



## **Points for Your Election Manifesto**

### **1) Internet and E-Government Issues are now Mainstream**

Over half of UK voters (and 2/3 of households with children) now use the Internet. They have experienced the joys and frustrations. Nearly half have bought tickets, products or services on-line. They expect policies that address their concerns, expectations and priorities: from jobs for themselves and their children: through law and order to the improved delivery of public services such as health and education. Those policies need to be based on what is already happening around us as well as on what can realistically be delivered, given the resources and technologies available or deliverable over the next few years.

As part of the EURIM input to political debate we have collated the views of our Corporate and Associate members (over seventy suppliers, users, trade association and professional bodies) and attempted to summarise the issues they would like to see addressed by the main political parties during the run-up to the election, including the vision and possible actions. It would be unrealistic to expect all members to place the same priority on each topic and the order of the action plans does not necessarily reflect their relative importance to specific groups.

### **2) The Vision for 2010**

Inter-active video networks (merging communications and broadcast over fibre to the home or up to 20 megs over current networks) now serve many overseas urban centres. By 2010 these will be commonplace. The technologies that will be available are predictable but the winners and losers are not. Nor are the business models of those who will successfully deploy and exploit them. There is a conflict between those who wish to predict and manage change, (beginning by regulating current incumbents) and those who believe that such a measured approach will cause us to fall further behind the Asia-Pacific "tiger economies", and who fear unemployment for their children and an impoverished old age for themselves.

The questions that will need to be addressed during the election campaign therefore include:

- How should we fund/create/maintain local access to world-class networks and content, without which whole communities will be excluded from the information economy?
- How should we handle the "dark side" of the Internet? Most voters have had personal experience of spam, phishing and viruses. "Something must be done" – but what?
- How do we encourage investment in innovative and globally competitive products and services, including digital content, not just research, for others to exploit?
- How do we ensure that regulation does indeed protect consumers from harm and does not protect vested interests while stifling innovation and driving wealth creators overseas?
- How do we focus policy on the successful transformation of public services (including management and motivation) rather than the mere application of technology?
- How can we better develop workforce skills at all levels, from basic literacy through technician and professional training and updating, to maintain lifelong employability?
- How do we better motivate and manage the "third", voluntary, sector on which the delivery of affordable publicly funded services will ever increasingly depend?

### 3) Inter-active Video for All by 2010

Local access to world-class communications (price, bandwidth, reliability) - because communities without these drop out of the world economy.

Communications are the roads, railways and airways of the 21<sup>st</sup> century and the broadband revolution is being driven from the far side of the world. Korean grannies can see their grandchildren playing when they call their daughters for a video gossip. Millions of Japanese have a local connectivity that is only available to Central London and a few science parks in the UK. Indian call centres have low cost bandwidth not available outside most UK city centres. The fastest growth of all is in the coastal states of China, where the inventors of printing and rocketry are now taking the design, not just production, jobs of the future.

But the need is for reliability as well as connectivity. The electronic communications of most of the UK pass through a small handful of choke points and many locations are critically dependent on a single network. The disruption (as when a JCB operator severs a major routing under a motorway) can be far wider than that after a rail crash. A world in which health care or business survival may be critically dependent on access to national data centres or international communications demands a massive investment in quality of service. A growing number of users, large and small, public and private, are seeking to multi-source over competing but interoperable networks that do not share the same vulnerabilities.

The Ofcom strategic review is based on the need to confine communications regulation to the bottlenecks when there is no competition. The most serious bottleneck is the reliance of 150 or so competing service providers on the BT local network. Much current lobbying is over the terms under which this should be made available. This is the wrong debate. The challenge is to open up competing local access channels using competing technologies (including wireless and satellite), not only to achieve the benefits of genuine competition but also to reduce dependence on a single network, however well engineered. Neither government nor business can afford to base "mission critical" applications on central databases to which access is routed through local chokepoints where disruption can bring traffic to a standstill for hours or days. Meanwhile WiFi and other lateral approaches can help transform the economics of local access as well as the provision of alternative routings.

Possible means of encouraging the investment in local infrastructure to give all parts of the United Kingdom reliable access akin to that already enjoyed around the Pacific Rim include:

- **100% capital allowances:** the likely pay back to Treasury in additional tax receipts from those building the networks, let alone from new traffic and content revenues, is said to be under 18 months. That claim needs to be confirmed or refuted, not ignored.
- **Zero business rating for communications networks** as for roads and railways: or at least provide a level playing field for all operators at a significantly reduced level from current levels. Not only is the current situation unfair; it is a serious barrier to resilience (e.g. stand-by loops switched off to save rates) as well as a disincentive to investment.
- **Collate the communications needs of all modernising government programmes** as part of the three year planning cycle and contract these across multiple networks, mandating investment in resilience, including to bypass current points of vulnerability and bottlenecks.
- **Let a thousand flowers bloom** with regard to the local aggregation of demand, mandating only interoperability standards and also open and transparent pricing (in line with European rules to prevent unfair cross-subsidy) on the part of those seeking public funding. Competing partnerships with local and national network providers should be encouraged (including by multi-sourcing public needs) to help competition.

#### 4) Bring Law Enforcement into the Internet Age

More criminals now use computers than use crowbars. Half of all theft and fraud involves computers and mobile phones. E-Crime is no longer “special”. It has to be addressed within mainstream policing.

E-Crime is not “just” phishing, spam, denial of service and child pornography. Criminals of all types are using new technology to automate old crimes as well as to invent new ones. 50% of voters who use the Internet regularly receive e-mails to sell them products and services not legally available in the UK or to acquire passwords and personal details to empty their bank accounts. The volume of incidents, offenders and victims has soared: from the 250,000 visitors to Landslide Productions (the international paedophile network shut down in 1999 whose UK customers are only now, five years later, being brought to court) to the millions who have been victims of identity theft or on-line fraud.

If people perceive they are vulnerable they will avoid putting themselves at risk: just as they will avoid some inner city areas by day, let alone by night - reinforcing a cycle of decline. Perceptions of the Internet as a dangerous place inhibit growth and destroy trust in electronic services. Would you respond to an e-mail inviting you to apply for a new benefit any more than one saying you had won a lottery? But it is no longer “merely” a matter of trust in the Internet. Most major criminal incidents now require scene of crime officers to secure and analyse digital evidence from the computers or mobile phones of victims or suspects or from surveillance cameras. Mainstream law enforcement, not just computer crime units and specialists, must be given the resources, processes and frameworks to respond.

We need to move from narrow agendas driven by the “war against terrorism” and “intelligence-led policing”, to the full co-operation in “cyber-community policing” that is necessary to give us all genuine confidence that we are at no more risk on-line, behind our front door, than in the street, outside. We need to make the UK the most trusted place to go on-line with effective, efficient, trusted and democratically accountable policing, including deterrence and prevention. Given that law enforcement is never likely to have all the skills and resources necessary to keep abreast of the criminal use of technology, that will entail whole-hearted, not half-hearted, co-operation across the boundaries between law enforcement and industry (seeking to protect both itself and its customers) as well as between agencies and regulators, international as well as national and local.

We need a coherent national strategy that includes the following:

- **Non-Geographic Reporting:** a well-resourced (equipment and processes as well as staff) national network to which “non-geographic incidents” can be reported which will collate reports and forward them rapidly to those responsible for action.
- **Cybercaddies:** non-geographic crime and disorder partnerships supported by joint (law enforcement-industry) investigation teams, using supervised and trained volunteers and specialists wherever appropriate and covering the different but overlapping communities concerned with child, consumer or infrastructure protection, as well as financial services or serious and organised crime.
- **Action on Skills:** (prevention as well as investigation), backed up by serious funding, ranging from basic e-security and e-citizenship (which should be mandatory on all publicly funded ICT courses and qualifications) to high level forensics skills.
- **E-crime prevention:** high visibility programmes linked to properly resourced reporting and support (industry as well as government).
- **Frameworks for co-operation:** with shared processes and protocols to facilitate joint investigations involving industry specialists and civilian volunteers and legislative updating, including to the Computer Misuse Act, where these are needed.
- **International Co-operation:** the UK should use its Presidencies of the G8 and EU to harness industry expertise in the creation of effective cross-border processes.

## 5) Make the UK a Location of Choice for Information Age Business

Even many of those serving the public sector must now compete globally for jobs.

The factors influencing the location of operations not tied to a physical location are:

- **Taxation** (including the impact on key employees) net of incentives and benefits, over the planning horizon of the business (commonly longer than that of ministers or parliaments).
- **Skills** availability, not just of researchers, designers, professionals and managers, but also of technicians and support staff.
- **Environment** (education, law and order, health care, welfare etc. - usually in that order). The key question is whether key staff would like to live there and raise a family.
- **Communications** (international as well as local and regional) for products and services as well as people (electronic, air, road and rail).
- **Legal and regulatory climate** from local planning regulations through corporate governance to intellectual property rights that encourage safe, pollution free, innovation.
- **Trust and co-operation** (not mistrust and confrontation) in relations between business and government at every level, local and national.

UK priorities for promoting UK competitiveness should therefore include:

- Transparency and certainty with regard to corporate and personal taxes and for the marginal rates on risk investment, net of allowances, to be globally competitive.
- Facilities, incentives and rewards for individuals and business to acquire and maintain skills in current and prospective demand and to follow family friendly flexible careers.
- Delivering communities where information workers wish to bring up their families and grow old, not just to work.
- Delivering communications excellence to all areas, but especially those where economic and population growth is expected or particularly encouraged.
- Regulatory and investment regimes which encourage and reward investment in developing and exploiting innovative ideas and content (from scientific research to entertainment).
- Proposals for new legislation and regulation affecting business to be rigorously assessed to ensure they will achieve intended benefits at affordable cost.
- Legacy regulation to be reviewed on a rolling, timetabled basis.

**A particular priority must to ensure that the City of London (including its many support functions across the rest of the UK) remains a globally trusted centre for international commerce, including the resolution of disputes, under whatever legal framework and in whatever language customers and suppliers wish to operate.**

The areas where action is most urgent are:

- **Plain English, clarity and simplicity** – in taxation, legislation and regulation.
- **Capital allowances for risk investment in plant and infrastructure** - this is the area where the UK is least attractive and most out of line with its main overseas competitors.
- **Patent and Copyright** – provide the additional resources needed in a networked world to make existing legislation work better, ensuring that applications are original and that innovators are rewarded.
- **Focus the science budget where it best helps the British economy** – on those programmes and contributions that preserve and promote not only our centres of research excellence but also our development, production and service infrastructures.
- **Regulatory accountability** – all statutory regulators should be accountable to Parliamentary Committees supported by advisory groups, drawn from those regulated and those intended to benefit from the regulation and tasked to report on proposals for change or renewal. Those proposing regulatory extension or renewal should fund the costs of consultation and of independent risk and impact assessments.

## **6) Provide citizens with joined up access to Government and Public Services when and where THEY need them**

Most citizens wish to be able to deal with government via a single identity and point of contact (e.g. Citizens Advice Bureau, Post Office or Community Centre). Many of those in most contact with government cannot themselves use a conventional keyboard or screen and need assistance (e.g. care assistant, advisor or counter clerk).

A prime obstacle to the joining-up of Government is the belief, accurate or not, that personal information may not be shared between functions and departments, even when the citizen requests it. A classic example was family tax credits, with taxpayers required to repeat information already available from their tax returns, in a different format, doing the calculations themselves. Most gave up or did it wrong. There was no option to request the Inland Revenue to use the data already on file.

There is a parallel tangled web of powers to demand information from the public and from business for regulatory and investigatory purposes. Some powers date back to the emergency controls in World War 2, but the web has proliferated since. The Regulation of Investigatory Powers Act covers but that subset related to communications and covert surveillance.

There is a similar confusion with regard to the governance of publicly held information, with strong penalties for abuse by those in some departments and agencies but not for the contractors and temporary staff who commonly enter or retrieve sensitive data in others. The sorry state of affairs revealed by the Bichard enquiry is repeated across much of Central and Local Government and lies behind the mix of support and scepticism with regard to ID Cards.

The solution is to apply the private sector discipline of “structured evolution” with a rolling programme of reform: think big (basic principles and inter-operability frameworks), start small (departmental and agencies experiments), build on success (scaling and linking that which works). That programme needs to be built around six key principles:

- **Enable departments and agencies to adopt consent driven routines**, including validation routines, akin to those for the files of the credit reference agencies and financial services sector, while retaining default powers to demand information for emergency or enforcement purposes.
- **Extend third party governance and mandatory training principles akin to those in the Regulation of Investigatory Powers legislation to cover all statutory powers to demand information** from business or the public.
- **Provide clear guidance to all those handling public sector personal information as to whom it is to be shared with, under what circumstances and how to check their identity/authority** - also needed by those in the private sector from whom information may be required under statutory powers.
- **Graded and publicised penalties for personal or organisational abuse**, from individuals accessing or amending files to aid impersonation, fraud or blackmail through organised abuse or bad practice to lack of guidance and procedures.
- **Assessment of the risks and liabilities entailed with the various trust and governance models** (current and proposed), how these vary with changing business requirements and technical processes and the effects of volume and required response times.

It must also include:

- **Rolling departmental programmes of file cleaning and validation**, these should not be one-off exercises and should be used to bring files and processes together over time.
- **An overarching strategy** to ensure that the many current public sector personal identity initiatives and governance proposals really do give additional protection and achieve economies of scale.

## **7) Enable students (of any age, including those in work) to acquire and maintain the skills THEY need, where and where they need them**

The current focus on first entry skills is no longer enough, many jobs require continuous professional development and annual technical updating. The majority of Britons now change career at least once.

The United Kingdom is in the top dozen OECD nations with regard to academic skills and research ranking but is bottom of the OECD list with regard to workforce skills. Yet political debate is obsessed with sending half of all teenagers to College or University while the bigger need is to retrain most of our adult workforce and then keep their skills up to date.

UK qualifications are valued overseas because of trust in the independence and rigour of our accreditation processes and the way students are mentally stretched. This reputation is now at risk because of attempts to cut the cost of delivery, assessment and accreditation. Moreover, UK students increasingly lack access to the best material from around the world while internationally recognised courses are not available in the UK, because they lie outside our current public sector funding and approval regimes.

Past consultation overload has meant that most of those planning future provision have little or no input from employers. Only 7,000 companies have more than 250 staff. 27,000 have 50 to 250. 1.2 million have less than 50 employees and there are 2.8 million sole traders. Few are active in any professional body, trade association or trades union, even if they are members. The identification and implementation of programmes to meet their needs therefore depends on changing from traditional methods of "consultation" to the use of rigorous, well structured, professionally conducted, market research. We need to:

- base the planning and provision of publicly funded training on industry strength research into the needs of employers and students so that it really does lead to gainful employment;
- encourage privately funded training by reducing the after-tax cost of acquiring those qualifications which are recognised by industry and the professions;
- enable affordable access to world-class materials, courses and qualifications from locations and at times convenient to students (open, not just on-line, learning networks);
- remove barriers (organisational as well as funding) to UK participation in global learning networks delivering to internationally recognised standards.

### **The actions needed include:**

- Route ALL DfES funded employer consultations through the relevant sector and regional skills councils.
- Require all applications for public funding for courses and qualification funding to show evidence of current or prospective demand.
- Provide sector and regional skills councils with the resources and budgets necessary to conduct regular "industry strength" market research into skills needs among the employer communities they are supposed to represent.
- Exempt trainees from national insurance and income tax for the time spent under training to industry and professionally recognised standards and allow those funding themselves, including for career change, to also offset the costs against tax.
- Route current publicly funded skills programmes through quality controlled franchises which provide supported access to the many existing distance learning networks (public and private) via local schools, colleges, libraries, community centres, pubs and clubs.
- Remove current approval/funding barriers to the full participation by UK FE/HE operations in international lifelong learning networks and enable a bringing together of the professional, workforce and post graduate training, development and updating programmes of the professions, trade associations, major employers and universities.

## **8) Ensure better practice in the transformation of public services**

- using the technology to support devolved delivery by democratically accountable human beings.

There is much concern over the competence of government and its suppliers to deliver the savings and efficiency improvements being promised. UK public sector systems are commonly the biggest and most complex in the world: most other nations have decentralised. Many politicians, advisors and suppliers seem to have a vested interest in maintaining that position. Politicians want “big pictures”. Their political advisors, lacking experience of delivering anything other than ideas, are eager to oblige. The suppliers of professional advice (whether technical, legal or procurement) want big programmes to justify big fees, as well as the overheads of selling to government. The bidders need big contracts to cover the cost of selling to government. Their top salesmen are those who won big bids in the past and moved to the next bid before delivery started.

Hence the continued popularity of the “Delayed Big-Bang” approach to government programmes, even though long discredited: the Minister announces a programme to transform the service, then comes a long and expensive consultancy exercise involving large numbers of “experts” but rarely front line staff (too busy fire-fighting) or customers (too difficult to get a valid cross-section). The DSS Operational Strategy was a classic result. Many ICT professionals fear that the National Plan for Health Service IT and the prospective plans for ID card systems are also too big and complex to be efficient. But “More pilots than the RAF”, fragmenting programmes into small projects that are neither interoperable nor scalable, can also waste time and resources and destroy enthusiasm while leading nowhere.

The private sector approach has long been variations on “structured evolution”: think big (clarity of purpose, priorities and strategy), but start small and scale on success, each phase planned, justified, assessed (including market research to check both requirements and delivery) and tested, with competing suppliers forced to interoperate, changes rigorously controlled (authorisation and documentation), open partnership and agreed risk sharing. The pieces are in place for government to do likewise: Gateway Review process, e-Gif standards and Framework Contracts, but changes are needed to ensure good practice is not bypassed:

**All central government programmes should pass through the full Gateway process with the comments on those which go forward made available to the National Audit Office and Public Accounts Committee.** There is a balance to be struck between the confidentiality necessary for effective peer review and the need for accountability when professional judgement is over-ridden by political expediency.

**The details of winning bids, including performance monitoring and change control processes, to be placed in the public domain unless they really do affect national security.** To ensure public confidence any case for confidentiality must be balanced against the need to avoid allegations that it serves to conceal incompetence, inefficiency and corruption. The Freedom of Information Act should be used to provide the necessary framework, using guidance from the Office of the Information Commissioner.

**Ensure proper career paths, reward and governance structures for the public servants whose competence and integrity, intellectual as well financial, used to be central to the successful running of Great Britain.** All political decisions should be properly recorded and minuted and the recommendations of the Select Committee on Public Administration for a Civil Service Act should be carried forward. Similar governance routines to those for public servants should apply to all those contracted to carry out statutory functions.

### **9) Value, respect and harness the motivations of the third, voluntary, sector**

– and do not expect entrepreneurial behaviour from those motivated by a desire to serve or “put back”, many of whom understand the sensitivities and complexities of public service rather better than some of those advising central government.

Previous technology shifts (canals, railways, cars etc.) have led to movements in jobs, wealth and power. This is happening again with the "Global Information Society". Centralised, standardised, bureaucratised, states can no longer fund themselves at a price that their captive taxpayers, unable to move offshore, can afford to pay.

IT can be used to reduce the cost of central government but there are very much bigger savings from using IT to support decentralised services provided by networked, including voluntary, community partnerships instead of by hierarchies of agencies, quangos and trusts, drip-funded by central government to meet the targets of the day. Thousands of ICT professionals are already providing their experience and expertise to the voluntary sector through organisations such as IT4Communities.

Such partnerships need to involve not only democratically accountable local government and efficiency motivated local business but also hundreds of thousands of pensioners or benefit recipients, whether as volunteers receiving only expenses or as paid part-timers, in delivering community support for our growing numbers of frail and elderly, at affordable cost.

We need to accept that the proliferation of "alternative life styles" is now a mainstream phenomenon. We can already see "internet-based worker co-operatives" competing with major corporations, using their earnings to fund community projects, research programmes and/or other "good works" rather than “merely” to make money to pay shareholders.

This is a challenge not just to the tax revenues of the State but also to much of the private sector. We should remember, however, that many of the great corporations of today, from public utilities to financial services, began life as co-operatives, mutuals or municipal enterprise and that there is more “caring” outside the money economy than within.

There are also widespread calls for an end to the plethora of special initiatives, beloved of Ministers and Officials, where the cost of bidding and adjudication commonly exceeds the funds available and the time and bureaucracy drains the enthusiasm even of the winners.

The best contribution of central government towards encouraging innovation in the delivery of better community services at affordable cost may therefore be to devolve responsibility for funding and governance to single tier, locally accountable, authorities.

Another problem faced by those charities on which many of the most vulnerable rely is the growing cost of dealing with central and local government. It is not just the Charity Commission or those applying regulations (and fees) designed for paid professionals to unpaid volunteers, but the consultants and advisors planning new programmes, consulting or soliciting “bids”. If government really does wish to work with the voluntary sector in planning new ICT-supported services, let alone to tap its expertise in cost-effective delivery, it should:

- **Fund the time spent by charities and the voluntary sector in responding to consultations, completing returns, preparing for inspections and all the other overheads of dealing with public sector departments, agencies and regulators.**
- **Harness the experience of senior ICT professionals with direct experience of meeting the needs of the voluntary via programmes such IT4Communities.**