

# Consultation on access to Business Register and Employment Survey (BRES) estimates on Nomis

## GLA Consultation Response

April 2016

This document provides the response of the Greater London Authority (GLA) to the consultation on access to Business Register and Employment Survey (BRES) estimates on Nomis. Below we provide overarching comments on the consultation followed by more detailed responses to each question in turn.

### Overarching comments

The GLA appreciates the opportunity to respond to this consultation. BRES is a dataset which is widely used and provides members of staff (and, in turn, the public more generally) with insightful information into the make-up of London's economy. In particular it provides information on London's industrial specialisations and the spatial nature of its economy – information which is either very difficult or impossible to get from other data sources. Our response to Question 1 provides an overview of the type of work in which we utilise the unrounded BRES data.

Such is the value of the data to the GLA Intelligence Unit that **the changes being proposed would have a significant detrimental impact on the scope and the quality of analysis that the team produces.** To that end, we would be keen to know why exactly there is a need to change the method of accessing BRES data outside of a licence system. The consultation mentions a review undertaken by the ONS but we are not aware of the review and have not seen the findings of the review – have the findings been made public?

While we understand the benefits by making more data publically available, it is not clear why this needs be linked with reducing access to the unrounded data for other, typically engaged and 'vetted' users. Reducing access to the unrounded data will prove detrimental to us in terms of the analysis that we can produce. This move may also create additional administrative burden on the ONS through increased numbers of requests for unrounded data. Indeed, it is quite possible that simply providing rounded BRES data publically available could actually *reduce* the use of the data – with existing users needing to request unrounded data direct from ONS (so not using the 'publically available data' and few 'extra' users (for the 'new' unrounded data) coming forward. As a result, we feel that the benefits from this change would be very limited (if any) when compared to the loss incurred to those who lose full access.

There are over a dozen registered users of the BRES dataset within our licence, all of whom have undertaken disclosure control training provided by the London Regional Statisticians from the ONS as the condition of being included on the licence. This has proved to be invaluable in ensuring that we manipulate the unrounded data correctly, understand what we can and can't publish, and provide our clients with as insightful analysis as possible. With the access to the data, the team has produced high quality analysis,

which going forward is put at risk through this proposed change. It is not clear to us why the existing system needs to change.

We are willing to discuss our response with you in more detail if that would be of use.

## Responses to consultation questions

### 1. What impact will using rounded estimates have on your organisation?

Unrounded data from Nomis is used for a wide range of analysis within the GLA. **The quality and rigour of our analysis will be detrimentally impacted by the changes to access to BRES data proposed.** While we can see some of the benefits of providing rounded estimates, it is unclear as to whether this would remove completely the need for disclosure control (for instance, it is not clear how secondary suppression fits in with the proposal). For example, a large employer in a particular sector in a small area will have its employee total rounded, but if it is the only employer, it could likely still be identified from the BRES data in this scenario. As a result, we would contend that even with the measures proposed by the ONS for public access (ie rounding) there could still be a risk of disclosure.

To explain in more detail the use we make of unrounded BRES data and the potential impact of restricting the amount of data available to us, the following are examples of where unrounded BRES estimates are used within the GLA. From these examples, we would argue it is clear that the quality and robustness of the analysis we can conduct will be detrimentally impacted by the proposed changes.

#### *Industry specific or defined low-level geography analysis*

Access to unrounded BRES data is essential for analysis of economic activity within defined small level geographies, with requests for analysis often relating to activity within certain economic sectors (such as creative industries, science and technology etc.). This is used by the GLA as part of background research towards regeneration and skills policy, housing and land developments, as well as in the development of an economic evidence base for London and towards the development of the London Plan (a statutory requirement of the GLA). Having access to unrounded data, with the ability to access such data at lower levels of geography enables us to provide exceptionally useful analysis for teams.

Previous examples of GLA Economics research include our analysis of activity within the Central Activities Zone and Northern Isle of Dogs which fed into developing the GLA's Supplementary Planning Guidance for that area (<https://www.london.gov.uk/what-we-do/business-and-economy/business-and-economy-publications/wp-68-work-life-caz-north-part>), and our work on creating an economic baseline for the Old Oak and Park Royal Development Zone (<https://www.london.gov.uk/what-we-do/research-and-analysis/gla-economics-publications/socio-economic-baseline-old-oak-and-park>)

The current requirement of undertaking disclosure control and rounding to 100 before publishing enables the GLA to provide useful insight, however receiving data pre-rounded to higher levels (250 or 500) would significantly impact on the accuracy of any analysis we conduct. It would also restrict the amount of useful data we could provide, especially for local area and industry specific analyses. As a result, a very significant amount of information will be lost as a result of the greater level of rounding proposed. For example, it is not clear how the rounding will work with analysis of detailed sectors or areas - it seems perfectly possible that in many instances a situation will arise where adding up rounded sectors (or local areas) will result in an estimate well in excess of the total for that wider sector (or wider area) as a direct result of rounding.

### *Understanding London's specific industrial specialisations*

In addition, GLA Economics uses unrounded BRES estimates of employee jobs by section to construct an index of specialisation in London, to analyse the importance of employment in 1 digit SIC sections to London's economy, versus the rest of Great Britain, when compared with output.

This analysis is published as part of the London employment projections, as well as the GLA's Economic Evidence Base (<https://www.london.gov.uk/business-and-economy-publications/draft-economic-evidence-base-2016>), which provide further insights as to London's specialisations. Using rounded data to analyse employee jobs would compromise the GLA's ability to analyse the scale of employee job estimates below section level, for example looking at the role of wholesale and retail in London's economy, and specific professional services driving growth in London, as well as emerging 4 digit SIC level industries where rounding may have a significant impact on numbers.

### *Developing local area Workforce Job series*

We currently use unrounded BRES employee estimates to calculate employee jobs by borough, calculating borough shares from unrounded employee jobs by borough estimates from BRES, then applying these to regional employee job estimates from workforce jobs.

The size of borough level estimates are over 2,500 for all 33 London local authorities. Comparing the shares calculated from unrounded estimates with shares calculated from rounded estimates (both to 100, and to 1,000, the current rounding available in NOMIS), both rounding to 100 and to 1,000 has an impact on borough level estimates of workforce jobs numbers over the 2009 to 2014 period.

The proposal to round estimates to the nearest 500 for estimates over 2,500 is therefore likely to have an impact on the London borough employee jobs series, particularly as our estimates are published on the London Datastore to the nearest thousand. While the impact is likely to be relatively small on boroughs with larger employment estimates, such as Westminster, the City of London, and Camden; for local authorities with lower employee estimates, such as Barking and Dagenham, the impact of using borough shares from estimates rounded to the nearest 100, results in borough WFJ estimates up to 2 per cent higher or lower than the unrounded estimates.

In addition to impacting on historic estimates, the use of rounded figures is likely to impact on the shares projected forwards as part of projecting borough level employee to 2041. These projections inform high level planning and policy in London, including the London Plan and the Mayor's Transport Strategy.

Details of our workforce job by borough series and our employment projections work are available at [https://www.london.gov.uk/sites/default/files/gla\\_migrate\\_files\\_destination/Working%20Paper%2067.pdf](https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/Working%20Paper%2067.pdf)

### *Detailed history of employment in London's sectors*

Understanding the history and drivers of jobs in London forms a key part of the evidence base required to help inform effective policies for London. Unfortunately, there are no official jobs data below 1 digit SIC industry level on a consistent basis over time available for London. To address this, GLA Economics uses a combination of business survey data and workforce jobs data to estimate London's jobs history at a detailed sector level.

Creating a consistent time series of business survey data at the 4 digit SIC level requires conversion from SIC 1980 to SIC 2007. The GLA's methodology requires detailed BRES data at the 4 digit level to apportion or adjust for changes where the SIC framework has changed. While the level of detail provided from the

business survey data by industry is dependent upon sample sizes and the ONS's data confidentiality guidelines, the methodology requires the use of unrounded BRES data, which is then rounded and disclosure controlled before any publication (in accordance with the ONS' guidelines).

The availability of unrounded data from BRES enables the GLA to draw more robust conclusions as to the growth at the detailed SIC level. The data is then disclosure controlled and rounded for publication. If only rounded estimates were available, this would compromise the methodology developed as previous adjustments may have to be changed accordingly.

Details of GLA Economics' work on London's sectors, as well as the methodology developed are available at: <https://www.london.gov.uk/what-we-do/business-and-economy/business-and-economy-publications/working-papers-65-66-londons>

## **2. What will the benefits and drawbacks be to you/your organisation of using a publically available dataset as an alternative to the safeguarded dataset, based on the rounding thresholds provided in the consultation document?**

**For the GLA, there are no benefits** from moving towards a publically available dataset or a safeguarded dataset when compared to what we currently are provided with through our licence. Due to the high levels of rounding and the expectation that there will be greater inaccuracy and lower availability of data for more fine grained industry specific or geographical analysis, a move to either of the two proposed datasets will have a significant negative impact on what GLA Intelligence Unit can provide for teams here and for London boroughs.

While we appreciate that providing more data to the public can have benefits and provide greater understanding of employment in industries and local areas, the negative impacts of this change outweigh the positives. This is because those who currently benefit most from BRES data (i.e. the main users of the data), require as much granular data as possible and are committed to undertake disclosure control etc, so as to provide clients with the best possible analysis. Removing the access to unrounded data would prove detrimental and could create administrative burdens for the ONS when receiving requests for unrounded or specific data which was previously available to a highly skilled and informed set of users who currently use BRES.

## **3. What will the impact be to you/your organisation of no longer being required to complete an application for BRES data?**

The move towards public access of the dataset will reduce the burden on members of the team in completing the licence application. However, this administrative burden is relatively small and is clearly outweighed by the benefits of the licence system where complete unrounded data is provided and the users undertake their own disclosure control.

It is not entirely clear from the consultation how access to the safeguarded dataset will be managed, and whether this would be significantly different to the current licence system. Without further information on the conditions users will be required to sign up to, it is likely that most people will look to access the safeguarded dataset rather than the public access dataset. Given the risks of disclosure and the sensitive nature of the data contained within BRES, it is preferable that a more rigorous procedure of checks and safeguards are put in place for the data, all of which, we would argue, is currently achieved through the

licence system. It would be preferable for the GLA (and likely to be preferable for other local authorities, public sector analysts and researchers) to apply for a licence to access unrounded data, rather than have access to a rounded dataset which will be less useful and compromise the quality of the analysis we provide.