004

<sup>25</sup> ICM, *ibid*

**TABLE 4 What the public and frontline staff believe are the most important indicators of customer-focused services**

	Public (%)	Frontline staff (%)
<b>Staff competence:</b> having staff who are good at their jobs	33	47
<b>Value for money:</b> ensuring taxpayers' money is spent effectively	35	29
<b>Choice:</b> the public deciding which school, hospital or GP they/ their family members attend	33	13
<b>Attentive and helpful staff:</b> having a high level of customer care	30	24
<b>Flexibility:</b> having a range of options for how the public can access services	25	10
<b>Responsiveness:</b> responding quickly to service users' needs	18	27
<b>Tailored services:</b> personalising services to the needs of individuals and their families	11	19

**Slightly different priorities**

There is agreement on the most important priorities. Staff competence and value for money are seen as the two critical factors by both the public and frontline staff, closely followed by attentive and helpful staff; an order of priorities you would not be surprised to see, for example, about a favourite retailer.

However, the order of priority is slightly different. For the public, value for money is seen as the most important indicator of customer focus, whereas for staff it is their own competence, a somewhat supply-side driven approach to customer focus.

There are other differences as well, mainly over the factors seen as less critical. Around a third of the public saw choice and flexibility as important, compared to only one in ten staff. Responsiveness is seen as important by nearly three in ten staff, but only a fifth of the public, suggesting a clear language gap. It is highly unlikely the public are rejecting responsive services: much more likely that they are not sure what this means.

**What is the role of ICT?**

ICT has clear opportunities to contribute to more customer-focused public services in each of its four main applications:

- 1. Transactions:** improving value for money in the way transactions (eg council tax payments) are conducted, more responsive services

- 2.Interactions:** more choice over methods of interaction (eg online, telephone, face-to-face), better value
- 3.Information sharing:** supports staff being attentive and helpful by providing them with the information they need to serve customers
- 4.Spatial constraints:** means that technology can be brought to customers, eg the Halton Borough ‘benefits bus’ uses satellite technology where the customers are to assess benefit entitlements, rather than making the customers come to them.

ICT also has the potential to increase trust in public services as it can affect the three key factors identified as influencing trust:

- quality and quantity of information about all aspects of service provision
- extent to which the service is accessible in ways that promote a sense of personal control
- extent to which people feel able to influence service.<sup>26</sup>

---

**But...**

Despite its advantages, there are also problems with ICT helping to improve customer focus, particularly around the digital divide and the lack of trust the public has around ICT security. To what extent can public services rely on ICT to deliver the factors that will influence customer focus, particularly choice, which is seen as the cornerstone of the government’s customer focus strategy? (Value for money is discussed in more detail in Section 4). Can ICT help to overcome the ‘gap’ in perceptions between the public and frontline staff? And what are the other issues that need to be considered if ICT is to be used effectively to improve customer focus in public services?

---

**3.4 Choice, ICT and customer satisfaction**

‘People exercise choice in every other branch of their life: increasingly they recognise that the private sector offers choice; that is a real problem for the public sector.’ (Alan Milburn, the *Guardian*, 11 February 2005)

---

**Choice as a driver of satisfaction?**

Some politicians have been very clear that they see ‘choice’ as being at the heart of customer-focused public services. It is seen as the best way to encourage citizens to engage with services, moving them from ‘passive recipients’ to more active users and potentially through to self-service where appropriate. Choice is also seen as the way to drive up service standards, as funding will follow users. Therefore hospitals, for example, that are providing poor services will need to improve in order to stay financially viable. Yet despite the emphasis on choice as a key driver of satisfaction and the welcome the public has given to it, it is clear from our survey that only one in ten frontline staff think ‘choice’ is important. Why the difference?

26 Meehan A and Grimsley M, *Information Technology, Community Trust and Public Services*, 2003

---

### Language gaps and choice

Some of the differences in priority may be down to misunderstandings about language. 'Choice' is a prime example of language being used in a somewhat confusing way. For the public, it appears to be understood as meaning the ability to choose which school, hospital or GP they go to. This approach has generated considerable debate about whether the public will really be able to exercise choice, whether they should be able to, and what the costs of these choices will be.

For frontline staff, there have been attempts to use 'personalisation' to defuse this debate. This has a slightly different meaning to choice and is more about tailoring services and being responsive to individual needs without necessarily offering a wide range of choices. Our survey results suggest that 'choice' is being taken at face value by the public, and that 'personalisation' finds more resonance with frontline staff, hence the different priorities.

---

### 'Choice' may create unrealistic expectations

The difference between the views of the public and of frontline staff also has wider implications. If the government is encouraging the public to expect choice and the public sector is thinking about personalisation, this is another gap and one likely to create problems when it comes to managing customer expectations and driving customer satisfaction. The likelihood of this expectation gap creating difficulties is supported by our survey results of the public: 85 per cent of the public agree that they would like the same amount of choice in public services that they have elsewhere. However, 38 per cent agree that public services can offer choice to the people using their services.

So, a situation is being created where choice is desired, but there is no belief on the part of the public that it is possible to provide choice. For example, while they may select a school, parents, the Fabian Society has argued, feel that schools choose the pupils, not the other way round.<sup>27</sup> ICT can help to provide choice in terms of how services are accessed and may also provide a means of communicating the choices that are available. But it needs to be clear what ICT can be used for in order to meet customer expectations that vary according to the service, whether it is setting up a call centre such as Liverpool Direct, or creating online services for people to pay their car tax. ICT may enable different methods of service delivery, but these still need to be managed effectively if choice is to be a reality.

27 Crouch, C. (2003) *Commercialisation or Citizenship: Education Policy and the future of public services*, The Fabian Society

---

**'Choice' and  
efficiency are in  
tension**

Choice often requires excess capacity otherwise at some point someone doesn't have a choice: I can choose where to sit in a cinema if I arrive early, but if I arrive late I have no choice unless there are more seats than people. However, having excess capacity in public services does not fit with the efficiency review, and this is another key issue for the quality of public services.

Mistakes have also been made in attempts to reconcile choice and efficiency. The Criminal Records Bureau, for example, thought that between 70 and 85 per cent of people wanting proof that they did not have a criminal record would apply online. In fact, over 80 per cent of applications were made in paper form. This resulted in 'insufficient capacity'<sup>28</sup> and led to the well-documented delays in responding to applicants, as well as higher rather than lower costs as they were providing three methods of accessing services and only one was really being used.

How, then, can value for money and choice be reconciled? ICT can provide a way through this, but not simply by existing. As the Criminal Records Bureau example shows, there needs to be communication about the fact that alternative methods of interaction exist and potentially some kind of incentive. Demand needs to be shaped, where possible, to encourage those who can to make use of online services, without excluding those who would not be able or willing to use the internet.

---

**ICT can change  
the way people  
engage with  
public services**

Table 5 shows some of the relationships that willing customers (rather than 'distressed' or unwilling purchasers, such as prisoners or school children) can have with government and its services. There is a continuum of ways in which people can engage, from being a passive recipient of services (having your bins collected), to being actively engaged with public service agencies (using the library), through to 'self-service' and carrying out the transaction yourself (filling in your tax return online).

28 National Audit Office, *Criminal Records Bureau: Delivering Safer Recruitment?*, February 2004

**TABLE 5 The public: customer, consumer or citizen – some examples**

	<b>Passive recipients</b>	<b>Active participants and users</b>	<b>Assertive participants and users</b>	<b>Self-service users and information seekers</b>
<b>Central government</b>		Voters	Complainers	Users of Direct Gov
<b>Local government</b>	Recipients of environmental services, such as household waste collection	Voters Library users	Attendees at public committees	Motorists paying parking tickets online
<b>Work and pensions</b>	Benefit recipients	Pensions applicants Job seekers		
<b>Transport</b>	Bus users		Cycling campaigners	Online driving test applicants

The success of choice and customer focus depends on understanding the demands that these methods of engagement – and new ones – place on both the public and on frontline workers trying to provide a high-quality service.

**Choice requires information**

Some interactions with public services require making choices, eg between different schools and hospitals, and this demands that the public has good-quality information to make the best choice possible.

Again, this is an area where ICT has a role. Information in itself can improve satisfaction. Eighty-five per cent of those who feel very well informed about their local council are satisfied with the council overall.<sup>29</sup> And our survey of the public found that there is recognition of the role that ICT can play in helping them to access information: two-thirds said that the internet provides an easy route to finding out about public services. Providing information that is easily accessible, particularly if it can be accessed via a seamless site such as [www.direct.gov.uk](http://www.direct.gov.uk), which does not require that the public knows which public agency delivers what service, is vital if choice is to operate effectively. However, good choices depend on the quality of the information that is provided and ICT can only be a means of communicating that information, rather than ensuring the information's quality.

29 Office of the Deputy Prime Minister, *Best Value User Satisfaction Surveys: General Survey Initial Topline Report*, 2004

---

**Choice may make  
universality and  
fairness more  
difficult**

Finding out all this information may require access to the internet and definitely requires a high level of engagement and an ability to sift through information to make decisions. One of the main critiques of choice is that it could potentially reinforce inequalities<sup>30</sup> and that information poverty could prevent informed choices<sup>31</sup>. Those from deprived backgrounds may be less likely to have access to the information or technology required to make good decisions and may not feel able or willing to engage with public services to find the information they need.

This is not to say that choice is bad: individuals should have the opportunity to ensure that public services are tailored to their needs. However, there does need to be a recognition that choices require clear exposition and this can only come from good information.

---

**Trust is key to  
encouraging  
individuals to  
make use of  
online services**

Research by the University of Surrey found that trust is a barrier to use of online services<sup>32</sup>, and that the more individuals trusted public services, the more likely they were to use online services. Given the credibility challenges already around ICT, combined with the decline in trust in public institutions (trust in professional occupations is relatively stable)<sup>33</sup>, this is important. The debate about identity also demonstrates the relevance of trust to ICT. In order to provide seamless services, public services need to be much more joined-up technologically and able to identify citizens in a simple, repeatable and reliable way that the public is happy with. Despite the information that private sector organisations have about our private lives, concerns about information security continue to be a challenge for those seeking to improve customer focus in public services.

---

**Balancing  
individual  
preferences and  
social good**

There is also a need to recognise that the sum of individual choices might contradict decisions that the government has taken on the citizen's behalf, or the choices that society might make for the collective good. The British Medical Association put it succinctly in its response to a consultation on choice and voice: 'Societal choices should not disallow individual expression of preference and nor should the sum of individual preferences determine societal decisions.'<sup>34</sup> Choice needs to support universal, equitable and

<sup>30</sup> British Medical Association submission to the Public Administration Select Committee Inquiry 'Choice and Voice in Public Services', 22 November 2004

<sup>31</sup> National Consumer Council, *ibid*

<sup>32</sup> Gilbert D, Balestrini P and Littleboy D, 'Barriers and benefits in the adoption of e-government', *The International Journal of Public Sector Management*, Vol 17 No 4, 2004

<sup>33</sup> Audit Commission, *Trust in Public Institutions*, 2003

<sup>34</sup> BMA, *ibid*

accountable services that are provided as a result of the contract between the individual and the state, not undermine them. ICT cannot help to make the decisions about what is provided: it can shape what the final provision looks like.

---

### Intermediaries and technology

Debates are ongoing about the role that trusted intermediaries such as the Citizens Advice Bureau might play in supporting people to access the information they need to make choices and to participate in 'self-service government'. For intermediaries to play this role they need to access the relevant information, and that requires technology. But technology can only play an enabling role in providing information to the public and to intermediaries. Policy decisions need to be made about using intermediaries, with ICT supporting this.

---

### Choice or voice?

One final issue is whether 'choice' is really the right terminology. Examples of 'choice' given by politicians, for example being able to choose which hospital to go to, could perhaps be more accurately termed 'voice'. 'Voice' recognises that individuals should have an opportunity to shape the services they provide, but also acknowledges that 'choice' might be over-stating it. Schools tend to select pupils, not the other way round. Doctors make decisions about the medical care you might need to get better. Individuals should have a 'voice' in this. They should be able to ensure that their child goes to a good school and that they have a chance to understand decisions about medical care and influence them. But 'choice' suggests that individuals perhaps have more power than in many cases they do. Again, ICT can have a role in supporting people having a voice or making a choice, but only if it is used effectively by the public and by the staff trying to communicate the information.

---

### 3.5 ICT as information and communication

The more people know about public services and the more frequently they use them, the more satisfied they are.<sup>35</sup> Public bodies that communicate with their service users and the general public have higher levels of satisfaction, and people cannot exercise choice or voice effectively unless they are well informed. Information and communication emerge again and again as key drivers of satisfaction. And this is an area where ICT has a vital role to play.

ICT not only offers the potential to transform transactions, interactions, transfer of information and location of work, it also has the potential to radically improve information and communication. ICT can provide seamless

35 Office of the Deputy Prime Minister, *New Localism – Citizen Engagement, Neighbourhoods and Public Services: Evidence from Local Government*, 2005

services that mean the public does not need to know who provides a service: they just search for 'car tax' or 'local services' and find what they need. It can transform the way that people interact with a service, eg through NHS Direct, or be used to support choice through 'e-booking', again in the NHS. And it can help to overcome issues of exclusion, as in the Halton benefits bus example, when benefits were brought to people in Halton Borough via satellite and IT equipment instead of them needing to go to the office.

However, ICT on its own does not provide choice or improve customer focus. It needs to be clear exactly what ICT is going to be used for; whether it is there to improve face-to-face services or to offer an out-of-hours service. This should involve engagement with customers.

ICT needs to be designed effectively. The public need to know that they have more choice about how they access services and that it is more cost-effective. Frontline staff need to know how ICT can help them deliver better, more customer-focused services. And there needs to be the opportunity to actively interact with public services, to receive feedback about glitches in the system that then give staff the capacity to address the problem. Without these measures, ICT will be nothing more than an expensive toy that gets dusty because no one uses it.

# 4 Value for money

## 4.1 What is 'value for money' in the public sector?

As the recommendations of the Gershon, Lyons and O'Donnell Reviews are being implemented, value for money and efficiency are key concerns across the public sector. The definition of efficiency used by Gershon is highlighted in Box 2.

### Definition of efficiency

#### BOX 2 Gershon's definition of efficiency<sup>36</sup>

'Efficiency in the public sector involves making best use of the resources available for the provision of public services. This review has defined as "efficiencies" those reforms to delivery processes and resource (including workforce) utilisation that achieve:

- reduced number of inputs (eg people or assets), while maintaining the same level of service provision; or
- lower prices for the resources needed to provide public services; or
- additional outputs, such as enhanced quality or quantity of service, for the same level of inputs; or
- improved ratios of output per unit cost of input; or
- changing the balance between different outputs aimed at delivering a similar overall objective in a way which achieves a greater overall output for the same inputs ("allocative efficiency").'

### Overall recommendations of the Gershon Review

Based on this definition of efficiency, the Gershon Review identified 'auditable and transparent efficiency gains of over £20billion in 2007-08 across the public sector'. Over 60 per cent of these efficiency savings are identified as directly cash releasing. The savings imply a gross reduction of over 84,000 jobs. The Review: 'Aimed to ensure that savings weren't delivered at the expense of impacting on service delivery and was based on departmental capacity to realise efficiencies and savings.'<sup>37</sup>

### Six Gershon workstreams

Gershon identified six workstreams:

#### 1. Back office

Including finance, HR, IT support, procurement, legal services, facilities management, travel services, marketing and communications. This workstream aims to simplify and standardise policies and processes, adopt best practice in each function and share transactional support services to achieve economies of scale.

<sup>36</sup> Sir Peter Gershon CBE, *Releasing resources to the front line: Independent Review of Public Sector Efficiency*, July 2004

<sup>37</sup> Gershon, *ibid*

## **2. Procurement**

In 2003-04, the public sector spent over £100billion purchasing services. This second workstream aims to improve supply-side management through communicating and managing likely aggregate public sector demand in a strategic way, working with the supply side and enabling them to anticipate and plan for shifts in public sector demand. It also aims to professionalise the procurement function, for example through the use of shared procurement models or enhancement of procurement skills.

## **3. Transactional services**

Common interactions with government for most people, like payment of benefits and pensions, have enjoyed considerable investment because of targets to make all services available electronically by 2005. This third workstream aims to put much more emphasis on the efficiencies that could be delivered by seeking to migrate particular customer segments to new channels or by restructuring internal processes to reduce time spent on paper handling, data entry and correction, and there is significant duplication. It aims to have more segmentation of customer groups so that the public sector interfaces with each group appropriately, to work more with intermediaries and to ensure that the socially disadvantaged continue to have full access to services.

## **4. Policy, funding and regulation for the public sector**

Crucial to driving up performance are effective strategies, evidence-based policy and focused inspection and regulation. This fourth workstream aims to ensure that the costs of these activities are proportionate to their added value, and that frontline public service providers receive the support they need and are pursuing a well designed overall strategy.

## **5. Policy, funding and regulation for the private sector**

Interventions need to be carefully weighted against the compliance costs that may be imposed on firms to ensure they remain efficient and effective. This workstream aims to deliver a more holistic, risk-based approach to regulation and delivery, exploiting economies of scale, reshaping the policymaking function and improving support to the private sector through the removal of duplication and simplification of the delivery landscape. It also aims to offer a more flexible model for policymaking and better management information on costs.

## **6. Productive time of frontline public service professionals**

The sixth workstream aims to reduce the amount of frontline public service professionals' time spent away from delivering services to the user to improve efficiency. Its aim is to realise the benefits of existing workforce reforms (for

example, more assistants, different contractual arrangements), as well as realise the benefits of ICT investment after the commitment of £4.5 billion to modernise delivery in the police, schools and health services. It may mean time spent by professionals accessing and handling information is reduced, that processes are reformed and modernised, and best practice is shared.

---

### Role of ICT

ICT is at the heart of many of these workstreams, reducing the cost of transactions, changing the way the back office works, increasing productivity. It is a key enabler, helping to change transactions, interactions, information sharing and the location of work, and of delivering efficiencies in doing so. Even ICT itself has been earmarked as an area for more efficiencies through having more benchmarks for desktop office systems, creating government-wide economies of scale through bulk purchasing and e-auctions, and managing ICT suppliers more effectively.<sup>38</sup> To date, ICT projects have not necessarily delivered the efficiency gains that were hoped for, as too many public services just found themselves in the position of funding multiple delivery channels instead of just one. It is clear that the Gershon Review will need to ensure that ICT is used differently than hitherto in order to generate the significant efficiency savings it has outlined.

---

### 4.2 Do the public believe that public services are 'value for money'?

Value for money matters to both the public and frontline staff, but particularly the public. Our survey of citizens identified 'value for money' as the second most important indicator of quality public services, and as the most important indicator of customer-focused services.

This makes the gap in perceptions between the public and frontline staff around value for money rather concerning, as 65 per cent of frontline staff believe that the service they deliver offers value for money to taxpayers, while 25 per cent of the public would agree that taxpayers' money is spent efficiently on public services.

This reinforces the argument that even frontline staff, those closest to the public, are not necessarily clear on what the public's perceptions and expectations are, as shown in relation to customer focus. It does not mean that efficiencies are not being realised: it does mean that either the public do not believe it or that it is not at the forefront of their minds when they go to the GP's surgery. Already, it is clear that public services need to ensure that the communication around how value for money is being achieved is improved.

38 Watmore I, 'Getting the job done', *Public Service Review: Central Government*, Autumn 2004 pp22-23, 26-27

**4.3 What would more efficient public services look like?**

Efficiency was the one area where the public and frontline staff were in complete agreement about the definition.

**TABLE 6 Which two factors are most likely to be indicative of more efficient public services?**

	Public (%)	Frontline workers (%)
Money spent on services that provide the most value to the public (not necessarily the cheapest)	45	64
Better management	40	54
More staff dealing with customers	39	33
Using IT to help people work differently	16	17
Changes to the way that services are planned	12	15
A cut in staff numbers in government and its agencies	12	8
Private sector investment in the delivery of public services	11	5
Reducing spending	10	2

(Respondents were asked which two factors were most important – columns show percentage of respondents seeing each factor as one of the two most important.)

Nearly two-thirds of frontline staff (64 per cent) and just under half of the public (45 per cent) said that efficiency meant spending money on services that provide the most value to the public – not necessarily the cheapest. While one would expect little support from public service workers for ‘reducing spending’ – only 2 per cent thought it was important – only ten per cent of citizens thought this was important. And only 12 per cent of citizens thought a cut in staff numbers in government and agencies was one of the most important issues (8 per cent of staff thought it was).

The second most important issue for efficiency was agreed by both the public and the frontline to be ‘better management’: 54 per cent of frontline workers and 40 per cent of the public selected this as one of the two most important issues for improving efficiency.

**More staff = efficiency?**

It seems somewhat counterintuitive that the third indicator of efficiency was agreed by both the public and frontline staff to be more staff dealing with customers. It is perhaps even more surprising that fewer staff selected this than the public: a third of frontline staff selected this, compared to 39 per

cent of the public.

At first sight, 'more staff' seems opposed to the aims of the efficiency review and the job cuts. Yet it could be argued that since Gershon is aiming to release resources for the frontline, the result supports the focus of the efficiency review.

---

### Need to rethink ways of working

This finding highlights the importance of rethinking ways of working. Relying on 'more staff' rather than making use of new technologies to simplify and speed up ways of working is what the efficiency review is trying to avoid as it means not realising the benefits of ICT investment. There is clearly some way to go in understanding what technology can enable and the transformation in ways of working that will achieve the efficiency targets.

---

### 4.4 Efficiency and ICT

Gershon's targets are heavily predicated on the use of technology to transform ways of working. Yet previous ICT projects have failed to demonstrate clear efficiency benefits. How is Gershon going to ensure that ICT is used more effectively? What are the other issues that are required to support effective implementation of ICT? And will ICT use convince the public that 'value for money' is being achieved?

---

### Having clear objectives

In order to ensure that ICT is used more effectively to help achieve efficiency targets, there needs to be far greater clarity about exactly what ICT is being used for. ICT should be about increasing choice and efficiency, creating more ways of interacting with public services and ensuring that these methods are more cost-effective overall. But there are different ways of using ICT to respond to different customer demands, and there is a need to assess what those demands are before enthusiastically running down a path that takes you to e-enabled services – and no customers who want to use them.<sup>39</sup>

There is also a need to ask these questions of some of the workstreams. For example, what should the re-shaped back office look like? What is the back office for? Administration, strategy, policy development, information gathering or all of them? And what does that mean for skills around ICT and other areas?

---

### Joining up the dots

Joined-up government is not the most popular phrase in public services, but the principles behind it of working across silos and joining up information have never been more important. One of the main challenges that the

<sup>39</sup> Argument made by Ian Watmore, head of the e-Government Unit, in an interview with Nicholas Timmins in the *Financial Times*, 3 November 2004

Gershon Review faces, particularly around ICT, is the need to make sure that the different agencies of government are joined up behind the seamless online systems, such as [www.direct.gov.uk](http://www.direct.gov.uk). The e-Government Unit's task of ensuring that the different departmental IT roadmaps are all linked is no easy feat.

---

**Change has to be at an organisational level**

Achievement of any of Gershon's objectives rely heavily on ensuring that the changes are not piecemeal but organisational. Reforming transactional services, changing the way the back office works, re-assessing procurement processes are all issues that, to be successful, require change at an organisational level. All private sector studies of ICT demonstrate that gains are over time and have to be linked with wider organisational change.

---

**Management, leadership and communication are vital**

To achieve organisational change, strong leadership – both political and official – is vital. ICT can support the changes, but it does not make the decisions about how to change ways of working or how to manage this change. Nor does ICT help with any trade-offs between different targets, such as managing the tension between choice and efficiency. This requires leaders and managers to confront questions about quality and public value, and about who pays for different strategies.

It also requires leaders and managers to confront questions about how they can actively shape demand, as well as just respond to it. Private companies have found that they needed to incentivise a shift in behaviour: it is not something that is generated by the technology itself.

---

**Engaging with staff**

Management and leadership means managing downwards, and being able to consult and ensure that frontline workers have a voice and an opportunity to shape the way systems look. The experience of the Good Hope Hospital, Glasgow, when it sought to make use of new technology to improve patient care was that the project worked best when staff were involved and engaged.<sup>40</sup> Staff engagement and management is vital, and the way this happens varies from project to project.

Working with staff to design technology also helps to ensure it is not just seen as 'yet another thing to do'. Nurses, for example, might recognise intellectually that entering information electronically would improve the way they can do their job, yet still not feel that they should be the ones that have

40 Horner L, *Audit of Trade Union and Employee Involvement in Public Services Reform*, The Work Foundation for OPSR, 2004

to enter the information as it takes them away from their frontline duties. Even though ICT could improve their 'productive time', it needs to be implemented through staff engagement and a very clear case for where it substitutes for another activity in order to help them do their job more effectively.

---

**Capacity** For Gershon to succeed, the staff implementing the recommendations need the right skills. In procurement, there are real questions about whether the public sector has the capacity to develop the procurement skills required, particularly whether they are able to move to a more proactive relationship with suppliers in order to shape the market. Procurement is also a particular issue in ICT, where there have been historical problems with incompatible systems and suppliers with greater technological knowledge shaping the specifications and these ending up as inappropriate. Public sector spend accounts for 55 per cent of the ICT market<sup>41</sup>, so there is a real opportunity to shape the market.

There is also a need to define and develop the skills that public service workers will need in their changing roles. The shift from mainly frontline Pensions Service offices to call centres changed dramatically the skills demanded of staff. There needs to be a clear strategy of training and developing public service workers if the technologies are to be used in an efficient and customer-focused way.

---

**External and internal communication** Communication came up as critical again and again in customer focus. It is similar for efficiency. Staff need to know not just what efficiency means in theory, but in practice too: how do they need to do their jobs differently?

The public also need to know about 'value for money'. The ongoing scepticism about value for money in public services – only a quarter of taxpayers in our survey believe public services are efficient – suggests that better communication is vital. Talking to the public, in terms they can relate to, about value for money improvements is also likely, according to our survey, to increase customer satisfaction and improve perceptions. This means taking into account qualitative as well as quantitative assessments. There is little evidence that communication is being joined up across efficiency and customer focus initiatives. ICT can host the information and improve access to the information, but it needs to be promoted and used effectively.

<sup>41</sup> NAO IT procurement report

---

**Is the definition of efficiency appropriate?**

Gershon's targets are for 2008, but there are a range of interim targets and a need to make year-on-year efficiency improvements of 2.5 per cent. This requires immediate results, despite the fact that there is a time lag before the impact of technology investment is visible.<sup>42</sup> While quick wins are important to demonstrate progress and to communicate progress to the public, there could be a danger of eschewing longer term progress for short-term wins, perhaps through not investing in that extra piece of ICT kit because returns won't be visible for another three years, which is too late for the next spending review.

Senior managers have argued that there is a need to be much clearer about what will count as efficiency. Some, for example, have redesigned jobs and employed new people (a cost), but also redeployed or let go of other people (a saving), and argue that this should be counted as a saving. In Gershon's terms this would be counted as a saving, but the uncertainty about how to define efficiency, what counts as an efficiency saving, and how to demonstrate returns on changes in working practices suggests the centre has more to do to communicate its strategies and support their implementation.

---

**Is the Review too piecemeal?**

A final, quite fundamental, criticism of the way in which efficiency reforms are being implemented is that the Gershon Review's design is in itself too piecemeal and focused on individual units of activity rather than on an 'overall system' approach. Siefert and Ironside argue that technical notions of efficiency only tell part of the story as you need to look over time, eg allocative efficiency (the best way to allocate resources to different activities) and efficiency beyond the atomised unit of activity.

They suggest that the notion of social efficiency has been neglected, because in public services, each unit of activity could improve its own efficiency but the system as a whole could be less efficient, eg a school expels a pupil and is more efficient, but the education system as a whole is not. Social efficiency is measured over time and place and with regard to total system inputs and outputs, and is more akin to public value and ideas about continuous improvement.

---

**4.5 Key challenges**

The way in which Gershon is encouraging departments to manage their efficiency savings does not inspire confidence that those savings relying on better use of ICT will be realised.

42 Coyle D and Quah D, *Getting the Measure of the New Economy*, iSociety/The Work Foundation, 2002

The fact that Gershon has not taken a 'whole system' approach to change is important because it links to customer focus and quality. Effective approaches to change start by involving customers in defining desired outcomes, and then focusing rigorously on frontline interaction between staff and customers. Gershon also has a tendency to over-rely on ICT as a black box. Finally, inadequate attention is paid to people and to people management. These are likely to be important barriers to reaping the efficiency benefits of ICT.

# 5 People management

---

---

## 5.1 How does management contribute to better public services?

While ‘it’s the people, stupid’ may be a long-standing cliché, people are the most important aspects of any change programme, whether IT-enabled or not. They are the most important aspect of an efficiency programme or a drive to improve customer focus or choice, as the people are the ones using the technology, carrying out the transactions, dealing with customers, spending the money. Good management is therefore a priority.

This is an issue that managers, staff and the public recognise. Frontline staff said that more effective management was the top enabler of higher quality, more customer-focused, more efficient public services. More than two-thirds of frontline staff also highlighted job satisfaction as the second most important indicator of better quality public services.

---

## Job satisfaction is crucial

The importance of job satisfaction is supported by other research on recruitment and retention in the public sector conducted by the Audit Commission in 2002<sup>43</sup>, which found that the three main factors that affected people’s decision to join or stay in the public sector were: ‘making a difference’, a satisfying job and a reward package that meets their needs.

Similar to customer satisfaction, job satisfaction is a complex concept that is both difficult to measure and to influence. The diversity of the public sector, with doctors, teachers, call-centre workers and road sweepers, also means that job satisfaction means different things to different people in different organisations. For example, senior health professionals may value autonomy (ie independence from ‘management’), whereas for a lot of staff it is the lack of effective management that lowers job satisfaction. However, there are some common factors to job satisfaction across public services as shown in Box 3:

43 Audit Commission, *Recruitment and Retention: A public service workforce for the twenty-first century*, 2002

**BOX 3 Factors common to job satisfaction**

- **Relationship with ‘management’:** achieving a balance between autonomy and following bureaucratic procedures
- **Empowerment:** choice and voice for the public and for staff
- **Career and development opportunities:** sufficient time and resources for staff to develop their professional skills, and opportunities to progress their careers
- **Wider values:** individuals valuing their own work and the overall function of their organisation, buying into the ethos of delivering a public service
- **Morale and enthusiasm:** individuals feel valued by the organisation and by their customers
- **Stress and workload:** staff feel that their workload is manageable and they have enough time to see the relevance of what they are doing
- **Feeling well informed** about policy and strategy and buying into this process.

The Audit Commission research also found that it was not ‘pull’ factors – better money and good jobs available elsewhere – that were making people leave public services. It was ‘push’ factors: feeling frustrated with the way things worked and unable to do a good job because of it. And that comes back to issues around management and autonomy.

**5.2 How satisfied and well managed are frontline staff in public services?**

**Staff feel they make a difference...**

The results from our survey of frontline staff were mixed. When it comes to thinking that they ‘make a difference’, there are positive results. Eighty-five per cent of frontline staff see their work as worthwhile and almost two-thirds would speak highly of the service they deliver to friends of acquaintances. The majority see the organisation they work for as continuously making improvements, although most agree there is room for further work. As there are links between staff advocacy – talking positively about their work – and the quality of services, this is a very positive finding.

**But does their opinion matter?**

Staff are positive about their work but do not feel their views make a difference to managers. Looking at ICT specifically, only a third of respondents feel they have had the opportunity to express views about the technology they use at work. They are probably right: 32 per cent of staff feel that management listen to their views on how the service could be improved, and a similar proportion of managers agree that they consult their staff on how ICT is used at work. It’s fairly low numbers, particularly given the importance of engagement identified in Section 3.

---

**Communication is not seen to be consistent**

The analysis of how to make public services better quality, more customer focused and more efficient demonstrated the importance of good communication, particularly if ICT is to be used effectively. If it is to be clear what ICT is to be used for, good communication is vital to ensure that staff understand the context and business case, know the information they need to, and have an opportunity to engage and comment. Yet our survey found that the majority of frontline staff would not agree they are well informed, with only a third of respondents stating that they are well informed about making efficiency improvements and a similar number agreeing that they are well informed about public service reform.

---

**And there are gaps between managers and staff, particularly on ICT**

There were also differences between the views of frontline managers<sup>44</sup> and frontline staff. Managers are less likely than their staff to be convinced that the quality of public services has improved, and are also less committed than their staff to the role of ICT in implementing change. When asked about the IT skills of their staff, most selected 'don't know', which suggests either high levels of confusion or disengagement about how capable their staff are when using ICT. While staff have a realistic view of the role IT has in their work, seeing it as both making things easier and having its own frustrations, managers tend to sit on the fence and not express an opinion on either the benefits or the pitfalls of ICT investment. Our survey identified that the goals of efficient and customer-focused services depend on 'effective management'. It is therefore concerning that managers are so unsure about their views on ICT.

---

**5.3 How does management support better use of ICT in public services?**

Effective management has also been identified as critical to the success of ICT projects. The National Audit Office report on IT-enabled projects identified the following common causes of failures in ICT projects:

- lack of a clear link between the project and the organisation's key strategic priorities, including agreed measures of success
- lack of clear senior management and ministerial ownership and leadership
- lack of effective engagement with stakeholders
- lack of skills and proven approach to project management and risk management
- lack of understanding of and contact with the supply industry at senior levels in the organisation
- evaluation of proposals driven by initial price rather than long-term value for money (especially securing delivery of business benefits)
- too little attention to breaking development and implementation into

<sup>44</sup> A self-identified sub-set of our survey of frontline staff

manageable steps

- inadequate resources and skills to deliver the total delivery portfolio.<sup>45</sup>

These are issues that have also appeared in our discussion of the challenges of using ICT to improve customer satisfaction and efficiency. Again and again, the need for clarity about what ICT is for, and recognition that ICT has huge potential but needs to be well designed, effectively implemented and clearly communicated is reiterated in any consideration of where ICT has a role in improving public services.

Themes that are particularly relevant to management include:

- **Communicating the business case and benefits:** Ensuring that staff know about what ICT is being used for, how it will change ways of working, and what the benefits to customers are likely to be.
- **Engaging with staff:** As the professionals working most closely with customers, frontline staff hold the key to user focus. If there are faults with a system or holes in a procedure it is likely that staff will be the first people to be made aware of this. Staff should feel able to feed this to managers and to see that this feedback is responded to. For example, in NHS Direct there is a procedure in place for staff to feedback to those designing the content of the algorithms that they use to provide advice to patients. The National Audit Office argued that the continued success of NHS Direct relies on this procedure working.<sup>46</sup>
- **Capacity to use ICT or to manage others to do so:** If ICT is to be used effectively, staff need the skills to use it or to manage those who are going to use it for them. If a call centre is being set up, staff may need to be trained to develop different interpersonal skills as well as the ability to use a database to extract information. If staff are dealing instead with procurement for ICT, they need the skills to be able to work out the business case for ICT, work with suppliers to develop the specification and to design a contract that manages those suppliers effectively. For example, schools and teachers now need to choose which software package to buy rather than which textbook. Having access to ICT procurement support from the DfES or staff with specialist skills in the school will enable schools to procure well-designed products that are compatible with existing school ICT systems.

<sup>45</sup> These causes of failure were agreed between OGC and NAO and disseminated to departments in February 2003 and updated in March 2004

<sup>46</sup> National Audit Office, *NHS Direct in England*, January 2002

# Conclusions

---

The initial results of our survey and an assessment of other literature around quality, choice and efficiency in public services suggest the following recommendations for policymakers and those working with them:

- **Make the case:** There needs to be greater clarity about how ICT can contribute to quality, customer focus and efficiency. This will help to ensure that ICT supports the achievement of wider public service objectives rather than being an end in itself. It is also likely to improve technology specifications. It also needs to be clear how the tension between choice and efficiency is going to be managed.
- **Consider ICT early:** ICT needs to be considered at a sufficiently early stage for it to be a core part of choice and efficiency. This requires leaders to buy into the agenda.
- **Manage demand:** ICT needs to respond to the customer but demand needs to be managed if the efficiency benefits of ICT are to be realised: this means considering where incentives can be offered to use more cost-effective services and will not impact adversely upon excluded groups.
- **Communicate:** Better communication of what public services are doing to improve customer focus and value for money is vital to influence public perceptions – and so improve on customer satisfaction.
- **Inform:** ‘Choice’ and ‘voice’ require good information, available to all. It should be considered how ICT can be used to disseminate information to all groups.
- **Consider intermediaries:** ICT could facilitate use of trusted intermediaries in supporting individuals to engage with public services.
- **Improve procurement and project management skills:** Procurement is vital to achieving efficiency savings and better technology that can be implemented easily. Public sector staff need to have the skills to engage with the private sector more effectively and to be more adept at managing projects and contracts.
- **Build capacity:** Staff and managers do not always know how to unlock benefits of technology. More training is required for staff in frontline offices, call centres and in online support services.
- **Engage with staff:** There needs to be far more effective engagement with staff, getting them involved in designing technology and testing ways of working – and staff should be able to see how their input has helped to shape services. This is likely to improve job satisfaction.

There is also a challenge for customers: the public and businesses. Both need to recognise not only that they have rights to quality, customer-focused and

## CONCLUSIONS

---

efficient services, but that they also have responsibilities to more actively engage with public services in order to shape them and improve them. For businesses working in technology in particular, there is a need to look at how they can support public sector organisations in putting technology at the heart of strategies to improve quality, customer focus and efficiency, rather than making technology an expensive add-on. This may mean working with the public sector to improve procurement skills and understanding of technology, and to better understand the changing demands on the public sector and how ICT might be used to respond to those demands.

---

**Next steps** These recommendations highlight some of the areas that we will need to explore in much greater depth in subsequent reports when we examine closely what ICT should look like from the public's perspective, and how ICT can be better implemented.

# References

- Atkinson Review: Final Report (2005) *Measurement of Government Output and Productivity for the National Accounts*
- Audit Commission (2002) *Message Beyond the Medium: Improving local government services through e-government*
- Audit Commission (2002) *Recruitment and Retention: A Public Service Workforce for the Twenty-first Century*
- Audit Commission (2003) *Trust in Public Institutions*
- Audit Commission (2004) *Choice in Public Services*
- Barber L, Hayday S & Bevan S (1999) *From People to Profits: The HR link in the service-profit chain*: Institute of Employment Studies
- British Medical Association (2004) Submission to the Public Administration Select Committee Inquiry – Choice and Voice in Public Services
- Cabinet Office e-Government Unit *Service Design and Delivery Guide*
- Citizen's Advice Bureau *Electronic Government Services: Key Priorities for the Citizen's Advice Service*
- Commission for Health Improvement *What CHI has found in NHS Direct services?*
- Coyle D & Quah D (2002), *Getting the Measure of the New Economy*, iSociety/The Work Foundation.
- Crouch C (2003) *Commercialisation or Citizenship: Education Policy and the future of public services*, The Fabian Society
- Department for Education and Skills (2003) *The Evaluation of CMF Funded UK Online Centres*
- DETR (2000) *Revisiting Public Perceptions of Local Government: A Decade of Change*
- Electoral Commission (2002) *Modernising Elections*
- Gershon (2004) *Releasing resources to the front line: Independent Review of Public Sector Efficiency*
- Gilbert D, Balestrini P and Littleboy D, 'Barriers and benefits in the adoption of e-government', *The International Journal of Public*
- HM Treasury (2004) *2004 Spending Review*
- Horner L, *Audit of Trade Union and Employee Involvement in Public Services Reform*, The Work Foundation for OPSR, 2004
- Horner L & Hutton W (2005 forthcoming) *Why Public Value?*
- ICM on behalf of OPRS, *Public Attitudes to Public Services Survey*, September 2004
- ICM (2004) *Public Attitudes to Public Services*
- IDeA (2004) *People in e-Government: change, capacity and skills for e-government*
- IDeA *Integrating Technology Infrastructure*
- Ruth Kelly MP in her role as Minister of State for the Cabinet Office, speech to the ippr conference 'Is e-Government better government?'; 15 December 2004
- Meehan A & Grimsley M (2003) *Information Technology, Community Trust and Public Services*
- Mobile Data Association Press Release (2005)
- Moore M (1995) *Creating Public Value: Strategic Management in Government*: Harvard University Press
- MORI (2002) *Five Years of Communications: A Review of Local Authority Communications*
- MORI for Local Government Association, December 2004
- MORI Review for Office of Public Services Reform (2002) *Measuring and Understanding Customer Satisfaction*
- National Audit Office (November 2004) *Improving IT procurement: The impact of the Office of*

## REFERENCES

---

- Government Commerce's initiatives on departments and suppliers in the delivery of major IT-enabled projects*
- National Audit Office (2002) *Better public services through e-Government*
- National Audit Office (2002) *e-Revenue*
- National Audit Office (2002) *Government on the Web*
- National Audit Office (2002) *NHS Direct in England*
- National Audit Office (2003) *Managing Resources to Deliver Better Public Services*
- National Audit Office (2004) *Criminal Records Bureau: Delivering Safer Recruitment?*
- National Audit Office (2004) *DfES: Connexions Service – Advice and Guidance for all young people*
- National Audit Office (January 2005) *Patient Choice at the Point of GP Referral*
- National Consumer Council (2003) *Expectations of Public Services: Consumer Concerns 2003*
- National Consumer Council (2004) *Making Public Services Personal: A New Compact for Public Services.*
- OfCom (2004) *Internet and Broadband Update*
- Office for National Statistics *Omnibus Survey*
- Office for Public Services Reform (2003) *Leading from the front line*
- Office of Public Service Reform (2004) *Customer Satisfaction with Key public Services*
- Office of the Deputy Prime Minister, *Best Value User Satisfaction Surveys: General Survey Initial Topline Report, 2004*
- Office of the Deputy Prime Minister (2005) *New Localism – Citizen Engagement, Neighbourhoods and Public Services: Evidence from Local Government*
- ONS Family Expenditure Survey (April 1998 to March 2001), Expenditure and Food Survey (2001 onwards)
- Pekonen O and Pulkkinen L (2003) *Social Capital and the Development of Information and Communication Technology* cited in Meehan A & Grimsley M (2003) *Information Technology, Community Trust and Public Services*
- Siefert R & Ironside M (2005) *An Alternative View of the Future of the Civil Service*
- Watmore I (2004) 'Getting the job done', *Public Service Review: Central Government*, pp22-23, 26-27



© The Work Foundation

Registered as a charity no:290003

First printed March 2005

ISBN : 1 84373 020 0

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording and/or otherwise without the prior written permission of the publishers. This publication may not be lent, resold, hired out or otherwise disposed of by way of trade in any form, binding or cover other than that in which it is published, without the prior consent of the publishers.

The Work Foundation  
3 Carlton House Terrace, London, SW1Y 5DG  
Contact us by telephone on 0870 165 6700 or by  
fax on 0870 165 6701

[www.theworkfoundation.com](http://www.theworkfoundation.com)

