The truth is out there

Transparency in an information age

A discussion paper, March 2010
The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.
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We live in an information age. Technology has transformed the way we communicate and share information – and that information has changed people’s lives. More people than ever before regularly access the internet, make use of social networking sites and buy their goods and services online.

Information can also open the door to unprecedented change in the public sector. Technological advances, especially increased use of the web, are already changing the way public services are delivered. By making more information available to the public, technology is helping people exercise choice in the way they live their lives, from planning routes, to choosing schools or hospital treatments.

But the potential benefits of information in public hands goes well beyond choice. Increasingly it is argued that technology can make information available in ways that enhance democracy. If people know what choices their elected representatives are making, what public money is being spent on and with what result, they have the opportunity to hold elected politicians and public servants to account – and potentially identify waste and expose corruption.

But there are challenges.

- What information will capture the public’s imagination and therefore be used? Putting large volumes of data online will not by itself be enough to enable and encourage people to exercise choice or influence public decision making.
- With widespread concern about the trustworthiness of public information, what assurance will members of the public need in order to trust the information made available to them?

And there are risks.

- Is the data held by government departments, councils, schools and hospitals good enough? Inaccurate, out-of-date or incomplete information is a poor foundation for decision making, and could both mislead the public and undermine trust.
- Could putting more information into the public domain stifle innovation and make decision makers risk averse?
This discussion paper is based on three significant assumptions.

- Data about public services should, on principle, be in the public domain, subject to essential safeguards for confidentiality.
- The greatest public benefit will accrue when information is provided in forms that can be easily accessed, understood and analysed.
- It is both necessary and possible to take steps to reduce the risk that public trust will be undermined by inaccurate data or deliberate distortion.

At present, the conditions for the best use of information about public services do not exist. This paper seeks to stimulate a much-needed debate on what transparency in the public sector really means and what needs to be done to make the most of it.

To prompt that debate, this paper:

- shares learning and innovative practice from Britain and other parts of the world;
- highlights the challenges and risks of making data and information more widely accessible; and
- suggests some ways to mitigate those risks in the years ahead.

But it is a discussion paper, so we would be very interested in hearing your comments on the issues it raises.

Please send your comments to thetruth@audit-commission.gov.uk
Chapter 1

The age of transparency

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The time is now

1 The potential to exploit the power of information is much greater now than ever before. Technological advances have changed the way we access information and communicate with others dramatically, and rapidly, in the past decade. Today:
- more than two thirds of homes in the UK have access to the internet, compared with just over half in 2006;i
- over 90 per cent of all internet users regularly send and receive email; and
- 78 per cent of internet users find information on goods and services online.

2 More recently, the boom in social networking has led to a further change in the way we use technology to exchange thoughts and views. Facebook now has 19 million users and is the second most visited site in the UK after Google. Forty-one per cent of internet users access social networking sites daily, compared with 22 per cent two years ago.

‘Yesterday, on 15 June 2009, 20 hours of new content were posted on YouTube every minute, almost 500 billion Gigabytes of information were transferred seamlessly across the globe, over 2.6 billion mobile minutes were exchanged across Europe, and millions of enquiries were made using a Google search. The Digital World is a reality in all of our lives.’ii

3 But while new technology is rapidly changing our daily lives and the way we communicate, parts of the public sector are only just starting to come to terms with the digital revolution and the benefits that greater availability of information could bring.

i National statistics opinions (Ombudsman survey); August 2009.
ii Digital Britain report; June 2009.
Putting more information into the public domain is a good thing in a democracy. It can give more people greater choice, and an opportunity to express well-informed views on the things that matter to them. More transparent information on public spending has the potential to open a dialogue with the general public that could identify savings, reduce waste and expose corruption.

Choice and voice

More information could give people greater choice – about the GP or hospital they use, the schools they send their children to or the areas in which they choose to live – or equip them to exercise it better. Providing greater choice has the potential to improve satisfaction with public services, and ultimately make lives better.

And greater transparency could give more people a voice. If more people understand how their tax is spent, then they are more likely to question the decisions that politicians and public servants make. Better-informed debate has the potential to ensure that decisions on public spending reflect the views and priorities of the people they directly affect.

But there are challenges.
- Information put into the public domain needs to be accessible and easily understood. Reams of data published online will not be enough to capture the imagination of members of the public in a way that enables them to exercise choice and use their voice.
- Information needs to be relevant to the choices that are available, as well as dependable and trusted.
- Public bodies will need to be open to a dialogue with the people they serve to give people a genuine voice.
- Public bodies will need to be demonstrably responsive.

Reducing waste and deterring corruption

Making public spending more transparent also enhances accountability. For example, putting more information about spending on contractors, expense claims and even salaries into the public domain could help the public hold politicians and public servants to account. A transparent system can highlight waste and expose corruption, and can repair or damage public faith.
Despite these huge potential benefits there are challenges too. Is the data held by government departments, councils, schools and hospitals good enough to inform a debate on public spending? Information put into the public domain needs to be reliable and relevant. Inaccurate, out-of-date or incomplete information will only result in poor decisions and undermine public trust.

What assurance will members of the public need to encourage them to trust information on public spending? And what level of assurance is realistic, proportionate and affordable?

Accurate and trusted data will not be sufficient to generate a debate on public spending merely because it is published. Politicians, public servants and service providers need to be willing to listen to the views and ideas of the people they serve, and respond to them. Then, even small numbers of interested people could make a huge difference.

Table 1: **The benefits of transparency**

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<th>Benefits</th>
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<td>Giving people information which helps them make informed choices</td>
<td>Better-informed citizens when voting</td>
<td>Accessible, user-friendly formats that capture public interest and encourage use</td>
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<td>Giving people a voice on priorities and public services</td>
<td>Better choices on when and how to use services</td>
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<td>Helping identify ways to deliver more for less by reducing waste.</td>
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<td>Greater public trust and satisfaction</td>
<td>Accurate, timely and reliable information</td>
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<td>Better public services and better places to live</td>
<td>Assured data quality</td>
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<td></td>
<td>Changed practitioner behaviour and professional practice</td>
<td>Open and responsive politicians and public bodies</td>
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<td>Keeping public servants honest</td>
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<td>Changed political and practitioner behaviour</td>
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<td>Greater public trust</td>
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**Source:** Audit Commission, 2010
Public services: voice and choice
Technology and public services

11 New technology can enhance democracy by giving people information that enables them to:
- use their voice to influence policy direction, services and standards;
- and
- make informed choices about how they live their lives, use public services and how they vote.

12 This chapter explores some of the innovative practices in Britain and abroad, looking at what has worked and why. It also introduces some of the risks and limitations, and asks challenging questions for the future.¹

User-led initiatives and citizen voice

13 User-generated websites aimed at scrutinising the public sector are becoming increasingly common in Britain and are building a modest following. These sites harness new technology to empower people and give them a voice on the things that matter most to them:
- FixMyStreet enables people to register dissatisfaction with their local environment and to log reports on whether and how problems are remedied; and
- Theyworkforyou allows the public to keep up with their MPs, unelected peers and what goes on in parliament.

¹ In this chapter ‘choice’ is used in broad terms to explore what is possible in terms of technology and transparency. The wide spectrum and complexity of citizen choice is not explored in depth in this discussion paper.
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Both FixMyStreet and Theyworkforyou are part of MySociety, which hosts most of the user-generated democracy websites in the UK. Since the MySociety websites have been set up, they have helped 200,000 people write to their MP for the first time and have helped fill 19,000 potholes. The MySociety websites have also generated 10,500,000 signatures on petitions to the Prime Minister, the success of which can be tracked online. The new iPhone application MyMP is very simple to use and could stimulate much greater dialogue between MPs and their constituents – albeit only one MP had signed up to it at its launch.

Australia has followed the UK example. OpenAustralia is a site run by volunteers, based on the UK MySociety sites. The Australian site is relatively new but can be used to access information on elected representatives, new legislation and senate debates.

The success of user-generated sites indicates that there is a growing appetite for using new technology as a means of giving voice to citizens’ concerns. The MySociety initiatives also suggest the possibility that the public could lead this agenda – with the only input from politicians and public servants being by way of response.

Technology to enhance democracy

Technology has been used in Estonia to give people a voice in a new democracy. In 2001, the government created an interactive internet site, Today I Decide, to strengthen the voice of citizens. The site is used to publish policy documents on which the public can comment. Additionally, the site can be used by members of the public to submit proposals for policy and legislative change. Proposals with enough online support are submitted to government ministries for consideration.

The site has around 7,000 registered users, and receives around 100 visits a day. There have been some success stories where the public has been the architect of change, including the introduction of putting clocks forward in the spring and back in the autumn, as well as amendments to legislation on weapons.

But despite some evidence that Today I Decide has provided citizens with a stronger voice, there have been limitations too. From a government perspective, the site has attracted a limited number of active users, which means a minority view has the potential to drive policy and legislation. And the lack of contextual information has meant that the ideas generated by citizens have not always been timely, linked to policy direction, or focused on the areas of most importance.

The lessons from the Estonian example highlight the need for the public to be given context and guidance. And if this type of site is to attract representative views, it needs to be well publicised.
Giving the public a voice on local priorities in the UK

21  In the current economic climate, local public services need to deliver significant savings while maintaining the services most important to residents. To encourage debate on local priorities, councils and their partners need to:
   ■ help members of the public understand the context in which spending decisions are being taken; and
   ■ understand the issues and priorities of their residents.

22  New technology has the potential to give citizens a voice in difficult decisions about how local public money is spent and thereby ensure that those decisions reflect the priorities of the people who live in the area.

23  The London Borough of Redbridge uses the Council website as a platform for surveys, forums and online discussions. The Council has recognised that online discussion provides members and officers with a rich source of real-time information on the issues of most concern to local people. More recently, the website has been used as a means of providing local residents with a voice in the decisions that need to taken on local priorities.

Case study 1

Using new technology to give the public a voice in decisions on local priorities in Redbridge

Redbridge i is the Council’s website. The site has been live since 2007 and has more than 23,000 registered users (10 per cent of the local population) regularly transacting and engaging with the Council electronically. Like many council websites, the site is used for taking online payments, fault reporting and providing information. But, more unusually, the site is also used to engage residents and involve them in local decisions.

In 2009, the Council used the website to involve local people in a debate on the future capital programme for the area. Over 5,000 residents took part in a ‘you choose’ survey and around 2,000 of the responses to the survey were submitted online via Redbridge i. The survey gave residents the necessary information to make informed decisions about investment opportunities and how these would be funded.
There were strong patterns on what people chose to fund and how. And a postcode analysis of the results concluded that the spread of responses was representative of the local community. The main conclusion was that the Council should sell land it owned. The results, which showed how local people would choose to spread their budgets, were shown on the Council’s website and in the local press, and influenced final budget decisions.

Source: Audit Commission

24 Councils have started to find new ways of accounting to the public for local spending. Many councils now publish materials online, designed to help the public understand how local taxpayers’ money has been spent. This material helps people understand how money has been spent in the past and informs debate on how it should be spent in the future.

Case study 2

Engaging the public on local spending in Wychavon District Council

Wychavon District Council publishes a range of materials online including an annual short summary of accounts and a simple council tax leaflet explaining how money is spent and how value for money is achieved.

Online surveys, supplemented with face-to-face interviews, give residents a voice on how money should be spent in the coming year.

Through consultation we are giving local people a voice on where they would choose to make cuts. For example, we could save £500,000 if we stopped the weekly food waste collection or we could raise £500,000 through increasing car park charges. We are interviewing residents and running surveys through newspapers and the website. We are getting across that people have a say and that they can contribute to how their money is spent.

Head of strategy and communication

Source: Audit Commission

Many councils now publish materials online that help people understand how money has been spent and informs debate on how it should be spent in the future.
Bury Metropolitan Borough Council is taking similar action to ensure people can voice their views on local spending.

**Case study 3**

**A budget simulator in Bury**

Bury Metropolitan Borough Council has introduced an online budget simulator that helps local people understand the dynamics of budget setting and service delivery in a quick and simple way. The council collects the results of the budget simulator so it can measure trends in resident profiles and priorities – age groups, gender, localities and ethnicity.

*Source: Audit Commission*

**Giving the public a voice about frontline local services**

Providing transparent information also has the potential to give members of the public a say in the local services they receive and a voice on the standards to which those services are delivered. Some councils are already starting to use technology to engage the public in a debate that moves towards co-production of the management and delivery of public services.

Citizens can be given a voice by enabling them to use text messages or email to engage with service providers. This can provide real-time data that can be used to decide how and when particular problems should be tackled.

**Case study 4**

**Using technology to engage the public in Lewisham**

Lewisham Borough Council has encouraged residents to report local eyesores by sending images and messages using their mobile phone, email or by posting comments directly on to the Council website. The images can be of graffiti, fly-tipping, damaged pavements, potholes, lamp-posts, abandoned vehicles or other consequences of anti-social behaviour. Once a problem is resolved, a picture message is sent to the person who logged the concern so that they can see the impact of the interaction. Before and after photographs are also displayed on the website.
Since introducing this scheme:
- graffiti is removed more quickly, which has meant that complaints about graffiti have fallen by 30 per cent;
- independent monitoring shows that the amount and frequency of graffiti observed fell by eight percentage points between 2006/07 and 2008/09; and
- the proportion of residents saying that the street cleaning service is ‘good’ or ‘excellent’, has risen by 18 percentage points.

Source: Audit Commission

Unwanted outcomes and practitioner behaviour?

28 Greater transparency could give members of the public more of a say in priorities and public services, which in turn could drive many positive changes in the behaviour of public servants and politicians. However, there is also a risk that it could lead to unwanted practitioner and professional behaviour.

29 In Britain, data on individual cardiac surgeons’ mortality rates has been published in an annual database for a number of years. The publication of this information led to concerns that surgeons would feel under pressure to keep mortality rates as low as possible. The potential impact would be that surgeons would avoid high-risk procedures, which paradoxically often involve those patients who most benefit from surgery. In practice, the opposite has proved to be true (Ref. 1). The increase in reliable data has encouraged surgeons to take on more complicated cases and, as a result, more patients, who would have been considered too sick to undergo an operation just five years ago, are now routinely treated and do well.

30 Would greater transparency in other fields lead to similar improvements and encourage well-judged risk-taking? Or would greater transparency cause politicians and public servants to shy away from controversial decisions and play it safe? Could enhanced transparency and accountability stifle innovation and create an environment where public servants become increasingly risk averse?
Giving people more choice in the UK

31 In recent years, people in the UK have been given more choice about using public services. Directgov, launched in 2004, is a portal that people can use to access information on public services.

32 Currently, the site has information provided by 18 government departments, non-departmental public bodies and local authorities. The site:
- provides information about public services, grouped by themes, including motoring and money, tax and benefits;
- enables people to complete tasks such as ordering passports and paying for car tax; and
- links to an independent overview on how local public services are performing, whether they provide value for money and how they can improve, through the Oneplace website.

Directgov also plays an important role in informing the choices that people make. For example, the site provides information on the standard of local services such as schools and childminders.

34 Other specialist sites in the UK are available to help inform key choices on health and social care needs:
- NHS Choices enables people to find information online about GPs, hospitals and dentists in their area. They can find out how well local health services are performing and post comments on the standard of service received.
- The Care Quality Commission hosts a portal that enables people to find out more about care services in their area, and provides information on the standard of service provided by care professionals and care homes.
At a local level, new technology can give residents more choice by providing tailored information about local services. The Redbridge i website enables local people to personalise their user profile so that they only receive customised information that is relevant to them. The Council also uses the website to provide other types of choice. It allows people to pay bills online and, so far, almost £13 million of payments have been taken through this route. The Council has recently trebled the number of types of reports that can be made online, and has introduced a mapping facility to enable residents to track progress of those online reports.

An appetite for choice and voice?

The pace of technological change means that a wide range of new ideas are being trialled and tested. The effort and money that has gone into these innovations will be wasted unless members of the public have an appetite for increased choice or for using their voice. Some initiatives will interest and engage the public more than others. Nevertheless, there is evidence that public appetite varies, depending on the nature and type of information provided.

There are indications that members of the public currently make little use of online tools to make key health choices. Only 4 per cent of patients use the NHS Choices website, and 1 per cent use other websites. Patients instead rely on:
- their own past experience (41 per cent);
- advice from their GP (36 per cent); or
- advice from friends and family members (18 per cent) when making healthcare choices (Ref. 2).

While it seems that few people are using online information to inform health choices, people are beginning to engage with the Directgov website. The site is steadily growing in popularity and currently attracts around 20 million visits a month.

And in terms of appetite for a greater voice, there is evidence that people are ready to enter into a more informed debate on public spending. A survey conducted in 2009 suggested that 60 per cent of people wish to have a greater say in decisions about how money should be spent on public services, with the remainder wanting to leave these types of decision to the experts (Ref. 3).

Whatever the real level of public appetite, we need to be realistic about what information the public will engage with and actively use. Reams of raw data put into the public domain will not be useful in any meaningful way. People will only access and use information to inform their decisions if it is presented in way they can understand and engage with.
41 In any event, successful public engagement is not dependent on large numbers of people accessing raw data provided by public agencies. In some cases, a few individuals using information effectively could have a material effect on a public body’s spending or reputation. And a few people taking data and making it more accessible can engage a much wider public.

42 Lessons in how to capture the public’s imagination and generate an appetite for information can be learned from the United States, where the public can purchase a range of ‘peace of mind’ iPhone applications, developed by the private sector, that harness and share a mass of information already in the public domain:

- **Offender Locator** uses information from the National Sex Offenders Registry to provide users with photographs and addresses of all convicted offenders in their area; and
- **Date Check** allows users to find out more instantaneously about a blind date or potential partner, including whether they have a criminal record, the type of house in which they live, and with whom they share their home.

43 Sharing information already in the public domain in an easy-to-use format has been popular with US citizens, indicating an appetite for accessing information through this route. **Offender Locator** became one of the top ten most popular iPhone applications when it launched in June 2009, and it has been downloaded more than a million times – which far outstrips the level of public interest in the government-run online sex offender registry.

44 This shows that people are much more likely to access and use information to exercise choice and use their voice when it is easy to use and easy to understand.

45 Public bodies should not have a monopoly on this information. They should make their data widely and freely available in a form that allows it to be analysed, interpreted and re-presented by others who may be more skilled in identifying and adapting it to users’ preferences. At a minimum, therefore, data needs to be made available in spreadsheet rather than portable document format (PDF).

46 But public bodies also need to think about how publicly available data will be used and interpreted by others. There will be many competing interpretations of raw data and basic information – as there should be in a healthy democracy. For example, the history of school performance tables shows that schools have to engage in wider discussions about the value of education, since data alone provides an incomplete basis for decision making.
Making information available to inform choice and enhance democracy teaches us several lessons.

- Only a small number of people need to use information well to have an impact on public services.
- The easier it is to use information, the more it will be used.
- There seem to be plenty of people who are finding creative ways to present information in easy-to-use forms.
- To help people make genuinely informed decisions, several sources are better than one.
- Public bodies should make as much raw data available as they can in a form that can be aggregated, compared, interpreted and presented by third parties.
- Experiments in making information available to enhance democratic participation are still in their infancy and have not been widely evaluated. We have little understanding of what works, still less of which ideas represent good value for the money spent on them.

It also prompts some questions.

- Who should decide what information is relevant and adequate to enable citizens to exercise choice?
- How can public bodies ensure data is made available in an intelligible form?
- How can members of the public be assured that the available information is accurate and reliable enough to inform the choices they need to make?
- How should information be presented to make it easy to use, easy to understand and able to capture the public’s imagination?
- What personal information should be protected, and what published?
- Can a transparent system encourage innovation?
Public spending: reducing waste and deterring fraud

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<td>Identifying waste and delivering more for less</td>
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<td>Deterring fraud, corruption and waste</td>
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Technology and public spending

49 New technology can make information about public spending more accessible too. Publishing details of all public spending has the potential to improve both the quality of debate about public taxes and restore public trust in both politicians and public servants. And there are other benefits. Greater transparency could also:
- help identify and reduce waste; and
- deter fraud and corruption through transparency.

50 This chapter explores the benefits of publishing public spending and shares innovative practice from Britain and abroad. The chapter also introduces some of the risks and limitations of making spending data more transparent, and asks challenging questions for the future.

Accounting for public spending online in the United States

51 The United States has already passed legislation that requires public spending to be transparent. Since September 2006 there has been a requirement to publish all US federal grant funding and contract spending online. As a consequence of this legislation, many American states now host highly sophisticated data portals and websites, which enable citizens to understand and question how their tax dollars are spent.

52 While most American accountability portals are government run or sponsored, in some areas independent portals have been introduced. For example, in Maine a government watchdog hosts www.MaineOpenGov.org. However, regardless of who hosts them, most accountability portals share similar characteristics. Typically they can be used to find out (Table 2):
- total public spending in an area and how that breaks down across services;
- contact details of public sector workers, terms of office and conflicts of interest – and in some states the salary of each individual public sector worker by name; and
- how much the state paid each contractor, when and why.
Table 2: Public spending transparency in action – US states

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<th>Open Book Texas</th>
<th>A search tool that enables the user to:</th>
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<tr>
<td></td>
<td>- search by vendor (who is being paid by the state);</td>
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<td></td>
<td>- conduct a spending search (how much is spent in broad spending categories);</td>
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<td></td>
<td>- conduct a purchasing search (detailed purchases for the largest state agencies); and</td>
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<td>- track expenditure against budget.</td>
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<th>Missouri Accountability Portal</th>
<th>The State of Missouri publishes:</th>
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<tr>
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<td>- spending by agency, contract and vendor;</td>
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<td></td>
<td>- the amount of funds received from US federal government; and</td>
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<td></td>
<td>- information on the amount of pay received by public sector employees in that state.</td>
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<tr>
<td></td>
<td>- The site is updated each business day.</td>
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<tr>
<th>Oklahoma Open Books</th>
<th>The state accountability portal includes:</th>
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<td>- the top 10 state appropriations;</td>
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<td></td>
<td>- where the state spends its money; and</td>
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<td></td>
<td>- where the state’s money comes from.</td>
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The success of web-based accountability sites in the US varies. The Sunshine Review (Ref. 4), a non-partisan, privately-funded, collaborative wiki, helps people evaluate whether their government website effectively discloses information to the public. The site uses scorecards, rated A – E, to assess the effectiveness of government accountability methods. The scorecards enable comparisons to be made across states, counties and cities. The scorecards assess against the following criteria:

- budgets – the website should show the budget for the current and previous years, together with a graph showing increases or decreases over time to help citizens evaluate and understand trends in local government spending;
- open meetings – notices about public meetings of its governing board, and minutes of past meetings. Also, meeting agendas for future and/or past meetings;
- elected officials – names of elected officials, their contact information, including email addresses and elected officials’ voting records;
- administrative officials – names of key administrators, and their contact information, including email addresses;
- building permits and zoning – applications should be available to be downloaded online and constituents should be able to submit applications and track the process online;

i www.window.state.tx.us/openbook/
ii www.mapyourtaxes.mo.gov
iii www.ok.gov/okaa/
contracts – rules governing contracts posted online, including bids and contracts for purchases over $10,000 and vendors’ campaign contributions posted with contracts;

lobbying – disclosure of membership of any taxpayer-funded lobbying associations that it helps to fund by paying association or membership dues;

public records – the name of the person who is in charge of fulfilling open records requests, along with contact information for that person; and

taxes – all tax information, including state fees such as drivers’ licenses.

In 2009, the Sunshine Review completed evaluations of all US states, using the ranked scorecard. Arizona and California ranked highest at 65 and 64 per cent respectively. The relatively low scores led the Sunshine Review to conclude that all communities in the US have more work to do to achieve transparency.

While there is still room for improvement in the United States, the action that has been taken since the 2006 legislation was passed illustrates what it is possible to achieve in a short space of time.

It is less clear what effect the availability of this information has had. Knowing that their spending or other decisions can be scrutinised must give public servants pause for thought when making those decisions. And the discipline of having to defend decisions in public must be helpful. But there does not seem to have been a systematic evaluation, either of how the decisions of members of the public have changed or what the wider consequences have been of greater transparency.

Identifying waste and delivering more for less

Transparency on public spending has the potential to empower citizens by giving them the information they need to question the value for money they receive for the tax they pay.

One way to achieve this is to help residents of one area compare the cost and standard of services with other parts of the country. Enabling people to make cost and value comparisons of this nature would help the public – or third parties such as the media – make their own assessment of whether they receive value for money in their area.

Allerdale District Council in Cumbria is attempting to open up this type of value-for-money debate by using technology to deliver greater transparency in terms of local charges. A web-based comparison tool has been introduced which illustrates how charges compare across local areas, which is one way of allowing the public to make a decision on whether they are receiving value for money for what they pay.
Case study 5

Transparency on charging in Cumbria

People in Cumbria are able to compare the different costs of council services across the county by using the Council-developed website, Allerdalecompare.com, which has been set up by Allerdale Borough Council and lists its fees and charges alongside those of other districts in the county.

By offering the comparison between the county’s six district authorities, allerdalecompare.com also highlights the wide variety of services provided to the public by their local councils including cemeteries, pest control, bulky waste removal and stray dog collection.

Source: Audit Commission

60 The Allerdale idea identifies areas that may be worthy of further public scrutiny. But it also has its limitations. Local people in Cumbria cannot make comparisons with other parts of the country. And the wider context is lacking. An understanding of local demographics, local public spending and local priorities is needed to judge whether the charges are value for money and variations justified.

61 Some local public sector organisations are employing other methods of accounting to the public on value for money. Windsor and Maidenhead Council and the Greater London Authority (GLA) are following the US example, and already publish all spending to contractors over £500 and £1,000 respectively online.

62 But is this type of transparency enough to enable the public to scrutinise and challenge local spending? Seeing what a council is paying to contractors is clearly a good starting point. It tells the public what is being spent, when and who is being paid. But it also has limitations. To challenge contractor spending effectively the public would also need to know:

- what the money spent on;
- was the expenditure justified;
- did it deliver value for money; and
- what impact did it have locally?

63 And contractor data alone is not enough to draw conclusions about where good value for money is being secured. Anyone trying to make such a judgement would need significant additional information, including whether a service and its objectives were the same in different areas, and whether councils provide it in-house or contract it out.
Oneplace provides information that the public can use to hold local bodies to account. It gives the public information to compare the services in their area against those in others. It also provides an understanding of both the services and the context within which they are operating.

‘We introduced Oneplace to fill an accountability gap, to ensure that all local public services are brought to account through assessment, to make the quality of public service delivery transparent, and to protect the vulnerable.’

Michael O’Higgins, Chairman, Audit Commission

The Oneplace site drew 54,000 visitors on launch day in December 2009, who between them viewed more than a third of a million individual pages. The number of visits peaked at almost 8,000 an hour on the first day, and the site received over a million page hits in the first 19 days. This suggests there is an appetite for using this type of expert, impartial portal to access information in a way that helps people understand and question the standard of local services and public spending.

Independent, impartial judgments of the kind made by public service inspectorates are clearly a valued form of information. But they are not free, and it is not yet clear how important a component part of the information available to citizens they are. And Oneplace is still new. Whether this is the best and most effective way of capturing the public’s imagination will need further examination.

Deterring fraud, corruption and waste

Transparency can help ensure that public spending is proper. The mere possibility of exposure, and thus of the need to defend expenditure in the court of public opinion, is a significant deterrent to fraud, corruption and waste.

Transparency increases the likelihood that someone, at some time, will ask questions, thus increasing the deterrent effect. The mere act of making information available has the potential to deter both politicians and public servants from inappropriate or excessive expenditure.

The controversy about MPs’ expenses in 2009 showed the risks of systems that are not open to public scrutiny. If MPs’ expenses had always been published, it seems likely that there would have been much greater clarity about entitlements and many questionable claims may never have been made.

In a digital world, there is scope for public spending information to be made cheaply and easily available. Only a few interested people, asking a few pertinent questions, have the potential to make a dramatic difference.
But in the absence of formal evaluation of experiments in transparency to date, questions remain.

- Will public bodies perceive the benefits of publishing spending online, or do they need to be required to do so?
- How can they be encouraged to be more responsive to the views of the public?
- To what extent do members of the public need to understand the complex context in which spending decisions are being taken? How can they be helped to do so?
- How can the public make valid value-for-money comparisons over time or with other areas?
- How can people use those comparisons to hold local public services to account?
Making transparency work

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Maximising the benefits of transparency

72 Transparency about how taxpayers’ money is spent has the potential to make public spending more efficient, by identifying waste and deterring corruption. It could also enhance our democracy by giving people greater choice and voice.

73 While greater transparency has the potential to deliver all these benefits, making raw data available will not, by itself, enhance democracy. Nor will it drive or deliver better and cheaper public services. Irrelevant, inaccurate, poorly presented or hard-to-find information will at best have a neutral influence, and at worst could damage confidence in and the perception of public services.

74 To maximise the benefits of technological advances and to achieve meaningful transparency, information needs to be capable of informing the choices, actions, views and decisions of the public. To achieve this, the information needs to be relevant to the decision being made, of sufficient quality and presented well (RQP).

75 Achieving RQP information is a challenge, and requires the public sector to follow a logical chain of information (Figure 1).
- Specification is the key to relevant and consistent base data.
- Collation and assurance need to ensure good quality base data.
- Analysis translates data into intelligent information.
- Presentation needs to be in a format which the public can access and engage with.

Figure 1: The information chain

Audit Commission, 2010
Is the public sector ready to deliver RQP information?

76 In 2008, only 5 per cent of councils were assessed as having excellent data quality.\textsuperscript{i} And the position has not improved. In 2009, the majority of councils were found to be meeting only the basic requirements of data quality.\textsuperscript{ii}

77 And even good quality data is not enough. Reams of data put into the public domain will not engage the public at large. Translating data into information that is fit for public consumption requires good analysis and interpretation. The public sector is not always equipped to analyse raw data and turn it into useful intelligence, even for its own use. Analysts in councils spend only 15 per cent of their time analysing data to create intelligence,\textsuperscript{iii} with the majority of time spent producing routine performance data and other non-analytical tasks.

78 And information needs to be published in a way that the public can access and understand. Too often, information is not presented in a way that enables easy interpretation. Chapter 2 highlighted the increased numbers of people who accessed data on sex offenders in the United States once that data was made available in a format with which the public was able and ready to engage.

79 Table 3 sets out some of the characteristics that would make information made available to the public RQP. Though recent efforts, notably the launch of the data.gov.uk portal, have helpfully increased the public availability of public service data and information, much of that which is available fails to meet these criteria.

\textsuperscript{i} Is There Something I Should Know? Audit Commission, 2009.
\textsuperscript{ii} Analysis of Use of Resources Scores, KLOE 2.2; 2009.
\textsuperscript{iii} Is There Something I Should Know? Audit Commission, 2009.
## Table 3: RQP transparency

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Relevance</th>
<th>Quality</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>To enable...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>■ Choice</td>
<td>Information must be:</td>
<td>Information must be:</td>
<td>Information must be:</td>
</tr>
<tr>
<td>■ Voice</td>
<td>■ contextualised;</td>
<td>■ based on accurate, reliable data;</td>
<td>■ easily accessible;</td>
</tr>
<tr>
<td></td>
<td>■ covering the services most important to the public;</td>
<td>■ appropriately timely for the purpose (sometimes real-time, sometimes in longer-term context);</td>
<td>■ presented in a form that the public is easily able and willing to access;</td>
</tr>
<tr>
<td></td>
<td>■ important to a well-founded decision;</td>
<td>■ assured to ensure public trust;</td>
<td>■ compatible with social media and emerging technology;</td>
</tr>
<tr>
<td><strong>Public spending</strong></td>
<td></td>
<td></td>
<td>■ capable of stimulating dialogue;</td>
</tr>
<tr>
<td>■ Identifying waste</td>
<td>Information must be:</td>
<td>Information must be:</td>
<td></td>
</tr>
<tr>
<td>■ Deterring corruption</td>
<td>■ comprehensive, covering all expenditure and past and current periods, and all types of expenditure (including services, staff and contractors);</td>
<td>■ able to measure outputs and spending;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ associated with strategic aims and purposes, service standards and output and outcome measures;</td>
<td>■ based on complete, assured and analysed data;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ put in context of local demography and circumstances; and</td>
<td>■ timely; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ related to future budgets and efficiency targets.</td>
<td>■ consistent across time and different organisations.</td>
<td></td>
</tr>
</tbody>
</table>

*Audit Commission, 2010*
Public trust and the role of assurance

80 The public needs to trust the data that is put into the public domain and the information derived from it. The response to the launch of data.gov in January 2010 illustrated the lack of the trust that members of the public have in government data.¹

‘Official data from the government has a long history of spin and unreliability to overcome before it is trusted by the general public.’

‘Who is quality controlling the data prior to release onto the new website? Quality control of the data must be done independently ... only then will people trust it.’

‘Nobody trusts government data anymore. All the spin and reorganising the ways stats are collected and reported has made me sceptical.’

81 It is hard to know how trust in public information can be rebuilt. A history of continuous use may build confidence in the base data. If those who collect the data have an incentive to make it accurate, most probably because they use it themselves, data quality improves. Alternatively, an independent assessment of the quality of the data collected and used nationally and locally might also be needed.²

82 Confidence in the information presented to the public is no easier to establish. Some analysis of the raw data, and effective presentation of that analysis, will be necessary to enable the public to:
- access information about the type and standard of services in the areas in which they live;
- understand how their taxpayers’ money is spent; and
- hold public bodies to account.

83 How that analysis is conducted, and by whom, can have a marked effect on public confidence in the resulting information. Some people may not care who analyses and presents information and what their motives might be. Others might trust themselves to identify partial or partisan analysis and draw conclusions after weighing several competing interpretations. In a free market in information and interpretation, credibility will be a valuable characteristic worth developing. But for others, a single voice delivering reasoned, independent judgement can be expected to carry more weight.

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¹ www.newsforums.bbc.co.uk/nol/thread.jspa?forumID=7431&edition=1&ttl=20100303144259
² In Nothing but the Truth (Ref. 5), the Audit Commission explored the quality of data in local public services, and addressed the possible solutions.
What is the cost of making spending transparent?

84 An argument against greater transparency on public spending is the potentially high cost of developing and maintaining accountability portals and websites. However, American research conducted in 2009 found that initial assessments often overestimated the final cost, and that there was little correlation between the amount spent and the quality of the website (Ref. 6).

85 The Congressional Budget Office estimated that implementing the Federal Funding Accountability and Transparency Act would cost about $10 million initially in 2007, and about $15 million in total over the 2007-2011 period. Actual start-up costs were much lower, at $600,000.

86 The cost of state-run websites varies. The average cost for developing a spending transparency website is about $140,000. The most expensive in the research was Texas’s, at $310,000. In no case has a state-run site cost millions of dollars, as some estimated.

87 And there are early indications that budget benefits may offset the cost of set up and maintenance. The Texas transparency initiative helped save the state over $5 million quickly. This was possible because the transparency website facilitated the discovery of duplicate contracts for express mail, printer toner, and other goods and services that were consolidated and renegotiated.

88 So, technological advance means that the costs of achieving a degree of transparency on public spending are relatively small, and the benefits potentially significant even through this relatively simple mechanism.

Realising the potential of transparency

89 But most advocates of transparency argue that there are greater benefits to be had if people can interrogate publicly available data to form judgements about value for money. For that to happen, two conditions need to be satisfied.

90 First, the information needs to be available for aggregation, sorting and manipulation. The approach to transparency so far does not allow effective assessment or comparison of value for money. For that, much more information on costs and outcomes would need to be published and, potentially, explained. Public services are often complex, especially when provided to vulnerable people; for example, health services, criminal justice, child protection and care of the elderly. Professional views are particularly important on such issues, but where information is interpreted by the authority providing a service, citizens might want assurance that the presentation was fair and not deliberately presented in a favourable light.
Second, there need to be effective mechanisms through which public bodies can respond to the public. Beyond the deterrent effect of potential public embarrassment, it is not yet obvious how this will happen. The ballot box has an important role, but it is a relatively crude mechanism. Voters can exercise choice only occasionally, and consider many things when deciding where to place their cross. Something more immediate and responsive is needed if the greatest benefit is to be gained from publishing more information.

So, three final questions remain.
- What type and level of assurance will the public require to build trust in data and information?
- How can the cost of transparency be kept proportionate?
- What do public bodies need to do to become more responsive when people try to use information?
Conclusion

93 This discussion paper highlights the benefits of increased transparency, and explores how it could enhance our democracy and improve the efficiency of public spending. The paper shares some of the innovative initiatives of recent years and highlights what works and why. The paper also looks at the risks and limitations of increased transparency, assesses what will be necessary if the potential of transparency is to be fulfilled, and seeks to offer some early solutions.

This paper does not have many answers. Instead it seeks to stimulate a much-needed debate on what transparency in the public sector really means and how it can be used to best effect. But we would like to hear your views on the issues it raises. You can email your comments to us at thetruth@audit-commission.gov.uk
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3 Institute for Insight in the Public Services, *Temperature of the Nation Survey*, Institute for Insight in the Public Services, September 2009.

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