

# The Audit Commission's response

## Summary and recommendations

### Summary

- 1 The Audit Commission welcomes the opportunity to respond to the *Independence for Statistics* consultation. An improved statistical system would contribute to the public services reform agenda by ensuring high quality information which measures performance, efficiency and productivity.
- 2 We believe there are four issues that need to be addressed:
  - the paramount need for greater public trust in statistics
  - one system of national statistics across government;
  - improved governance in the system; and
  - the need for more efficient production of statistics and high levels of data quality.
- 3 We have a particular interest in the consultation paper because of our role as a regulator of local public bodies. One of the Commission's objectives, set out in our *Strategic Plan 2006*, is: 'to stimulate improvement in the quality of data and use of information by decision-makers'. In addition, we have begun to scope a programme of national studies on 'making better use of information to drive improvement with public services'. The consultation paper therefore has particular relevance to our work over the next two years.

## Detailed response

### Specific comments

#### Greater public trust in statistics

- 4 The consultation paper outlines the need to restore public trust in statistics. A new statistical system needs to ensure robust methodologies to produce statistics, and also ensure that the perception of political interference in the publication of statistics is minimised. However, there is little in the consultation paper about how this will be achieved. The National Statistician and the board will clearly have an important part to play in giving strategic direction, but clear thinking will also need to be given to a communications and dissemination strategy to achieve this.
- 5 We have outlined earlier the importance of restoring public trust in statistics. At the moment trust in national statistics is poor, as the public can easily perceive political interference in the production of statistics. If trust is to be restored, then

ideally statistics should be published by the people producing them, without Ministers and policy advisers having privileged access to the information. Recognising that there are practical issues here, any revision to the current system must address the perception that Ministers and policy advisers can misrepresent the statistics in advance of publication.

### **One system of national statistics across Government**

- 6 A new statistical system should ensure that in future we have better national statistics that are useful to the government, local public bodies, businesses and the public. This means using the best methodologies to produce the statistics, as well as ensuring that the data is widely communicated and used by stakeholders.
- 7 We believe the consultation paper should say more about the potential for administrative data (which we define as information that is not collected for a statistical purpose but rather for service administration - for example benefit data or crime reporting data) to become a greater part of the statistical system. While there has been some progress in sharing data across government departments, there is great potential to use the administrative data collected by local authorities, police authorities and local health bodies. In making better use of administrative data, it is important to ensure that the quality of the data is high and that individuals' confidentiality is safeguarded. There is great potential in the future for local administrative data to become part of national statistics. It would also be beneficial to reduce the burdens of collecting information that already exist elsewhere in the statistical system.
- 8 There remains some confusion in the consultation paper about what are deemed to be national statistics and what are not. We would encourage the highest proportion of statistics to be kite-marked as 'national statistics' where they meet a high quality standard. The National Statistician and the NMD should take a proactive role in encouraging an increase in national statistics. There is the risk of creating a two-tier system of statistics, which will be confusing to the general public and other stakeholders. Such a scenario would only seek to generate low public trust in statistics and reinforce the perception of political interference in the production and publication of statistics.

### **Improved governance in the system**

- 9 We support the proposals outlined in paragraph 4.6: direct reporting to Parliament; for the board to assess and approve national statistics; and for fair and open competition for board members. However, we believe that, to be fully independent, the ONS should be an independent agency or non-departmental public body reporting directly to Parliament, rather than a Non-Ministerial Department (NMD) with special funding arrangements.
- 10 The proposal to retain the decentralised system of statistical production in the UK is well argued in the consultation paper. There are good reasons for statisticians to be located within government departments, close to policy makers. There do,

however, remain major challenges in implementing a new system across the different countries in the UK, as well as between the Statistics Office and government departments. The government should ensure there are clear processes in place to ensure that we have one statistical system for the UK.

- 11 As outlined in paragraph 9, we believe that ONS should be established as an independent agency reporting directly to Parliament. However, many national statistics are currently published by government departments as well as ONS. It will be important to ensure that the production of all national statistics (in ONS and elsewhere) is of a high standard and part of one statistics system.
- 12 We support the high level objectives in paragraph 4.17 for the independent board. The board should have responsibility for the statistical system as a whole - for those produced in the NMD and those produced in government departments and agencies. It is unclear if the board is intended to have a role in scrutinising the statistical system as a whole as well as a role in ensuring national statistics are delivered to a high quality.
- 13 We would recommend a strong coordination role for the National Statistician in the future in order for the statistics system to become more effective. This means having a role as Chief Executive of the Statistics Office, but also a strong relationship with the producers of national statistics in other government departments and agencies.
- 14 Further thought should be given to the role of the National Statistician and the board. The National Statistician should be responsible for the strategic development of the national statistics programme, working closely with government departments and agencies. The National Statistician should be responsible for delivering the programme, and the Board would then approve the programme and hold the National Statistician to account.
- 15 We fully support a strengthened role for Parliament in the statistical system in the future. This will allow greater scrutiny and challenge by Parliament for the national statistics system in the future.

### **More efficient production of statistics and high levels of data quality**

- 16 We strongly believe that a future statistical system should ensure that data collection is done in the most efficient and effective way. The ONS, as well as government departments and agencies, should seek to minimise the burdens on stakeholders that supply the information. The government should put in place systems to ensure that duplication of collection of information is minimised across the statistical system. Often the same information is collected by different parts of government.
- 17 We support the overall objectives of the government to introduce legislation for independence in statistics that builds on changes in recent years. We fully support the key principles for reform outlined in paragraph 4.3, but add that the statistical system should also ensure that outputs are delivered in a timely way,

and that these can be used by local public bodies to shape their strategic planning and service delivery.

- 18 We support the proposal to separate the National Statistician role from the Registrar General for England and Wales, and we would welcome the opportunity to contribute to discussions on the detail of the two organisations. The Registrar General for England and Wales is the repository of a large amount of invaluable administrative data, alongside the National Health Service Central Register. Both of these sources of statistics have the potential to be more widely used by local public bodies in planning and delivering local services.

### **Audit Commission work that contribute to your work**

- 19 Earlier this year we published our *Strategic Plan 2006*. The plan sets our five strategic objectives, the fifth of which is 'to stimulate significant improvements in the quality of data and the use of information by decision-makers'. We therefore have a particular interest in responding to the consultation paper.
- 20 Last year we consulted on our national studies programme for 2006/07. We had a good response and in April the Commission board agreed six new national studies to take forward. One of these has particular relevance to the *Independence for statistics* consultation. The outline for the national study we consulted on is highlighted below:

#### *Making better use of information to drive improvement in local public services*

Local public bodies are required to collect large amounts of information for government departments and agencies, as well as the information they will decide to gather themselves to support local circumstances. The development of improved electronic data capture and greater use of ICT, as well as developments in geographic information systems, are all helping to improve the way we use information. This study would look across local public bodies at how information is used and provide a baseline for future studies in this area. It would explore how the new face of local public services and regulation affects the information needs of services and the public; how information is being used to inform better decision making and improvement; how complex sources of information are being analysed to form an overall picture of performance; how information about performance is communicated to local people and the skills capacity of the local public sector to manage this information. Given the wide-ranging nature of this topic, we may undertake two or three inter-related studies on this issue over two years

- 21 We are starting to scope this national study over the summer and would welcome the opportunity to discuss it with HM Treasury in the weeks ahead.