

Dear Sir,

Comments on the Review of Statistics for Economic Policymaking consultative Report

Thank you for the opportunity to comment on the Allsopp Report; these are the comments of Durham County Council. We found the Report to be a comprehensive and sound piece of work and generally support its recommendations. The following comments, therefore, are more observations on the Report rather than detailed suggestions for amendments, but we do have some concerns regarding how these proposals might be funded.

1. On the question of cost, these proposals will not come cheaply. The setting up of regional arms of ONS – each containing at least four professional statisticians and their supporting staff – in the way described in the Report and proposed enhancement to the sample sizes of existing national surveys will be very expensive. To be able to produce robust labour market statistics for example at a sub-regional level would probably require a tripling of the investment currently made in the LFS. Will additional money be made available by the Chancellor to cover these plans? We would not like to see funds diverted away from other branches of ONS – e.g. Census Division – in order to satisfy these recommendations. The final sentence of Point 22 in the report summary alludes to this being a distinct possibility.
2. Mostly, sub-regional agencies/LAs are interested in neighbourhood data i.e. down to a ward level or below rather than regional statistics. But we have to be realistic and realise that obtaining, for example, usable LFS data at this spatial level is very much a pipe-dream. It is important, however, that resources are not diverted from those Government data sources that already provide data down to a *ward* level in order to pay for this *regional* initiative.
3. Whilst we can appreciate the need for a partially devolved statistical service for the regions, we feel that there may be potential dangers for quality assurance and data coverage with this form of regional autonomy, with regions going about data collection exercises slightly differently, or, maybe in some cases – depending on regional priorities - not collecting some data at all. ONS, centrally, will need to play a strong co-ordinating role in this to ensure that additional survey work carried out by regions obeys nationally agreed statistical standards with regards to *relative standard errors*, etc. if inter-regional comparability is to be maintained.
4. In addition, we seem already to have a plethora of regionally based information groups within which the devolved statistical service will have to mesh. In the NE for example we have the emerging North East Regional Information Partnership (NERIP), the Regional Skills Observatory, The Regional Public Health Observatory, the North East Regional Information Sharing System (NERISS), the statistical teams

of both GO-NE and ONE-NE and the Statistical Support Group (SSG) of the NE Assembly. All complement each other in the work they undertake. NERISS, for example, is sponsored by both the Home Office and GO-NE and is concentrating its entire effort on compiling point referenced crime & disorder data for the Crime & Disorder Reduction Partnerships, which can then be recast to any geography required.

5. Within the summary, the report rightly praises the Neighbourhood Statistics initiative; but it should be remembered that the advances made thus far by NeSS have involved the easier geo-coded databases such as benefit recipients or available data already aggregated to wards such as the population censuses, population estimates, vital statistics, etc. – progress has been slower with other, more difficult, data dimensions e.g. crime and educational attainment.
6. Recommendation 6. Increasing the degree of sample stratification for the Annual Business Inquiry by introducing a regional dimension will certainly lead to the problem of under populated strata using current sample sizes. Rather than *robbing Peter to pay Paul* by condensing the existing industrial SIC codes, we believe that there is no alternative to increasing sample sizes dramatically if we are truly serious about producing statistically robust economic indicators at a regional/sub-regional level. We appreciate the need to review the method of stratification used for the ABI, but would wish to point out that the manufacturing sector in the NE remains a fairly strong contributor to the regional economy. We would agree at the same time that the service sector in some cases requires better representation/discrimination within the chosen sample strata and, therefore, think that ONS should also consider adopting variable *sampling fractions* for each divisional stratum **across regions** in order to reflect the importance of key sectors within each individual region.
7. We would welcome regional access to the IDBR and Inland Revenue databases. We have never understood the blockages that have prevented protocols from being developed to allow use of this valuable source of employment data.
8. We agree with the points made about the importance of population denominators and would like to see more resources devoted to the measurement of both internal and international migration to reduce the population drift that occurs at the end of each decade between the annual mid-year population estimates and the latest census results.

I hope these comments help.

Yours faithfully

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9th February 2004

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