

# Thematic research review: Commissioned research for policy

A review of the research projects being undertaken in the ONS Secure Research Service for policy design or evaluation purposes

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# Part 1: Review of Secure Research Service projects commissioned to undertake research

## 1.1 Introduction

The Office for National Statistics (ONS) Secure Research Service (SRS) is a trusted research environment (TRE) that gives accredited researchers secure access to a wealth of de-identified, unpublished data to work on research projects for the public good. The SRS is accredited as a [Digital Economy Act 2017](#) (DEA) processor by the UK Statistics Authority (UKSA) for the provision of data for research purposes.

As of November 2022, the SRS had over 600 live research projects that cover a wide range of topics and analytic purposes being addressed by researchers from across the sectors, using a variety of quantitative methodologies. Data available cover ONS business surveys, business registers and various administrative data.

In this report we focus on analysis being done in the policy and evaluation space. Government departments and public bodies in the UK have a commitment to undertake and learn from evaluations of their policies, programmes or investment activity. Indeed, evaluation is recognised as a key part of good policy making, helping to provide evidence on whether an intervention, options or a change has worked, or is working, or not.

Evaluations are often conducted in the delivery stages of a policy, complementing the impact assessments or cost-benefit analyses that supports the decision to proceed with a policy. Published evaluations help build stakeholder and public trust in policymaking, promote efficiency in public expenditure, and demonstrate transparency. [HM Treasury's The Magenta Book](#) (2020) provides guidance to Central Government on what consider when designing an evaluation. The overarching [HM Treasury's The Green Book](#) (2022) offers concise guidance on how to appraise and evaluate policies, projects and programmes, using, for example, cost-benefit analysis and impact assessment.

In this report, we focus on a selection of research projects being undertaken in the SRS that have been commissioned, often for evaluation work. For this review, the focus is limited to work undertaken by third sector and private organisations. The report is supplemented with four case studies of policy design or evaluation in practice.

We hope it will be of interest to other researchers using or planning to use SRS data for similar work, and for policymakers to appreciate the power of quantitative data to help design and review policy questions and intervention.

[ADR UK](#) (Administrative Data Research UK), an Economic and Social Research Council investment, provides funding for the ONS SRS. The ONS is ADR UK's major data infrastructure partner.

## 1.2 Scope of this review

The Integrated Data Service (IDS) Analytical Impact team selected and tracked projects where private, or third sector organisations were commissioned to undertake research. Many of these were evaluations of some kind. Projects only include those that were active on or before 17 November 2022, with the earliest having started in October 2014.

The Impact team further captured published outputs and outcomes related to the selected projects, where this information could be located.

### 1.2.2 Selection approach

Selection data came from intended project information supplied by researchers as part of their project accreditation through a relevant legal gateway. Information provided includes the title, abstract, research purpose and methodology, data required, ethical considerations, and intended public good outcomes.

SRS projects were filtered first on whether they declared their work was 'commissioned' or 'sponsored'. Academic projects that had named a 'commissioner/sponsor' as their own University or UK funding agencies (e.g., UKRI) were excluded. These were treated as having standard academic grants, which were out of scope for this exercise.

Projects were further selected where at least one of the participating organisations on a project was from the private or third sectors.

A total of 95 projects met the selection criteria. Of these projects, 16 projects had a total of 69 published outputs identified by the Impact team.

## 1.3 Research at-a-glance

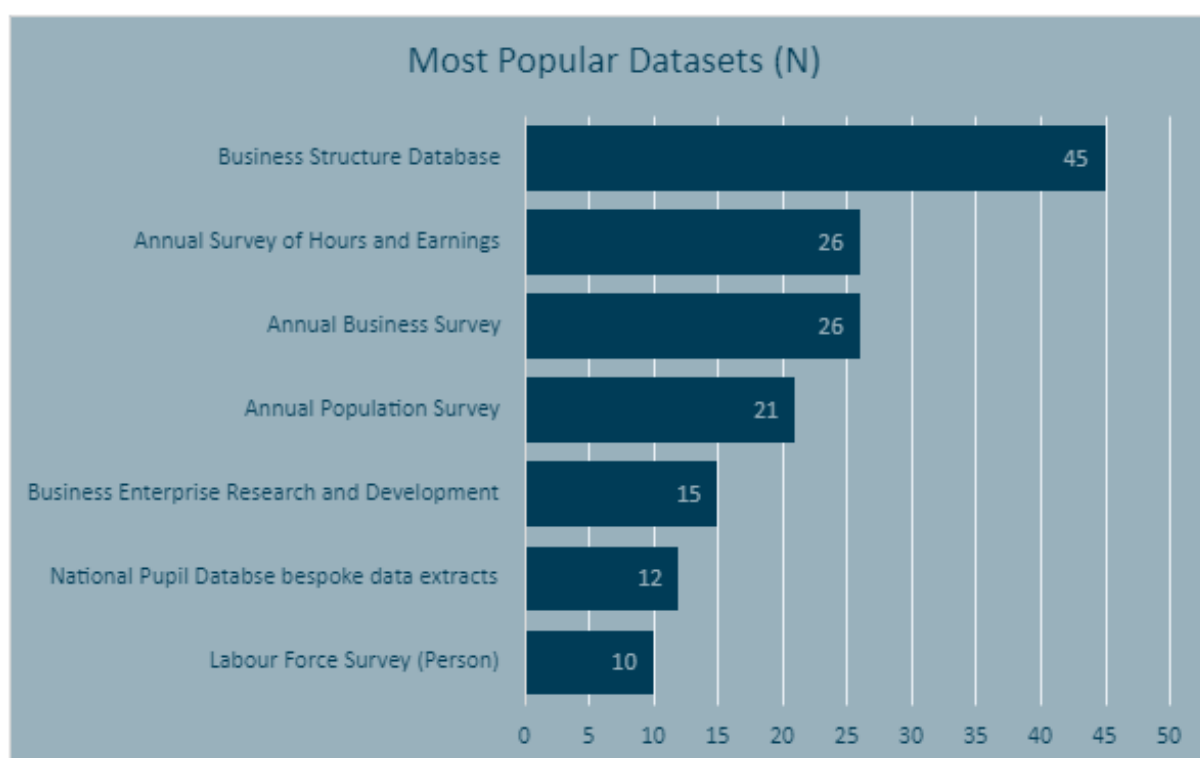


## 1.4 Overview of research



### 1.4.1 Datasets in use

Since October 2014, when the earliest project started, 60 unique datasets were used across the 95 projects. The seven most popular datasets were used in at least ten different projects (see Figure 1 and Table 1 for brief descriptions), while another nine have been used by at least five projects. Five of the most used datasets cover business-related topics.

**Figure 1. Most popular datasets used by commissioned/sponsored SRS projects (N projects)**



**Table 1. Most popular datasets used by commissioned/sponsored SRS projects**

Dataset	Dataset Description	Data Owner	Legal Gateway
<a href="#">Business Structure Database (BSD)</a>	Provides a version of the Inter Departmental Business Register and ONS business survey data for research use, taking full account of changes in ownership and restructuring of businesses.	 Office for National Statistics	2017 Digital Economy Act
<a href="#">Annual Survey of Hours and Earnings (ASHE)</a>	Provides information about the levels, distribution and make-up of earnings and hours. Breakdowns include industries, occupations, geographies, sex and age	 Office for National Statistics	2017 Digital

	groups within the UK. Used to produce hours and earnings statistics for a range of weekly, annual and hourly measures.		Economy Act
<a href="#">Annual Business Survey (ABS)</a>	Covers the production, construction, distribution and service industries (approx. two-thirds of the UK economy in terms of Gross Value Added). Provides high-level indicators of economic activity such as the total value of sales and work completed by businesses, the value of purchases of goods, materials and services, and total employment costs.		2017 Digital Economy Act
<a href="#">Annual Population Survey (APS)</a>	A combined survey of households in the UK. Its purpose is to provide information on key social and socio-economic variables between the 10-yearly censuses, with particular emphasis on providing information relating to sub-regional (local authority) areas.		2017 Digital Economy Act
<a href="#">Business Enterprise Research and Development (BERD)</a>	Provides estimates of businesses' expenditure and employment relating to research and development (R&D) performed in the UK. It uniquely provides information on expenditure on R&D performed by UK businesses, the source of funding for this R&D work, and the employment of people working on R&D.		2017 Digital Economy Act
National Pupil Database (NPD)	Provides a near complete picture of school trajectories and outcomes for state school pupils in England.		Education Act
<a href="#">Labour Force Survey Person (LFS)</a>	Provides good quality point in time and change estimates for various labour market outputs and related topics. Covers all aspects of people's work, including education and training needs for the work, the jobs themselves, job-search for those out of work and income from work and benefits.		2017 Digital Economy Act

### 1.4.2 Organisations using data: Focus on private and third sector

401 researchers from 73 different organisations were involved in these 95 projects: 37 of those organisations were private or third sector, with researchers on these projects totalling 190. Of the remaining 211 researchers, 120 were from the ONS, almost all of whom were involved in the multi-user National Coronavirus Population Study project. This largescale project involved collaborations across private, government and academic organisations. This latter work addressed an important clinical priority for scientists trying to model the impact of Covid-19 during the pandemic.

The focus for the remainder of the report is limited to work undertaken by private and third sector organisations. Figure 2 shows the distribution of organisations with projects among the two sectors.

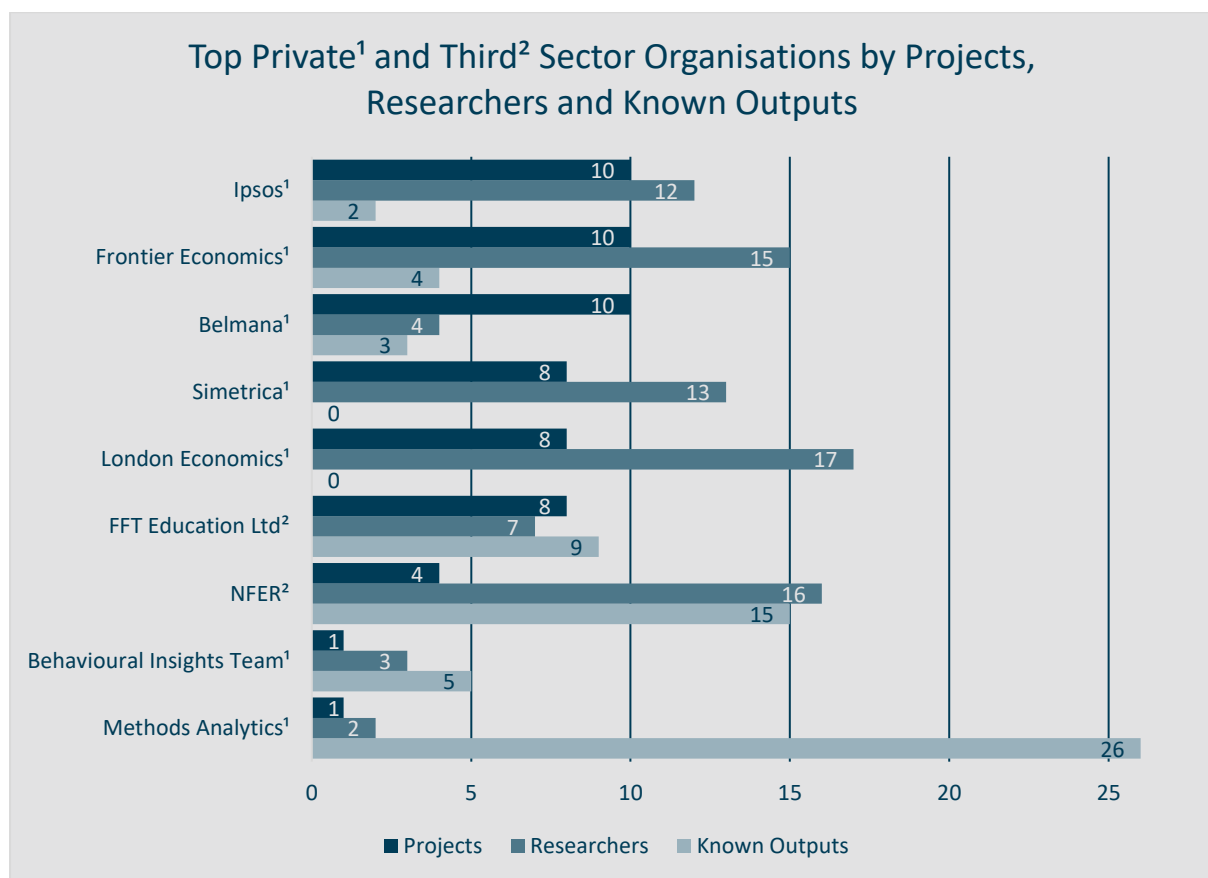
**Figure 2. Private and third sector organisations involved in commissioned/ sponsored SRS projects (N projects)**



Private sector organisations made up three quarters of these organisations, with the most common type being ‘consulting organisations’. Third sector research organisations mostly consisted of independent research institutes.

The report investigated the top organisations contributing to the selected commissioned projects, looking at the number of projects on which they were working, the number of researchers on projects and number of published research outputs identified by our team. Figure 3 shows the numbers for the top five organisations.

**Figure 3. Top private and third sector organisations (N projects, researchers and published outputs identified)**



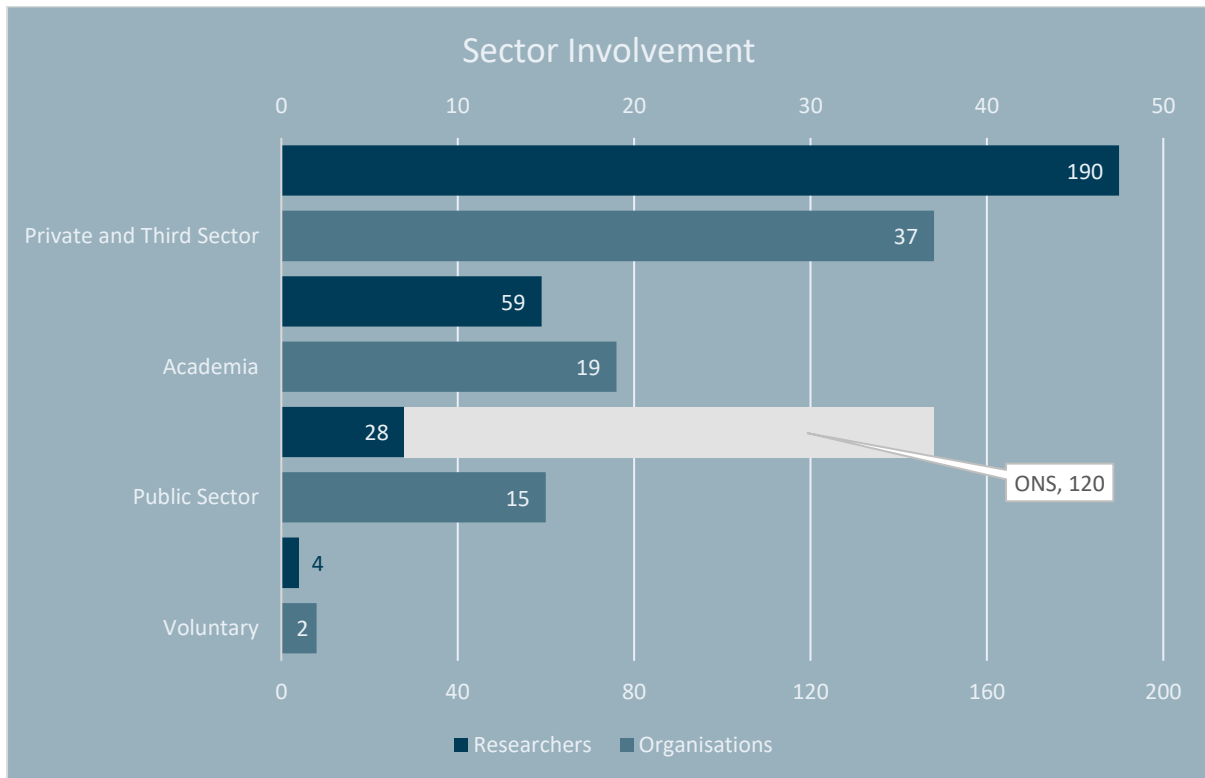
Some organisations had undertaken, or are undertaking multiple projects in the SRS, often with many researchers contributing. It can also be seen that for some of these organisations we only identified a small number of outputs, despite their participation in many projects. This is primarily because they gained exemption from the UK Statistics Authority from publishing their findings.

Other organisations were found to be undertaking a smaller number of projects, but with larger teams of researchers working on them. Methods Analytics, a consultancy firm, was involved in the large-scale [National Coronavirus Population Study](#). The analyses provided regular monitoring publications, an essential part of decision making during a pandemic.



Figure 4 below shows the distribution of organisations and researchers by sector. As already mentioned, the high number of ONS researchers being involved in a few projects leads to a skew in the distribution of sector involvement.

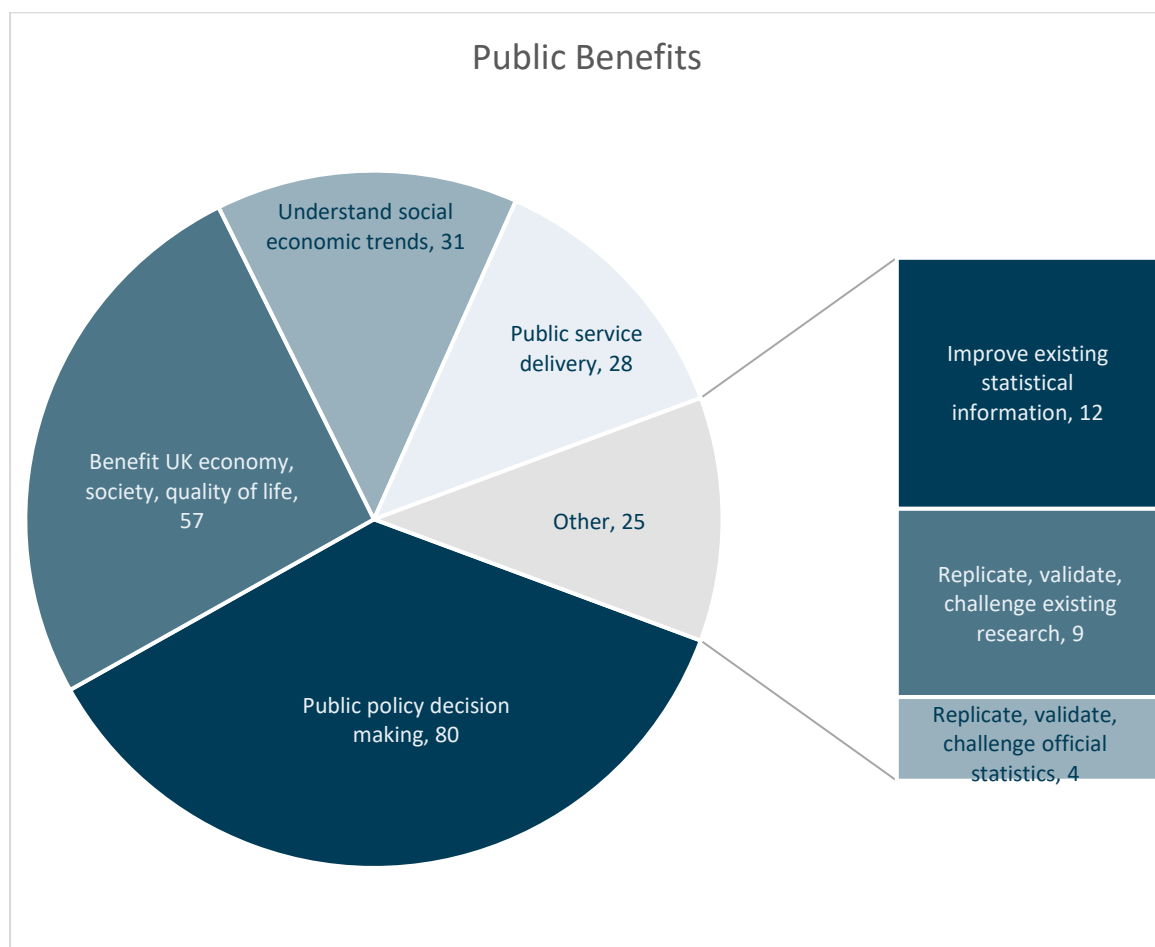
**Figure 4. Sectors involved in commissioned /sponsored SRS projects (N organisations and researchers)**



### 1.4.3 Use of data for the public good

To access data in the SRS, project applications need to indicate how they expect to meet one or more of the seven public benefits, set out by the UKSA. 'Public policy decision making' is the most selected public benefit, with 84% of projects hoping to influence policy. 60% of projects have a goal of benefiting the UK economy, society, or quality of life. Only four of the 95 projects intend to replicate, validate, or challenge official statistics. Figure 5 below shows how the breakdown of public benefit aims among the commissioned projects.

**Figure 5. Anticipated public benefits for commissioned /sponsored SRS projects (N projects)**

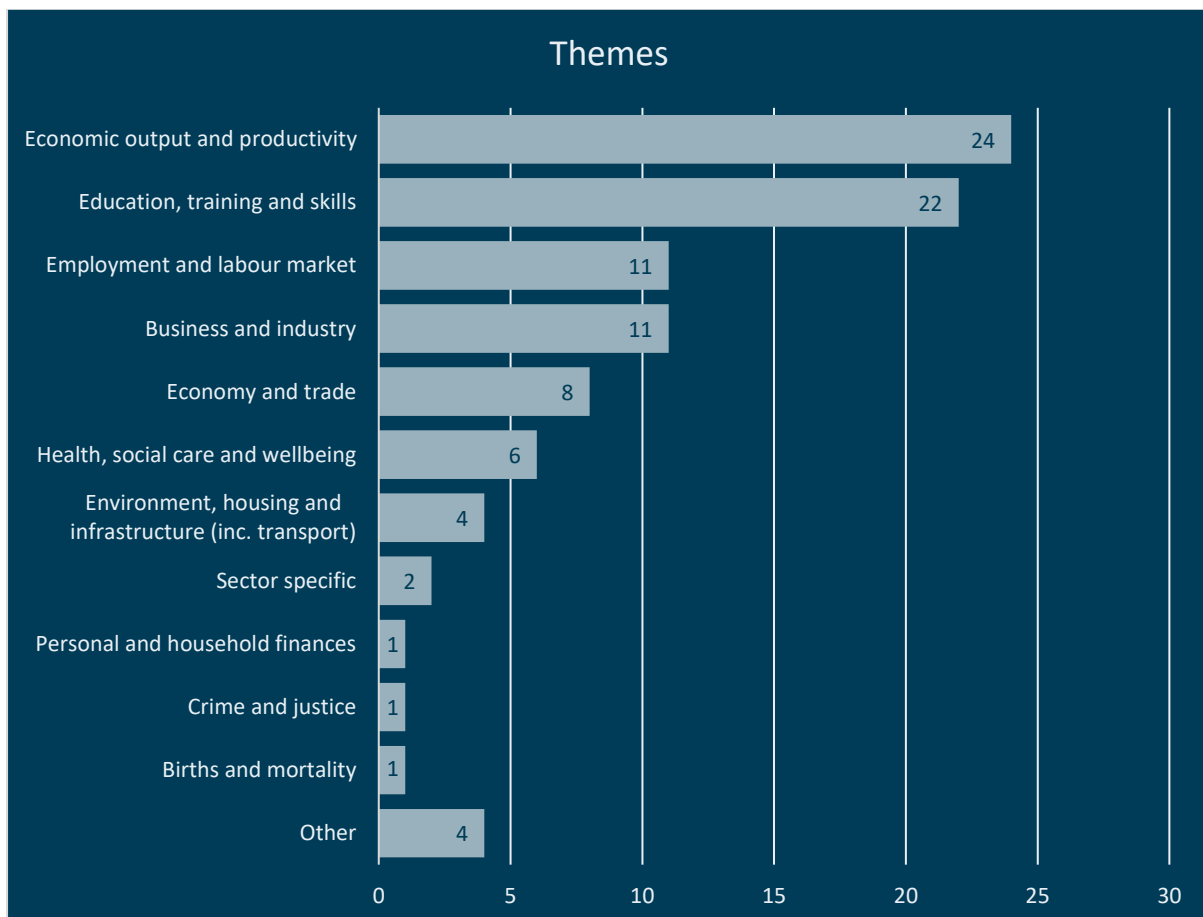


### 1.4.4 Research themes

Researchers using the SRS select a primary research theme in their SRS project application. The list of themes is provided by the UKSA for applications that relate to the 2017 Digital Economy Act (DEA). For those applying through different legal gateways, the most appropriate DEA theme was assigned by the impact team for projects. 11 main DEA themes were selected by researchers (Figure 6).

The most common themes being addressed were: 'Economic output and productivity', 'Education, training and skills', 'Employment and the labour market', and 'Business and industry'. 'Economic output' was the most popular area of research, followed by 'Education', 'Employment', and 'Business'.

**Figure 6. Research themes selected by commissioned/sponsored SRS projects (N projects)**



Examples of the types of commissioned research being undertaken in the SRS include:

- **Evaluation of programmes or policies.** These projects focus on evaluating a programme or investment activity, for example investigating whether government funds already invested have had a positive impact, or where investment should be made into specific areas (for examples, see Annex A). Our

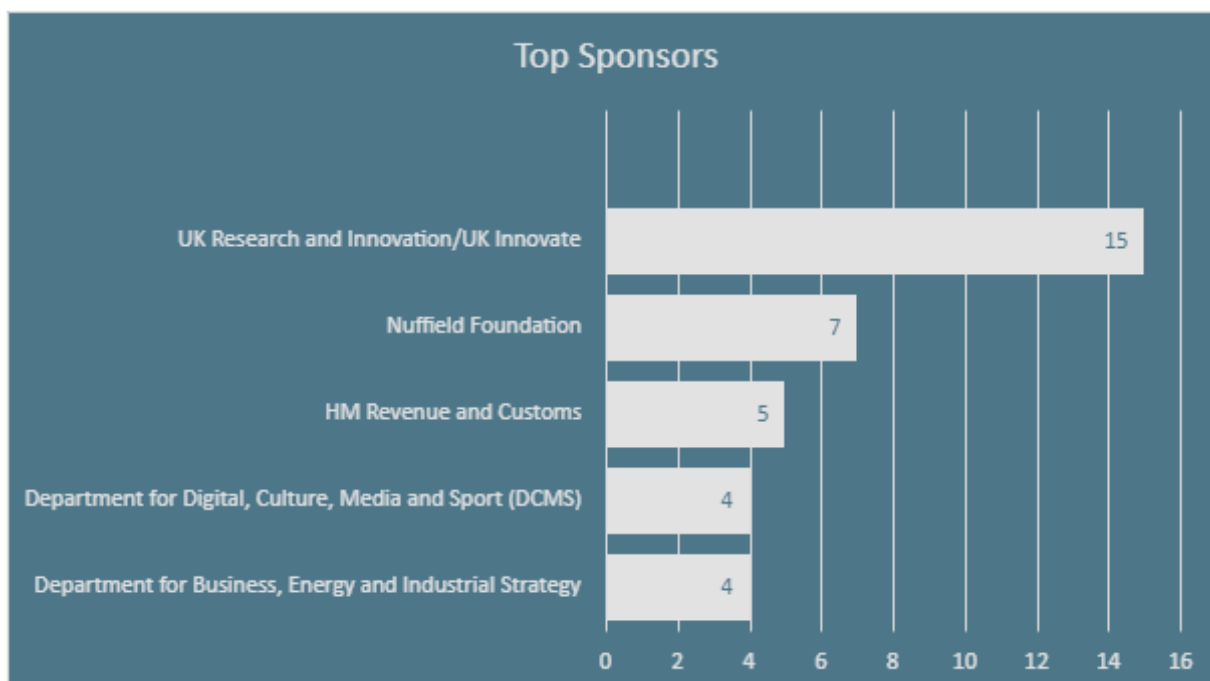
similar [SRS Thematic Research Overview of Education](#) report describes evaluation work undertaken in the educational domain.

- **Formulating policies.** Projects undertake commissioned work to build evidence to support policy formulation. Examples often include looking at identifying patterns in the economy (see Annex A).
- **Real Time Communications.** Here, time is of the essence and results need to be communicated in real time. The [National Coronavirus Population Study](#) measured the spread of Covid-19 and communicated that information to scientists, which allowed for better modelling of impact.
- **Impact on individual's lives.** Research focuses on the impacts of particular events or phenomena. For example, Simetrica investigated the [impact of scams on subjective wellbeing](#).

### 1.4.5 Research commissioners

There were 58 organisations commissioning or sponsoring the 95 projects, consisting of government departments, local councils, third sector and not-for-profit and private sector companies. 24 projects were sponsored by central government departments, and a further nine by public sector bodies or local government. Five departments or public bodies sponsored four or more projects (UK Research and Innovation, and Innovate UK are sponsored by the Department for Business, Energy and Industrial Strategy, as shown in Figure 7.

**Figure 7. Organisations commissioning/sponsoring SRS projects (N projects)**



Overall, SRS projects with public sector commissioners, such as central government or local councils, focus on policy formulation or evaluations, covering topics such as health and Covid19, to crime statistics and economic effects. Other commissioners, such as the not-for-profit organisations, supported projects to evaluate services they were delivering, either funded by government, or those that were delivering some public good or charitable in nature.

As part of this report, four cases studies were chosen to highlight the types of work being done.

#### **1.4.6 Methodologies and approaches**

The projects identified indicated a variety of methodologies being used, especially by the many projects who were undertaking commissioned evaluations of programmes. Three key methods emerged:

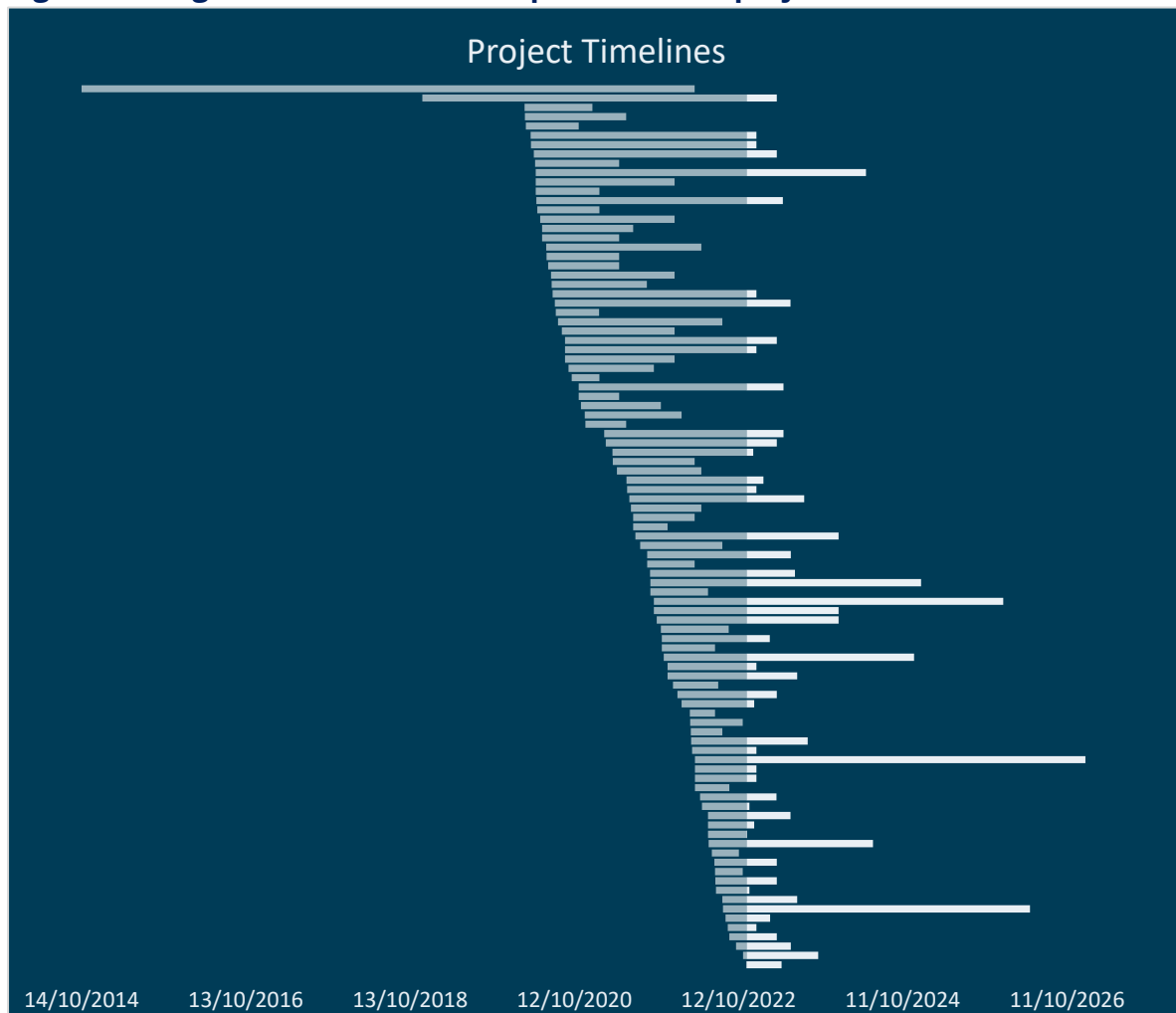
- Regression analyses – commonly used in economic work to capture the correlation between variables observed in a dataset and quantifying whether these are statistically significant or not. Different regression approaches were used across different projects (for example, multivariate, logistic), validating whether the findings were significant or not.
- Difference-in-Differences – a quasi-experimental approach used to determine causation to compare changes in outcomes over time between those groups participating in, for example, a programme being evaluated, and those who were not.
- Propensity Score Matching (PSM) – a statistical matching technique that attempts to estimate the effect of a programme by accounting for the covariates that predict receiving the treatment. PSM attempts to reduce the bias and in or data tends to go hand in hand with difference-in-differences approach.

### 1.4.7 Project timelines

At the time of this review, the earliest commissioned project in the SRS started on 14 October 2014, with the latest one beginning on 16 November 2022. The duration of projects varied significantly, with the shortest one taking just three and a half months, and the longest taking almost 7.5 years to complete. The average project length is almost 1.5 years. At the time of this analysis, the latest project was scheduled to be completed by the end of 2026.

Figure 8 below displays the project timelines, with each bar representing a commissioned project. The light blue shade indicates dates prior to the cut-off date of 17 November 2022 while white shows expected future timelines for these commissioned projects.

**Figure 8. Length of commissioned /sponsored SRS projects**



## 1.5 Summary

This overview of commissioned projects in the SRS demonstrates the use of a variety of key datasets to answer a broad range of policy-relevant questions.

Evaluation work is high on the agenda and 'economic output and productivity' was the top research theme. The most popular datasets used were the Business Structure Database, Annual Survey of Hours and Earnings and Annual Business Survey, further solidifying the economic direction of commissioned projects. The top sponsor of commissioned work was UK Research and Innovation, funding various evaluation projects such as 'Evaluating the Transforming Construction Challenge' and 'Evaluation of Industrial Strategy Challenge Fund programmes'.

The overview provides evidence of strong collaboration on projects, with close to 40% of projects involving multiple organisations. It should also be noted that further collaboration may happen outside of the SRS, of which we are not aware. Evaluations might involve non-SRS evidence gathering about a policy, such as surveys or analysis of the policy delivery data.

The Integrated Data Service (IDS) is building on the success of the SRS to provide an enhanced service to the analytical community. The service is enabling access to de-identified data from a range of sources, including government departments and devolved administrations. It will link data to provide insight and to enable rapid analysis. IDS, which is due to launch as a live service in 2024, will change the way data is accessed and will help many upcoming evaluations in the future.

## Part 2: Focus on work to inform or evaluate policies and services

As noted in our overview in Part 1, commissioned projects using data within the ONS SRS often aim to inform or evaluate government policies or services. This includes carrying out work related to planning for future policy or service or evaluating interventions or schemes that have been implemented to determine success.

The cost of an evaluation is typically budgeted for by government departments within the initial costs of implementing a policy. Evaluations are often contracted out, procured through existing evaluation-focused commercial frameworks, via a highly competitive tendering process.

A government-sponsored evaluation will typically involve multiple consultancy firms, each has its own area of expertise and is responsible for a specific element of the overall evaluation. For example, one organisation may be responsible for quantitative modelling using existing data, while another may be responsible for collecting and analysing information using surveys, monitoring, qualitative research, or case study work.

Evaluations can take several years to complete. Due to their complex nature, evaluations are usually led by a 'prime' consultant, who is responsible for managing co-ordination, collaboration, and communication between the contractors on a project. The prime consultant ensures that all parties involved, including the commissioning organisation, are kept informed of the project's progress, difficulties emerging, and interim reports are produced. Once each element of the evaluation is complete, the prime consultant will produce a final single report, based on synthesising all the findings, which is delivered to the commissioning organisation. These reports are usually peer-reviewed, with some government departments utilising a network of academic peer reviewers or subject matter experts, for example from the UK's [What Works Centres](#).

Some reports are subsequently made publicly available, unless a publication exemption applies.



## 2.1 Using the SRS for evaluating policy or services

### 2.1.2 Evaluating business support

Evaluating government policy concerning support to UK businesses covers a wide range of interventions. These aim to help businesses grow, increase local employment levels, or improve the overall economy in the area and include the provision of financial aid, interest free loans or tax exemptions.

The ONS SRS provides a wealth of UK business datasets to researchers. For example, the Business Structure Database (BSD) and the Annual Survey of Hours and Earnings (ASHE), both of which are important resources for business support evaluations. Evaluators might compare businesses targeted by an intervention or ‘beneficiaries’ against a control group of businesses known as ‘non-beneficiaries’ and measure the impact of the intervention.

This counterfactual approach is most effective for looking at national policy, but less so for regional policies, such as at county or local enterprise partnership level, as there are too few cases in the data to undertake counterfactual modelling. In these cases, other evaluation approaches are used, such as local level surveys or case studies.

The following two case studies highlight policy evaluation of business support schemes.

### Case study 1: Impact evaluation of the European Regional Development Fund

#### About Belmana

Founded in 2012, Belmana is a small consultancy firm that provides research and analytical services to help their clients make better decisions and use resources effectively. Belmana has been involved in multiple policy evaluations, focusing on business support, productivity, and digital policies, for the past eight years.

At the time of writing, Belmana had undertaken ten commissioned projects within the SRS, with four researchers working across these. On average, these analyses took just over a year to complete.



The [Department for Levelling Up, Housing and Communities](#) (DLUHC) commissioned Hatch Regeneris, [Belmana](#), BMG Research and Middlesex University to carry out an impact evaluation of the English element of the European Regional Development Fund (ERDF) which supported over 30,000 English businesses from 2014-2020.

Belmana assessed the impact of ERDF-financed local growth interventions and the effectiveness of a range of delivery approaches, such as grants, loans, and business advice and guidance using SRS data. Modelling was used to determine whether the intervention had delivered overall value for money, and if government commitments regarding effective use of public funds had been met. This also provided useful analysis to inform future local growth policy and delivery in Wales.



### **What is the European Regional Development Fund?**

The ERDF is a financed fund that aims to strengthen economic, social and territorial cohesion in the European Union (EU) by correcting imbalances between regions.

Together with two other funds the European Social Fund and the European Agricultural Fund for Rural Development, these make up the European Structural and Investment Funds programme. Although the UK has now left the EU, under the terms of the Withdrawal Agreement, EU programmes will continue to operate in the UK until their forthcoming closure in 2023-24.

Following Phase 1, in which research approaches were scoped, for Phase 2 DLUHC provided Belmana with a list of businesses that had benefitted from the ERDF. This enabled the team to track and explore the growth of these beneficiary businesses in the Business Structure Database (BSD), accessed within the safe environment of the SRS. Belmana analysts identified a comparable set of businesses, using propensity score matching, to provide a counterfactual of non-beneficiaries, whose growth was also tracked. The matching was on geographic and sectoral spread of businesses, age, size, and growth trajectory prior to support as well as measures of investment and innovation. Where possible, data from rejected applicants was used to establish this control group as they were not affected by the policy.

Belmana sought to quantify the benefits by tracking average and total firm level employment, turnover and other performance variables for the supported businesses. Difference-in-difference was used to identify whether there was significant change in the growth of businesses supported compared to the counterfactual. Analysts used the Annual Survey of Hours and Earnings to identify the quality of new jobs created by looking at average pay of the supported businesses.

The 2021 interim impact report integrated other evidence, such as from surveys and case studies, and noted that the scheme was a success. The counterfactual impact analysis provided the initial assessment of the additionality of the ERDF funded support, which suggested an increase in employment of 34,000 gross jobs amongst the beneficiary businesses, of these it was estimated that 16-38% of jobs were additional, i.e., would not have been achieved without the support.

## Case study 2: Evaluation of the Energy Entrepreneurs Fund

### About Ipsos

Established in 1975, Ipsos is one of the top 10 global market research companies. With a large range of clients across 90 different markets, Ipsos participates in various market research projects.

As highlighted in the synthesis overview, Ipsos is a prominent user of the SRS, with the most commissioned projects of all private or third sector organisations. For this review, Ipsos had undertaken ten commissioned projects, all of which were evaluations, with 12 researchers working on the research.



The [Department for Energy Security & Net Zero \(DESNZ\)](#), which was borne out of the [Department for Business, Energy & Industrial Strategy](#), commissioned [Ipsos](#) and Technopolis Group to evaluate phases 1-7 of The Energy Entrepreneurs Fund (EEF).

The evaluation explored the benefits of the EEF scheme to participating businesses, this involved quantifying and monetising firm level economic benefits associated with the programme to help understand the impact and value for money of the scheme. It also aimed to provide wider learning to aid decision making on innovative grant schemes in the future.

The analysis was part of wider programme of research collecting further evidence on the impacts of the programme and processes used in the programme delivery. These included qualitative consultations with successful and unsuccessful applicant businesses, a review of programme documentation and interviews with wider programme stakeholders.

### What is the Energy Entrepreneurs Fund?

The EEF supports the development and demonstration of state-of-the-art technologies, products, and processes in the areas of energy efficiency, power generation and heat and electricity storage.

The fund provides both financial and incubation support to participating businesses, through the provision of support through business advice, market insights and for commercialisation.

Ipsos' evaluation focused on participating businesses performance, using data within the SRS to measure turnover and employment (Business Structure Database), implied productivity (Annual Business Survey), Research and Development activity (Business Enterprise Research and Development) and income of employees (Annual Survey of



Hours and Earnings). To assure correct comparisons, Propensity Score Matching (PSM) reliant strategies were used.

Promotion of the scheme generated high levels of interest and led to a large number of high-quality applications. Ipsos looked at three key areas of the programme - effectiveness of processes, impact, and value for money.

The [evaluation](#) report, published in 2023 on the DESNZ website, showed the overall success of the EEF which supports the continuation of the scheme while also suggesting improvements for its following phases. The EEF has proven to be cost-effective as an instrument for leveraging private research & development (R&D) investment into novel clean technologies and delivers value for money.

The impacts of the EEF are substantially larger than those observed from comparable grants provided without accompanying incubation support. EEF has been largely successful in its shorter-term outcomes.

- The overall impact of the programme on R&D spending was estimated at between £328m to £580m by 2020, compared to grant spending of £67m.
- The additionality of the R&D activity supported by the programme was high compared to the declined applicants - firms awarded grants achieved more rapid development of their technology.
- Incubation support provided had a significant amplificatory effect and increased the value for money. Technical success does not always convert into commercial success; there were examples of projects where the applicant pursued alternative directions at the end of the project because there was no market for the technology.
- EEF participants advanced more rapidly in developing their business models and making commercial progress and have indicated the incubation support as an important factor in enabling this progression.
- Findings have not determined how far the smallest or least mature businesses benefitted from incubation support.

Longer-term potential impacts include:

- positive effect on the ability of participants to raise follow-on funding both from private markets and publicly funded grants
- evidence that start-ups at very early stages of development were less able to benefit from the programme
- the EEF did not appear to have a substantial effect on fundraising among those that had not already attracted financial backing from the private sector.

As few projects have resulted in widespread adoption to date (due to insufficient time elapsing to commercialise technologies), at this stage there is limited evidence that EEF participation has led to significant economic benefits (productivity) or environmental benefits, although many technologies have the potential to do so.

## 2.2 Using the Secure Research Service for designing policy

In addition to evaluation of past policies or programmes, commissioned work also focuses on designing policy or services. Examples include raising attention to issues that could be solved or improved via a policy or highlighting the potential of up-and-coming areas or sectors that a new policy could help grow.

The following two case studies look at how policy formulation can be informed through use of the SRS.

### Case study 3: Understanding the growth potential of creative clusters

#### About Frontier Economics

Founded in 1999, Frontier Economics is a microeconomics consultancy providing economics advice to public and private sector clients. Their key areas of expertise are competition policy, public policy, regulation, commercial strategy, behavioural economics and energy and climate change.

Frontier Economics is involved in ten commissioned projects using the SRS with 15 researchers working on them.



The [Department for Digital, Culture, Media & Sport](#) commissioned [Frontier Economics](#) to produce research to increase the department's understanding of:

- how the economic environment and potential obstacles to growth of the creative industries differ across the UK
- whether the creative industries have spill-over benefits, particularly knowledge spill overs, on other industries.

In this way, future public policy in this space can be based on the best possible evidence.

#### Why are creative industries important?

The creative industries have been identified as a sector with a high growth potential. Between 2011 and 2019, they grew more than twice as fast as the UK economy, acting as a great driver for innovation. Creative industries, which include IT, Film, TV, Radio, Design, and Designer Fashion, show key features for long-run growth: they are innovative and relatively export-oriented.



Using existing analysis and studies, economic theory and interviews with industry experts, the report developed a framework that identified five drivers of cluster growth.

The five elements were:

- access to finance
- access to talent
- innovation
- the Broader environment
- export activity.

Using the SRS, the researchers used various datasets to investigate how different metrics in this framework vary across the UK.

- The [Longitudinal Small Business Survey](#) was used to examine the experience of small businesses in different local areas in terms of their access to finance, innovation activity and perceived obstacles to success.
- The National [Employer Skills Survey](#) was used to investigate skills challenges faced by the creative industries and by employers in different local areas
- The [Business Enterprise Research and Development](#) and the [UK Innovation Survey](#) datasets were employed to document average levels of innovation spending in different local areas.
- Analysis of the [Annual Population Survey](#) examined the proportion of the workforce that work in creative industries and creative occupations in different local areas.

The analysis revealed that creative businesses in “creative clusters” (travel-to-work areas with a high or fast-growing concentration of creative businesses or creative employment) on average had better access to finance, were more innovative and more export-orientated than those not in such clusters. They benefit from better digital infrastructure and may draw strength from the industrial composition of the local area, giving rise to industrial synergies and spill overs.

However, firms in creative clusters may fare no better in accessing talent than firms elsewhere, because while there is a greater supply of skilled workers, there is also greater demand for those workers. While it does not necessarily prove that clusters are responsible for this, it does allow for a theory that they are important drivers for innovation and growth.

When it comes to territorial overview, all areas have their own relative strengths and weaknesses. While all clusters are relatively successful, they are also very different, so that the key factors for growth differ in each area.

- **Access to finance** appears to be a particularly limiting factor in some areas, as indicated by the proportion of businesses reporting that access to finance is a hindrance, especially in the South West.

- **Access to skills** is also an issue for the South West, and this is also seen in the larger, more relatively stable clusters, such as those in the greater London area.
- There is less variation when it comes to **innovation**. Yorkshire creative industry firms are less likely to report innovating than elsewhere in the UK.
- **Broad environment** covers a diverse set of local characteristics, such as infrastructure and quality of life. Different characteristics have different levels of importance depending on the sector of the firms in the cluster. Digital infrastructure may be more limiting for creative clusters on the south coast, while physical infrastructure might be most limiting in the South West.
- North East, Yorkshire, Wales, and the Midlands' **export** is relatively low, but it needs to be noted that its importance will vary between sub-sectors.

The creative industries have great potential for rapid growth, and it is crucial that this potential is not only realised, but that it is done so across the whole of the UK. The framework developed by Frontier Economics is a tool that could help making policy decisions related to this industry more accurate and relevant as it provides indications to key issues local clusters face.

The findings of this [research](#) will inform policy to support local areas across the UK to become hubs of creative activity. This will help ensure the creative industries are major contributors to the missions set out in the Government's [Levelling Up White Paper](#).

## Case study 4: Medina Valley Marine Sector Proposition and Funding work

### About Hardisty Jones Associates

Hardisty Jones Associates is an expert economic development consultancy that operates throughout the UK. They help local authorities, government, communities, developers and businesses to plan for economic development and understand the socio-economic impacts of projects and programmes on areas and societies. Their work covers issues such as jobs, enterprise, investment, employment of local people, skills, productivity, energy, infrastructure, sites and premises.



The [Isle of Wight Council](#) commissioned Hardisty Jones Associates (HJA) to investigate potential approaches to improving the isle's economic performance. An opportunity to strengthen and grow private sector activity in the Medina Valley was identified.

### About Medina Valley

Medina Valley is an economically significant area for the Isle of Wight, hosting a total of 4,000 jobs it is classed as a high value area.

The area has particular strengths around the marine and maritime economy and related supply chain and services, it's primary value to the isle comes from the marine sector. Activity in related industries, such as composites and wind turbine manufacture are also located in the area.

Following a recent investment there was a desire to maximise opportunities for further investment to capitalise on and to enable the sector to reach its full potential.

There were two key phases established for the commissioned project. The first was to identify potential economic development opportunities in the Medina Valley, as well as market failures preventing the realisation of the economic potential, and interventions to maximise opportunity. The second phase was to prepare a bid for the [Stronger Towns Fund](#), which would help the Isle of Wight to achieve the goals set out for the Medina Valley.

HJA analysts used the Business Structure Database within the SRS to identify and compare current employment level on the Isle of Wight against the Solent Local Enterprise Partnership area as well as identifying key sectors for the local economy.



HJA identified key opportunities and threats in the marine sector.

#### Opportunities

- Strong demand for the workboat, renewable energy, and composites sectors, which are key areas of expertise within the Medina Valley, were identified.
- The Solent Local Enterprise Partnership, within which the Isle of Wight is located, is actively pursuing marine sector development. The potential opportunities to establish a Freeport was identified as key to the Medina Valley's potential growth.

#### Threats

- A lack of appropriate waterfront sites and premises with supporting infrastructure for the boatbuilding and repair sector.
- A second critical infrastructure threat was risk to the wider island economy as a result of losing significant capacity for the import and export of bulky commercial goods.
- The report also evaluated the waterfront marine sites and found that they were below the standard required for modern and efficient boat repair.

HJA recommended actions to maximise the potential of the Medina Valley including ensuring availability of sites, premises and infrastructure for the boatbuilding and marine renewables sector. Actions included:

- The Council working to ensure that marine employment areas on high priority sites are retained and protected.
- New premises being delivered and considering purchasing local sites to increase its influence in the process.
- Supporting local businesses through bid assistance.
- Direct funding or other mechanisms for retention and growth purposes.
- Repairing strategic assets of the Medina Valley.
- Finally, HJA advised the Isle of Wight Council to continue to engage in the initiative of the Solent Local Enterprise Partnership, including the potential opportunities such as Freeport, which subsequently launched in 2022.

The Isle of Wight Council was not given the opportunity to bid for the Stronger Towns Fund but was able to support a successful bid for round one of the Levelling Up Fund with the outcomes of [HJA's Medina Valley work](#), which resulted in an award of nearly [£6 million](#). This additional funding will help secure skilled employment for local people and kickstart wider regeneration on the island.

## 2.3 Summary

These four case studies evidence how commissioned work using the Secure Research Service helps support policy evaluation and policy formulation. They shine a light on the value of the business and population data resources available.

The examples provide insight into large interventions, such as ERDF and into areas that require further support, such as in the Isle of Wight case. The projects demonstrate commitment at both the national and local government level to improve everyday lives for citizens, through increased employment and regenerative opportunities offered by business support.

The UK Government digital transformation programme, the [Integrated Data Service](#) (IDS), due to launch as a live service in 2024, builds on the recognised success of the SRS. The programme aims to create a step change in the way data about our society and economy are made available for vital research and decision making in the UK. Streamlined access to a number of powerful deidentified integrated data assets from government departments and devolved administrations will offer untapped insight and enabling rapid analysis, including future policy formulation and evaluation.

## About the ONS Secure Research Service and partners

### Secure Research Service

The [ONS Secure Research Service \(SRS\)](#) gives accredited and approved researchers secure access to de-identified, unpublished data to work on research for the public good predominantly under the Digital Economy Act 2017 (DEA).

To access SRS data via the DEA, all research projects undergo a screening process where public benefit should drive the research outcomes and potential impact must be demonstrated. All researchers must demonstrate that their project meets at least one of seven defined intended public benefits to the UK economy or society.



### Integrated Data Service

The [Integrated Data Service \(IDS\)](#) is a cross-government service, for which the Office for National Statistics is the lead delivery partner. The service securely enables co-ordinated access to a range of high-quality data – critical to informing policy decisions and improving public services.

Rapid advances in technology have opened the door for developments in the way our users access data. The IDS utilises modern cloud-based infrastructure to offer enhanced processing power and is streamlining data access arrangements. New projects wishing to use the SRS will be invited to use the IDS, where their required data are available.



### Administrative Data Research UK

Administrative Data Research UK (ADR UK) is a partnership transforming the way researchers access the UK's wealth of public sector data, to enable better informed policy decisions that improve lives. Since its inception in 2018, ADR UK has made significant advances in making de-identified administrative data easier for researchers to access securely, and there is now an impressive collection of [new flagship datasets](#) available through our trusted research environments across the UK.



## **Annex A: Use of the ONS Secure Research Service for supporting government priority questions**

The SRS meets the needs of policymakers in several ways. Use of secure data managed by ONS is used both inform and evaluate government policy and service delivery. Examples follow from the period up to November 2022:

### **Policy Formulation**

Department for Business, Energy, and Industrial Strategy (BEIS)

- BEIS and the Industrial Strategy Council (ISC) commissioned work to explore the links between productivity and wellbeing to wider the evidence base and help shape future policy recommendations.

Department for Culture, Media and Sport (DCMS)

- DCMS commissioned Frontier Economics to review clustering in the creative industries sector. The sector has been identified as an innovative and relatively export- oriented sector with a high growth potential. The analysis provided insight into how the clusters operate, especially in terms of regional distribution.

Department for International Trade (DIT)

- DIT and DCMS commissioned Cambridge Econometrics to review the evidence base on digital trade and to estimate the magnitude of digital trade in the UK economy.

Scottish Government

- The Scottish Government commissioned the National Institute for Economic and Social Research to investigate the drivers of productivity and understand differences in innovative activities in Scotland compared to other regions in the UK and elsewhere.

### **Policy evaluation**

Department for Business, Energy, and Industrial Strategy (BEIS)

- BEIS commission evaluations of their programme of business support, often making use of data in the SRS to provide counterfactual evidence as to what advantages the business support intervention has had when compared with companies who have not received it. This type of analysis forms part of an overall commissioned evaluation on a scheme.
- BEIS commissioned the North East Local Enterprise Partnership to investigate the Growth Hubs business support programme, its investment, and job creation.

- BEIS commissioned IPSOS Mori to identify and assess the overall benefits of the three Carbon Capture Utilisation and Storage programmes, including effectiveness, value for money and impact. It sought to expand the government's understanding of the effects of R&D spending in the energy innovation sector.
- BEIS commissioned IPSOS MORI to evaluate how effectively the Local Authority Covid-19 Grant Programme supported businesses during various stages of the pandemic. The impact of the research fed into evidence on the extent to which government interventions during the pandemic helped businesses survive and understand the effectiveness of how public money was used.

#### Department for Culture, Media and Sport (DCMS)

- DCMS commissioned the consultancy firm, RSM UK to evaluate their Creative Scale Up Programme which provided advisory and financial support for Creative Industry businesses (in West of England, Greater Manchester and West Midlands). The aim was to unlock potential of high growth Creative Industry businesses to address the productivity gap. The findings were used to inform any future rollout of the programme by identifying contributory success factors of the pilot programme.

#### Department for Education (DfE)

- DfE commissioned the Education Policy Institute to evaluate *Kumon* to see whether its maths programme led to pupils achieving better attainment.

#### Department for Transport (DfT)

- DfT commissioned IPSOS MORI to undertake an impact assessment of road enhancements (Highways England, Local Major and Local Growth Fund projects) on local economic performance.

#### Department for International Trade (DIT)

- DIT commissioned Belmana to evaluate the DIT Internationalisation Fund, open to small and medium size enterprises (SMEs), on firm level indicators such as employment, turnover, exports, innovation and business survival.

#### HM Revenue & Customs (HMRC)

- HMRC commissioned IPSOS MORI to evaluate the National Insurance Contribution Employment Allowance to help guide potential policy changes in this area. The Allowance was introduced by the National Insurance Contributions Act 2014 to address to help businesses with the costs of employment and to encourage businesses to grow and hire more staff.

#### Welsh Government (WG)

- The WG commissioned Belmana to evaluate the Welsh European Regional Development Fund providing support for 17,000 businesses 2014-20.