
Introduction of new powers for access to identified data for the purposes of producing national and other official statistics and research

Cabinet Office

RPC rating: fit for purpose provided changes are made

Description of proposal

The proposal would provide the Office for National Statistics (ONS) and the National Statistics Authority (NSA) with access to data that have been identified as being critical for the production of National and other official statistics, or for evaluation and research supporting the future development of these statistics. The proposal relates to existing administrative data that have been collected by other government departments and businesses for their own use. The proposal obliges businesses to disclose necessary data to the ONS for statistical purposes and creates a permissive gateway to enable the disclosure of data by public authorities. The proposal prohibits subsequent re-use of these data for operational purposes.

The proposal aims to avoid inefficient duplication of effort from the ONS and the owners of data. As the ONS do not currently have access to these data except in specific cases (e.g the Inter Departmental Business Register), it must rely for many purposes on mandatory surveys, which can be costly to both parties. The existing procedure for securing access to public sector data involves the Minister for the Cabinet Office authorising a public authority to disclose clearly defined data sets; this usually takes a minimum of six months.

In order to maintain the current quality and integrity of statistics published by the ONS, the proposal includes an obligation to consult with the NSA before changes to data access are made. Legislation would also re-affirm rigorous penalties for the inappropriate use of identifiable data to maintain public confidence and trust.

Besides the department's preferred option, the department has also considered excluding businesses from the scope of proposal and will also consult on this option.

Impacts of proposal

The department has not, at this stage, monetised any of the costs or benefits associated with the proposal. Instead, the IA provides a qualitative description of the impacts, explaining that monetisation will follow in the final stage IA.

Costs

The department estimates that around 40,000 businesses (less than 1% of businesses in the UK) will be in scope of the legislation and may be required to provide data to the ONS. These businesses could face costs from familiarising themselves with the new requirement, and ensuring a high quality of data is provided and transmitted securely in order to comply with the legislation. The department does not explain the extent to which it expects businesses would have to revise the way they collect and hold data. The IA acknowledges the potential for the proposal to affect businesses that sell data, as the proposal may reduce the market value of these data.

The department recognises that, in order to fulfil its duties, the ONS will face transition costs to enable full use of the new data sources. These costs include identifying new sources of data, as well as validating, storing and analysing the data. Furthermore, there will be costs to government departments, as it is likely that they will align data collection practices to ensure the data is transmitted securely and in a useable format.

Benefits

The department estimates that businesses will benefit from a reduction in the number of obligatory surveys. The total cost of completing these surveys has been estimated at £24 million each year; no indication of the expected reduction in this figure has been provided.

The ONS will benefit from access to a richer and more robust landscape of data. The department also expects that the proposal will allow the ONS to make further efficiencies in the way it collects and analyses data, as well as eliminating administrative costs associated with the existing procedures.

The IA identifies stakeholders who are expected to benefit from the improved statistics published by the ONS and the NSA. These stakeholders include:

- **Policy makers** – increased ability to analyse the need for intervention.
- **Wider government** – more informed decisions regarding funding and resource allocations.
- **Businesses and financial institutions** – improved use of statistics on the population and economy to inform market-based decisions.
- **Individuals** – improved ability to use official statistics to make household decisions.

Quality of submission

The impact assessment will be fit for purpose provided the department makes the suggested changes before publication.

Monetising costs and benefits. The department has provided a qualitative discussion of where costs and benefits may arise as a result of the proposal. The department must amend the IA to provide an indication of the scale of costs and benefits, particularly regarding the private sector, or provide a reason why it is not proportionate to do so. This change should be completed prior to consultation in order to maximise the effectiveness of the consultation.

The department does not explain the extent to which it expects businesses would have to revise the way that they collect and hold data, nor does it provide an indication of the size of the reduction in survey costs from which businesses will benefit. Prior to consultation, the department must amend the IA to provide some indication of which of these effects is expected to be greater, as this will reveal whether the proposal is expected to have a net cost or benefit to business. By the final stage, the department must provide a narrower and more robust estimate of the impacts on business, as a range will not suffice.

Correct counterfactual. The IA provides a comparison of all options against one another in table format. However, in the more detailed description of the impacts, the alternate options are compared against the preferred option rather than the counterfactual. The IA displays the opportunity cost of not implementing its preferred option in the appraisal of the alternate options. Although the department may expect greater benefits from its preferred option, if the impacts were to be monetised using this methodology, the benefits of the preferred option would be artificially emphasised. Prior to publication, the department must amend the IA's main appraisal to assess each option against the counterfactual, not the preferred option.

Business impact target classification. The IA provides no indication of the business impact target classification of the proposal. The RPC expects departments to provide some indication of how it expects the proposal to be classified, an assessment which will subsequently be confirmed or amended by the RPC. Due to the uncertainty over the size of the costs and benefits, the department has not been able to assess whether the proposal will be net beneficial or costly at this stage; which is reasonable. However, prior to publication, the summary sheets should be amended to make it clear that the department considers the proposal to be in scope of the Business Impact Target.

Small and micro-business assessment (SaMBA). It appears that small businesses will be exempt from the scope of the proposal, although the IA could be clearer on this point. No threshold for the size of the firms that will fall in scope has been included. Prior to consultation, the IA should be amended to show the expected scope of the proposal.

There is also mention of the ability for the Minister for the Cabinet Office to amend the legislation if an excluded business is believed to possess data that is useful to the ONS or the NSA. The RPC expects that any amendments to the legislation will be accompanied by an impact assessment.

Departmental assessment

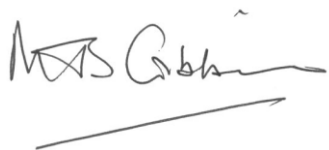
Classification	Not provided
Equivalent annual net cost to business (EANCB)	Not provided
Business net present value	Not provided
Societal net present value	Not provided

RPC assessment¹

Classification	Qualifying regulatory provision (IN)
Small and micro business assessment	Sufficient

¹ The RPC verification of the estimated equivalent annual net cost to business (EANCB) and assessment of whether the measure is a qualifying regulatory provision are based on current working assumptions.

Opinion: consultation stage IA
Origin: domestic
RPC reference number: RPC-CO-3197(1)
Date of implementation: not provided



Michael Gibbons CBE, Chairman