Intermediaries and the Electronic Delivery of Public Services

A Mixed Economy in e-Government: A Public Response to the Government Policy and Implementation Guidelines by Mike Bracken and Dr Ian Kearns, ippr
With thanks to our sponsors:

The Digital Society Team at the Institute of Public Policy Research are grateful for the invaluable support of BT Stepchange, CCIA, HP, Microsoft and SchlumbergerSema, without whom our work would not be possible.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY:</td>
<td>4</td>
</tr>
<tr>
<td>1: INTRODUCTION</td>
<td>9</td>
</tr>
<tr>
<td>2. THE CONSULTATION PAPER AND IMPLEMENTATION GUIDELINES: A SUMMARY</td>
<td>16</td>
</tr>
<tr>
<td>2.1 The Government’s Framework of Principles</td>
<td>16</td>
</tr>
<tr>
<td>2.2 The Rationale Behind the Policy</td>
<td>18</td>
</tr>
<tr>
<td>2.3 The Implementation Guidelines</td>
<td>21</td>
</tr>
<tr>
<td>3. KEY ISSUES OF CONCERN: THE POLICY FRAMEWORK</td>
<td>24</td>
</tr>
<tr>
<td>3.1 Intermediaries as a Form of Public Private Partnership</td>
<td>24</td>
</tr>
<tr>
<td>3.2 Accountability</td>
<td>26</td>
</tr>
<tr>
<td>3.3 Social Equity</td>
<td>26</td>
</tr>
<tr>
<td>3.4 Efficiency</td>
<td>28</td>
</tr>
<tr>
<td>4. KEY ISSUES OF CONCERN: THE IMPLEMENTATION GUIDELINES</td>
<td>31</td>
</tr>
<tr>
<td>4.1 Seriousness of Purpose at the Centre</td>
<td>31</td>
</tr>
<tr>
<td>4.2 Inertia in Central Government Departments</td>
<td>33</td>
</tr>
<tr>
<td>4.3 The Relationship Between Central and Local Government</td>
<td>34</td>
</tr>
<tr>
<td>4.4 Difficulty in Making Value Propositions Converge</td>
<td>36</td>
</tr>
<tr>
<td>5. CONCLUSIONS AND POLICY RECOMMENDATIONS</td>
<td>37</td>
</tr>
<tr>
<td>5.1 Policy Risks</td>
<td>37</td>
</tr>
<tr>
<td>5.2 Policy Recommendations</td>
<td>38</td>
</tr>
<tr>
<td>6. EVIDENCE BASE</td>
<td>43</td>
</tr>
<tr>
<td>6.1 Primary Evidence Base: Case Studies</td>
<td>43</td>
</tr>
<tr>
<td>6.2 Interviews</td>
<td>48</td>
</tr>
<tr>
<td>ENDNOTES</td>
<td>50</td>
</tr>
</tbody>
</table>
Executive Summary

This paper is a public response to both the government’s consultation document on developing a mixed economy in e-service supply and its subsequent implementation guidelines, which describe in detail how the government will deliver its policy in practice. Our response welcomes the policy development and recognises that the implementation guidelines are a first step towards policy delivery.

The ongoing development of the intermediaries policy and implementation guidelines require input and representation from various types of intermediaries, whether they be large private companies, government departments and agencies, non-governmental public bodies, voluntary sector organizations or individual activists and entrepreneurs.

Due to the emergent nature of intermediaries generally and the wide spectrum of activity in this poorly defined and understood sector, it is vital to widen the scope of the policy development to include more grass-roots and small-scale intermediary activity. If the policy and implementation guidelines neglect the experiences, inherent capacity for innovation, and the competitive and regulatory pressures facing many small, regional and specialist intermediaries, then the policy outcomes may be flawed. Many of the individuals or small groups which feature in our research barely conceive of themselves as intermediaries, despite clearly being active in constructing and delivering electronic services. This paper attempts to reflect this, so as to create more balanced policy and implementation guidelines. As knowledge of the few large-scale Government sponsored intermediaries are already in the public domain, our research and evidence tends towards the small private, voluntary and local Government backed intermediaries.

The rationale for this paper is simple and twofold: to propose policy and implementation guidelines based on the experiences of new and innovative intermediaries acting outside of central Government agency sponsorship and direction, in order to reflect a wider spectrum of intermediary activity than reflected in the policies so far; and to clarify the definition of intermediary activity in order to include those new and innovative services.

Overall, our response to the policy and implementation guidelines raises concern over both policy and implementation issues.
Our concerns with the policy are as follows

1. **Intermediaries are not presented as a distinct form of public private partnership, as we believe they should be.** At present, intermediaries are defined by the government as commissioned agents of the citizen and not as agents or partners of public sector bodies engaged in the delivery of public services. Consequently, an attempt is made in the policy consultation paper to ‘decouple’ the citizen from the state by claiming that citizens only interact with the intermediary rather than with the state itself. This is furthered by the claim that the ‘customer’ of the state is the intermediary rather than the citizen.

2. **The threat to public accountability of services has not been dealt with adequately.** The importance of accountability and performance measures are central to assessments of risk and to calculations of reward for both the public sector and for intermediaries.

3. **There is insufficient emphasis on social equity at present.** It is crucial that support for a greater role for private and voluntary sector organisations in the delivery of public services does not reduce the commitment to universally available, publicly funded services delivered free at the point of use, or result in a preference for private and voluntary sector organisations as delivery vehicles for those services in all circumstances.

4. **The focus on efficiency gains needs to be complemented with outcomes which contribute to wider socio-economic goals.** These include benefits such as take-up of intermediary services by otherwise socially-excluded audiences, development of new services with a clear socially beneficial outcome, outcomes which result in the creation or deepening of communities around key public services and even the renewal of the state-citizen relationship. Each of these services has an efficiency criteria. The policy needs to reflect the non-economic benefits as well as the financial benefits of efficiency gains.
Our concern with the implementation guidelines are as follows:

1. That the e-Government Unit (formerly the Office of the e-Envoy) may lack sufficient capability, capacity and mandate to drive the implementation through adequately at the centre of Government.¹

2. That there is a risk of resistance and inertia in central government departments, and that this could undermine confidence in the process for the intermediaries involved.

3. Ongoing problems of skepticism, financial support and accountability in the relationship between central and local government have not been addressed in the implementation guidelines. Of particular concern is the ongoing operational relationship between Office of the e-Envoy and the Office of the Deputy Prime Minister. The financial concerns stem from the absence of funds to enable the incentivisation of all Local Government authorities to develop intermediary services. The accountability issue is due to the absence of meaningful assessment of intermediary activity as part of the Local Government auditing process.

4. That public, private and voluntary sectors each use different criteria when assessing the value of services, possibly resulting in conflicting incentives for intermediaries.

5. That the guidelines do not sufficiently take into consideration the problems of government departmental inertia and appropriate access to data experienced by small private and voluntary intermediaries.

The implementation guidelines response demonstrated that the definition of intermediaries as commissioned agents of the citizen is not a viable one. The evidence base suggests a wide variety of intermediary activity. Notable among the actors are technocratic individuals who are aware of latent demand and the possibility of service delivery, often due to their experience within a government department or agency. While these individuals embody a new interface for the relationship between the citizen and state, their experiences within the delivery of state services and their use of non-government, consumer demand-led services is a driving force for their entrepreneurship and intermediary activity.

¹ The Office of the e-Envoy was re-established as the eE-Government Unit in June 2004. Given that all Government literature on this topic to date precedes June 2004, this literature refers to the Office of the e-Envoy. In this paper, we use the ‘Office of the e-Envoy’ when referring to its specific outputs and activities pre-June 2004. However, we refer more commonly to the ‘eE-Government Unit’ in the context of general remarks about current e-government policy and recommendations for the future.
Whilst accountability and social equity appear to be driving forces for the voluntary and charity e-government service intermediaries, the inefficiency of existing government e-services and the inability of government to harness innovative online features (such as peer review, personalisation and so on) is a key motivating factor for much intermediary activity. These intermediaries can do little to manage the relationships between government departments, yet they hold the key to the development of a consistent value framework for public value. Indeed, it is the motivation of many of the voluntary and charity groups which often differs markedly from government departments. The former are often concerned with innovative use of government data and creation of entirely new services, usually driven by regionally or service specific user demand. The latter often perceive intermediary activity as an iterative development of their existing services and a development of what is possible from the limited view of the service supplier. Their motivations may differ but both are required to form a comprehensive and appropriate policy.

Summary of Policy and Implementation Recommendations

Measures to Manage Key Progressive Concerns
- Widen value criteria to include efficiency, social equity and public value based on usage and outcomes
- Introduce commitment to accountability and social equity in framework of principles
- Develop engagement procedure, establish acceptable service standards and publish governance arrangements as part of framework of intermediary accountability

Moving to Evidence Based Policy Making
- Establish current intermediary activity patterns and spending across all Government departments and agencies
- Conduct research based on user demand and current understanding of branding of e-government services
- Provide cost-per-user details, scalability costs and a comparative analysis between intermediaries and public and private sector e-government services

Improving Incentives for all Key Actors
- Recognise that pump-priming of the nascent intermediary market is underway and formalise this by allowing intermediaries to bid for government funds directly
- Provide ring-fenced environments for intermediaries where competition from existing government departments and agencies is forbidden for time-limited periods. This principle should be applied sparingly. However, examples such as peer review based health services, which require a separation of service
provider and review activity, show that some intermediaries require protection from undue competitive pressure in order to develop cutting edge services

- Provide financial assistance for local government to stimulate intermediary activity as part of their delivery of local e-government services in December 2005

**Providing the institutional machinery to deliver**

- Empower the e-Government Unit to deliver the policy by giving it enforcement powers
- Make public the use of intermediary services by government departments and make public the intermediary proposition process
- Open up the market for government data for intermediaries to stimulate the creation of value-added services
- Research data license charges across Government and the effects on intermediary activity
- Remove lengthy procurement environment for small private and voluntary intermediaries
1: Introduction

In summer 2003 the Government published its policy to encourage public, private and voluntary sector organisations to collaborate in the delivery of electronic public services. The *Policy Framework for a Mixed Economy in the Supply of e-Government Services* (OeE, May 2003) set out both the aims of, and the rationale behind, the new policy. It also offered a partial account of the barriers to success in this area, both inside of government and outside it, and contained a specific set of proposals for overcoming the barriers and for delivering success.

The new policy emerged against a concerning background. Progress toward harnessing the potential of e-government has been frustratingly slow. Any Government intent on achieving a significant transformation of the public services, as this one is said to be, needs to embed both a more effective use of private and voluntary sector organisations and a more effective use of technology into its attempts at reform as quickly as possible. If this does not happen, the public services run the risk of looking increasingly opaque against the backdrop of more personalised and agile e-commerce provision in the private sector. The drive to develop a mixed economy in e-service delivery is therefore an important area of policy and the new policy document was an important opportunity to drive the agenda forward.

It was also a long overdue attempt to take forward the mixed economy idea first muted in an e-government context in the publication, *e-Gov. – Electronic Government Services for the 21st Century*, (OeE, 2000) published by the Office of the e-Envoy in 2000.

In a nutshell, what the Government’s 2003 consultation paper called for was the creation of a marketplace where private and voluntary sector organisations could act as intermediaries between citizens and government. Private and voluntary sector intermediaries were described in the document as organisations ‘offering services targeted at and tailored to chosen groups of customers, be they citizens or businesses’. (OeE May 2003; pg16) They were also seen as different in character from bodies delivering services on behalf of government since the intention was that they act more as agents of customers interfacing with government than as agents of government itself.

The policy framework was based around a series of principles (see Chapter 2). These principles gave, among other things, an account of the range of services which intermediaries could offer and an account of how the relationship between intermediaries and government must work in practice.
2000: the Cabinet Office’s Performance and Innovation Unit produced a report ‘Electronic Government Services in the 21st Century’ that was the kernel of the electronic intermediaries policy. The report recommended that: “A new market needs to be created in electronic government services which is open to the private and voluntary sectors, as well as existing public sector providers.” This new market would promote competition, improve service quality and stimulate innovation. To prosper it would require policy changes to remove barriers to private and voluntary sector activity and keep markets open and competitive.

November 2002: Ministerial Committee agreed establishment of e-Delivery Program established with six work streams, including ‘delivery through intermediaries.’


August 2003: public consultation closes - 49 written answers from existing and potential intermediaries are received.

October 2003: first part of the response to the consultation is issued. This response claimed that that respondents viewed the scope of policy as skewed towards central government, particularly at the expense of local government. Engagement with existing channel frameworks, the ongoing role of the Office of the e-Envoy, the absence of financial incentivisation and various issues of regulation and ownership of the customer relationship were amongst the issues raised.

December 2003: ippr publishes a policy paper which calls for increased emphasis on social equity and a framework for accountability.

December 2003: the Office of the E-envoy publishes the first version of the Implementation Guidelines. This document contains clarifications from consultation and a process template for developing intermediary activity. This template, the Intermediated Service Development Process, proposes that the OeE intermediaries team manage the pipeline of new intermediary activity and facilitate agreements between government departments and intermediaries. The guidelines provide further details around the twelve principles and case studies of intermediary activity from the Department for Environment, Food, and Rural Affairs (DEFRA), Eaga, an employee-owned company, and Companies House.

June 2004: the eE-Government Unit replaces the Office of the e-Envoy. The eE-Government Unit publishes OJEU notice requesting expressions of interest from possible intermediaries.

Autumn 2004: the eE-Government Unit is expected to publish updated version of implementation guidelines.
The entire framework document was opened to public consultation between May and August 2003, with an official response published in October 2003. (OeE Policy Framework for a Mixed Economy in the Supply of e-Government Services, October 2003) The responses to the original consultation paper generally welcomed the policy proposals yet raised several areas of concern.

Overall, feedback regarding the scope of the policy raised issues of weighting. A consistent response from many non-Central Government departments claimed that the overall weighting of the policy was geared towards the activities of central government at the expense of local authorities, non-departmental public bodies (NDPB’s) and the private and voluntary sector. Issues of ownership of customer data and the possible dangers of creating a ‘complex and fragmented landscape of government services that the citizen would have difficulty understanding’ (OeE, October 2003) were also represented.

There was consistent feedback concerning the involvement of local authorities as intermediaries. Crucially, local authorities were identified as able to act as intermediaries on behalf of central government, and also to stimulate local intermediary activity by allowing some of their own services to be delivered by intermediaries. The consultation process displayed concern at the apparent absence of alignment between central and local government agendas, specifically relating to how intermediaries are represented in both central and local government channel frameworks.

The channel frameworks guidelines were first issued by the OeE in March 1999 and updated in September 2002. These frameworks help public sector organisations decide on a mix of electronic channels appropriate for delivery of their relative services. Most government agencies and departments publish a channel framework in order to demonstrate how they will manage demand in a multi-channel environment. The belated response by the OeE to promote intermediaries as an additional channel will inevitably require many government departments to review their channel strategies as they cannot simply add another channel without affecting the projected use and efficiency of channels within their existing channel frameworks.

While agreeing with the aim of ‘introducing the elements of choice and contestability in the delivery of e-Government services’ (OeE, October 2003), respondents felt that the absence of setting an intermediary strategy within the channel strategy and framework was puzzling and potentially problematic.

The role of the e-Government Unit was also a key issue for respondents. As well as clarification of its role and questioning how appropriate this was in future, the response raised some specific issues regarding delivery. These included developing enforcement mechanisms and the issue of transparency in attracting and assessing intermediary propositions.
The response to the consultation from outside of central government showed a clear need for clarification of rules of engagement between central and local arms of government and it also demonstrated that the policy document did not provide the required practical guidelines to take forward activity in this area. Specifically, the responses showed a requirement for a clear description of how an intermediary would engage with government and details of the processes necessary for both government service owners and intermediaries.

Responses also showed that incentivisation had not been handled appropriately, especially in relation to incentivisation for non-government agencies to enter the market. The official response to the consultation responses, when it came, stated that:

*Many felt that clear incentives were a crucial requirement to achieve the policy objectives and that an apparent lack of incentives would hinder the growth of a mixed economy.* (OeE, October 2003)

Substantial concern was expressed over the absence of regulation and a regulatory environment. It was felt that regulation was necessary to safeguard the accountability of intermediaries and to offer assurances to customers. Concerns over adequate protections for customer data were also highlighted.

Shortly before the government published its first draft implementation guidelines at the end of 2003, the ippr produced an interim paper on the use of intermediaries in e-service delivery which welcomed the Government’s overall policy but identified the following four key issues:

- The failure to conceive of intermediary roles as a distinct form of public private partnership
- The failure to deal adequately with issues surrounding public accountability
- The lack of clarity regarding steps to minimize any potential negative impact on social equity
- An excessive focus on efficiency when considering intermediary propositions at the expense of consideration of other desired outcomes

Since the publication of the implementation guidelines, there has been time to gather responses from potential intermediaries and others to the implementation guidelines themselves. The current paper therefore builds on the earlier ippr interim paper to present some evidence of intermediary views on the implementation guidelines and also further develops the issues and concerns raised in our interim report. It also sets out a more complete set of recommendations for required government action to turn this policy and implementation framework into service improving action on the ground.

The evidence represents substantial diversity in intermediary activity, from quasi-intermediaries in the private sector to single individuals looking to work within the
public and NDPB’s. Indeed, technically speaking several of our respondents are not strictly intermediaries. The OeE definition of an intermediary is as follows:

‘Intermediaries, as defined here, are organisations from the private or voluntary sectors offering services targeted at groups of customers. They do not offer services on behalf of the public sector and shall not represent themselves as so doing. The intermediary is acting as an agent of the end customer.’ (OeE, December 2003)

However, several of our respondents seek to develop new services, such as peer review of health services or direct communication with elected members, which are created by mixing various publicly available data and adding customer feedback to create entirely new services. These services, which are clearly not mandated public services, are transparently acting as the agent of an end customer. We believe that these services need to be accommodated in the intermediaries policy and we refer to their providers as quasi-intermediaries.

As several of our respondents are in the planning or mid-deployment stages of their projects, the evidence reflects a snapshot of intermediary activity at an early period of this sector’s development. Therefore, reflections on experiences thus far are more clearly available than statistical analysis and outcomes. This reflects the nature of the evidence collected. We have used short case studies (see ‘Primary Evidence Base’ pp. 42), questionnaires, structured interviews and anecdotal feedback.

The Government may have collected evidence of this type through the consultation process. Nonetheless, it is fair to say that the detailed research in this sector is thin. Apart from large-scale projects, such as those involving the Citizens Advice Bureau and the Inland Revenue, there are few large-scale intermediaries able to provide qualitative and quantitative evidence to inform government policy development.

In many cases, it is as yet impossible to deduce the effect of these services on similar services delivered by existing government agencies within their respective channel frameworks. Nevertheless, we believe that once many new and innovative intermediaries have been delivering services for some time, further research is vital in order to update the policy and guidelines.

There is much we do not know. The effects of new intermediaries on the channel mix within existing channel frameworks will be crucial. The cost-per-transaction of intermediary services should play a key role in determining future public private partnership (PPP) policy development. The degree of brand awareness and relationship loyalty engendered by intermediaries will be central to redefining citizen-state relationships in terms of service delivery. Providing policy

---

2 ‘Customer’ includes both individual citizens and business or other organisations
recommendations for these and other issues based on statistical analysis and service delivery evidence at this point in time is nigh on impossible.

However, there are a growing number of people with informed views based on their experiences. This paper reflects their voice, their attitudes and, in parts, their motivations. Although these cannot be deemed representative of intermediaries (which, almost by definition, have no typical form), we believe it is an important and timely counterpoint to the existing policy development based largely on the opinions of central government policy makers and representatives from the large-scale private sector. Indeed, if we really want to get to a point where we can develop intermediaries policy based on statistical analysis and service delivery outcomes, it is vital that these voices are heard.

The empirical work for the paper was carried out in two ways. First, we conducted a series of interviews with a mixture of individuals either involved in intermediary activity themselves or involved in this policy in some way. Second, we requested background material from a number of intermediary organisations and collated that into case study summaries. These give a flavour of some of the ongoing intermediary inclusive projects. Given the emergent nature of current intermediary activity and some well-publicised examples of large government department led intermediary projects, our case studies concentrate on private, voluntary and local government sponsored projects.

Interviewees were asked to comment on the following range of issues either from their perspective as individuals attempting to drive activity on the ground or from their perspective as individuals attempting to shape policy:

<table>
<thead>
<tr>
<th>Accountability</th>
<th>Have you experiences or thoughts on what would be required to make intermediary organisations involved in delivering important public services more clearly accountable to the public?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>Do you have any evidence or comments on the efficiency of intermediary delivered services and any thoughts on the advantages or obstacles in relation to leveraging efficiency gains through the use of intermediaries? Can you provide any data on the impact of intermediary activity?</td>
</tr>
<tr>
<td>Bureaucracy</td>
<td>Bureaucratic resistance from within government itself is identified as a high-risk to intermediaries. What are your thoughts and experiences in relation to this issue?</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>In your view, is the intermediary opportunity sufficiently attractive for private and/or voluntary organisations to get involved?</td>
</tr>
<tr>
<td>Legislation/Regulation</td>
<td>Are there key rules and laws which you believe need amending or extending to enable intermediary activity to flourish?</td>
</tr>
<tr>
<td>Delivery</td>
<td>The e-Government Unit is proposing to act as the agency to facilitate and stimulate all intermediary activity across government. Do you welcome this structure and process and do you have any comments on it?</td>
</tr>
</tbody>
</table>
One final piece of evidence, from Fellows Associates, has also been added, representing specific feedback from members of the local government community.

Overall, as part of the evidence and opinion collection process, eighteen interviews were conducted, documentation from 20 organisations was collated and six case study summaries were prepared.

The bulk of the remainder of this paper presents some of the views obtained in interviews and also builds on and extends the views set out in the earlier IPPR interim paper. Chapter 3 is a critique of the policy framework and Chapter 4 is a critique of the Implementation Guidelines. Both chapters underpin our recommendations as set out in Chapter 5. For the benefit of a wider audience, the next chapter gives a brief summary of the Government’s current position as set out in its Consultation Paper and Implementation Guidelines.
2. The Consultation Paper and Implementation Guidelines: A Summary

The consultation paper sought to establish the possible identity, role and function of intermediaries. An example of intermediaries in action might involve a new process for the purchase of car tax discs online. Both the AA and the RAC, for example, might be allowed to provide their clients with tax discs over the internet as part of their wider package of auto-related online services. Both organisations would perform the necessary online transaction with government on behalf of customers and would do so in competition with each other for the business.

The Government clearly believes that intermediaries such as those described in this example have an important role to play in the overall e-government strategy since it asks all departments to plan actively for their inclusion. The days in which it is simply assumed that government itself delivers all e-services are soon to be over. Moreover, one of the key principles of the new policy framework is that ‘intermediary propositions shall only be refused by departments on grounds of explicit and relevant conflicting policy’. (OeE, May 2003; pp.25) From the Government’s perspective, and all being well, ‘in three years time, there will be a mixed economy in the supply of public services, where consumers (citizens and businesses) can engage intermediaries from the public, private or voluntary sectors to use public services in the manner that suits them’. (OeE May 2003: pp.9)

2.1 The Government’s Framework of Principles

The Government has also set out a framework of principles designed to shape the behaviour of all actors in this process (see Table ‘Framework of Principles for Intermediary Involvement’ overleaf). These principles give, among other things, an account of the range of services which intermediaries can offer, and an account of how the relationship between intermediaries and government must work in practice. It is worth highlighting a number of issues in relation to these principles at this stage since they point out some of the underlying challenges facing any government trying to drive through the intermediary policy.

Principles one to five, together with principles ten and eleven, are aimed at reassuring the private and voluntary sector that acting as an intermediary will be a positive experience. The first three principles guarantee actors from these sectors the maximum amount of freedom to manoeuvre in the range of services which can be offered and also confirm that those services can be offered to the widest customer base possible.

Principles four, five and ten are designed to make clear that the implementation of this policy must not suffer the sorts of problems that have characterised public-private relationships in the past. The sorts of problems anticipated include departmental refusal to engage with external bodies, a tendency to excessive
negotiation timelines and a pattern of departmental failure to provide the right access to people and information. Anticipating and resisting these tendencies is important and to be welcomed. Principle eleven continues the tone of reassurance to possible intermediaries by confirming that they will not suffer any restrictions in their ability to promote their own brands while delivering services.

<table>
<thead>
<tr>
<th>Framework of Principles for Intermediary Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 1: Intermediaries are organisations offering services targeted at and tailored to chosen groups of customers, be they citizens or businesses. They do not offer services on behalf of the public sector and shall not represent themselves as doing so. The intermediary is acting as an agent of the end consumer.</td>
</tr>
<tr>
<td>Principle 2: Intermediaries shall be free to target any customers for their Services.</td>
</tr>
<tr>
<td>Principle 3: Intermediaries are free to offer any legal products or services.</td>
</tr>
<tr>
<td>Principle 4: Intermediary propositions shall only be refused by departments on grounds of explicit and relevant conflicting policy or where any arrangement with a particular intermediary would preclude others from intermediating the service.</td>
</tr>
<tr>
<td>Principle 5: Negotiations at each stage from inception to launch shall be time-boxed and agreed by both parties.</td>
</tr>
<tr>
<td>Principle 6: Partnerships with intermediaries will work best when both parties have a natural, mutual interest in the arrangement and remuneration should not be necessary. In some instances intermediaries may receive a fair remuneration.</td>
</tr>
<tr>
<td>Principle 7: Any charges to intermediaries for the consumption of public sector resources shall be made in accordance with existing Treasury guidelines.</td>
</tr>
<tr>
<td>Principle 8: Intermediaries must conform to legal requirements that enable them to intermediate public services effectively.</td>
</tr>
<tr>
<td>Principle 9: Intermediaries and Departments will conform to the government technical standards for interoperability and information exchange.</td>
</tr>
<tr>
<td>Principle 10: Intermediaries can expect effective and efficient access to public sector informational and human resource to enable successful mediation in the supply of public services.</td>
</tr>
<tr>
<td>Principle 11: Intermediaries can adopt their own brand.</td>
</tr>
<tr>
<td>Principle 12: Incumbents must not abuse their dominant market position</td>
</tr>
</tbody>
</table>

The remainder of the twelve principles pick up important issues of payment from government to intermediary, the legal obligations of intermediaries and re-assurance that anti-competitive practices on the part of any dominant player in any given marketplace will not be tolerated.

These principles all chime with, and indeed grow out of, the account of barriers to successful implementation given elsewhere in the consultation document. To quote the document directly:

*Government culture, processes and systems combined with lengthy bureaucratic processes and negotiation lead-times do not always lend themselves easily to intermediation and some departments have in the past been hesitant to open up services to alternative suppliers. As a result, intermediaries have found it difficult to get through the government boundaries and many potential intermediaries have either withheld from approaching government with their ideas or may have been rejected for superficial reasons. Further, some intermediaries, having overcome this initial hurdle, have still failed in their effort to intermediate public services because, for example, they were not able to gain the required access to government systems or commercially unrealistic lead times or government charges were imposed on them, jeopardising the viability of their business model.*

(OeE, October 2003)

Clearly then, the framework of principles makes clear that the government has a realistic account of both the status quo and of many of the difficulties involved in taking the policy forward. The commitment to move on this despite this backdrop, however, also tells us that the government believes the benefits to come from difficult changes will be worth it. So what are the benefits of adopting the intermediary policy said to be and how do those benefits impact on all of the relevant stakeholders?

### 2.2 The Rationale Behind the Policy

The rationale behind the policy is that the use of intermediaries will benefit government, citizens and intermediaries alike.

**Benefits to Government**

The benefits to government are thought to be threefold.

First, it is assumed that ‘involving intermediaries in the delivery of public services will allow government to expand the overall number of delivery channels over time and enable us to offer public services in attractive, innovative and customer
centric ways’. In other words, because private and voluntary sector organisations are closer to their customer base than is government, they can provide more of what customers want in the manner in which they want it. Effectively, this means that intermediaries are seen as ways of improving the relationship between government and citizen. It is even hoped that ‘intermediaries might be willing to provide government with the detailed information held on their customer databases (e.g. customer segmentation data or customer preferences)’ and that ‘government would then be able to re-use this information to target public services more effectively, resulting in better value for government resources’. (OeE May 2003; pp.20)

Second, it is believed that intermediary organisations will play a key role in driving up take up levels for electronic services. Clearly this is important, given the current levels of use of most online services being provided by the Government itself.

Third and last, in terms of the benefits to government, it is believed that creating a marketplace of competing intermediaries in any particular service area will drive down the costs of government. This is partly because it is assumed that market pressure ensures reduced intermediary transaction costs when compared to existing costs per transaction inside government and partly because the introduction of new channels of interaction with citizens offers government ‘the potential to reduce the cost involved in providing universal/wide access to public services as government resources over time can be focused on fewer direct channels’ (OeE May 2003; pp.19)

These three benefits also help manage the key risk associated with the e-government agenda, namely the building of expensive online services which do not get used. It is not surprising in this regard that the consultation paper defines impact on take up as the key measure of success for the intermediary policy.

**Benefits to Intermediaries**

The benefits to intermediaries depend on the intermediary in question. Some will just add, largely without modification, a current government service to their wider portfolio of services. Some will take on the role of specialist adviser to the citizen in its dealings with government, for example on tax matters, and others still will want to re-use existing government information assets to offer a value added service over and above that which is currently made available by public sector bodies. An example of this latter kind of activity is the commercial re-use of a variety of types of information provided by Ordnance Survey to private sector bodies.

---

3 This latter category of activity is clearly similar to other forms of Wider Markets Initiative in which the private sector makes commercial use of either physical, intellectual or informational assets held by the public sector.
Whatever the role of intermediaries, however, the generic benefits envisaged for the private and voluntary organisations involved include:

- The adding of new, popular, attractive, and convenient public services to an existing customer base and the opportunity to target new customer segments as a result of the new service offerings.
- The provision of a better service to existing customers through the offer of expert advice.
- A more attractive total package of services of benefits in the ongoing attempt to win and keep customers in a competitive environment.

In other words, it is thought that intermediaries’ own propositions to customers will be strengthened through the provision of access to public services. Clearly, how these benefits play out in practice for each individual organisation will depend on both the particular role and the business model of each intermediary, but the consultation document assumes that the benefits are real and that intermediary opportunities will therefore be economically attractive to those who might be in a position to take them. This assumption is bolstered by the further assertion in the policy document that: ‘In financial terms, intermediaries might be able to charge a premium to their customers for added value e.g. convenience/one stop shops and in some cases an intermediary may be provided a remuneration, e.g. deriving from a share in savings that accrue to public services as a result of their delivery’. (OeE May 2003; pp. 21)

Examples of successful ongoing intermediary activity highlighted by the Government include those centred on or around services such as Inland Revenue Tax Self Assessment and the Pensions Planning service offered by the Department for Work and Pensions.

Benefits to Citizens

More widely still, it is argued that intermediary activities will benefit users of public services, both citizens and businesses, because users will enjoy the advantages of more choice and convenience in how they access services and also because intermediary organisations are likely to have more effective and efficient front end delivery systems than government. Since intermediaries are always trying to add more value to the relationship with their users and since they will also be operating within a framework of market competition it is further thought that users will be more likely to enjoy ongoing service innovations which are attractive to them. Occasional problems with the Inland Revenue Tax Self Assessment service have also been used to illustrate the fact that multiple intermediaries can often ensure a continuity of supply even if one provider’s service has temporarily broken down.
The argument in the consultation paper then, is that everyone is a winner. Government benefits from greater use of intermediaries, the intermediaries themselves benefit, and citizens enjoy more of the services they want, when and where they want them.

But how are these presumed benefits to be realized in practice? The government implementation guidelines document addressed this challenge by building on the policy framework and the response to it from the wider policy community and by adding a more practical set of ideas which are supposed to ease the task of delivery. It is to a brief account of these that we turn next.

2.3 The Implementation Guidelines

The implementation guidelines document, intended as an attempt to put flesh on the bones of policy, is ‘a practical tool’ to help intermediaries and government service owners to develop e-government services. The guidelines contain six key areas in addition to the earlier consultation paper.

First, at the heart of these guidelines is a process of engagement aimed at combining the different requirements of service owners and intermediaries in a transparent and timely fashion. This process, the Intermediated Service Development Process (ISDP), details how the e-Government Unit will manage the process. The process is flexible enough to allow for customization and ‘as little external facilitation as the situation requires. (OeE, December 2003, pp.10)’ The implementation guidelines provide background information for different steps of the process and the e-Government Unit intermediaries team is placed at the heart of attracting new intermediary suggestions. The responsibility for assessment of ideas is designated to individual government service owners, although all proposals will be assessed by the intermediaries team. A questionnaire has been added as an appendix to the implementation guidelines as a means to ‘score’ each intermediary proposal.

Second, the implementation guidelines also spell out how the policy is to be enforced. Essentially, compliance will be enforced by the departments being required to develop take-up plans in line with the e-government delivery program (E-GDP) and the e-Government Unit channels framework.

Third, the benefits to flow from the intermediaries policy are further elaborated upon and these are said to include improved take-up, improved resilience, better information sharing, reduced cost, and an improved overall perception of government.

Fourth, the guidelines contain further regulatory guidance for government service owners and an explanation of how intermediary activity will be regulated by existing legislation, including the Data Protection Act and the Disability
Discrimination Act, and further that dispute resolution can be provided by existing Office of Fair Trading services. The guidelines also promise to keep regulatory issues under review.

Fifth, further guidance comes in the form of more detail on many of the twelve principles set out earlier. On Principle One, for example, the operational difference between government-commissioned and customer commissioned intermediaries is discussed, and specifically it is stressed that the e-Government Unit is attempting to promote only intermediaries ‘which result in the customer viewing a government service the intermediary delivers as wholly owned by the intermediary.’ (OeE, May 2003). A more detailed explanation of Principle 2 also reinforces the commitment to develop a mixed economy with few restrictions on the type of customer an intermediary can target.

More guidance is provided on Principle Four regarding fair competition. Specifically, the implementation guidelines add that ‘until 2005, the e-GDP Board will be the internal mechanism through which conflicting departmental and intermediary positions can be resolved, assisted by the e-Government Unit as the owner of the Public Service Agreement take-up target.’ (OeE Dec 2003; pp.21) The rationale for Principle Five on time-boxing proposed intermediary solutions is fleshed out and the guidelines confirm that, in relation to principle Six, government service owners have a responsibility to identify detailed cost of service and cost of transaction information to allow for appropriate remuneration between intermediary and service owners.

Guidance on Principle Seven regarding use of Crown information makes clear that current Her Majesty’s Stationary Office (HMSO) charges and licensing apply. Legal guidance is also given on the details surrounding Principle Eight, dealing with data privacy, accessibility and procurement. A key detail here is that the engagement of intermediaries should not be subject to EU procurement policy. In relation to branding issues, guidance regarding attribution and association is provided, most of which backs up the policy recommendation that intermediaries should be free to develop their own brands.

Finally, the implementation guidelines contain an Action Plan which lists current activity, mostly by the e-Government Unit, but which does not specify delivery dates for most items, simply stating that they are ‘ongoing.’ The action plan also contains one-page readiness checklists for government service owners and intermediaries.

Three case studies are provided as ‘examples of successful work where intermediaries are supporting the take-up of e-Government services (OeE, December 2003).’ The first study relates to the Department for Environment, Food, and Rural Affairs (DEFRA). In 1998, as part of its development of the British Cattle Movement System, it opened up email and web access for submissions from farmers and farm agents, resulting in an email channel which
now receives 7 million submissions, although no indication is given of the timescale for this number. It is unclear from the case study who in fact is the intermediary and this appears a simple case of adding a new channel to the customer-client relationship. DEFRA’s second intermediary activity within this case study concerns electronic application for CAP payments administered by one of its agencies, the Rural Payments Agency (RPA). This project is still in the pilot stages.

The second study is the EAGA partnership, a social enterprise delivering energy management solutions in social housing. In February 2000 EAGA won the contract to deliver a social housing renewal contract involving installation, marketing, surveying, call-handling and other features, in the process becoming a government-commissioned intermediary. EAGA has then developed a network of local agencies who are in a position of trust with its target group. These include local authorities and voluntary groups. Although the case study claims EAGA is both a customer and government commissioned intermediary, it is notable that is technically outside of the definition of intermediary as initially defined in the first OeE policy paper.

Finally, the Companies House case study shows how a network of users, in this case independent company formation agents, can be developed as an intermediary channel. The results are clearly effective. Of the 1700 daily company registration applications, 65% are come via the intermediary channel.

The lessons from these case studies concern relationships with technical suppliers, open access to systems and the importance of joint service development and inter-departmental communication. However, these examples largely ignore problematic issues such as competition, channel framework analysis and the problems of intermediary development without government funding.

Overall, the implementation guidelines are a consistent development on the policy framework but, as the next two chapters make clear, they still leave a number of important issues in need of further attention.

3.1 Intermediaries as a form of Public Private Partnership

It will be recalled from the discussion in the previous chapter that intermediaries were defined in the government’s consultation paper as commissioned agents of the citizen and not as agents or partners of public sector bodies engaged in the delivery of public services. Consequently, the attempt was made to decouple the citizen from the state by claiming that citizens would only interact with the intermediary rather than with the state itself and also by claiming that the ‘customer’ of the state would be the intermediary rather than the citizen. However, this was not and is not a viable distinction.

The consultation paper itself found it very difficult to maintain the suggested distinction. In some parts of the document it spelled out that ‘intermediaries would not act on behalf of the public sector and should not represent themselves as doing so’ (See ‘Framework of Principles for Intermediary Involvement pp.17. Principle One). In others, the claim was that ‘involving intermediaries in the delivery of public services would allow government to expand the overall number of delivery channels’. (OeE May 2003; pp.20) As we argued in our earlier paper, it is very important to the success of this policy that intermediaries are seen as a new interface for the relationship between citizen and state. They emphatically should not remove or replace that relationship.

Once this position has been accepted, the concept of the public-private partnership can help to bring some clarity to the role being envisaged for intermediaries. One definition of a PPP runs as follows: ‘A PPP is a risk-sharing relationship between the public and private sectors which exists to bring about a desired public policy outcome’. (Kelly, 2000: pp.10) This definition is a broad one but it does not include all forms of public-private interaction. It does not, for example, include ‘every short term contract for the provision of a good or service, otherwise every time the public sector orders a round of sandwiches from a caterer we have created a partnership’. (Kelly, 2000: pp.10) Equally, ‘a relationship which is entirely regulatory in nature is unlikely to constitute a risk-sharing partnership (for example between a regulator and a utility company)’. (Kelly, 2000: pp.10; see also Kelly, 2001).

If we apply this notion of the PPP to the intermediary debate, we uncover some further confusion in the policy framework. The consultation paper referred to input from OFGEM in its preparation, indeed the e-Government Unit reserves for itself the role of light touch regulator of the emerging intermediary marketplace. However, while there is indeed an element of market regulation required given the vision of intermediaries competing with each other for the attention and custom of citizens, this does not capture the full relationship envisaged between the public sector and intermediary organisations.
It is fundamentally important that intermediaries and government are recognised as entering into a risk sharing relationship and that the intermediary-government relationship is therefore best conceived of as a variant of the public-private partnership. As already discussed in chapter 2, the consultation paper clearly recognises a number of risks to intermediaries and indeed in many respects its principles and action plans were aimed at managing those risks. However, the risks do not end once an intermediary is delivering a service to the citizen. Ongoing risks include the possibility that access to government systems will not be made available and that such access will prove to be unreliable. Ultimately, the risk to the intermediary is one of an unreliable public sector failing to uphold its end of the bargain resulting in breakdowns in the service offered by the intermediary and the possible contamination of an established private or voluntary sector brand. This risk cannot simply be wished away. Without some ongoing collaboration from the public sector the intermediary organisation in question will simply be unable to provide the service.

Equally, there are risks for the public sector, and it is worth pausing briefly here to recall the definition of the term ‘brand’ provided by the Chartered Institute of Marketing since this provides some insight into what these risks are. A brand is said to be: ‘The set of physical attributes of a product or service, together with the beliefs and expectations surrounding it, a unique combination which the name or logo of the product or service should evoke in the mind of the audience’. This concern, particularly with ‘beliefs and expectations’ points up more clearly than anything else why the public sector cannot simply regulate intermediary delivery of a public service and then walk away from the consequences.

For the public sector brand, there are risks involved in both the success and failure of the intermediary policy. On the one hand, should intermediaries become a widespread feature of the public service delivery landscape, there is a risk that the link between taxes paid and services delivered by or on behalf of government may be diluted in the minds of citizens. It will be recalled, after all, that intermediaries are to use their own brands to promote services. On the other hand, if intermediaries are engaged but begin to operate in an irresponsible manner, there is a danger that the citizen holds government accountable for the inconvenience and failure to deliver a service effectively and that far from the private or voluntary sector brand being damaged, it is the public service brand which suffers. In short, the intermediary policy has the potential to alter beliefs and expectations in relation to what is and is not a public service and also to decouple those responsible for delivering those services from those held responsible by the public for their effectiveness. The only real way to manage the risks to both intermediary and government in this situation is to bring the issue of accountability centre stage. At the moment, accountability is almost without mention in government thinking in this policy area.
3.2 Accountability

In any form of democratic government the issue of accountability is central and for the most part, we still tend to think of accountability in formal, constitutional terms. 'Under the traditional ‘constitutional’ model those spending public funds and implementing policy are answerable to democratically elected representatives, or at least to officials appointed by these representatives'. (Kelly, 2000: pp.28). There are, moreover, some additional but equally familiar mechanisms designed to ensure accountability within both the private and the voluntary sectors. Examples here would include company and charity law and auditing processes.

However, as models of government and governance change, it is necessary for our thinking on accountability to change as well and this point is as relevant to the introduction of intermediaries in e-service delivery as it is to other public service innovations. It needs to be accepted that, in situations in which intermediaries become a much bigger part of the interface between government and citizen, the traditional forms of accountability are put under strain and indeed are inadequate. A serious gap in the Government's policy framework concerns the absence of a framework for performance based accountability measures to be set out in contracts or agreements between government and intermediary organisations. It may be that these can be relatively easily agreed in individual instances but equally it may be that they cannot. Either way, recognition of the importance of accountability in principle and clarity on what it is to mean by way of performance measures in practice are absolutely central to assessments of risk and to calculations of reward for both the public sector and for intermediaries in any particular negotiation situation and it is extraordinary that this has not been made a centrally important element of the policy framework.

This gap also makes it difficult to be sure that the interests of the public have been fully taken into account. Any framework of principles for intermediary activity ought to be able to deal clearly with the relatively straightforward scenario in which a citizen pays an intermediary for a service but does not receive it. Who is to compensate the citizen, for example, when the service in question is the statutorily required car tax disc and, though already having paid for one, the citizen is still not in a position to comply with the law having not subsequently received one?

3.3 Social Equity

Equally important is the issue of social equity and in at least one important respect the policy document leaves cause for concern. The issue here concerns
‘value added services’. Clearly, it is important that the public sector extracts the maximum amount of value from physical, intellectual and informational assets held. The Government’s willingness and commitment to think in terms of how these assets might be made available in a wider market context is to be welcomed. However, the policy document also sketches out a very wide range of priority policy areas in which the intermediary policy is to apply. These include health, education and crime and it is possible to conceive of ‘value added services’ in these areas which have serious and potentially negative consequences for social equity since clearly not all citizens will be able to pay for the extras.

The consultation paper says at least two important things on the issue of payment. The first of these is contained in principle number Six (see ‘Framework of Principles for Intermediary Involvement’ pp.10) and concerns the statement that payments from government to intermediary should not be the norm where services are being offered for reasons of mutual self-interest. Even on this, there is little clarity because the document then goes on to proclaim that ‘in some cases an intermediary may be provided a remuneration, e.g. deriving from a share in savings that accrue to public services as a result of their delivery.’ The second, however, concerns the issue of payment from citizens to intermediaries. It is stated that, ‘in financial terms, intermediaries might be able to charge a premium to their customers for the added value e.g. of convenience or one stop shops’. (OeE, 2003: pp.21).

A concern with a lack of clarity on the issue of value added services and on citizen payment for services has been a key feature of the wider political debate on public-private partnerships. It has led some on the left to conclude either that the private sector in particular should play no role in delivering public services at all, or that no go areas for the private sector should be declared. This is because, for some, a role for the private sector automatically implies the questioning of such fundamentals as the continued provision of universally available services delivered free at the point of use.

However, the ippr has set out a clear position to the contrary on this issue and has argued that we should proceed on the assumption that there are few ‘in principle’ arguments against considering private or voluntary sector involvement in delivering sensitive public services. (Kelly, 2000: pp.32). Moreover, while some have attempted to delimit the role of the private and voluntary sector by making a distinction between ‘core’ services such as clinical services in health and ‘ancillary’ services such as those related to administration or cleaning, in practice even this distinction is one which has long since broken down since the boundaries between core and ancillary have shifted over time. It is clear, for example, that ‘some highly sensitive public services, such as mental health care and long term residential care, have for some time been provided by a mix of private and voluntary sectors’. (Kelly, 2000:pp.30).
The key point driving decisions - and more important than either the sector of origin of an actor or the type of service being provided – should be consideration of the ability of any and all actors to contribute to the outcomes desired. On this issue it is far from clear that the performance of private or voluntary sector organisations is any worse than providers based in the public sector and on occasion, it might even be better. Consequently it is right to argue, as the intermediary policy document does, at least by implication, that the public sector itself needs more generally to become defined by ‘its ability to secure the achievement of stated outcomes – what has been called the creation of public value – rather than necessarily by the services which it directly provides. (Kelly, 2000: pp.34).

That said, it is absolutely crucial that support for a greater role for private and voluntary sector organisations in the delivery of public services in no way is understood to imply either a reduced commitment to universally available, publicly funded services delivered free at the point of use, or a preference for private and voluntary sector organisations in all circumstances. We need to steer the introduction of intermediaries in such a way as to avoid both private sector cherry picking of the most attractive services and the incremental introduction of charges for services which either previously were free or which, in their value added variety, would begin to create more than one tier of service provision. Decisions moreover on which type of actor delivers a service must be based on capacity to deliver the outcomes sought and not on some ideological predisposition as to which sector is best, and one of the outcomes sought always and everywhere has to be a serious measure of social equity.

3.4 Efficiency

The call to focus on outcomes as set out above is also a useful one when it comes to considering efficiency. As it currently stands, the framework document places a key emphasis on the efficiency, convenience and accessibility gains that will be made for government and citizens through the inclusion of intermediaries in e-service delivery. This is obviously sensible up to a point and making government more efficient is obviously an important objective. However, in relation to efficiency in particular, the case for the intermediary policy has so far been made more by assertion than by reference to an evidence base.

This is partly understandable given the early phase of development of this kind of activity. More widely, it is true that there is available evidence of efficiency gains which have been unlocked by e-government. The Treasury, for example, has pulled together data from the Department for Work and Pensions which suggests as much as a 44% reduction in the total cost of administering a transaction while the Rural Payments Agency reported that it expected to make e-government based savings of approximately 24% of its total costs (Treasury, 2003:...
unpublished). More widely still, the Gershon Review has identified large-scale potential savings across government, at least some of which will be facilitated by e-government. A recent IPPR publication on e-government summarized further evidence on the cost savings that e-government facilitates (Kearns 2004). But all of this evidence relates to e-government in general and not to intermediary activity in particular.

There are, moreover, at least three reasons to be cautious about claims that the intermediary policy will bring cost savings in the short to medium term. These include:

1. The fact that the evidence of efficiencies presented by the government itself has been very thin and, where it exists, it has been derived from the activities of well-funded projects run by central government agencies.

2. The fact that claims that the intermediary policy will bring savings to the taxpayer also do not appear to have had any possible increases in demand for contact with government factored in. That is to say, when services become more convenient, more accessible and more useful to people, it is possible that demand for those services can rise sharply and lead to a need to allocate more rather than less resources to meet such demand.

3. The government has adopted an ambiguous position on the issue of channel closure and running new channels while not closing down old ones will for a time possibly drive costs up rather than reduce them.

To point all of this out is not to argue that efficiency savings cannot be made. Since e-government can clearly produce gains in this area and since one key aim of the intermediary policy is to drive take up of e-government services then the potential is clearly large.4 However, it is important to temper claims for immediate cost savings that will flow from this policy since there are some who will use lack of early evidence in this regard as either an excuse not to proceed with activity already underway or as an excuse not to undertake this kind of activity in new areas. A belief in the potential for cost savings, backed up by a commitment to collect the evidence on an ongoing basis, is the best way forward.

More widely, a willingness to assess intermediary propositions not only on what they might contribute to efficiency is also important. Such propositions need to be assessed against what they might contribute to wider aims and objectives as well. If Age Concern and Help The Aged, for example, can help to overcome problems of physical and social exclusion among older people by encouraging and facilitating take up of e-services within this client group but can do so only at

---

4 Though it is also important to note that many savings are attainable through the re-engineering of back office processes and these are not necessarily dependent on particular levels of take up for a service.
a similar cost level to other government initiatives in this area, this is not a reason to reject the proposition. The potential contribution to achieving the wider outcome might outweigh considerations of efficiency gains in this instance. To reiterate, it is outcomes that matter and improved efficiency is only one of many outcomes worth pursuing.

However, as one policy advocate put it: ‘At present, under the list of incentives for government in the Policy Framework ‘new service discovery’ is an obvious omission – contrary to ministerial level declarations over the last few years that e-government is about transforming government, not just moving it all online.’ Tom Steinberg, mySociety.org.

There are then, some serious high-level policy problems with the policy framework on this issue. A further wave of policy development is needed if these are to be addressed and we return to some of these issues in the recommendations section of this paper in Chapter 5. For now however, we turn to a different set of problems, namely those associated with the implementation guidelines.
4. Key Issues of Concern: The Implementation Guidelines

The Implementation Guidelines, as summarised in Chapter 2, do suggest continued government commitment to proceed on this policy agenda. As the guidelines document itself says,

> All central government departments are expected to implement this policy and all other public sector organisations, including Devolved Administrations (DAs), local authorities (LAs), non-departmental public bodies (NDPBs), Trading Funds and agencies are encouraged to consider making their services available through intermediaries.

(OeE Dec 2003: pg 8)

However, in this chapter we outline a number of outstanding concerns which need to be addressed if all the policy and implementation announcements are going to be sufficient to stimulate the desired action on the ground. These concerns are grouped here under four headings, namely:

- Seriousness of purpose at the centre
- Inertia in central government departments
- Problems in the relationship between central and local government
- Difficulties in attempts to make cross sector value propositions converge

We take each of these in turn below.

4.1 Seriousness of Purpose at the Centre

One key issue for many potential intermediaries is the remaining question mark over just how serious the expectation is in central government that intermediary activity will take off and, to be even more blunt, what real incentives the centre is willing to offer to entice intermediaries to get involved.

Repeatedly, those interviewed in our research questioned the capability of the e-Government Unit, for example, to play the role assigned to it in stimulating activity and also questioned the degree of involvement from government service owners and consumers in provoking demand.

The e-Government Unit has a ‘basic remit of market stimulation and oversight in the development of intermediary relationships’ according to the implementation guidelines. This manifests itself in the following:

- Enabling the development of intermediary propositions
- Acting as broker, guide and champion for successful joint working with public service providers
To deliver these functions an Intermediated Service Development Process (ISDP) is proposed.

However, there are a number of issues that need to be addressed here if this is to be effective. First, while the twin e-Government Unit role as a facilitator of engagement with intermediaries on the one hand and as a brokerage point for discussions between intermediaries and different parts of government on the other is clearly to be welcomed, there is also widespread skepticism as to how much weight the e-Government Unit really can carry in government. Several of our interviewees expressed concern over the e-Government Unit’s capacity to ensure other parts of government deliver.  

Secondly, there is also a feeling that more needs to be done to time limit the negotiations that do take place between intermediaries and government. Current steps to try to achieve this do not seem to have convinced many in the policy community or intermediaries themselves.

More needs to be done here but one problem with getting more done is the limited resource the e-Government Unit commands in support of its attempts to deliver. This needs to be increased if the e-Government Unit is to push government departments toward taking up the opportunities presented by intermediaries and indeed if it is to measure the performance of intermediaries in their delivery of services.

There also remains serious skepticism over whether the current promotional material is likely to be sufficient to attract smaller intermediary bodies in particular.

Other negative comments from intermediaries related to language and presentation. The ISDP was regarded as generic and as ‘consultancy speak.’

Further concerns have been raised over the seriousness of the process of getting involved with the government in the first place. The e-Government Unit seems to be requesting too much detail at the proposal stage. Intermediaries themselves

---

5 ‘The e-envoy does not have the firepower and I don’t think the new e-government leadership team will have the levers to deliver.’ Voluntary Intermediary.

‘The OeE has been helpful to have around, but we don’t get the impression that it is firmly embedded in the minds of government service owners. It is dealing with entrenched government departments.’ CAB.

6 ‘No one in Government will say no, but they will kick you into the long grass forever. And when you are a voluntary organisation you just can’t afford to do that. It’s not the “no”, it’s the prevarication before the “yes or no”.’ Voluntary Intermediary

7 ‘Is the specific paragraph “Process for Attracting Intermediaries” likely to work for me? Almost certainly not. Might do for bigger companies who have already seen a way to add value to their existing services – but not for start ups and voluntary sector players who simply won’t be thinking in these terms, and are probably more or less ignorant of the e-Envoy.’ Private Intermediary.
would prefer to see less detail required and more cooperation between intermediaries and the e-Government Unit to facilitate both a single point of contact with government and better access to appropriate departmental information in order to more accurately assess the viability and attractiveness of providing various services.\(^8\)

More widely than the e-Government Unit, many of the public sector organisations felt that the government would like to see engage in work with intermediaries are not culturally attuned to meeting expectations for which there is no real scrutiny. In truth, it is unlikely that many will respond enthusiastically to the e-Government Unit’s exhortations without some form of mandated service requirement to back it up. Many contributors to our research are government agency, local authority and NDPB organisations and in many cases these organisations have their funding tied to specified outcomes and their procurement of services under scrutiny. Service delivery is monitored by highly specific standard based testing, such as in the case of local authorities whose e-government delivery is monitored by the BVPI (Best Value Performance Indicator) 157. Future funding is determined by ability to deliver nationally agreed outputs. Many of these bodies live in fear of budget reduction.

These factors make these players conservative, risk-averse, unwilling or unable to innovate and often protective of their relationship with consumers or commissioning agency. In this light, guidelines with little enforcement, and which still await a great deal of specific implementation detail, run the risk of appearing ineffectual to the very audience whose activity they need to change. Although the e-Government Unit recognises this by promising further implementation guidelines, the timing of the guidelines so soon after the policy was presented raised concerns for some intermediaries.\(^9\)

In short, the concern is that if the Government is really serious about this, why does it not mandate some activity, link funding streams and investment frameworks to this activity and then communicate the legal and financial incentives aggressively to the intermediary organisations potentially involved.

### 4.2 Inertia in Central Government Departments

Another dimension of this problem concerns the attitude of central government departments. On the surface at least, government policy is:

---

\(^8\) ‘If the OeE can genuinely help facilitate delivery of services by intermediaries then I would certainly welcome it - at the very least as it reduces the number of points of contact that have to be made before finding the right people to talk to, and to provide easier access to senior figures for smaller intermediaries.’ UK Corporate representative.

\(^9\) ‘The fact the OeE is publishing an implementation document is a reflection of how little influence they have. If they wanted to do this properly, you would have a very strong version 2 of a policy document and you would have the Treasury assisting.’ Representative from Voluntary Intermediary
‘That intermediary propositions are more likely to be adopted where they would result in a significant increase in the take-up of an e-government service although propositions which could improve any e-government service will be welcome as they may stimulate highly beneficial new ways of working, which have not been obvious to date.’ (OeE Dec 2003: pg 8)

However, the ethos of the implementation guidelines, as set out in chapter 2.3, is still one which has government in control and taking the initiative, rather than one which encourages a more collaborative approach to draw out the innovative and exciting ideas held within private and voluntary sector organisations. In the current guidelines, for example, the government service owners and agencies responsible for service delivery will decide which services are suitable for intermediation. This does not bode well.

Many central government departments and agencies have for several years now had propositions put to them by private and voluntary sector bodies which could have improved services. In most cases these have been turned down on the basis of cost, questions of ownership or, in some cases, simple fear of opening up a mandate to other players. Indeed, our own research has found several cases where an intermediary which could undoubtedly improve a government service has been rebuffed precisely because the ‘highly beneficial’ new way of working does not appeal to the current government service owner.  

This not only means that good private and voluntary sector ideas have already been lost. It also means there is a danger that many potential intermediaries will not come forward in future because they do not believe departments actually want this and because they do not believe that current thinking on implementation will put departments under sufficient pressure to take a different attitude.

4.3 The Relationship Between Central and Local Government

A further problem, which the implementation guidelines do not address, concerns the interface between central and local government, an important set of relationships given that local authorities often act as the intermediaries between central government and citizen. Although the vast majority of Government e-services are delivered locally, our interview evidence suggests that the key

---

10 Possibly the most visible example of this is the experience of UpMyStreet.com. As Stefan Magdalinski commented: ‘Responses to Upmystreet’s requests to use data or information varied considerably – some (especially those with a statutory obligation to disseminate, e.g. the Audit Commission) were very helpful, but others, like the Department of Education, were at times actively hostile, refusing to let us into their media “club” to receive embargoed access to the new schools data, a complex dataset that takes weeks to process.’
players in local authorities have little awareness of central government intermediary policy.\textsuperscript{11}

Secondly, the e-Government Unit, as the lead body on the issue, is perceived to be active in central government only and to be a body engaged in little interaction at the local authority level. The e-Government Unit's relationship with both the ODPM and IDeA is also unclear to Local Authorities.

Thirdly, the local authority community is skeptical and vocal on the problems facing them whenever they attempt to act as the intermediary delivering services on behalf of central government.

The main barriers appear to be a pervasive scepticism about the willingness of government departments to work with local government and concern over the legal basis for sharing information.

Also, there remains the ongoing issue of financial support for intermediary activity which is delivered by local authorities.\textsuperscript{12} These concerns over the costs of stimulating intermediary activity at the local government level were raised by more than one respondent.\textsuperscript{13}

Finally, there also appears to have been a failure to link central and local government channel strategy and also to link channel strategy with intermediary policy more widely. In general, central government is encouraging all departments to think creatively about which channels can most effectively be used to reach the customer base and in this sense, the intermediaries policy is a part of the wider channel strategy since intermediaries are obviously one potential channel through which to reach the client base.\textsuperscript{14}

What all of this tells us is that unless the relationship between the e-Government Unit, the ODPM, and local government bodies is clarified across this range of issues, and unless the implementation guidelines are strengthened to give the

\textsuperscript{11} 'The report? I didn’t know it existed. The ODPM usually manage to get outputs to Local Authorities quickly. I am quite horrified to see that this has been out for at least 6 months and we haven’t heard of it.’ Local Government Employee

\textsuperscript{12} ‘There is also a clear belief in Local Government, that if local authorities are to undertake new, e-related intermediary activity, they will need financial support to do so and that this must be available at the outset.’ Fellows Associates Report on Local Government and Intermediaries, Dec 2003.

\textsuperscript{13} ‘With tightly controlled costs the real challenge may be persuading Local Authorities to risk time and taxpayers’ resources in developing intermediary relationships without pump-priming money from central government.’ Local Government consultant

\textsuperscript{14} ‘For LAs as an intermediary there is sometimes an uneasy fit. Take benefits for example. The DWP channel strategy fits uneasily with Local Authority drop-in centers. The focus needs to be joined up. This invariably means combined channel strategies from central government and Local government but this does not happen.’ ODPM official
local government sector the necessary operational framework and financial
reward structure, there is a real danger that intermediary activity will not
materialise where it is needed most, namely right at the front line where citizens
most often come into contact with services.

4.4 Difficulty in Making Value Propositions Converge

One other profound problem concerns the fact that government, private and
voluntary sector bodies do not currently share the same value criteria or notion of
added value. Private sector organisations are interested in profit and shareholder
value. Government, for its part, pursues public value in the form of better
services for citizens and better socio-economic outcomes and the voluntary
sector is most often interested in achieving an advance for a particular client
group or cause. It is not always easy to find comfortable ways of aligning these
potentially very different forms of value proposition, so that collaborative activity
appears to be the rational course of action to all.

Moreover, while government has experience in evaluating private and voluntary
service delivery, it is not always best placed to assess the potential value of any
particular intermediary proposition, however one might want to define the value
added on offer. Some intermediaries base their service on their understanding of
latent demand for an as yet undelivered service. It is often impossible to compare
the likely customer need and to quantify the value of the intermediary led activity
in these circumstances without sometimes getting this assessment wrong. Some
of our interview respondents felt that this had damaging consequences and that
important opportunities were consequently being missed.15

There are then a range of practical issues that need greater attention. Many of
these also require more clarity of political purpose on the part of the government
if they are to be addressed. In the next chapter, we offer specific policy
recommendations to move all actors beyond the current difficulties and to provide
renewed momentum to the intermediaries policy.

15 ‘The public bodies with the better quality services tend to be the ones that have taken the risk. The Audit Commission and other assessment bodies need to allow them to fail occasionally.’ Voluntary Intermediary
5. Conclusions and Policy Recommendations

The Government has so far presented the policy on intermediaries as an attempt to manage the risks associated with the e-government strategy. In particular, it has been argued by that in order to avoid the construction of expensive online services that few people want to use, the growth of intermediary involvement in the creation and delivery of those services is important. However, while this may amount to a valid analysis of risks to the e-government strategy as a whole, it is less clear that a sufficiently robust analysis of the risks to the intermediary policy itself has been carried out.

5.1 Policy Risks

There were at least three clear and inter-related risks to the success of the Intermediaries policy from the outset and these reflected both high-level policy considerations and the importance of the challenge of implementation.

The first of these was that the policy would be effectively hampered and killed off by bureaucratic resistance from within government itself. This resistance, as was noted in the previous chapter, may be motivated both by a desire to protect turf and by a genuine apprehension on the part of some officials over the capacities of the private and voluntary sector to deliver.

The second risk was that the policy would fail to get off the ground because both private and voluntary sector organisations found it insufficiently attractive to take part.

And the third risk was that the policy would be pursued only half heartedly both because of doubts over whether key progressive concerns over accountability and social equity could be adequately managed and because there were doubts over whether the possible gains involved really did merit the pain of forcing change on the bureaucracy.

Over eighteen months later, as our critique of the policy framework and implementation guidelines in the preceding chapters made clear, these risks remain high.

The key remaining concerns are:

1. The bureaucratic risk within government is, if anything, now higher than when the policy was first published.
2. As our interview evidence suggests, private and voluntary organisations have substantial misgivings about the attractiveness of working with government partners. While the attempts in the Implementation Guidelines
at explaining a process of engagement and providing a time-boxed period of delivery were welcomed, the absence of pump-priming the intermediary sector and the question marks over the e-Government Unit’s ability to enforce the guidelines mean this risk remains substantial.

3. Little progress has been made on accountability issues.

5.2 Policy Recommendations

In response to this position we believe the government now needs to do much more. We group our recommendations into the four sections below, using the following headings:

- Measures to Manage Key Progressive Concerns
- Moving to Evidence Based Policy Making
- Improving Incentives for all Key Actors
- Providing the institutional machinery to deliver

Measures to Manage Key Progressive Concerns

In order to ensure that the intermediaries policy is in line with progressive values, the government should now:

- Introduce two new principles to those already included in the framework document. These should be a commitment to clear intermediary accountability on the one hand and a commitment to social equity on the other.

- Add a new element to the criteria to be used to assess intermediary propositions so that they include not just an efficiency comparison between government and the proposed intermediaries but also a social equity test and assessment of the wider public value that might be delivered through the service innovation in question. Government should also be assessing propositions against outcome criteria, such as what they might positively contribute to goals such as social inclusion and should also allow existing patterns of customer demand and interaction with intermediary propositions to drive some of what happens.

- Create a detailed framework for intermediary accountability in conjunction with government agencies, NDPBs, voluntary and private organisations. This framework should specify on the one hand the rules of engagement for intermediaries (compliance with e-gif standards, publication of all operational metrics, appropriate use of government data protocols and licences), set out a standard of service which intermediaries will need to provide to citizens and clearly establish the mechanism which will be put
into place to deal with failure by any intermediary to deliver on its service obligations.

**Moving to Evidence Based Policy Making:**

The government should now:

- Conduct and publish a more thorough study of existing intermediary activity already underway in e-services. This would both develop the existing evidence base on benefits and also inform consideration of any further likely policy issues that are in need of attention. The study should explore patterns of activity, scaling costs, efficiency gains, and any wider outcomes achieved.

- Conduct and publish research, specifically based on user activity and demand, into the impact of citizen and business interaction with intermediaries on the public sector brand, and encourage co-branding activities in key areas such as health to ensure that the public is aware that a trusted public service is being accessed via a private or voluntary sector body.

- Collect, from intermediaries, detailed figures on take up of intermediary provided services and a detailed account of any cost per user (to the taxpayer) for those services so that appropriate performance comparisons and auditing mechanisms can be applied. There should be specific emphasis placed on the scalability cost of locally delivered solutions in comparison to services re-invented and delivered at local and regional authority level. Similarly, the cost of integration into the national Directgov environment should be a key criteria for intermediary delivered services.

**Improving Incentives For All Key Actors:**

The Government should now:

- Begin pump-priming the nascent intermediary market, especially to complement the implementation gaps in local government deployment of e-services. At the moment, the offer to intermediaries may not be attractive enough. If the number of propositions being brought forward is to increase then the working assumption that payment to intermediaries will not be the norm needs to be reconsidered. If the benefits of increased take-up, reduced cost and more convenient and accessible services are genuinely there to be had, then such payments would be in the public interest. Moreover, the provision of a much stronger incentive to the intermediaries themselves would serve the additional purposes of
stimulating more proposition development in a shorter time, of testing the concept in practice where propositions are eventually turned into activity, of providing an evidence base on real impact, and of demonstrating to the forces of inertia within the government machine that the government at leadership level was serious about the initiative. Pump-priming and payment to intermediaries for some services delivered should also not be prevented by the risk of failure in some instances.

- Government should also adapt intermediary specific funding opportunities (such as the ODPM e-innovations fund and ISB funding) to allow intermediaries to bid for funding directly, so that bids are targeted to consumer-demanded services rather than local government supplied services.

- Government should also sometimes be willing to hold back on direct public sector service delivery itself so that intermediary players have the space to develop propositions without fear of them being undermined by subsidised government services. A more restrained set of government activities in this area could encourage a wider range of actors to develop their e-service and e-commerce activities to the benefit of the UK knowledge economy as a whole.

- Mandated intermediary activity should be introduced as part of the local government auditing and CPA proposals, to enable intermediaries to deliver key parts of the services agenda for poor and failing authorities based on their BVPI performance.

Institutional Machinery:

In order to demonstrate that internal opposition will not be allowed to derail efforts in this area, the government should also:

- Provide the e-Government Unit, or whichever body is subsequently tasked with driving this policy through, with sufficient powers to insist on and enforce departmental collaboration and compliance. The lack of a sufficient central driving force is likely to undermine any serious efforts in this policy area not only because it will provide room for internal resistance to change but also because it will undermine private and voluntary sector confidence in the public sector’s capacity to deliver on its end of the bargain.

- Encourage the e-Government Unit to monitor and publicly comment on the approach being taken by individual departments towards intermediary activity. Ensure that intermediary proposals made to government
departments and agencies are published online and that the process of evaluation is transparent to interested parties and, for national proposals, is opened to public comment and consultation. Those departments not active in this area or not taking the policy seriously should be ‘shamed’ into justifying their position, particularly where take up of their online services remains low.

- Provide a managed institutional framework within which more open access to current government data and relevant service transaction costs can be given to potential intermediaries. This, together with a commitment to always consider whether government should cease providing a service itself in favour of a new intermediary service, should facilitate a more collaborative approach to service innovation, particularly if government takes steps to protect the intellectual property of intermediary organisations with innovative service proposals. Without this, there is a real risk that the current implementation guidelines become yet another method for government to enter into commissioning relationships via a new channel, but overlook the latent capacity for innovation that exists in private and voluntary sector organisations.

- Take further measures to stimulate more activity between local government and intermediaries. In particular, it should allow local authorities to use Council Tax records and allow controlled access to these for intermediaries. Providing the most robust and non-polluted single set of data will remove some of the barriers to intermediary proposition development.

- Data licence charges for intermediaries should be harmonised between departments, including the introduction of free-to-use sets of localised data to allow intermediaries to develop service pilots as proof of concepts without associated data costs. Intermediaries should also be rewarded for cleansing and refining data on behalf of government agencies. The e-Government Unit should propose a single syndication framework for government data. Finally, the e-Government Unit should instigate research into the marketplace for use of government data by intermediaries.

- Remove procurement overheads locally, specifically removing the requirement for intermediaries always to go through time consuming OJEC proposals. Government should also relax the demand on intermediaries to have S-Cat or G-Cat listings in order to stimulate innovation among new, local intermediaries.

- Last but by no means least, Government should set up a regulator to ensure that where a marketplace of competing service providers develops, that market continues to function efficiently and in the wider public interest.
The regulatory body should be distinct from the e-Government Unit which should be freed up, as suggested above, to focus on stimulating more intermediary activity.

This overall package of measures, we believe, would remove the key remaining barriers to a widespread increase of intermediary delivered e-services. As we stated in our introduction, the use of intermediaries is itself a key requirement for modernising many public services. If government does not drive policy in the direction we have suggested in this document, then a question mark must remain over how serious it is about its own stated policy.
6. Evidence Base

6.1 Primary Evidence Base: Case Studies

**Case Study 1:** mySociety.org (www.mysociety.org)

**Founder:** Tom Steinberg

**Intermediary type:** mySociety is an activist and policy led organisation which seeks to stimulate various areas of government to better understand the possibilities inherent in combining online media and government information to satisfy the latent demand of online citizens. It has two aims:

- To build websites with simple, tangible benefits to civil society at very low cost per person helped.
- To demonstrate how and why this can be done to the public and voluntary sectors.

**Background**

mySociety was founded in October 2003 by Tom Steinberg, formerly a policy advisor to the Strategy Unit and a part-time technology advocate who identified the possibilities of using government data and grassroots developers to create public value and increase online public utility.

Despite having minimal funding – a one-off grant from a benefactor – mySociety ran a major project generating exercise in Autumn 2003, soliciting over 250 project ideas from both the expert and general public. Five of these were picked to be mySociety’s launch projects, including sites to make it easier to contact your elected representatives, and to make it easier to give away unwanted items to charity.

In February 2004 in conjunction with West Sussex County Council, mySociety gained £250,000 funding from the Office of the Deputy Prime Minister’s (ODPM) e-innovation fund, a £14m fund to stimulate innovation in local government. mySociety is still awaiting receipt of the funds and plans to launch the first of its online services in autumn 2004. For more details see [www.mysociety.org/wiki](http://www.mysociety.org/wiki)

**Key Intermediary Evidence:**

- **Engagement:** Absence of Cabinet Office involvement in funding despite connections within e-Government Unit. OJEC posting and e-Government site is deemed insufficient engagement of intermediaries and insufficient to stimulate customer demand.
- **Funding:** Evidence of pump-priming intermediaries channel
- **Timing of partnership:** The 5 month delay from winning funding to receiving funds threatened mySociety’s ability to remain afloat. Management of partnership: Onerous project management and scrutiny
regime culturally problematic for demand-driven non-government organisation like mySociety.

- Incentive for government: Absence of innovation in delivery of wholly new services within Framework and guidelines.

**Case Study 2: UpMyStreet.com Ltd (www.upmystreet.com)**
**Founder:** Stefan Magdalinski

**Intermediary type:** UpMyStreet is a privately held company. It provides mapping, government data and private services based on a user’s postcode or address. It features localised community services such as the ability to start online conversations around local issues or data.

**Background:** A pioneering intermediary, UpMyStreet started as a business development project with an £8,000 budget by an Internet Consultancy in 1998. It incorporated as a limited company in 2000 and sourced £12m of private investment. Due to poor management decisions, an inability to compete at OJEC level due to size constraints and general confusion within government towards the interactive Digital TV marketplace, it entered administration in 2003 and its assets were bought by Uswitch.

**Key Intermediary Evidence:**

- Access to government data: Responses to use data varied from the helpful to the hostile. An uneven playing field as to license costs and use of data to add value prohibit quick development of intermediary services.

- Market entry: The threat of government competition is enough to destroy the market in some cases unless there is a cast-iron guarantee that government will not enter the market directly once the intermediary has successfully proved the concept. (This applies less so where the offering is an adjunct to an existing application, or a competitive marketplace already exists)

- Value criteria: The delivery of intermediary services can often be judged by nebulous criteria (social engagement and so on) whereas delivery teams in government are often judged ruthlessly by judged on visitors, page views, and other numerical measures of success. A clear and consistent value framework is required.

- Branding: Evidence of delivery of government data creating more trust with user than official government sites.
Case Study 3: TheyWorkForYou.com (http://www.theyworkforyou.com)

Founder: Tom Loosemore

Intermediary type: A collection of virtual developers, online activists and policy experts combined to provide an extension to the publication of Hansard material. This intermediary is the collection of a number of existing services started by voluntary intermediaries and seeks to move published government information into an online environment which engages citizens and creates interaction.

Background: TheyWorkForYou.com is an online, searchable version of Hansard including blog software and other key online intermediary services such as FaxYourMP.com and PublicWhip.org. It launched in beta on June 6th 2004.

The service was under consideration for 9 months prior to development. A first version was created but scraping the Hansard data into a usable form without inside help was problematic. The project was almost entirely virtual with developers and advisors communicating via an email list which generated around 10,000 messages in the course of completion. The entire group of a dozen or so met in person only twice.

In 2003 funding was granted from a UK charity which enabled one developer to work on the project for 3 months. All other development and consultation involvement was voluntary. Overall, it cost £5000.

Key Intermediary Evidence:

- Engagement: A handshake and introduction facility is required, as is assistance on getting a firm decision from government departments and agencies. Policy process does little to explain the context of each government department's activities and aims. This is required for intermediaries to deliver and form partnerships.

- E-Government Unit role: Not perceived to have the power to assist with data usage and license issues. This point backed up by the implementation guidelines.

- ISDP: Language and process too generic and consultancy-influenced to resonate with intermediary volunteers

- Data assets: No capacity to measure value-added to data by intermediary undermines intermediary business proposition
Case Study 4: The Cybrarian Project (www.dfes.gov.uk/cybrarianproject)
Stakeholders: Fred Garnett, BECTA.

Intermediary type: The Cybrarian project involves over 100 non-departmental public departments, voluntary organisations, charities and government agencies who are seeking to bridge the digital divide, and bring online the millions of people who, either through lack of skills, confidence or opportunity, are currently not using online content and tools.

Background: The project is supported and led by the Department for Education and Skills and is closely tied to its e-learning strategy. The most recent stage of the project is procurement, with a private sector tender under consideration and an announcement of the successful bidder due in summer 2004. Started in 2001 with a scoping study, the project is now 3 years into development and only 3 stages into its 8-stage life cycle.

The project is driven by a stakeholders group, this group managing three concurrent streams of development. It acts as a communication mechanism between all stakeholders and various partners on different streams.

The Project has been allocated £18m from the Capital Modernisation Fund (CMF) over three years, however there is expected to be a matching contribution from the private sector. Fujitsu was commissioned to build a pilot in Autumn 2003 at a cost of £500,000.

The Cybrarian interface aims to bring together existing online information with a new interface for users with disabilities or a lack of confidence. As the aim is that all stakeholders will use Cybrarian to deliver their core services, a key feature has been the development of the system around existing patterns of customer behaviour and demand.

Key Intermediary Evidence:
- Funding: Centrally funded by Government, not involving e-Government Unit.
- Branding: The project will allow customers to find their own intermediaries by using organisations with which they are already familiar, and rely on word of mouth viral marketing.
Case Study 5: Patient Opinion & PrimaryCareFutures.org
(http://www.primarycarefutures.org/)
Founder: Dr. Paul Hodgkin

Intermediary type: A social enterprise based in South Yorkshire which looks to innovative ways to enable citizens to be better informed about local health care and more fully engaged in being co-producers of health and health services.

Background: Primary Solutions seeks to use the experience of disability or chronic disease to create patient led services that the NHS is eager to buy. It will be run as a not-for-profit social enterprise that will be controlled by its patient associates. A stand-alone project, Patient Online, is planned to go live in early 2005.

The new national booking programme will mean that for the first time all patients being referred onto a given care pathway within a SHA will be identifiable in near real-time. Patient Opinion proposes to use this facility to offer patients being referred to particular care areas within SY SHA, the option of participating in electronic discussion groups led and moderated by patients who have experienced the same pathway.

The output from these discussion groups - key themes, the frequency that they were expressed, plus results of on-line surveys – will then be made available to new patients joining the group so informing their use of services and increasing their capacity to choose which service they wish to use.

Patient Opinion is a novel, business-based approach to aggregating patient experience that potentially: provides high quality, information to patients that is not currently available; makes aggregated patient experience a major driver of quality; creates a market for its services that ensures sustainability and replication.

Key Intermediary Evidence:

- Value-add: the customer experience is the value-add.
- Funding: tied into existing local health service funding
- Intermediary Market strategy: unclear how this would relate as it is not straightforwardly ‘providing and alternative means to access an e-government service’
Case Study 6: London Borough of Ealing, Implementing Electronic Government Community Programme (www.ealing.gov.uk)

Stakeholder: Mike Brooke, Ealing Council

Intermediary type: Local Authority funded network of local voluntary and community groups delivering local authority services on behalf of the Council due to their close ties with the community and high levels of trust, particularly in the BME sector.

Background: In 2003/04 Ealing Council embarked on an ambitious modernisation programme to dramatically improve its levels of customer focus and responsiveness. The Council recognised that the success of the programme required close partnership working with the community sector. Moreover, the community sector requires resources to play a full and proactive role.

Ealing Council recognised that implementation of electronic services can run the risk of leaving behind those groups who cannot access it. For this reason, it decided to pool its IEG2 central government funding for 2003/04, and establish a fund targeting support groups across the borough. The total fund is £200,000, with groups bidding for up to £10,000 each. All successful groups are expected to join an IEG community network to share learning and good practice and develop the foundations for a dynamic ICT connected community.

Key Intermediary Evidence: Pump-priming: Total IEG allocation of funds given to intermediary channel

- e-Government Unit role: implementation guidelines not visible to service owners at time of response.
- Intermediaries' role: evidence of intermediaries acting as an extension of local authority due to their reach.
- Engagement process: all intermediaries winning funds are tied into a Service Level Agreement, not a mediated ISDP process.

6.2 Interviewees

Diana Gerald, RSe Consulting.
Julian Bowrey, ODPM.
John Wheatley, Citizens Advice Bureau (CAB)
Tom Steinberg. Founder, mySociety.org
Stefan Magdalinski. Founder, UpMyStreet.com Ltd
Dr. Paul Hodgkin. Patient Opinion & Primary Solutions
Mike Brooke. London Borough of Ealing
Tom Loosemore. Co-founder: Theyworkforyou.com & FaxyourMP.com
Fred Garnett & Graham Hansell. The Cybrarian Project
John Wheatley. Citizens Advice Bureau

Interviews were also conducted with several individuals who wish to remain anonymous.
Endnotes


An Outline Assessment of the Relevance and Application of the Intermediaries Policy to Local Government. Fellows Associates on behalf of SOCITM. Dec 2003