

Royal Statistical Society response to the House of Commons' Public Administration Select Committee first study: the operation of the Statistics and Registration Service Act 2007

A: Introduction and summary

The Royal Statistical Society (RSS) welcomes this inquiry and the substantial series of studies announced by PASC. The 2007 Act had, and has, the potential to bring about a step change in the quality of UK official statistics. However, much always depended on the way it is implemented and whether it became a catalyst for other improvements, so a review of this is appropriate.

There have been definite improvements since the Act but there is still some way to go. RSS views are given in detail below but we highlight the following points as being of particular importance:

- Putting in place additional efforts to respond to user needs and to improve communication
- Expanding the scope of the Monitoring Reports and Briefs and the planning capability of the National Statistician's office through releasing some of the resources that have been used for Assessment
- Instructing departments to consult and pay attention to the UK Statistics Authority (UKSA) and the National Statistician in their statistical planning
- More clarity on and recognition of UKSA's diverse roles (assuming legislative changes are not possible)
- Streamlining the process by which the Office for National Statistics (ONS) acquires administrative datasets and improving user access to data
- The abolition, or near abolition, of pre-release access

The RSS is the UK's only professional and learned society devoted to the interests of statistics and statisticians. Founded in 1834, it is one of the world's most influential and prestigious statistical societies. It aims to promote public understanding of statistics and provide professional support to users of statistics and to statisticians.

B: Response to specific questions

1. To what extent has the Statistics and Registration Service Act 2007 achieved its original goal of ensuring the quality and integrity of official statistics? How have practices to promote and safeguard statistics changed as a result of the legislation?

1.1 It is important first to note that UK official statistics already scored highly regarding a number of elements of quality and integrity. They were and are produced to high technical and professional standards. The production process itself was and is free from political interference and has high integrity.

- 1.2 There have however been well-known examples of political interference in their publication. Here the robust public interventions by Sir Michael Scholar were welcome and effective. We expect Andrew Dilnot to be no less robust when needed.
- 1.3 Where official statistics were less fit for purpose was in meeting user needs and in their communication. Generally central government needs were well catered for but were overly prioritised to the detriment of needs of other users (local government, business, academia, individuals etc). The communication of statistics left much to be desired.
- 1.4 The Code of Practice introduced by UKSA covers both these issues as well as other elements relating to quality and integrity. The first round of assessment broadly confirmed the intrinsic quality of statistical compilation but found more work was needed to understand and meet user needs, and to communicate to the needed standards (the ONS website being a clear example of the latter). Although progress has been made on the work identified there is still a long way to go.
- 1.5 A combination of initiatives is needed (we understand some are being put in place) to address these major failings along with an appropriate continuation of the Assessment and Monitoring process (see question 5) to ensure and measure progress.
- 1.6 We would like to see a more robust planning system on work plans and meeting future needs. However the UK's decentralised and devolved statistical system makes imposition of such difficult for UKSA and the National Statistician. We propose that the UK government and the Devolved Administrations instruct departments to consult and pay attention to UKSA and the National Statistician in their statistical planning.
- 1.7 Finally we would like to see more mention of explicit goals and progress towards them in UKSA's annual report.
2. *To what extent has public confidence in official statistics improved since the implementation of the Act and how has the experience of the user of statistics changed as a result of the legislation?*

- 2.1 Since the last survey of public confidence (by NatCen) was carried out in late 2009, less than two years after the Act took effect in April 2008, it is not possible to be sure. The survey showed 32% of respondents agreeing with the statement "official statistics are generally accurate", a broadly similar (although slightly lower) proportion than earlier years. 40% disagreed with the statement - rather higher than earlier years (33% in 2007). As in 2007 the two most important reasons for people disagreeing that statistics were generally accurate were the perceptions that "figures are manipulated or adjusted for political purposes" or that "figures are misrepresented or spun by politicians or the media". The survey was accompanied by a separate exercise (carried out by Mori) of interviews with opinion formers. Mori reported that those interviewed generally viewed official statistics positively although with concerns over their use and treatment by politicians and media.

- 2.2 Repeating the surveys, possibly coupled with a survey of known regular users, would be desirable with results published in a more obvious fashion than the 2009 surveys (which were published as annexes to a report on Strengthening User Engagement). We believe UKSA is right to have been more concerned initially to improve confidence among opinion formers since general public confidence will inevitably take time to build.
- 2.3 We believe from contacts members have with statisticians overseas that, internationally, the Act is generally viewed positively (although see para 3.1).
- 2.4 User experience outside of central government has improved to some extent but not enough. The principle of user engagement has been firmly enshrined in the Code of Practice but both UKSA's assessments and reports from users suggest that progress in putting user needs at the heart of official statistics has in practice been slow and patchy. This is not always due to lack of willingness – sometimes the intention is there but the understanding which would lead to practical improvements is missing (as in the case of the ONS website).
- 2.5 Users still feel that producers rely too much on formal consultations rather than engaging in continuous, and generally more useful, user-producer dialogue.

3 How well is the organisational structure of the UK Statistics Authority working, in particular its dual roles as a producer (through the Office for National Statistics) and a regulator of statistics? How clearly are the dual roles defined?

- 3.1 The Act is unhelpful in giving this confusion of roles to UKSA. The Authority has dealt with this to some extent through the establishment of two deputy chair posts but confusion remains, hindering, at times, improvements to user experiences. Suspicion will always remain that ONS is treated more leniently for assessment purposes than other departments. Our impression in dealing with UKSA over the RPI and CPI issue was that UKSA was torn between explaining the ONS position and acting as an independent regulator. The combination of roles does not look good internationally.
- 3.2 The confusion is worsened in that the different roles of UKSA are not properly understood. While UKSA has formal governance powers only in respect of ONS, it has responsibility for the development and health of the overall official statistical system as well as the responsibility for regulating it – in some senses a triple rather than a dual role.
- 3.3 While the governance of ONS and the scrutiny/regulation function are reasonably well defined, responsibility for the overall system is not. Clearly direct powers here are limited in a decentralised and devolved system but UKSA does have influence (see also our response to question 5). As indicated in para 1.6, we feel departments should be required to consult and pay attention to UKSA and/or the National Statistician before making major changes to their statistics or finalising their statistical planning. We regret that the government has so far not endorsed this idea.

4 *How well have the data sharing and confidentiality powers in the Act worked and to what extent, if any, do you think that the data sharing powers under the Act should be increased, why, and with what safeguards?*

4.1 The data sharing provisions of the Act have facilitated ONS access to data for the purposes of improving population estimates and assessing the feasibility of substituting administrative data for a decennial census. However, the processes for obtaining access to data are cumbersome and not conducive to effective exploitation of public data sets. The Act only provides enabling legislation for UKSA to receive disclosive data from other departments which otherwise would not be legally permissible. It is therefore necessary for ONS to pursue secondary legislation (Data Sharing Orders). Experience in the last four years has shown this to be a time-consuming and inefficient process both to justify need and to demonstrate that confidentiality can be protected.

3.1 A data sharing culture is still weak across government and there is no strong enthusiasm for sharing from data owners, many of whom gain no benefit from the data sharing but do assume a risk, however small, that their data may be inadvertently disclosed in the process. ONS has had to be very exact in its specification of the data required and justification of its use. Any subsequent change – for example obtaining an extra variable or using the data for a slightly different purpose – requires another Order with all the delays and effort involved. This includes parliamentary time that could undoubtedly be put to better use.

3.2 We believe that UKSA should be granted general powers to have access to official data for statistical purposes. This is common in other countries (in particular the Netherlands and Australia). Such powers would also lead to statisticians being engaged in changes to administrative datasets, which is clearly necessary if such datasets are to become the foundation for demographic statistics as an alternative to the decennial census.

3.3 The confidentiality requirements of the Act are necessarily rigorous and demanding but ONS, which has always operated to very high confidentiality standards due to its processing of personal and business data, has demonstrated that it can operate with them effectively and no changes are judged necessary.

3.4 Data sharing also covers making government statistics fully available to the wider community. At the moment many more-detailed (but non-disclosive) or older datasets are only available easily to the academic community and not to business or the wider public. Users have provided evidence of too much weight being placed on extremely small or obscure risks of disclosure, of cumbersome procedures and inconsistencies between government departments. The Statistics User Forum has recommended a more risk-based approach to disclosure control, taking into account the value of making data available and the sensitivity of the information along with transparent and consistent approaches across Government.

4 *How reasonable are the costs associated with compliance with the Code of Practice for official statistics and the assessment of National Statistics, and is there any way that they can or should be reduced?*

- 4.1 The Code of Practice sets standards that official statistics need to reach. Provided the process of compliance is efficient, costs in adhering to it are, by definition, reasonable.
- 4.2 It is accepted that the first round of formal assessment, now virtually complete, was heavily time consuming both for assessment staff and for those whose statistics were being assessed. There was probably merit in carrying out a full process the first time around as it sets a clear benchmark for the future but this was at the expense of other work. We understand that UKSA intends to move to a more flexible and less onerous system in the future. It should be perfectly possible to do this while maintaining sufficient rigour.
- 4.3 We regard such a move as essential not just to reduce overall cost but also as it will release UKSA resources for other work. It is the Monitoring work which has suffered during the last year and this now needs to be expanded again and its scope extended. The Monitoring work of UKSA is essential both for reviewing long-term issues and for dealing with ad hoc issues that arise (eg the current controversy over the coherence of GDP data with other information). We believe that the scope of Monitoring activity could be extended to review whether statistics in particular areas are adequate; for example, UKSA might usefully review whether the current statistical framework is adequate to support the debate on Scottish independence and any consequent debates on the constitutional relationship between the Countries of the United Kingdom.
- 5 *How well is the two-tier system of “official statistics” and “National Statistics” working, and how clear is the demarcation between the two categories?*
- 5.1 The meaning of the distinction is far from clear to those not close to the system. A change in nomenclature to make it clear that “national statistics” are those that have been “quality assured” by UKSA would be highly desirable.
- 5.2 More critical is what constitutes official statistics. There are two specific ways in which the treatment of defining official statistics is unacceptable and potentially damaging to trust.
- 5.3 The first arises from official statistics being defined by the Act as those statistics produced by government departments, the devolved administrations and other crown bodies, and by non-Crown bodies specified by secondary legislation (Official Statistics Orders), for which ministers are responsible. One notable omission from the Orders produced annually since 2008 is the Greater London Authority (GLA), where the Mayor of London has so far refused for GLA statistics to be treated as official statistics. They are thus not subject to the requirements of the Code of Practice, and in particular its principles on release practice and commentary. There may be legal obstacles to bringing a local government body into a statutory scheme for central government bodies but the GLA could still sign up to the Code’s principles and work closely with UKSA.
- 5.4 Departments can also avoid the requirements of the Code of Practice by defining ad hoc sets of statistics as research rather than official statistics, avoiding compliance with the

Code's strict requirements on release arrangements. A recent example of this occurred when DWP released ad hoc statistics on the number of foreigners claiming benefit in the UK in a "research note" rather than as official statistics.

5.5 Problems of this sort could be avoided if the responsibility for defining what constitutes official statistics is vested in UKSA rather than Ministers.

6 *Are the current arrangements for pre-release access to official statistics reasonable and working well?*

6.1 No, they are not reasonable. There is no justification, in our view, for pre-release access other than in exceptional circumstances; at most this should be just 2-3 hours.

6.2 The arguments for pre-release access (as a reading of the Cabinet Office review of the Act makes clear) rest on the alleged necessity for ministerial comment or a departmental press release being issued at or around the same time as the statistics. In our view the practice of issuing such commentary to coincide with statistical releases is pernicious. It skews any debate over the figures and perpetuates the impression that ministers control the data. There is strong evidence (eg from the last survey of business confidence cited in para 2.1 above) that suggests that lack of confidence in statistics is in large part due to perceptions of political control or misrepresentation. This practice perpetuates that perception so is a major obstacle to improving confidence, in our view.

6.3 We accept that straightforward abuse of the system is rare but even 24 hours allows a degree of media management. The situation in Scotland and Wales is worse in that up to five days pre-release access is allowed.

7 *How well is the Consumer Prices Advisory Committee working, particularly in the light of the recent economic crisis?*

7.1 We believe changes need to be made to the Consumer Prices Advisory Committee (CPAC).

7.2 The current CPAC advises UKSA, not ONS. It is chaired by the National Statistician, includes a member of the UKSA Board and has government officials prominent among its membership. ONS provide the secretariat. ONS appear to treat it more like a decision making body than an advisory committee (eg the recent consideration of the best means of including owner occupied housing in the CPI).

7.3 We believe CPAC should be reconstituted as an advisory committee to ONS, with wider representation of knowledgeable users as well as experts on price indices. It is important that CPAC members have some understanding of the subject, and are capable of raising issues and not simply reacting to ONS proposals. It is, for example, disturbing that the original committee did not, as far as can be seen from any papers, discuss the formula effect, which is responsible for the greater part of the difference between CPI and RPI inflation estimates, before an ONS paper was put to it in May 2011, nearly two years after it was formed.

7.4 This said, UKSA and ONS should note its views, along with those of the RPI CPI user group, but retain responsibility for the series and not feel bound by its recommendations.

7.5 Changes in prices index methodology are inevitably long term, not short term. Thus we would not expect CPAC to react to the current or every economic crisis with new proposals.

8 Is there sufficient flexibility in the new system to respond to changing needs?

8.1 Potentially, yes, apart from the fact that the decentralised and devolved system limits UKSA and National Statistician control. As mentioned above, we would like to see a more robust planning system. Releasing resources that have been used in assessment to extend monitoring work as mentioned under question 5 to take a more proactive role in responding to changing needs would help.