

## **CREATING A 'DATA LAB'**

Increasing not-for-profit organisations' access to, and demand for, data for impact measurement

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# EXECUTIVE SUMMARY

## Introduction

Most funders and not-for-profit providers recognise the importance of measuring the impact of interventions on beneficiaries. Funders increasingly require organisations to deliver a specified outcome in return for payment or investment, using mechanisms such as payment by results and social impact bonds. In turn, not-for-profit organisations are exploring ways to evidence the outcomes of their work. Much outcomes data which can be used in impact measurement is recorded and held by government bodies, and the government is committed to making this data more accessible.

In line with this commitment, NPC has created the 'Data Lab' project, a four-year programme funded by the Oak Foundation through its Housing and Homelessness Programme. The Data Lab service includes the following four defining characteristics.

- Not-for-profit organisations can access government-held data concerning their clients either directly or through a government or third-party service.
- A comparison group can be established either through quasi-experimental statistics or by drawing on a previous process of random assignment.
- The impact of a not-for-profit organisation can be presented as a comparison of treated versus non-treated groups at an aggregate level—as a group, rather than as individuals. Depersonalised data about individuals could be provided where service users have given their consent and the researcher concerned has been trained to work with sensitive data.
- Ideally, results of impact measurement would be voluntarily shared across the sector to build a body of evidence for what works to achieve particular outcomes.

## Creating Data Labs

The first Data Lab in the project, the Justice Data Lab,<sup>1</sup> was developed by the Ministry of Justice in response to a proposal from NPC and launched in April 2013. It provides organisations working with offenders and ex-offenders with a report of their service users' re-offending rates compared to a matched comparison group.

The next stage of the project focuses on exploring the suitability for the creation of Data Labs in five areas related to homelessness and the prevention of homelessness. These are: mental health, physical health, substance misuse, housing, and employment and benefits. Through exploration of the available datasets and preliminary assessments of demand and supply for the data in each area, we think there is strong opportunity for Data Labs to be set up for:

- **Employment and benefits.** This Data Lab would provide a much-needed service for a range of not-for-profit organisations — from those directly working on work readiness to those supporting vulnerable people to integrate into mainstream society, where employment is a long-term goal. The current process for not-for-profits to access this data is unclear and difficult. We believe the main government department holding the data, the Department for Work and Pensions (DWP), would recognise that more could be done to improve access to its data.

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<sup>1</sup> See <http://www.justice.gov.uk/justice-data-lab>

- **Substance misuse.** Pilots of the payment by results drug recovery programme have begun, putting pressure on drug treatment providers to provide evidence of the impact of their interventions. Data is stored on the National Drug Treatment Management System (NDTMS), but not-for-profit organisations that submit their own data to NDTMS are currently unable to use the data to benchmark and draw comparisons. There is clear demand for a substance misuse Data Lab model, and we will need to explore this opportunity with Public Health England who own NDTMS.
- **Physical health.** The Department of Health Outcomes Frameworks in Public Health, the National Health Service and Adult and Social Care set out indicators to measure the impact of direct and indirect factors affecting health and well-being. A number of organisations are examining how their activities fit within the framework and how health data can be used. The Health and Social Care Information Centre (HSCIC) is the key data-holder. There is a clear process for organisations to access HSCIC-held data. Initial discussions concluded that HSCIC could possibly support alternative models to the standard Data Lab, whereby NPC develops a standalone analytical service.

## Inspiring demand

Our work to support the development of the Justice Data Lab highlighted that improving access to government-held data is not enough to ensure that it will be used. A core function of NPC's work will be to inspire and engage not-for-profits to measure their impact by highlighting the benefits of such a service, and by engaging funders to send clear messages about the importance of measurement. We will stimulate demand for impact measurement through our communications—reports, blogs, newsletters, attendance at conferences and hosting events.

## Barriers to the supply of and demand for Data Labs

We have learnt from our experience of supporting the Justice Data Lab that building demand and increasing supply are crucial, but there are a number of barriers to each. The key barriers to both are summarised below :

- **Legal:** Do government departments have the legislative power to share the data? Are not-for-profits complying with the Data Protection Act?
- **Technical:** Can government datasets be made accessible? Do they contain the relevant markers which can identify an organisation's clients and comparison groups? Are not-for-profits technically proficient in handling and understanding data?
- **Attitudinal:** Do government departments and not-for-profits want to share data? What incentives are there for not-for-profits to measure impact if it is not requested by funders? Could there be a risk to a not-for-profit's reputation if the results are negative?
- **Resources:** Do government departments have the resources to set up a data analysis function? Do not-for-profits have the resources to provide data and to interpret the results of analysis?

## Conclusion

This is an exciting time to be helping organisations access data for impact. The government has set the agenda to open up and encourage use of its datasets, and a number of organisations and initiatives have been established to make data more accessible. NPC will work with these to ensure that throughout the open data movement, the needs of not-for-profit organisations to access useful data and analysis are not sidelined. In particular, we want to ensure that increased access to government data helps not-for-profits measure their impact.

We are reminded that our overall mission is to increase access to data and analysis for impact measurement and to promote and encourage not-for-profits in using this data to improve their work. Depending on the pace and range of other initiatives, we may need to adjust the balance between increasing supply and generating demand.

# CONTENTS

Executive summary .....	2
Contents.....	4
Introduction .....	5
1. Barriers to creating a Data Lab .....	7
2. Creating additional Data Labs .....	9
Mental health.....	10
Physical health .....	11
Substance misuse.....	12
Housing.....	13
Employment and benefits.....	15
Summary.....	16
3. Stimulating demand for data to measure not-for-profit impact.....	17
4. Key data initiatives .....	20
5. Next steps .....	23
Acknowledgments .....	25
References.....	26
Appendix A: Development of the Justice Data Lab.....	29
Appendix B: Data initiatives .....	30

# INTRODUCTION

## Background

The need for charities to measure their outputs, outcomes and impact is now widely recognised. Three-quarters of charities responding to an NPC survey in 2012 reported measuring some or all of their work.<sup>2</sup> The push towards measurement has largely come from funders keen to understand how their money makes a difference, with charities responding by exploring how they can evidence their work. Demand for outcomes data will continue to increase as more not-for-profits become involved in delivering public services, and payment and investment become increasingly linked to outcomes.

Much outcomes data that could be used by organisations to assess their impact is already collected and held by the government. For example, the Police National Computer (PNC) holds information about offending, and the National Pupil Database collects information about educational attainment. The government has recognised the potential of its administrative data, and is taking the lead on opening data, both to improve transparency and for potential economic benefit. However, meaningful impact measurement—a comparison of outcomes against an estimated counterfactual commonly requires data on an organisation's individual clients, rather than aggregate data for a general area. This data needs to be made accessible in a closed and safe environment to protect the identities of the individuals concerned. Furthermore, merely increasing access to data is not enough, as many not-for-profit organisations lack the necessary analytical capability to make the best use of it. We need a model which not only supplies datasets, but also analyses them.

NPC wants to help not-for-profit organisations to improve their understanding of the outcomes of their services, through having access to restricted (primarily government) datasets at an anonymised individual level, and being able to use this data to improve their work. This in turn will help to improve broader understanding about which interventions are most effective, and inform the work of funders and commissioners. This is why NPC has created the 'Data Lab' project, which is funded by the Oak Foundation through its Housing and Homelessness Programme. The Data Lab service includes the following four defining characteristics.

- Not-for-profit organisations can access government-held data concerning their clients either directly or through a government or third-party service.
- A comparison group can be established either through quasi-experimental statistics or by drawing on a previous process of random assignment.
- The impact of a not-for-profit organisation can be presented as a comparison of treated versus non-treated groups at an aggregate level—as a group, rather than as individuals. Depersonalised data about individuals could be provided where service users have given their consent and the researcher concerned has been trained to work with sensitive data.
- Ideally, results of impact measurement would be voluntarily shared across the sector to build a body of evidence for what works to achieve particular outcomes.

The first product of this project is the [Justice Data Lab](#)<sup>3</sup>, which enables not-for-profit organisations to find out the aggregate reconviction rate of their service users compared to a matched comparison group. The Data Lab

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<sup>2</sup> Ní Ógáin, E., Lumley, T. and Pritchard, D. (2012) *Making an impact: Impact measurement among charities and social enterprises in the UK*. New Philanthropy Capital.

<sup>3</sup> See Appendix A for the background to establishing the Justice Data Lab.

project aims to replicate the Justice Data Lab or similar services, for other government-held datasets. The ideal eventual result of the project would be the development of a 'Meta Data Lab', which could pool outcomes across a number of areas.

In the next stage of the project, NPC will work to facilitate clear and open access to data analysis, focusing on areas related to homelessness and the prevention of homelessness. We will also work to encourage demand for impact measurement. An advisory panel for the Data Lab project has been established with members representing a range of organisations that conduct research, and/or work with people who are at risk of homelessness or who are homeless.

## Purpose of this report

In the first year of work on the Data Lab project, we have learnt a lot from the development of the Justice Data Lab—both about how to realise our objective of enabling not-for-profit organisations to understand their impact through access to data, and the work needed to build demand for data. The level of awareness, debate and activity around opening up and using data in the sector has also increased. The environment in which the Data Lab project is operating is very different from that of twelve months ago, and evolving rapidly.

This report presents NPC's plan for the future direction and activities of the Data Lab project and the reasoning behind it. These are based on:

- what we have learnt from the experience of the Justice Data Lab and other relevant work by NPC;
- our understanding of the context in which we are working;
- meetings with fourteen not-for-profit organisations<sup>4</sup> to explore the demand for impact measurement and investigate areas where access to government-held data and analysis could be made easier (focusing on mental health, physical health, substance misuse, housing status and employment and benefits); and
- conversations with senior data-holders within two government departments—the Department of Health and the Department for Work and Pensions—about the case for an easy-access analysis service for impact measurement.<sup>5</sup>

## Overview of the report

This report is divided into five sections:

- Section one presents the barriers to setting up and using a Data Lab.
- Section two examines data related to homelessness and the prevention of homelessness that can be used to measure impact: mental health, physical health, substance misuse, housing status, and employment. This section makes recommendations to take forward three of these datasets for further development into Data Labs.
- Section three looks at the demand for data for impact measurement, and the work needed to increase data usage.
- Section four outlines key open data initiatives with which the Data Lab project will engage to ensure it meets the needs of the sector.
- Section five sets out the strategy for the Data Lab project.

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<sup>4</sup> See the Acknowledgements section.

<sup>5</sup> Meetings with other government data-holders, including the Department for Communities and Local Government and Public Health England, are still being arranged.

# 1. BARRIERS TO CREATING A DATA LAB

The Data Lab project aims to enable not-for-profit organisations to understand their impact through access to anonymised individual and aggregate-level government data. This requires both opening up the supply of data to not-for-profits, and building demand for the data from not-for-profits. We have learnt from our experience supporting the pilot of the Justice Data Lab that both are crucial, and that there are a number of barriers to each.

## Barriers to the supply of individual level data

Momentum is building for government to release more of its administrative datasets (see section four, key data initiatives)—but work is still needed to make the data which becomes available accessible to the third sector. There are a number of barriers which will need to be resolved.

- **Legal barriers:** Data-holders need to be assured that legislation is in place which enables data to be shared.<sup>6</sup>
- **Technical barriers:** Data is held on different databases. The right information can be difficult to extract or match correctly from statutory records.
- **Attitudinal barriers:** Even when legal and technical barriers are overcome, there can be some resistance from government bodies to allow not-for-profits to access data. Attitudes can be one reason for this resistance: the government data-holder may be afraid that not-for-profits will misuse data, even accidentally, or they may not see the benefits of sharing data—especially when there may be structural changes scheduled to take place to their services.
- **Resource barriers:** Overcoming the technical and legal barriers described above can be expensive and require time and financial commitment from the government bodies that hold the data—particularly if analysis is also requested, as this requires the skills of an experienced researcher.

## Barriers to the demand for individual level data

Focusing on opening up government datasets implies there is a demand for the data they hold. While NPC and others in the sector see how access to government data can transform the way that not-for-profits assess their impact, the level of demand from the charitable sector is quite weak and needs to be strengthened. Identified barriers for demand for individual level data are discussed below.

- **Awareness barriers:**
  - Awareness of available data—organisations need to understand what administrative data is available and what analysis can be produced from it.
  - Awareness of the Data Lab—organisations need to be aware that a Data Lab service exists.
- **Legal barriers:**
  - Consent—when accessing government data without an individual's consent, organisations need to make sure that they are acting within the law in the provision and use of that data.

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<sup>6</sup> Data on offenders can be shared under the provision of Section 14 of the Offender Management Act 2007, which enables data sharing for the purposes of managing offenders. If consent from service users has not been collected, the Ministry of Justice has interpreted that condition 5(c) of Schedule 2 and condition 7(1)(c) of Schedule 3 of the Data Protection Act 1998 allows for data to be processed if it is necessary for the functioning of the government department. See Ministry of Justice, 2013, for further details.

- Ethics approval—some data-holders require ethics approval for research, which means not-for-profits may have to partner with universities to gain approval, adding a layer of bureaucracy.
- **Technical barriers:**
  - Access—not-for-profits may not know where to access individual level data or may be unsure when faced with the many different application and approval systems.
  - Data collection—basic information on service users, such as full name or date of birth, may not have been collected or may be inaccurate.
  - Data storage—data on service users may not be stored on an electronic database allowing easy downloadable lists of service users. Additionally, not-for-profits may not have secure data storage systems, for example encrypted devices, and may lack the knowledge to implement data security.
  - Sample size—organisations may not have a large enough sample size for statistical analysis to be produced.
  - Applicability—the Data Lab may not be applicable for certain service users. For example the Justice Data Lab cannot be used for sex offenders as they tend to have a different re-offending pattern from that of all other offenders.
  - Measurement—the way in which outcomes are measured may not be ideal. For example the Justice Data Lab provides outcomes on binary (whether a person has reoffended or not) and frequency of offending, however there are strong arguments for the severity of the offence to be included.
- **Attitudinal barriers:**
  - Culture—not-for-profits need encouragement to measure their impact.
  - Transparency—a requirement of the Justice Data Lab is that all results will be made public. This creates a reputational risk for organisations preparing to apply for public contracts or otherwise raise funds for their services. Not-for-profits are understandably concerned about being perceived as failing. Whilst inbuilt transparency does not have to be a requirement of future data labs, we would encourage not-for-profits to share their data so that an evidence body can be built around which interventions are and are not effective.
  - Trust—some not-for-profits may be wary of handing over clients' personal data to the government, and may fear that the analysis produced could be misrepresented or used to decommission services.
  - Timeliness—some not-for-profits believe that data analysis is inherently retrospective and results cannot be produced quickly enough to be useful.
- **Resource-based barriers:**
  - Lack of time or staff—without a clear process for data collection and storage, a submission to the Data Lab, or even any engagement with the programme of impact measurement, may be viewed as too time-consuming or expensive.

Even if all the barriers to demand were removed, a key component to increasing demand for data for impact measurement will be persuading funders to require organisations to undertake more impact analysis (where there are administrative datasets which can be used).

## Summary

To achieve our mission, the Data Lab project will need to lower the barriers highlighted in this section. Some of these can be tackled directly by working with government, not-for-profits and funders, and setting out the benefits of measuring impact. There is also a role to play in supporting other organisations and initiatives working on the broader agenda of opening up data discussed in section four.

The remainder of the report discusses NPC's plans for working to develop the supply of data, develop demand for and use of data, and support other initiatives working in the area.

# 1. CREATING ADDITIONAL DATA LABS

The Data Lab differs from other initiatives that promote the use of evidence—it focuses on providing not-for-profits with already-analysed or depersonalised individual-level data on their service users' outcomes, and shows them the impact of their service through assessment against a comparison group. NPC received funding from the Oak Foundation's Housing and Homelessness Programme, which led us to explore five areas for potential Data Lab development which are agents in leading to homelessness, and act as a barrier to exit: mental health, physical health, substance misuse, housing, and economic activity,<sup>7</sup> These five areas are often closely linked, and a negative outcome in one area may well lead to a worsening outcome in another. This section of the report will examine each of these five areas, considering the demand for data, the datasets that are available, who holds these datasets, the barriers to access, and how these can be overcome. It will conclude with a summary of what we consider to be the priority datasets to be opened up.

## Key findings

We identified three areas for Data Lab development: employment and benefits, substance misuse and physical health. The reasons for this selection are summarised below:

- **Mental health** data did not provide adequate coverage to reflect the total population of people with mental health issues.
- **Physical health** data, including that on inpatient, outpatient and emergency treatment, provides good coverage of the population accessing health services, and we have identified a clear gateway to access data.
- **Substance misuse** data offers good coverage of people accessing drug treatment services. Government payment by results pilots in drug recovery programmes are encouraging not-for-profits to demonstrate their impact.
- **Housing** data is not available at the individual level needed to enable services to measure their impact.
- **Economic activity** data, defined as data regarding employment and benefits, would be of use to all organisations working with clients in any or all of the areas highlighted above. Funding for these services is increasingly linked to outcomes, for example in the Work Programme.

The remainder of this section provides further details of the findings for each area.

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<sup>7</sup> We have also undertaken preliminary exploration of a sixth area, education, looking at the National Pupil Database. Further work to explore the links with homelessness and to assess demand is needed in this area.

## Mental health

Estimates of the proportion of homeless people with mental health issues vary, depending on the classification of homelessness used, and reflecting problems within the health sector around identifying and recording homeless people. An audit by the charity Homeless Link of 700 homeless people across England found that seven out of ten had a mental health need, and 45% had one or more long-term mental health need.<sup>8</sup> Homeless Link's annual Survey of Needs and Provision (SNAP)<sup>9</sup> estimated that 30% of single homeless people and couples without dependents had a mental health issue. In the UK population more generally, one in six adults have a mental health problem at any one time, and one in four people experience a mental health problem in their lifetime.<sup>10</sup>

### Data

No single dataset covers the full range of mental health disorders. Two key datasets for adults are the Mental Health Minimum Dataset (MHMDS) and Improving Access to Psychological Therapies (IAPT). The MHMDS collects individual data from providers of adult secondary mental health services in England, which captures the more severe mental health conditions such as schizophrenia and psychosis. IAPT mainly collects data on adults with depression and anxiety disorders. Clearly these two datasets only capture data concerning people accessing formal mental health care, so will undercount the total number of people with a mental health issue. Currently, the Health and Social Care Information Centre (HSCIC, the main data depository for health data) holds personal identifiable data for MHMDS but not for IAPT.

### Demand for a Data Lab

The introduction of the Public Health<sup>11</sup>, NHS<sup>12</sup> and Adult Social Care<sup>13</sup> Outcomes Frameworks, all of which set outcomes for improvements for people with mental health conditions, have put further pressure on organisations to measure their outcomes. Work is ongoing to produce a 'mental health dashboard' to pool all mental health outcome measures together.<sup>14</sup> Further, an outcomes-based payment by results model for IAPT has been tested, concluding that a payment by results approach is feasible.<sup>15</sup>

Organisations we had spoken with who had clients with mental health issues agreed that easier access to data on outcomes for impact measurement would be useful, but concerns were raised about confidentiality. Some services had experienced great difficulty in obtaining consent from service users, whilst another service raised concerns that data sharing with other not-for-profits and statutory agencies had historically been very difficult. IAPT data being unavailable at an individual level also raised concerns about how a Data Lab model could function. Several organisations raised the importance of *good-quality* employment for people with mental health issues, which is arguably a key outcome for recovery from a mental health condition.

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8 Homeless Link (2010) *The Health and Wellbeing of Homeless People: Evidence from a national audit*. Homeless Link.

9 Homeless Link (2013) *Survey of Needs And Provision 2013: Homeless services for single people and couples without dependents in England*. Homeless Link.

10 NHS mental health strategy, found at <http://www.nhs.uk/NHSEngland/NSF/Pages/Mentalhealth.aspx>

11 Department of Health (2013) *Policy paper: Public Health Outcomes Framework 2013 to 2016 and technical updates*. Department of Health.

12 Department of Health (2011) *Guidance: NHS Outcomes Framework 2012 to 2013*. Department of Health.

13 Department of Health (2013) *Guidance: Adult Social Care Outcomes Framework 2013 to 2014*. Department of Health.

14 Centre for Mental Health, Department of Health, Mind, NHS Confederation Mental Health Network, Rethink Mental Illness, Turning Point (2012) *No Health Without Mental Health: Implementation Framework*. Department for Health.

15 See <http://www.iapt.nhs.uk/pbr/>

## Supplying a Data Lab

We spoke with the HSCIC about the datasets they control, and whether a Data Lab model could be developed. The HSCIC was positive about the results a Data Lab could provide, and supported the principle of widening access to data for the third sector. The HSCIC has a clear process for requesting data.<sup>16</sup> Individual-level data is available and can be provided to organisations that have their service users' consent. Without consent, an organisation can apply for access to data under section 251 of the NHS Act 2006<sup>17</sup>; however there must be a strong medical argument for access, and it is unclear whether use of data for impact measurement is considered a valid reason. HSCIC did not provide analytical services and could not create a comparison group. The organisation explained its role as that of a data provider, and therefore its primary function is to respond to requests for data. At our meeting, it was proposed that NPC explores alternative models to a Data Lab which could function as a standalone analytical service.

## Recommendations

Currently, only MHMDS could be used for a model similar to the Justice Data Lab. But as this data captures only the most severe cases, the demand for the service would be expected to be small. Even if the IAPT data could be made available, both datasets would not cover the full spectrum of mental health disorders. One alternative would be to measure longer-term outcomes for adults with mental illness—in particular their reintegration or continuing participation in mainstream society. A successful outcome would be when a person has been able to gain and maintain *good-quality* employment. The links between employment and good mental health are well-documented,<sup>18</sup> with work aiding social inclusion and recovery. We will need to investigate whether markers for people with mental health issues are available within employment and benefits administrative data to enable quasi-experimental statistics—although, the lack of employment and benefits data would not be a barrier for organisations that have already identified a randomly-assigned non-treatment group. We would recommend that an employment and benefits Data Lab would be beneficial to organisations working with people with mental health issues.

## Physical health

Homeless Link's audit found that just over eight in ten homeless clients had one or more physical health need, and 56% had a long-term physical health need.<sup>19</sup> This is higher than general population statistics for people with long-term physical illnesses (29%)<sup>20</sup>. Homeless people tend to have higher emergency admissions than the general population, most commonly for toxicity, alcohol or drugs-related illness, and mental health problems.<sup>21</sup> It is estimated that homeless people attend accident and emergency (A&E) departments six times more often than those with a home.<sup>22</sup> The most common ailments reported in the Homeless Link audit were musculoskeletal problems (38%), respiratory problems (32%) and eye complaints (25%). There are also clear links between people with mental health issues and physical health conditions.<sup>23</sup>

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16 See <http://www.hscic.gov.uk/dles>

17 See <http://www.hra.nhs.uk/hra-confidentiality-advisory-group/what-is-section-251/>

18 For example see Lelliott P, Boradman J, Harvey S, Hendersen M, Knapp M, Tulloch S. (2008) *Mental health and work: a report for the National Director for Work and Health*. Royal College of Psychiatrists, London.

19 Homeless Link (2010) *The Health and Wellbeing of Homeless People: Evidence from a national audit*. Homeless Link.

20 Office of National Statistics (2008) *General Lifestyle Survey, 2008*. 29% self reported a 'long-standing' illness. Cited from Homeless Link, 2010.

21 Department of Health Office of the Chief Analyst (2010) *Healthcare for Single Homeless People*. Department of Health

22 Department of Health (2013) *Press release: Ten million pound boost to improve the health of homeless people*. Department of Health.

23 A good review is provided in Royal College of Psychiatrists and Academy of Medical Royal Colleges (2010) *No Health Without Mental Health: The supporting evidence*. London: RCP and AMRC.

## Data

A range of datasets can be used to measure physical health outcomes: inpatient, outpatient and emergency data from Hospital Episode Statistics (HES), which are held by the HSCIC. A&E data from HES is said to be poor in some areas, with better coverage provided in A&E attendance 'Sit Reps'—an aggregate weekly collection of the total number of attendances for all A&E types supplied to NHS England. The HSCIC can also request data from GPs, but at the time of writing, has not made a nationwide request. GP data is currently shared with the Clinical Practice Research DataLink (CPRD), and there has been some thought from HSCIC about accessing GP data from this source.

## Demand for a Data Lab

Similar to mental health, the introduction of the various outcomes frameworks has put pressure on organisations to evidence improvements in health outcomes and factors which affect health outcomes. For example, within the Public Health Outcomes Framework, there are a range of indicators that have been identified as 'wider factors' which can affect health and well-being; from employment for those with long-term health conditions, to reduced re-offending levels. Another objective of the framework is to improve health and prevent premature death; this can be measured by looking at outcomes including specific health diagnoses and reduced emergency readmissions. There is a recognised need to support vulnerable people, as indicated by recent funding specifically for organisations working with homeless clients, with 52 projects receiving a share of £10 million from the Department of Health to support homeless people leaving hospitals.

Many of the organisations NPC spoke to in our research raised the point that gaining consent from service users would need to become embedded into practice.

## Supplying a Data Lab

Findings on the supply for physical health data are the same as those for mental health, as HSCIC is the data holder.

## Recommendations

Further discussions with both the organisations that would require physical health data, and the organisations providing data analytical services, are needed before we can propose models for impact measurement which the HSCIC could consider.

## Substance misuse

Drug users are estimated to be seven times more likely to be homeless than the general population.<sup>24</sup> Again, estimates of the size of the homeless population vary, but Homeless Link's SNAP 2013 reported that 28% of clients had a drug problem and 31% had an alcohol problem.<sup>25</sup> Homeless Link also found that just under half (44%) of people with a mental health problem reported 'self-medicating' with drugs or alcohol.<sup>26</sup> General population statistics indicate that reported drug use has been falling with the 2012/13 Crime Survey for England and Wales reporting 8.2% of adults using an illicit drug in the year prior to the survey.<sup>27</sup> Just under a quarter

<sup>24</sup> Homeless Link. *Drugs*, retrieved September 2013 from <http://homeless.org.uk/drugs#.UixSasagkt1>

<sup>25</sup> Homeless Link (2013) *Survey of Needs And Provision 2013: Homeless services for single people and couples without dependents in England*. Homeless Link.

<sup>26</sup> Homeless Link (2010) *The Health and Wellbeing of Homeless People: Evidence from a national audit*. Homeless Link.

<sup>27</sup> Home Office (2012) *Crime Survey for England and Wales* cited from The SROI Network (2013) *Outcomes Map: Substance Use and Addiction*. New Philanthropy Capital.

(24%) of adults aged 16 or over were estimated to be hazardous drinkers, with men more than twice as likely to be hazardous drinkers than women (33% of men compared to 16% of women).<sup>28</sup>

## Data

The National Drug Treatment Monitoring System (NDTMS) collects individual-level data on drug and alcohol misuse treatment. It is maintained by the National Drug Evidence Centre (NDEC) at the University of Manchester and falls under the authority of Public Health England (PHE). All drug treatment agencies provide a basic level of information to the NDTMS on their activities each month, known as the Core Data Set. Accessing data from NDTMS would mean that any comparison group produced will comprise people who would be in contact with a treatment provider. This means moving away from the standard approach—testing whether an intervention is effective by comparing those that received it to a control group that did not—and instead exploring whether an intervention is better at achieving an outcome than other service providers. This would still be beneficial as it could at least prove that an intervention does not produce negative outcomes compared to other services.

## Demand for a Data Lab

There are a number of pressures leading organisations working in substance misuse to consider impact measurement. Successful completion of drug treatment is an indicator of health improvement within the Public Health Outcome Framework, and key to the payment by results drug recovery pilots which began March 2012. Data within the NDTMS can be used for impact measurement. However organisations NPC spoke to felt that accessing this data was difficult for non-treatment providers and services which do not submit data to NDTMS, as they do not reach the required threshold of service users for example. Surprisingly, treatment providers that submit data to the NDTMS also had difficulty in accessing data for impact measurement, as most of the comparison data on other organisations and regional data is restricted.

## Supplying a Data Lab

We are in the process of setting an appointment with PHE data leads.

## Recommendations

We will need to meet with senior leaders from PHE before making recommendations. However, given that the NDTMS is one system which contains the majority of data needed for organisations working with drug and alcohol users, and there is a case for simplifying access, we see the potential for a Data Lab to be developed.

## Housing

The current economic climate of high house prices and rents alongside a largely stagnant economy has seen a general increase in homelessness. In Autumn 2012, rough sleeping had increased by a quarter compared to the previous year to 557, and applications for statutory homelessness increased in the year 2012/13 by 4% to 113,260 decisions in England.<sup>29</sup> The number of families living in Bed and Breakfast accommodation has risen to

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28 National Centre for Social Research and the Department of Health Sciences, University of Leicester (2009) *Adult Psychiatric Morbidity in England, 2007. Results of a household survey*. NHS: Information Centre for health and social care, Social Care Statistics.

29 DrugScope and London Drug and Alcohol Network (2013) *Making Connections to Build Recovery. London Drug and Alcohol Network Homelessness Project Report*. DrugScope and London Drug and Alcohol Network.

its highest level in almost a decade, to 2,090,<sup>30</sup> with the total number of people in temporary accommodation rising by 9% compared to the last year, to 56,060.<sup>31</sup>

## Data

The Supporting People (SP) Client Records and Outcomes was a key dataset, providing individual-level data on housing-related support services for vulnerable adults from each local authority (LA), and including data on homeless people. However, from April 2011 the Department for Communities and Local Government (DCLG) ceased collection, following SP funding becoming non-ringfenced in 2009. Efforts have been made to continue recording data independently of DCLG by Sitra<sup>32</sup> and St Andrews Centre for Housing Research,<sup>33</sup> but this is a voluntary exercise and data coverage is considered patchy.

Other important datasets on housing are collected at an aggregate level from local authorities by DCLG, counting statutory homelessness (LA applications), rough sleeping (snapshot counts and estimates), homelessness prevention and relief, and LA housing statistics, which include evictions from LA homes and waiting lists (but exclude those using private rental accommodation).

The implementation of Universal Credit has the potential to create a wealth of data. Pertinent to housing would be data on tenancy sustainment, and as an indicator of serious arrears, the automatic switchback of payments to the landlord.

## Demand for a Data Lab

All the organisations NPC spoke to agreed that easier access to data on housing outcomes would be useful, especially if it allowed them to measure outcomes around tenancy sustainment, and determine how many clients returned to rough sleeping or temporary housing. However, organisations were concerned that this data was not comprehensively collected at an individual level, with the SP Client Records and Outcomes data being the only known source.

## Supplying a Data Lab

We are in the process of setting up an appointment to discuss a Data Lab with DCLG data leads.

## Recommendations

We will need to meet with senior leaders from DCLG before making further recommendations. More work is needed to understand the sustainability of the SP Client Records and Outcomes datasets in light of developments associated with the introduction of Universal Credit.

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30 Shelter. (2013) *Number of Families Living in B&Bs at 10 Year High*. Retrieved September 2013, from <http://england.shelter.org.uk/news/>

31 Department for Communities and Local Government P1E Homelessness returns (quarterly) (2013) *Table 775 Statutory homelessness: households in temporary accommodation1, by type of accommodation, at the end of each quarter, England, 1998 to 2013*.

32 Sitra (2013) Housing related support data, accessed September 2013 at <http://www.sitra.org/policy-good-practice/housing-related-support-data/>

33 See <https://supportingpeople.st-andrews.ac.uk/index.cfm>

## Employment and benefits

The majority of homeless people are unemployed. St Mungo's reported in 2009 that 96% of their clients were not working,<sup>34</sup> yet the vast majority wanted to gain employment.<sup>35</sup> However, Business Action on Homelessness estimated that only 20,000 out of 125,000 homeless people could be classified as ready to work.<sup>36</sup> Lack of skills, qualifications, and self-esteem all act as barriers to gaining employment, as well as the fact that a high proportion of homeless people suffer from multiple disadvantage.<sup>37</sup>

In August 2013, the average unemployment rate in the UK was 7.8%,<sup>38</sup> yet for other vulnerable groups, such as young people, ethnic minorities, ex-offenders, or disabled people, the unemployment rate is much higher.

### Data

A range of datasets are available to measure entering and sustaining employment and moving off benefits. The National Benefits Database, held by the Department for Work and Pensions (DWP), pools all benefits paid to individuals, such as Job Seekers Allowance and Employment and Support Allowance. Employment data is held by HM Revenue and Customs (HMRC), for example through P45 and P14 data. However there is poor coverage of self-employed people and those in low-paid employment in this dataset. HMRC also holds data on tax credits.

The advent of Universal Credit is expected to bring fundamental changes to the way data is stored within the DWP, involving a new IT system processing monthly payments for millions of individuals. Nationwide rollout is due to begin in October 2013 (with six further pathfinder Job Centre Pluses expected to adopt the system between October 2013 and Spring 2014) and to be completed by the end of 2017.<sup>39</sup>

DWP data can also be linked across government datasets, with linked datasets existing between the Ministry of Justice (MoJ) and Department for Education (DfE) data. A useful data dataset to access to explore support towards employment would be Further Education for Benefit Claimants,<sup>40</sup> a linked dataset between Department for Business, Innovation and Skills (BIS) Individualised Learner Records and DWP benefit claimants, which could measure the impact of skills training.

### Demand for a Data Lab

Moving into sustained employment, or moving off benefits, was mentioned by the majority of organisations consulted in this review. Whilst some were keen to look at the intermediary steps before employment, others mentioned that the ladder approach to employment should be disregarded, with more recognition that a range of factors contribute towards successful employment outcomes, which do not necessarily need to be developed in a particular order. However there was a consensus that steps will be needed to ensure that soft or intermediate outcomes are recognised as valid and valuable within an employment model, even if they cannot be directly measured. Steps should be taken to explore whether any data on skills such as the BIS learner records could be incorporated within an employment Data Lab.

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34 St Mungo's (2009) *Client Needs Survey data*. St Mungo's. Reported in St Mungo's (2010) *Work Matters*. St Mungo's.

35 St Mungo's (2010) *Work Matters*. St Mungo's.

36 Business Action on Homelessness (2009) *Making Work Work: recommendations for supporting homeless people to gain and sustain employment*. Business in the Community.

37 St Mungo's (2010). *Work Matters*. St Mungo's.

38 Centre for Economic and Social Inclusion (2013) *Our Labour Market Analysis August 2013*. Centre for Economic and Social Inclusion.

39 Department for Work and Pensions (2013) Policy: Simplifying the welfare system and making sure work pays. Retrieved September 2013 from <https://www.gov.uk/government/policies>

40 Department for Business, Innovation and Skills (2013) Series: Further education for benefit claimants. Retrieved September 2013 from <https://www.gov.uk/government/organisations/department-for-business-innovation-skills/series/further-education-for-benefit-claimants>

## Supplying a Data Lab

We spoke with the DWP Social Justice Team about DWP datasets, and whether a Data Lab model could be provided. The DWP was positive about the results that a Data Lab could provide, and supported the principle of widening access to data to the third sector, recognising that work was needed to improve user accessibility and engagement. However, technical and legal barriers to implementing a model similar to the Justice Data Lab were raised. The disadvantages of using quasi-experimental statistics to create a matched group was cited as a barrier, due to the inability to control for unmeasured factors such as motivation. A preferred approach would be to supply data for participants in randomised control trials (RCTs). Another key barrier was thought to be the sharing of sensitive data: the DWP has more restrictions on data sharing compared to the MoJ. Further investigation of these restrictions is required to find out what would be legally possible.

## Recommendations

Creating an employment Data Lab would provide a much-needed service for a wide range of not-for-profit organisations. An initial discussion with the DWP was positive, with the DWP recognising the need for access to data. We would like to develop an Employment Data Lab which could incorporate other easily-linked datasets, such as skills data from BIS.

Wide-scale consultation will be needed with the third sector, both to assess the potential demand and to highlight the benefits of undergoing a RCT, which compared to quasi-experimental statistics minimises selection bias and issues of attribution (we discuss this further in the next section).

However, RCTs will not be appropriate for all organisations. There will be some services where not receiving an intervention could cause harm. For example, randomising homeless people's access to healthcare would be unethical, compared to randomising treatment for a health condition where it could be argued to be unethical not to test whether a treatment is effective. Additionally, while the movement towards RCTs should be encouraged, some services would benefit from impact analysis on their current service provision before being supported towards undertaking a RCT.

The barrier of data sharing within the DWP will need to be negotiated, but given the other data initiatives taking place, discussed in section four, the DWP will already need to consider how to remove these legal barriers.

Universal Credit could be a key determinant as to when a potential Employment Data Lab could launch, and what form it will take.

## Summary

We have explored five areas to assess the potential for developing future Data Labs—mental health, physical health, substance misuse, housing, and employment and benefits. Although we are still making arrangements to meet with DCLG and PHE, we believe that the demand is strongest, and the existing datasets robust enough, for a Data Lab to be created for employment and benefits, substance misuse and physical health.

The next section will explore how NPC can work to increase demand for data.

### 3. STIMULATING DEMAND FOR DATA TO MEASURE NOT-FOR-PROFIT IMPACT

In our report *Unlocking Offending Data: Charities' views on how access to offending data could help them improve outcomes for offenders*,<sup>41</sup> over half of the charities surveyed<sup>42</sup> had tried to access offending data in the past, and more than eight in ten said that a Justice Data Lab would be useful. Our work to support the Justice Data Lab highlighted that simply providing a service is not enough to ensure that the service will be used. Using information gathered from discussions with not-for-profit organisations, this section will reflect on the barriers raised earlier in the report and offer ideas about what can be done to generate demand for and ensure use of Data Labs.

A core function of NPC's work is to encourage the third sector to measure its impact. In our day-to-day activity we stimulate debate about impact measurement through our communications—reports, blogs, newsletters, attending conferences and hosting our own events. We believe the sector should become more engaged in using data, not because of funder requirements, but to improve the services it provides. This will ultimately lead to better outcomes for service users. This means working with data-holders to make access to data clearer, for example through better signposting on the websites of key datasets, and making the sector more aware of the data that is available and how it can be used<sup>43</sup>. See our paper "The power of data: Is the charity sector ready to plug in?" .

Before impact measurement can be undertaken, not-for-profits should be clear about what their intervention is and how it is expected to make an impact. This is necessary to prevent organisations accessing the Data Lab inappropriately and setting themselves up to receive a disappointing result. Our work to support not-for-profit organisations to develop a theory of change for their work helps them to understand the process and logic behind their work. We need to encourage organisations to make these assessments before using the Data Lab.

Once an organisation has a clear theory of change, not-for-profits must be encouraged to undertake good quality evaluations of their services. Randomised control trials (RCTs) are considered the gold standard for evaluation, but many organisations find it challenging to randomly allocate an intervention to users in need. Introducing a RCT can require a shift from unrestricted support to all those in need, to denying or delaying services for some. However, the importance of evaluation should not be underestimated. Petrosino et al's review of the 'Scared straight' programmes is a commonly-cited example of how an intervention actually made the outcomes for the treated group worse than if they had been left alone.<sup>44</sup>

This example highlights the need for not-for-profits to become more data and analysis literate, so that they can understand and contribute to debates around data usage and what is considered good practice. Overall, the analytical skills (knowledge and technical abilities) of not-for-profits are of a low standard. This is not just a

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41 Rickey, B. and Pritchard, D. (2012) *Unlocking Offending Data: Charities' views on how access to offending data could help them improve outcomes for offenders*. New Philanthropy Capital.

42 In total 236 individuals from charities that work with offenders and their families completed the survey.

43 See our paper De Las Casas, L., Gyateng, T., and Pritchard, D. (2013) *The power of data: Is the charity sector ready to plug in?* New Philanthropy Capital.

44 Petrosino, A., Turpin Petrosino, C. and Beulher, J. (2003) 'Scared straight' and other juvenile awareness programmes for preventing juvenile delinquency: a systematic review of randomised experimental evidence. *The Annals of the American Academy of Political and Social Science*, 589 (1): p.41-61.

problem for not-for-profits, but also the private sector.<sup>45</sup> NPC's Data Lab project aims to bring the benefits of data to those who do not have the skills or resources to do the work themselves. Creating a standardised service would provide confidence in results and reduce the risk of data being mishandled. We will also need to support not-for-profits to understand how to interpret the reports provided.

The Justice Data Lab has simplified the process of accessing re-offending data, and we are keen for other datasets to be made more accessible for impact measurement.

To generate demand for this service, we need to make organisations aware that data can be made accessible and useful for them. By partnering with an umbrella organisation, we would aim to contact the majority of organisations that could benefit from the service. We will need to take steps to identify whether there are organisations outside of that umbrella group which would need to be contacted, and once contact has been made, set up regular communication with organisations to show the value of the service.

## Overcoming barriers

Promoting use of the Justice Data Lab to the not-for-profit sector should also support demand, and if seen as useful, create a demand for similar services using other datasets. We need to justify to the Ministry of Justice that the Justice Data Lab should be extended beyond its one-year pilot. The benefits of the Justice Data Lab lie in the value of evidence that can be collected, and we are concerned that some may take a short-term view of its usefulness. We will work to promote the benefits by highlighting early adopters of the Justice Data Lab (see, for example, NPC's blog supporting the charity Safe Ground for being the first to speak about the benefits of the Justice Data Lab<sup>46</sup>). We also need to support organisations to overcome the main barriers presented in section one of this report. Clearly, organisations need to carefully consider how they would use a Data Lab service. But where organisations have understood the legal considerations, and do not face any technical barriers, we would strongly advocate the use of the Data Lab.

NPC can undertake a number of activities to support user engagement. Below we outline how we might overcome legal, technical, attitudinal and resource-based barriers.

- **Legal:**
  - Clarify the legal position around providing information on service users who have not given consent.
  - Support organisations to collect the consent of their service users.
- **Technical:**
  - Encourage the sector to collect and record data systematically. Data should include, at a minimum, full name, date of birth, gender, and the date upon which the service user began the intervention. Homeless Link's critical mass project<sup>47</sup> supported a number of organisations to standardise data collection, and is still ongoing. The project found that developing standardised data collection is important to understand and support service users, but that it is challenging, as not-for-profits face pressure from various funders to produce tailored data to meet a range of requirements.
  - Frequently consult with the sector and act as an intermediary between government data-holders to improve the applicability and outcomes of the Data Lab.
- **Attitudinal:**
  - Work to promote a general culture shift towards putting impact at the heart of not-for-profits.

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45 Shakespeare, S. (2013) *Shakespeare review: An independent review of public sector information*. Department for Business, Innovation and Skills.

46 Gyateng, T. (2013) *Spotlight on Safe Ground*. New Philanthropy Capital blog, see [www.thinknpc.org/blog/spotlight-on-safe-ground/](http://www.thinknpc.org/blog/spotlight-on-safe-ground/)

47 See <http://homeless.org.uk/critical-mass#.UkoB5Yagkt0>

- Work with other organisations to push for transparency across the sector, by presenting a strong case for transparency and why failure should be considered as a basis for improvement. We recognise that forcing organisations to publish results under the current Justice Data Lab model acts as a barrier to engagement, so work is needed to persuade data-holders to encourage, rather than force, organisations to publish results.
- Stimulate debate and actively encourage not-for-profits to undertake RCTs by showcasing the benefits of RCTs and highlighting organisations which already use RCTs, for example the charity Pathway, which provides integrated healthcare for homeless people.<sup>48</sup>
- **Resource-based:**
  - Promote the savings not-for-profits can make by using a Data Lab compared to commissioning quantitative impact measurement from external researchers.
  - Encourage not-for-profits to embed impact measurement throughout their working practice.
  - Encourage funders to provide resources for impact measurement as part of reporting requirements.

We want not-for-profits to demand data for impact measurement so that they can ultimately improve their services. However, it cannot be ignored that for some not-for-profit organisations, impact measurement is a low priority, with data used only to satisfy funder requirements. Funders are highly influential in not-for-profits' impact measurement practices, and we need to encourage funders to use their position to send clear messages about why measuring impact is important.<sup>49</sup>

## Summary

This section has explored how we can encourage demand for the Data Lab, building on our experience of the Justice Data Lab. First, we need to ensure that organisations are aware of the Data Lab service, and understand the benefits of impact measurement. Second, we need to address the particular legal, technical, attitudinal and resource-based barriers to using the Data Lab. Finally, we need to engage funders and ensure that they use their influence to encourage not-for-profits to undertake impact measurement.

The next section will outline the key data supply initiatives which are already taking place. How these initiatives develop and function in future could influence the future of Data Labs, potentially changing the balance between creating new Data Labs and ensuring existing initiatives support impact measurement.

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<sup>48</sup> See <http://www.pathway.org.uk/research/>

<sup>49</sup> Ní Ógáin, E., Lumley, T. and Pritchard, D. (2012) *Making an impact: Impact measurement among charities and social enterprises in the UK*. New Philanthropy Capital.

## 4. KEY DATA INITIATIVES

The open data movement has accelerated in recent years, with the UK government at the forefront. Much work on open data has focused on the economic potential of government administrative data for businesses (see Appendix B for further details of key data initiatives).<sup>50, 51</sup> Our work focuses on how the open data movement can be used to support not-for-profits to work better, specifically by enabling access to individual level data with analytical support. However, led by the Economic and Social Research Council and other organisations, a number of other initiatives have begun which aim to widen access to data for not-for-profits. This section will highlight these key initiatives, and how the Data Lab project will work within the wider open data landscape.

### The Economic and Social Research Council (ESRC) open and big data work

The ESRC has a number of initiatives to support opening up and using datasets. Phase one of its Big Data Network programme involves setting up administrative data centres. The Administrative Data Taskforce<sup>52, 53</sup> investigated opening up access to de-identified administrative data and working to link data across government datasets. It found that access to administrative data was difficult due to data holder concerns about privacy, and legal restrictions on sharing data. It recommended the establishment of:

- a UK Administrative Data Network that would comprise regional Administrative Data Research Centres (ADRCs) to commission and undertake data linkage within a secure access facility (with data linking on personal identifying data provided by separate third parties);
- an Information Gateway (now the Administrative Data Service) that would provide a single contact point for researchers and data owners;
- a governing board that would provide leadership across all regional centres;
- researcher accreditation training to ensure researchers understand how to work with sensitive data; and
- a public engagement strategy.

A further key recommendation was the need for legislation to allow data access and linkage to be made easier. Given that legal restrictions are a key constraint to sharing data, legislation across government departments would clarify the process for all organisations accessing data. However, the government responded that use should be made of existing powers where they allow for data sharing, with legislation considered when needed.<sup>54</sup> This approach could mean that negotiating access to datasets takes significantly longer.

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50 Cabinet Office (2012) *Open Data White Paper: Unleashing the Potential*. Cabinet Office.

51 Shakespeare, S. (2013) *Shakespeare review: An independent review of public sector information*. Department for Business, Innovation and Skills.

52 The Administrative Taskforce was an initiative led by the ESRC in collaboration with the Medical Research Council and the Wellcome Trust to explore ways to make administrative data accessible. See <http://www.esrc.ac.uk/collaboration/collaborative-research/adt/index.aspx>

53 Administrative Data Taskforce (2012). *The UK administrative data research network: Improving access for research and policy. Report from the administrative Data Taskforce*. ESRC, Medical Research Council, Wellcome Trust.

54 Department for Business, Innovation & Skills (2013) *Improving Access for Research and Policy. The government response to the report of the administrative data taskforce*. London: Department for Business, Innovation & Skills.

Overall, the potential benefits of linked data are significant, as we know a number of organisations are increasingly recognising the multiple disadvantages that their service users face, leading to increased collaboration and partnership work across the sector. The ability to track different outcomes for a service user would aid not-for-profits in understanding outcomes for their service users. The Administrative Data Network should be fully supported, with the third sector actively engaged in the set up and use of its resources.<sup>55</sup> However, questions remain about whether the research centres can provide analytical services to support not-for-profits that do not have the necessary skills to make use of the data—an important aspect of the Data Lab project. NPC will be highlighting this need in future conversations.

Following the set up of ADRCs, phase two of the ESRC's Big Data Network involves the creation of Business Data Research and Local Government Data Research Centres, which will open up data from these two sectors. These could be useful for not-for-profits to measure their impact—for example by undertaking a needs analysis using local government data. Phase three of the programme will see the development of data research centres for social media and third sector data, the latter obviously being very important for not-for-profit organisations, although its usefulness depends on the type of data that is collected and stored.

The ESRC has also funded the Third sector Research Centre (TSRC), National Council for Voluntary Organisations (NCVO) and the Royal Statistical Society to examine the data use and needs of the voluntary sector. NPC is an active supporter of this project, and continues to highlight the need to increase demand and use of data across the sector, and importantly, improve provision of analytical support. In this way, we hope to shape the development of the third sector data research centre.

## Key data initiatives from the third sector

There are a number of other data initiatives focused on the third sector already taking place.

Homeless Link and Heriot-Watt University have completed a feasibility study for a project to examine how administrative data can be used to measure the outcomes and cost-effectiveness of homelessness interventions. This would be a whole-sector analysis, unlike the Data Lab which aims to provide a service for individual organisations. Given the similar remit of the Homeless Link study and our Data Lab programme, we anticipate that the same data-holders will be consulted for both programmes, and the barriers outlined in section one will apply to both studies. Homeless Link is represented on our advisory panel and we will work closely to avoid duplication and add weight in negotiations about access to data.

Nesta, along with the Open Data Institute, has established a competition, the Open Data Challenge Series, to encourage start-ups to use open data to address seven social challenges. At the time of writing, three have been developed: initiatives around crime and justice, and energy and the environment, and a project called Midata, which enables consumers to access data held about them by businesses. The crime and justice initiative is the most developed, and one of its three sub-aims is to *'create further evidence for what are effective interventions for rehabilitation'*.<sup>56</sup> The Justice Data Lab will produce open data evidence of what works in rehabilitation, which in time would be suitable for meta-analysis.

The Centre for Economic and Social Inclusion is following up its Child Poverty Toolkit<sup>57</sup> with the creation of a Social Justice Toolkit. This will pool open data to provide clear analysis of key social metrics which can be used by local government and the third sector to understand needs in an area, and provide benchmarking across similar areas.

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<sup>55</sup> The private sector will not be able to access data from the centres.

<sup>56</sup> See <http://www.theodi.org/content/crime-and-justice-series>

<sup>57</sup> See <http://www.cesi.org.uk/statistics/tools>

Finally, it is important to highlight the push towards transparency among funders. Open Philanthropy is a campaign launched by the Indigo Trust and supported by a number of charitable organisations<sup>58</sup> with the aim that: *'within five reporting years 80% of grants made by UK charities, foundations and other grant-makers are reported as open data to agreed standards and 50% by number/volume'*.<sup>59</sup> Encouraging funders to be more open about what they fund and why adds further pressure for them to understand the impact of their grants or loans. If funders actively encourage or demand not-for-profits to look at the outcomes they achieve for service users, more impact analysis will be needed, driving up the demand for data for measurement. Practical Participation Ltd, funded by the Nominet Trust and Indigo Trust, is currently mapping the data that philanthropists hold and use.<sup>60</sup>

## Summary

This section has highlighted a number of initiatives where the third sector can engage and shape the opening up of datasets which can be used to measure its impact. The push by the UK government to be a world leader in transparency and open data, support from ESRC to enable researchers to access sensitive data more easily, and not-for-profits' and funders' need to better understand their service provision and how to improve all mean that there is a need for collaborative work and support. NPC's mission for the Data Lab project is to enable not-for-profits and researchers engaged in charitable work to have clear access to restricted (primarily government) datasets and analysis at an anonymised personal level, to enable them to measure the impact of their work. We will need to engage with similar initiatives to make clear the importance of data for outcomes and impact measurement, alongside a need to provide analytical support. The pace of the open data agenda is fast, and depending on the speed with which government and organisations such as the ESRC move to open up datasets, we will need to be adaptable.

The next section will provide a short summary of our findings and outline the next steps for the Data Lab project.

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58 Organisations supporting the Open Philanthropy project include Nominet Trust, Nesta, The Big Lottery Fund, NCVO and NPC.

59 Open Philanthropy (2013) *Five year ambition for open philanthropy in the UK*. Retrieved August 2013, from <http://openphilanthropy.wordpress.com/>

60 See the briefing paper at <https://docs.google.com/document/d/139qqMak0gzUjGqTOeK9ADf114uIRQuhdawxS4AA062A/edit?pli=1>

## 5. NEXT STEPS

The open data agenda is pushing government departments to be more transparent, and to consider how their data is used to support economic and social change. In response, a number of organisations are harnessing this momentum to make data more open and accessible. Our paper *The power of data: Is the charity sector ready to plug in?* explores the potential usages and barriers of open data for the third sector. It is an exciting and fast-moving environment, and we want to use the open data movement to support organisations to better measure their impact. This section will summarise the next steps for the Data Lab project.

### Demand

We need to create the demand for a Data Lab by encouraging organisations to recognise the value of impact measurement. Once a Data Lab has been developed, we need to raise awareness of the service. We will need to collect regular feedback from the sector so that we can work to address the legal, technical, attitudinal and resource-based barriers not-for-profit organisations may face. And we will need to be responsive to other work taking place to support open data, seeking not to duplicate supply, but to ensure that the third sector gets the service it needs. Taking lessons from the Justice Data Lab, we think that building demand will involve:

- developing a marketing strategy for launching a new Data Lab and sustaining interest;
- developing a communications strategy to ensure we listen and tailor the service to the needs of the sector;
- providing case studies and examples of data usage to show the benefits of data more widely; and
- supporting organisations in the development of analytical training, data collection and storage, and gathering consent from service users.

### Supply

We have explored five areas to assess their potential for future Data Labs, all of which are areas related to homelessness or the prevention of homelessness—mental health, physical health, substance misuse, housing, and employment and benefits. We believe that demand is strongest, and potential datasets have sufficient coverage, for a Data Lab to be created for employment and benefits, substance misuse and physical health. The next steps of the project are outlined below.

- Ensuring the correct data-holders have been identified and working together to develop a Data Lab model. This would include further exploration of demand from the third sector, for example through a survey.
- Undergoing legal investigations to support data sharing when consent has not been given.
- Creating the model for a Data Lab, including considering how it should be funded. For example, funding could come from the government department which holds the data, or by creating a paid service. We will discuss the model with other interested bodies, such as the Cabinet Office and the Big Lottery Fund.
- Ensuring that initiatives aimed at opening up data address the need for not-for-profits to measure their impact.

### Conclusion

This is an exciting time to support not-for-profit organisations to access data for impact measurement. There are a number of initiatives being set up to make data more accessible. We will need to keep track of this work to avoid duplication and ensure that not-for-profit organisations are represented.

Our overall mission is to increase access to data and analysis for impact measurement and to promote and encourage not-for-profits to use this data to improve their work. Clearly there is a large amount of work to be done over the next three years, and our strategy will need to respond to new and current initiatives, as well as potential changes in the government agenda, for example as a result of parliamentary elections in 2015. Dependant on changes to the external environment, we may need to adjust the balance between increasing supply and generating demand.

# ACKNOWLEDGMENTS

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- Paul Anders, DrugScope
- Andy Bel, Centre for Mental Health
- Rachel Coffey, Homeless Link
- Sue Holloway, Pro Bono Economics
- David Kane, National Council for Voluntary Organisations
- Tony Wilson and Paul Bivand, Centre for Economic and Social Inclusion

In addition, thank you to the following organisations for sharing their views about the use of data in the third sector, and specifically the data lab project.

## **Not-for-profit organisations**

- Mind
- Mental Health Providers Forum
- Shelter
- Phoenix Future
- RAPt (The Rehabilitation for addicted Prisoners Trust)
- The Making Every Adult Matter (MEAM) coalition
- Charities Evaluation Services
- Nesta

## **Government departments**

- Cabinet Office: Transparency Team and Office for Civil Society
- Health and Social Care Information Centre
- UK Statistics Authority
- Department for Work and Pensions Social Justice Team
- Ministry of Justice

## **Academia**

- Administrative Data Liaison Service

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## APPENDIX A: DEVELOPMENT OF THE JUSTICE DATA LAB

NPC's 2011 project, *Unlocking Offending Data: Improving charities' access to statutory data on reoffending for homelessness and youth justice*, explored the possibility of charities accessing government individual level data on re-offending. We started by testing different options for giving charities secure access to this data. This involved in-depth consultation with government data-holders, experts on data access and charities that had accessed offending data. The main finding was that the most efficient and secure way of giving access to offending data would be through a national system. We took this recommendation to several teams in government and over a period of three months a government official in the Ministry of Justice (MoJ) was identified who could support the successful development of this system. Other internal and external factors, such as the need to be seen as transparent, also influenced the Ministry of Justice's decision to develop a Data Lab.

By March 2012, the MoJ had secured funding to scope the feasibility of, and demand for, such a system, which became known as the 'Justice Data Lab'. NPC conducted a survey of charities to establish the demand for the Justice Data Lab, with the results published in *Unlocking Offending Data: Charities' views on how access to offending data could help them improve outcomes for offenders*.<sup>61</sup> This research was used by the MoJ, which launched the Justice Data Lab in April 2013 on a one-year pilot. NPC has a leading role in supporting the Justice Data Lab: by hosting and participating in the expert panel group for the Justice Data Lab; and through a separate project funded by National Offender Management Service (NOMS) which aims to help charities providing offender rehabilitation to get the most from their use of evidence.

From our work developing the Justice Data Lab, we believe that further models should be developed which open up and analyse other government datasets. Funding for the development of the Data Lab project commenced in October 2012, with a dedicated project manager recruited in June 2013.

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<sup>61</sup> Rickey, B. and Prichard, D. (2012) *Unlocking Offending Data: Charities' views on how access to offending data could help them improve outcomes for offenders*. New Philanthropy Capital.

## APPENDIX B: DATA INITIATIVES

### Open Data White Paper

The government's *Open Data White Paper: Unleashing the potential* (2012)<sup>62</sup> set out its open data agenda. The report made a number of commitments to increase the amount of datasets available for reuse. These included supporting user engagement through the creation of the Open Data User Group to collate open data requests, and encouraging data use through support to data start-ups or businesses with the creation of the Open Data Institute.

In relation to the third sector, the white paper recognised from submissions to the Making Open Government Real consultation checklist that '*civil society sector and voluntary organisations should be equipped with skills to make the most use of Open Data*' (Cabinet Office, 2012:pg 48). However, the response was less clear on how skills capacity could be increased: '*The Government will consider how best to engage with civil society and voluntary organisations. Departments will have their own plans for engagement with stakeholders including those from this sector.*' (Cabinet Office, 2012:pg 48). This highlights a need by the third sector to actively engage with government departments so that the benefits of open data can be realised.

The work is largely led by the Transparency Team in the Cabinet Office and data made accessible from [www.data.gov.uk](http://www.data.gov.uk).

### Shakespeare Review

The Government commissioned Stephan Shakespeare to provide an independent review of public sector data<sup>63</sup> '*to explore the growth opportunities of, and how to widen access to, the wealth of information held by the public sector*' (Shakespeare, 2013:pg 3). The report was geared towards businesses, with little mention of the third sector, and focused on how the economic potential of government data could be realised. However, recommendations from the review, which were largely accepted in the Government's response,<sup>64</sup> are relevant to the third sector in further clarifying the open data agenda. Key recommendations include:

- the production of a national core reference data (now termed the 'National Information Infrastructure'<sup>65</sup>), which will be helpful in clarifying what, and how, datasets are released;
- datasets should be released speedily and issues of quality not used as an obstacle;
- a 'pragmatic policy on privacy and confidentiality', which will be necessary to enable government departments to open access to the individual level data needed for the Data Lab project;
- consolidating the various groups leading on open data, which will help to identify key stakeholders; and
- improving data science capability, although unfortunately the government has not made any firm commitment to provide resources for training, with the expectation that industry will lead to develop a digital skills strategy.

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62 Cabinet Office (2012) *Open Data White Paper: Unleashing the Potential*. Cabinet Office.

63 Shakespeare, S. (2013) *Shakespeare review: An independent review of public sector information*. Department for Business, Innovation and Skills.

64 Cabinet Office and Department for Business, Innovation & Skills (2013) *The Government response to Shakespeare review of Public Sector Information*. London: Cabinet Office.

65 Tennison, J. (2013) *What is National Information Infrastructure?*. Open Data Institute. See <http://www.theodi.org/blog/what-national-information-infrastructure>

## TRANSFORMING THE CHARITY SECTOR

NPC (New Philanthropy Capital) occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

**Increasing the impact of charities:** NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

**Increasing the impact of funders:** We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

**Strengthening the partnership between charities and funders:** Our mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact.

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