



13 June2006

Statistical Reform Team
Room 3/07
HM Treasury
1 HorseGuards Road
LONDON
SW1A 2HQ

To whom it may concern,

INDEPENDENCE FOR STATISTICS : A CONSULTATION DOCUMENT

Here is the response from NERIP to the Government consultation document 'Independence for Statistics'.

The North East Regional Information Partnership (NERIP) is the North East regional observatory and is sponsored by five lead partners:

- One NorthEast – the Regional Development Agency
- Government Office for the North East (GO-NE)
- North East Regional Assembly (NEA)
- Association of North East Councils (ANEC)
- Regional Skills Partnership

NERIP works with over sixty organisations in the north-east to make the best use of existing statistics, research and information, and also carries out substantial statistical analysis to fill gaps in knowledge. Our partner organisations include all the North East's Universities, Local Authorities, Government Departments and organisations in the environmental, public health and crime reduction fields. This response is on behalf of the NERIP Executive Team.

The consultation document conveys a clear sense of Government thinking in a number of areas, but there is less clarity on some. It would have been helpful, for example, to have had a clearer idea of the Government's views on Board membership, funding arrangements and so on. A further

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consultation, perhaps based on thoughts derived from the responses to this one, would be helpful. In advance of a further consultation, we would make the point that in order to make decisions to plan future projects, funding needs to be assured some years in advance, and there needs to be a mechanism to ensure that it at least keeps pace with inflation. In addition, there should be a means to ensure that additional funds can be sought at short notice to enable vital projects to be implemented at short notice.

Our remaining points relate to the proposed structure and accountability.

Board Membership

As the consultation document makes clear, the Board needs to be made of individuals representing the broad user community of national statistics. Membership from central Government, business and the other sectors mentioned is important. In addition, there is a very extensive sub-national user community which needs to be represented too. This has two dimensions to it : regional and local users.

Local Government will doubtless make its views known separately, but it is important to recognise the contribution of regional bodies to the policy-making agenda. Regional Development Agencies (RDAs), for example, are key deliverers of the PSA target to reduce the gap in regional economic growth rates, whilst Regional Assemblies have statutory functions relating to housing, planning and transport. Collectively, regional organisations, usually with the support of Regional Observatories, produce a range of regional strategies covering the economy, housing, planning, deprivation, environmental issues and many others, all of which influence the work and spending of the other public sector bodies in their regions. Regional bodies spend billions of pounds of public funding each year. This important regional work needs to be supported by a firm evidence base, as has been made clear in Christopher Allsopp's review of regional economic statistics, and in other places. Almost all of the statistical information used in this evidence base currently comes from ONS and it is important that, given the Board's proposed Executive functions, regional bodies are represented on the Board. One option would be for the Association of Regional Observatories to have Board membership. Observatories routinely work on the regional policy agenda with RDAs, Government Offices and Regional Assemblies. It is important to note that regional bodies would not feel well-placed to represent the views of Local Government and the reverse would also be true – both constituencies need to be represented at Board level.

The Board's accountability

The consultation document makes clear that it is proposed that the Board will have a range of Executive functions, many of which are additional to those of the current Statistics Commission. In effect, the Board would assume some of the duties of the current National Statistician. That puts the Board in a difficult position when it comes to reviewing and scrutinising the non-Ministerial Department (NMD), and being accountable for its activities. It will not be possible to take an independent perspective on executive decisions which the Board has taken. We are doubtful that Parliament will have the necessary skills to fulfil this 'supervisory' role, and it is highly unlikely that a body such as the Treasury Select Committee will have the capacity to do so. One consequence of the proposed new arrangements is that it is unclear who users will approach when they have concerns about Executive decisions taken or proposed by the NMD or the Board. At present, there are two options – either to approach the Statistics Commission, or the Treasury Minister. Under the proposed new arrangements, neither option will be available : the Minister will be out of the picture, and the Board has Executive functions so will not be detached. The Select Committee, if that is an alternative, will take time to arrange the necessary meetings, prepare agendas and so on, so referring concerns to it generally feels too cumbersome a process to be quick or effective. This is

an area which we ask the Government to review and re-visit before implementation. There are doubtless models used by other NMDs. Our thoughts on this subject include the possibility of establishing a 'Statistical Ombudsman', or a regulatory body such as OfTel or OfGas.

I hope this response is helpful. I am quite happy to discuss it further if necessary.

Yours sincerely,

Jon Carling
Head of NERIP