

## **MAKING OPEN DATA REAL: BSA RESPONSE**

The BSA - Business Services Association - is the trade body that represents companies, and their advisors, delivering outsourced and business services across the private and public sectors.

BSA members are involved across the full range of public service provision - including health, education, defence, environmental, waste management, housing and other local services, IT and digital services, security and transport. A list of our members is enclosed with this submission.

Full members have a combined worldwide turnover of some £70 billion and employ around two million people. In the UK the combined turnover is £16.5 billion and 365,000 people are employed across the country.

### **Data Transparency**

BSA members strongly support the principle of greater transparency in data provision, so that:

- service provision can be driven ultimately by the needs and wishes of service users; and
- potential private and independent sector partners have the data they need to be able to suggest ways in which value can be improved.

We believe there is huge potential for further outsourcing at local and national level, and that procurement decisions should be taken on the basis of quality of service provision and wider value (not just cost). Increased data transparency will help drive this change towards better value, by allowing service users, elected representatives and potential partners alike to compare value against that provided elsewhere.

This means that both

- (1) service performance and 'outcome' data; and
- (2) financial 'input' data

need to be published in a timely, accurate and accessible manner, and in a way which makes it as easy as possible to compare the two in order to get an indication of value.

It also means there needs to be a level playing field between:

- the data published when a service is provided in-house and when it is outsourced; and
- the data available to in-house providers and that available to potential private or independent sector providers.

In order for commissioners to commission services which offer the best value, it is essential that they know the true cost of delivering a service for *both* in-house providers *and* private providers, to enable a thorough comparison between different service providers. Better data helps to get over the incumbency advantage which currently exists.

An example of a service which could benefit hugely from greater data transparency is housing management. Research indicates that the vast majority of residents have very little idea about how much their housing management costs. In many cases alternative providers may be in a position to offer a better quality service for the same cost - or, if preferred, the same quality of service for a lower cost. Residents themselves could often drive such change if the data on service quality and cost were more readily available so comparisons can be made. The Government is rightly supportive of Tenant Panels as part of its housing regulatory reform; in order to enable

tenants to be fully empowered to take decisions about how their estates and local areas are managed, more easily accessible data will need to be a key cornerstone of this policy.

Similarly there is currently inadequate data within the NHS regarding the cost of in-house teams delivering support services. This means that those in-house services cannot be tested for value-for-money against potential private providers to ensure that the most suitable provider wins a contract. For example, when a Civitas report last year surveyed IT experts working closely with the NHS, one specialist commented “quality of data is extremely poor...trusts have base IT administrative systems...there is much duplication; and records are incomplete and held in unconnected systems that require armies of people to collect.”<sup>1</sup> The same report noted that inadequate data sets allowed some in-house providers to undertake predatory pricing strategies by shifting “their overhead costs around to remove costs from services where they will want to win competitive contracts, downloading them on to others where there is no competition.”<sup>2</sup> The BSA has recommended mandatory benchmarking within the NHS so that the true cost of delivering support services in-house can be identified and compared with already available data from private providers.

### **Open Data**

Open data takes the principle of data transparency further by introducing a presumption in favour of data release, in easily accessible format, with certain exceptions such as for personal privacy or commercial confidentiality.

This should not lead to additional burdens on authorities as they ought to be collecting such data - certainly financial data - in any event, to ensure they have the best business models and management plans in place. It is only through collecting data that performance and progress can be improved.

Evidence in education, housing and elsewhere has demonstrated that open data can help improve performance and drive efficiencies. Used effectively it can help to make sure that the true, full, cost of providing services is revealed, so different potential providers are competing on a level playing field. If the Government’s ambition on public service reform and localisation is to be realised, open data will be a primary means of identifying opportunities and innovation.

The BSA recognises the need for:

- a clear framework for common data, between central government departments, between local authorities, and between service providers, to facilitate comparison and benchmarking - and to avoid potential partners bidding for contracts in several different areas having to discover from scratch what data is available in each case;
- data to be suitably cleansed, in order for it to be useful. There is an inherent tension between the speed of publishing data and the time necessary to ensure it is cleansed and suitably verified;
- appropriate training for procurement staff in the use of data in the assessment process, with the full cost of in-house provision used when comparing competing bids.

As the Government’s consultation document recognises, the first conclusion drawn in Phillip Green’s Review as to why government conducts business inefficiently was that: “Data is very poor and often inaccurate.” The BSA believes accurate, comprehensible and easily accessible data is the first prerequisite for efficient government.

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<sup>1</sup>*Refusing Treatment*, Civitas, October 2010.

<sup>2</sup> *ibid*.

### *Local Data*

Local councils already publish items of spending over £500. Under the Government's Code of Recommended Practice on data transparency, this includes copies of contracts and tenders to businesses and to the voluntary community and social enterprise sector.

As Local Government Group / Local Public Data Panel guidance states, because councils are expected to publish new contract and procurement information, all information linking procurement and accounts systems should be published, allowing spending to be linked to contracts and tenders.

However, at present the Openly Local UK Councils Open Data Scoreboard says only 93 councils are 'open data councils' (publishing a dedicated open data page or section listing the open data sets they publish) and only 87 are 'truly open' (with a licence that explicitly allows free and open reuse, including commercial reuse, and at the most applies share-alike and attribution restrictions to the data).

The BSA believes further progress should be made in encouraging other councils to follow the lead of open data councils.

### *Data from local services*

The need for consistency in data is especially apparent when it is published by schools, hospitals and other local services. We recognise the need to avoid imposing undue burdens on public services, with the emphasis on publishing data that is already available and in line with the internal processes of the service provider, ensuring that it is as consistent as possible with other service providers - especially within a local area.

### **Conclusion**

We would urge the Government to implement its Open Data programme as speedily as possible.

It is our belief that increased transparency will lead to pressure for greater value which, in turn, will help drive the move towards more open commissioning and a greater diversity of providers. Improved competition could have a catalytic effect on existing public sector providers, transforming the way services are delivered.

The ultimate aim is to secure better value services which respond to the needs and wishes of service users. The implementation of the principles set out in 'Making Open Data Real' will help to secure this goal.

**The Business Services Association**

**October 2011**

## **BSA MEMBERS**

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