# Chapter VII Towards Digital Governance in UK Local Public Services?

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#### **ABSTRACT**

In the United Kingdom, major investments have been made in e-government in order to modernize government and improve the efficiency and quality of public services. It has been claimed that these changes herald a "new era of digital governance". The management of the vast majority of public services in the United Kingdom takes place at local and regional levels and provision at this level has a key role in "joining-up services" through greater information sharing and multi-agency working. This chapter examines these developments with reference to a study of the procurement of a software system by a city council, an experiment in multi-agency working to provide services to children, and the introduction of a regional smart card. It is argued that if such innovations are to have outcomes consistent with the claims of the digital governance thesis, then the relationship between technological and organizational change will need to be re-thought.

### INTRODUCTION

On 20<sup>th</sup> November 2007 Alistair Darling the British Government's Chancellor of the Exchequer stood up in a crowded House of Commons (the lower Chamber of the British Parliament). He reported that, as a result of a 'substantial operational failure', two data discs had been 'lost' at Her Majesty's Revenue and Customs (HMRC) offices in the North East of England. It was

claimed that a junior civil servant had sent the data to the London offices of the UK National Audit Office (NAO) via the 'internal post'. The discs never arrived and subsequent searches by the police failed to locate them. The discs contained the government's complete database of 25 million child benefit claimants including names and addresses of both adult claimants and every eligible child. In 7.25 million cases the lost data also included bank account details. Should the

information fall into 'the wrong hands', Darling admitted, all those on the database – roughly half of the UK population - could be at risk of fraud and identity theft. More evidence emerged suggesting that the sending of information in this way was not an isolated practice but had become the norm in the preceding months. The political fall out was immediate. Instances of data loss by other agencies also began to emerge. At the same time, severe reservations were expressed by politicians the press and other commentators over new national policy initiatives that were dependent on the creation of large centralised databases. The episode was quickly dubbed 'Discgate' by the media.

Until recently information and communication technologies (ICTs) have rarely figured in discussions concerning the nature and development of public organizations (Dunleavy et al, 2006: 2-3). However, the development of the Internet and related digital technologies has profoundly changed this. Now the core operations of government are increasingly dependent upon the efficient operation of information systems and the effective functioning of associated management and organizational arrangements (Dunleavy et al, 2006: 10). Moreover, the development of technological and organizational systems is increasingly interlinked (McLoughlin et al, 2004a). 'Discgate' took place in the regional offices of a national government department. In what follows, we draw further upon the episode since it illustrates more generic issues concerning the relationship between technological and organizational change that can be applied to the focus of our concern here -attempts to transform the delivery of UK local public services using ICTs. When such changes and operations are not managed effectively, as the 'Discgate' episode illustrates, the consequences can be profound. The suggestion of this chapter is that in understanding and responding to this challenge we need to rethink the relationship between technological and organizational change. In order to do this we explore what we term the 'three dimensions' of 'e-government'. This framework is then used to review some of the findings from a UK research programme conducted by the Social and Business Informatics group at Newcastle University (henceforth SBI Newcastle) of which the author was a co-founder and Director. The paper concludes with a brief comment upon claims that a new 'era of digital governance' may be upon us.

# TOWARDS DIGITAL GOVERNANCE IN THE UK

The UK Government has engaged in a major investment to use ICTs to 'transform' national and local government. By the mid-2000s it was estimated that some £14 billion per annum was being spent on e-government projects (Margetts, 2006: 250). Within this context the local and regional tiers of government have a particularly central role. For example, it has been estimated that some 80% of interaction between public services providers and the public is managed at the local or regional, rather than the national, level. Such local interaction involves a wide range of bodies such as health, education, and the police, and local government authorities who are central players in the delivery of services and in managing interaction with the public (McLoughlin and Cornford, 2006). The first UK e-government national strategy document published in 2002 (ODPM, 2002), stated that e-government was not an 'end in itself' and that it was at the heart of the drive to modernise local public services by enhancing their quality and the effectiveness of local democracy (ODPM, 2002: 5). Taken together, e-government projects constitute probably the single biggest change that local government and other local agencies have ever undertaken. The technological and organizational innovations now associated with modernizing local services are a major component of the government's overall 'transformational government' agenda (see e.g.

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