



## Use technology to reduce government deficit

**Embargoed: Not for broadcast or publication until 00.01 Hrs February 11<sup>th</sup> 2010**

Central government must dramatically improve its use of technology if it's to cut the public sector deficit, according to the findings of a new report by the RSA.

The government could use the internet to much greater effect, for example by delivering more public services online which can save significant administrative costs as well as reducing environmental impact.

The government could also learn from low-cost websites built by third sector organisations such as [www.fixmystreet.com](http://www.fixmystreet.com) or private sector websites such as [www.amazon.com](http://www.amazon.com) to use the internet to co-produce public services. The report states that well-designed platforms could harness the knowledge and experience of large populations to effectively and democratically improve service provision.

Government's procurement of technology to date has often resulted in expensive contracts and high rates of failure. The report says that the government could minimise the effect of late and over-cost ICT projects by a number of measures including dividing ICT projects into incrementally smaller packages, by retaining more in-house expertise on ICT and by publishing data on ICT projects and their targets transparently.

The RSA's report finds that the UK's businesses and government must innovate in radically different ways to generate growth that will off-set debt, and to bring down the cost of government.

Among the report's recommendations is the important role that public sector procurement can play in supporting the technologies that will be required in a period of economic uncertainty.

Technology in a Cold Climate calls on ministers to ensure that everyone across the UK will benefit from the next generation of high speed broadband as a platform for future growth and innovation. The report concludes that digital connectivity offers significant social, commercial and economic benefits and that the government should intervene if the market fails to provide access to all.

With a reliable ICT infrastructure, technology could also make dramatic cuts to the amount of natural resources consumed by displacing carbon intensive activities such as daily commuting with high definition video-conferencing, the report says.

The report concludes that there is not a sufficiently strong discourse between policy makers and business regarding the nature of the society we are aiming towards and the role that technology could play. The RSA concludes that there is a need to establish a vision of the society we aspire to and the markets and technologies that will be required to support it.

The report is the conclusion of the RSA's Technology in a Cold Climate project. The project involved a commission of four independent research papers followed by a symposium during which the commissioned papers were discussed by a number of experts from the public, private and third sectors.

Commenting on the report, RSA Chief Executive Matthew Taylor said:

'The economic challenges we face are both short and long term. The innovation we need is not just that which generates new products for the market but also which helps us meet growing social needs in fiscally realistic and environmentally sustainable ways. This new context for technological innovation calls for a new more purposive and multi-disciplinary method for developing ideas and designing solutions'

Commenting on the report, the author Jamie Young said:

"Given their variable performance, cutting public sector ICT projects could seem like a quick win in the face of the government's deficit, but technology has a unique role in meeting the challenges ahead, and if we can learn how to use it more effectively, then there are enormous cost benefits a little further down the line."

#### **Notes to editors**

- 1. For more information contact Jamie Young, RSA Senior Researcher on 020 7451 6935 or 07967 997 590 [jamie.young@rsa.org.uk](mailto:jamie.young@rsa.org.uk)**
2. The RSA's research indicates, for example, that annual savings of £100 million could be made on the cost of administering Job Seekers' Allowance by allowing people to apply online, and further savings by allowing citizens to give each other job advice online. The Department for Work and Pensions has the largest budget, but only 1% of its interactions with people are currently carried out online.

3. The RSA's Technology in a Cold Climate project consisted of a commission of four research papers from John Farrington (with Sarah Skerrat and Peter Edwards), Jeremy Howells, Helen Margetts and Dennis Pamlin, followed by a one-day symposium of sixty experts at the RSA in late October 2009.
4. The Technology in a Cold Climate steering group includes Julian David, Sam Gaudois, Ben Hammersley, John Higgins, Tom Hockaday, Ian Hosking, Aled Jones, Patrik Karrberg, Jonathan Liebenau, Garry Miller, Andy Naish and Tristan Wilkinson.