



HER MAJESTY'S STATIONERY OFFICE

REVIEW OF THE FIRST FOUR IFTS VERIFICATIONS

4 September 2003

REVIEW OF THE FIRST FOUR IFTS VERIFICATIONS

INTRODUCTION

Background

1. The Cross-Cutting Review of the Knowledge Economy¹ set out practical steps for the Government to promote the reuse of Government information in innovative products and services. It included the recommendation that Trading Funds should improve their pricing and dissemination policies. The Controller of Her Majesty's Stationery Office is responsible for implementing key decisions on the management of Crown copyright, including regulating the licensing decisions of Trading Funds.
2. The Controller offered Trading Funds permission to take licensing decisions on Crown copyright information on her behalf. Although some preferred HMSO to administer their licensing activities, others have accepted this delegation of authority. HMSO consulted the public on how to implement a regulatory regime for those accepting the delegated responsibility and the Information Fair Trader Scheme (IFTS) was the outcome (www.hmso.gov.uk/archives/policy/consultation.htm). The IFTS is designed so that re-users of Government information, whether in the voluntary, professional or commercial sectors, can be confident that they will be treated reasonably, consistently and fairly by public sector information providers.
3. To be recognised as an Information Fair Trader, an organisation will:
 - make a **commitment** to fair trader principles;
 - have the commitment independently **verified**;
 - investigate **complaints** that the commitment has not been met.
4. To join the scheme, a Chief Executive (or equivalent) will make a personal commitment to the five principles for the re-use of Government information: openness, transparency, fairness, compliance and challenge. HMSO then examine the Trading Funds' underlying administrative and decision-making processes to verify that they do in fact support the Chief Executive's commitment. HMSO piloted a verification process on its own licensing activities in October/November 2002. The lessons learned were used to refine the process that has since been applied to the UK Hydrographic Office (December 2002/January 2003), Ordnance Survey (March/April 2003) and the Met Office (June/July 2003) – the largest Trading Funds licensing the reuse of their

¹ HM Treasury Spending Review 2000

information. In all four verifications, HMSO were supported by Methods Application Ltd, who developed the methodology used.

5. This review seeks to identify the lessons that could be used to further refine the verification process in the light of experience as IFTS extends more widely.

PURPOSE

6. To take stock of the first four verifications carried out to date under the IFTS (ie HMSO, UKHO, OS, Met Office) and to:

- identify improvements for verifications of similar-scale information traders in the future;
- refine the verification process for application to Trading Funds that license reuse of smaller quantities of information; and
- provide a basis for possible future verification of other public-sector information traders.

SCOPE

7. All those involved as members of the four verification teams, those subject to verification in HMSO and the three Trading Funds were all invited to contribute to the review.

8. HMSO have funded the verification of the fair trader commitments made by Trading-Fund Chief Executives. These exercises have absorbed more resources than originally expected. In a separate exercise, HMSO are quantifying these in detail for their planning of future budgets. We do not know, at this stage, exactly how many more Trading Funds will require verification but hope to address these within our budgets for the current and next financial years. We have not, though, made any allowance for any return visits or for developing the Scheme beyond Trading Funds. Whilst we do not plan to address resources as part of this review, its recommendations are likely to have resource implications. HMSO will need, therefore, to address the costs of verifications as a separate exercise after this review has been completed and as part of our preparation for Spending Review 2004.

FINDINGS

ASPECTS WORKING WELL

Trading Funds

9. All three Trading Funds that underwent the process reported benefits stemming from increased focus on their pricing and licensing activities. HMSO also noted benefits to its own licensing work resulting from the pilot verification. Benefits were seen in two ways: those coming from Trading Funds taking a closer look at their own policies and processes in preparation for the verification; and recommendations from the verification team coming from their independent assessment of the same activities. All three Trading Funds and HMSO recorded improvements introduced as a result of the exercise.

10. The Trading Funds regarded the process as thorough and fair. They also thought that the verification team were hard working, conscientious and focused on the task. Those managing the verification exercise in the Trading Funds thought they were given adequate opportunity to discuss any differences in interpretation with the verification team. One Trading Fund felt, furthermore, that the exercise was good publicity for, and a morale boost to, its licensing team.

Verification Team

11. HMSO felt that it had proved a useful exercise for staff outside the Licensing and Regulation Teams to assist with the verification process. Their involvement gave them insight into licensing and IFTS issues. Equally, HMSO benefited from the participation of staff with a background in licensing work.

Conclusions

12. We conclude that overall the verification process is working as intended. It is meeting the aspirations of the Cross-Cutting Review of the Knowledge Economy and the more detailed objectives for HMSO as a regulatory body emanating from the consultation paper in 2002². These led directly to the launch of IFTS last year.

13. In addition, we conclude that the verification methodology proposed by Methods Applications Ltd and refined by them with HMSO provides a sound framework for verifying the commitment by Trading Fund Chief Executives to trade in information fairly. It concentrates on the correct areas and provides appropriate data from which we can draw fundamentally sound conclusions.

14. Finally, we have concluded that HMSO, with its extensive experience of licensing Crown copyright and having achieved IFTS accreditation itself, is ideally

² Licensing of Crown Copyright – HMSO Regulatory Framework

placed to license the re-use of copyright material originated by Trading Funds not wanting their own delegation of authority.

15. While it meets the requirement, we recognise that the verification process is still capable of further improvement and refinement. It is these aspects that we address in the following sections.

ASPECTS NEEDING FURTHER CONSIDERATION

DEPTH AND THOROUGHNESS

Trading Funds

16. Generally, those undergoing verification felt the team looked at the right areas and spoke to the right people. At least one Trading Fund recognised that they needed to be pro-active to ensure that the verification team engaged with all the relevant people in the appropriate areas, ie strategists, policy makers, decision takers and front-line delivery staff. Some, however, felt that the verification team concentrated too much, at times, on cost and allocation models. Indeed, some of those interviewed in two Trading Funds felt the verification team were occasionally going outside their remit. One Trading Fund thought discussion of cost and revenue allocations with Directors should have been sufficient.

Verification Team

17. The verification team found in some instances that those being interviewed felt that the onus was on the team to unearth the information: they would not volunteer information but only provide it if and when specifically asked.

18. The verification team also experienced, on some occasions, a lack of understanding in Trading Funds regarding the depth that the team would need to delve in order to substantiate the Chief Executive's commitment. There is a trade-off between the depth of relevant information provided before the on-site visit and the amount of time spent on site.

Conclusions

19. The verification team need – as part of the methodology - to look at all aspects of the Trading Fund that relate to licensing and information trading. We need to ensure that (before we carry out an on-site visit) both the verification team and the Trading Fund are clear about all the areas that have an impact on Crown copyright and information trading. This agreement will set a jointly understood envelope for the work of the verification team.

20. We need to emphasise to the Trading Funds that we are dependent upon them showing us that their licensing and information-trading activities are sufficient to support the Chief Executive's commitment. How they demonstrate that will be up to them but they will need to satisfy the verification team that the Trading Fund is conforming with the IFTS principles. We also rely on them to identify the right people for the verification team to interview. We will try to help them to do so but in the end it is their responsibility.

21. We need also to make clear that we need to identify and understand policies and business models, as well as ensure that they are being consistently implemented. We will need to ask similar questions of policy makers, decision takers and front-line staff to satisfy ourselves that the relevant policies are being implemented throughout the organisation.

TRADING FUND'S BUSINESS/PRICING MODELS

Trading Funds

22. All three Trading Funds felt that the verification team did not initially understand the complexity and breadth of their business/pricing model and that this prolonged the on-site visit. Some staff in one of the Trading Funds also concluded that this lack of understanding was compounded by the verification team inappropriately 'pushing' a particular solution that they had come across during an earlier verification.

Conclusions

23. We need to ensure that sufficient meetings are held before the on-site element of the process starts so that the verification team adequately understand the relevant business/pricing model. This in turn will help to identify the right areas of the Trading Fund on which to concentrate during the site visit.

24. We need to be better at communicating our ideas when quoting earlier experiences of other Trading Funds. We are not seeking to 'push' a particular solution to a problem but are trying to promote an underlying concept: we do not believe their problem is intractable because we have come across a similar one and that has already been solved. We recognise that each Trading Fund must develop its own solution and it may well be unique to that Trading Fund. All we are seeking to do is encourage the Trading Fund to seek a solution.

ADMINISTRATION

Trading Funds

25. All those visited thought we could do more to identify and arrange as many interviews as possible before the verification team arrives on site. They

also believed it was easier to facilitate smaller on-site teams. Changes in the team composition generated extra work for Trading Funds to facilitate the process. Moreover, the changes occasionally led to information not being passed between verification team members.

Verification Team

26. While the verification team recognised that it helped them as well as the Trading Funds to identify and arrange as many interviews as possible before arriving on site, they needed to retain flexibility. The team would wish to stop pursuing specific issues when they had sufficient evidence – so might not need to see all they had previously identified. Similarly, they would need to pursue new issues as they arose. This could involve the verification team interviewing other staff in the organisation or arranging additional meetings with those already interviewed.

27. As part of the on-site exercise, the verification team needed to review a number of individual case files. The team had experienced difficulty in obtaining these files, particularly where they were dispersed across a number of geographically widespread sites.

Conclusions

28. We need to make more effort to identify to the Trading Fund well in advance all the facilities we will need, our security and access requirements (to Intranets as well as buildings), who will be in the on-site team and, as far as possible, not to vary these requirements.

29. We also need to emphasise the need to access case files and to identify specific ones well in advance so the Trading Fund has adequate warning. We will also stress that we are flexible in our way of working and can, if essential and within reason, visit other sites to view case files.

30. We have concluded from the first four verifications and the responses to this review that Trading Funds would benefit from carrying out an advance examination and self assessment of their relevant areas. This exercise should help them (if they have not done so already) understand the importance of current Government policy on Crown Copyright to their activities and how the principles of IFTS will affect them. They would also profit from widely communicating internally the background to the verification, what was likely to happen, when and the team's remit.

RESOURCES AND TIME

Trading Funds

31. The views expressed on the best size for the verification team varied but there was an underlying preference for small teams. The UK Hydrographic Office, where the team generally consisted of two people, thought that about right. The Met Office, where the team had been up to five people on several days, thought this was too many. Ordnance Survey (where the team had been a similar size to that at the Met Office) thought it was for us to decide. However, all those verified commented on the considerable time and effort that was needed to prepare for and to facilitate the verification. Finally, there was a plea from one Trading Fund for a more realistic timetable.

Verification Team

32. The Regulation Team recognised in the light of experience that they could streamline some of the on-site activity. They also thought it might be useful to have a facility to postpone or pause the process once they had arrived on site. However, they recognised that this would cause difficulties for themselves and probably for the Trading Funds.

33. HMSO also believed that experience had shown the need for budgeting, auditing, licensing and website skills at some stage during the process. Not all of these were necessarily required on site.

34. Smaller on-site teams could increase the length of the audit and involve some changes of personnel to ensure that all areas were covered.

Conclusions

35. We conclude that we need to make clearer to Trading Funds in the earlier stages of the process that the verification process requires considerable amounts of their time and effort in preparation for and during the on-site verification.

36. We have also concluded that as well as keeping the verification team composition as constant as possible (see paragraph 28 above), we should keep the team as small as possible while remaining consistent with this requirement.

37. In addition, we will endeavour to be more realistic in our timetable for on-site verification. We believe that we will be better at this in future because of the experience we have now gained and because of the effect of some of the other recommendations around prior preparation that have stemmed from this review.

COMMUNICATIONS

Trading Funds

38. The Trading Funds were concerned that they did not fully understand the depth of information needed by the verification team on occasions. They also

quoted one or two examples of the verification team failing to communicate adequately among its members. The Trading Funds, additionally, thought it would be helpful to provide in advance examples of the good practice we had found.

39. One Trading Fund would have liked feedback (for future reference) on whether the information it had provided was sufficient, at the right level and clear. Another would have liked the opportunity to comment on any factual errors in the report before it was finalised.

Verification Team

40. The verification team reinforced that it was very desirable to have as much of the information requested as possible before starting the on-site verification. This would enable the team to consider the implications for their approach to the review and the key issues for them to address. Information requested before site visits had not always been provided in time, with consequent delays and changes to, for example, the interview programme.

Conclusions

41. We have already concluded that both the verification team and the Trading Fund need to better understand specific aspects before the team arrive on site. As part of this process, we will be endeavouring to be clearer with the Trading Funds on the depth of information we require.

42. We are very keen to promote the wider dissemination of good practice and recognise the value of doing this before the verification process starts in earnest.

43. We recognise that feedback on the Trading Fund's preparation for the process would be valuable to them.

44. We recognise the benefit of providing the Trading Fund with an opportunity to see the draft report before it is formally published so they can comment on any issues of fact. Indeed, we believe that such an opportunity was offered on one or two occasions but was not provided consistently.

SUMMARY

45. The review has shown that, in general, the verification process is meeting its objectives. However, we recognise that it can be streamlined to make the on-site element more efficient and effective by ensuring both the verification team and the Trading Fund understand the process adequately before the site visit starts.

RECOMMENDATIONS

46. We recommend that:

- HMSO develop and publish widely an information fair trader good practice guide, bringing out the underlying concepts that could be transferable (see particularly **Communications** paragraphs 38-44);
- as part of the preparation before a site visit:
 - we provide a checklist for Trading Funds showing all the types of information we would like to see and the types of activities we recommend they carry out before the site visit (see particularly **Resources and Time** paragraphs 31-37 and **Communications** paragraphs 38-44);
 - the Trading Fund is invited to provide us with a short, written description (no more than two pages) of its business/pricing model as it relates to licensing and information trading (see particularly **Trading Funds Business/Pricing Models** paragraphs 22-24);
 - we develop pre-visit briefings for all those likely to be involved, emphasising what we expect and need from the Trading Fund, the types of people we are likely to be talking to (strategists, policy makers, decision takers and front-line delivery staff) and why (see particularly **Depth and Thoroughness** paragraphs 16-21, **Administration** paragraphs 25-30, **Resources and Time** paragraphs 31-37 and **Communications** paragraphs 38-44);
 - the verification team leader and one or two other team members meet with the Trading Fund's Board (see particularly **Communications** paragraphs 38-44);
 - both HMSO and the Trading Fund agree the scope of the exercise and are aware of what is involved (see particularly **Depth and Thoroughness** paragraphs 16-21, **Administration** paragraphs 25-30, **Resources and Time** paragraphs 31-37 and **Communications** paragraphs 38-44);
- we improve communications within the verification team when on site (see particularly **Administration** paragraphs 25-30);

- the team leader provides the Chief Executive with feedback on the Trading Fund's preparation for the visit as part of their briefing before the report is published (see particularly **Communications** paragraphs 38-44);
- we offer the Trading Fund the opportunity to see the draft report before it is formally published so they can comment on any issues of fact (see particularly **Communications** paragraphs 38-44).

47. In addition, we will – as discussed in paragraph 8 above - address the costs of verifications as part of our preparation for Spending Review 2004.

Geoff Sadler
Head of Regulation
Her Majesty's Stationery Office