

Introduction

The Scottish National Party believes the production of statistics should be conducted in an independent and impartial manner - out with the control of Government Ministers.

The Scottish National Party (SNP) supports the proposal by HM Treasury to establish an Independent Office of National Statistics in a similar way to the Independent Monetary Policy Committee and Board of the Bank of England.

The SNP favours greater autonomy than that proposed. An Independent Office of National Statistics should be placed in the control of Parliament. We consider a Non Ministerial Department to be insufficient to ensure complete impartiality and independence and believe an Office of National Statistics should be an office of the Parliament.

The SNP's primary concern in relation to the future structure of statistics is that adequate, independent and entirely impartial statistical information is available that presents a true picture of Scotland at all times.

Statistics are essential in developing and measuring policy, in assessing need, measuring the economy and in any governmental decision making process.

Furthermore it is vitally important that the public, media, voluntary organisations and society as a whole have access to independent impartial statistics in which they can have complete trust.

The SNP believes that statisticians within the UK government, Scottish Executive, ONS and General Registrar's office currently perform within the guidelines of the National Statistics Code of Practice and in supporting greater independence for Statistics is not questioning the professionalism of current statisticians.

Independence is essential to ensure that there can be no implication of manipulation, selectivity or politicisation in the production, publication and dissemination of statistics at any point in the future.

Public trust in statistics is low, it is vital that confidence in statistics is restored and the SNP supports the establishment of an Independent Office of National Statistics as a means of achieving this end.

Devolution and Statistics

In addressing the consultation document the SNP has specific points, largely regarding the production of statistics relating to or incorporating Scotland and covering the representation of Scotland in any new oversight system.

We note that under paragraph 4.47 the Consultation refers to the position of Statistics in devolved administrations

“It will be a matter for the Devolved Administrations to decide what action they might take with respect to their own responsibilities given the Government’s proposed reforms.”

We welcome the recognition of the right of the devolved administrations to determine independently of HM Treasury the means by which they produce and regulate statistics within a Code of Practice but wish to highlight to HM Treasury the potential conflicts that would occur should the Scottish Executive and Scottish Parliament not choose to implement a wholly independent ONS model on a separate basis for Scotland.

The SNP believes that an Independent Scottish Office of National Statistics (SONS) should be created. This is not an issue that could or should be legislated on by Westminster for Scotland or conducted through legislative consent.

The SNP believes that in relation to the issue of statistics the Scottish Parliament should not at any point be asked to approve legislative consent but should legislate independently with a Scottish solution.

Attached to this consultation is the Official Report of a debate held in the Scottish Parliament in May 2006 on the issue of an Independent Statistics Office for Scotland and Scottish Parliamentary Questions highlighting the potential conflicts, the current position of statistics in Scotland and cross party opinion.

An Independent Scottish Office of National Statistics (SONS)

Consensus exists within the SNP, Conservative and Green parties on the need for an Independent Scottish Office of National Statistics. Support has also been found among non-ministerial Liberal Democrats.

The only conclusive statement from the current Scottish Executive on this issue rejects the idea of an Independent Scottish Agency and comments in a Parliamentary Debate suggested no change was needed in Scotland (see Scottish Parliamentary Questions and Scottish Parliament Debate attached).

An Independent Scottish Office of National Statistics would be an office of the Parliament founded on a statutory basis by an act of the Scottish Parliament. This body would be funded by the Parliament –outside of spending review arrangements - and answerable to the Parliament directly (with scrutiny provided by a Scottish Parliamentary Committee) though working with the Scottish Executive.

This would

- Ensure that there could be no Ministerial involvement in the production, publication and dissemination of statistics.
- Allow the Scottish Parliament, as well as the Executive to determine which Statistics are required for Scotland.
- Ensure that statisticians within the Scottish Executive, Scottish Office or other bodies regulated by government were under both the supervision and auditory control of the SONS or the relevant public body by the SONS.

An Independent SONS could maintain relationships with an independent UK ONS in order to ensure the mobility and training of staff as occurs currently and would liaise with an independent UK ONS of the production of UK wide statistics.

The SNP believes that the creation of an Independent Scottish Office of National Statistics is the only way to ensure the independence of statistics both in Scotland and UK wide and that the Scottish Executive should introduce legislation to create such a body forthwith.

Implications and requirements for Scotland of the HM Treasury proposal Independence for Statistics

In the absence of proposals from the Scottish Executive for an Independent Scottish Office of National Statistics there are considerable implications for the independence of any future UK statistical agency such as that proposed by HM Treasury.

1) In answer to a Parliamentary Question from Jim Mather MSP the Scottish Executive stated that;

“The Scottish Executive makes a wide range of statistical data available to the Office for National Statistics under the terms of the Statistics Concordat. It is not possible to distinguish between data that is formally submitted and data that is provided in other ways.” S2W-17200

A statistic produced by a future Independent UK body which included in any way figures or work conducted by a non-independent Scottish body (egg under the current Scottish system) would be compromised and should – due to the difference of system – therefore not be approved as “National Statistics”, bringing into question the fundamental independence of the body HM Treasury are aiming to create.

This is a fundamental flaw in the current proposal, and one which will have similar implications with regard to Wales and Northern Ireland.

2) In establishing a Governing Board for the Office of National Statistics it is vital that as an Office of “National” statistics, serving the whole of the UK there is adequate Scottish representation on the Board.

3) As the Board will be responsible for the Code of Practice it is essential that Scottish statisticians have statutory representation on the board. This should be enshrined in any legislation establishing a new legislative framework for statistics.

4) The Board should in reporting to Parliament also submit a report to the Scottish Parliament for consideration.

5) An Independent Office of National Statistics should conduct a review of statistical production relating to Scotland by UK bodies. In particular the problems highlighted by Jim and Margaret Cuthbert¹ and by the Statistics Commission in relation to PESA and the consistent concern over the production and information contained in Government Expenditure and Revenues Scotland.

¹ Fraser of Allander Institute Quarterly Economic Commentary, Vol 30, No.3: (2005).

- 6)** The Statistics Commission should not be disbanded until Independence has been established for statistics in Scotland by legislative act of the Scottish Parliament in order to ensure oversight in the intervening period.
- 7)** The position of the General Registrar of Scotland must be considered when developing proposals for the General Registrar Services. Whilst co-ordination at all levels is appropriate; responsibility, management and accountability for the General Registrar of Scotland should be located in Scotland reporting to the Scottish Parliament.
- 8)** The decision over what is a “National Statistic” should be one made by the Board and if necessary approved by the Parliament. It should not be possible as suggested in 4.15 for Ministers to determine if statistics produced within departments are National Statistics. Ministers could propose statistics to the board for National Statistics status. Committees of the Parliament should also be able to propose the establishment of specific statistics and changes to the status of statistics.
- 9)** The Board should be given the power to enforce changes to statistics within government departments over which it has doubts regarding validity, public confidence, purpose or any significant concern.
- 10)** Subject to provisions on privacy and human rights access to administrative data should be made available to the Independent Office of National Statistics.
- 11)** The Independent Office of National Statistics should be established in line with best international practice. The establishment of an Independent Scottish Office of National Statistics by the Scottish Parliament must also be done in line with international best practice.

Conclusion

The SNP is supportive of proposals for Independence for the Office of National Statistics and for the Office of National Statistics and the Code of Practice for Statisticians to be overseen by an Independent Governing Board.

The SNP sees that Independence for National Statistics will be fundamentally flawed without the establishment of a separate Independent Scottish Office of National Statistics on a statutory basis as an office of the Scottish Parliament, reporting to the Scottish Parliament but working with the Scottish Executive and an Independent UK Office of National Statistics.

Without an Independent Scottish Office of National Statistics no statistic produced by a UK based agency containing data from Scotland could be considered Independent or considered for National Statistics status.

The SNP believes that a UK Independent Office of National Statistics should be of the Parliament not within the government as a Non Ministerial Department.

Scotland must be adequately represented on the Governing Board and in all decision making bodies with at least one Board member representing Scottish interests and additional board members representing Scotland in line with the size of the Board.

A review of the production of UK statistics relating to Scotland or incorporating Scotland should be commissioned.

The future of Statistics in Scotland should be determined by Scotland through an act of the Scottish Parliament establishing an Independent Scottish Office of National Statistics– however in formalising proposals for an Independent UK wide Office of National Statistics the fundamental flaws that will occur without the establishment of a separate Independent Scottish Office of National Statistics must be accounted for.

Parliamentary Questions on the issue of Statistical Independence

S2W-18393 - Jim Mather (Highlands and Islands) (SNP) (Date Lodged 11 August 2005): To ask the Scottish Executive what discussions it has had with the UK Government regarding the review of the Framework for National Statistics.

Answered by Mr Tom McCabe (1 September 2005): Preliminary discussions on the review of the framework for National Statistics have been held at official level at the Government Statistical Heads of Profession meetings.

S2W-18392 - Jim Mather (Highlands and Islands) (SNP) (Date Lodged 11 August 2005): To ask the Scottish Executive whether it has responded to the Statistics Commission report, Legislation to Build Trust in Statistics, published in May 2004; whether it will make any such response publicly available, and whether it supports the introduction of an overall legislative framework, as suggested by the report.

Answered by Mr Tom McCabe (1 September 2005): The Executive has not responded to the Statistics Commission report. Any response will be made publicly available.

The Executive has not made a decision on whether it supports the need for legislation in Scotland.

Statistics

S2W-17202 - Jim Mather (Highlands and Islands) (SNP) (Date Lodged 8 June 2005): To ask the Scottish Executive whether it has any plans to develop an independent statistics agency for Scotland.

Answered by Mr Tom McCabe (17 June 2005): The Executive has no plans to develop an independent statistics agency for Scotland. The National Statistics Code of Practice guarantees that the Executive's statistics methods, definitions and release practices are free from political involvement.

S2W-17200 - Jim Mather (Highlands and Islands) (SNP) (Date Lodged 8 June 2005) : To ask the Scottish Executive whether it will provide a list of the statistical data that it produces on behalf of, or submits to, (a) Eurostat and (b) the Office for National Statistics.

Answered by Mr Tom McCabe (17 June 2005): No statistical data is produced by the Scottish Executive solely on behalf of Eurostat or the Office for National Statistics.

Table 1 provides a list of statistical data that the Scottish Executive and General Register Office for Scotland submits directly to Eurostat

Table 1 Data Submitted to Eurostat

Description
Agricultural Census statistics
European Community farm structure survey statistics
Total Income from Farming statistics
Milk utilisation statistics for Scotland
NUTS population statistical estimates
Routine data on vital events statistics
Contribution of census output tables statistics
Tourism statistics contribution to compendium publication

The table does not include statistical data that is provided to Eurostat through another agency such as United Kingdom Government Departments.

The Scottish Executive makes a wide range of statistical data available to the Office for National Statistics under the terms of the Statistics Concordat. It is not possible to distinguish between data that is formally submitted and data that is provided in other ways.

Official Report 11 May 2006

Scottish Parliament Debate - Scottish National Statistics

The Deputy Presiding Officer (Trish Godman): The final item of business is a members' business debate on motion S2M-4171, in the name of Jim Mather, on ensuring the independence of Scottish national statistics. The debate will be concluded without any question being put.

Motion debated,

That the Parliament, in light of the proposals from HM Treasury for the establishment of an independent UK Office for National Statistics, notes that no proposals were made for Scotland; further notes that such proposals for Scotland are the responsibility of the Scottish Executive, and considers that, in light of previous statistical issues such as the loss of Objective 1 funding for the Highlands and Islands through statistical error, the Executive should take similar measures to place the production of Scottish statistics on a statutory basis, incorporating the National Statistics Code of Practice, and establish an independent Office of Scottish Statistics with independent governance answerable directly to the Scottish Parliament.

17:11

Jim Mather (Highlands and Islands) (SNP): First and foremost, I thank those members—not all of whom are here—who gave me cross-party support to ensure that this debate could take place. Despite the turnout of members, the debate is important, because it is about trust in official statistics. That issue continues to grow as demands for evidence-based policies, international comparability and transparency increase.

Statistics drive decisions that affect everyone, including decisions on the allocation of public money to local government and the National Health Service. Operational decisions, policy interventions, policy evaluations and assessments of public service performance depend on statistics. The electorate obviously has a right to know as part of the democratic process.

Trust in statistics is essential for effective administration and the delivery of public services. If members of the public do not trust the figures, they will not trust decision makers and they will not believe Government statements. Survey results show that two thirds of the United Kingdom public believe that figures are changed to support arguments and that information about mistakes is frequently suppressed. I am among that 66 per cent. I am also among the 50 per cent-plus who believe that there is political interference in the production of statistics.

The June 2000 "Framework for National Statistics", which was signed by Scottish ministers and members of other Administrations, was a move in the

right direction. It established a more formal code of practice and set up the Statistics Commission. Now, in "Independence for statistics: A consultation document", the Treasury proposes to entrench UK statistical independence in legislation by "introducing direct reporting and accountability to Parliament, rather than through Ministers"

and

"placing a statutory responsibility on a new independent governing board to assess and approve all National Statistics against the code of practice, also backed by statute".

Those are further steps in the right direction, but what about Scotland?

In such a climate, the Scottish Parliament and the Executive have several options. Option 1 is that we do nothing and revert to pre-2000 arrangements, with no Statistics Commission and no statutory code. That would fail to meet any of the objectives of a statistical service. There would be no independent oversight, no guarantee of impartiality, no openness in selecting statistics to produce and no consistent handling and release of statistics. That would go completely against the UK Government's moves and recent legislation, such as freedom of information legislation. If that happened, the independence that has been proposed for the Office for National Statistics in London would be sacrificed, as Government statisticians there would use Scottish figures that would undermine their independence and the quality of their data, which would be disastrous.

Option 2 is that we replicate the current arrangements and set up a statistics commission for Scotland. The Statistics Commission for the UK has consistently worked to have itself replaced as a statutory body, so that would get us off to a poor start. It would, essentially, take us nowhere and give us no momentum. It would create no opportunity for Parliament to be the arbiter of the quality of our statistics.

Options 1 and 2 are seriously flawed.

That brings us to options 3 and 4. Option 3 is that we create an independent statistics office for Scotland that is modelled, in part, on the proposal for the Office for National Statistics. Option 4 is that we replicate the Treasury's proposals for the oversight of statistics at Whitehall and create a statutory compliance and audit body. Either of those proposals would be a significant improvement. They would offer greater independence for the Scottish system and ensure that the current UK system was not compromised by a lack of Scottish independence and accountability. That would be in the best interests of everyone and would offer a high-integrity direction of travel. Under current constitutional arrangements, there is sense in mirroring the proposed structure of the Office for National Statistics so that it and the Scottish body can work together without compromising the work of either.

Scottish legislation should be passed to enshrine that objective. We need a world-class system. Scotland is one of the few countries in the world that does not have statistical legislation. We need to correct that anomaly as soon as possible. No country can now join the European Union without such legislation. We should not operate under a lesser standard. We should aim to meet all the statistical standards of the European Union, the Organisation for Economic Co-operation and Development and the United Nations.

Ideally, the Scottish body should report annually to the Scottish Parliament, for example to the Finance Committee or the Audit Committee. With the current constitutional arrangement, the Scottish body should have statutory representation in the UK body to ensure that the UK figures relating to Scotland comply with the same standard of independence. At no point should there be ministerial control over any element of the statistical system; it would be better for ministers to work on the statistics that come out of the process.

I echo the words of the 1997 Labour Party manifesto:

"Unnecessary secrecy in government leads to arrogance in government and defective policy decisions. The Scott Report on arms to Iraq revealed Conservative abuses of power. We are pledged to a Freedom of Information Act, leading to more open government, and an independent National Statistical Service."

That is exactly what we need.

My guru, W Edwards Deming, who transformed modern manufacturing, said that no improvement is possible in any system until that system is under objective, accurate statistical control. We should be satisfied with nothing less, especially when we are talking about the statistics of our country.

17:18

Derek Brownlee (South of Scotland) (Con): I congratulate Jim Mather on securing the debate and on not quite managing to clear the public gallery, as perhaps might have been expected given his chosen subject. I also congratulate him on mentioning Mr Deming once again. That seems to be a recurring feature of Jim Mather's speeches, which shows that persistence is one of his virtues.

We all agree that it is important that we can have confidence in statistics and that we have an objective and impartial statistical service. We can agree on that as a general aim; it is how we get to that that is more difficult to agree on. I am not saying that the current statistical system is not working at all; I am just acknowledging that it could be improved and that good statistics are important not just for good government, but to enable businesses, voluntary organisations and a host of other groups in society to plan ahead and to evaluate what work is being undertaken. The worst thing that we could do

would be to have statistics that had all the reliability of a bar chart on a Lib Dem leaflet—that would not be a helpful manoeuvre. An independent statistical service would increase confidence.

Jim Mather is right to learn some lessons from what has happened south of the border. We should not be afraid to learn lessons from Westminster on this issue. The Treasury is only now, in 2006, consulting on an independent statistical service, despite having promised one back in 1997 in the manifesto to which Jim Mather referred. That has handily allowed the chancellor to play fast and loose with a number of statistics, not least those on the economic cycle. It has conveniently allowed him to pretend that he has managed to keep to his golden rule rather than breaking it. I notice that such is the interest of Labour members in statistics and the record of the chancellor that none of them is here to defend it.

The current Government at Westminster created the Statistics Commission in 1998. Of course, its objective then was

"to advise on quality assurance and statistical integrity across the statistical system"

if we are to believe the HM Treasury consultation document. If the proposals in the consultation are enacted, the Statistics Commission will be abolished.

The Statistics Commission has played a valuable role, to some extent. In its 2004 report, it revealed that the Government had been using "unreliable figures" for "political reasons". That is very unlike this Government; no doubt the minister will tell us that it is purely a Westminster problem. In the same report, the Statistics Commission also identified several instances where the Scottish Executive and Scottish ministers had breached the statistics code of practice, so we should not be complacent.

Jim Mather outlined four options that we are faced with. The idea that we can go back to what was there before 2000 is nonsensical; I agree with him on that. If we are to have confidence in the statistics that we use in Scotland, we need to have a reliable set of statistics that everyone—Government, Opposition and everyone else—can deal with. An independent statistical service that is underpinned by legislation and accountable to the Parliament is a healthy proposal and one that members across all parties could support. I hope that the minister will give us a firm steer in his remarks tonight about the route that the Executive is likely to take. As I said earlier, I do not think that the route of doing nothing is one that the Executive can credibly take if it is to inspire confidence in the statistics on which we all depend.

17:22

Mark Ballard (Lothians) (Green): I join Derek Brownlee in thanking Jim Mather for bringing to the chamber this debate on a very important subject.

Given the way in which the issue of waiting times is bandied about—there is a statistical rammy about waiting times at just about every First Minister's question time—I am disappointed that there are not more members in the debate. We use statistics as the bedrock of our political discussion; where they come from and how they are assessed should be much more seriously dealt with. The responsibility of Parliament is to hold the Executive to account. The key element of that is the Parliament's ability to measure what the Executive is doing and to assess the success of Executive programmes. All of that means that we have to have reliable statistics.

I have an A level in statistics, so I am well aware that they can be presented in many different ways. However, whatever the presentation, the underlying statistics should be acceptable, reliable and agreed by everyone. Jim Mather made the entirely valid point that ministerial control would be inappropriate in any kind of office of national statistics. Although I am sure that George Lyon is in every way beyond reproach in how he deals with statistics, it is important that ministers are not only beyond reproach but clearly seen to be beyond reproach. The source of the statistics that we chuck around the Parliament like confetti must be seen to be independent.

That is why I agree very strongly with Jim Mather and Derek Brownlee that we need an independent office to act as a creature of the Parliament. It should be reliant not on the Executive but on the Parliament. My understanding is that that would be quite similar to the situation in the United States of America, where there is an independent congressional office of statistics that fulfils that purpose. As we discuss the potential creation of another commissioner, ombudsman or creature of this Parliament, it is worth bearing in mind that, under the current constitutional set-up, that is the only viable way we have of making certain that the information and activities that are undertaken by an office of statistics, a commissioner or another institution are genuinely independent of the Executive.

Col 25639

I welcome Jim Mather's efforts in securing the debate. I hope that Scotland can move forward in a way that is similar to the way in which the Treasury proposes that England will move forward, and that we will be able to create an office of national statistics as a creature of this Parliament, accountable to Parliament, not ministers.

17:25

The Deputy Minister for Finance, Public Service Reform and Parliamentary Business (George Lyon): I congratulate Jim Mather on securing a debate on this important subject. It is disappointing that there appears to be so little interest in the subject in the chamber.

As the speakers have pointed out, the issue is important. Statistics affect the decisions that we make about the spending of huge amounts of Government finance and Government-raised taxation and underpin the political discourse that takes place in the Parliament. A great deal centres on statistics, their reliability and what they have to say about whether policies are working.

The debate gives the Parliament an opportunity to feed into the on-going ministerial discussions about how we are going to respond to Whitehall's proposals.

Ministers have a strong commitment to the integrity of official statistics. We recognise that reliable and objective statistics are vital not only to informed decision making by Government but to public and parliamentary debate. In particular, we recognise that the professional independence of statisticians from ministers is a key feature of statistical standards across most nations. Our current arrangements reflect that. Ministers are not involved in decisions on the format, content or timing of statistics releases and our compliance with standards on those matters and with all other standards is open to constant scrutiny by the independent Statistics Commission.

We will, of course, be considering whether any changes are appropriate in the light of changes that are being pursued by the UK Government and I do not wish to pre-empt that matter, although I was interested to hear the views that were expressed by members on the subject.

I would like to correct some of the impressions that might have been given during the debate. First, it is entirely wrong to suggest that the statistical error that is referred to in the motion would have been prevented had there been a separate office of Scottish statistics. Indeed, the errors were in statistics produced by the UK Office for National Statistics, which, even then, was largely independent of Government. The member might wish to reflect on the fact that it was Scottish Executive statisticians who identified the error and that their understanding of the policy implications—stemming from the fact that they were working within Government—was a key factor in their ability to identify the mistake. We shall endeavour to ensure that they are able to continue to exercise that function under the new UK set-up.

It is also important to understand the type of statistics that the UK Government will be transferring to the new independent body. A range of economic and labour market statistics that are produced by the UK Government rather than the Executive will be transferred, as will statistics such as neighbourhood statistics and registration statistics, which raise few concerns. The UK Government will not be transferring most of the types of statistics that the Executive produces. For example, it will not be transferring education statistics, crime statistics, or homelessness statistics.

We will also wish to weigh up proposals to increase organisational independence against the considerable benefits that are to be gained from

having statisticians work as part of an integrated approach to the analysis that underpins our policy making and from ensuring that they have, in the words of the UK consultation document,

"good working links to policy makers, allowing them key insights into developments and needs".

The "National Statistics Code of Practice" ensures that that is done in a way that does not impinge on the independence of statistical decisions and that statistics are made publicly available to everyone at the same time. I am sure that the member will agree that decisions that we take on independent production need to be right for Scotland and should not simply follow what might be right for the UK Government. Devolution, of course, allows us to ensure that that is the case.

It is also important to recognise that a substantial part of the UK proposals—and, indeed, the part that is most relevant to Scottish Executive statistics—is about independent scrutiny of the statistics that are produced by Government rather than about independent production. Those are two separate matters. At present, we are part of the scrutiny arrangements that apply by mutual agreement throughout the UK, so we will want to consider our position on the matter as the UK Government's arrangements start to emerge.

As I said at the outset, I welcome the contribution of today's debate—and of the issues that are raised in the UK Government's consultation document—to deciding the best way forward on the matter. The key point is that we must get the right balance between ensuring that Government statistics are robust, reliable and subject to independent scrutiny and ensuring that they provide the proper information at the right time to shape decisions that involve large sums of public expenditure and many issues that affect the lives of the people of Scotland.

Col 25642

Tonight's debate has been helpful in teasing out some of the concerns that exist and allowing us to consider a range of opinions before we make our final decisions. I congratulate Jim Mather on bringing the debate to the Parliament.

Meeting closed at 17:30.