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To: *the ONS Independence consultation board*, statsconsultation@hm-treasury.gov.uk

We are responding to Paragraph 4.29 in the consultation document on data sharing,

“The Government invites views on the case for including provisions for increased data access in the planned legislation”

In the past five years the ONS has become one of the world leaders in the organisation and provision of company data sets for the analysis of policy and development of better statistics. The newly-established *Business Data Laboratory*, for example, allows ONS officials and independent academics to work on data under strict conditions of confidentiality. Such work, mostly focused on productivity and innovation, has gained wide recognition and been of significant benefit. For example:

- a. A study about management and productivity on confidential micro data carried out at the ONS was praised and written up in a leader comment in the FT (FT, 2002)
- b. A study of the benefits of ICT, again using confidential micro data carried out by academics working in conjunction with ONS, was praised in a leader comment in the FT (FT, 2005) and the readiness of the ONS to provide the data was particularly commended.
- c. The micro level work on the ICT/productivity distinction was used to help the recent 1% revision of GDP due to a re-evaluation of intangible investment
- d. Almost all the microeconomic studies referenced in the 2006 Budget Productivity Report are based upon newly-available confidential datasets provided by the ONS.

One of the great strengths of the Lab is that it allows researchers to link data sets from different surveys. Take for example the major business and policy question of the effects of R&D on business performance. The ONS carries out large company-level surveys on business performance to build the national accounts. This survey however has no data on R&D. It also carries out a very large survey on R&D, but this survey, to minimise response burden, has no effective data on business performance. It is only by linking the two datasets that R&D can be effectively analysed.

Looking forward, we believe that the future of evidence-based policymaking lies very much in data linking. The analysis of just one data set in isolation, with all the attendant problems of inadequate measurement, belongs in the past. Linked data is the future of good analysis and initiatives like the Lab have placed the ONS and the UK academic community in a prime position to be among the world leaders in this area.

We believe it vital that independence process does not jeopardise the UK's leading position. It is an unfortunate fact that the above examples have often been successful in spite of the legislative framework, rather than as a result of it. Ongoing negotiations between government departments to access each other's data are regular and tortuous, and often fruitless. This limits both the quality and scope of research; it is easy to provide examples where policy-oriented research is damaged by the inability to use data from different sources. As more analysis is carried out, the restrictions imposed by the UK statistical legislation become more and more apparent.

The legislation governing ONS' independence will have to address explicitly ONS' relationship with the rest of government. Given this need for primary legislation on the status of statistical data, this is an ideal opportunity – and possibly the only one for many years – to bring in changes to reflect the modern use of and requirement for information. Regulation by a statutory body, for example, would allow for the flexibility needing to deal with changing technologies and ethical frameworks.

We recognise that there are confidentiality issues to be addressed; however, it has become clear in recent years that it is perfectly possible to combine access and security; indeed, this is an area where the UK is a world leader in many respects.

In summary, there has been ample demonstration of the benefits of wider access to data, and it has been shown that practical issues can be overcome. Yet, effective research in the UK continues to be hamstrung by laws written in the first half of the twentieth century.

We therefore request that the drafting committee ensure that any primary legislation allows, at a minimum, the wider sharing of data without the need for any further primary legislation; and that confidentiality and ethical concerns be the province of a statutory body rather than statute.

Yours truly,

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