

“Independence for Statistics”

Comment on the UK Government consultation document

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Introduction

The consultation document “Independence for Statistics” presents the aspirations of Ministers to uplift public confidence in the official statistics of the United Kingdom. In this, they recognise the contribution that the aspirations would bring to reinforce the integrity of market processes, political processes and the economic and position of the United Kingdom.

The aspirations of the legislation bring a powerful lift to the place of statistics in public life. That the aspirations are shared by both major political parties in the United Kingdom will be a major influence in assuring confidence in official statistics, through a lessening of the past willingness to bring the nature rather than the content of statistics into doubt in political debate. There can be little doubt of the import of putting these aspirations into place.

Legislation to give effect to these aspirations will need to be exacting in detail, to deliver on their boldness. Clarity on matters of detail will reduce the fragility of a political consensus of such importance. The consultation document “Independence for Statistics” presents both the aspirations, and the detail of their implementation. The aspirations seem to be contradicted by detailed statements in the consultation document on how the proposed arrangements would function. For example, there is a seeming reallocation of responsibility now held by the National Statistician to the proposed board. As specified, it may be impossible for the proposed board to not become involved in matters recognised elsewhere in the world as being the role of an independent National Statistician. Some of this will be the result of hasty wording, some simply ambiguity of language, and some will reflect intentions. Because the proposals are admitted to be at an early stage, in this submission I have presented some criteria which might be used to evaluate the proposals as they evolve. I will compare the current situation, the proposals in the consultation document, and what is possible in practice where neither the current situation nor the proposals, as I understand them, are in my judgement a sound basis for change that needs to be sustained.

Why the place of legislation differs around the world

To address the question of how far independence needs to be recognised in legislation, it is necessary to identify and analyse the key elements, and to seek to link them with the most appropriate way of providing for the authority that is responsible and has the capacity to act. Such an analysis can help shed light on why legal and institutional arrangements can vary across countries, and in particular why it seems that smaller countries more often have stronger legislative arrangements for their statistical system as a whole, than larger countries. In larger countries, such as the USA, the UK, and Italy, for example, the capacity of many large and vociferous user communities may provide an degree of oversight, challenge and demand for transparency that may be less likely to exist in smaller countries.

There are many things that the good statistical systems of the world have in common. Legislation is not needed for many of them.

1. Strong user involvement
2. Variety in the processes for providing transparency
3. Strong peer review processes
4. Rich publishing culture
5. High degree of analysis, including complex derived statistics such as productivity, poverty and fiscal incidence.
6. High degree of linkages across the collection and integrating frameworks produced by the system (National accounts, demography)

7. Access to unit record datasets
8. Parliamentary ownership of system
9. Strong methodology teams
10. Regular cross country benchmarking activity
11. Regular publication of measures of cohesiveness/ confrontation across statistical sources
12. Engagement in cross country developments of statistical frameworks and standards
13. International exchange of staff from both professional and operational areas of statistics, with other national statistical offices, international organisations (EU, OECD)

What is independence for in official statistics?

The intensity of user demands for official statistics, and for knowledge about their quality is rarely higher in many places outside the United Kingdom. British statisticians provide economic statistics to one of the world's most demanding economic centres and to professionally demanding institutions including the Bank of England. Researcher access to official statistical sources is higher in the United Kingdom than elsewhere, except for the United States. Policy analysis is strongly based on analysis, and government performance is assessed quantitatively to the fullest extent practical. As a partner in the European Union, UK statistics are benchmarked against economic competitor nations, and they fare well by comparison. Independence is not essential for official statistics to be of high quality, and nor is high quality always occur in statistical offices that are independent.

For trust in their preparation and reliance on them in political domains, independence is most certainly critical. Statistics in public life have a long history of influencing political change, and many influential statistics in the United Kingdom are prepared outside of government. Even for these statistics their validity is most often dependent for on statistical sources and analyses that are produced by official statisticians.

The integrity of official statistics has many dimensions, not all of which are underpinned by, or reinforce the independence of the National Statistician. There are many other influences, from other laws, from user needs and expectations, and from professional and international standards. Obligations of quality and accessibility come from both a legislative need, through the above obligations, and other processes which reinforce them.

The power that provides the authority to obtain information is well fettered. To begin to collect new information from individuals, businesses or administrative agency, there is in many countries a survey control process which audits plans, to assess costs and benefits. To stop a statistical survey is much more significant, through the need to ensure that it is not an act of political expediency, but a genuine recasting of priorities. The National Statistician can and must publish information at the heart of the political life of the country, but she/he must do so in a way that all sides can trust. The National Statistician must balance the benefits of continuity, with the value from being relevant, sometimes when sentiment is quite volatile. The National Statistician must be focused on user needs in what is produced, and methodological integrity in how it is produced. Often there are contradictions, and are the prime influences on any statistic needs to be well understood. These are the obligations that usually come from legislation. All other facets of the integrity of official statistics can generally be sufficiently challenged through non legislative means. These include relevance, respondent load, responsiveness and cohesiveness.

To achieve the aspiration of independence, it is essential that there is a common understanding of what determines independence. In comparing those countries where statistical legislation is comprehensive, the independence of the National Statistician is an outcome of the authority Parliament has transferred to the national statistician, for some quite explicit matters. These are the most critical elements common to the statistical legislation which Parliaments around the world have usually placed in statute:

1. To provide the statistician with the statutory authority to collect and hold information about business, household and government operations.

2. To provide the authority to fulfil obligations to protect confidentiality at all times
3. To provide for independence in the selection of statistical methods and statistical practices.
4. To provide for impartiality of release of reports that the National Statistician judges to be necessary.
5. To provide for clarity in the roles of the National Statistician and the responsible minister, and the relationship between them. How this relationship is specified establishes the proper nature of the relationship between all ministers and all statisticians, across departments.

Parliamentary Direction on Access: *To provide the statistician with the statutory authority to collect and hold information about business, household and government operations.*

At the present time, the authority to obtain statistical records is a mix of statute and common law. In all other parts of the Government Statistical Service, there is protection in statute for administrative records of just that department. The official statisticians in the UK have less access to administrative records across government, and its official statistics are of lower quality, and less timely or analytically rich than they could be. Without the access that already exists, the Neighbourhood statistics system would not exist. Unless there is access to tax records, the (Allsopp) proposals for regional economic statistics, and redesigning British economic statistics will not reach their final goal. The risk of population estimates containing significant errors at a local authority level will continue without access to administrative records. Statistics about ethnic populations exist mainly through the once every ten year population census, until access to administrative records is provided to ONS.

The consultation document shows a significant misunderstanding of the significance of access to administrative records by ONS. It is quite inexplicable that the UK would withhold access to administrative records using Article 8 of the European Convention on Human Rights, when this is not interpreted in this way elsewhere in the EU. The Netherlands and Ireland have in the last decade made even more explicit the need to provide Statistics Netherlands and Statistics Ireland with access to administrative records. In some Nordic countries, access to administrative records has replaced population censuses. There are no difficulties in providing assurances of privacy for administrative records. That has been done since 1841 when the Registrar-General became responsible for the decennial population census, and with the past sixty odd years of social survey taking in the British government. I believe that those who hold administrative records have as much to learn from this longstanding experience of British statisticians.

The future legislation must provide for the Office for National Statistics to have access to administrative records that significantly advance the quality of statistics that have national importance. There are good models for this in the legislation of the Netherlands, Norway, Ireland and the United States statutes.

Providing the authority to have access to administrative records, and to protect all statistical records is the largest possible improvement to the quality of British statistics that would be enabled by legislation.

Parliamentary Direction on Confidentiality: *Provide the authority to fulfil obligations to protect confidentiality at all times*

At the present time, statistical records are protected by ONS through a mix of statute and common law. Information from respondents surveyed through the authority of the Statistics of Trade Act are fully protected from disclosure. The authority to protect is placed on the Chancellor, who has delegated this to the National Statistician. The ten-yearly population census is obtained under longstanding Census legislation, which contains a strong authority to protect. There is common law protection for all other records. In all other parts of the Government Statistical Service, there is protection in statute for the administrative records only, of just that department. The Data Protection Act, Freedom of Information, Criminal Cases Review Commission, Identity Cards and other laws can provide for an authority to access statistical records that will not be allowed by the statistician. At present, it is custom and practice, and the vigorous protection of this through the courts by ONS officers, that provides protection for household survey records, and those not covered by the Census Acts or the Statistics on Trade Act. The absence of a provision here means that the capacity to protect properly gathered information in the UK is declining. Solutions for the protection of records need a statutory basis, otherwise the introduction of penalties is impossible. When transferring custody of records, it is harder to make it clear that obligations are also being transferred, if the obligations on the statistician come from convention rather than statute. The need to recognise and declare acceptance of these obligations includes all the staff of ONS and other parts of the Government Statistical Service.

The consultation document makes the protection of confidentiality a responsibility of the board, as is noted in section 4.28 of the consultation document. For the board to have this responsibility then this will quite wrongly remove from the National Statistician her/his final authority and independence on this important matter.

The future legislation must provide for the statistician to have the obligation in law to protect the confidentiality of all statistical records. The legislation must also require the board to ensure that the National Statistician has the resources, the authority and the capacity to protect all statistical records, however obtained. The responsibility of the National Statistician is then able to be mirrored, in each other department, in the responsibility of the departmental heads of profession.

Legislation would bring an immediate capacity to challenge perceptions of authority that other statutory bodies see they might have over statistical records. There is a clear distinction between the quality of protection a national statistical office can provide, compared to a voluntary industry code. The authority to provide unqualified guarantees extends the capacity to access records from citizens (high response rates), business (access to tax records and market sensitive information) and government (access to administrative records). The capacity to protect is easily understood, and simplifies responses to Court requests and police requests. There is a growth in less relevant oversight because of the absence of comprehensive legal obligations on those involved in official survey taking in the UK. (medical ethics committees, protecting health, can over extend themselves when they get into survey evaluations)

Parliamentary Direction on Statistical Practices and Methods: *Provide for independence in the selection of statistical practices and methods.*

At the present time, little of the methodological work of ONS has been seriously criticised, apart from the constant challenging of technical decisions about the market / government classification of public enterprises in the European System of National Accounts. The responsibility of the Chancellor for the scope and definition of the Retail Prices Index is an anachronism, and needs to be removed. It would involve an international loss of confidence were the Chancellor or any politician to become actively involved in methodology issues around the RPI, and the slim prospects of this need to be more realistically recognised by removing any reference to this. For the wider GSS, the introduction of a wealth of performance targets, selected and introduced by Ministers, who frequently overshadow the statistical reports at the time of release, independence in methods is of concern, but not as much as that of release.

The consultation document makes no reference to the protecting and supporting the independence of the National Statistician in methods and statistical practice. Section 4.19 makes it possible for the board to engage in professional matters on methods that would currently be seen as interference in the independence on statistical matters. Section 4.51 makes a misleading judgement about the role of the Registrar-General and the census. The census has been carried out by the Registrar-General since 1841, and the appropriate transfer of responsibility consistent with this is to the National Statistician. The consultation document places the responsibility for the census on the board. This appears to override the independence of the statistician on methodology matters. It may be odd to have a committee responsible for something as important as the census.

The future legislation must provide for the National Statistician to have the obligation to ensure the independence from political direction or vested interest in the methods of statistics. The Board should have the responsibility of ensuring that the National Statistician has the authority, resources and skills to do this. The future legislation must place in the national statistician the responsibility for all actions to protect the confidentiality of statistical records. The future legislation must transfer the past responsibility of the Registrar-General on all statistical matters to the national statistician.

By having a strong statutory basis to assert the independence of the National Statistician in methods and statistical practice, and the clarity of legislation, this will also give authority to the independent position of each departmental head of profession in statistics.

The proposed Board will need to support the national statistician in developing a vehicle for difficult classification decisions. This cannot be the Board itself but a group including the Controller and Auditor-General, the chief accountant of govt, perhaps a professionally distinguished former senior statistical official in the United Kingdom, and perhaps a member of the MPC might act alongside the National Statistician and her economic deputy in confirming the technical decisions made by national accounting experts.

Parliamentary Direction on Impartiality of Reporting: *Provide for impartiality of release of reports that the statistician judges to be necessary to present statistics in an informed manner.*

At the present time, for as long as pre-release access exists on the scale it now does in the UK, then the release processes of statistics can never be considered impartial. The National Statistician does not have the capacity to assure the public of the impartiality of the release processes, therefore they cannot assure the public of their overall impartiality. With market sensitive statistics there is a strong influence from markets, which generates strong pressure against leaks or commenting in advance about new information. That is not the case with politically sensitive statistics. There are many examples where new policy announcements made either simultaneously with statistical releases, or just before, had the impact of reducing the impact of the statistical results. In my time as National Statistician, I was never made aware of any statistics that were falsified, but I believe that the prevalence of practices by Ministers to influence the context of release for politically sensitive statistics has led to some believing that even the worst practices could occur.

The consultation document proposes no change here. The continuation of present practices places at risk the benefits of other improvements that are proposed. I have no doubt that the failure to change any thing about release practices was a major influence limiting what could be achieved with the Framework for National Statistics introduced in 2000.

The future legislation must provide for the National Statistician to have the final authority on the form of release of all official statistics. For the UK, it may well be that there will be more progress made by

1. Requiring all policy statements to be made some fixed time after statistical releases
2. Requiring the National Statistician to provide the office and press support for the release of politically sensitive statistics, thus separating the work of statisticians from that of policy advisors at that point
3. Requiring the National Statistician to prepare regularly an independent release of statistics that are released by departments and which are subject to political criticism of their release practices

Parliamentary Direction on Roles: *Provide for clarity in the roles of the chief statistician and the responsible minister, and the relationship between them.*

At the present time, the role of the National Statistician resulted from a blend of that of the previous Director of ONS, and the Registrar-General of England and Wales. The Framework for National Statistics provided a clear delineation of roles. This was always less clear in departments outside ONS, and as performance targets became more prevalent, so has the difficulty in managing the political professional boundary in those parts of the Government Statistical Service outside ONS.

The consultation document makes no comment on the relationship between Ministers and the National Statistician. The board in its governance role will not be involved in the practical aspects of Ministerial and departmental relationships, yet these will continue as before. The board must reinforce the independence of the National Statistician, rather than supplant it. In section 4.40, the consultation document asserts that the board will report to Parliament, and be accountable to it. This supplants the most important constitutional link that the national statistician has with Parliament, and removes the capacity of the National Statistician to assert opinions on important matters as a matter of course.

The future legislation must provide an explanation of the relationship between the National Statistician and the responsible minister. How this is specified establishes the proper nature of the relationship between all ministers and all statisticians, across departments. The National Statistician must continue to be personally accountable to Parliament, for the matters discussed in this note, of access, confidentiality, methods, impartiality and roles. They would also have an accountability as head of the Government Statistical Service, and for the population census.

Structures and Roles

The Role for a Board or Statistics Commission

In my experience, the most effective role in the UK for a Board as proposed, or the continued Statistics Commission would include the following

1. Regular contribution to reviewing and challenging priorities
2. Regular comparison of the resource base (five yearly)
3. Analysis of the approaches used to fund public statistics
4. Government and community balance of interests served by the official statistical system,
5. Adequacy of research access, outside government
6. Assessing the adequacy of public accessibility to statistics in a meaningful form

The Board will be able to provide an active oversight of the long term funding level, and shift away from short term exigencies which have damaged proper investment in British statistics over three decades. Statistics are critical public infrastructure, for which information technology and statistical methodology are core capabilities. Turning investment funds on and off ignores the continuing nature of the obsolescence that occurs in official statistics. Past investments had left the official statistics of the United Kingdom ill prepared for the future exploitation of new technologies and to change with the rapidity that globalisation, population mobility, environmental concerns and ageing require. This detracts from the long term competitive edge of the UK.

The Role of the Prime Minister

There will continue to need to be a Minister responsible for official statistics, simply because of the large amount of statistical activity outside ONS, but also because there should be a formal political contact for the National Statistician, as now. Almost all of the current concerns involve departments where only the Prime Minister has the authority to challenge Ministers, so the Prime Minister needs to have his existing contingent involvement still recognised

The Government Statistical Service

Is it more appropriate to consider the UK official statistical system devolved or fragmented? To answer these questions, we need to be clear on exactly what is the official statistical system of the UK. Lord Moser played a major role in the 1960s in explaining how at that time, the responsiveness of statisticians in providing high value advice and analysis in the use of statistics, and in their production, gave the UK a critical advantage. This advantage was of such a scale that the UK

was prepared to forgo some of the recognised benefits of a centralised system. This was a time before performance targets were selected by Ministers on a large scale, and it was the speed of development and application of specifically focused statistical sources, rather than the access to a multiplicity of forms of transactions, and their integration that added the most value. Nowadays we want access to information on a scale not seen in the sixties and we want to be able to integrate it as well. This require less fragmentation than exists presently.

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