

## **Association for Geographic Information (AGI) response to:**

### **“A STRATEGY FOR THE FUTURE OF ORDNANCE SURVEY”**

AGI believes that there is a vital role for Ordnance Survey to play in the maximisation and innovation of the use of geographic information (GI) in Great Britain and welcomes this opportunity to submit views on “A Strategy for the Future of Ordnance Survey”. The following response is approved by the AGI Council.

#### **About the AGI**

Formed twenty years ago, the Association for Geographic Information (AGI) is the United Kingdom’s umbrella organisation for geographic information (GI).

AGI Membership comprises individuals and organisations, including government departments and agencies, local authorities, other national organisations, educational institutions, utilities, software companies and data suppliers. The AGI’s mission is to *‘maximise the use of geographic information (GI) for the benefit of the citizen, good governance and commerce’*.

AGI also sat on the UK GI Panel, the ministerial advisory body that developed the UK Location Strategy (UKLS) published by (Department of) Communities & Local Government (CLG) in November 2008. UKLS is the blueprint for the development of a UK Spatial Data Infrastructure (UK SDI). AGI is now a member of the Location User Group that feeds into the recently formed UK Location Council.

#### **Introductory remarks**

AGI recognises that the newly announced strategy for Ordnance Survey is a business model developed by government and approved by Ministers. It has emerged following a wider study of several Public Sector Information (PSI) Trading Funds and reflects government policy and the involvement of key stakeholders and regulators such as BERR/Shareholder Executive, HM Treasury and the Office for Public Sector Information (OPSI).

At this point in time, without detailed figures in support of the government’s position currently available, AGI has to accept at face value that the ‘Hybrid’ trading model announced is a workable path for Ordnance Survey, despite ongoing pressure by some commentators calling for it to adopt a so-called ‘Utility’ model involving marginal costs for PSI - meaning the supply and licensing of digital data at no, or near to no, cost.

AGI accepts that despite the claimed benefits to society suggested by adopting a utility model, there is a risk of declining product quality, reduced organisational agility, downstream government funding uncertainties and the potential removal of any incentive to focus on the customer or partner associated with it which could be damaging and costly. Aspects of these risks were also mentioned in the ‘Cambridge Study’, an oft cited report that, within certain parameters, offered a benefit case to

society for Ordnance Survey and other trading funds if they moved to a marginal cost regime.

In considering the hybrid model, there have been some reservations voiced by AGI members as to whether the changes proposed will allow Ordnance Survey to achieve all its newly declared objectives.

Ordnance Survey has stated that it seeks to be a more collaborative and listening organization. This 'culture shift' – a term used by Ordnance Survey - is a welcome announcement and AGI looks forward to this approach delivering tangible benefits for Ordnance Survey customers and partners - particularly with regard to new partnership and innovation opportunities in future.

### **Response to Individual Strategy Goals:**

#### **Goal 1: Promote innovation for economic benefit and social engagement**

##### **a) An extended OS OpenSpace service**

**AGI responds**>> AGI welcomes any new service offering that improves customer and business partner choice, enriches competition and stimulates innovation in the market place.

AGI has received some comments regarding OS OpenSpace's ability to compete effectively in a market already populated with some strong competitors. AGI believes that it is inappropriate for it to comment on specific product and service development decisions by Ordnance Survey, or indeed other data providers. AGI believes that competition should drive any successes for Ordnance Survey and that market demand should shape future product development.

Regarding OS OpenSpace, AGI can see advantages of this service being 'opened up' more freely – particularly for use by currently new markets such as the third sector. There are also advantages in that OS OpenSpace is packaged with a range of Ordnance Survey digital data products.

##### **b) An upgrade path from innovation through to commercial services**

**AGI responds**>> AGI looks forward to more publicly published information about the Ordnance Survey 'Innovation Ladder'; for example, how it covers innovation and development from education and charities right through to registered developers and partners.

AGI is pleased by the decision to lower, and in some cases remove, the price to access Ordnance Survey data and services and the moves to streamline, simplify and lower royalty payments.

AGI requests that Ordnance Survey put substantial effort into clarifying and communicating the full details of the ‘Innovation Ladder’ and that the benefits offered prove as simple to receive by users in practice.

AGI hopes that whilst Ordnance Survey seeks to create new opportunities for itself and its partners, future actions in this area should respect existing partner agreements and any potential adverse impacts upon them.

AGI welcomes a licensing framework that ensures simpler and less restrictive terms, and those that are equitable to Ordnance Survey and its partners - including those perceived to be ‘in competition’ with them.

AGI welcomes a regulatory framework to monitor this area and seeks further clarification of the nature of OPSI’s announced “enhanced oversight” of this.

### **c) Removing minimum royalty charges for partner licenses**

**AGI responds**>> AGI welcomes any development that reduces the barriers to innovation. AGI hopes that the administration of this is simple, equitable and consistent for all business partners.

AGI accepts that using present techniques there is a real cost in extracting and supplying a national set of the OS MasterMap Topographic layer, but asks whether this fee is restricted to a single delivery or allows multiple supply of national sets over the 12 month period? Also does this mean an area smaller than a national set is free of an administration charge for extraction and supply?

### **d) Develop the Ordnance Survey Innovation Network**

**AGI responds**>> AGI regards the creation of a “*friendly on-line community of commercial and non-commercial developers, partners and resellers who can share ideas about innovative uses of Ordnance Survey data and other data*” as a welcome and proactive development. It is in step with encouraging innovation, best practice and the increased use of geographic information.

## Goal 2

### **Increase the use of Ordnance Survey data**

**AGI responds**>> The mission of the AGI is “*to encourage the maximization of the use of geographic information for the benefit of the citizen, commerce and good governance*”. Therefore AGI welcomes any growth of the use of Ordnance Survey data, particularly in new markets and in an environment of free competition.

AGI welcomes the establishment of equitable licence fees charged on digital data supplied to the private sector – termed “tariff rebalancing” by Ordnance Survey.

To date, whilst much market focus has been on the cost of data supplied to the public sector, the private sector has faced higher digital data costs pro-rata. The public sector has been served by increasingly effective collective purchasing agreements driving down the data cost to any one public body and have ensured minimum terms of service e.g. Pan-Government Agreements. To encourage innovation and increased use of geographical information in the private sector, reduced Ordnance Survey digital data costs and simplified, consistent licensing will be beneficial to many.

AGI welcomes;

- Equitable licensing across Ordnance Survey's partner base
- Simpler licensing terms
- Resolution to the complex issues regarding derived data
- Pricing parity between public and private sector

### Goal 3

#### **Support the sharing of information across the whole of the public sector**

**AGI responds**>> Collective licensing agreements for Ordnance Survey digital data have become part of the public sector data supply landscape for a number of years and have introduced more and more public sector bodies to the use and benefits of geographical information.

Scotland now has the 'One Scotland' agreement. The same unified model - which would gather up a range of existing agreements in England & Wales - is in theory a good thing. It could offer a greater economy of scale, common licensing terms and opportunities for simplified data exchange.

AGI expects that future procurements will be undertaken in a way that encourages competition from all potential data suppliers.

Bidding for collective agreements by the private sector can be complex, time-consuming and expensive. It may be advantageous if the public sector licence for geographic information was published in a standard form and agreed in advance to enable all potential data suppliers to participate in procurements knowing in advance what is expected of them.

AGI welcomes all public sector stakeholders, Ordnance Survey, Royal Mail, IDeA, CLG, etc., - and of course, *private sector data providers* - to engage in constructive discussions to explore the idea of a 'One England & Wales' agreement.

## Goal 4

### **Increase efficiency to develop a sustainable business for the future**

**AGI responds**>>AGI understands efficiency savings will be required across the economy. Ordnance Survey has, over the years, assessed its cost base and restructured itself in response to a range of economic and political imperatives. These new cost savings will be a mechanism for Ordnance Survey to fund new developments and meet financial targets set by HM Treasury in Ordnance Survey's business model. AGI hopes Ordnance Survey can balance the requirements for efficiency savings with ensuring the objectives of its new business model can be effectively delivered in practice.

AGI would welcome the publication of the efficiency targets, the measurement criteria and any associated quality indicators.

## **Goal 5**

### **Enhance value through the creation of an innovative trading entity**

**AGI responds**>> AGI's current knowledge of this proposal is that the new trading entity will stretch into the mass/ consumer market, where there is considerable interest and support for Ordnance Survey products.

AGI looks forward to seeing how Ordnance Survey works with its commercial partners in this area to ensure opportunity and success for all parties involved. AGI is mindful to the fact that Ordnance Survey has brand licensing opportunities in new areas of business, for example consumer market branded merchandise. This could be an area for Ordnance Survey to exploit more fully.

AGI also understands that Ordnance Survey will also use this new trading entity to provide business consulting services to government and commercial companies, as well as for consultancy overseas. Having a long history of partner engagement, AGI suggests that this could, and should, be an area of opportunity for Ordnance Survey business partners to engage in or support. In some cases however, Ordnance Survey will be in direct competition with other 'service' providers. Therefore AGI seeks clarification regarding the remit of any advisory services offered by Ordnance Survey.

#### ***Completed by:***

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