

LOW INCOMES TAX REFORM GROUP

Department of Communities and Local Government Consultation on Delivering Digital Inclusion: An Action Plan for Consultation RESPONSE TO CONSULTATIVE DOCUMENT

Executive Summary

- ES.1 Based upon our work on tax, tax credits and welfare benefits, we comment on how technological developments are impacting upon delivery of service by government departments. The introductory paragraphs below provide the background to our participation in this consultation. (Section 0.)
- ES.2 The trend towards electronic service delivery and online transactions (see para 1.3 – some taxpayers are already facing compulsory online filing) currently leaves some with inadequate support and a second-class service. It must be acknowledged that there will always be those for whom digital inclusion is impossible, for example due to disability, religious beliefs etc, or simply through choice. Support and alternatives therefore must be provided. (Paras 0.2.4, 0.2.5, 0.2.6, 1.1, 1.2, 1.6, 2.5, 5.1, 6.2.)
- ES.3 In any event, technology cannot always provide a solution. Complex issues of law can rarely be dealt with via digital solutions, and these cannot be considered a substitute for face-to-face service. It is vital that government departments bear in mind digitally excluded members of the population when deciding how to disseminate information, particularly if failure to take note of that information involves sanctions. (Paras 0.2.7, 1.6, 3.4.)
- ES.4 All government policy must be reviewed in terms of the digitally-excluded prior to implementation. We provide examples of where things can go wrong if this is not the case, or where policy fails to keep pace with technological change. (Paras 1.8, 1.9, 1.10, 6.2.)
- ES.5 Data sharing, security and accuracy issues are a barrier to public confidence that the system will deliver efficient and risk-free benefits. Government departments should lead by example, thus encouraging others to join the digital age, but also ensuring that those excluded do not lose out. As a first step, resources are required to invest in the necessary improvements to government databases. (Paras 1.5, 1.7; section 4.)
- ES.6 Cost of accessing technology is clearly a factor in inclusion – we raise particular issues for people with disabilities for whom tailored home access is more likely to be a necessity than a luxury. (Section 2.)

- ES.7 Whilst home access for all is clearly preferable, this is a much longer-term goal and local, free, secure public access must fill the gap for those without it. (Paras 2.1, 3.5, 5.2, 5.3, 6.4.)
- ES.8 Lack of confidence in how to securely access and make best use out of the technology is also an issue for many people. Generally we believe that transactional use of the internet is over-estimated by those developing services. (Paras 1.1, 6.2; section 3.)
- ES.9 We agree that a Digital Champion would be a useful role, particularly in terms of taking a cross-government overview; but one which should also encompass securing a fair deal for those who will inevitably remain excluded. The Champion should reinforce the idea that technological developments must be first and foremost used to improve service delivery rather than to cut costs. (Section 6.)

0. Introduction

0.1. *About us*

- 0.1.1. The Low Incomes Tax Reform Group (LITRG) is an initiative of the Chartered Institute of Taxation (CIOT) to give a voice to the unrepresented. Since 1998 LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those on low incomes.
- 0.1.2. The CIOT is a charity and the leading professional body in the United Kingdom concerned solely with taxation. The CIOT's primary purpose is to promote education and study of the administration and practice of taxation. One of the key aims is to achieve a better, more efficient, tax system for all affected by it – taxpayers, advisers and the authorities.

0.2. *General comments on this consultation*

- 0.2.1. The low-income population that LITRG seeks to represent encompasses many of those who are identified in this consultative document and supporting research as least able to access, use or benefit from digital technology.
- 0.2.2. Although our main interaction with government departments is with HM Revenue & Customs (HMRC) and the Department for Work and Pensions (DWP) we do see where issues cross over between many government departments. We therefore welcome moves to realise the benefits, both direct and indirect, that digital technology can bring to all citizens.
- 0.2.3. LITRG's work to date has included responding to HMRC consultations on both their Carter online services programme¹ and their draft IT Accessibility policy².
- 0.2.4. LITRG does a significant amount of work identifying current disadvantages in the system for people with disabilities, trying to influence change at both policy and administrative level. In so doing, we have recognised that whilst for many people digital technology has been a benefit there are others whose disabilities mean that they are likely to continue to be digitally excluded.

¹ See <http://www.litrg.org.uk/reports/submissions.cfm?id=602>

² See <http://www.litrg.org.uk/reports/submissions.cfm?id=488>

- 0.2.5. Furthermore, LITRG looks at the position of other groups, including pensioners and migrant workers, both of which are again likely to be disadvantaged when it comes to technological advances; the first perhaps due to inexperience and affordability, the latter due to language or other barriers.
- 0.2.6. For anyone who may never be able to fully participate in the digital revolution, whether through lack of access or inability to use or cope with digital technology, it is important that they do not receive a second class service by using alternative means of communication or in accessing information.
- 0.2.7. It is vital that government departments like HMRC bear in mind that 17million members of the population are digitally excluded when deciding how to disseminate information, particularly if failure to take note of that information involves sanctions.
- 0.2.8. In response to the specific questions posed by the consultation document we comment below where appropriate to our experience.

1. Chapter 1

Question 1: How far do you agree with the definition of digital inclusion and the nature of the problem set out in Chapter One?

- 1.1. The definition as set out in para 28 of Chapter 1 seems to infer that all citizens will benefit 'directly' and indeed Chapter 3 leads clearly with this statement. However there will always be those in society who will never fully participate in the digital age and cannot reasonably be expected to do so.
- 1.2. This is partly acknowledged in para 4 of Chapter 1 which states that '*Some have made an informed choice not to engage directly in using the Internet, and no part of this action plan suggests they should be compelled to engage **without a reason or need***' [emphasis added]. We would prefer that the emboldened qualification of this statement were removed, simply stating that no-one should be compelled to use the internet or other digital technologies if they choose not to.
- 1.3. Yet citizens are already being compelled to engage in internet use. The filing deadline for paper tax returns was, in 2008, shortened to 31 October whilst maintaining the later 31 January deadline for online filers. And HMRC plans to introduce from 2010 compulsory online filing of PAYE returns for all employers; we understand there may only be very limited exemptions from this requirement, for example on grounds of religious objection.
- 1.4. Although it is referred to later in the paper, Chapter 1 itself does not appear to address the problem that many non-users lack confidence in the security of their internet system or the security of the data that they disclose or which is held on them by others. Failures in security of data held by government departments have been widely reported meaning that much work is needed to restore public confidence.
- 1.5. It is also not just that computer records must be kept secure if people are to have confidence in them – they must also be accurate. In addition to data security issues, many people are fearful of inaccurate data being held about them in both the public and private sectors and of how data – accurate or otherwise – may be used. The inability to see, check and correct such data, without a great deal of effort and some

expense by using the Data Protection Act provisions, is a major barrier to increasing public confidence.

- 1.6. Resources must be directed to those who need more support such as face-to-face services. Whilst this is acknowledged in para 16 of Chapter 1, we currently perceive that people accessing HMRC's services (and those of other government departments) are receiving a second class service. Increasingly, there is a trend to remove paper-produced guidance in favour of the web, so support services must be adequately resourced and allowed to flourish to provide alternatives for those left behind. Unfortunately, to date cost pressures and 'efficiency' targets have resulted in cutbacks of the former without sufficient development of the latter. Alternatively, government must reverse the trend towards dispensing with paper products. For example, we see many HMRC guidance leaflets which contain website links for more information; so although basic information is available in paper format, it remains of little use to someone with no access to the internet.
- 1.7. Para 6 mentions the 'silo mentality in the design and delivery of some technology-led solutions'. It is precisely this approach to service delivery that we are constantly trying to combat in our recommendations to government departments like DWP and HMRC. There are many situations where the two departments need to interact, or even where different teams within the departments themselves need to communicate, but fail to do so. Delivering the 'indirect benefits' of the digital age through enhanced services could, in turn, encourage those who have so far shied away from technology to embrace it. Unless government departments 'lead by example' in this way, public scepticism of the benefits will endure.
- 1.8. Para 9 refers to the pace of technological change. There are many instances where tax policy has failed to keep up with these changes. For instance, the increasing blurring of distinctions between TV, internet, mobile phone, listening to music etc gives rise to problems in designing tax policy which seeks to levy a charge on equipment provided by employers which is also used privately by employees. This will be an ever-increasing issue and one which must be addressed.
- 1.9. This problem also feeds in to other government initiatives aimed at encouraging employers to provide home computing equipment for employees, as mentioned in the box under para 16 outlining 'Computing skills and technology programmes'. In addition, home-working tax issues spill over into plans to introduce 'Homeshoring' in areas of deprivation, encouraging people to work at home or in a local 'hub' (para 25).
- 1.10. In summary, to deliver a cohesive digital inclusion action plan, tax issues of the various strategies planned must be considered at the outset (see also 6.2 below).

2. Chapter 2

Question 2: How far do you agree with the analysis set out in Chapter Two? Is there other evidence we should consider as to why digital inclusion is an important social issue?

- 2.1. It is good to note the emphasis placed on access to computers in the home although we believe this is important for all groups of individuals identified in para 1.

- 2.2. However, when reviewing the statistics, care must be taken to recognise that 'access' to the internet is not the same as 'use' of the internet as the ONS Internet Access 2008 survey indicates³. The ONS survey indicates that 65% of homes have internet access but also shows that 70% of adults aged 65 plus stated that they had never used the internet.
- 2.3. We are also concerned that under para 3 too narrow a view of disability is considered, as it focuses substantially on physical impairment. One further grouping would be those with memory impairment (covering seizure or psychiatric disorders) who may have poor concentration and navigational skills. In addition there are those with mobility or dexterity issues that impact on their ability to use a computer due to limitations in muscular control and sensations.
- 2.4. There are also those who experience problems with social interactions or have other communication issues. Provided that security issues are not insurmountable, technological advances allow new avenues to be explored to help people overcome such difficulties, for example to look at email and instant-messaging style communications for those who are uncomfortable with telephone contact.
- 2.5. In short, the issues with internet use and access are different for each type of disability. For example, a person with impaired hearing might benefit greatly from internet use, while (eg) an older person whose cognitive faculties are deteriorating will never be able to use technology.
- 2.6. Whilst software packages are available to cover some forms of disability the cost of these could be prohibitive to those on a low income, so additional support may be required for people to equip themselves adequately.

3. Chapter 3

Question 3: How far do you agree with the analysis in Chapter Three of the main barriers which prevent individuals and communities from engaging in digital technologies?

Question 4: What are the most effective ways to remove these barriers and ensure that all individuals can exercise an empowered choice about their use of digital technologies?

Question 5: What are the risk factors and benefits for different communities associated with current and next generation access?

Question 6: What should be done to empower communities and local partnerships to address these risks and benefits?

Question 7: How far do you agree with the summary of issues around the direct use of technology presented in Chapter Three? Are there any other important issues we have not mentioned?

- 3.1. In para 3 we again see a disparity between profiles of those without any internet access and those who would (or indeed could) actually use it to optimum advantage, as highlighted at 2.2 above.

³ See <http://www.statistics.gov.uk/pdfdir/iahi0808.pdf>

- 3.2. Any interventions envisaged in para 5 might need to be cast more widely as the research commissioned by Communities and Local Government does also show clear exceptions to the general pattern mentioned here.
- 3.3. The analysis in this chapter does not include any consideration of the activities of internet users. Again referring to the ONS survey mentioned above, there is a wide variation of levels and type of activity between age groups.
- 3.4. In particular we would comment on transactional use of the internet as it is something we have closely followed with HMRC and their push towards online filing of returns and other documents. There is still a comparatively low use of the internet for transactional services such as online filing. It must be recognised that not everyone accessing the internet necessarily uses it for transactions. Indeed, the internet or telephone will never be able to solve problems of complex law, for which face to face communication will remain a necessity. This is even more so the case if a person's intellectual or reading capabilities prevent them from IT interaction beyond the basics – a person can own a car; it does not follow that they can drive.
- 3.5. This also relates back to a point made in 2.1 regarding access to a computer at home, as many would feel uneasy at divulging personal or financial information in a public place.
- 3.6. There are many adults and older people on low incomes who find themselves increasingly pushed towards online filing, which in itself can bring benefits, but for whom significant levels of support are necessary to enable them to access and use the internet for this purpose.
- 3.7. Specifically referring to Question 7, users also need confidence in the security of their access to the internet, in terms of understanding, accessing and using necessary security software.
- 3.8. It is also well documented that many individuals are disturbed by reports of data security lapses and much needs to be done to reassure them that all necessary measures and checks are in place to safeguard their personal data. See also paras 1.4 and 1.5 above.

4. Chapter 4

Question 8: How far do you agree with the assessment of risks and opportunities around the indirect benefits of technology presented in Chapter Four?

Question 9: How can we raise awareness of the indirect benefits of technology for service design, planning and delivery across all sectors?

Question 10: Does the way in which services, particularly public services, are currently delivered adequately support individuals and groups who are socially disadvantaged? What more could be done to ensure they do?

- 4.1. For those on low incomes there is much that can be done to provide the indirect benefits that technology can offer which could give better identification of their needs

and access to appropriate help and benefits. However as indicated in para 13 and 14 very high standards are needed to ensure data security.

- 4.2. We note that the government has now published its response to the Data Sharing Review and accepted some of the recommendations made.
- 4.3. The 'Tell Us Once' initiative is a good example of how government departments can use technology to improve the experience of all citizens. However, government computer systems are too often designed to fulfil only one purpose in relation to an individual (eg the average benefits claimant will have information about them held on the tax credits computer, the DWP computer, and the local authority computer in respect of housing benefit), and none of the systems are able to communicate with each other. To rectify the problem by integrating the disparate number of computer systems and databases used by government departments, a lot of work and investment will be needed. Are the resources available to meet this necessity?
- 4.4. Another problem is the inadequacy of many government systems even for the task for which they were designed. All too often our recommendations to government departments are met with the response that the IT infrastructure cannot cope or cannot be altered to incorporate helpful – and sometimes even vital – changes. In bringing about change, this is therefore likely to be a significant hurdle.

5. Chapter 5

Question 11: Are you aware of any other examples of good practice not mentioned in Chapter Five?

Question 12: What aspects of previous or current digital initiatives and strategies have been most successful in tackling digital exclusion?

Question 13: What actions need to be taken to support better partnership approaches?

Question 14: What should be the extent of Government's intervention in tackling digital exclusion?

Question 15: How else can the impact of current activity be maximised?

- 5.1. In para 12 it should be remembered that along with groups who may be marginalised there are also religious groups whose beliefs prohibit the use of certain technologies such as the internet for any purpose.
- 5.2. In looking at any partnerships involving public libraries it must be remembered that in fact libraries continue regularly to be marked for closure mainly due to funding difficulties encountered by local authorities. There is also currently a modernisation review being undertaken to consider the future of the library service which hopefully will appreciate the benefits that can be available to those without internet access, particularly for information activities.
- 5.3. When considering any partnership with the third sector, it is imperative to recognise the need for adequate and secure funding for relevant organisations in order to deliver the benefits envisaged.

6. Chapter 6

Question 16: How far do you agree with the proposed principles outlined in the Charter? Are there others we should consider?

Question 17: How far do you support the actions which underpin the principles? Are there others we should consider?

Question 18: What issues need to be considered in determining a baseline measure for digital inclusion?

Question 19: What should be the brief of the Digital Champion role?

Question 20: What would be the single most effective thing government could do to drive its digital inclusion agenda?

Question 21: Are there any other issues you would like to raise in relation to this consultation?

Digital Champion's role

- 6.1. HMRC is currently developing a new Charter for customers and stakeholders. As part of the consultation process to date on development of the Charter, we commented on digital inclusion/exclusion: *'There must be a commitment in the Charter for HMRC to cater for individual needs, for example by maintaining (and improving) face-to-face services and not completely replacing traditional methods of interaction with electronic ones, thereby excluding those without internet knowledge or access.'*⁴
- 6.2. We therefore believe that the proposed Digital Champion should have, as part of his/her remit, to ensure a fair deal for those who remain digitally excluded. The Champion should also create an overarching impact assessment group where all government policies are 'digitally' assessed to identify any likely side effects. For example, our work on Independent Living⁵ identifies issues which were (and are still being) encountered in the rollout of Direct Payments where users have to deal with being an employer for tax purposes. We have then gone on to raise issues regarding the impact of mandatory online filing such non-business employers. A taskforce reviewing policy changes should be able to identify and address such issues from the outset. The Champion needs to stop both government and private sector organisations from making invalid assumptions as to the extent to which they can rely on basing their services on assumed digital inclusion.
- 6.3. Referring to para 4.1 above, part of the Champion's role must also be to establish ways in which data may be used to the benefit of citizens (maximising the indirect benefits of the technological age) whilst ensuring data protection standards are maintained. This is a key difficulty for government departments, both in terms of sharing information within internal 'silos' and with other departments.

⁴ See <http://www.litrg.org.uk/reports/submissions.cfm?id=588>

⁵ See our report *Independent Living, Direct Payments and the Tax System* <http://www.litrg.org.uk/reports/reports.cfm?id=490>

- 6.4. The Champion must address access issues, starting from the basis that access must be easy, secure and available at low or nil cost: this might include imposing obligations on service providers to ensure the needs of all potential users are identified and catered for.
- 6.5. Finally, the Champion should ensure that the availability of better digital technology is looked upon as an opportunity to improve services, not to cut costs; the latter should be a by-product not an end in itself.

LITRG
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