

CENTRE FOR POLICY STUDIES

# Who do they think we are?

*Government's hidden agenda to control our lives*

JILL KIRBY





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## SUMMARY

- The proposed introduction of ID cards for British citizens in 2011 represents only the tip of an iceberg of personal information which the Government is collecting.
- The government's strategy for the 'transformation' and 'personalisation' of public services is based on sharing personal information across government departments and government agencies, to provide the state with a 'joined-up' picture of every individual.
- The ultimate goal is for cross-government collaboration to 'manage' the needs of every citizen, yet for the citizen to be unaware of this collaboration. Citizens are to become 'customers' of the Government, presented with a 'package' of services.
- This strategy, it is intended, will make government more efficient and more responsive. By adopting what its advisers describe as the 'Tesco Clubcard' approach, the Government believes it will be able to plan services by anticipating demand, using 'customer insight' and 'pooled intelligence.' It also claims efficiency savings will result, although the experience of 'e-government' does not support this claim.
- The Government also promises to facilitate business management by sharing business data across government departments, so that businesses will not need to provide 'the

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same piece of information twice.’ But the first steps in implementing this strategy indicate that the regulatory burden on businesses will increase; that central control and interference will grow; and that compliance will be more, not less, onerous.

- Fulfilment of the Government’s ‘identity management’ strategy demands a huge expansion of national IT schemes, with far wider access to the data held. But recent data losses show that current levels of security are inadequate to protect personal information.
- In addition, the collapse of the National Offender Management information system, and the delays and difficulties surrounding the introduction of a National Health database demonstrate that efficient public sector data management is far from becoming reality. The Government’s Chief Information Officer and the Information Commissioner have both warned against the expansion of large-scale citizen databases.
- ‘Transformational Government’ plays on modern dissatisfaction with anonymous, bureaucratic public services, by promising personal services delivered through technology. Yet the strategy entails more central control, less local accountability and less individual responsibility. Instead of breaking up the Whitehall monopolies, it draws more power to the centre.
- If ‘Transformational Government’ succeeds, the question of whether IT cards are compulsory or voluntary becomes irrelevant. The Government will already have the ability to cross-reference our personal data, to share that data and to decide on our entitlement to services.

## CHAPTER ONE

# INTRODUCTION

A REPUTATION FOR COMPETENCE, once lost, is hard to rebuild. Trust, once broken, is even harder to regain. As the Prime Minister seeks to restore confidence in his Government after the difficulties of the autumn, there is much more at stake than his public image. For the Government is in the process of developing a new relationship between citizen and state, a closer and more intimate relationship than at any time before, and one which demands exceptional levels of trust and confidence.

Since 1997, the Government has been steadily expanding the role of the state, through legislation, regulation and data collection, accruing a remarkable degree of control over individuals, businesses and institutions. At the very time when we are losing faith in their ability to govern us effectively, the Prime Minister and his advisers are putting the finishing touches to a detailed plan to manage our lives.

The projected introduction of ID cards in 2011, preceded by the child database (Contact Point) later this year, represent only the tip of an iceberg of information about us which the Government is steadily amassing. Labelled 'information sharing' and, more recently 'identity management,' the collection of personal data is portrayed as the necessary step towards the 'personalisation' of public



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services so that every individual will have a ‘package’ of services to fit his or her needs. In the corporate sector, the ‘joining up’ of supervision and regulation, giving cross-departmental access to business records, purports to lift the burdens created by the Government’s complex regulatory regime, and to reduce fraud by increasing the exchange of information between government and business.

This programme of data collection and data sharing is described by the Prime Minister and his advisers as ‘transformational.’<sup>1</sup> It is certainly ambitious and, if realised, will provide the Government and its agents with access to a huge amount of stored information about individuals and businesses, with unprecedented scope for surveillance and recording of behaviour and decision making. Structural changes will ensure that the programme cannot be reversed:<sup>2</sup>

*Between 2007 and 2011 the priority for technology investment and business change must be transforming delivery into public services centred round citizens and businesses, and transforming support into a shared services framework. During this period it will also be important to realise the financial and service benefits of current and planned investments. The goal should be to have made the key changes, to have embedded the new cultures, and to have made the process irreversible, by 2011.*

The recent and continuing reports of lapses in security, leading to the loss of large quantities of personal data, call into question the safety of this entire exercise. Yet the

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<sup>1</sup> Cabinet Office, *Transformational government, enabled by technology*, November 2005, Cm 6683.

<sup>2</sup> *Ibid.*

## INTRODUCTION

Government's current programme for improving public services rests on its belief that those services can be 'transformed' through gathering information about users. Tight public finances preclude any further large injections of cash, so the Prime Minister needs to convince voters that he can make services respondent to their individual needs at no extra cost; indeed it is claimed that significant efficiency savings will result from sharing information across departments.<sup>3</sup> Can this exercise be reconciled with the individual's right to privacy? Or must we now accept that the Government, leaky as it has been shown to be, is entitled to collect, store and compare every detail of our lives?

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<sup>3</sup> Ibid.

## CHAPTER TWO

### THE RATIONALE

IN SEPTEMBER 2006, the Government published its *Information Sharing Vision Statement* explaining how and why it would gather and share information about people's lives and circumstances.<sup>4</sup> The introduction to that *Statement* has, in the light of recent events, a hollow ring:<sup>5</sup>

*We recognise that the more we share information, the more important it is that people are confident that their personal data is kept safe and secure. This Government has an excellent track record of strengthening individuals' right to privacy...*

The vision outlined in the *Statement* is of joined-up services for individuals and businesses, and it offers a list of reasons to justify data sharing: reduction of crime (including fraud); reducing the burden on business; and simplicity of use for the customer. The link-up between the DVLA, the Motor Insurance Database and the MOT Test database is offered as an example of the latter, making licence renewal online a quick and simple process. Until recently, this example might have been accounted a success – a logical piece of data sharing within clearly defined limits. The

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<sup>4</sup> Department of Constitutional Affairs, *Information Sharing Vision Statement*, September 2006, DCA 47/06.

<sup>5</sup> *Ibid.*

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discovery that a DVLA disc containing the details of all learner drivers has gone missing from a 'secure' facility in Iowa, raises doubts about the wisdom of allowing Government agencies to join up even this limited amount of personal information.

Other examples cited in the *Statement* carry much wider implications. The Department of Work and Pensions (DWP) can use information collected by Her Majesty's Customs and Revenue (HMRC) about an individual's income and capital, in order to decide whether that person is entitled to Pension Credit. This sharing of information is presented as benign, enabling the DWP to 'concentrate their efforts on contacting those people who could potentially claim Pension Credit.' It would be more honest to admit that the impetus is to ensure that those who have income or savings which might disqualify them from receiving the Credit are blocked from claiming. The Government assumes that individuals cannot be trusted to disclose their financial situation when applying for the Credit; the reason for 'joining-up' information here is to exclude potential applicants and prevent mistaken or fraudulent claims. In which case, one might ask, why put pensioners through the indignity of completing the forms at all, when the State holds all the information it needs to decide on eligibility?

HMRC's management of the tax credits system to date demonstrates the emptiness of the Government's claim that joined-up agencies lead to efficient administration of payments. Means-tested, and benefit payments in all but name, tax credits are (like Child Benefit) administered within HMRC. Yet the instances of overpayment, underpayment, error and fraud are well-documented.<sup>6</sup> As to safeguarding information, HMRC

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<sup>6</sup> In 2005/6, £1.7 billion was overpaid in tax credits, slightly down on £1.8 billion and £2.2 billion in the previous years. HMRC estimates that in 2004/05 claimant error and fraud led to between £1 billion and £1.3 billion being paid out to those not entitled and between £200 million and £350 million not being paid out to those who were

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admitted in 2006 that an estimated £55 million was lost to fraud and 30,000 people had their identities stolen when a portal on the HMRC website was left open.<sup>7</sup>

This in turn raises a larger question about the impact of means testing and the current intermingling of benefits and taxation. As means-tested payments, such as Pension Credits and Tax Credits, have become an ever-larger component of income, the question of trust between individuals and government becomes more significant. Universal state pensions and income-based tax allowances do not require this cross-over between tax and benefit information, and thus limit the need for the state to collate personal and financial data. But as more and more individuals become welfare recipients, through the expansion of means testing, so their privacy is surrendered to state agencies.

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entitled. See National Audit Office, *HM Revenue & Customs 2006-07 Accounts, The Comptroller and Auditor General's Standard Report*, July 2007, p.R3.

<sup>7</sup> Ibid., p.R23.

## CHAPTER THREE

### THE ROUTE TO BETTER PUBLIC SERVICES?

THE 2006 *Statement* concludes that information sharing is “...key to the Government’s goal of better public services”.<sup>8</sup>

The Government has placed great faith in the power of data sharing to transform public services. Tony Blair spoke often of his desire to create ‘personalised’ services, tailored to the needs of individuals – patients, parents, children, carers.<sup>9</sup> Gordon Brown has adopted the same language.<sup>10</sup> For Blair there was a connection to public service reforms based on de-centralisation. For Brown this was never the case; the language of personalisation has served to cover a purely statist model, based on collecting information centrally and allocating resources according to national targets.

How are these polar opposites – centralisation and personalisation – to be reconciled? Does the Prime Minister really believe that government can work on a national scale in a personal

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<sup>8</sup> Department of Constitutional Affairs, *Information Sharing Vision Statement*, September 2006, DCA 47/06.

<sup>9</sup> See, for example, the speech by Tony Blair, 1 September 2004: “...under a Labour government public services will become increasingly personalised and consumer-driven, yet also open to all and not dependent on wealth.”

<sup>10</sup> See, for example, the speech by Gordon Brown on the NHS, 7 January 2008: “The NHS of the future will be more than a universal service – it will be a personal service too.”

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way? His advisers claim that it can be done, and that technology is the key:<sup>11</sup>

*The future of public services has to use technology to give citizens choice, with personalised services designed around their needs, not the needs of the provider.*

*Within the public services we have to use technology to join up and share services rather than duplicate them... we will only be able to deliver the full benefits to customers that these new systems offer through using technology to integrate the process of government at the centre.*

In other words, there is no need to break down the monolithic structures of Whitehall-managed public services, because information technology will provide the substitute for personal contact. If the Government can collect enough information about us, the public sector will be able to provide each individual with a package of services suited to his or her particular needs. It is an extraordinarily ambitious proposition, flawed on almost every count.

It plays on the public's dissatisfaction with anonymous, bureaucratic systems which deny choice; and it hints at a new age in which public services can be tailor made through the click of a mouse. But trying to create the qualities inherent in personal, local and small-scale services on a vast, centralised, technocratic scale is an entirely misguided exercise.

Even making the (generous) assumption that the Government is capable of commissioning an IT system which is sophisticated enough to answer every individual's needs, there are massive drawbacks. The more data is collected centrally and stored

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<sup>11</sup> Foreword by Tony Blair to *Transformational Government – Enabled by Technology* Cabinet Office, November 2005 Cm 6683.

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electronically, the less control an individual has over the use of that data. It may be inaccurate, it may be out of date, it may have been supplied to meet a particular short-term need, or it may have been obtained without the individual's knowledge or consent. As Richard Thomas, the Information Commissioner warns:<sup>12</sup>

*This is not just a matter of ensuring adequate security – it covers, for example, ensuring that excessive personal information is not collected in the first place and that it is accurate and not retained longer than necessary.*

### **NHS computerisation: a study of the failure of personalisation**

The Government's scheme for 'personalisation' of the NHS through a central database demonstrates the enormous practical and ethical difficulties inherent in such projects. Described by the National Audit Office as "wider and more extensive than any ongoing or planned healthcare IT programme in the world...the largest single IT investment in the UK to date",<sup>13</sup> the scheme was launched in 2002 and has already cost more than £2 billion (of an estimated £12 billion). Yet according to the Public Accounts Committee it is already two years behind schedule with no firm implementation date.<sup>14</sup>

The medical profession has expressed unease about the risks to patient privacy. A poll for *The Guardian* in November 2007 found that 59% of GPs in England would be unwilling to upload any

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<sup>12</sup> Letter to *The Times*, 19 December 2007.

<sup>13</sup> National Audit Office, *Department of Health: The National Programme for IT in the NHS*, June 2006, paragraph 4.

<sup>14</sup> Public Accounts Committee, *Department of Health: The National Programme for IT in the NHS*, March 2007, p.4-5.



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record onto the database without the patient's specific consent. Three quarters of doctors surveyed said that medical records would become less secure on the proposed database.<sup>15</sup> More recently a survey for *The Times* found that more than three quarters of doctors are either 'not confident' or 'very worried' about the possibility of data loss from the proposed database. When asked how well they thought that local NHS organisations would be able to maintain the privacy of data, only 4% of doctors said 'very well.' The majority, 57%, said quite or very poorly.<sup>16</sup>

Members of the British Medical Association are currently supporting a campaign to encourage patients to opt out from the database. A pro forma letter has been produced for patients to send to their GPs to stop their records being included on the new system.<sup>17</sup> This follows much confusion and uncertainty over likely consent arrangements. Following opposition to an 'opt-out' system, the current proposal from the Department of Health is for a hybrid system where patients will have to 'opt-out' from the Summary Care Record (containing basic information) and 'opt-in' for more detailed records to be uploaded.<sup>18</sup>

Concerns over access to these potentially sensitive health records were fuelled when the director of IT implementation at the Department of Health told a Select Committee that "you cannot stop wicked people doing wicked things" with information

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<sup>15</sup> *The Guardian*, 'Family doctors to shun national database of patients' records', 20 November 2007.

<sup>16</sup> *The Times*, 'Four out of five doctors believe patient database will be at risk', 31 December 2007.

<sup>17</sup> *The Sunday Times*, 'Doctors revolt on patient records', 30 December 2007.

<sup>18</sup> Health Select Committee, *The Electronic Patient Record*, Sixth Report of Session 2006-07, p.3.

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and admitted there are occasions when staff “misuse their privileges” with data.<sup>19</sup> It was recently reported that more than 50 members of an NHS hospital’s staff had illicitly viewed the medical records of a celebrity, adding to concerns about the potential misuse of a national database.<sup>20</sup>

Meanwhile the Government Chief Information Officer John Suffolk has echoed the concerns of the Information Commissioner:<sup>21</sup>

*The more and more we put it into large databases where more and more people have access to it, it becomes more complex. I think there is a balance to be struck, but clearly what we want to avoid doing is creating yet another large-scale citizen database when we have a number of those already because that would not be a wise thing to do.*

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<sup>19</sup> Home Affairs Select Committee Oral Evidence, *A Surveillance Society?*, 20 November 2007, Q334.

<sup>20</sup> *The Guardian*, ‘Concern over NHS’ IT systems after 50 view celebrity’s details’, 19 September 2007.

<sup>21</sup> Home Affairs Select Committee Oral Evidence, *A Surveillance Society?*, 20 November 2007, Q402.

## CHAPTER FOUR

# THE TESCO CLUBCARD MODEL OF GOVERNMENT

PERSONALISATION DOES NOT STOP with information sharing. There is another layer of this strategy which deserves closer examination: the proposed use of personal data to predict behaviour, in order to anticipate service use. The Government's enthusiasm for management consultancy solutions has led it to embrace 'identity management', promising to:<sup>22</sup>

*...create an holistic approach to identity management, based on a suite of identity management solutions that enable the public and private sectors to manage risk and provide cost-effective services trusted by customers and stakeholders. These will rationalise electronic gateways and citizen and business record numbers. They will converge towards biometric identity cards and the National Identity Register. This approach will also consider the practical and legal issues of making wider use of the national insurance number to index citizen records as a transition path towards an identity card.*

The collection of personal data is presented not only as a staging post on the way to ID cards, but also to enable better state planning. A curious conflation of statism and consumerism, the business model on which identity management is based is

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<sup>22</sup> Cabinet Office, *Transformational Government- Enabled by Technology*, November 2005 Cm 6683.

## THE TESCO CLUBCARD MODEL

described as the ‘Tesco Clubcard’ approach.<sup>23</sup> Just as collecting information about a customer’s purchases enables retailers to control stock, forward plan and target their advertising, so (it is envisaged) the machinery of government will be able to plan health and education provision to meet the needs of users.

The parallel is, however, false. There is no element of compulsion in the Tesco scheme. Customers have the choice to shop elsewhere; they also have the choice of shopping at Tesco whilst declining to sign up for a card. Commercial reality dictates that supermarkets will continue to offer their services to non-members. Consumers who choose to participate in bonus-point schemes surrender a degree of privacy about their shopping habits in return for financial inducements, and there are in turn commercial advantages to the store in being better able to assess shopping patterns and target marketing initiatives. But the Tesco model cannot be imposed on users of a monopoly service provider.

Responsibility for carrying through ‘identity management’ is currently in the hands of Sir David Varney, described as the Prime Minister’s adviser on ‘public service transformation’ and chair of the ‘cross-Whitehall service delivery council.’ Formerly Executive Chairman of HMRC (overseeing the merger of the Inland Revenue with Customs and Excise but resigning in 2006 after a series of problems over data losses and overpayments<sup>24</sup>), Varney was invited by Gordon Brown in 2006 to draw up plans for:<sup>25</sup>

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<sup>23</sup> “For example, Tesco uses in-depth analysis of Tesco Clubcard data to introduce 12,000 new products each year to its nine million customers. Understanding the customer in this way is a challenge the public sector must fully embrace.” *Ibid.*, p24.

<sup>24</sup> Sir David Varney’s successor at HMRC, Dave Hartnett, told the Treasury Select Committee that seven other significant losses of data had occurred in the 2½ years since the merger, including a disc containing banking information. House of Commons Treasury Select

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*...transforming the public services by looking at how the channels through which services are delivered can be made more responsive to the needs of citizens and businesses.*

### **Efficiency savings?**

At the end of 2006 Varney published his first set of recommendations, explaining how the Transformational Government strategy would use IT to:<sup>26</sup>

*...provide better services for citizens and businesses and to do so at a lower cost to the taxpayer.*

This would be fulfilled by giving citizens:

*...single points of contact with government to meet a range of their needs and businesses having to provide information only once to Government.*

Purporting to build on the Gershon Review of 2004, this 'transformation' would not require further increases in public spending or investing in new technology, but would rely on improved co-ordination through:

*...a multi-channel approach to government delivery and a move to making e-services the primary channel for information and transactional services.*

Joining up front-line services will, according to Varney, release savings through reducing duplication in the order of £250-300

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Committee, *HM Revenue and Customs: Administration and Expenditure in 2006-07*, Oral Evidence Q.344, 5 December 2007.

<sup>25</sup> HM Treasury, *Service Transformation: a better service for citizens and businesses, a better deal for the taxpayer*, December 2006.

<sup>26</sup> *Ibid.*, Executive Summary.

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million per year;<sup>27</sup> added to this will be the savings made by ‘sharing and rationalisation’ of ‘back office’ support, to the tune of another £400 million per year with potential for saving another £400 million over three years through ‘e-service improvement.’

But the history of e-service improvement suggests that even these modest savings will be hard to achieve. The forerunner to Transformational Government, the e-government unit created in 2004, was intended to save money by shifting government services online. It was headed by Ian Watmore, the UK Managing Director of Accenture, who also promised to cut down on ‘back offices’.<sup>28</sup> In fact, to meet the e-government target of getting its services online there was a huge proliferation in websites, some attracting tiny numbers of visitors at disproportionate cost; ‘savings’ were then achieved by closing 551 of them.<sup>29</sup> By the time of Varney’s appointment in 2006 the bill for public sector IT systems had reached £14 billion a year – enough to pay for quite a few ‘back offices.’<sup>30</sup>

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<sup>27</sup> Ibid., p22.

<sup>28</sup> “Technology can dramatically cut the cost of providing services, especially in the back offices of government” *The Times*, ‘Governed by a wall of websites’, 28 February 2006.

<sup>29</sup> ‘Minister and experts announce major progress in first year of Transformational Government strategy’, Cabinet Office, 10 January 2007.

<sup>30</sup> Cabinet Office, *Overarching Regulatory Impact Assessment*, 2006.

## CHAPTER FIVE

# BEHAVIOURAL INSIGHT AND POOLED INTELLIGENCE?

THE VARNEY REPORT is clear that the collection of data for the personalisation of services will not be not confined to mere names and dates. It will also assess:<sup>31</sup>

*...the needs of the individual on the basis of previous information and the behaviour of the individual.*

A section of the report describes how services will look in 2020, once this ‘transformation’ has been accomplished:<sup>32</sup>

*Older people, children and young people, workless people and other customer groups can choose packages of public services tailored to their needs. Public, private and third sector partners collaborate across the delivery chain in a way that is invisible to the public. The partners pool their intelligence about the needs and preferences of local people and this informs the design of public services and the tailoring of packages for individuals and groups...*

*Measured benefits, services and facilities are shared between all tiers of central and local government and other public bodies.*

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<sup>31</sup> HM Treasury, *Service Transformation: a better service for citizens and businesses, a better deal for the taxpayer*, December 2006, p8.

<sup>32</sup> *Ibid.*, p20.

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*The public do not see this process. They experience only public services packaged for their needs.*

The intention is plain: government will centralise and share information, both horizontally across services and vertically between local and national government and agencies, yet individual citizens will be unaware of the extent of that information sharing. The Government anticipates that, in a triumph of state planning, decisions will be taken out of the hands of the individual, who will simply be the grateful recipient of a ‘package’ of services.

It is important to note that the plan for ‘rationalisation’, if successful, will reduce the role of local agencies. Both citizens and businesses will be expected to deal directly with national government and to:<sup>33</sup>

*...experience less confusion and distinction between services offered at the central and local level.*

### **‘A deep truth about the citizen’**

Extending the Tesco Clubcard metaphor, Sir David’s plan explores the use of ‘citizen and business insight’, explaining that users of public services should be seen as ‘customers’ of the Government as a whole, rather than the users of a single service. In order to provide users with a full range of services, the Government thus requires ‘insight’ about them, defined as:<sup>34</sup>

*A deep truth about the citizen (or business) based on their behaviour, experiences, beliefs, needs or desires, that is relevant to the task or issue and rings bells with target people.*

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<sup>33</sup> Ibid., p22.

<sup>34</sup> Ibid., p24.



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An Agreement published as part of the 2007 Comprehensive Spending Review, and endorsed by Sir David, confirms that the collection of information to provide this insight is well under way.<sup>35</sup> It is the responsibility of the Government's Customer Insight Forum, reporting to the cross-Whitehall Delivery Council, which is in turn led by the Cabinet Office.

A Customer Insight Director and team are already in place at the Department of Work and Pensions; the Government intends that the DWP Customer Information Database technology will be used by the Home Office as the basis for its ID card system. HMRC has a Customer Insight Team to act as a 'central repository of customer data'. The Department for Children, Schools and Families is 'managing the identities of children, learners and practitioners', planning to give all children an online identity to track their performance through school. This will be in addition to Contact Point, the national child database due to come into effect later this year.

'Customer journey mapping' is one of the insight projects at the Department of Transport; the Department of Health is said to be 'developing a real understanding of how patients differ in their needs and wants.'<sup>36</sup> One of the more advanced Customer Insight projects cited in the 2007 Comprehensive Spending Review has, however, recently been abandoned due to IT failure. This is the National Offender Management Scheme, described by the CSR as 'an end-to-end, seamless and integrated service with a single offender manager responsible for the whole of an offender's sentence.' C-Nomis, the database intended to support the Scheme, and on which an estimated £500 million has so far been spent, has

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<sup>35</sup> HM Government, *Service Transformation Agreement*, October 2007.

<sup>36</sup> *Ibid.*

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been scrapped.<sup>37</sup> The Ministry of Justice must now find other ways to track and manage ‘customers’ through the justice system.

### **The citizen as a customer**

In the eyes of Whitehall, every citizen will be a lifelong customer, defined by his or her transactions with Government; those transactions are now being electronically collated and used by Government to manage its service provision. Not only will the Government manage services, it will also ‘manage’ the citizen’s identity. In the words of Sir David’s report:<sup>38</sup>

*A joined-up identity management regime is the foundation of service transformation.*

The Identity and Passport Service is developing a ‘cross-government identity roadmap’ which:<sup>39</sup>

*...will include the production of an identity management architecture, which minimises the burden on citizens of managing and asserting their identity.*

Yet how many British citizens are struggling with such a burden? Does the Government really believe that individuals find it hard to ‘manage’ their identity? The ultimate destination is, of course, the proposed ID Card. Already promoted by Government as a handy way to establish identity, in the same way that a driving licence or passport is currently used, the card will, the Government hopes, become an indispensable item in everyone’s pocket.

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<sup>37</sup> *The Guardian*, ‘Minister scraps “one offender, one record”’, 9 January 2008.

<sup>38</sup> HM Treasury, *Service Transformation: a better service for citizens and businesses, a better deal for the taxpayer*, December 2006.

<sup>39</sup> *Ibid.*

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If every contact with public services becomes dependent on the production of such a card, compliance with an ID scheme is hard for individuals to resist, however much they may dislike the principle. Of course, this ploy also enables the Government to assert that no one will be compelled to participate in an ID card scheme. As public hostility to ID cards grows, this is a useful tactic.<sup>40</sup>

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<sup>40</sup> 'Nobody should fear ID cards because they will not be compulsory for British citizens'. Gordon Brown, interviewed in *The Observer*, 6 January 2008.

## CHAPTER SIX

### INFORMATION SHARING FOR BUSINESS

THE GOVERNMENT'S AMBITIOUS PLANS to share information are not limited to individuals and families but include businesses too. The 2006 *Vision Statement* promised a new 'Code of Practice for regulators' intended to ensure that business does not need to give the government 'the same piece of information twice.' Recommending data sharing across all regulatory bodies, the *Statement* claimed that burdens imposed on business by complying with many different sets of regulations would be reduced by allowing all regulatory bodies to collaborate.

An alternative interpretation is that the collaboration of those bodies would simply create more pressure on business, and so far this appears to be the case. The proposed Code of Practice is being given legal force by the Regulatory Enforcement and Sanctions Bill, recently given its Second Reading in the House of Lords. Introduced by the former Director-General of the Confederation of British Industry, Lord Jones of Birmingham, it is clear that this legislation will add, rather than subtract, another layer of bureaucracy. In an overtly centralising move, its provisions for a Local Better Regulation Office will give that Office power to direct local authorities in their regulatory function – thus removing their discretion to regulate according to local considerations. Other provisions include an increase in criminal penalties for non-

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compliance with regulation, as well as a further layer of civil law sanctions. Hardly a lessening of the burden of regulation.

Practically admitting that the legislation has been captured by the interests of regulators rather than business, Lord Jones remarked:<sup>41</sup>

*Regulators who have worked with us during an informal consultation period... have pointed out the need for proportionality in removing burdens and to ensure that the benefits of any action outweigh its costs. The duty therefore requires the removal of unnecessary burdens only where it is practicable to do so. The intention is to provide for more effective enforcement of the regulations that Parliament has decided should be created.*

As Baroness Wilcox said in response to the Bill:

*It introduces yet more regulations and more enforcement bodies, making tasks more and more onerous.*

Just as information sharing in public service provision results in more control from the centre, so business information sharing currently looks set to provide the Government with more opportunities to intervene. Identity management is being ‘sold’ to the public as a personalised package which will make life easier for them; cross-departmental access to business data is dressed up as simplification and deregulation. The disguise is thin, and levels of public scepticism are already high. At present it seems unlikely that the Government will succeed in convincing business leaders that this agenda is in their best interests.

The way to make public services respond to the needs of individuals and businesses is to give more power to the users of a

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<sup>41</sup> Hansard, 28 November 2007, col. 1244. The Bill completed its Second Reading and was referred to Grand Committee.

## **INFORMATION SHARING FOR BUSINESS**

service, not to government. To break up, not join up, the Whitehall bureaucracies. Providing government agencies with ‘the same piece of information twice’ is surely preferable to giving those agencies ever wider powers to collect, distribute, compare – and potentially lose or abuse – important or sensitive information.

## CHAPTER SEVEN

### INFORMATION ASSURANCE – NOT VERY REASSURING

*We are at a fundamental crossroads: we are either going to be secure or we are not. It is a binary decision.*<sup>42</sup>

In a statement worthy of inclusion in the CPS Lexicon of Newspeak,<sup>43</sup> so the Government's Chief Information Officer summed up the conclusions of a 2007 review into the safety of government data handling. Published months before the large-scale data losses, the review warned that the Government's ambitious plans for sharing data across departments were at risk because of a lack of protective mechanisms. The recommendations of the review, however, display the same centralising and jargonising tendencies that run through the Government's entire identity management strategy: calling for another vision statement, for a central facility to share risk information, for privacy impact statements and educating stakeholders. It is clear that much more rigorous security measures are essential if the Government is to have any prospect of inspiring public confidence in its plans for information sharing.

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<sup>42</sup> Sir John Suffolk, Government Chief Information Officer, in his Foreword to *The Independent Review of Government Information Assurance*, Cabinet Office June 2007.

<sup>43</sup> CPS, *The 2008 Lexicon – A Guide to Contemporary Newspeak*, 2008.

## INFORMATION ASSURANCE?

The British Computer Society (BCS), commenting on recent data losses, has warned that:<sup>44</sup>

*...data protection cultures, governance and process in the civil service are insufficient to deal with the challenges of the internet age.*

The BCS believes that the principles of the Data Protection Act are either ignored or misunderstood by government agencies. Those principles require that personal data be obtained only for specified purposes, be up to date and not kept longer than necessary.<sup>45</sup> Proposing measures to increase accountability and professionalism, and raising the possibility of criminal sanctions for serious breaches, the BCS accepts the inevitability of 'joined-up' government through digital means. But the more information is passed around different agencies, the more likely it is that the data protection principles will be breached. Transformational Government demands a huge extension of data collection and information sharing which appears to run contrary to the spirit, and in some cases the letter, of the Act.

Digitally-stored information is now an essential component of national and global transactions; it cannot be abolished. But its use by 'big government', seeking to mimic the business-customer relationship through state monopoly provision, poses serious risks to individual privacy and freedom.

As public disquiet at the prospect of ID cards increases, the Prime Minister may officially concede that such cards will not be mandatory. But this retreat will be little more than a form of words unless and until the programme of Transformational Government is abandoned.

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<sup>44</sup> BCS, 'Comment: A black day for transformational government', [www.bcs.org](http://www.bcs.org)

<sup>45</sup> The Data Protection Act 1998, Schedule 1 Part I.



## CHAPTER EIGHT

### CONCLUSION

THE GOVERNMENT'S PLAN for managing our identities and designing packages of public services to meet individual needs is remarkably ambitious. In the present climate, it is hard to share the Government's confidence that national IT schemes will be both efficient and secure enough to fulfil the plan. But there is a bigger question about the principles underlying Transformational Government. Should any government be increasing its powers to collect, share and interpret personal data?

In contrast to a commercial organisation to whom we might entrust separate pieces of data, the state is uniquely placed to collate information in order to provide a complete picture of who we are. That picture will reveal not only where we live, but how much we earn, where we work, where we were educated, the state of our physical and mental health, our children's health and education records, and so on.

In pulling together all this information, no doubt Gordon Brown and his colleagues and advisers have the best of motives. They want to ensure that public services are distributed fairly, and believe that the more information the state has, the more it will be able to predict demand and ensure fairness while meeting individual needs.

Does this all matter? Is it an argument of more than theoretical concern? Perhaps we should bear in mind that under the present Government, schools are being denied the opportunity to choose pupils and university admissions officers are urged to weight

## CONCLUSION

applications in favour of children whose parents did not attend university. Gordon Brown has recently hinted that allocation of NHS resources could be affected by lifestyle, in order to make people recognise their 'responsibilities.' It is therefore not hard to conceive of a state which makes value judgments about an individual's suitability to benefit from certain services, and which allocates those services on the basis of a set of criteria (such as income, educational background or lifestyle) of which the individual may be unaware.

Do we really want to put the state in possession of such 'a deep truth about the citizen (or business) based on their behaviour, experiences, beliefs, needs or desires'? Or is there now a stronger case than ever before for rolling back the state, de-centralising service provision and putting power in the hands of individuals and families?

## RECENT PUBLICATIONS

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The Lexicon lists some of the misuses of language that have become all too common in contemporary politics and reveals a lethal blend of management-speak (“strategic framework”, “benchmark”, “best practice”), therapy-speak (“holistic”, “empowerment”, “closure”) and post-modernism (“narrative”, “cultural shift”, “truth”). The result, too often, is hollow obfuscation.

*“That ghastly hybrid patois described in a recent Centre for Policy Studies pamphlet” – Matthew Parris, *The Times**

### **SUPPLY SIDE POLITICS: how the Citizens’ Initiative could revitalise British politics**

*Professor Matt Qvortrup*

Professor Qvortrup argues that a greater supply of democracy could create a demand for political participation – and thereby address at least some of the malaise afflicting British politics today. Direct democracy does not result in populist legislation and ill-considered laws. Indeed, the reverse is true.

*“A new pamphlet by the Centre for Policy Studies argues convincingly that this would reinvigorate democracy without leading to illiberal legislation” – leading article in *The Sunday Telegraph**

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*Harry Snook*

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*“A report by the Centre for Policy Studies reveals that the state and its agencies now have 266 powers to enter your home without a warrant. Labour has done more than any other government in the last 50 years to extend these powers” – Henry Porter, *The Observer**



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*“A deep truth about the citizen (or business) based on their behaviour, experiences, beliefs, needs or desires, that is relevant to the task or issue and rings bells with target people.”*

Government definition of “customer insight through information sharing”

The proposed introduction of ID cards in 2011 represents only the tip of an iceberg of personal information which the Government is collecting.

The Government’s strategy for the ‘transformation’ and ‘personalisation’ of public services is based on sharing information across government departments and government agencies, to provide the state with a ‘joined-up’ picture of every individual.

The ultimate goal is for cross-government collaboration to manage the needs of every citizen, yet for the citizen to be unaware of this collaboration. Citizens are to become customers of the Government, presented with a ‘package’ of services.

The Government claims that this extraordinarily ambitious strategy will make public services more efficient and more responsive. Yet it entails more central control, less local accountability and less individual responsibility. Instead of breaking up the Whitehall monopolies, it draws more power to the centre.

It is a dangerous and surreptitious development.

And it should be resisted.