# Mike Bracken, Founding Partner, Public Digital State of Open: The UK in 2024 Phase Three "Open Source and Market Shaping"

Mike Bracken, Founding Partner, Public Digital

Mike Bracken CBE is a global digital leader who has led wholesale transformations of large institutions in the private and public sector. He helps organisations change their way of working and solve systemic market, societal and macroeconomic challenges. He is best known for leading the global revolution in digital government, taking the UK to no.1 in the UN rankings in 2016. He currently advises more than 30 governments and global financial institutions on digital transformation, from Canada and Australia to Argentina, and is currently one of President Macron's Global Tech Thinkers. He is an honorary professor at the Institute for Innovation and Public Purpose at University College London.
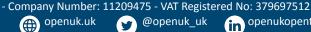
## Thought Leadership: Market Shaping

About 100 years ago, Thorsten Verblen coined the term 'technological determinism'. He was describing how technological development and innovation had become the principal motor of social, economic or political change. Yet in 2024, the UK public sector remains locked in a broken dialogue with 'the market' when it comes to its technology provision. If this does not change, and quickly, we can forget talk of missions and sunlit uplands of economic growth.

**The UK Challenge**

The primary challenge for the new UK Government is to form a realistic, and data informed view of the various technology, digital and data markets in its purview. The current landscape does not lend itself to happy outcomes for incoming Ministers but I remain optimistic that in short order the UK can benefit from dynamic markets in a public oriented technology.

I write this en route from India, where the emergence of Aadhaar and other open-protocol based technology standards bring more than 400 million people into the democratic formal banking systems. And who do they reference as an inspiration? The UK. Tim Berners-Lee, Bletchley Park and the engineers who pioneered the protocols of the open Internet. Our design and technology history is a global phenomenon based on open, interoperable services and innovation. The exception to that, all too often, is the way we have boxed-in our own public sector economy over the last few decades.

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We need to take a dispassionate view of our current 'markets', which are too often little more than oligopolies, with rent seeking suppliers restricting choice, and contributing to rising costs. If that sounds extreme, let's consider the markets which need rapid intervention:

**Across Markets**

In **Central Government,** we have doubled down on an oligopolistic approach despite Parliament's 2011 description of the public sector technology market as a 'Recipe for Rip-Offs'' Too often, a small number of consultancies constitute the 'market' for technology services. In addition, the broken model of system integrators seen recently in the Post Office fiasco means that we have abstracted ourselves from real technology provision and understanding of what technology actually provides. After opening up the market to thousands of digital and technology SMEs in the coalition years, and advocating for the use of open source software and code in the open, we have drifted back into a procurement model of huge, multi-year contracts with consultancies and made building open, home-grown markets even harder.
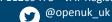
In **healthcare**, the situation is worse. For 20 years the central health procurement strategy has been to award large, closed contracts to a small number of health insurance software providers - few of them UK based - which means our health outcomes are lowered and costs duplicated. The absence of a market for open, interoperable Electronic Patient Records in secondary care is testament to decades of shocking choices. In primary care, even Frank Hester's odious remarks result in little change to a duopoly of provision.

The **local** market is similarly bleak. Our 500+ local authorities lack scale, locked into an oligopoly of proprietary technology and service providers, unable to access our own data and mandated to use systems which lock in inefficiency and poor outcomes for some of the most vulnerable in society like children and adults in the social care system.

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In **international** markets, where we have much less agency, we have chosen not to use our substantial skills and leverage in the public realm, and instead accepted supplier conditions which would make mafiosi blush. The 'cloud' market, for raw compute power and tooling, remains a binary choice between non-competitive hyperscalers. Our international pioneering and use of open protocols on identity, payments and common platforms - what is coming to be known as digital public goods and infrastructure - often remains limited by our demands that each part of our byzantine public system remains, in some unspecified way, special, unique and different in technological terms.

Our **data** market should be the engine of public sector AI growth and a massive boost to our economy. Yet our public datasets - land registries, health data and geo-spatial data - are locked in siloes without common standards or sensible market access, or even worse, hidden via rent-seeking contracts where

providers refuse to even share our own data back to us. Our postcode address data - literally the engine for location based technology - is not even in the public realm, given to the Royal Mail as a sweetener by George Osborne. These choices over decades means a wholesale review of our data estate is needed, not simply selling off health data as Tony Blair recommends.

**How openness can transform public sector tech**

The fundamentals for growth remain: skills, a culture of public sector technology development, institutions capable of growth given political direction, and a world class academic and research capability.

What's needed now is political grip and alignment around a vision: the UK as a leader in public oriented technologies. The good news is that we have simply neglected to use a range of available tools and techniques to shape these markets.

The first move is to adopt **regulatory change with an unrelenting bias to openness.**

In the NHS we should mandate open standards and interoperability of our data, and back it up with strong central agency to enforce delivery. Local data, similarly, needs to be available for local and national use, as a condition of market involvement. Across all our markets, widespread mandation of open, interoperable standards as a condition of market provision should be applied sensibly but quickly. In many markets this will need little more than a series of secondary instruments and a small team of standard setters with the ability to mandate across Government agencies and departments. In global markets, we can work with other countries to implement, for instance, switching capability between cloud providers as we have done in telecoms, to avoid our public sector data disappearing into data silos. I am confident that a series of bold regulatory changes will be embraced by the majority of providers, entrepreneurs and private sector players currently frozen out.

The **cost and speed of software provision** is falling fast, yet our procurement based system means we are getting slower and ever more expensive outcomes. Covid taught us that crisis responses work, and that small groups of multi-disciplinary teams can provide national scale policy outcomes at pace. We should consider **market entry** as a necessary tool. As the early phase of GDS showed us and the Covid teams demonstrated again, we can deliver public policy outcomes more quickly than many of our 'markets' regardless of Treasury orthodoxy.

**Standards** drive openness, and open markets drive economic growth. We should embrace **open protocols to drive our international reach.** Take UK Gov Notify, a huge success borne of a simple adoption of open protocols to change a public sector market. This service took an inefficient and duplicative market  - bulk texts, letters and appointments - and created a platform used by over 1,600 organisations in the UK. The market became more competitive, Government more efficient and users were offered better communication, driving reduced waste in missed appointments.

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**An open, interoperable public sector**

A default to openness and interoperability is the basis of economic growth in the wider public sector. And I am deeply optimistic about our ability to make that a reality.

Quick results are possible and having seen these and other tools used globally, it will be a lot less painful than we think.  Within a decade, I believe the choice to become an open, interoperable public sector can drive outstanding public policy outcomes and exponential growth in our technology, digital and data economy. It's a multi hundred billion pound opportunity, and I believe a long term positional challenge for this country which transcends party politics.

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